



Staff Report

Planning & Development Services – Planning Division

Report To: COW-Operations_Planning_and_Development_Services
Meeting Date: March 9, 2024
Report Number: PDS.24.015
Title: Recommendation Report – Follow up to the Public Meeting for
Additional Residential Unit (ARU) Zoning By-law Amendment
Prepared by: Carter Triana, Intermediate Planner

A. Recommendations

THAT Council receive Staff Report PDS.24.015, entitled “Recommendation Report – Follow up to the Public Meeting for Additional Residential Unit (ARU) Zoning By-law Amendment”;

AND THAT Council direct Planning Staff to include a review of zoning provisions impacting recreational vehicles and trailers as part of the upcoming Zoning By-law update project;

AND THAT Council support a modification to the lot coverage provisions in accordance with Option 2, which would permit a 5% per ARU increase to the maximum lot coverage for accessory buildings and/or main buildings containing an ARU;

AND THAT Council support a modification to the location of detached ARU provisions in accordance with Option 2, which would permit multiple ARUs to be located in one detached accessory building;

AND THAT Council support a modification to the permitted number of units in accordance with Option 1, which would permit a maximum of two ARUs on eligible lots;

AND THAT Council direct Planning Staff to include a review of the potential to permit a third ARU on certain properties as part of the upcoming Zoning By-law update project;

AND THAT Council support in principle the removal of the provision limiting ARUs to a maximum of two bedrooms, pending adoption of the updated Official Plan;

AND THAT Council support in principle the modification of parking requirements for ARUs to require a minimum of one (1) parking space per dwelling unit on a lot that contains at least one ARU, pending adoption of the updated Official Plan;

AND THAT Council defer the enactment of a By-law to modify the number of bedroom and parking provisions of Zoning By-law 2018-65 until the updated Official Plan is adopted;

AND THAT Council enact a By-law to modify the definitions and provisions of Zoning By-law 2018-65 in accordance with Attachment 1, modified as required based on decisions regarding lot coverage, location of detached ARUs, and number of ARUs;

B. Overview

Due to changes to the Planning Act as a result of Bill 23, municipalities are required to update their Zoning By-laws and Official Plans to allow, at a minimum, three residential units on all residential properties within settlement areas that are serviced by municipal water and sanitary sewer services. This Zoning By-law Amendment seeks to implement these changes, to provide greater flexibility to property owners interested in constructing additional units by updating associated zoning provisions, and to provide clarity regarding what constitutes an Additional Residential Unit (ARU). This project will also lay the groundwork for the creation and enhancement of Town resources to guide residents through the process of constructing an ARU.

Planning Staff recommend that the proposed provisions included as Attachment 1 to this report be enacted, with Council deciding on the specific items listed below. Options recommended by Planning Staff are in bold and are discussed in additional detail later in this report.

Lot Coverage

Option 1: No additional lot coverage permitted.

Option 2: Permit an additional 5% lot coverage per ARU and add a special provision to permit an equivalent increase to the total maximum lot coverage permitted in the applicable zone.

Option 3: Exempt ARUs from lot coverage calculations.

Location of Detached ARUs

Option 1: Permit a maximum of one (1) ARU in one detached accessory building.

Option 2: Permit multiple ARUs to be located in a maximum of one (1) detached accessory building.

Option 3: Permit multiple ARUs in a maximum of two (2) detached accessory buildings.

Number of Units

Option 1: Permit a maximum of 2 ARUs.

Option 2: Permit a maximum of 3 ARUs.

Table 1 provides an overview of current provisions and proposed modifications. Commentary on each of the proposed changes is provided later in this report.

Table 1. Current Provisions and Proposed Modifications

	Current	Recommended
Number of ARUs	Max. 1 unit	Full municipal services: up to 2 ARUs Partial municipal or private services: <ul style="list-style-type: none"> • Under 0.8ha: 1 ARU • Greater than 0.8ha: 2 ARUs
Location (detached)	Max. 1 in detached building 50m from main building	Multiple in one detached building 50m from main building
Floor Area	Max. 50% main dwelling unit	Max. 100 sq. m.
Bedrooms	Max. 2	N/A (pending Official Plan update)
Setbacks (detached)	In accordance with setbacks applicable to main building	1.2m from rear lot line, other setbacks in accordance with those applicable to main building
Lot Coverage	10% for detached accessory buildings and structures, plus overall for zone	Additional 5% to detached accessory building and total lot coverage maximums per ARU
Height (detached)	4.5m	4.5m, 8m above other accessory use
Parking	1 space per unit in addition to those required for main dwelling unit	1 parking space per dwelling unit on lot that contains at least one ARU (pending Official Plan update)
Driveway Entrance	Attached: N/A Detached: Must share entrance with main dwelling unit	N/A

As modifications to zoning provisions related to recreational vehicles and trailers will require additional focused review and in consideration of current Staff capacity and other ongoing projects, Planning Staff recommend that this review be included as part of future review, such as during the upcoming Zoning By-law update project. Alternatively, if Council wishes to direct Staff to initiate this review now, the recommended motion may be amended.

C. Background

The current version of Zoning By-law 2018-65 includes a definition and provisions for “accessory apartment” uses. This definition was first introduced to Town of Thornbury Zoning By-law 83-40 and Town of Thornbury Zoning By-law 10-77 in 2016, through By-laws 2016-64 and 2016-65,

respectively, and was carried over into the current By-law. Provisions for “accessory apartments” were also first introduced through these By-laws and were largely maintained in the current By-law. Additional analysis of recommended changes to the current definition and provisions is included below. For the purposes of this report and for discussion, “accessory apartments” will be called Additional Residential Units (ARUs) from this point forward.

On November 28, 2022, [Bill 23](#) received Royal Assent. This legislation amended various sections of the Planning Act to require local Official Plans and Zoning By-laws to permit up to three residential units as-of-right on residential properties within settlement areas that are connected to municipal water and sanitary sewer services. Figure 1 provides an example of the minimum potential configurations of these units allowed because of Bill 23. The amendments to the Planning Act also exempt residential developments of ten (10) units or less from Site Plan Control.

