



## REPORT

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**TO:** Mayor Lawlor and Members of Council

**FROM:** Keith Hamilton, Senior Planner - Policy

**DATE:** November 11, 2024

**REPORT NO.:** PD-2024-093

**SUBJECT:** Additional Residential Units – Final Recommendation Report

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### RECOMMENDATION:

THAT Report No. PD-2024-093, dated November 11, 2024, regarding the Final Recommendation Report for Additional Residential Units in Halton Hills (Official Plan Amendment No. 58 and Amendment to Comprehensive Zoning By-law 2010-0050), be received;

AND FURTHER THAT Council approve Official Plan Amendment No. 58, dated October 2024 (attached as Appendix 1 to this report);

AND FURTHER THAT the municipally initiated Zoning By-law Amendment to Comprehensive Zoning By-law 2010-0050, as amended, as shown on Appendix 2 to this report be approved;

AND FURTHER THAT in accordance with Section 34(17) of the Planning Act, no further notice is determined to be necessary;

AND FURTHER THAT Council direct staff to develop a communications strategy to promote Additional Residential Units, that both promotes the benefits and provides guidance to residents on how to properly build one.

### KEY POINTS:

The following are key points for consideration with respect to this report:

- The Additional Residential Units policy update project has been completed. Town staff are recommending that Council approve proposed Official Plan Amendment

No. 58 (OPA 58) and the Zoning By-law Amendment that are attached as Appendices 1 and 2 to this report.

- Careful consideration was given to requirements under the *Planning Act* and Provincial Planning Statement (2024) in the preparation of the proposed amendments.
- Town staff have also considered oral and written submissions made at the Statutory Public Meeting on October 7, 2024. Key comments and staff responses are summarized in section 3 of this report. Minor revisions to OPA 58 and the Zoning By-law Amendment were made based on the input received from the public and external agencies. These changes are outlined in section 6 of this report.
- The ongoing Provincial review of Regulation 299/19 Additional Residential Units was also considered in preparation of this report and the revised Official Plan and Zoning By-law Amendments.

## **BACKGROUND AND DISCUSSION:**

### **1. Location and Project Background**

The proposed amendments to the Halton Hills Official Plan and Zoning By-law 2010-0050 (attached as Appendices 1 and 2) apply Town-wide, wherever single, semi-detached or townhouses are permitted as-of-right. These amendments are a result of an internal review of the existing permissions for Accessory Apartments in the Town's Official Plan, and Accessory Dwelling Units in the Comprehensive Zoning By-law 2010-0050. The basis for the review were changes made to the *Planning Act*, and policies established in the 2024 Provincial Planning Statement (PPS) regarding Additional Residential Units. A key change being proposed in the amendments is the adoption of the term Additional Residential Units (ARUs) in both the Official Plan and Zoning By-law. This is being done to better align with the *Planning Act* and PPS 2024 which use this term. For this report, the ARU term will be used more generally.

The current review of Town policies for ARUs is a continuation of the work completed in the 2019 Official Plan and Zoning By-law update, where the intent was to expand permissions for this use. Both Memorandum [MEM-PD-2024-008](#), brought to Council on August 26, 2024 and staff report [PD-2024-073](#), brought to Council as part of a Statutory Public Meeting on October 7, 2024 provide a more detailed background on the 2019 policy update. These reports also outlined required changes to current policies for ARUs, based on Provincial legislation, including permissions for units detached from the primary dwelling.

### **2. The Planning Act and Provincial Planning Statement 2024**

Under section 16(3) of the *Planning Act*, Additional Residential Units (ARUs) are those contained within a single, semi-detached or row house, or building ancillary to one of these forms on an urban parcel of land. The Act also requires municipal Official Plan and Zoning permissions for up to 2 ARUs within a primary dwelling, or up to 1 ARU

within a primary dwelling, and 1 ARU within a building ancillary to that dwelling on the same lot.

Section 4.3.2.5 of the [Provincial Planning Statement](#) (2024) states that up to 2 ARUs shall be permitted on a lot in the prime agricultural area, where at least one has to be located within the primary dwelling. Criteria specific to the development of these units is also outlined in this section.

