

DATE: May 8, 2023

REPORT NO: PD-24-2023

SUBJECT: **Recommendation Report**
Review of Secondary Unit Policies and Regulations

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OVERVIEW:

- In 2014 Township Council approved Official Plan Amendment No. 44 and an implementing zoning bylaw amendment which permitted secondary units on lots containing a single detached or semi-detached dwelling.
- Since that time, there have been significant changes to the Planning Act and Provincial Policy as well as a growing trend to build more secondary units within the Township.
- Bill 23, which received Royal Assent in 2022 now allows up to three dwelling units on an urban lot as of right. There are further Provincial Policy changes proposed for the agricultural and rural areas which would increase the number of units to help the Province achieve its ambitious goal of building 1.5 million new homes by 2031.
- Recent proposals for secondary units have put the existing policy and zoning regulations to the test, specifically with respect to private servicing and maximum unit size.
- Planning staff are recommending that an in-house comprehensive review of the Township's existing Official Plan policies and zoning regulations be undertaken, and are requesting authority to initiate an Official Plan Amendment (if required) and a Zoning Bylaw Amendment process to facilitate any proposed changes.

RECOMMENDATION:

1. That, Recommendation Report PD-24-2023 regarding, "Review of Secondary Unit Policies and Regulations," dated May 8, 2023, BE RECEIVED; and,
2. That Staff be authorized to commence a review of the Township's secondary unit policies and regulations and initiate an Official Plan Amendment and/or Zoning Bylaw Amendment process if required to implement any proposed changes.

ALIGNMENT TO STRATEGIC PLAN:

Theme #3

- Strategic Responsible Growth

BACKGROUND:

In 2014, the Township introduced its first official plan policy and zoning regulations allowing secondary units on most lots within the Township. This was in response to new Provincial Legislation at the time, Bill 140, which required municipalities to allow secondary units on lots as of right. Since 2014, the official plan policy has remained the same, while the zoning bylaw regulations regarding secondary units have undergone a number of small changes.

The Township Official Plan currently permits one secondary unit within or attached to a single detached or semi-detached unit, and within accessory buildings on both municipally serviced and privately serviced lots.

The Township's Zoning Bylaw provides detailed regulations on secondary units within Part 3 of the Bylaw. Secondary units are subject to a number of regulations with respect to size, location, servicing, urban design, parking, driveway access and height.

Over the last year there have been a number of Provincial Planning Act changes including Bill 23, which has provided greater as of right permission for secondary units, including allowing up to three dwelling units on one lot within an urban area, with limited ability to impose parking and minimum unit size requirements.

In addition to Provincial changes, staff have received considerable push back against some of the zoning regulations for secondary units, which has triggered staff to review other municipality's secondary unit zoning regulations.

Staff are recommending that a full review of the Township's Official Plan policies and Zoning regulations be completed at this time in order to ensure that the Township is compliant with the recent Planning Act changes and to ensure that the Township's regulations have enough flexibility to provide for more housing options while maintaining and protecting the Township's interests. This may result in proposed amendments to the Township's Official Plan policies, but most likely just zoning regulations. As the Township is preparing for a full review of the Official Plan later this year, this process may be limited to Zoning Amendments only.

CURRENT SITUATION:

There have been two main triggers for staff to review the Township's existing policies and zoning on secondary units being: 1. Recent changes to the Planning Act; and, 2. Recent feedback from residents regarding secondary unit proposals.

Bill 23 – More Homes Built Faster Act 2022

The More Homes Built Faster Act received Royal Assent on November 28, 2022 which made significant changes to various acts and legislation. Specifically regarding secondary units, the Planning Act now permits up to three units on a residential lot within an urban area, within a detached, semi-detached, rowhouse and/or ancillary structures. The Township's Official Plan cannot contain policies prohibiting three units or less, and cannot require a minimum unit size or more than one parking space per accessory dwelling unit. Any existing policy that limits the number of secondary units to less than three on an urban

lot has no effect. The current Township Official Plan policy limits the number of secondary units to just one, so those policies would no longer be in effect for urban lots.

Official Plan 16 (3), Planning Act, R.S.O. 1990 c. P.13:

Restrictions for residential units

(3) No official plan may contain any policy that has the effect of prohibiting the use of,

- (a) two residential units in a detached house, semi-detached house or rowhouse on a parcel of urban residential land, if all buildings and structures ancillary to the detached house, semi-detached house or rowhouse cumulatively contain no more than one residential unit;
 - (b) three residential units in a detached house, semi-detached house or rowhouse on a parcel of urban residential land, if no building or structure ancillary to the detached house, semi-detached house or rowhouse contains any residential units; or
 - (c) one residential unit in a building or structure ancillary to a detached house, semi-detached house or rowhouse on a parcel of urban residential land, if the detached house, semi-detached house or rowhouse contains no more than two residential units and no other building or structure ancillary to the detached house, semi-detached house or rowhouse contains any residential units.
- 2022, c. 21, Sched. 9, s. 4 (1).