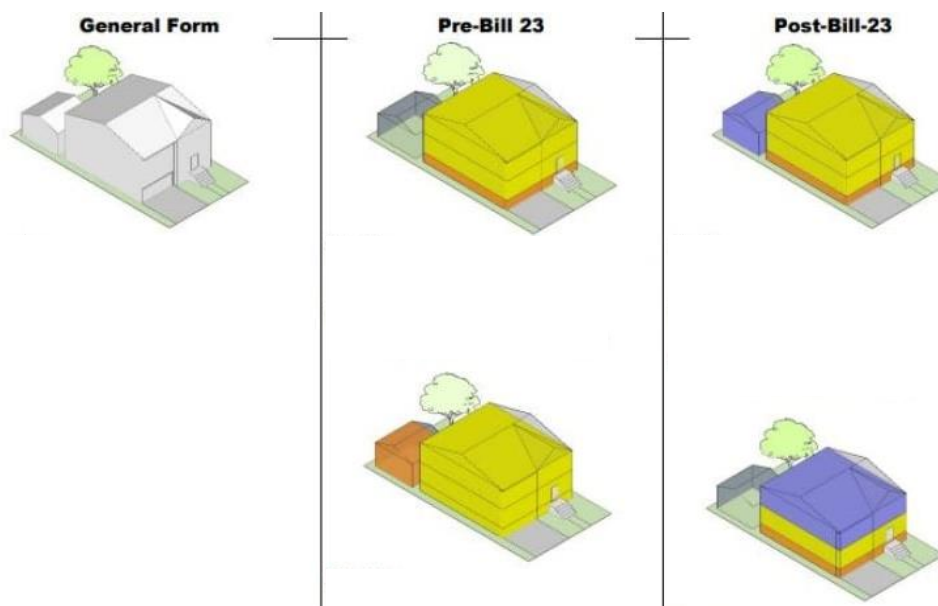


Figure 1. Possible Configurations of Residential Units Pre- and Post-Bill 23 (Adapted from the City of Ottawa)

On [November 20, 2023](#), Council directed Staff to initiate the process to amend Zoning By-law 2018-65 to update the definitions and provisions related to accessory apartments. This update will bring the Zoning By-law into conformity with Provincial legislation and will further encourage the construction of ARUs in the Town.

The Town regularly receives minor variance applications related to ARU proposals, which are then reviewed by and decided on by the Committee of Adjustment. The Town received six (6) of these applications in 2022, eight (8) in 2023, and 5 (five) to date in 2024. These applications most often include requests for relief from zoning provisions related to height, lot coverage, floor area, and setbacks.

On February 20, 2024, Council passed the following resolution:

AND THAT Council direct staff to provide a staff report for Council consideration including the opportunity to add RVs and trailers in the Additional Dwelling Unit Public Meeting.

As a result of this direction, a slide was included in the March 12, 2024, public meeting to outline the current zoning provisions related to recreational vehicles (RVs) and trailers. During this presentation, Planning Staff indicated that potential updates to these provisions would likely require additional and more focused review than that required for the subject Zoning By-law Amendment. As such, should Council wish to further explore potential updates to these provisions, additional direction may be provided to Staff to initiate a review of zoning provisions impacting recreational vehicles and trailers. Alternatively, Council may wish to direct Staff to include this review as part of the anticipated Zoning By-law update.

Public Comments

A statutory public meeting was held on March 12, 2024, for the subject application. In response, the Town received several written and verbal comments from area residents and external agencies. All comments received to date have been summarized as Attachment 2 and full versions of all written comments are included as Attachment 3 to this report. Planning Staff responses to the summarized written comments are also included in Attachment 2. A summary of common responses received, and Staff responses is included below:

- **Why is the term Additional Residential Unit (ARU) proposed to be used instead of Accessory Apartment?**

The Planning Act uses the term *residential unit* in the multiple unit regulations introduced through Bill 23. The Grey County Official Plan also uses the term *additional residential unit* in reference to these units. Many municipalities are also making this change to the language within their regulatory documents to provide greater clarity and consistency with upper-level regulations. This change also reflects changes in thinking about multiple units on a property, with additional units no longer thought of as accessory and subordinate to a primary unit, but rather as equal in their own right.

- **Why do the proposed changes not allow ARUs on some partially serviced properties?**

This has been modified in the draft provisions contained in this report, recognizing that the current zoning provisions allow up to one ARU on any property in the Town, regardless of size or servicing. The updated draft provision would allow one ARU on partially or privately serviced properties under 0.8 hectares in size and two ARUs on partially or privately serviced properties that are greater than 0.8 hectares in size.

Modifications Since Public Meeting

Minor changes to the wording and structure of the proposed definitions and provisions have been made for clarity. These changes do not impact the effect of the proposed provisions.

The definition of a bunkie has been removed from the draft By-law as additional discussions regarding how to best incorporate this definition, if at all, into the Zoning By-law should be had. It is recommended that these discussions occur during the upcoming Zoning By-law update.

The requirement that ARUs use the same driveway entrance has been removed as the number of driveways possible on a lot is regulated through other zoning provisions. Additional commentary is included below.

As discussed above, draft provisions regulating the number of ARUs have been modified to allow a maximum of one ARU on partially or privately serviced lots under 0.8 hectares. This is consistent with the current zoning provisions and the draft provisions that were originally proposed would have been more restrictive.

Provisions related to the Niagara Escarpment Plan have been removed from the draft By-law, recognizing that there may be updates to the Plan as a result of the changes to the Planning Act. Future amendments to the Zoning By-law can be considered once the Plan is updated. Additional commentary is provided later in this report.

D. Analysis

Planning Act

The proposed amendments are a direct result of changes to the Planning Act as a result of Bill 23. As such, the Town is required to, at a minimum, permit up to three residential units on residential lots that are serviced by municipal water and sanitary sewer.

In making planning decisions, the Planning Act requires approval authorities to have regard for matters of Provincial Interest, as outlined by Section 2 of the Act and the Provincial Policy Statement. Council must also have regard for the policies of the Official Plan which apply to the lands. S.34 of the Act provides authority to municipal councils to enact land-use zoning by-laws. Additional commentary is provided below regarding the policies of the PPS and Official Plan.