Based on the Provincial requirements outlined above, updates are needed to the Town's Official Plan and Zoning By-law to ensure they align. Key components of the proposed amendments are i) ensuring up to 2 ARUs are permitted in applicable zones, and ii) that ARUs detached from the primary dwelling are also permitted. Based on this, residential lots containing single, semi-detached or townhouses, with potential to establish ARUs, fall into one of three categories:

- Within municipally serviced urban areas where full permissions for ARUs are required to be implemented.
- On prime agricultural land where full permissions for ARUs are required to be implemented, subject to certain criteria including demonstrated servicing capacity.
- In Hamlets and Rural Clusters and rural lands (non-Prime Agricultural) where Provincial legislation does not currently require permissions for ARUs.

Under the proposed amendments attached to this report (Appendices 1 and 2), permissions for ARUs (both within and detached from the primary dwelling) are proposed for all the categories noted above. Provisions included in the Zoning By-law include lot standards and unit size maximums, and Official Plan policies require demonstrated servicing capacity, to ensure an ARU can be adequately accommodated on a lot.

### **3. Public Benefit**

The intent of expanding permissions for ARUs, beyond complying with the Provincial direction, is to create a greater supply of apartment units locally. As noted in Report [PD-2024-063](#), rental vacancy rates have been historically low in Halton Hills. Additionally, the current forecast for new apartment units in Halton Hills in the coming years is low, as reported in the 2023 Halton Region [State of Housing Report](#). Additional Residential Units present opportunities for landowners across many zones (urban and rural) to add to the supply of available rental units, or better accommodate their household in the current housing market.

### **4. Public Open House and Statutory Public Meeting**

A drop-in Public Open House at Town Hall, followed by a Statutory Public Meeting before Council, took place on October 7, 2024. The drop-in Public Open House provided staff an opportunity to discuss the draft Official Plan and Zoning By-law

Amendments and answer questions more informally ahead of the Statutory Public Meeting. Approximately 19 individuals attended these events. Three oral submissions were made at the Statutory Public Meeting, and one written submission was provided after. Among the oral submissions, one was a representative of an architectural design firm, one was a Georgetown resident, and one was a resident from the rural area.

Comments made through oral and written submissions related to unit size, separation distance between a detached ARU and main residential building, and community safety.

- **Unit size restriction:** Comments suggested that in the urban areas, unit size should be large enough (e.g. greater than 600 square feet) to provide for what the Ontario Building Code considers a dwelling unit. In the rural areas the unit size maximum for detached ARUs needs to be increased to make rentals more attractive.
- **Staff response:** In the urban areas Town staff believe the proposed unit size restrictions for ARUs provide enough space for a two bedroom apartment, as noted in report [PD-2024-073](#). After a review of lot patterns in the Town's urban area, staff do not feel it necessary to increase the proposed size restrictions for detached ARUs. In the non-urban zones, staff have taken into consideration that lot sizes are typically larger than the urban zones and are proposing modest increases to size restrictions for detached ARUs. In any case, staff also note that residents can apply for a variance through the Committee of Adjustment should they require more space for their unit than what is permitted in the Zoning By-law.
- **Separation distance between a detached ARU and the main residential building:** Comments suggested that the proposed zoning provision for non-urban zones requiring detached ARUs to be within 30 metres of the main residential building is too restrictive. A separation distance of 60 metres was recommended.
- **Staff response:** After an internal discussion among Planning, Building and Development Engineering staff, it was decided the proposed 30 metre provision should remain. Keeping detached ARUs within 30 metres of the main residential building in the non-urban zones reinforces the need for a shared driveway and septic services among the buildings, which staff believes are critical in ensuring all units are appropriately situated on a lot. Staff also note that residents can apply for a variance through the Committee of Adjustment should circumstances arise where the 30 metre requirement impedes their ability to create a detached ARU.
- **Community safety:** Comments made at the meeting expressed concern that the implementation of ARUs community-wide would encourage unsafe living conditions, such overcrowding within existing residential buildings. Comments also noted that other communities have seen this issue arise after implementing expanded permissions for ARUs.

