

Report to Planning and Environment Committee

To: Chair and Members
Planning and Environment Committee

From: Scott Mathers, MPA, P.Eng.
Deputy City Manager, Planning and Economic Development

Subject: Amendment to Increase Additional Residential Unit
Permissions (OZ-9651)

Date: October 3, 2023

Recommendation

That, on the recommendation of the Director, Planning and Development, with respect to the Official Plan and Zoning By-law requirements for additional residential units, the following actions be taken:

- (a) the proposed by-law attached hereto as Appendix "A" **BE INTRODUCED** at the Municipal Council meeting on October 17, 2023 **TO AMEND** the Official Plan, *The London Plan*, to change the maximum permitted Additional Residential Units within single detached dwellings, semi-detached dwellings or street townhouse dwellings **FROM** a maximum of two additional residential units permitted, **TO** a maximum of three additional residential units permitted;
- (b) the proposed by-law attached hereto as Appendix "B" **BE INTRODUCED** at the Municipal Council meeting on October 17, 2023 **TO AMEND** Zoning By-law No. Z.-1, in conformity with the Official Plan, *The London Plan*, as amended in part (a) above.

Executive Summary

Summary of Request

On August 29, 2023 City Council directed Civic Administration to “prepare a zoning by-law amendment that would permit as of right building permits for up to 4 residential units wherever a zone permits singles, semis, or street townhomes.” The direction also included that the amendment be brought to City Council “as soon as permitted by the statutory requirements of the *Planning Act*.” Staff have reviewed Council’s direction and are recommending approval of the requested Official Plan amendment and Zoning By-law amendment to increase the maximum permitted Additional Residential Units from two additional residential units to three additional residential units.

Purpose and the Effect of Recommended Action

The recommended action will increase the total number of residential units permitted as-of-right within a single detached, semi-detached, or street townhouse dwelling from three to four, including the primary dwelling unit and three additional residential units.

Rationale of Recommended Action

1. The recommended amendment is consistent with the Provincial Policy Statement, 2020.
2. The recommended amendment conforms to the general intent of *The London Plan*, including but not limited to the Neighbourhoods Place Type, Policy 942; and
3. The recommended amendment support’s Council’s commitment to increase housing supply and affordability.

Linkage to the Corporate Strategic Plan

This recommendation supports the following Strategic Areas of Focus:

- **Housing and Homelessness**, by ensuring London’s growth and development is well-planned and considers use, intensity, and form.

- **Housing and Homelessness**, by supporting faster/streamlined approvals and increasing the supply of housing with a focus on achieving intensification targets.
- **Housing and Homelessness**, by increasing access to a range of quality, affordable, and supportive housing options that meet the unique needs of Londoners.

Analysis

1.0 Background Information

The recommended Official Plan and Zoning By-law amendments are being presented in support of the City of London's objectives relating to housing supply and affordability. The recommended amendments follow the August 29, 2023 motion from Council that said:

the Civic Administration BE DIRECTED to prepare a zoning by-law amendment that would permit as of right building permits for up to 4 residential units wherever a zone permits singles, semis, or street townhomes for consideration by Council as soon as permitted by the statutory requirements of The Planning Act

Approval of the amendments would further support the City's planning approach for residential intensification and more specifically, additional residential units in urban residential areas.

1.1 Previous Reports Related to this Matter

On December 8, 2020 Council approved proposed amendments to *The London Plan* and Zoning By-law Z.-1 regulations (OZ-9176/Additional Residential Unit Review). The amended regulations removed "Secondary Dwelling Units", introduced "Additional Residential Units", and permitted up to two additional units on a property containing a single detached, semi-detached, or street townhouse residential dwelling with a maximum of one additional unit in the main dwelling and a maximum of one additional unit in an accessory structure. This amendment was prepared in response to Bill 108, the *More Homes, More Choice Act, 2019*.