Provincial Policy Statement

The Provincial Policy Statement (PPS) provides more detailed policy direction on matters of provincial interests related to land use planning and development. The PPS provides for appropriate development while protecting resources of provincial interest, public health and safety, and the quality of the natural and built environment.

Section 1.0 of the PPS promotes Building Strong Healthy Communities through the provision of efficient development and land use patterns that promote cost effective development patterns to minimize land consumption and servicing costs. Residential uses should have compact form and be comprised of a range and mix of dwelling types and densities in order to allow for efficient use of land and services (PPS Section 1.4.3). In this regard, the PPS directs growth and intensification to existing Settlement Areas where suitable infrastructure is available or planned, adjacent to existing development. Municipal water and sanitary sewer systems are the preferred servicing form within settlement areas (PPS Section 1.6).

The proposed amendments allow for greater flexibility in the amount and type of housing that can be constructed in the Town. The amendments seek to provide greater clarity to regulations surrounding ARUs and to promote their construction through additional permissions. These changes would allow for densification within existing neighbourhoods at a scale that can preserve

the existing character of those areas. The amendments would also allow for ARUs to be constructed on lots with full municipal services. Permission to construct ARUs on partially privately serviced lots is also proposed, with the number of ARUs permitted based on the size of the lot.

Based on the above comments, Planning Staff are satisfied that the proposed zoning is consistent with the direction provided by the Provincial Policy Statement (2020).

Niagara Escarpment Plan

The Niagara Escarpment Plan permits “secondary dwelling units” in certain areas designated under the Plan and contains specific criteria for these units when one is proposed. The criteria that are especially relevant when considering the proposed amendments to the Town’s Zoning By-law relate to the number of units, their location, and their size. The Plan limits the number of “secondary dwelling units” to one per lot and requires this unit to be located within the main building on the lot. The Plan also requires “secondary dwelling units” to be subordinate in size to the primary unit in the building.

Properties located with the Niagara Escarpment Plan Development Control Area are not subject to municipal zoning and instead receive approvals for development directly from the Niagara Escarpment Commission. As such, properties within the Development Control Area would not be affected by the proposed amendments. Other areas outside of the Development Control Area but designated under the Niagara Escarpment Plan are subject to municipal zoning and the policies of the Niagara Escarpment Plan, but do not require approval from the Niagara Escarpment Commission. These properties will be affected by the proposed amendments. Figures 2 and 3 show the extent of the Niagara Escarpment Plan land use designations and the Development Control Area.

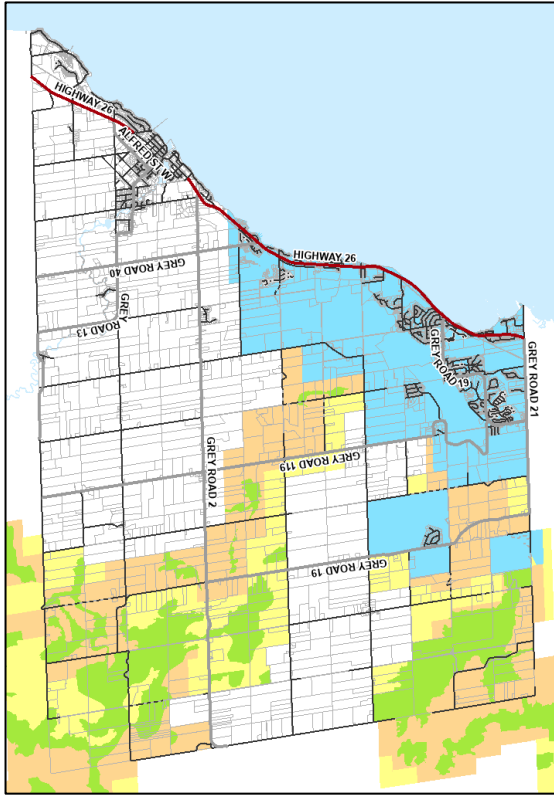


Figure 2. Land Use Designations



Figure 3. Development Control Area

Limiting the number of ARUs to a maximum of one and requiring them to be located within the main dwelling severely limits the potential number and configuration of ARUs that could be constructed in the Town as a large portion of the Town is designated under the Niagara Escarpment Plan. Recognizing that the Niagara Escarpment Plan may be updated in the near future to address additional permissions provided to property owners through changes to the Planning Act, Planning Staff recommend proceeding with the enactment of the By-law as drafted, which does not include provisions specific to properties designated under the Niagara Escarpment Plan. Should future updates to the Niagara Escarpment Plan result in more restrictive policies than the Town's Zoning By-law, relevant provisions can be updated or added to maintain consistency with the Plan.

Grey County Official Plan

In 2022, Grey County Council adopted County Official Plan Amendment #11, which included updates to the County's ARU policies. The Official Plan recognizes the importance of flexible and adaptive policies to support diverse, affordable, and attainable housing opportunities. The policies were developed before changes to the Planning Act under Bill 23, but the updated Official Plan policies do not significantly conflict with the changes to the Act. Policies through OPA 11 require municipalities to consider the following as they relate to ARUs. Planning Staff commentary is included after each policy.

- **Municipalities shall develop local policies and zoning regulations that establish appropriate standards, which protect neighbourhood character, public health and**

safety, and enjoyment of abutting properties without unduly restricting the creation of such dwelling units.

The proposed zoning provisions seeks to allow greater flexibility while also mitigating negative impacts to adjacent properties. The current provisions are relatively restrictive, as shown by the number of minor variance requests the Town receives, so the proposed modifications allow for greater conformity to this policy.

- **In the countryside, an ARU shall be within the farm cluster.**

A provision has been included to require ARUs to be located no further than 50 metres from the main building on the property.

- **An ARU established on Agricultural designated lands shall not be severed through a surplus farmhouse severance application.**

Severance policies are in the Town's Official Plan so this is not relevant to this Zoning By-law Amendment.

- **ARUs shall not be permitted in the Hazard Lands land use type.**

Buildings and structures are not permitted in the Hazard land use designation or zone.

- **Up to one ARU shall be permitted on lands designated Inland Lakes & Shoreline.**

The Town does not contain lands designated Inland Lakes & Shoreline.

