



Township of Adelaide Metcalfe Official Plan Review

Discussion Paper: Housing
Policies

December 2023

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INTRODUCTION

The designated Community Settlement Area of Kerwood is intended to be the primary area of future growth within the Township, given that the community is serviced by a municipal sewage system. Kerwood contains the highest concentration and mix of land uses in the Township and the most opportunity for future residential development among identified Settlement Areas.

The Township also contains five (5) designated Hamlet Settlement Areas including Adelaide, Napperton/Pike, Cairngorm, Napier, Walkers and Hickory Corner. 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 Adelaide Metcalfe's Official Plan Review. This paper also highlights several topics of interest related to housing in the Township, including an analysis of the Municipal Comprehensive Review Background Report, and concludes with recommended next steps for the Official Plan Review.

POLICY CONTEXT

Housing policies that will inform the policies of the Adelaide Metcalfe Official Plan come from the direction of the Province through the Provincial Policy Statement and the County of Middlesex through the County Official Plan. Additionally, staff will rely on information in the Municipal Comprehensive Review Background Report that was prepared by Findlater & Associates in 2022, which is largely based on the Population Projections prepared by Watson & Associates for the County in 2021.

Provincial Policy Statement (2020)

The Provincial Policy Statement (PPS), issued under the Planning Act, lays out the foundation for land use planning in Ontario with respect to matters of provincial interest. 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 Adelaide Metcalfe 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 affordable and market-based range and mix of residential types (including single-detached, additional residential units, multi-unit housing, affordable housing and housing for older persons).

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.

According to the PPS, settlement area expansions can only occur at the time of a municipal comprehensive review, subject to criteria.

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 July 7, 2023 following the Middlesex 2046 Official Plan update.

Kerwood is designated as a Community Area under the County of Middlesex Official Plan. Community Areas must demonstrate the potential to accommodate future growth through population projections, currently serve a community function and must demonstrate the potential to provide a level of service necessary to support future growth through a Settlement Area Capability Study.

The County Official Plan encourages a wide range of housing types, size and tenure to meet projected needs of current and future residents of Middlesex County. To achieve this objective, local municipalities are required to support intensification and redevelopment opportunities and housing accessible to low to moderate income households. In this regard, the County requires that 15 percent of all development occur by means of intensification and redevelopment, and that 20 percent of all housing be affordable, being at least 10 percent below (or equivalent to, in the case of home ownership) the average purchase price of a resale unit in the regional market area.

Adelaide Metcalfe Official Plan

Since the adoption of the current Adelaide Metcalfe Official Plan, there have been significant changes in provincial policy directly related to housing through the 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 Township'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.

Municipal Comprehensive Review Background Report

The Municipal Comprehensive Review Background Report (the Report) was undertaken by Findlater & Associates in 2022. In summary, the Report reviewed future population projections and the resulting potential settlement area land needs over a twenty-five (25) year time horizon. Further, the Report examined residential and employment land development potential in the Township as part of a supply and demand analysis. The Report also identified where vacant designated residential lands exist in the Township today.

The lands needs assessment in the Report is based on the Reference Growth Scenario. Under this scenario, and including the census undercount, the Township's population is projected to

increase from 3,200 people in 2021 to 3,600 people in 2046. When excluding the census undercount, the population would increase from 3,011 people in 2021 to 3,400 people in 2046. In either scenario the population is projected to increase by approximately 400 people over twenty-five years or approximately 16 people per year. The Watson report suggests future population growth, as well as associated housing needs, will be driven largely by the “*Millennial Generation*” and “*Generation Z*”. A diverse range of housing by both type and tenure (ownership and rental) are anticipated to be required to accommodate these two demographic groups.

In terms of housing demand, the Report analyses the Housing Forecasts completed by Watson & Associates which were calculated using updated population projections and calculated headship rates by age cohort. The ratio of total population divided by the total households is referred to as the average number of persons per unit (PPU). Watson determined that the projected PPU for the Township using the reference growth scenario will be 2.65 in 2046. Based on that number, Watson projected that the housing forecast will result in 1,360 total households under the reference growth scenario.