Same, parking

(3.1) No official plan may contain any policy that has the effect of requiring more than one parking space to be provided and maintained in connection with a residential unit referred to in subsection (3). 2022, c. 21, Sched. 9, s. 4 (1).

Same, minimum unit size

(3.2) No official plan may contain any policy that provides for a minimum floor area of a residential unit referred to in subsection (3). 2022, c. 21, Sched. 9, s. 4 (1).

Policies of no effect

(3.3) A policy in an official plan is of no effect to the extent that it contravenes a restriction described in subsection (3), (3.1), or (3.2). 2022, c. 21, Sched. 9, s. 4 (1).

Further, in the newly released draft Provincial Policy Statement, there appears to be a shift to allow and promote additional residential units on agricultural and rural lots as well. Planning Staff will continue to monitor any new proposed changes in Provincial legislation and incorporate them into this review.

Resident Feedback on Current Policies and Regulations

Township Planning and Building Staff have processed an increasing number of secondary unit permits over the last few years in part as a result of housing availability and affordability. Staff are seeing more multi-generational housing being proposed, especially on lots within the agricultural area. With the increase in permits, there has also been an increase in minor variance applications for secondary units to vary certain regulations from the Township's Zoning Bylaw. Just in the past year there have been six minor variance applications submitted for various reasons but mainly with regard to increasing the maximum floor area and allowing for separate septic systems.

The Township's current Official Plan policies and Zoning Regulations can be found attached to this report. In summary the Township's Zoning Regulations require secondary units to be:

- Located within or attached to a main dwelling (limited to single or semi-detached dwelling), or within an accessory building
- Where located in an accessory building, located on the second floor
- A maximum of one accessory unit on a lot, except where permitted otherwise.

- A minimum of one acre lot size where privately serviced
- The accessory dwelling unit and main dwelling unit shall share a septic system
- Minimum floor area of 40 sq. metres and a maximum of the lesser of 40% of the floor area of the dwelling or 100 sq. metres.
- Where located on the second floor of an accessory building, a maximum height of 8 metres
- Residential appearance of the unit must appear as a single detached unit and two front facing entryways are not permitted.
- Accessory dwelling units are not permitted on lots used for a bed and breakfast, boarding or rooming house, garden suite or group home
- Required parking shall be located off of the same driveway that is used for the main dwelling.

The Township has additional policies and regulations for garden suites and accessory farm dwellings which have not resulted in many variances or pushback from residents. These policies will be reviewed as well, but it is not expected that they will result in significant changes.

Township Planning Staff have completed a preliminary environmental scan of other municipal zoning bylaws for secondary units and have found that there is a great variation between regulations. There were a number of municipalities that have very few controls over secondary units, specifically within the agricultural designations. As West Lincoln is predominantly agricultural and the Official Plan is focused on the protection of agricultural lands, staff want to ensure that a balanced approach is taken for secondary units to protect agricultural land and agricultural practices while allowing greater flexibility in housing options.

FINANCIAL IMPLICATIONS:

There are no financial implications associated with this report. The proposed review of secondary unit policies and zoning will be done internally by staff and not require any additional consultants.

INTER-DEPARTMENTAL COMMENTS:

Township Planning, Building and Septic Staff have discussed the current policy and zoning regulations at length, as well as building code and septic servicing requirements for secondary units. Further consultation will occur through a public consultation process and formal review of the existing regulations by agencies and Township departments. Once initiated, staff would circulate notice in accordance with the Planning Act through the local newspaper.

CONCLUSION:

Township Planning Staff are seeking authorization from Committee and Council to initiate a full review of the Township's existing Secondary Unit Policies and Regulations in order to ensure that they are aligned with Provincial Policy and are responding to the changing housing needs within the Township.

Staff have already completed an environmental scan of other municipal zoning bylaw regulations and will continue to look for best practices that achieve more flexibility in terms of housing options while protecting agricultural lands.

ATTACHMENTS:

1. Township Official Plan Policy – Section 17 Affordable Housing
2. Township Zoning Regulations – Part 3 Accessory Dwelling Units

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