

**To:** Warden and Members of County Council

**From:** Director of Community Planning

## **Proposed Amendment to the Official Plan (OP 22-16-9) Additional Residential Units in Rural Areas**

### **RECOMMENDATIONS**

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1. That Oxford County Council direct that Planning staff consider any additional input received in response to the attached draft Amendment No. 285 to the County of Oxford Official Plan and bring back a final draft of the amendment, with any necessary revisions, for Council's consideration at a future meeting;
2. And further, that County Council direct that Planning staff consult with the Ministry of Municipal Affairs and Housing (MMAH) to determine the most appropriate process to incorporate the necessary amendments to Section 3.1 – Agricultural Land Resource with respect to Additional Residential Units, while OPA 269 (Agricultural Policy Updates) is still undergoing review by MMAH;
3. And further, that Report No. CP 2022-332 be circulated to the Area Municipalities for information.

### **REPORT HIGHLIGHTS**

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- The Planning Act requires municipalities to enact Official Plan policies and Zoning By-law provisions to allow for the establishment of 'additional residential units (ARUs)' in a single detached, semi-detached and rowhouse dwelling, and/or in a building or structure ancillary to such dwellings.
- On January 26, 2022 ([Report CP 2022-16](#)) County Council directed Planning staff to initiate an amendment to the County Official Plan with respect to additional residential units in the County's rural areas and undertake consultation with the five Townships and the public as part of the policy review process. With the exception of this statutory public meeting with County Council, this consultation has now been completed.
- This report outlines the key changes to the Official Plan policies that are currently being proposed by Planning staff to reflect the provincial direction on ARUs, and input received from Township Councils and staff, County staff, and the public. The proposed draft Official Plan amendment is included as Attachment 1 to this report.

- Planning Staff are recommending that a final draft of the amendment, with any necessary revisions, be brought back for Council's approval at a future meeting. This will allow further consideration of any comments from Council and/or the public and further consultation with MMAH with respect to the process for incorporating the necessary ARU policy references into the Council-approved OPA 269 (agricultural policy updates) that is currently under review by MMAH.

## **Implementation Points**

The proposed amendments will be implemented in accordance with the relevant objectives, strategic initiatives and policies contained in the Official Plan. Further, once the Official Plan amendment has received County Council approval, each of the Township's will need to initiate updates to their Zoning By-laws, and consideration of any other local tools and/or measures deemed necessary or appropriate, to reflect and implement the new ARU policy direction.

## **Financial Impact**

The approval of this amendment will have no financial impact beyond what has been approved in the current year's budget. However, it should be noted that the establishment of a substantial number of ARUs in a particular community could result in increased demand for municipal services and/or infrastructure without the ability by the County and/or Area Municipalities to collect Development Charges (DCs) to offset any of the costs, as such units are exempt from DCs under the Development Charges Act.

## **Communications**







The Notice of Public Meeting was advertised in local newspapers (Tillsonburg-Norfolk News, Oxford Review, and Woodstock Sentinel Review) in accordance with the requirements of the Planning Act in August 2022. The notice was also posted on the County website and provided to agencies and stakeholders that were considered to have an interest in the proposal, as well as other persons and groups that had indicated interest in the proposed amendments.

Planning staff presented the draft amendments to each of the Township Councils at their regular council meetings in June-August 2022 to obtain Council and public feedback.

Supplementary communication of the proposed amendments and opportunities for feedback was also provided by way of social media and a project-specific webpage on the County's Speak Up Oxford (SUO) platform, which contained various staff reports and other information and materials with respect to ARUs in the County's rural areas, as well as an on-line survey and comment submission form and contacts for further information. A summary of the feedback received through the SUO platform and other correspondence is provided in the Comment section of this report.

If the proposed Official Plan amendment is approved by County Council, notice of the decision will be advertised in local newspapers in accordance with the requirements of the Planning Act as well as provided directly to those persons, groups and agencies that have expressed interest in the matter. Notice will also be posted to the County website and Speak Up Oxford.

**Strategic Plan (2020-2022)**

					
<b>WORKS WELL TOGETHER</b>	<b>WELL CONNECTED</b>	<b>SHAPES THE FUTURE</b>	<b>INFORMS &amp; ENGAGES</b>	<b>PERFORMS &amp; DELIVERS</b>	<b>POSITIVE IMPACT</b>
		3.ii. 3.iii.	4.i. 4.ii.		