In terms of available vacant designated residential land, the table and figures below provide an overview of the amount of vacant land that exists and where.

Location	Total Gross Area of Available Land
Kerwood	12.5 hectares (30.9 ac)
Adelaide	7.3 hectares (18 ac)
Pike Napperton	1.52 hectares (3.75 ac)
Walkers	5 hectares (12.4 ac)
Cairngorm	11 hectares (27.2 ac)
Napier	0.5 hectares (1.2 ac)
Hickory Corner	13 hectares (32 ac)

The Report states that undeveloped lands designated “Residential” in the Township that are not the subject of an active, draft approved or registered plan of subdivision amount to 37.8 net hectares (93.4 acres). However, the Report did not identify the vacant residential lands identified in the Hamlet of Hickory Corner in the Official Plan. As such, staff have adjusted the amount of vacant residential land in the Township to 50.8 hectares (125.6 ac).

The Report determines that the Township may require 340 additional housing units by 2046 using the reference growth scenario projection with a PPU of 2.65 and a housing need market contingency adjustment. A housing need market contingency adjustment is a means of considering residential land needs and housing-type or built form with the amount of land required. The Report recommends an overall housing split of 80% low-density development and 20% medium or high-density development, which staff generally agree with. Further, the Report recommends a density target of 12.5 units per hectare given the absence of full municipal services in the Township, which staff also agree with.

In terms of the amount of land required, the Report concludes that the Township requires approximately 27.2 hectares (67.2 ac) of residential land to accommodate projected growth over the next 25-years and currently has 50.8 hectares (125.5 ac) of vacant designated residential land, which accounts for a surplus of approximately 23.6 hectares (51.3 ac). Therefore, the Township does not need to expand its current settlement area boundaries to accommodate projected growth over the next 25-years.

In terms of the location of vacant residential land, Council may wish to consolidate those lands in a more strategic location within the Township, such as Kerwood and Adelaide. The figures below depict planning constraints identified in proximity to the settlement area boundaries of Kerwood and Adelaide to assist Council in determining an appropriate location to re-allocate designated residential lands from elsewhere in the Township, should they wish to do so.

