



Municipality of North Middlesex Official Plan Review

Discussion Paper: Housing
Policies

July 2026

Table of Contents

INTRODUCTION	3
POLICY CONTEXT	3
Provincial Planning Statement (2024).....	3
County of Middlesex Official Plan	4
North Middlesex Official Plan.....	5
TOPICS OF INTEREST	5
Housing Shortage.....	5
Housing Accelerator Fund (HAF2).....	6
Additional Residential Units (ARUs)	6
Garden Suites	7
Definitions	7
RECOMMENDATIONS AND NEXT STEPS	7

INTRODUCTION

The Municipality of North Middlesex directs the majority of its future residential growth to its two Urban Settlement Areas of Parkhill and Ailsa Craig, which are served by municipal services and contain the highest concentration and mix of land uses and the greatest opportunity for future residential development among the Municipality's Settlement Areas.

The Municipality also contains a number of Community Settlement Areas and Hamlet Settlement Areas. The Hamlets are characterized by small groups of residential uses with limited commercial, industrial or institutional function. Given the absence of municipal services, development opportunities in hamlet areas are limited.

This discussion paper has been prepared to provide members of Council and the public with information related to the current housing-related policy framework to be considered during North Middlesex's Official Plan Review. This paper also highlights several topics of interest related to housing in the Municipality, and concludes with recommended next steps for the Official Plan Review.

POLICY CONTEXT

Housing policies that will inform the policies of the North Middlesex Official Plan come from the direction of the Province through the Provincial Planning Statement and the County of Middlesex through the County Official Plan. A North Middlesex-specific population and residential land-needs analysis, drawing on the County's growth projections, should be prepared to support the Official Plan Review.

Provincial Planning Statement (2024)

The Provincial Planning Statement (PPS), 2024, issued under the Planning Act and in effect since October 20, 2024, lays out the foundation for land use planning in Ontario with respect to matters of provincial interest. The PPS, 2024 replaced the former Provincial Policy Statement (2020) and consolidated it with A Place to Grow: Growth Plan for the Greater Golden Horseshoe into a single, province-wide land use planning document. The policies that are set out in the PPS pertain to building strong healthy communities, the wise use and management of resources, and protecting public health and safety. As an implementation vehicle for the policies of the PPS, the North Middlesex Official Plan is required to be consistent with the PPS.

The adequate provision of a full range of housing, including affordable housing, is identified as a matter of provincial interest in Section 2 of the Planning Act. The provision of housing is also a key component of the PPS, which encourages strong, sustainable and resilient communities, while protecting the environment, promoting public health and safety, and facilitating economic growth. The PPS provides that healthy, liveable and safe communities are sustained by accommodating an appropriate range and mix of housing options and densities to meet the projected needs of current and future residents (including single-detached, additional residential units, multi-unit housing, affordable housing and housing for older persons). Notably, the PPS removed the former reference to "market-based" housing and now directs planning authorities to establish minimum targets for housing that is affordable to low- and moderate-income households.

To provide for an appropriate range and mix of housing options and densities required to meet projected requirements of current and future residents, municipalities shall maintain at all times

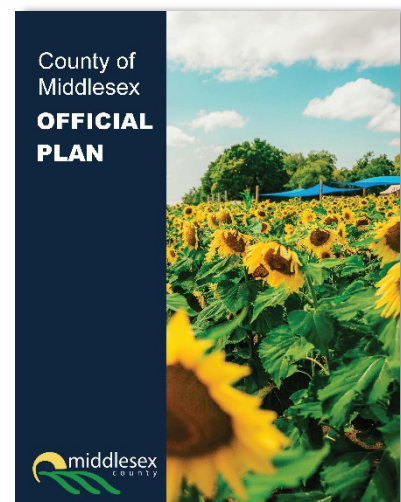
the ability to accommodate residential growth for a minimum of 15 years through residential intensification, redevelopment and in designated growth areas. The PPS also requires a minimum 3-year supply of residential units available through lands suitably zoned to facilitate residential intensification and redevelopment, as well as draft approved and registered plans. When an official plan is created or updated, the PPS, 2024 further requires that sufficient land be made available to meet projected needs over a horizon of at least 20 and not more than 30 years – a change from the up-to-25-year horizon under the former PPS (2020).