- **If a temporary by-law is in place for an approved Garden Suite, only one additional ARU would be permitted on a property until such time that the garden suite is converted to a permanent dwelling, or the temporary use by-law expires or is annulled.**

The Town's Official Plan contains policies on garden suites. A temporary use by-law is required to permit a garden suite and there are currently no garden suites in the Town.

- **Nothing in this section shall be interpreted to prevent the conversion of residential dwellings in settlement areas to rental units that exceed the ARU provisions of this Plan, provided local official plan and zoning by-law policies can be met.**

The provisions of the Zoning By-law would need to be met to convert an existing dwelling to an ARU.

- **Municipalities may choose to require a nitrate study for additional residential units on lots less than 0.4 hectares in size.**

This requirement has not been included through zoning as it would be required through a larger planning application, if necessary, and in consideration that ARUs will be constructed on existing lots. Staff are satisfied that the existing review of private servicing through the building permit process is sufficient.

- **At no point shall the total number of permanent residential units on a farm property exceed three; however housing for temporary farm labour shall not be considered within this unit total.**

The proposed amendments allow a maximum of three residential units on any one property in the Town larger than 0.8 hectares in size. Accessory farm employee accommodation is considered a distinct use for the purposes of zoning and provisions specific to this use are included in Section 4.4 of the Zoning By-law. There are no impacts to accessory farm employee accommodations as a result of the recommendations contained in this report.

The proposed amendments generally follow the considerations outlined in the Grey County Official Plan. Planning Staff have also considered additional detail provided by the County through a memo to local municipal planners for updates to ARU policies and provisions in local Official Plans and Zoning By-laws.

Furthermore, the Grey County Housing Action Plan provides action items related to increasing the affordability, quality, and quantity of housing in the County. These action items include encouraging municipalities to update local Official Plans and Zoning By-laws based on changes to the Planning Act. As such, the proposed amendment is in line with this direction.

Planning Staff are therefore satisfied that the proposed Zoning By-law Amendment conforms to the Grey County Official Plan.

Town of The Blue Mountains Official Plan

As part of Phase 2 of the ongoing Official Plan review project, several background papers were prepared to provide research, analysis, and recommendations on certain topics. As part of this process, a [Housing Needs Assessment](#) was prepared. As identified in this document, there is currently a need for 215 affordable housing units in the Town and a need for smaller housing units as nearly 70% of households in the Town could be considered “overhoused”. The document also contemplates the need for an additional 1,500 affordable housing units by 2046. The report recommends recognizing the importance of ARUs in the Official Plan as an affordable housing option and allowing these in all residential land use designations. Furthermore, the report recommends that all single detached, semi-detached, and rowhouse dwelling development should include design options available to purchasers to incorporate two units in the main building and one in an accessory building. As such, the updated Official Plan is likely to further encourage the construction of ARUs in the Town, which is aligned with the direction of the recommended amendments to the Zoning By-law contained in this report.

Section B2.7 of the Official Plan contains policies for “accessory apartments”. As discussed previously, this term is proposed to be replaced in the Zoning By-law and will be replaced once the review of the Official Plan is complete. As such, these policies are still applicable to ARUs. The policies are listed below, followed by Planning Staff commentary.

a) the accessory apartment meets the relevant requirements of the Town, and the Ontario Building Code and Fire Code;

This is confirmed through the building permit review process.

b) there is sufficient space on the lot to provide one additional parking space for the accessory apartment;

The proposed provisions seek to modify the parking requirement by requiring one parking space per dwelling unit on a lot, rather than requiring a parking space for an ARU in addition to those required for the primary unit. Additional analysis of the proposed modification is provided below. If supported by Council, this provision would be incorporated through a by-law once the Official Plan review is complete and an updated Official Plan is adopted. Currently, the proposed provision would not conform to this Official Plan policy.

- c) the residential nature of the existing residential buildings and structures are maintained;**

ARUs are considered residential uses and, as such, the residential nature of existing residential buildings or new buildings where an ARU is located will be maintained.

- d) the floor area of an accessory apartment is limited by the Zoning Bylaw; and,**

The floor area of an ARU is proposed to be limited to a maximum of 100 square metres.

- e) the accessory apartment has no more than two bedrooms.**

Planning Staff have recommended removing the existing zoning provision limiting ARUs to a maximum of two bedrooms. Additional commentary is provided below. If supported by Council, this provision would be incorporated through a by-law once the Official Plan review is complete and an updated Official Plan is adopted. Currently, the proposed provision would not conform to this Official Plan policy.

- f) Adequate water and sewer services are available.**

ARUs would be constructed on existing lots that are either connected to municipal services or private services. For those lots connected to municipal services, ARUs are not used in capacity calculations as they are not anticipated to require large amounts of capacity. For those lots connected to private services, capacity is confirmed through the building permit process.

- g) The accessory apartment is proposed in a detached building, site plan control shall apply. The structure shall be located within the existing building cluster.**

Changes to the Planning Act under Bill 23 exempt residential developments of 10 units or less from Site Plan Control. As such, this policy can no longer be enforced. This amendment seeks to maintain the requirement that ARUs are located no further than 50 metres from the main building, thereby requiring them to be located within the existing building cluster.

- h) In the Niagara Escarpment Plan Area where such accessory apartments are permitted by the Niagara Escarpment Plan.**

As indicated above, provisions have been included to regulate ARUs in areas designated under the Niagara Escarpment Plan.

Section D7 of the Plan provides policy direction on housing, requiring the Town to monitor the housing supply within the municipality and to maintain a ten-year supply of residential land. These policies further identify that a variety and range of housing types shall be encouraged. The proposed amendments seek to further encourage the construction of ARUs in the Town and to limit their size. ARUs represent an important housing type that can be more easily accommodated within existing neighbourhoods without disrupting the character of those areas to serve as infill development.

Based on the above commentary, Planning Staff are satisfied that the proposed Zoning By-law Amendment will conform to the policies of the Official Plan, save the proposed amendments to the parking and number of bedrooms provisions, which can be enacted through a subsequent by-law after the updated Official Plan is adopted.