Figure 1: Kerwood Settlement Area

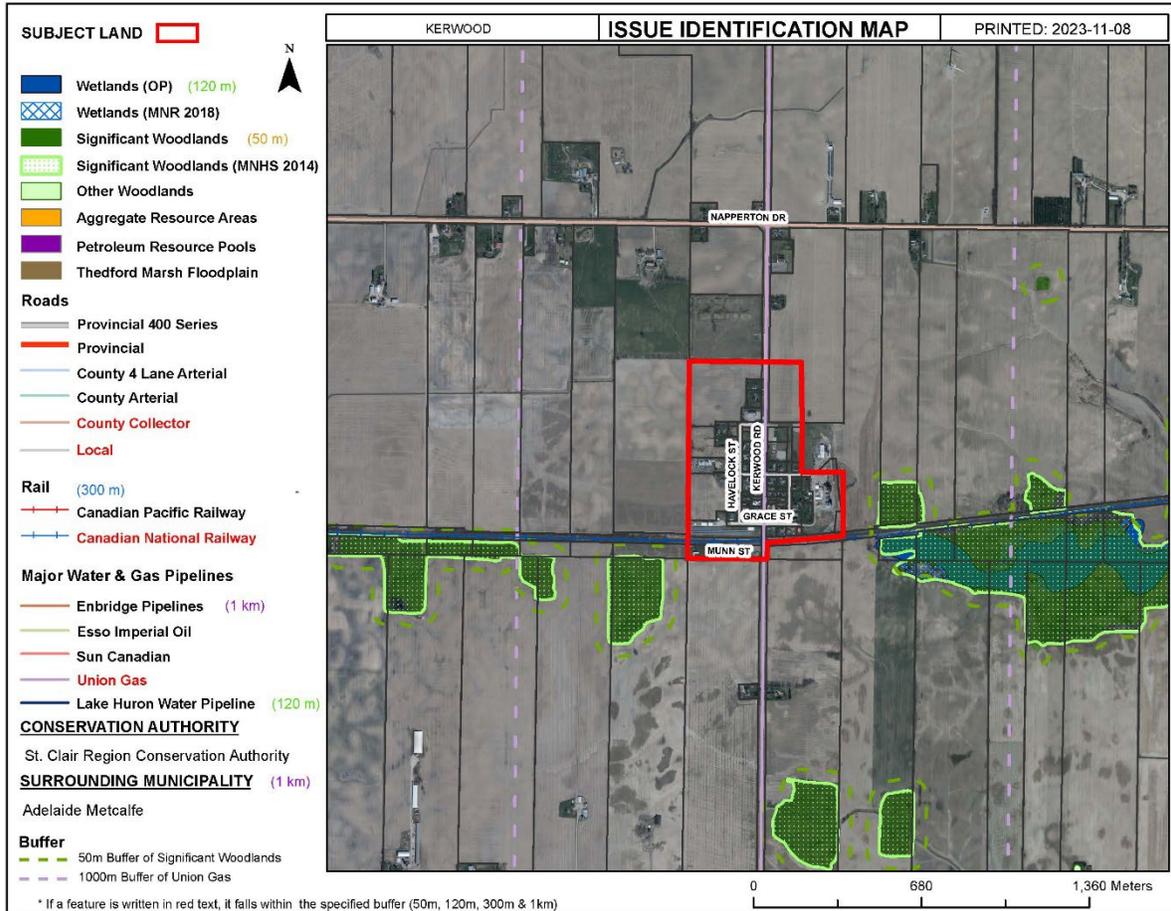
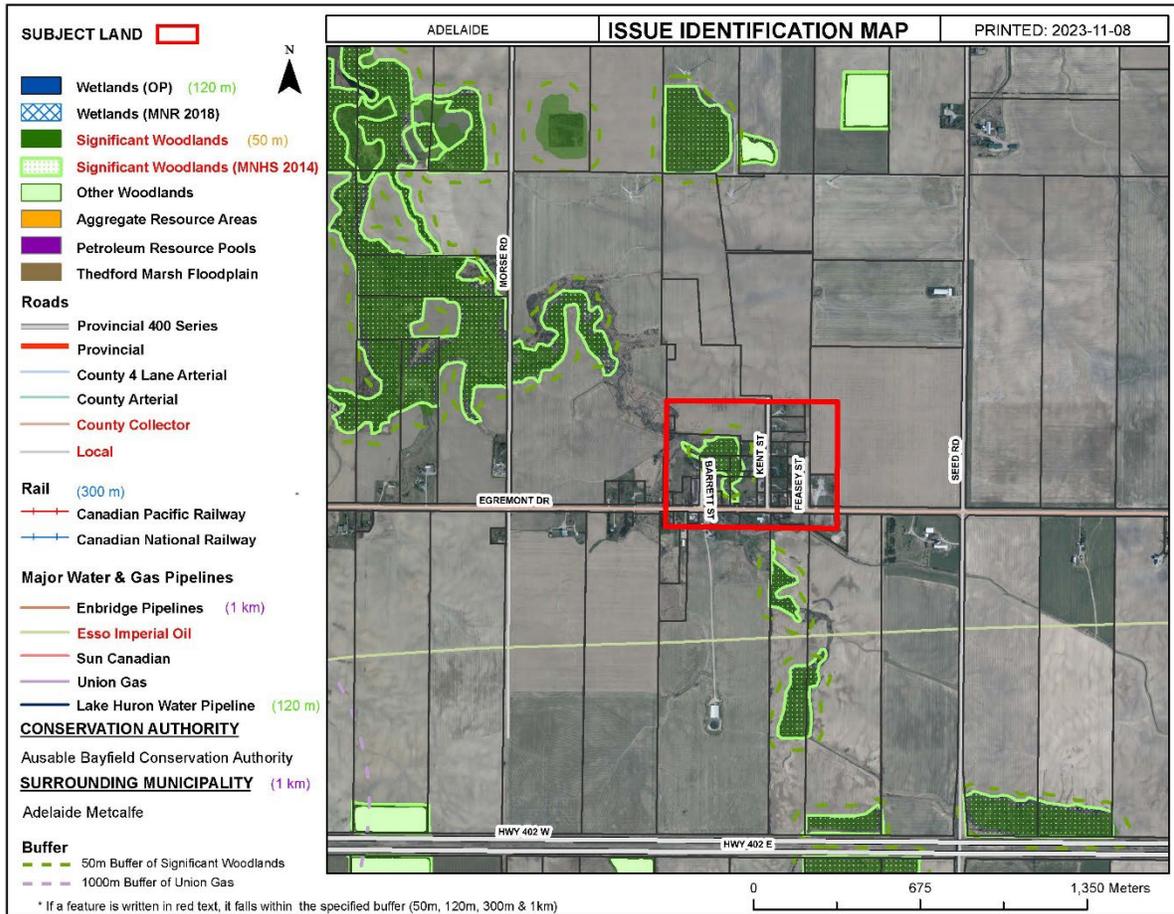


