

Staff Report



To	City Council
Service Area	Infrastructure, Development and Environment
Date	Tuesday, April 9, 2024
Subject	Statutory Public Meeting Report Gentle Density: Four Dwelling Units on a Lot Proposed Zoning By-law Amendment File No.: OZS24-002

Recommendation

1. That report 2024-140 regarding a proposed city-initiated Zoning Bylaw Amendment (File OZS24-002) to permit up to four dwelling units on a lot in zones that permit low density residential uses, from Infrastructure, Development and Environment dated April 9, 2024, be received.
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Executive Summary

Purpose of Report

The purpose of this report is to provide planning information on a proposed City-initiated Zoning By-law Amendment to permit the development of up to four dwelling units on low density residential lots (Attachment-1 Draft Regulations to Permit 4 Dwelling Units in Low Density Residential Zones).

This report also provides a summary of the community feedback received (Attachment-2 Exploring Opportunities for Four Units on Residential Lots in Guelph: What We Heard Report) and explanation of how that informed the attached draft regulations.

Key Findings

In February 2023, the City made a Municipal [Housing Pledge](#) to build an additional 18,000 homes by 2031. A key component of this pledge includes enabling more housing that will support gentle intensification of existing low rise residential areas.

[Council directed staff in April 2023](#) to consider as-of-right permissions for greater than three (3) units per property within low density residential zones and report back to Council with options and recommendations by the end of Q1 2025.

[Council directed staff in October 2023](#) to immediately prepare a zoning by-law amendment that would permit, as-of-right, up to four (4) residential units per lot within residential zones where the Council-approved (subject to appeal) the City's new Zoning Bylaw (2023)-20790 permits a maximum of three (3) residential units per lot. A draft by-law amendment to be completed by Q2 of 2024.

In January 2024, the City partnered with the federal government to deliver Guelph's [Housing Accelerator Fund's Action Plan](#). A total of \$21.4M will be provided to incent and stimulate 739 housing units (above annual average) by 2026. This work aligns with our commitment to permit four (4) units on low density residential lots, city-wide.

Receipt of the full grant amount is dependent on successfully achieving the targets and fulfillment of the initiatives outlined in the Action Plan.

The draft regulations, as presented in Attachment 2, provide a framework to permit four (4) dwelling units on a lot where a single-detached, semi-detached, or street-fronting townhouse dwelling is a permitted use. The draft regulations would enable up to four (4) units on approximately 4,000 lots as-of-right, across Guelph.

Community engagement included both virtual and in-person consultation with the development industry and neighbourhood associations, and culminated in an in-person public open house. A summary of the engagement is provided in Attachment-2 Exploring Opportunities for Four Units on Residential Lots in Guelph: What We Heard Report.

Next steps will include consideration of the comments received through this Statutory Public Meeting and comments received throughout April and May 2024. This feedback will inform the recommended Zoning Bylaw amendment that will come to Council for a decision in June 2024.

Strategic Plan Alignment

This report aligns with the City Building theme in the Future Guelph Strategic Plan since it supports a key objective for introducing housing supply across the city.

Future Guelph Theme

City Building

Future Guelph Objectives

City Building: Improve housing supply

Financial Implications

Financial implications will be reported in the future staff recommendation report to Council, anticipated for June 2024.

Report

Background

Gentle density is an approach to urban development that focuses on slightly increasing the number and variety of homes in neighbourhoods that typically accommodate only low-density, single-detached homes. This approach to increasing a range and mix of affordable housing options involves creating more homes and minimally building out these lots so that more than a single home can be accommodated. It is development that is not meant to be imposing but rather, the ultimate sign of successful gentle density is that it is gentle enough that one hardly notices.

There are a variety of strategies to encourage gentle density in existing low-density residential neighbourhoods. One of the core approaches is through zoning and

increased flexibility around regulations, which is the focus of this report. The following sections of this report will:

- provide a chronology of both Provincial and Council-direction leading to the draft regulations as well as highlighting a commitment made with the Federal government through the Housing Accelerator Fund program;
- summarize existing zoning permissions and the approach used to craft the draft zoning regulations to allow four (4) units;
- highlight the proposed changes to the zoning regulations that would best support four (4) units; and,
- describe next steps in the process in advance of coming to Council in June 2024 with the recommended Zoning Bylaw amendment.

Chronology Leading to Draft Regulations

In November 2022, the Province changed the Planning Act to permit three (3) units, as-of-right, on properties containing a single-detached, semi-detached or townhouse dwelling provided there is sufficient municipal water and sewage servicing. The three units can be within the existing residential structure or one attached additional dwelling unit and one detached dwelling unit (in the rear yard, for example). The Province did not provide any additional zoning regulations with respect to height, setbacks, or coverage.

In April 2023, when Council approved the Comprehensive Zoning Bylaw (currently under appeal) which provided for three (3) units on residential lots city-wide, direction was also provided to staff to consider as-of-right permissions for greater than three (3) units per property within low density residential zones. Staff were directed to report back to Council with options and recommendations by the end of Q1 2025.

Subsequently, in October 2023 and due to increasing urgency around housing affordability challenges, Council directed staff to immediately prepare a zoning by-law amendment that would permit, as-of-right, up to four (4) residential units per lot within residential zones where the Council-approved (subject to appeal) Zoning Bylaw (2023)-20790 permits a maximum of three (3) residential units per lot. A draft bylaw amendment is to be completed by Q2 of 2024 and presented to Council for a decision.

To round-out the chronology leading to the draft regulations provided in this report, in January 2024, the City partnered with the federal government to deliver Guelph's Housing Accelerator Fund's (HAF) Action Plan. Included within the Action Plan is a commitment to enable four (4) units to be permitted on low density residential lots, city-wide, subject to servicing capacity. Receipt of the full grant amount (\$21.4M) is dependent on successfully achieving the targets and fulfillment of all the initiatives outlined in the Action Plan by the end of 2026.