Town of The Blue Mountains Zoning By-law

Existing provisions for “accessory apartments” can be found in [Section 4.1](#) of the Zoning By-law. The proposed amendment would have a Town-wide effect and does not seek any site-specific

zoning modifications. Detailed analysis of each of the proposed changes as outlined in Table 1 is included below.

Short-Term Accommodations (STAs)

The current Zoning By-law does not permit ARUs to be used as STAs. This will be maintained through the proposed changes by stating in the definition of an ARU that this use shall not mean or include an STA use.

The changes to the Planning Act require municipalities to adopt Official Plan policies and Zoning By-laws that allow additional units on “parcels of urban residential land”, which is defined as a parcel of land in a settlement area on which a residential use is permitted, and which is serviced by municipal water and sanitary sewer. The Town’s Resort Residential zone includes single detached dwellings and STAs as permitted uses. As such, a residential use is permitted in this zone and therefore the Planning Act requires that additional units be permitted on lots in this zone that are connected to municipal water and sewer. In effect, this would permit the construction of ARUs on a property that also contains an STA, although the ARUs could not be used as STAs. As this is a requirement under the Planning Act, the Town cannot prevent the construction of ARUs on RR zoned properties through zoning. Instead, this may be addressed through an update to the STA licensing by-law, which is already being undertaken by Staff, as this by-law is not held to the standards of the Planning Act. For example, the by-law could prohibit the issuance of an STA license to a property that has an ARU or permit the revocation of a license if an ARU is constructed on a property with an operating STA.

Definitions

Three new definitions are proposed to be introduced to the Zoning By-law as part of this amendment: *additional residential unit (ARU)*, *primary residential unit*, and *bunkie*. The definition for an *accessory apartment* is proposed to be removed.

The definition for an *accessory apartment* currently in the Zoning By-law is very limited and does not provide much clarity to residents. The proposed replacement of this term and associated definition seeks to provide additional detail and align the term with those used in provincial and county regulation and policy, as discussed previously. The definition also provides context for the term, listing other terms that the public may be familiar with to link them to the new term, including accessory apartment, secondary suite, and accessory dwelling unit (ADU). Finally, the definition lists uses that are not considered or included in the definition of an ARU for zoning purposes, including a recreational trailer or vehicle, and a short-term accommodation. Figures 4-7 provide examples of what ARUs may look like in practice. It is noted that in Figure 6, any three of the buildings pictured could undergo internal renovations to accommodate three units while still maintaining the exterior design of the building.



Figure 4



Figure 5



Figure 6

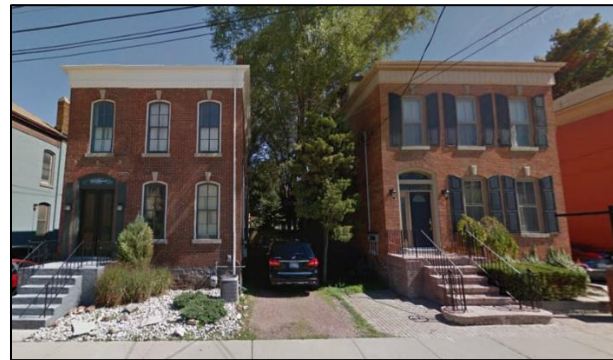


Figure 7

Figures 4-7. Examples of ARUs, including in a detached accessory building (2), above a detached garage (3), configured as a triplex (4 and 5).

A definition for a primary residential unit has also been proposed. For the purposes of the Planning Act, this term is only used to regulate the number of parking spaces that can be required for ARUs. This term and its definition are important for the Town's Zoning By-law as the primary residential unit is distinct from an ARU in consideration of parking, maximum floor area, and setbacks.

The current Zoning By-law does not define a bunkie, but this is a term that is often used to describe certain buildings on a lot. The addition of this definition seeks to distinguish this use from an ARU as the ARU zoning provisions do not apply to this use. Instead, a bunkie is required to meet the provisions for accessory buildings and structures. If a building contains more than two of the following features: bedroom, washroom, cooking facilities, it cannot be considered a bunkie and may be subject to zoning provisions beyond those required for accessory buildings and structures. This definition has been removed from the draft By-law and Planning Staff recommend the definition be incorporated during the upcoming Zoning By-law update in a manner that best provides the distinction outlined above.

Number of Units

The Zoning By-law currently limits the number of ARUs on one lot to a maximum of one. As discussed previously, Bill 23 made changes to the Planning Act requiring municipalities to permit, at a minimum, two ARUs on residential lots that are serviced by municipal water and sanitary sewer. As this is the minimum that has been set by the Province, the Town can permit additional ARUs, should Council wish. Council has two options in this regard:

Option 1: Permit a maximum of 2 ARUs.

This is the minimum required as a result of the changes to the Planning Act. As such, Council must, at a minimum, support this option.

Option 2: Permit a maximum of 3 ARUs.

There is an opportunity to go beyond the requirements that the Province has required regarding the number of ARUs permitted on a property. Other municipalities, both in Ontario and in other parts of Canada, have recently elected to permit four dwelling units on one property as-of-right in an effort to address the housing crisis and to promote low levels of intensification in established low-density neighbourhoods. These changes come after a long history of exclusionary zoning in municipalities across North America, which municipalities are now seeking to rectify. Canadian municipalities that have recently modified zoning to allow additional units include Toronto, Mississauga, Saugeen Shores, the Province of British Columbia (municipalities of more than 5,000 people), Edmonton (8 units). Other municipalities in Ontario that have expressed interest or begun a process to allow up to four residential units per lot include Kitchener, Guelph, Ottawa, and Waterloo. It is noted that most smaller municipalities have not yet permitted four units as of right.

Ontario's 2022 Housing Affordability Task Force Report recommends as-of-right permissions for four units and encourages municipalities to adopt Official Plan policies and Zoning By-law provisions that allow for additional units beyond the three unit per lot minimum established by Bill 23. The Province recently indicated that it does not intend to require municipalities to permit four units as-of-right and instead would leave this decision to be made by municipalities on an individual basis. Planning Staff note that the Province has also introduced tax rebates for purpose-built rental buildings containing four units or more after the federal government introduced similar rebates for federal taxes. Furthermore, changes to the Development Charges Act as a result of Bill 23 provide development charge discounts for these types of residential buildings as well. Permitting four units as-of-right would lower the barrier to constructing this type of housing by providing greater access to financial incentives for developers and individual homeowners.

