



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, July 22, 2025

Report Number: DS-2025-16

Subject: Expanding Housing Choices and Improving Affordability
Housing Accelerator Fund: Initiative 1 – Pre-Zoning Lands to
Allow up to Four Housing Units As-of-Right as Part of all Low
Density Residential Districts Using an ARU Option
Results of Public Consultati

Recommendations

It is recommended:

That Report DS-2025-16, entitled “Expanding Housing Choices and Improving Affordability, Housing Accelerator Fund: Initiative 1 – Pre-Zoning Lands to Allow up to Four Housing Units As-of-Right as Part of all Low Density Residential Districts Using an ARU Option, Results of Public Consultation and Final Options”, **be received**;

And that Council select ONE of the following Options to implement HAF Initiative 1 for single detached dwelling lots on full municipal services located outside the floodprone area and subject to meeting all zone requirements, as detailed in Report DS-2025-16;

Option A re: Up to three ARUs will be permitted on lots with a minimum 24.4 metre (80 foot) frontage;

Option B re: Up to three ARUs will be permitted on lots with a minimum 18.0 metre (60 foot) frontage;

Option C re: Up to three ARUs will be permitted on all lots with a minimum of 30% of the lot area will be landscaped open space;

Option D re: Up to three ARUs will be permitted on all lots with the minimum landscaped open space requirement of the given zone to apply; or

Option E re: Up to three ARUs will be permitted on lots with a minimum 18.0 metre (60 foot) frontage and with a minimum of 35% of the lot area will be landscaped open space;

And further based on Council's selected Option () that By-Law 2025-096 being a by-law having the effect of adopting Official Plan Amendment No. 8 that introduces policies to the Tecumseh Official Plan permitting up to three Additional Residential Units on single unit dwelling lots in accordance with various requirements, **be Read** a first, second, third time and be finally passed this 22nd day of July, 2025;

And further based on Council's selected Option () that By-Law 2025-097 Option () Being a by-law to amend By-law 1746, the Town's Comprehensive Zoning By-law for those lands in the former Town of Tecumseh **be Read** a first, second, third time and be finally passed this 22nd day of July, 2025;

And further based on Council's selected Option () that By-Law 2025-098 Option () Being a by-law to amend By-law 2065, the Town's Comprehensive Zoning By-law for those lands in the former Village of St. Clair Beach **be Read** a first, second, third time and be finally passed this 22nd day of July, 2025;

And further based on Council's selected Option () that By-Law 2025-099 Option () Being a by-law to amend By-law 85-18, the Town's Comprehensive Zoning By-law for those lands in the former Township of Sandwich South **be Read** a first, second, third time and be finally passed this 22nd day of July, 2025; and

And further that Official Plan Amendment No. 8 **be forwarded** to the County of Essex for its review and approval in accordance with the Planning Act.

Executive Summary

This Report summarizes the most recent public consultations regarding HAF Initiative 1 and concludes that the four options presented publicly are still viable alternatives for consideration by Council. However, a fifth option (Option E) is presented that is a hybrid to better address concerns raised by the public. Option E permits up to three ARUs on lots with a minimum 18.0 metre (60 foot) frontage and requires a minimum of 35% of the lot area to be landscaped open space. Administration favours Option E as it provides a more balanced approach, however Options B, C and D continue to be acceptable. It is noted that Option A does not meet CMHC program requirements and, as such, it is not recommended as an acceptable option. All options are limited to lots containing a single detached dwelling that are on full municipal services, located outside

the floodprone area and subject to meeting all zone requirements. In addition, the Report reiterates that none of the options would permit new as-of-right four-plexes.

A Council decision needs to be made at the July 22, 2025, Regular Council Meeting to comply with the HAF Agreement extension, which requires a decision to be made by July 25, 2025. No further extensions are available. Failure to implement HAF Initiative 1 will result in CMHC deciding a breach of agreement and result in the claw back of funds. A separate report is on the July 22, 2025, Regular Council Meeting agenda seeking allocation of HAF capital funds (\$3.2M) towards the MRSPA regional stormwater management solution.

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 contribute to comprehensive, long-term, positive changes to improve housing affordability and to broaden the range of housing choices available to Tecumseh residents.

Council's Housing Action Plan set out 10 initiatives for achieving these outcomes. Housing Accelerator Fund Initiative 1 ("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 legislation passed in 2022 titled the *More Homes Built Faster Act* which required municipalities to allow three units as-of-right on all residential lots.

