



## The Corporation of the Town of Tecumseh

Development Services

**To:** Mayor and Members of Council

**From:** Brian Hillman, Director Development Services

**Date to Council:** Tuesday, April 8, 2025

**Report Number:** DS-2025-12

**Subject:** Expanding Housing Choices and Improving Affordability  
Housing Accelerator Fund:  
Completion Date Extension for Initiative 1  
Regarding Four Units As-of-Right  
OUR FILE: L11 FED

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### Recommendations

It is recommended:

**That** Report DS-2025-12, entitled “Expanding Housing Choices and Improving Affordability, Housing Accelerator Fund: Completion Date Extension for Initiative 1 Regarding Four Units As-of-Right”, **be received**;

**And that, if** the April 8, 2025, Motion asking Council NOT to support Housing Accelerator Fund Initiative No.1 is not adopted **that** the change in process including planning and public consultation steps for HAF Initiative 1 outlined in Report DS-2025-12, **be supported**.

### Background

#### Tecumseh Housing Action Plan

In August of 2023, Council adopted a Housing Action Plan (HAP), incorporating new housing goals, targets and initiatives that would lead to comprehensive, long-term,

positive changes to improve housing affordability and to broaden the range of housing choices available to Tecumseh residents.

Public support for more affordable housing in Tecumseh was recently affirmed by the Town's statistically valid "2025 Town of Tecumseh Resident Satisfaction Survey Results," dated March 25, 2025, undertaken by Nanos Research. On the question, "how much do you think Tecumseh is in need of more affordable housing," 78% of respondents indicated it was needed, with respondents aged 18-34 rating the need as 9 out of 10, with 10 being the highest rating. This local research is consistent with provincial wide polling which has pegged access to affordable housing as a top issue since 2022.

Council's Housing Action Plan set out 10 initiatives for achieving these outcomes. HAF Initiative 1 is one of several actions that the Town can take to assist in providing greater housing choices and affordability. This measure would build on provincial requirements under the *More Homes Built Faster Act* for municipalities to allow up to three units as-of-right on residential lots, legislation that was passed in 2022.

Four properties in Town have utilized the two Additional Residential Unit ("ARU") permissions, resulting in a total of three units per residential property, since that provincial mandate came into effect. The Zoning By-law defines an ARU as a self-contained residential unit with kitchen and bathroom facilities within a primary single detached dwelling, semi-detached dwelling or townhouse dwelling unit or within a detached building on the same lot that accommodates the primary single detached or semi-detached dwelling.

HAF Initiative 1 would increase permissions to allow three ARUs, resulting in allowing up to four units per residential property (including the main dwelling unit). These projects would be required to conform with regulations, including but not limited to, Ontario Building Code, Ontario Fire Code and Tecumseh Zoning By-law Regulations (maximum lot coverage ratio, minimum front yard setback, minimum rear yard setback, maximum height, minimum distance between buildings, parking requirements, etc.). Each project would continue to require permits and be inspected by the Town's building inspectors.

## **Tecumseh Housing Accelerator Fund**

In February 2024, the Town's Housing Accelerator Fund (HAF) Application received approval, based on the Town's approved Housing Action Plan with the following adjustments:

- 1) dropping the Housing Action Plan's Initiative 8, which read "identifying one or more parcels of land that can be made available for affordable and supportive housing, and pre-zoning the site(s) identified"; and
- 2) revising the Housing Action Plan's Initiative 1 to read "pre-zoning lands to allow up to four housing units as-of-right as part of all low density residential districts". It is important to note that while this increased the maximum allowable units per site from three (as permitted under Provincial legislation) to four, all other elements of the provincial planning and development regulatory framework would continue to apply.

Accordingly, an agreement was entered into with Canada Mortgage and Housing Corporation ("CMHC") setting out nine initiatives to be undertaken by the Town and their corresponding timelines and milestones. Attachment 1 summarizes these initiatives and their status as of the end of March.