On June 6, 2023 Council approved further amendments to *The London Plan* and Zoning By-law Z.-1 regulations (OZ-9581/ Additional Residential Unit Amendments as a Result of More Homes Built Faster Act, 2022 (Bill 23)). The amendments brought the Official Plan and Zoning By-law in compliance with new requirements for additional residential units under the *Planning Act* and reduced some other regulations that limited additional unit development including the maximum floor area, number of units permitted in the main building, and minimum unit size. The maximum number of additional residential units permitted per lot remained at two additional units, permitting a total for three units in association with a single detached, semi-detached, or street townhouse dwelling.

1.2 Planning History

In reaction to the housing supply and affordability crisis in Ontario, the Province has enacted several changes to the *Planning Act* in recent years. New legislation has supported residential development with a goal of increasing the housing supply thereby increasing affordability. In action, the approach has resulted in zoning changes that have increased the number of units permitted as-of-right on individual lots in urban areas.

Bill 108, the *More Homes, More Choice Act, 2019* introduced "Additional Residential Units" replacing the former concept of a "Secondary Dwelling Unit". Under the new legislation, three residential units were permitted to be built as-of-right on properties containing single detached, semi-detached, or street townhouse residential dwellings, replacing the former allowance of one Secondary Dwelling unit. A maximum of one additional residential unit was permitted within the primary dwelling and a maximum of one additional unit in an accessory structure.

Bill 23, the *More Homes Built Faster Act*, 2022 revised requirements for additional residential units and expanded as-of-right permissions for residential lots permitting detached, semi-detached, or street townhouse residential dwellings. In its present state, the *Planning Act* now allows up to three residential units on lots permitting the above-noted housing forms. Three residential units are permitted and may include one residential unit within an accessory structure.

Currently the Official Plan and Zoning By-law Z.-1 conform with the minimum requirements outlined in the *Planning Act* policies relating to as-of-right permissions and additional residential units. *London Plan* Policy 942 indicates:

Additional residential units are permitted as-of-right within single detached dwellings, semi-detached dwellings or street townhouse dwellings where all of the following criteria are met:

1. A maximum of two additional residential units are permitted, which may include a maximum of one additional unit in an accessory structure.

Zoning by-law Z.-1 section 4.37 implements this policy and indicates:

The provisions of this section shall apply to all additional residential units, unless specified by type directly herein.

1) Permitted Zones

Additional residential units shall be permitted within any zone in association with the following uses:

- a. Single detached dwellings
- b. Semi-detached dwellings
- c. Street townhouse dwellings

2) Number of Additional Residential Units per Lot

A maximum of two (2) additional residential units shall be permitted per lot; including a maximum of one (1) additional residential unit in an accessory or ancillary structure.

However, the August 29, 2023 motion from Council and a request from the Minister of Housing, Infrastructure, and Communities of Canada have targeted an increase beyond the as-of-right allowances defined within the *Planning Act*. Increased as-of-right permissions meet the *Planning Act* as the requirements are established as minimum requirements. Section 35.1 says that a zoning by-law may not prohibit three residential units in association with a single detached house, semi-detached house, or rowhouse. It does not include any limits on how many units may be permitted above the minimum.

In addition to amendments outlined within this report, it should be noted that City Staff are currently reviewing policies and regulations related to additional units in duplex, triplex, and fourplex housing forms, which will be addressed in a future report.

2.0 Discussion and Considerations

2.1 Requested Amendments

The recommended amendment would increase the maximum number of additional residential units within single detached dwellings, semi-detached dwellings or street townhouse dwellings from two additional residential units to three additional residential units in *The London Plan*.

The recommended amendment to the Zoning By-law Z.-1, Section 4.37 would conform with the above-noted amendment to *The London Plan* and permit three additional residential units within single detached dwellings, semi-detached dwellings or street townhouse dwellings.

2.2 Internal and Agency Comments and Public Engagement

No comments have been received in response to the amendment at the time of writing this report; however, this is likely due to the compressed timeline related to this

amendment and Council's direction to advance the report for Council's consideration as soon as permitted by the statutory requirements of the *Planning Act*. Should any issues be raised, they will be provided ahead of or at the Planning & Environment Committee meeting.