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.

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 more affordable living arrangements where

elderly parents/grandparents, adult children, or other family members can live independent lives with dignity 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.

WSP (Greg Bender and Will Lamond) and MillerSilani Inc. (Larry Silani), planning consulting firms that have been retained by the Town to assist with the work necessary to implement this initiative, will be attending the July 22, 2025, Regular Council Meeting as delegates to address any questions of Council.

As noted in Report [DS-2025-13](#), several background reports have been released by the Town and a series of public consultations has occurred over the past year in relation to HAF Initiative 1. Attached to Report DS-2025-13 is the WSP report titled HAF Initiative 1: Final Report, dated May 2025 (“WSP Final Report, dated May 2025”). After its release, there were a few revisions required to address housekeeping changes. These changes are summarized on page two of the WSP Final Report, dated May 2025, Revised July 2025 (see Attachment 1).

In accordance with the Council adopted recommendations in Report DS-2025-13, a final public consultation process was recently undertaken which consisted of an Open House on Monday, June 9, 2025, and a Public Meeting on June 23, 2025. The following four options were put forward for consideration as part of this consultation process:

Option	Details
A	Up to three ARUs will be permitted on lots with a minimum 24.4 metre (80 foot) frontage.
B	Up to three ARUs will be permitted on lots with a minimum 18.0 metre (60 foot) frontage.
C	Up to three ARUs will be permitted on all lots. A minimum of 30% of the lot area will be landscaped open space.
D	Up to three ARUs will be permitted on all lots. The minimum landscaped open space requirement of the given zone will apply.

All the proposed options will be subject to the base requirements that to qualify for up to three Additional Residential Units (ARUs) the lot shall:

- i) contain a single detached dwelling;
- ii) be serviced by full municipal services;
- iii) be outside of the floodprone area; and
- iv) meet all zoning regulations (such as side yards, lot coverage, parking requirements and standards etc.).

At present, provincial legislation authorizes two ARUs per property to be constructed on all urban residential lots (singles, semis and townhomes) in Tecumseh, for a total of three dwelling units. Accordingly, the four options would add one additional ARU to qualifying sites. None of the options permit existing single detached dwellings to be demolished and new purpose-built, four-plexes to be built. Also, the third ARU would not be allowed on lots that have a semi-detached or townhome dwelling. It would only be permitted on a lot with a single detached dwelling, meeting or exceeding all regulations as adopted by Council as part of this initiative.

Open House June 9, 2025

The Open House was held from 1:00 p.m. to 9 p.m. on June 9, 2025, at the Tecumseh Arena. Town planning staff, along with staff from WSP and MillerSilani Inc., were available to engage with the 42 members of the public who attended.

The Open House provided an opportunity for the public to review information boards that summarized the intent of HAF Initiative 1, clarified that purpose-built, four-plexes were not being considered as an as-of-right option, and presented details regarding the four options under consideration, all of which are proposing to permit up to three ARUs on single unit dwelling lots.

Statutory Public Meeting June 23, 2025

The Statutory Public Meeting was held at 6:30 p.m. on June 23, 2025, at Tecumseh Town Hall. A total of eight residents provided comments at the public meeting. Following the public meeting, WSP prepared the Memorandum: Tecumseh HAF Initiative 1, dated July 2025 (“WSP Memo”) (see Attachment 2). The WSP Memo provides a summary of public comments received that are different from those that were previously documented in the WSP Final Report dated May 2025, revised July 2025. The WSP Memo also provides planning comments in response to those public comments.

Ultimately, the WSP Memo concludes that no new information or public comments have been provided that cause a deviation from the recommendation for Council to pursue one of the four options to implement HAF Initiative 1.

However, the WSP Memo does note that, in response to the ongoing public concern raised with respect to the desire to maintain the look and feel of the Town's low density residential districts, a fifth option could be considered that is generally a hybrid of Options B and C (shown as Option E in the following table):

Option	Details
A	Up to three ARUs will be permitted on lots with a minimum 24.4 metre (80 foot) frontage.
B	Up to three ARUs will be permitted on lots with a minimum 18.0 metre (60 foot) frontage.
C	Up to three ARUs will be permitted on all lots. A minimum of 30% of the lot area will be landscaped open space.
D	Up to three ARUs will be permitted on all lots. The minimum landscaped open space requirement of the given zone will apply.
E	Up to three ARUs will be permitted on lots with a minimum 18.0 metre (60 foot) frontage. A minimum of 35% of the lot area will be landscaped open space.