The agreement provided specific timelines and milestones for achieving each of these initiatives. Essentially, for each initiative, a start date was established, followed by two milestones, which typically had Milestone 1 involving research and public consultation and Milestone 2 involving finalization of recommended documents (such as amendments to planning documents), including Council consideration and adoption. For each initiative, the agreement also established a completion date. However, CMHC acknowledged that there was an automatic allowance for a three-month extension on completion dates. By way of example, several initiatives were to be completed by December 31, 2024, however they were deemed in compliance with the agreement provided they were completed by March 31, 2025.

HAF Initiative 1 is an outstanding initiative. To remain in compliance with the HAF Agreement, it needed to be completed by March 31, 2025, which date considered the automatic allowance for a three-month extension. The Town was invited to exercise its administrative right under the agreement to request an extension to complete this initiative. Accordingly, on March 21<sup>st</sup>, the Chief Administrative Officer requested an extension to July 25, 2025.

## **HAF Initiative 1**

The intent of HAF Initiative 1 is to amend the Town's Official Plan and Zoning By-laws to permit up to four dwelling units as part of all low density residential districts in the Town of Tecumseh, subject to compliance with regulations outlined earlier in this Report.

The objectives of this initiative are to:

- i) allow Tecumseh residents to age in place, remain in their existing neighbourhoods, and downsize to new housing units that can meet their evolving needs;
- ii) support young families and multi-generational households looking to offset housing costs and/or provide living arrangements where elderly parents/grandparents, adult children, or other family members can live independent lives in close proximity; and
- iii) broaden the range of housing choices available and increase the supply of housing that is attainable to low and moderate income households.

Town consultants, WSP, in consultation with Administration and MillerSilani Inc. prepared the Expanding Housing Choices and Improving Affordability: Directions Report ("Directions Report"), dated January 2025, on this initiative. The Directions Report was attached to Report [DS-2025-09](#).

Leading to the Directions Report, Administration engaged with Council and the public to provide information and education and gather feedback around this Initiative. This included a meeting of Town Council on July 9, 2024, a Public Open House on August 15, 2024, and a Council Orientation Session on December 10, 2024.

The Directions Report has been posted on the Town's website and PlaceSpeak for public awareness and to provide an opportunity for community feedback since January 30, 2025. In addition, a Public Open House featuring the Directions Report was held February 26, 2025, from 4:00 p.m. to 7:00 p.m. in the Town Hall Council Chambers.

## **Previously Proposed Official Plan and Zoning By-law Amendments**

The recommended option considered at the March 11, 2025, statutory public meeting proposed that the Town's Official Plan and Zoning By-laws be amended to allow a maximum of three ARUs in association with a single detached dwelling. This would permit up to a total combined maximum of four dwelling units per lot subject to the following qualifications:

- of sufficient frontage (minimum 80 feet);
- capable of providing the required off-street parking and driveways; and
- able to maintain appropriate landscaped open space areas in front yards.

At present, provincial legislation authorizes two ARUs per property for a total of three dwelling units. Accordingly, this approach would add one additional ARU to qualifying sites. It does not permit purpose-built four-plexes.

## **Comments**

### **Statutory Public Meeting March 11, 2025**

Council held a statutory public meeting on March 11, 2025, in accordance with the provisions of the *Planning Act* to hear comments on the proposed changes to the Official Plan and Zoning By-law described above. The meeting was well attended with those present indicating opposition to the proposed changes and raising several concerns.

The original intent had been to provide a follow-up report to Council summarizing these concerns with associated planning comments and a final recommendation. This course of action has changed because of recent communications with the CMHC.

### **Input from CMHC**

After the statutory public meeting, CMHC met with Administration and advised that the proposed zoning approach to address HAF Initiative 1 was in a form that does not comply with CMHC process. During this meeting, CMHC clarified their process and further advised of acceptable limitations for the options, which was new information to Administration. CMHC also invited an administrative extension to allow time for the Town to follow appropriate process.