**DISCUSSION**

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**Background**

The Provincial Government has made amendments to various legislation and policies to place a stronger focus on increasing housing availability, choice and affordability as a matter of Provincial interest. One of the ways the Province has chosen to further this interest is by requiring municipalities to enact Official Plan policies and Zoning provisions to allow for the establishment of ‘additional residential units’ (ARUs) in a single detached, semi-detached or row house dwelling and/or within a building or structure ancillary to such dwellings.

This Provincial direction on ARUs is largely provided through Bill 108 - *More Homes, More Choice Act*, which was passed on June 6, 2019, and through Ontario Regulation 299/19, which came into effect on September 3, 2019. The Provincial Policy Statement (PPS) was also amended in early 2020 to include specific policy references to ‘additional residential units’. Other related legislative and policy changes have been made to remove perceived barriers to the establishment of such additional units, including exempting such units from development charges and streamlining building code requirements.

County Council directed Planning staff to initiate an amendment to the County Official Plan with respect to additional residential units (ARUs) in the County’s rural areas (i.e. the five townships) on January 26, 2022 ([Report CP 2022-16](#)).

In early 2022, Planning staff had initial discussions with County and Township staff with respect to implementation of the provincial direction on ARUs in the rural areas. Draft Official Plan policies were subsequently developed and circulated to Township staff and Councils, Oxford County Public Works and Oxford County’s Manager of Housing Development, and posted to Speak Up Oxford for public review and comment throughout May-August 2022.

The revised draft policies attached to this report reflect further Planning staff review and consideration of the proposed amendments and the comments received through the consultation process to date.

This report outlines the key changes to the Official Plan policies currently being proposed by Planning staff. It is noted that the specific details and considerations with respect to where ARUs will be permitted and what local requirements and standards will apply will be further reviewed

and discussed as part of the local Zoning By-law amendment process which will need to be initiated by each Township once the proposed Official Plan policies have been approved by County Council.

## **Comments**

The following commentary provides an overview of the current legislative and policy framework that applies to ARUs, as well as related land use planning and implementation considerations.

### PLANNING ACT

The Planning Act provisions require that Official Plans shall contain policies that authorize the use of additional residential units by authorizing:

- The use of two residential units in a detached house, semi-detached house or rowhouse; and,
- The use of a residential unit in a building or structure ancillary to a detached house, semi-detached house or rowhouse.

The Act also requires that each local municipality ensure that their zoning by-laws give effect to the policies described above. The Planning Act does not specifically define 'additional residential units'.

Further, the Planning Act restricts appeals of ARU official plan policies and zoning by-law provisions so that only the Minister of Municipal Affairs and Housing has the right to appeal municipal decisions on such matters to the Ontario Land Tribunal (OLT).

The accompanying Planning Act regulations (O. Reg. 299/19) set out specific requirements and standards with respect to additional residential units, as follows:

- Each additional residential unit shall have one parking space that is provided and maintained for the sole use of the occupant of the additional residential unit and it may be a tandem space;
- An additional residential unit may be occupied by any person regardless of whether the person who occupies the additional residential unit is related to the person who occupies the primary residential unit and whether the person who occupies either the primary or additional residential unit is the owner of the lot; and
- Where the use of additional residential units is authorized, an additional residential unit is permitted, regardless of the date of construction of the primary residential unit.

### 2020 PROVINCIAL POLICY STATEMENT

The Provincial Policy Statement (PPS) provides policy direction on matters of provincial interest related to land use planning and development. Under Section 3 of the Planning Act, where a municipality is exercising its authority affecting a planning matter, such decisions "shall be consistent with" all policy statements issued under the Act.

The 2020 amendments to the PPS introduced a number of new and updated policies intended to increase the supply and mix of housing, including:

- Requiring that a range of housing options and densities be planned for in order to meet projected housing demand;
- Added references to the terms ‘affordable’ and ‘market-based’ in the policies pertaining to the determination of housing need;
- Requiring that planning decisions be aligned with local housing and homelessness plans; and,
- Adding specific references to the term ‘additional residential units’ in the housing policies.

The term ‘additional residential units’ is specifically referenced in two sections of the PPS (Sections 1.1 and 1.4). However, the latter policies are the most relevant in terms of providing direction on Provincial expectations:

Section 1.4 - Housing - Planning authorities shall provide for an appropriate range and mix of housing options and densities to meet projected market-based and affordable housing needs of current and future residents of the regional market area by permitting and facilitating all types of residential intensification, including additional residential units, and redevelopment in accordance with policy 1.1.3.3.