2.3 Policy Context

Provincial Policy Statement, 2020

The Provincial planning policy framework is established through the *Planning Act* (Section 3) and the *Provincial Policy Statement, 2020 (PPS)*. The *Planning Act* requires that all municipal land use decisions affecting planning matters shall be consistent with the *PPS*. The *PPS* provides for and supports intensification under Part IV:

Planning authorities are encouraged to permit and facilitate a range of housing options, including new development as well as residential intensification, to respond to current and future needs.

Policies in Sections 1.1 (Managing and Directing Land Use to Achieve Efficient and Resilient Development and Land Use Patterns) and 1.4 (Housing) state that a significant supply and mix of residential housing types shall be accommodated, and residential intensification (e.g., additional residential units) shall be supported, where appropriate.

Supportive statements relating to additional residential units and intensification targets are included in the following policies:

Healthy, liveable and safe communities are sustained by accommodating an appropriate range and mix of residential types (including additional residential units) (Policy 1.1.1.b)

Appropriate development standards should be promoted which facilitate intensification, redevelopment and compact form, while avoiding or mitigating risks to public health and safety. (Policy 1.1.3.4)

Planning authorities shall establish and implement minimum targets for intensification and redevelopment within built-up areas, based on local conditions. However, where provincial targets are established through provincial plans, the provincial target shall represent the minimum target for affected areas. (Policy 1.1.3.5)

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. (Policy 1.4.3b)

Based on the above noted policies, the amendments are consistent with the *Provincial Policy Statement (2020)*.

The Planning Act

Section 2 of the *Planning Act* defines matters of provincial interests that all approval authorities shall have regard to in carrying out their planning responsibilities. Of relevant note is "the adequate provision of a full range of housing, including affordable housing" (Subsection 2(j)). Given that the recommended amendments would support the creation of additional residential units, which is the specifically outlined within Council's August 29, 2023 motion related to addressing the housing crisis, the amendments align with this provision.

The London Plan, 2016

Policies 937 and 938 underscore residential intensification as fundamentally important to key directions within the *London Plan* and provide rationale for intensification throughout neighbourhoods. Policy 939 identifies additional residential units as an important planning opportunity for “purposeful, sensitive and compatible intensification” and defines additional residential units as a “very light and discreet form of intensification”. Policies 941-942 include the current requirements for additional residential unit policies. The current policies were most recently revised based on changes made by Bill 23, the *More Homes Built Faster Act, 2022*. As noted in the recommended amendment, Policy 942 will be revised to increase the allowable number of additional units on a property.

The purpose of the recommended amendment is further support for planning policy which creates affordable housing and increases housing mix and supply. The recommended amendment to *The London Plan* is consistent with provincial policy and direction provided by Council.

Zoning By-law No. Z-1

Section 4.37 of the Zoning By-law outlines current provisions for additional residential units. The current regulations include the following:

- 1) Additional residential units shall be permitted within any zone in association with the following uses:
 - a. Single detached dwellings
 - b. Semi-detached dwellings
 - c. Street townhouse dwellings
- 2) A maximum of two (2) additional residential units shall be permitted per lot; including a maximum of one (1) additional residential unit in an accessory or ancillary structure.
- 3) An additional residential unit shall not be permitted on a separate lot from the primary dwelling unit that it is accessory to.

The purpose of the recommended amendment is to conform with the recommended Official Plan amendment. As such, the amendment is consistent with the *London Plan* and the City of London’s affordable housing policies.

Conclusion

Amendments to the Official Plan and Zoning By-law Z.-1 are required to fulfill the August 29, 2023 Council motion which directed City Staff to amend City planning policies to permit as-of-right building permits for up to 4 residential units wherever a zone permits singles, semis, or street townhomes. The recommended amendments will update the City of London’s Additional Residential Unit policies and regulations to permit 3 additional residential units in addition to a primary residential unit in order to meet the intent the abovementioned motion. Approval of the recommendations will ensure further support for the City of London’s housing and affordability objectives.