The CMHC process requires that multiple options on the means of achieving up to 4 units in all low density residential districts should be brought to the public and Council, and upon appropriate consideration, that Council should select the preferred option for Tecumseh. This process contrasts with Administration recommending a preferred option. In other words, a greater range of options should be brought forward than that which was provided at the March 11, 2025, statutory public meeting, with Council ultimately selecting an option.

CMHC's newly identified limitations include circumstances where permitting up to 4 units is not appropriate:

- a. rural areas without municipal sanitary sewers and water;
- b. flood prone areas; and

c. historic buildings and districts.

For the Town to conduct this process and consider these limitations, it was recognized that additional time would be required to undertake the following steps: analysis, preparation of options, further public consultation and another statutory public meeting. Accordingly, the previously referenced administrative extension sought a new Completion Date of July 25, 2025, for HAF Initiative 1.

To do a course correction on process and account for the CMHC articulated limitations, and in so doing, properly consider the HAF Initiative 1 of the Town's HAF Agreement, Administration recommends proceeding with the next steps outlined above. Through these steps, Administration will also respond to concerns raised during and following the March 11, 2025, statutory public meeting.

This recommendation is counter to the Notice of Motion entered by a member of Council at the March 25, 2025, Regular Meeting of Council. Council will be considering both this report as well as that motion during the April 8, 2025, meeting. Accordingly, to maintain consistency in Council direction, the report recommendation requests support for the next steps of HAF Initiative 1, should the member's Motion not pass.

## Consultations

Chief Administrative Officer  
Financial Services  
WSP  
MillerSilani Inc.  
CMHC

## Financial Implications

The HAF provides \$4,383,110 in funding, with approximately \$1,184,000 to be used for the implementation of the Town's nine initiatives, including \$738,000 to offset the waiving of Development Charges and Building Permits and the purchase of software for e-processing of planning applications.

The balance of the HAF funds, being approximately \$3,199,100, will be used for a capital project that supports the accelerated provision of housing. The proposed project earmarked for this funding is the stormwater management facilities for the Manning Road Secondary Plan Area, which will provide a direct benefit to the Town, the County and the developers to facilitate development in this new housing area as well as needed

capacity improvements to Manning Road (CR19). A forthcoming report will formalize this proposal by seeking Council approval.

The HAF funding is provided over four installments. The first installment of \$1,095,777 was received immediately following the February 15, 2024, execution of the HAF Agreement. Of the first installment, \$220,538 has been spent towards implementing all HAF Initiatives, which includes consulting and town staff costs. There is sufficient funding available through the first installment to undertake the steps noted above regarding the HAF Initiative 1.

The second installment was scheduled to be received by March 31, 2025; however, it has been delayed by CMHC pending completion of HAF Initiative 1 by July 25, 2025.

Should Council not proceed with HAF Initiative 1, the Town risks losing the remaining \$3.2M as CMHC may view the change in direction as a breach of the HAF agreement. A 4.15% increase to the general tax levy would be required to generate the Town's share of this funding shortfall in relation to the earmarked MRSPA stormwater management capital projects.

## Link to Strategic Priorities

Applicable	<a href="#">2023-2026 Strategic Priorities</a>
<input checked="" type="checkbox"/>	Sustainable Growth: Achieve prosperity and a livable community through sustainable growth.
<input type="checkbox"/>	Community Health and Inclusion: Integrate community health and inclusion into our places and spaces and everything we do.
<input type="checkbox"/>	Service Experience: Enhance the experience of Team Tecumseh and our citizens through responsive and respectful service.

## Communications

Not applicable ☒

Website ☐

Social Media ☐

News Release ☐

Local Newspaper ☐



This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Brian Hillman, MA, MCIP, RPP  
Director Development Services

Recommended by:

Margaret Misek-Evans, MCIP, RPP  
Chief Administrative Officer

<b>Attachment Number</b>	<b>Attachment Name</b>
1	Status of HAF Initiatives as of March 31, 2025