The PPS does not include a definition of Additional Residential Unit, but includes reference to the term within the definitions of ‘Housing Options’ and ‘Residential Intensification’.

The above noted PPS policies generally require that municipalities provide for a range and mix of housing options and densities to meet projected need in appropriate locations, by permitting and facilitating all types of residential intensification, including additional residential units. However, this direction also needs to be balanced with various other PPS policies pertaining to such matters as the protection of prime agricultural areas and other natural resources, land use compatibility, consideration of natural and man-made hazards, ensuring development is appropriately serviced, and directing growth and development to settlement areas.

#### OFFICIAL PLAN

The existing Official Plan policies do not specifically address the current Provincial direction with respect to Additional Residential Units (ARUs). However, the Plan does contain policies that support various forms of residential intensification in rural settlements, including converted dwellings and backyard infill, and, to some extent, outside of settlements through the conversion of an existing dwelling into two dwelling units. The existing Official Plan policies that are applicable to intensification in the form of an additional dwelling unit in a principal dwelling and/or in a structure ancillary are briefly summarized below. A more detailed overview of the existing Official Plan policies was provided in [Report CP 2022-16](#).

#### **Additional Units in Rural Settlements**

Section 6.1 – Rural Settlement Strategy, contains policies that promote a range and mix of housing and appropriate infill development and intensification of land and buildings in rural settlements consistent with the level of municipal services available and taking into consideration various other matters, such as environmental features and constraints and compatibility with existing or planned development.

More specifically, the policies of Section 6.2.2.2 – Converted Dwellings, permit Township Council to zone areas or properties to permit single detached dwellings within Rural Cluster and Village designations to be converted into two residential units in accordance with various criteria.

Within Low Density Residential areas of Serviced Villages, Area Council may zone areas to permit detached, semi-detached, duplex and townhouse dwellings to be converted into two residential units. These policies also state that Area Council may zone areas to permit the conversion of dwellings for more than two dwelling units in accordance with specified criteria.

With respect to policies pertaining to the establishment of a dwelling unit in an accessory residential structure, Section 6.2.2.1 – Infill Housing contains policies with respect to backyard infilling that apply to residential areas in all rural settlements. These policies allow for various forms of residential development in a rear yard, such as the construction of a residential structure behind a building facing a street, the conversion of secondary structures for residential purposes and establishment of a garden suite. However, in Villages and Rural Clusters, residential development involving more than two units is not permitted due to reliance on private or partial water and wastewater services.

Various development criteria are provided for evaluating such infill proposals, including siting of buildings and parking areas, parking and access, adequacy of services and application of site plan control.

#### **Additional Units in Other Rural Areas**

Section 4.2.2.1 – Rural Area applies to the lands in the County that are located outside of a designated settlement. This section contains policies that permit converted dwellings, to a maximum of two units per dwelling, on a farm unit or non-farm lot in the Agricultural Reserve, Open Space and Future Urban Growth designations. The policies indicate that Area Council may zone an area or property to permit the conversion of dwellings for two dwelling units, subject to addressing criteria pertaining to such matters as adequacy of servicing, Minimum Distance Separation Formula, parking, lot and dwelling size and impact on environmental resources.

The current Official Plan policies also allow for the establishment of a garden suite as a temporary use on a farm or non-farm lot containing a dwelling, in accordance with the policies contained in Section 10.3.9., which set out various development criteria relating to servicing, location, buffering, MDS, minimum lot area, etc.

The Official Plan also contain policies that allow for the establishment of an additional accessory dwelling on a farm for the purposes of accommodating full-time farm help, where it is demonstrated to be necessary to support the farm operation. The policies and development criteria for the establishment of additional accessory dwelling(s) on a farm for full-time farm help will remain distinct and separate from the proposed ARU policies, which are not currently proposed to require such justification of need.

In summary, the existing Official Plan policies currently allow Township Councils to zone properties or areas to allow for the establishment of an additional unit in a principal dwelling (i.e. converted dwelling) and/or an accessory residential structure (i.e. backyard infill policies) in a fully serviced Village and, to a lesser extent, in other settlement and rural areas, subject to meeting various development criteria. These existing policies provide a solid framework for the incorporation of specific ARU policies into the Official Plan and are proposed to be amended to ensure that they clearly reflect the current Provincial direction on ARUs.