Figure 2: Adelaide Settlement Area



Hamlet Areas

As shown on **Figure 3**, the Hamlet of Hickory Corner is located on the municipal boundary between the Township and the Municipalities of Strathroy-Caradoc and Middlesex Centre. There are approximately 13 hectares of vacant residential land within Hickory Corner that are unserviced. There is a large livestock operation southeast of the Hamlet boundary, which may be a concern from a compatibility perspective due to sounds and smells typically associated with livestock agriculture. Given the location of Hickory Corner and lack of municipal services, Council may wish to consider whether this is an appropriate location to direct residential growth in the Township.

As shown on **Figure 4**, the Hamlet of Walkers is located at the intersection of Walkers Drive and Tait's Road. There are approximately 5 hectares (12.4 ac) of vacant residential land within Walkers that are unserviced. A large portion of the vacant residential land in Walkers is on the same property as a livestock operation located at 4130 Walkers Drive, which may be a concern from a compatibility perspective due to sounds and smells typically associated with livestock agriculture. Other portions of the vacant land appear to be within the Conservation Authority Regulation limits. Given the location of Walkers, the lack of municipal services as well as the land use constraints that exist in proximity to the Hamlet, Council may wish to consider whether this is an appropriate location to direct residential growth in the Township.

As shown on **Figure 5**, the Hamlet of Napier is located along Arthur Road, south of Melwood Drive and north of Winter Drive. There are approximately 0.5 hectares (1.2 ac) of vacant residential land within Napier that are unserviced. The Hamlet is bisected by the Sydenham River, with most of the vacant residential land within the Conservation Authority Regulation limit. Given the location of Napier, the lack of municipal services and proximity of the Sydenham River, Council may wish to consider whether this is an appropriate location to direct residential growth in the Township.

As shown on **Figure 6**, the Hamlet of Cairngorm is located west of Melbourne Road at the intersection of Calvert Drive. There are approximately 11 hectares (27.2 ac) of vacant residential land within Cairngorm that are unserviced. There are limited constraints from a land use and compatibility perspective in Cairngorm; however, Township staff have been made aware of issues related to water supply and water pressure within the Hamlet. Given the lack of municipal services and potential water supply issues, Council may wish to consider whether this is an appropriate location to direct residential growth in the Township.

As shown on **Figure 7**, the 'Urban Area' of Pike-Napperton is located along the western municipal boundary of the Municipality of Strathroy-Caradoc. Similar to Cairngorm, there are limited constraints to residential development from a land use compatibility perspective; however, Township staff have been made aware of potential nitrate loading issues within the area, which is of concern when contemplating additional privately serviced residential development. As such, Council may wish to consider whether this is an appropriate location to direct residential growth in the Township.

