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MEETING DATE: December 17th, 2025

TO: Mayor and Members of Council
Municipality of North Middlesex

FROM: Abby Heddle-Jacobs, RPP MCIP
Planner II (Policy & Special Projects), Middlesex County

RE: RECOMMENDATION REPORT
Official Plan Amendment
File No. OPA17

Purpose

The purpose of this report is to provide Council with evaluation and recommendation with respect to the municipally initiated housekeeping amendment to the North Middlesex Official Plan related to the Housing Accelerator Fund Action Plan Initiatives (OPA-17). An information report regarding the housekeeping amendment was brought to Council at the time of the public meeting on October 1st, 2025.

Description and Location of Subject Lands

The housekeeping amendment would apply to the Municipality in its' entirety.

Purpose and Effect of Official Plan Amendment

The purpose and effect of the housekeeping amendment is to implement key initiatives under the Housing Accelerator Fund (HAF), reflecting the Municipality's commitment to supporting a range and mix of housing options that respond to community needs and align with growth objectives. This amendment introduces updated housing policies to provide more direction on the provision of diverse housing types, including additional residential units (ARUs), and to guide the form and character of new residential development. More specifically, the housekeeping amendment advances specific HAF initiatives including ending exclusionary zoning that limits the range of housing forms in certain areas, removing unnecessary restrictions on residential development to enable timely and efficient housing delivery, and establishing design and implementation guidelines to support the integration of ARUs in a manner that respects neighbourhood character while increasing housing supply.

These changes are intended to facilitate the creation of complete, inclusive, and sustainable communities, promote housing affordability, and streamline the implementation of housing initiatives in accordance with the Municipality's HAF Action Plan and provincial policy.

Policy and Regulation Background

The Housing Accelerator Fund (HAF) is a federal initiative administered by the Canada Housing and Mortgage Corporation (CMHC) that provides targeted support to municipalities to accelerate housing delivery by encouraging the removal of regulatory and policy barriers and by creating enabling planning frameworks.

HAF Action Plans require municipalities to set measurable housing targets, identify regulatory and policy barriers to housing delivery, and propose concrete initiatives to address those barriers (for example: permitting more housing forms, zoning reforms, and design guidance). Through the Contribution Agreement that was executed between the Municipality and CMHC, the Municipality committed to implementing Action Plan measures within set timelines, which require amendments to the Municipality's Official Plan.

The proposed amendment responds directly to the Municipality's HAF Action Plan commitments by revising Official Plan policies, which sets the framework for impending amendments to the Municipality's Zoning By-law. The proposed amendment includes policy direction related to ARUs and more permissive housing policies. Overall, this amendment will conform to recent changes to the Planning Act related to ARUs and bring the Municipality's housing policies into conformity with the Middlesex County Official Plan, which was approved with Ministry modifications on July 7th, 2023.

The initiatives that will require implementing Official Plan policies include:

- **Ending Exclusionary Zoning;**

This initiative seeks to move away from low-density zoning that restricts the inclusion of diverse housing types, such as affordable and social housing, and which limits the variety of housing types in residential areas. Further, this initiative encourages mixed-use and higher-density development by allowing as-of-right zoning in certain areas in the Municipality. This initiative would also allow 4 units as-of-right within the Municipality's fully serviced settlement areas.

The Planning Act

Since 2018, the Province has amended the Planning Act several times with a stated aim of increasing housing supply and affordability. Through Bill 23, the Province introduced as-of-right permissions for Additional Residential Units (ARUs) on a parcel of urban residential land containing a single detached, semi-detached or rowhouse (townhouse) across the Province. A parcel of urban residential land means a parcel of land that is within an area of settlement in which residential uses, other than ancillary residential uses, are permitted by by-law and that is fully serviced by municipal water and wastewater.

The Planning Act defines an Additional Residential Unit (ARU) as a second and third residential unit in addition to a primary residential unit, for a total of three (3) units, on a residential lot containing a detached house, semi-detached house or rowhouse (townhouse). All three units, including the primary residential unit and the two ARUs, may be located within the detached house, semi-detached house or rowhouse (townhouse). Alternatively, one (1) ARU may be located in an accessory building or structure on the lot, and one (1) ARU may be attached to/within the primary residential unit. To constitute a "residential unit", the unit needs to include a set of self-contained rooms containing kitchen and bathroom facilities intended for the exclusive use of the unit.

Since the passing of Bill 23, the Planning Act prohibits municipalities from including any Official Plan policies or regulations in a Zoning By-law to prohibit ARUs on a parcel of urban residential land. Bill 23 amended the Planning Act to include a provision that provides that any Official Plan policy or regulation in a Zoning By-law that contravenes the above noted prohibitions for ARUs no longer have any effect. Bill 23 also amended the Planning Act to limit appeal rights on Official Plan policies or regulations in a Zoning By-law to permit the development of ARUs.