#### TOWNSHIP ZONING BY-LAWS

Much of the Provincial and Official Plan policy direction with respect to ARUs will be implemented through the provisions of the Area Municipal Zoning By-laws. As such, each Township Zoning By-law will also require review and update to ensure the permitted uses and provisions address the current Provincial direction and updated Official Plan policies, as well as any local constraints or objectives for such units.

The majority of the zones in the Townships that currently permit a single-detached dwelling also permit a 'converted dwelling', and a temporary 'garden suite' is also permitted in agricultural zones (i.e., A1 and A2), rural residential zones (i.e., RE and RR), and 'Residential Type 1 Zone (R1)', subject to a site specific zone change application and compliance with the provisions for such units set out in the General Provisions of the By-laws. The Zoning By-laws do not currently contain any provisions that would address the establishment of a permanent dwelling unit in a structure ancillary to a residential use.

The existing 'Residential Type 2 (R2) Zone' permits buildings containing two units (i.e., duplexes, converted dwellings and semi-detached dwellings) and the 'Residential Type 3 Zone (R3)' permits a variety of multiple unit buildings. These zones are generally applied to residential lots in Serviced Villages, where the Township has determined it to be appropriate to permit more than one dwelling unit.

Further, an additional single detached dwelling may be permitted in agricultural zones (i.e., A1 and A2), subject to approval by the Committee of Adjustment and where it is demonstrated that the additional dwelling is necessary to accommodate full-time farm help required to support the farm operation, making these dwellings distinct from ARUs, which are not currently proposed to require such justification of need.

The current requirement for a site specific zone change to allow for converted dwellings and garden suites provides for review and confirmation of adequate on-site sewage disposal and/or water services and compliance with other applicable development criteria (i.e. minimum lot and dwelling size, location on the lot, MDS etc.), prior to allowing for such units to be established on a lot. As many of these considerations are equally applicable to ARUs, some form of review process (i.e. zone change, minor variance, site plan approval etc.) is likely to be necessary and/or advisable in many circumstances to determine whether it would be appropriate to allow such unit(s) to be established on a particular lot, particularly for ARUs in an ancillary structure.

Where a more 'as of right' zoning approach for the establishment of 'additional residential units', is to be considered (as generally encouraged by the Province), the County and Townships would need to ensure that any applicable Official Plan development criteria (i.e. adequacy of servicing, access, layout, compatibility etc.) for such units could be adequately addressed through zoning provisions or other Planning Act tools, and the building permit review process.

As previously noted, once the proposed Official Plan policies have been approved, each Township will have the opportunity to further consider local objectives, requirements and standards for the establishment of such units through their zoning by-law amendment process. Planning staff will continue to assist and advise the Townships in this regard.

#### Proposed Amendments to Official Plan Policies

The draft Official Plan Amendment (OPA 285) is included as Attachment 1 to this report and a 'tracked changes' version showing changes to the existing policies is also included as Attachment 2. The proposed amendments primarily pertain to Sections 4.2.2.1 (Growth Management - Rural Area) and 6.2 (Residential Uses in Rural Settlements), with some minor amendments to Sections 3.1 (Agricultural Area) and 6.3 (Commercial Uses in Rural Settlements) to reflect new terminology and clarify that severing ARUs from the lot containing the principal dwelling is not permitted. Some minor housekeeping amendments to Section 10.3.9 (Temporary Use) are also being proposed as part of this amendment to increase the maximum period a garden suite may be permitted on a lot from ten years to twenty years to be consistent with current Planning Act provisions and to improve the overall clarity of the garden suite policies.

The draft OPA attached to this report currently sets out the proposed changes to the existing agricultural policies in Section 3.1 of the Official Plan that would be required to incorporate the appropriate references to ARUs and the associated policies in Section 4.2.2.1. However, it is noted that comprehensive updates to Section 3.1 of the Official Plan (agricultural policies) were recently adopted by County Council (i.e. through OPA 269) and forwarded to the Ministry of Municipal Affairs and Housing (MMAH) for final approval, but have not yet been approved by MMAH. As such, further consultation with MMAH will be necessary to confirm the expected timing for the final approval of OPA 269 and/or the process for incorporating the appropriate terminology and cross references with respect to ARUs into their approval of that amendment, so that the most expedient process for incorporation of the necessary policy references into Section 3.1 can be determined.