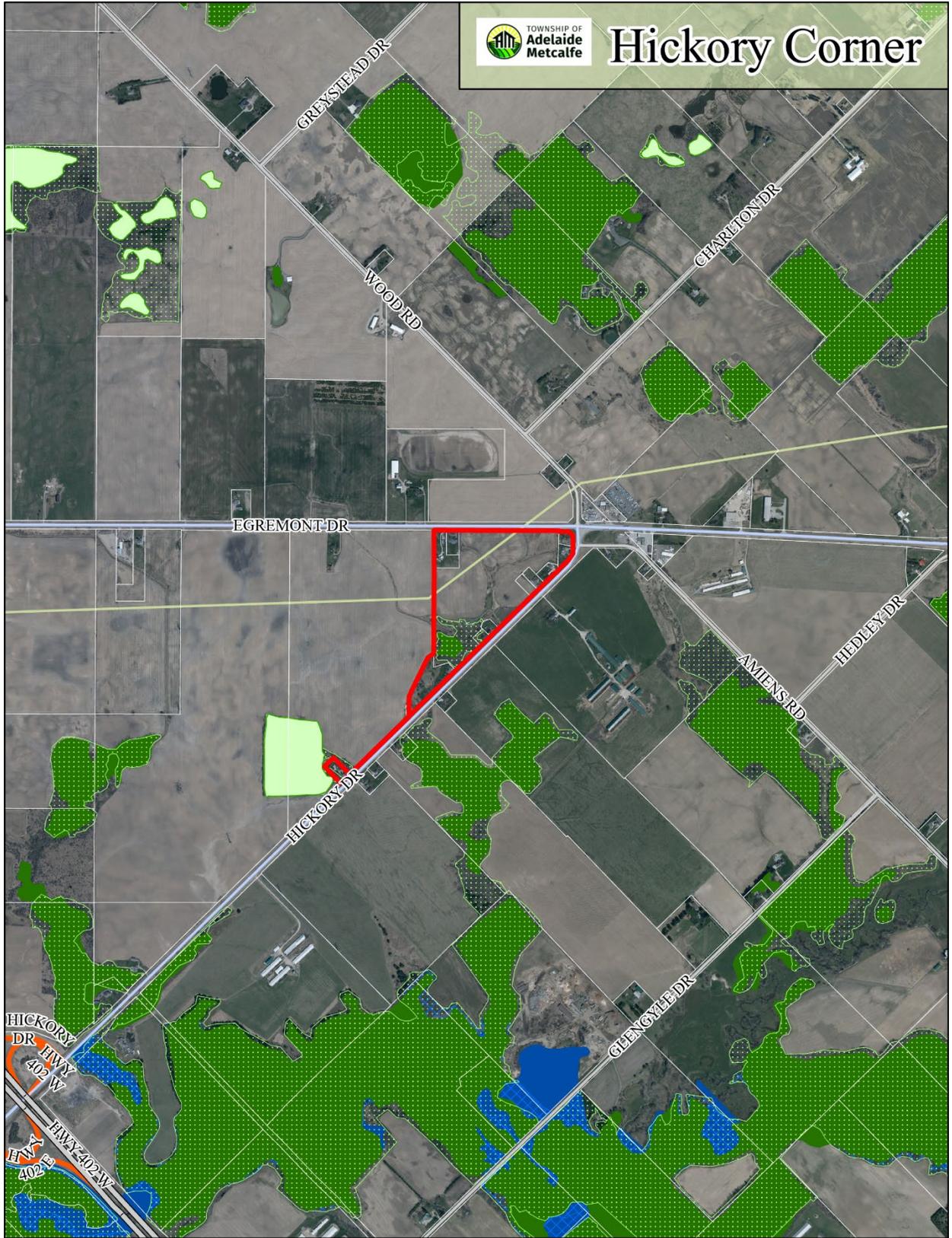


Figure 3

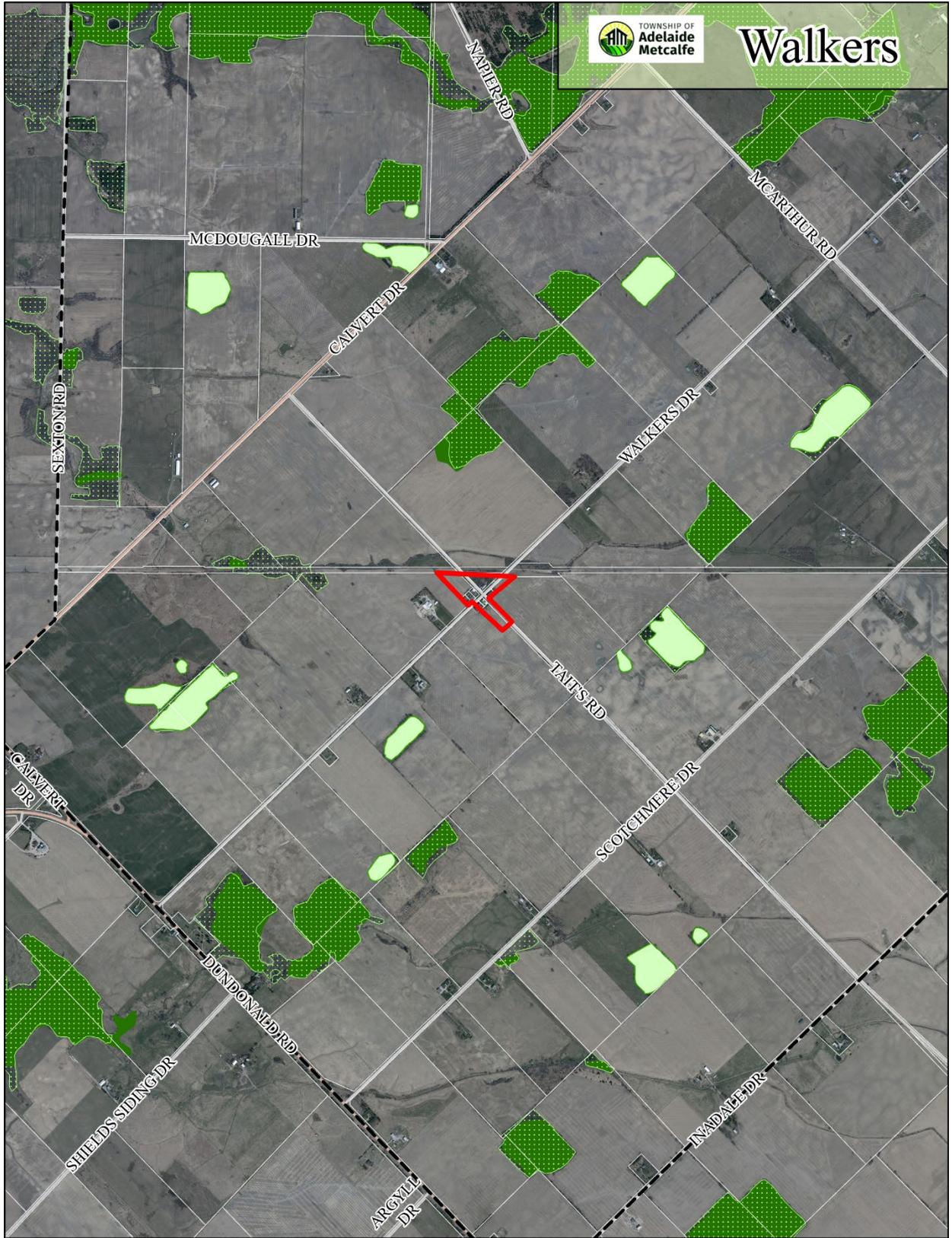


Figure 4



Figure 5

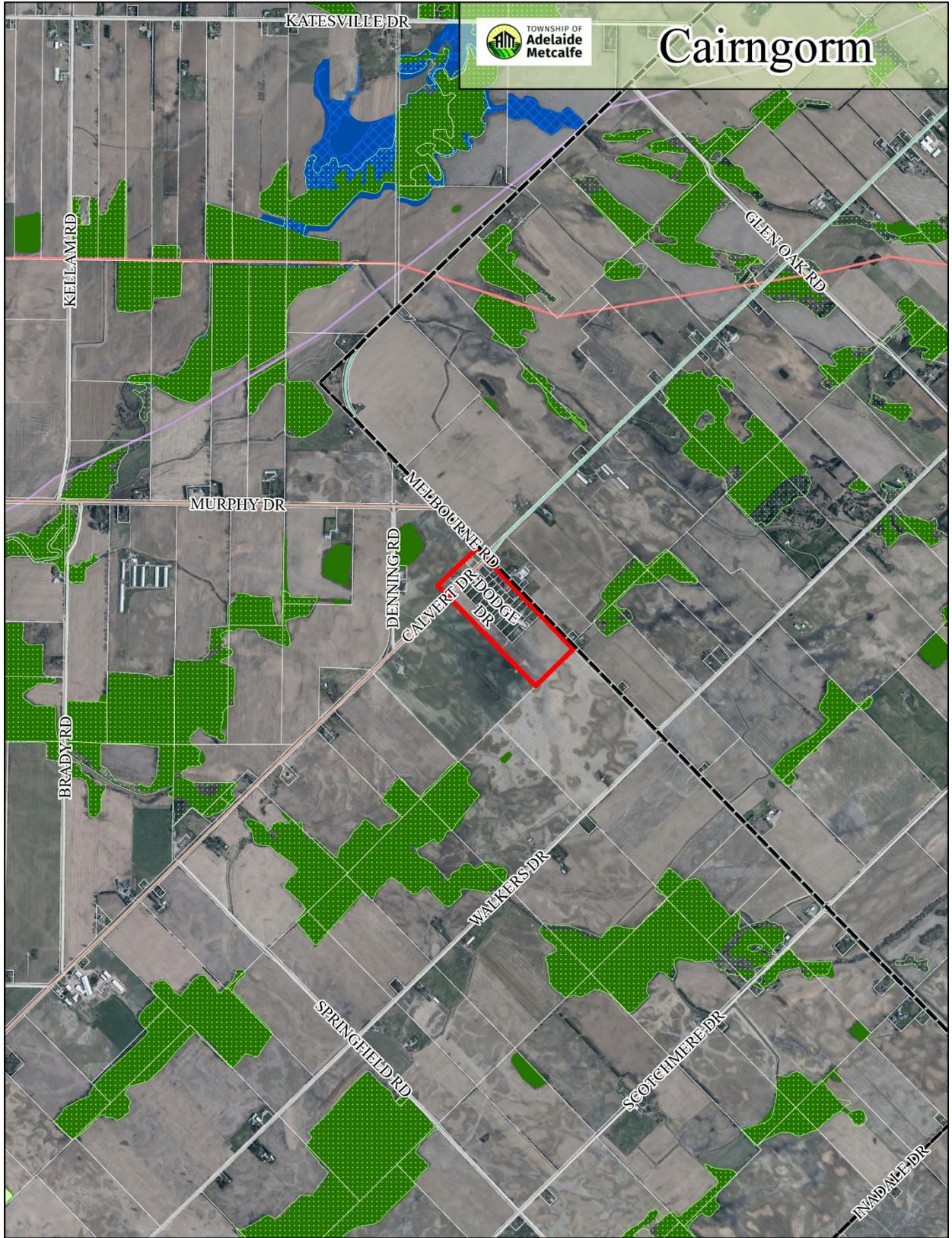


Figure 6

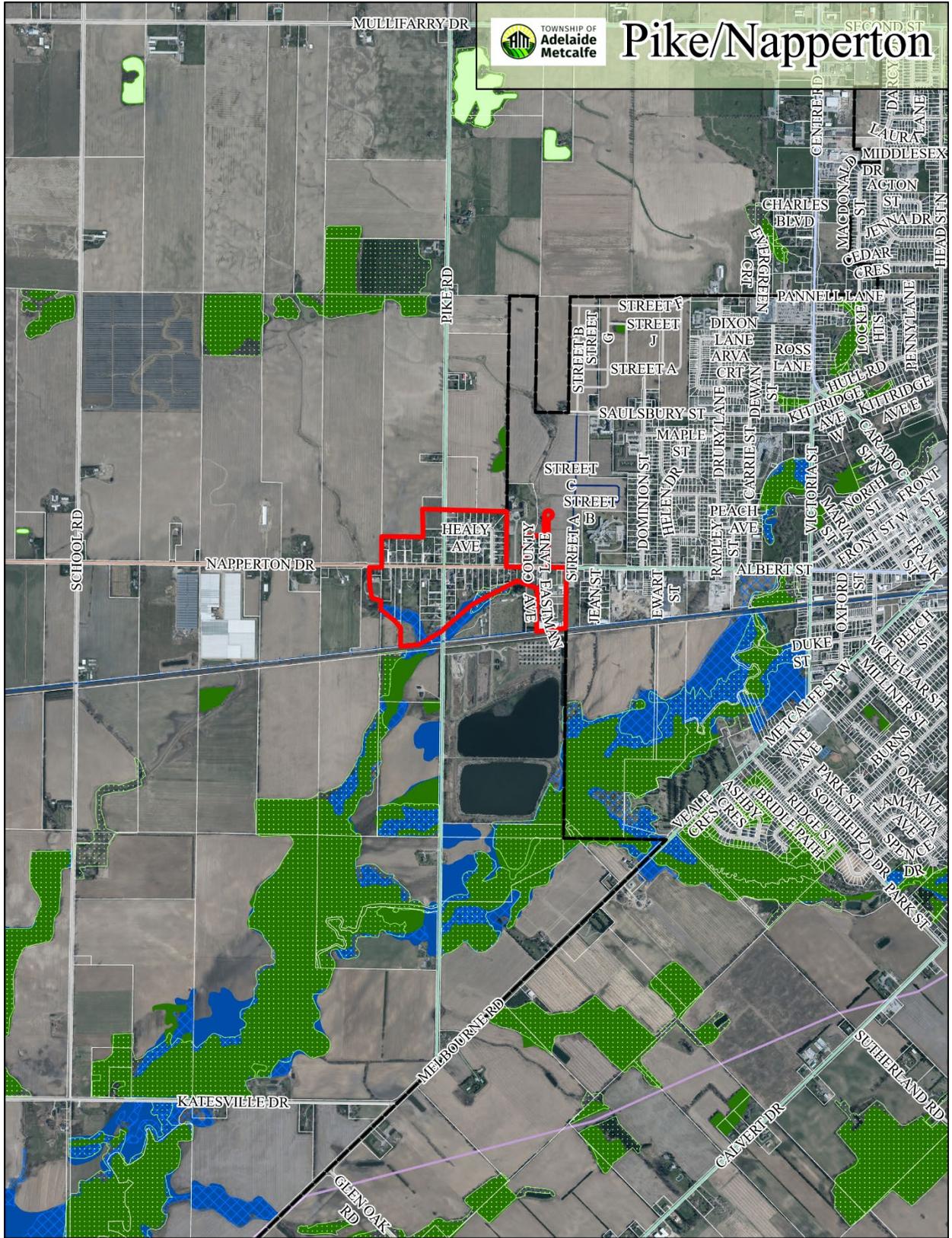


Figure 7

Housing Crisis

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.

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. Given that the Township does not have any fully serviced residential areas, staff are recommending that the Official Plan be amended accordingly to provide policy direction as it relates to ARUs on partial services as well as within the agricultural context.

Garden Suites