Further, through amendments to O. Reg 299/19: ADDITIONAL RESIDENTIAL UNITS, municipalities are limited in how they can regulate the development of ARUs on parcels of urban residential land through their zoning by-laws. In simple terms, O. Reg. 299/19 overrides local rules about things like angular planes, floor space index, and minimum lot size. It requires municipalities to allow at least 45% of a property with an ARU to be covered by buildings and structures, and it also says the minimum distance between a building with an ARU and another residential building can't be more than 4 metres.

Provincial Planning Statement

The Provincial Planning Statement (2024) provides Provincial direction on land use planning in Ontario. The PPS provides a definition of “housing options,” which includes ARUs. The PPS has regard for the importance of zoning by-laws as implementation tools for provincial policy and specifically provides that zoning by-laws should be forward-looking and facilitate opportunities for an appropriate range and mix of housing options for all Ontarians.

Policies 2.1.6 a) and 2.2.1 generally provide that planning authorities should support the achievement of complete communities by accommodating an appropriate range and mix of land uses, including housing options, to meet projected needs of current and future residents. Policy 2.2.1 b) provides that planning authorities should permit and facilitate 1) all housing options required to meet the social, health, economic and well-being requirements of current and future residents, inclusive of additional needs housing; and 2) all types of residential intensification, and the development and introduction of new housing options within previously developed areas, which results in a net increase in residential units.

Policy 2.3.3 provides that planning authorities shall support general intensification and redevelopment to support the achievement of complete communities, including by planning for a range and mix of housing options and prioritizing planning and investment in the necessary infrastructure and public service facilities.

As it relates to the development of ARUs in the prime agricultural area, policy 4.3.2.5 provides that where a residential dwelling is permitted on a lot in a prime agricultural area, up to two (2) ARUs shall be permitted in accordance with provincial guidance, provided that, where two (2) ARUs are proposed, at least one (1) of these ARUs is located within or attached to the principal dwelling, and that an ARUs comply with the MDS formulae; are compatible with, and would not hinder, surrounding agricultural operations; have appropriate sewage and water services; address any public health and safety concerns; are of limited scale and are located within, attached, or in close proximity to the principal dwelling or farm building cluster; and minimize land taken out of agricultural production.

Middlesex County Official Plan

The Middlesex County Official Plan (the “COP”) was updated in 2021 and subsequently approved by the Minister with modifications in July of 2023. Section 2.3.7.4 of the County Official Plan (COP) provides that the development of additional residential units shall be permitted as a means of increasing the diversity and stock of rental and affordable housing, creating opportunities for aging in place, and providing homeowners with additional sources of income. In alignment with the Planning Act, the COP permits a total of three (3) ARUs within fully serviced settlement areas as follows:

- a) The use of up to three (3) residential units in a detached dwelling, semi-detached dwelling or rowhouse; or
- b) The use of two (2) residential units in a detached dwelling, semi-detached dwelling, rowhouse, and a residential unit in a building or structure ancillary to a detached dwelling, semi-detached dwelling or rowhouse.

The COP requires that municipal official plans and zoning by-laws address matters including but not limited to Ontario Building Code, Ontario Fire Code, and any other applicable standards, the provision of adequate access, and that ARUs not be permitted within hazard lands as defined and regulated by the Conservation Authorities.

Regarding ARUs outside of fully serviced settlement areas, the COP provides that such uses shall be grouped with the primary dwelling, shall meet Minimum Distance Separation formulae, and shall be prohibited from being severed from the property unless as part of the severance of the primary dwelling unit as a residence surplus to a farming operation. The COP also provides that garden

suites, granny flats, and tiny homes or trailers are considered temporary uses and shall be evaluated as such.

As Council is aware, the County is currently undergoing a Section 26 update to bring the COP into conformity with the PPS 2024. As part of this, the County is carefully considering revising the existing ARU policies to better align with the PPS as well as feedback from the County's Planning Advisory Committee, staff from local municipalities, members of the public and other interested parties.

North Middlesex Official Plan

The North Middlesex Official Plan provides that “granny flats” or garden suites are permitted within the ‘Residential Area’ designation subject to the following criteria:

- a) Accessory residential dwelling units shall be defined as separate and complete dwelling units that are contained within the structure of a single detached residential dwelling. “Granny flats” or garden suites shall also be considered accessory residential dwellings, save and expect for that a “granny flat” or garden suite shall be a small independent building, physically separate from the principal dwelling unit with which it is associated.
- b) A maximum of one (1) accessory residential dwelling unit per lot shall be permitted.
- c) The proposed unit shall have regard to the type of housing found in the surrounding residential neighbourhood. Standards to ensure compatibility with the surrounding neighbourhood shall be provided in the Zoning By-law.
- d) Full municipal services will be required for the development of an accessory residential dwelling unit or “granny flat” or garden suite.
- e) Council may deem accessory residential dwelling units to be subject to site plan control in accordance with Section 9.5.6 of this Plan.
- f) Development of “granny flats” or garden suites shall be subject to the following criteria:
 - i. The exterior design of any proposed unit in terms of height, massing, scale and layout shall be consistent with the present land uses in the area; and
 - ii. The siting of the unit and any related features shall have a minimal effect on light, view and privacy of adjacent yards.
- g) “Granny flats” or garden suites shall be permitted by way of Temporary Use By-law, in accordance with Section 9.3.3 of this Plan.
- h) Development of accessory dwelling units within the principal building shall be subject to the following criteria:
 - i. The structural stability of the building to accommodate alterations for an additional dwelling unit;
 - ii. Exterior changes to the structure will be minimal;
 - iii. Compliance with the provisions of the Ontario Building Code, Fire Code and all other relevant municipal and Provincial standards;
 - iv. The accessory residential unit is incidental to the permitted residential use, is located within the existing main building and does not exceed one-third of the total habitable floor space.