The general intent of the proposed amendments is to ensure consistency with the current Provincial direction on ARUs, while also establishing appropriate review criteria to inform and support the development of appropriate zoning provisions for each Township. The proposed approach would also allow for each Township to utilize other local implementation measures, such as licensing, property standards, and site plan control, where deemed to be appropriate.

The proposed policy approach is generally described as follows:

- Specifically referencing the term 'additional residential units' in the updated policies, including replacement of various references to the term 'converted dwellings' throughout the rural sections of the Plan, where appropriate. A definition of ARU(s) was recently added to the Plan through the ARU amendment for the City of Woodstock, as follows:



*Additional Residential Unit (ARU)* means a separate, self-contained dwelling unit located within a single detached, semi-detached or street townhouse dwelling, or within a detached building ancillary to such dwelling, and which is located on the same lot as, and is clearly subordinate to the principal dwelling.

- Require that each Township establish appropriate zoning provisions to allow for ARUs in single detached, semi-detached and townhouse dwellings and/or in a structure ancillary to such dwellings, where they are satisfied the various development review criteria in the Official Plan can be met;
- The proposed Official Plan policies set out the maximum number of ARUs per lot depending on the type of residential uses and servicing levels. However, the Townships have the ability to further limit the number or type of ARUs permitted through zoning and/or to limit or prohibit ARUs in specific areas where there are known servicing or other constraints. The proposed policies permit as follows:
  - up to two ARUs per lot (i.e. one in the principal dwelling and/or one in an ancillary structure) in a Serviced Village, subject to confirmation of available water and wastewater servicing capacity;
  - one ARU per lot in the principal dwelling or in an ancillary structure in other settlements (i.e. Rural Clusters and Villages without full services); and,
  - up to two ARUs per lot (i.e. one in the principal dwelling and/or in an ancillary structure) on an agricultural or rural residential lot. Agricultural lots that already contain more than one dwelling would still be limited to two ARUs total. An ARU in an ancillary structure on a farm would be subject to approval by the Committee of Adjustment to ensure that the location of the unit and servicing are consistent with the applicable policies and allow for any necessary approval conditions to be applied.
- Criteria for all ARUs:
  - the ARUs shall be clearly secondary and subordinate to the principal dwelling on the lot and have a cumulative gross floor area no greater than 50% of the gross floor area of the principal dwelling on the lot, to a maximum of 100 m<sup>2</sup> (1076 ft<sup>2</sup>) on a lot in a settlement (Serviced Village, Village or Rural Cluster) and 140 m<sup>2</sup> (1506 ft<sup>2</sup>) on a lot outside of a settlement (agricultural and rural residential lots), except that the entire basement or cellar of the principal dwelling may be used. Note: this latter figure was shown as 139 m<sup>2</sup> in the version of the amendment attached to the Public Notice, but has been rounded to 140 m<sup>2</sup> in the attached version of the amendment.

The gross floor area for ARUs outside of settlement areas was increased from the consultation draft in response to requests to provide additional size flexibility for such units on lots outside of settlements, given the generally larger lot sizes, fewer anticipated impacts to adjacent properties and municipal services, and gross floor area currently permitted for garden suites;

- ARUs would not be permitted on a lot that already contains other accessory units/uses, including a boarding/lodging house or group home, or a home occupation that is characterized by higher occupancy, including a bed and breakfast or a farm vacation rental. However, some flexibility has been added to allow for the Townships to consider allowing ARUs in combination with garden suites or existing converted dwellings, provided the total number of additional dwelling units does not exceed the maximum permitted by the ARU policies.

- centralized waste water and water supply and/or individual on-site water supply and sewage services are demonstrated to be adequate to serve the proposed use;
  - dwellings and lots are large enough to accommodate the ARU and provide for adequate parking, landscaping, stormwater management, and outdoor amenity areas;
  - any new buildings, additions and/or exterior alterations/features will maintain the general architectural character of the principal dwelling and surrounding area;
  - principal dwelling must have direct, individual vehicular access to a public street and all ARUs shall use the same driveway and parking area;
  - there is adequate access from the front lot line and parking area to each ARU for both occupant use and emergency response;
  - to the extent feasible, existing trees and other desirable vegetation are preserved to help maintain the character of the lot and area;
  - stormwater run-off will be adequately controlled; and,
  - potential impacts on environmental and/or heritage resources and any environmental constraints or land use compatibility issues can be satisfactorily addressed.
- Additional criteria for ARUs in a detached ancillary structure:
    - minimum lot area of 0.6 ha (1.48 ac) for lots without municipal wastewater services;