Option E establishes a minimum lot frontage of 18 metres (60 feet) while also increasing the minimum landscaped open space requirement to 35%. This option will continue to offer opportunities for the introduction of up to three ARUs throughout low density residential districts of the Town while providing zoning provisions that ensure these uses are properly integrated into the Town's neighbourhoods while maintaining their look and feel. Similar zoning regulations have been introduced by other municipalities receiving HAF funding.

Housing Needs Assessment and Affordability Update

As the Town has gone through the process of implementing the various HAF initiatives, comments have been received questioning the validity of the existence of an affordability issue in Tecumseh. To provide more details on this matter, the Town requested that MillerSilani Inc. provide up-to-date information regarding housing affordability in the Town. This has been provided in the document titled Memorandum: Town of Tecumseh, Housing Needs Assessment & Affordability Update, by MillerSilani Inc., dated June 25, 2025 ("Silani Affordability Memo") (see Attachment 3).

The Silani Affordability Memo provides a high-level summary of the key takeaways from the May 2025 County Housing Needs Assessment Report (prepared by SHS Consulting Inc. and presented to and received by County Council on June 4, 2025), with a particular focus on how they pertain to Tecumseh. It also presents information from Statistics Canada, Abacus Data, and Royal LePage pertaining to how affordability challenges are impacting young Canadians and renter households.

The Silani Affordability Memo acknowledges that a commonly accepted benchmark for measuring affordability is where a household spends no more than 30 percent of its gross household income on housing costs. This is also the measure used in the Provincial Planning Statement (“PPS”). Based on 2021 Census Canada data, 1,000 of the 8,900 households in Tecumseh are facing affordability challenges (i.e. spending more than 30 percent of household income on housing costs).

In addition to the preceding, the following is a list of some of the key takeaways from the County Housing Needs Assessment Report as summarized in the Silani Affordability Memo:

- Tecumseh has a high proportion of owner households, and the highest rate of lone-parent and households containing couples with children in the County of Essex.
- In recent years, Tecumseh has experienced a decline in renter households, despite growth among renter households across the County.
- Tecumseh has among the highest average market rents in the County, and over one-third of renter households face affordability challenges.
- Tecumseh has among the lowest number of community or affordable housing units per capita in the County. There is a need for affordable housing for the low-income households in the Town.
- The increase in sale prices for newly constructed dwellings in Tecumseh has dramatically outpaced household incomes in the last decade. There is a need for affordable options for moderate-income households on the ownership market.
- The housing stock in Tecumseh will require a diverse range of housing options for the expected growth of family and non-family households, as well as the creation of owner and renter housing attainable to households at varying income levels.
- To accommodate low and moderate-income households in need, municipalities in the County of Essex should target 5% of housing completions to be deeply

affordable units and target 15% for affordable rental housing units. For Tecumseh, these targets would represent approximately 160 deeply affordable and 470 affordable rental housing units.

The Silani Memo also provides a list of “what was heard” through the extensive community and stakeholder consultation that was undertaken as part of the preparation of this County Housing Needs Assessment during the fall of 2024. Some of what was heard from across the County indicated:

- there are insufficient affordable housing options;
- there is a mismatch between supply and demand in that the existing housing stock does not reflect the needs of smaller households, aging residents or first-time buyers;
- rising rents and long housing waitlists are leaving many without options, especially those relying on assistance programs;
- participants observed that local opposition to new development, particularly developments with density, has increased, making it more difficult to add needed housing;
- newcomers, seniors, single-income households, and people with complex needs face the greatest difficulty accessing stable housing;
- household incomes lag behind housing costs.

Finally, the Silani Memo presents information from Statistics Canada, Abacus Data, and Royal LePage pertaining to how affordability challenges are impacting young Canadians and renter households. The following are a few of the findings of these reports:

- young adults (aged 20 to 35 years) are more likely to report experiencing housing affordability challenges, with 59 percent being very concerned about their ability to afford housing;
- rising rent and house prices both contribute to affordability challenges that disproportionately affect younger adults;
- nearly two-thirds of young Canadians (61percent) revealed that their financial situation, shaped by the housing crisis, negatively affects their mental health;
- the risk of a brain-drain from unaffordable communities, provinces, and Canada entirely is real and acute;

- of 1,800 Canadian adults surveyed in early June of 2025, 40 percent of renter households reported that they had to reduce spending on groceries/food to afford to make their monthly rental payment.