Under the former PPS (2020), settlement area expansions could only occur at the time of a municipal comprehensive review. The PPS, 2024 removed the municipal comprehensive review requirement: planning authorities (and, following Bill 185, private applicants) may now identify a new settlement area or expand a settlement area boundary at any time, are no longer required to demonstrate need, and need only “consider” the criteria in Policy 2.3.2.1 (including infrastructure capacity and the avoidance of prime agricultural and specialty crop areas), while demonstrating that infrastructure and public service facilities are planned or available for any new settlement area (Policy 2.3.2.2).

County of Middlesex Official Plan

The County of Middlesex Official Plan directs land use planning policy on a broad basis and is intended to provide a foundation to guide local municipalities in the development of their Official Plans and Zoning By-laws. The County's current Official Plan was approved with modifications by the Province on June 5, 2026 following the 2025 County Official Plan update.



Under the County Plan, North Middlesex's Urban Settlement Areas of Parkhill and Ailsa Craig are the focus of growth and are expected to accommodate a significant share of the Municipality's planned residential development.

The County Official Plan requires local municipalities to provide an appropriate range and mix of housing options and densities to meet the social, health, economic and wellbeing needs of current and future residents. To this end, the County has established targets that 10 percent of new housing units be affordable rental housing, 15 percent be affordable and attainable ownership housing, 10 percent be purpose-built rental units, and 25 percent be in the form of multiple units or apartment dwellings, along with a target that 15 percent of all development occur through intensification and redevelopment. Local municipalities, including North Middlesex, must adopt affordable housing targets that are consistent with, or greater than, the County's, and must define "Affordable Rental Housing" and "Affordable and Attainable Ownership Housing" consistent with the County Plan within one year.

To support these objectives, the County requires local municipalities to prioritize and facilitate all forms of residential intensification, to permit a full range of housing and "Additional Needs Housing" options, including shared housing wherever residential dwellings are permitted, and the removal of minimum separation distances for group homes and boarding or rooming houses, and, for residential developments of 10 or more units, to require proponents to demonstrate through a

housing rationale or market needs assessment how attainability and affordability have been addressed. The County and local municipalities are also to coordinate with the City of London, as Service Manager, on the full range of housing needs, including affordable housing and homelessness.

With respect to land supply, the County requires local municipalities to maintain at all times at least a 15-year supply of land designated and available for residential development, redevelopment and intensification and, where new development is to occur, land with municipal servicing capacity to provide at least a 3-year supply of residential units. The PPS, 2024 reinforces this direction by now requiring (rather than encouraging) planning authorities to establish and implement minimum intensification and redevelopment targets.

Each local municipality must report its vacant designated residential land supply to the County at least every five years. County-wide, population forecasts anticipate an annual housing growth rate of approximately 2.0 percent to 2056, roughly 850 new housing units per year, with the average number of persons per unit declining from 2.78 in 2021 to 2.61 in 2056; detailed household projections for each local municipality, including North Middlesex, are provided in Appendix B of the County Plan. Additionally, the Municipality of North Middlesex Population, Housing, Employment and Land Needs Brief based on these forecasts provides information as it relates to residential land need in the Municipality.

North Middlesex Official Plan

Since the adoption of the current North Middlesex Official Plan, there have been significant changes in provincial policy directly related to housing through the Planning Act and PPS. Generally, these changes have strengthened the importance of intensification and redevelopment along with providing direction to planning authorities on the range and mix of housing options to be promoted and encouraged. The Municipality's Official Plan lacks policy direction related to housing and housing type, stating that the lack of municipal services is a constraint on the variety and density of housing. The Plan does however, state that in accordance with the PPS and the County Official Plan, Council shall encourage housing forms and densities designed to be affordable to moderate and lower income households. Further, the Plan directs the majority of residential or 'urban' uses to the Settlement Areas designated by the Plan.

TOPICS OF INTEREST

This section explores topics of interest related to housing policies, including the review of current policies and new policies to be considered to help inform the Official Plan Review.

Housing Shortage

In early 2022, the Province released a document entitled a "Report of the Ontario Housing Affordability Task Force", which recommends five (5) key areas to quickly increase the supply of market housing, being 1.5 million homes over the next ten (10) years. Those key areas include:

- Make changes to planning policies and regulations to allow for greater density and increase the variety of housing
- Reduce and streamline urban design rules to lower costs of development
- Depoliticize the approvals process to address NIMBYism and cut red tape to speed up housing

- Prevent abuse of the appeal process and address the backlog at the Ontario Land Tribunal by prioritizing cases that increase housing
- Align efforts between all levels of government to incentivize more housing

In response to this report, the Province released two large housing bills in the spring and autumn of 2022 that aimed to achieve several of the recommendations outlined in the report. These changes include amendments to the Additional Residential Unit framework to permit them as-of-right, the delegation of site plan approvals, planning application fee refund provisions, and changes to the role of Conservation Authorities in the planning process, among others. Many of these reforms, including the target of 1.5 million homes, are now carried into the PPS, 2024. Since 2022, the Province has released an average of two housing bills per year which have amended the legislation in various ways.