Note: There were some questions with respect to the need for this policy, given that private services are largely regulated by the Ontario Building Code (OBC). That said, it is Planning staff's understanding is that the OBC requirements do not take into consideration matters such as the potential cumulative impacts from multiple septic systems in a particular area and certain other context related considerations. Therefore, the minimum lot area requirement (which was established in consultation with local building officials) has been retained in the current draft of the policies to provide a reasonable minimum standard until such time as more detailed study is undertaken in that regard. Some site specific flexibility in the minimum lot area requirement could potentially be considered through a zone change or minor variance process, if supported by appropriate technical studies (i.e. hydrogeological study) and information.

- except on an agricultural lot, the ancillary structure must be located in the rear or interior side yard;
- the siting, design and orientation of the ancillary structure, parking area and outdoor amenity areas will allow for privacy for occupants of the ARU, principal dwelling and abutting residential properties and minimize visual impacts on adjacent residential uses; and,

- on a farm, the ancillary structure must be located within the established residential area on the lot (i.e. the area comprising the principal dwelling and accessory residential structures, driveway, outdoor amenity areas and individual on-site services). An ARU in a new ancillary building shall be located a maximum distance of 30 m (98 ft) from the principal dwelling and should share the individual on-site water supply and sewage services and utility services with the principal dwelling, where possible. The cumulative area of the lot utilized for residential purposes shall be minimized to the extent feasible and not exceed 0.8 ha (2 ac). Further, the location of the additional residential unit and/or new services shall not result in the removal of agricultural land from production and/or create impediments to the function of the farm or an adjacent farm.
- Proposals outside of settlement areas must meet, or not further reduce, Minimum Distance Separation (MDS I) requirements;
- Site plan control may be applied to ARUs;
- Zoning provisions for ARUs are to be implemented through a comprehensive Township initiated amendment to the Zoning by-law, except where otherwise specifically noted in the policies (i.e. where a zone change or minor variance process is required to confirm adequacy of servicing or address other review criteria). Other privately initiated amendments to the Zoning by-law provisions to permit an ARU will not generally be permitted;
- An ARU cannot be severed from the lot containing the principal dwelling; and,
- Area municipalities may use other tools and measures to assist with tracking and regulating ARUs including, but not limited to, registration and/or licensing requirements, design guidelines, property standards by-laws, etc.

Through the development of Official Plan policies, Planning staff also developed a discussion draft of the associated zoning provisions to illustrate how the policies could potentially be implemented locally and serve as a starting template for the necessary updates to the Township Zoning By-Laws. Through the local discussions on these draft provisions it was noted that many of the ARU policies related to compatibility with adjacent land uses could potentially be addressed by retaining or slightly amending the existing zoning provisions that apply to residential development, such as maximum lot coverage, minimum yards and setbacks, and maximum height and lot coverage for accessory structures.

The draft policies authorize the Townships to apply site plan control to the development of ARUs, or specific types of ARUs, and the Townships may also choose to utilize additional tools, such as licensing, registration and/or development agreements to regulate the establishment of such units. There has been some initial discussion with respect to how certain existing processes could be scoped or tailored for ARUs to streamline the process and lower costs, while still achieving local objectives. For example, if a Township decided to use site plan control to review the design, implementation and ongoing use of a shared parking area, the process could be scoped to require a simple site plan drawing, lower or waived application fee, and a shortened review period.

In general, Planning staff anticipate that certain areas, such as residential areas in fully serviced villages with adequate servicing capacity, could potentially be pre-zoned to allow ARUs 'as of right' subject to specific zoning provisions/criteria, particularly for ARUs in the principal dwelling. In other cases, such as for units in an ancillary structure and/or on a lot located in an un-serviced settlement, or a settlement where servicing capacity is a concern, a site specific zoning amendment process or approval by the Committee of Adjustment may continue to be required.

For the establishment of ARUs on lots located outside of a settlement area (i.e. in the prime agricultural area) there are additional Provincial and Official Plan policy requirements that must be taken into consideration. In particular, the need to ensure that the establishment of such units will not hinder or negatively impact agricultural operations; that prime agricultural areas are protected for long term agriculture; and that Minimum Distance Separation Formulae can be met. Accordingly, approval from the Committee of Adjustment for ARUs in ancillary structures on farms has been included in the draft policies as a process for Townships to review individual applications.