Further to the recommendations put forth by the Housing Affordability Task Force, Collingwood's Affordable Housing Master Plan includes recommendations for updates to the Town's Zoning By-law, one of which is as-of-right permission for four to six units on residential lots. Extensive research and consultation led to these recommendations, and they can serve as a resource for neighbouring municipalities, like The Blue Mountains, seeking to make changes to address the housing crisis.

Planning Staff recommend proceeding with Option 1 at this time, with the potential to further explore Option 2 through the upcoming Zoning By-law update project. Planning Staff acknowledge the benefits of permitted four units on one lot as-of-right but are of the opinion that additional discussions with Town Staff and external agencies, and further consultation with the public would be appropriate before proceeding with this option. A motion has been recommended as part of this report seeking Council direction to include additional review of this matter in the upcoming Zoning By-law update project.

Location of Detached ARUs

The changes to the Planning Act require that, at a minimum, one ARU is permitted in a detached building on lots connected to full municipal services, however there is an opportunity for increased flexibility in housing typology that could be permitted through this Zoning By-law Amendment. Council has three options in this regard. These options are outlined below, followed by commentary from Planning Staff. Figure 8 provides a simplified representation of each option.

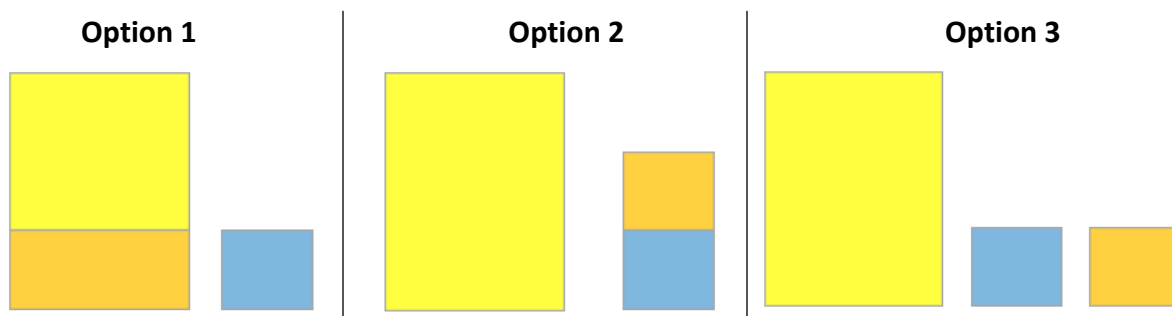


Figure 8. Potential Configurations of Detached ARUs. Yellow represents the primary residential unit. Orange and blue represent ARUs.

Option 1: Permit a maximum of 1 ARU in one detached accessory building.

The Planning Act requires local Official Plans and Zoning By-laws to allow a minimum of one ARU to be located in a detached accessory building as of right on lots connected to full municipal services. The current provisions in the Town's Zoning By-law also allow this, regardless of the type of service connections. Although this option would maintain the status quo and meet the minimum requirements under the Planning Act, it would not allow residents the additional flexibility that is being sought through this Zoning By-law Amendment.

Option 2: Permit multiple ARUs to be located in a maximum of one (1) detached accessory building.

This would maintain the requirement that only one detached accessory building would be permitted to contain an ARU but would allow for multiple units to be located within this building, essentially permitted a duplex to be constructed as an accessory building. For example, a detached accessory building containing an ARU on the ground floor and another ARU on the second floor would be permitted. The built form present on a lot would not be greatly impacted as the proposed provisions would already permit an ARU to be located above a garage, which would have the same impact in terms of massing, scale, and setbacks. This option would also

provide residents the flexibility to locate an additional ARU outside of the main building for increased separation between the primary unit and ARUs.

Option 3: Permit multiple ARUs in a maximum of two (2) detached accessory buildings.

With a maximum of 2 ARUs permitted on a fully serviced lot, those ARUs could each be located in separate accessory buildings, with the primary unit being located in the main building. Three buildings with a dwelling unit in each would therefore be possible. This option allows for the greatest flexibility but may also result in the greatest impact on built form and may not represent the most efficient use of land. As Site Plan Control can no longer be required for residential development of ten units or less, the Town would not have any additional control over these buildings aside from through zoning.

Planning Staff recommend proceeding with Option 2, which provides greater flexibility while also maintaining the intent of the proposed provisions without additional adverse impact.

Floor Area

The Zoning By-law currently limits ARUs to a maximum gross floor area of 50% that of the primary dwelling unit. The purpose of this provision is to ensure that the ARU remains accessory and subordinate to the primary dwelling unit on the property. The existing requirement is a limiting factor to the construction of ARUs on lots where a primary dwelling unit is already constructed. This is especially apparent on rural properties where a existing farmhouse or other small home is proposed to change use to an ARU as a result of the construction of a new house elsewhere on the property. Currently, this provision would either require the new house to be very large or would require a minor variance and essentially penalizes properties with smaller homes, preventing them from constructing an ARU as of right. Five minor variance requests since 2022 have included a request to exceed this maximum.

Planning Staff recommend maintaining a limitation on the size of an ARU, but that this limitation be a fixed size rather than being determined through comparison with the size of the primary dwelling unit. The draft provisions set this maximum at 100 square metres (~1,076 square feet). This would achieve the intent of the existing provision by limiting the size of ARUs. This change is also in line with current understanding and perception of ARUs not as accessory to other dwelling units on a property, but rather as equal uses in their own right. Furthermore, smaller units generally result in lower rental costs, making them more affordable. Requirements under the Planning Act only reference a primary dwelling unit as it relates to parking, but do not distinguish between unit types for the purposes of limiting size.

In effect, the provision as modified could permit the construction of triplexes on lots connected to full municipal services, a major advancement to the Town's current regulations and with increased potential for intensification within existing neighbourhoods of the Town without the need for additional planning approvals. In conjunction with the other proposed changes, the Zoning By-law would still regulate these uses while allowing for increased flexibility and a wider range of housing typologies within the Town.