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Reviewed by: Justin Adema, MCIP, RPP
Manager, Long Range Planning

Recommended by: Heather McNeely, MCIP, RPP
Director, Planning and Development

Submitted by: Scott Mathers, MPA, P.Eng.
Deputy City Manager, Planning and Economic
Development

Appendix A – Official Plan Amendment

Bill No. (number to be inserted by Clerk's Office)
2023

By-law No. C.P.-XXXX-

A by-law to amend The London Plan, the
Official Plan for the City of London, 2016
relating to Policy 942

The Municipal Council of The Corporation of the City of London enacts as follows:

1. Amendment No. (to be inserted by Clerk's Office) to The London Plan, the Official Plan for the City of London Planning Area – 2016, as contained in the text attached hereto and forming part of this by-law, is adopted.
2. This Amendment shall come into effect in accordance with subsection 17(27) or 17(27.1) of the *Planning Act, R.S.O. 1990, c.P.13*.

PASSED in Open Council on October 17, 2023 subject to the provisions of PART VI.1 of the *Municipal Act, 2001*.

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First Reading – October 17, 2023
Second Reading – October 17, 2023
Third Reading – October 17, 2023

AMENDMENT NO.
to the
OFFICIAL PLAN, THE LONDON PLAN, FOR THE CITY OF LONDON

A. PURPOSE OF THIS AMENDMENT

The purpose of this Amendment is to update The London Plan, the Official Plan for the City of London to revise additional residential unit policies to increase the maximum number of additional residential units permitted.

B. LOCATION OF THIS AMENDMENT

This Amendment is a text amendment, which applies to all lands within the City of London.

C. BASIS OF THE AMENDMENT

The amendment would permit a maximum of three additional residential units within single detached dwellings, semi-detached dwellings or street townhouse dwellings.

D. THE AMENDMENT

The London Plan for the City of London is hereby amended as follows:

- 1) Criteria 1 of Policy 942 with regard to maximum permitted additional residential units is revised and replaced with the policy below:
 1. A maximum of three additional residential units are permitted, which may include a maximum of one additional unit in an accessory structure.

Appendix B – Zoning Bylaw Amendment

Bill No. (number to be inserted by Clerk's Office)
2023

By-law No. Z.-1-

A by-law to amend By-law No. Z.-1 to
adjust Section 4.37, Provision 2

WHEREAS upon approval of Official Plan Amendment Number (number to be inserted by Clerk's Office) this rezoning will conform to the Official Plan;

THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. Section 4.37.2 (Additional Residential Units) is amended by revising the existing regulation and replacing it with the following:

2. Number of Additional Residential Units per Lot

- A maximum of three (3) additional residential units shall be permitted per lot; including a maximum of one (1) additional residential units in an accessory or ancillary structure.

2. This Amendment shall come into effect in accordance with Section 34 of the *Planning Act, R.S.O. 1990, c. P13*, either upon the date of the passage of this by-law or as otherwise provided by the said section.

PASSED in Open Council on October 17, 2023 subject to the provisions of PART VI.1 of the *Municipal Act, 2001*.

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First Reading – October 17, 2023
Second Reading – October 17, 2023
Third Reading – October 17, 2023

Appendix C – Recommended London Plan and Zoning By-law Amendments with Tracked Changes

Within this appendix underlined text indicates new wording to be added and strikethrough text indicates existing wording to be deleted. Bold text indicates an existing heading.

Official Plan (The London Plan) Amendments

ADDITIONAL RESIDENTIAL UNITS

942_ Additional residential units are permitted as-of-right within single detached dwellings, semi-detached dwellings or street townhouse dwellings where all of the following criteria are met:

1. A maximum of ~~two~~ three additional residential units are permitted, which may include a maximum of one additional unit in an accessory structure.

Zoning By-law Amendment

4.37 ADDITIONAL RESIDENTIAL UNITS

The provisions of this section shall apply to all additional residential units, unless specified by type directly herein.

1) Permitted Zones

Additional residential units shall be permitted within any zone in association with the following uses:

- a. Single detached dwellings
- b. Semi-detached dwellings
- c. Street townhouse dwelling

2) Number of Additional Residential Units per Lot

A maximum of ~~two (2)~~ three (3) additional residential units shall be permitted per lot; including a maximum of one (1) additional residential unit in an accessory or ancillary structure.