Another means of addressing housing affordability is through the provision of a garden suite or granny flat, being a self-contained portable dwelling unit typically in the form of a mobile home to provide temporary accommodation for an elderly person. Section 3.1.3 of the Township Official Plan currently provides for second separate dwellings subject to a temporary use by-law as authorized by Section 39 of the Planning Act. It is recommended that these policies be amended to include current day language, criteria for the establishment of a garden suite (ie. MDS compliance) and a definition where applicable.

Definitions

The PPS and the County Official Plan contain several definitions related to agriculture that are new or have been revised. The definitions within the Township Plan should be updated to be consistent with the definitions within the PPS and the County OP. This includes definitions such as on-farm diversified uses, agriculture-related uses, a farm operation, etc.

RECOMMENDATIONS AND NEXT STEPS

This discussion paper has provided a background of the policies related to housing as well as the Municipal Comprehensive Review Background Report to help inform the draft official plan policies for the Township of Adelaide Metcalfe Official Plan. The various updates and revisions that may be required include the following:

- It is recommended that the Township Plan introduce a housing split that would require 80% low density development and 20% medium density development
- It is recommended that housing policies are amended to encourage alternative housing types and built form
- It is recommended that policy direction be provided with respect to Additional Residential Units and Garden Suites
- It is recommended that the definitions within the Township Plan are revised if necessary and include new definitions that are laid out in the PPS and within the County Plan.