Recommendation of the Tecumseh Housing Advisory Panel

At the June 5, 2025, Tecumseh Housing Advisory Panel meeting, the four options being proposed for HAF Initiative 1 were reviewed with the Panel. Ultimately, the Panel passed a resolution recommending Option C or D as the preferred options for Council consideration. It is important to note that this recommendation was made prior to the development of Option E.

Comments

All the options have been considered against the PPS, the new County of Essex Official Plan (“County OP”) and the Town’s Official Plan (“Town OP”). These documents contain comprehensive goals and policies that direct the Town to ensure that a broad mix of housing types and tenures are available to meet the evolving housing needs of the community, and to households of all income levels. In addition, the options assist with the implementation of the following goals from the Town’s Housing Action Plan, being:

- i) Goal 2 – to improve housing affordability for Tecumseh residents, for both rental and ownership housing;
- ii) Goal 3 – to diversify the Town’s existing housing stock;
- iii) Goal 4 – to streamline municipal approvals.

Based on the preceding, Town Administration and its consulting team believe that the options provided to implement HAF Initiative 1 are consistent with and conform to these housing goals and policies.

Considering all the preceding information and having regard to what we heard as part of the public consultation process along with best practices regarding the use of up to three ARUs in other similar municipalities, it is the opinion of Administration and the Town’s consulting team that Option E provides a more balanced approach. It meets CMHC program requirements as a hybrid of Option B and C (described in the table shown on page 6 and 7 of this Report) and results in an appropriate “made in Tecumseh” solution. It is better able to protect the unique character, look and feel and built form of Tecumseh’s existing and future neighbourhoods while continuing to offer a greater range of housing options and tenures to residents. Having stated that, it

continues to be the opinion of Administration and the Town's consulting team that Options B, C and D are valid options as well.

It is important to remind Council that Option A does not meet CMHC program requirements and as such Administration does not recommend that it be selected.

Regardless of the option selected, if the Tecumseh OP and zoning by-laws are amended to permit up to three ARUs on properties with a single detached dwelling, Administration will monitor the uptake and any associated impacts to ensure the zoning regulations are appropriate and effective in achieving the desired outcomes.

It should be noted that an Official Plan amendment document and zoning by-law amendments for each option will be on the July 22, 2025, Regular Council Meeting Agenda. A Council decision needs to be made at the July 22, 2025, Regular Council Meeting to comply with the HAF Agreement extension, which requires a decision to be made by July 25, 2025. No further extensions are available.

In summary, it is believed that the options provided represent sound land use planning, are consistent with the policies set out in the PPS and are in conformity with the goals and policies contained in the new County OP, the Town OP and the Tecumseh Housing Action Plan. These options, together with all the other changes adopted by Council as part of the Town's HAF Agreement, will enable Tecumseh residents to purchase or rent a broader and more affordable range of housing that is tailored to the evolving housing needs of existing and future residents of this growing community.

Consultations

Chief Administrative Officer
Financial Services
WSP
MillerSilani Inc.
StrategyCorp
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 regional stormwater management solution 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 separate report at the July 22, 2025, Regular Council Meeting 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. 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 will determine whether such change in direction is a breach of the HAF agreement. For illustrative purposes, if the Town were required to raise this amount in one year, 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 project. For practical purposes, long term debt paid by all Tecumseh taxpayers would be required as the Town's LC Storm Reserve Fund is projected to be in a deficit position.

Link to Strategic Priorities

Applicable	2023-2026 Strategic Priorities
<input checked="" type="checkbox"/>	Sustainable Growth: Achieve prosperity and a livable community through sustainable growth.
<input checked="" 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

Reviewed by:

Tom Kitsos, CPA, CMA, BComm
Director Financial Services & Chief Financial Officer

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
1	Tecumseh HAF Initiative 1: Final Report by WSP, dated May 2025, Revised July 2025
2	Memorandum: Tecumseh HAF Initiative 1 by WSP, dated July 2025
3	Memorandum: Town of Tecumseh, Housing Needs Assessment & Affordability Update by MillerSilani Inc., dated June 25, 2025