- **Staff response:** Staff note that the intent of ARUs is that they be treated as apartments, given the proposed unit size restrictions. The Ontario Building Code (OBC) specifies an occupancy load of two people per room in a dwelling unit. Current Official Plan policies for ARUs require adherence to the OBC wherever they are established. Staff feel there are sufficient rules and regulations in place to ensure that expanding permissions for ARUs will not result in overcrowding within residential buildings.

## 5. Provincial Review of Ontario Regulation 299/19 Additional Residential Units

On September 23, 2024, proposed changes to the *Planning Act* Regulation for ARUs was posted on the Environmental Registry of Ontario [website](#). Specifically, the updated regulation would seek to restrict a municipality’s ability to impose rules for ARUs on height, lot coverage, unit size, lot size, and building separation. A summary of the proposed changes, and the impacts on current and proposed Town policies for ARUs is provided in Table 1 below.

**Table 1: Summary of Proposed Changes to Ontario Regulation 299/19**

Proposed Regulation Content Change	Impact on Town Policies
Angular Plane: remove all angular plane requirements in zoning by-laws for ARUs.	<ul style="list-style-type: none"> <li>• Draft policies do not specifically reference angular plane when restricting the height of a detached ARU.</li> <li>• Proposed height restrictions would generally permit detached ARUs to up to 1m less than the main residential building.</li> </ul>
Maximum Lot Coverage: minimum 45% lot coverage for all buildings and structures on a lot including ARUs.	<ul style="list-style-type: none"> <li>• Table 6.3 restricts lot coverage in zones with MN to 40% where buildings are up to 1.5-storeys; and 35% where buildings are taller (2-2.5-storeys).</li> <li>• This regulation content (if passed) would require a revised standard in Table 4.2.1 of the draft Amendment stating “lot coverage in Mature Neighbourhoods cannot exceed 45% for all buildings and structures where an Additional Residential Unit is established.”</li> </ul>
Floor Space Index: remove all FSI requirements in zoning by-laws for ARUs.	<ul style="list-style-type: none"> <li>• Current existing and proposed size restrictions for ARUs do not reference FSI. There is nothing to suggest in the ERO posting that our approach, using floor area maximums, would be impacted.</li> </ul>
Minimum Lot Size: remove all minimum lot size/area in zoning by-laws for ARUs.	<ul style="list-style-type: none"> <li>• Draft policies do not propose a minimum lot size for ARUs.</li> </ul>

<p>Building Distance Separation: restrict separation requirements associated with any building containing ARUs to a maximum of 4 metres.</p>	<ul style="list-style-type: none"> <li>• Our draft policies do not propose restrictions on building distance separation for detached ARUs in the Urban Zones.</li> <li>• The intent of the proposed Regulation provision appears to be to limit how much distance municipal zoning can require between the detached ARU and primary dwelling.</li> </ul>
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Ahead of the October 23, 2024 comment deadline for this consultation, Town staff did submit comments asking:

- That consideration be given for municipal zoning protections for Mature Neighbourhoods where lot coverage is concerned.
- The municipal Zoning By-laws continue to be permitted to set unit size maximums for Additional Residential Units.

## 6. Internal Staff Working Group

After the Statutory Public Meeting on October 7, the internal working group, consisting of Planning, Building and Development Engineering staff, met to review public comments and the Provincial review of Regulation 299/19. Key input from the group included:

- Reaffirming that requiring detached ARUs to be within 30 metres of the main residential building for non-urban zones was appropriate and should be included in the Zoning By-law Amendment.
- The implications of servicing detached ARUs in non-urban zones and the need for added provisions to limit additional septic systems.
- The implications of expanding maximum unit sizes for detached ARUs in non-urban zones.

All discussion and feedback from meetings with the internal working group was considered in the proposed revisions to the Official Plan and Zoning By-law Amendments.