Number of Bedrooms

Currently, the Zoning By-law limits the number of bedrooms in an ARU to a maximum of two (2). As indicated above, Council endorsed a change to the policies of the Official Plan under Phase 1 of the Official Plan review that would remove this limitation for ARUs. Removal of this provision in the Zoning By-law would be in line with this decision of Council and would provide greater flexibility for residents seeking to construct ARUs, especially for those interested in constructing units that would be better suited for families.

As the Official Plan has not yet been adopted, Planning Staff have included a recommendation that Council support in principle this change to the Zoning By-law, pending adoption of the updated Official Plan. At this time, this modification has not been included in the draft By-law as it would not conform to the current policies of the Official Plan. Once the updated Official Plan is adopted, a separate By-law can be brought forth to Council. The draft motion that is recommended would see that By-law be brought directly to Council, based on Council's decision on this matter at this time. Alternatively, if Council would prefer that a subsequent report be provided by Staff prior to the enactment of the By-law, the recommended motion may be amended.

Setbacks

ARUs are currently required to be located in accordance with the yard setbacks applicable to the main dwelling in the relevant zone, regardless of if they are within the main building or in a detached building. The intent of this provision is to ensure that development on a lot occurs in a clustered form and adequate setbacks are maintained between buildings on adjacent properties. This can be a barrier to constructing an ARU, especially in a detached accessory building. The most common area of a property to build a detached ARU is in the rear yard, but rear yard setbacks largely prohibit this as-of-right. For example, in the R1-1 zone, a minimum rear yard setback of 9 metres is required. Since ARUs are currently required to comply with this setback, an ARU cannot be constructed in the rear yard.

Planning Staff recommend reducing the rear yard setback applicable to detached buildings in which an ARU is located to 1.2 metres, while maintaining all other setbacks applicable to the main building in the relevant zone. This would provide greater opportunities for the construction of ARUs in rear yards as-of-right, with reductions in other setbacks still requiring additional approvals, likely through the Committee of Adjustment. As side yard and front yard setbacks would be maintained, impacts on adjacent properties and on the streetscape are expected to be minimal. As it is not anticipated that every resident will construct a detached ARU in their backyard, required rear yards would continue to allow for ample amenity space for residents and distance between adjacent properties.

Lot Coverage

Under the current zoning provisions, ARUs are required to meet the maximum lot coverage standard for the relevant zone. In addition, ARUs within detached buildings must also comply with the maximum lot coverage standard for accessory buildings and structures, which is currently 10%. In effect, detached ARUs and all other accessory buildings and structures cannot exceed this 10% lot coverage. All buildings and structures on a lot, including ARUs, either

detached or within the main building, must not exceed the maximum lot coverage in the applicable zone.

Planning Staff note that a common barrier for the construction of ARUs is the lot coverage standard, which may become even more apparent with permission to include an additional ARU on some properties. Previous minor variance requests for increased lot coverage to facilitate the construction of ARUs have not requested an increase greater than 5%. Through this Zoning By-law Amendment, there is an opportunity to provide increased flexibility to this standard by providing a modest increase to the lot coverage where an ARU is proposed. Council has four options in this regard. It is also noted that the size, and therefore the area an ARU covers, will also be limited by the maximum floor area provision as discussed above. These options are outlined below, followed by commentary from Planning Staff.

Option 1: No additional lot coverage permitted.

This would maintain the status quo, with ARUs in detached buildings being subject to the maximum lot coverage permitted for accessory buildings and structures and all ARUs being subject to the maximum permitted lot coverage in the relevant zone. The Town would likely continue to see minor variance requests for increases to lot coverage to facilitate the construction of ARUs.

Option 2: Permit an additional 5% lot coverage per ARU and add a special provision to permit an equivalent increase to the total maximum lot coverage permitted in the applicable zone.

This would result in an increase to the maximum permitted lot coverage for ARUs by increasing the maximum permitted for accessory buildings and structures and the maximum permitted in the relevant zone. The increase should also apply to associated accessory buildings when an ARU is located within a detached building that contains another use, for example, when an ARU is located above a garage. The increase permitted for the accessory building containing an ARU would not be applicable to other accessory buildings and structures on the lot nor to the main building. An increase would also be permitted to the maximum permitted lot coverage applicable to a main building when an ARU is located within that main building. This option would likely eliminate minor variance requests for increased lot coverage for ARUs, while still maintaining the existing lot coverage standards for all other buildings and structures. Recognizing the community benefit associated with the construction of ARUs, this option seeks to both remove barriers to and incentivize their construction. Table 2 outlines the impact of this option on lot coverage in each of the Town's current Residential Zones.

Table 2. Potential Residential Zone Maximum Lot Coverage Increases

Zone Standard	R1-1	R1-2	R1-3	R1-4
Maximum lot coverage (no ARUs)	30%	35%	40%	20%
Maximum lot coverage (1 ARU)	35%	40%	45%	25%
Maximum lot coverage (2 ARUs)	40%	45%	50%	30%

A draft provision has been included in the draft By-law attached to this report.

Option 3: Exempt ARUs from all lot coverage calculations.

The footprint of any ARU, whether in the main building or in a detached building, would not be included in the calculation of lot coverage. Buildings and structures that are not ARUs would still be subject to their respective lot coverage standards. This would allow the greatest flexibility but would also limit the Town's control over how much of a lot can be covered, aside from primary dwelling units and accessory buildings and structures.

A draft provision may read: "Notwithstanding any other part of this By-law, ARUs and detached accessory buildings containing ARUs are not subject to lot coverage standards."

Options 1, 2, and 4 would all likely result in continued requests for minor variance related to lot coverage and would not provide substantial flexibility to residents looking to construct an ARU. Option 5 would eliminate the Town's control over lot coverage as it relates to ARUs. Planning Staff recommend proceeding with Option 3, which allows for greater flexibility in lot coverage standards for ARUs while still maintaining existing standards for other buildings and structures on a lot.

Height of Detached Accessory Building

The Zoning By-law currently limits all detached accessory buildings and structures to a maximum height of 4.5 metres. The intent of this provision is to ensure that accessory buildings and structures remain accessory and subordinate to the main building on a lot. A common method to construct an ARU is to locate it above a detached garage or other accessory use. This provides the owner with additional parking, storage, or recreational space while also providing that owner with the potential for rental income or accommodations for a family member or caretaker. Figure 3 provides an example of what an ARU above a garage could look like.