Housing Accelerator Fund (HAF2)

The Municipality of North Middlesex has already taken steps to modernize its housing policies in advance of this Official Plan Review. Through its participation in the federal Housing Accelerator Fund (HAF), the Municipality completed an Official Plan Amendment to update its housing-related policies, including policies enabling additional residential units. This amendment, however, predated the approval of County Official Plan Amendment No. 4, which introduced the County's updated housing framework, including its additional residential unit, garden suite and related definitions and policies.

As a result, further refinements to the North Middlesex Official Plan are now proposed to build on the earlier Housing Accelerator Fund work and to bring the Municipality's policies into conformity with the County Official Plan. These changes would expand on the Municipality's additional residential unit and garden suite policies so that the Official Plan reflects the current provincial and County direction on these housing options.

In addition to the Official Plan Amendment, the Municipality of North Middlesex implemented a number of zoning changes through its Housing Accelerator Fund work that are intended to reduce barriers to residential development by ending exclusionary zoning and eliminating unnecessary restrictions on housing. These changes support a broader range and mix of housing options as-of-right, reducing reliance on site-specific planning applications, and align with provincial direction under the PPS, 2024 and the County's housing policies to permit and facilitate all forms of residential intensification.

A key next step is to ensure that the North Middlesex Official Plan aligns with these zoning changes. As the Official Plan and Zoning By-law must be consistent with one another, the Official Plan should be reviewed and updated as necessary to reflect the reduced barriers and expanded permissions introduced through the Housing Accelerator Fund, so that its policies continue to support the as-of-right permissions, additional residential units, and range of housing forms enabled through the by-law. This alignment will help ensure that the Municipality's land use planning framework consistently supports increased housing supply and choice across its settlement areas.

Additional Residential Units (ARUs)

To increase the stock of affordable housing options, municipalities are required to permit, as-of-right, two (2) additional residential units in fully serviced areas where single, semi-detached, and

townhouses are permitted. The Planning Act provides for two (2) ARUs in the primary dwelling or one (1) ARU in the primary dwelling and one (1) in an accessory building for a total of three (3) dwelling units on a residential lot. As North Middlesex's Urban Settlement Areas of Parkhill and Ailsa Craig are served by full municipal services, this as-of-right permission applies directly within those areas, and the Official Plan should provide policy direction implementing it. The Official Plan should also address additional residential units on partial services and within the agricultural context for the Municipality's rural and hamlet lands. As noted above, the PPS, 2024 also permits up to two additional residential units where a residential dwelling is allowed in a prime agricultural area, in addition to housing for farm labour.

Garden Suites

Another means of addressing housing affordability is through the provision of a garden suite (previously referred to as a granny flat), being a self-contained portable dwelling unit typically in the form of a mobile home to provide temporary accommodation. The North Middlesex Official Plan's temporary-use provisions, authorized under Section 39 of the Planning Act, currently provide for second separate dwellings. It is recommended that these policies be amended to include current-day language and criteria for the establishment of a garden suite. The PPS, 2024 now expressly includes garden suites among its defined "housing options."

Definitions

The PPS, 2024 and the County Official Plan contain several new or revised definitions relevant to housing. The definitions within the North Middlesex Official Plan should be updated to be consistent with those in the PPS and the County Official Plan. This includes housing-related terms such as "housing options" (which the PPS, 2024 now defines to include affordable housing, additional residential units, garden suites and multi-residential forms), "affordable," and "residential intensification."

RECOMMENDATIONS AND NEXT STEPS

This discussion paper has provided a background of the policies related to housing to help inform the draft official plan policies for the North Middlesex Official Plan. The various updates and revisions that may be required include the following:

- It is recommended that the North Middlesex Official Plan introduce the housing splits and targets in the County Official Plan
- It is recommended that housing policies are amended to encourage alternative housing types and built form
- It is recommended that policy direction be amended and expanded upon with respect to Additional Residential Units and Garden Suites
- It is recommended that the definitions within the North Middlesex Official Plan are revised if necessary and include new definitions that are laid out in the PPS and within the County Plan.