## 7. Revisions to the Official Plan and Zoning By-law Amendments since the Statutory Public Meeting

Following the Statutory Public Meeting on October 7, staff have reviewed all comments received and addressed them where appropriate. These include both public comments and all departmental comments not previously addressed. Below is a summary of the key revisions to the Official Plan and Zoning By-law Amendments as a result of the feedback received:

### **a) Official Plan – clerical update to policy language**

To ensure consistency among development criteria language for ARUs in the urban and rural areas, a clerical update is being made to the Official Plan Amendment to add wording to criteria d) in section D1.3.1.6.

### **b) Lot coverage increase for Additional Residential Units within Mature Neighbourhoods**

This proposed change takes into account the Provincial review of the *Planning Act* regulations for ARUs, as noted in section 4 of this report. Lot coverage in urban zone Mature Neighbourhoods can currently go as high as 40 percent under the Town's Zoning By-law 2010-0050. Permitting this to increase to 45 percent where an ARU is established on a lot would align with what is currently being proposed by the Province, and would ensure Town zoning complies with the Provincial direction in the event Ontario Regulation 299/19 is amended as proposed in ERO Posting [019-9210](#).

### **c) Maximum unit sizes for detached ARUs in Non-Urban Zones**

In consideration of public comments about maximum unit sizes for ARUs in non-urban zones, staff are recommending a modest increase to 45 percent of the main residential building, or 140 square metres, whichever is less. Given the tendency for lots to be larger in these zones, many could accommodate larger units. The size increase proposed in the updated Zoning By-law Amendment equates approximately to adding another bedroom (20 square metres or 225 square feet).

### **d) Zoning requirement for shared septic servicing with the main residential building in certain Non-Urban Zones**

For all Hamlet and Rural Cluster zones, a zoning provision is being proposed that all detached ARUs share septic services with the main residential building on a lot. In consultation with Halton Region staff and Town Building staff, it was determined that this provision will help avoid smaller lots in Hamlets and Rural Clusters potentially having two septic systems, which could lead to hydrogeological issues.

## **8. Next Steps**

In accordance with Sections 17 (24.1 and 24.1.1) and 34 (19.1 and 19.2) of the *Planning Act*, there is no appeal with respect to policies adopted to authorize the use of additional residential units as laid out in the Official Plan and Zoning By-law Amendments, except by the Minister of Municipal Affairs and Housing.

Upon approval of the Official Plan Amendment 58 and the Zoning By-law Amendment, a copy will be provided to the Province and all relevant public agencies. OPA 58 is

exempt from obtaining Provincial approval, and therefore staff will proceed to providing formal Notice of Approval, following which a 20-day appeal period is provided.

Town staff will continue to monitor the impacts of ARU policies, including units registered and built. Upcoming Official Plan and Zoning By-law reviews will provide further opportunities to review these policies and determine whether further revisions are required.

### **STRATEGIC PLAN ALIGNMENT:**

This report identifies a safe and welcoming community as one of the Town's Strategic priorities.

The focus of this report is finalizing Amendments that would see Town policies for Additional Residential Units better align with the *Planning Act* and Provincial Planning Statement. The Draft Amendments would allow for up to two Additional Residential Units on a residential lot, creating opportunities for gentle intensification in both Urban and Non-Urban zones where low to medium density residential uses are already permitted.

### **RELATIONSHIP TO CLIMATE CHANGE:**

This report is administrative in nature and does not directly impact or address climate change and the Town's Net Zero target.

### **PUBLIC ENGAGEMENT:**

Public Engagement has been conducted as follows: Online Survey, Open House/PIC/Workshop, Stakeholder Meetings, Other (please specify)

- Ongoing online engagement at [Let's Talk Halton Hills](#).
- A drop-in Public Open House at Town Hall on October 7, 2024
- A Statutory Public Meeting before Council on October 7, 2024

### **INTERNAL CONSULTATION:**

Planning policy staff consulted with staff from Development Review, Development Engineering, Halton Hills Fire Department, and Enforcement Services in preparation of this report.



**FINANCIAL IMPLICATIONS:**

This report is administrative in nature and does not have any financial implications.

Reviewed and approved by,

Bronwyn Parker, Director of Planning Policy

John Linhardt, Commissioner of Planning & Development

Chris Mills, Chief Administrative Officer