Figure 9. ARU Above a Detached Garage

The current limitation generally only permits a one-storey ARU and makes it nearly impossible to construct an ARU above a garage or with loft space without obtaining a minor variance. As such, the Town has seen numerous minor variance requests to permit this type of configuration. As

permission to increase the height facilitates the construction of a dwelling unit, thereby contributing to housing stock in the Town, the Committee of Adjustment generally grants these requests without much concern from the public or Staff. As such, the current process results in an undue burden both on residents seeking to add dwelling units to their property and on Staff.

Planning Staff recommend marginally increasing the current height maximum from 4.5 metres to 5 metres but allowing for an increased maximum height of 8 metres when an ARU is constructed above another accessory use. A height of 8 metres generally allows for a 2-storey building without additional loft space and is aligned with recommendations from Grey County after extensive consultation with municipalities in the area and review of this type of provision as implemented in other municipalities.

Parking

The number of parking spaces currently required by the Zoning By-law for ARUs is one parking space per ARU in addition to those required for the primary dwelling unit on the lot. The intent of this provision is to ensure that sufficient parking is provided for new ARUs, regardless of the amount of parking that is provided for the primary dwelling unit. As the Town has access to limited public transportation services, adequate provision of parking spaces is important in consideration of development proposals.

Despite the above, many developments, both past and ongoing, provide parking in excess of what is required. For example, the parking required for a single detached dwelling is two (2) parking spaces, however, many single detached dwellings include a two-car garage and two parking spaces on a driveway. The provision of additional parking spaces in excess of the required minimum provides residents with additional flexibility in parking arrangements, including when visitors also need to park a vehicle on the property. It also helps to prevent parking in areas where parking is not permitted, including roadways and fire lanes.

Given that parking can be a barrier to development and intensification because of the amount of land that parking requires, Planning Staff recommend that the parking requirements for ARUs be modified to require one (1) parking space per dwelling unit when an ARU is located on a lot. In effect, this would maintain the required one (1) parking space per ARU but would reduce the required number of parking spaces for the primary dwelling unit. In the case of property containing a single detached dwelling and two ARUs, whereas the current provision would require four (4) parking spaces, the proposed modification would only require three (3) parking spaces, one (1) for the single detached dwelling and one (1) for each of the ARUs. As with current regulations, property owners would be free to include additional parking spaces if they wish.

Planning Staff note that the Official Plan currently requires one (1) parking space for an ARU in addition to those required for the main dwelling. At this time, this modification has not been included in the draft By-law as it would not conform to the current policies of the Official Plan. Planning Staff have included a recommendation that Council support in principle this change to the Zoning By-law, pending adoption of the updated Official Plan. Once the updated Official Plan is adopted and if Council modifies the parking policy for ARUs within that Plan, a separate By-law can be brought forth to Council. The draft motion that is recommended would see that By-law be brought directly to Council, based on Council's decision on this matter at this time.

Alternatively, if Council would prefer that a subsequent report be provided by Staff prior to the enactment of the By-law, the recommended motion may be amended.

Entrance

The Zoning By-law currently requires ARUs within a detached building to share the same driveway entrance as the main dwelling unit on the lot. ARUs located within the main building are not required to share the same entrance. Planning Staff recommend removing the provision requiring ARUs to share the same entrance as the main dwelling unit as the number of entrances is already regulated by Section 5.3.3 of the Zoning By-law. Removal of this provision does not allow lots with ARUs to construct additional entrances, but rather allows residents who already have the ability to construct these additional entrances to use them for access to an ARU. As such, the proposed removal of this provision will not have adverse impacts on adjacent properties and would provide greater flexibility in choice of access to an ARU, whether it is located within the main building or in a detached building.

Based on the above commentary, Planning Staff are satisfied that the proposed Zoning By-law Amendment is an appropriate modification of Zoning By-law 2018-65, conforms to the Town Official Plan and the Grey County Official Plan, and is consistent with the Niagara Escarpment Plan and the Provincial Policy Statement.

E. Strategic Priorities

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders.

3. Community

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

4. Quality of Life

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

F. Environmental Impacts

Densification is one of the most environmentally conscious patterns of development as it leverages existing resources, infrastructure, and services and avoids urban expansion into agricultural and rural areas. As such, no negative environmental impacts are anticipated as a result of the recommendations contained within this report.

G. Financial Impacts

As the proposed changes will likely result in a decrease in the number of minor variance applications the Town receives, less Staff and Committee of Adjustment time and resources will be required. The recommended changes also reduce the amount of time and money required by residents to obtain an approval for a proposed ARU.

It is noted that amendments to municipal Zoning By-laws that meet the minimum requirements under the Planning Act for three residential units on one lot cannot be appealed. However, other aspects of the recommended amendments that go beyond the standard set by the Planning Act are still subject to appeal, which may result in additional financial impacts to the Town.

H. In Consultation With

Relevant Town Departments and External Agencies

I. Public Engagement

The topic of this Staff Report has been the subject of a Public Meeting which took place on **March 12, 2024**. Those who provided comments at the Public Meeting, including anyone who has asked to receive notice regarding this matter, has been provided notice of this Staff Report. Any comments regarding this report should be submitted to Carter Triana, planning@thebluemountains.ca

J. Attached

1. P3354 Draft Zoning By-law Amendment
2. P3354 Public Meeting Comments (Summary)
3. P3354 Public Meeting Comments (Original)

Respectfully submitted,

Carter Triana
Intermediate Planner

For more information, please contact:
Carter Triana
planning@thebluemountains.ca
519-599-3131 extension 262

Report Approval Details

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Attachments:	<ul style="list-style-type: none">- PDS-24-015-Attachment- 1.pdf- PDS-24-015-Attachment- 2.pdf- PDS-24-015-Attachment- 3_Redacted.pdf
Final Approval Date:	Mar 28, 2024

This report and all of its attachments were approved and signed as outlined below:

Shawn Postma - Mar 28, 2024 - 8:55 AM

Adam Smith - Mar 28, 2024 - 10:24 AM