The North Middlesex Official Plan states that the Municipality may pass a temporary use by-law to allow a use otherwise prohibited by the Zoning By-law. A temporary use by-law will define the land or lands to which it applies, and shall prescribe the period of time during which it is in effect, which shall not exceed three years from the day of the passing of the by-law. Council may extend this period by passing further by-laws. In enacting a temporary use by-law Council shall consider the following:

- a) The compatibility of the proposed use with the surrounding land uses;
- b) The adequacy of any services that may be required for the proposed use;
- c) Access and parking requirements;
- d) Traffic impacts; and
- e) The conformity of the proposed use with the policies of the Plan

North Middlesex Zoning By-law

The North Middlesex Zoning By-law permits a range of residential uses, but does not permit granny flats, garden suites, or ARUs as-of-right. The Zoning By-law provides for second detached residential dwellings associated with an Agricultural Use, subject to the passing of a Temporary Use By-law.

Consultation

Notice of the application has been circulated to agencies, as well as property owners in accordance to the requirements of the *Planning Act*.

Agency Comments

At the time of writing the subject report, no comment or concerns had been received from the agencies regarding the proposal.

Public Comments

At the time of writing the subject report, no comment or concerns had been received from the public regarding the proposal.

Analysis

The Planning Act provides municipalities with the authority to permit additional residential units (ARUs) within both primary dwellings and ancillary structures. In addition, the PPS (2024) directs municipalities to facilitate a broad range of housing options, including ARUs, as part of a coordinated effort to address housing needs, improve affordability, and support gentle residential intensification. Under current provincial requirements, up to two (2) ARUs in addition to the principal dwelling unit are permitted as-of-right. The aforementioned provincial policy is generally captured in the County Official Plan, which encourages a broad range of housing types and further provides for the development of ARUs, subject to criteria.

As part of the Municipality's Housing Accelerator Fund (HAF) Action Plan, which was largely informed by a 2023 housing needs assessment, expanded permissions for ARUs were identified as an initiative to increase housing supply and diversify housing options. The proposed OPA builds on the provincial framework by permitting up to three (3) ARUs in addition to the principal dwelling unit. This approach exceeds the minimum requirements of the Planning Act and PPS (2024) and directly supports the Municipality's commitments under the HAF, given that this was identified by CMHC as a HAF best practice. By broadening permissions in this manner, the OPA will enable the creation of more housing units within existing neighbourhoods, where appropriate, making more efficient use of land and infrastructure while contributing to a wider range of affordable and flexible housing choices.

Allowing up to three (3) ARUs in addition to a principal unit supports a variety of local housing needs, including options for multigenerational living, rental opportunities, and smaller, more attainable housing forms. Expanding permissions within fully serviced settlement areas also reduces reliance

on site-specific planning approvals, providing greater certainty to homeowners and reducing administrative processes for staff.

The OPA establishes policy direction that ensures consistency with provincial policy while recognizing the powers vested in the Municipality as it relates to regulating matters such as servicing, design, and parking through the implementing future zoning by-law amendment. This balance between provincial direction, local implementation, and HAF commitments will accelerate housing delivery, optimize use of existing infrastructure, and contribute to meeting the Municipality's housing objectives.

Further, the OPA will bring the Municipality's policies for garden suites, mobile homes and tiny homes into conformity with the County Official Plan as well as provide policy that would allow for the passing of a temporary use by-law for a period not exceeding twenty (20) years to facilitate the establishment of such. The OPA also proposes to revise some wording as it relates to site plan control given that the Planning Act exempts residential development of ten (10) or less units from the site plan control process.

It should be noted that Council can expect further refinements on the Municipality's housing policies through the Official Plan review process. Staff are anticipating that the redlined Official Plan will be brought to Council in the spring for adoption. This allows staff to adequately incorporate policies from the County Official Plan, once adopted by County Council.

Summary

Based on the above analysis, in conjunction with the policy context, staff are of the opinion that the Official Plan Amendment is consistent with the Provincial Planning Statement and conforms to the Middlesex County Official Plan. As such, staff are recommending that Council adopt the Official Plan Amendment. It is noted that further details and regulatory requirements will be implemented by way of a future Zoning By-Law Amendment.

Recommendation

THAT Council receive the report for Official Plan Amendment No.17 for information.

AND FURTHER THAT Official Plan Amendment OPA 17 be **ADOPTED** and forwarded to the County of Middlesex for consideration of approval.