### Public and Agency Comments

The following is a general summary of comments received through the consultation process on the proposed draft ARU amendments. All comments received have been reviewed and considered by Planning staff and, where deemed appropriate, reflected in the attached draft policies and/or the local zoning provision templates (and/or noted for future discussions during the development of zoning provisions).

### **Public Feedback**

A webpage specific to ARUs in the rural areas was created on the 'Speak Up Oxford' platform and has been in operation since May 2022. The page was subject to promotion on social media through July/August 2022 and a feedback form/survey was available for completion. Those parties that indicated an interest in ARUs have been individually contacted regarding their comments or questions.

Approximately 50 responses were received in relation to the Speak Up Oxford survey, or through email and phone. Overall, there appeared to be general support for permitting ARUs in a variety of contexts (i.e., in serviced and un-serviced settlements and on rural residential and agricultural lots) and many respondents also indicated an interest in potentially living in and/or establishing an ARU. There was no particular consensus on preferred unit size, however, there appeared to be some desire for somewhat larger units (i.e., 2 bedrooms or larger) in detached ancillary structures on agricultural/rural residential lots. None of the respondents appeared to be opposed to ARUs, although some indicated that locating ARUs within larger settlements would make the best use of existing public services and infrastructure and provide occupants with easier access to a range of services.

In addition to the responses to the survey form, most email and phone inquiries were generally supportive of ARUs and/or seeking clarification on the draft policies and process. Two letters were received and included for Council's consideration as Attachment 3 to this report. The first is from a resident indicating support for ARUs, provided that they cannot be severed from the principal dwelling and that the tax assessment reflects the extra living space and its impact on services, but expressing some concern that ARUs may be used for short term rentals (e.g., AirBnB). The

second letter is from Libro Credit Union expressing general support for permitting ARUs across the County through clear policies and consistent implementation.

### **Township Councils**

Planning staff consulted with Township Councils on the draft amendments on the following dates: Township of South-West Oxford on June 21, 2022; Township of Blandford-Blenheim, Township of East Zorra-Tavistock and Township of Zorra on July 6, 2022, and Township of Norwich on August 9, 2022.

Township Councils were all generally supportive of implementing ARUs and the draft policies as presented, although there was some concern expressed that the development of ARUs could increase demands on municipal water and wastewater systems and impact the availability of capacity for already approved or anticipated new development.

Township of South-West Oxford Council requested that consideration be given to permitting an ARU within a dwelling together with a temporary garden suite on the same lot, provided the total number of dwellings units on a lot did not exceed the number of ARUs that would be permitted by the policies. The policies have been amended to include this flexibility, subject to Township zoning provisions.

Township of East Zorra-Tavistock Council questioned the need for a specific minimum lot area for ARUs in ancillary structures on Rural Residential lots, given that it could limit the number of lots that may be able to accommodate such units and that private servicing requirements are dictated by the Building Code. No other concerns with respect to the proposed minimum lot area requirement were raised though the Township consultations, including from the local building officials who generally appeared to support a minimum lot size requirement (see general comments below under staff comments and further discussion of the proposed minimum lot area in the overview of the proposed policies).

### **Township Staff**

In general, staff in all five Townships indicated that the requirements for ARUs should ensure:

- Adequate parking for new units without impacting the function and maintenance of municipal streets and stormwater management system (e.g. no new driveways, maintain maximum coverage for buildings and parking areas, require minimum parking and landscaping);
- Access to units in case of an emergency; and,
- That increased demands on municipal water and wastewater systems can be managed and that the development of ARUs does not compromise the availability of capacity for already planned development.

Other comments included:

- General preference for an 'as of right' approach with detailed zoning provisions to avoid the requirement for a planning application to permit the ARU(s) (i.e., zone change or minor variance) or to review site design (i.e. site plan approval), wherever possible. However, Townships may still choose to:

- limit ARUs to a maximum of one ARU per property in Serviced Villages to avoid potential issues with servicing capacity and small lot sizes. The proposed policies would permit this limitation to be included in the zoning provisions where appropriate.
- implement site plan control for all or certain types of ARUs. The draft policies enable Townships to require site plan review/approval if desired. The site plan review/approval for ARUs is anticipated to be scoped to specific matters and may have a reduced process/fee and/or be reviewed after a 'monitoring' period following implementation of new zoning provisions.
- That the maximum number of ARUs and overall number of dwelling units permitted per property should be carefully considered to ensure that the policy intent is appropriately implemented through zoning. For example, in cases where additional farm dwellings and farm labour housing exists or could exist on a property, or where a semi-detached dwelling is located on one parcel. Appropriate definitions in the Township zoning provisions are anticipated to address this concern.
- Some of the proposed Official Plan policies (e.g., maximum distance of 20 m from the principal dwelling on a farm and maximum gross floor area of 100 m<sup>2</sup>) may not permit enough flexibility to recognize existing farm layouts and typical proposals for larger dwelling units in the rural areas. Following review of sample farm layouts, the proposed policies have been amended from earlier drafts in response to these comments and now allow for a maximum distance of 30 m (98 ft) from the principal dwelling on a farm. Further, the maximum gross floor area for an ARU on any property outside of a settlement area has been increased to 140 m<sup>2</sup> (1,500 ft<sup>2</sup>) to recognize larger lot sizes, fewer anticipated impacts to adjacent land uses and municipal services, and to facilitate the potential conversion of existing temporary garden suites to permanent ARUs.
- The Building Code dictates the design of private wastewater systems and allows for alternatives to traditional septic disposal systems. However, these alternative systems have increased cost and maintenance, and the proposed minimum lot area of 0.6 ha (1.48 ac) for an ARU in an ancillary structure on a lot served by private services, is generally anticipated to provide sufficient lot area for the upgraded or second septic system(s) required for an ARU, with the exception of those lots with poor soil permeability or drainage conditions.

### **County Staff**

County of Oxford Public Works indicated that the rural Townships comprise several small drinking water systems and wastewater collection and treatment facilities, some of which are at or nearing capacity and have limited potential for, and/or are not planned for, expansion. It was further identified that older lots may have outdated or deteriorating connections and lot level infrastructure (e.g., small pipe diameter), as the water and sewer connections must be shared by all units, this could result in poor performance or required upgrades for property owners.

To address these concerns, the attached draft policies require confirmation of servicing capacity prior to development of ARUs so that increased demands on municipal water and wastewater systems can be managed and/or monitored. Discussions with respect to the establishment of an appropriate and effective process for confirming servicing capacity prior to approval of ARUs in settlements that have municipal water and/or wastewater services are also on-going. This information will help to inform the development of appropriate local zoning and other implementation measures and processes for such units.

The County of Oxford Manager of Housing Development indicated support for policies to permit the establishment of additional residential units in the rural townships as a way to increase the supply and range of rental housing across the County. Additional residential units make home ownership more affordable by providing additional income to property owners, increase independent accommodation options for seniors, and leverage private housing stock to increase the supply of 'missing middle' housing. Overall, flexible policies and provisions to support the creation of ARUs can assist to provide more opportunities to address the current lack of rental housing supply across the entire County.

## **Conclusions**

Planning staff are of the opinion that the draft Official Plan amendment attached to this report as Attachment 1 provides a reasonable, effective and flexible approach for the implementation of ARUs within the rural areas of the County, having regard for matters of provincial interest and is consistent with Provincial legislation and policy, while also reflecting the interests of the County and the Townships.

That said, Planning staff are recommending that County Council postpone final approval of the Official Plan Amendment, to allow for further consider any additional comments received from Council and/or the public and consultation with MMAH regarding the best approach for incorporating the necessary ARU policy references into the Council-approved OPA 269 (agricultural policy amendments) that is currently under review by MMAH. The final draft of the amendment, with any necessary revisions, would be brought back for Council's consideration at a future meeting.

At such time as the policy amendments are approved by County Council, each of the Townships would then be in a position to proceed with amendments to their Zoning By-Laws as required by the Planning Act and the proposed Official Plan policies. Each Township would also be able to consider using other local tools, such as site plan control or licensing, as deemed to be necessary

to establish appropriate local direction and requirements for the establishment of ARUs. Planning staff will continue to assist the rural Townships with development of Zoning By-law provisions and other tools, as necessary, as well as facilitating further agency and public consultation.

## **SIGNATURES**

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Original Signed By

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### **Approved for submission:**

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Interim Chief Administrative Officer

## **ATTACHMENTS**

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Attachment 1 - Draft OPA 285  
Attachment 2 - Proposed Policy Amendments (tracked changes version)  
Attachment 3 - Written Correspondence Received