Summary of Existing Zoning Permissions

Currently, Guelph has approximately 32,000 lots that are zoned low density residential (RL.1 and RL.2); this consists of approximately 36,000 dwelling units in total. Of the approximately 32,000 low density residential lots (RL.1 and RL.2), approximately 27,000 lots (85%) have only one (1) dwelling unit. These numbers highlight the potential for gentle density within the city.

In terms of what is currently permitted by the Planning Act and the Comprehensive Zoning Bylaw (under appeal), this includes:

- three (3) units in primary dwelling consisting of the main unit and two (2) attached additional residential dwelling units (ARDU)
- two (2) units in primary dwelling and one (1) unit in a detached additional residential dwelling unit

Change can be challenging, regardless of how gentle or minimal it may be which is why, based on Council direction, staff-initiated conversations with the homebuilding industry, neighbourhood residents, and the public around levels of comfort for change. Visual examples were created for public engagement using typical low-density residential lot sizes in Guelph and first showing what could be achieved using existing zoning regulations and moving into visually showing what could be achieved if various regulations were amended (e.g., setbacks, parking reductions, landscaped open space reductions, etc.).

To be clear, these visual examples did not provide any recommendations, but were used as a tool to identify pinch-points within the existing permissions (i.e., areas of the zoning regulations that may be considered too restrictive) and to generate ideas for how to draft the proposed zoning regulations that provides a reasonable balance between change and progress with respect to increasing housing supply.

The feedback on the existing zoning permissions and the visual examples varied, and a more detailed summary is provided in both the Consultation section of this report as well as in Attachment-2 Exploring Opportunities for Four Units on Residential Lots in Guelph: What We Heard Report. Generally, the themes that emerged and informed the proposed zoning regulations were the following:

- requests for further simplification and less restrictive zoning permissions,
- openness to exploring reduced parking requirements; and,
- requests to enable a greater variety of unit configurations.

Proposed Zoning Regulations

The general approach to drafting the proposed zoning regulations was to keep building envelopes the same (i.e., no change to setbacks) while enabling more units to fit within it by targeting changes to the variety of unit configurations and parking regulations, for example. The size of residential buildings is not proposed to increase beyond what is currently permitted in the existing zoning regulations.

A scan of other municipalities that either currently permit four (4) units or are in the process of permitting four (4) units demonstrates that the proposed changes in this report generally align with the direction of similar cities in Ontario like Kitchener, Hamilton, and Toronto (Attachment-4 A Comparative Zoning Review of Selected Ontario Municipalities). The proposed changes gently enable incremental change while unlocking the number of available lots in Guelph to support increased housing supply.

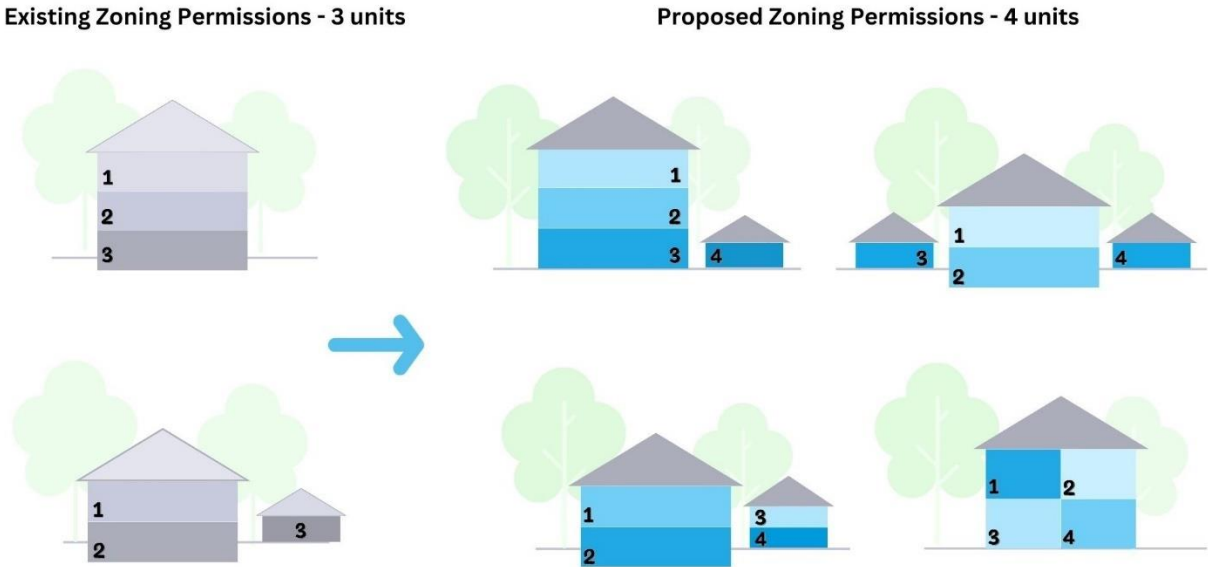
To enable gentle density in Guelph, and more specifically four (4) units, several key regulatory adjustments are proposed, including:

- Introducing a definition for “fourplex” which would apply to a building consisting of four (4) units on a single lot.
- Revision to the definition of “additional residential dwelling unit” to remove “residential” to be consistent with Provincial terminology.

- Permitting a maximum of three (3) additional dwelling units (ADUs) on a lot, together with the primary dwelling unit, to result in a maximum of four (4) units per lot.
- Consideration of unit configurations that include:
 - four (4) units in a building, either as a “fourplex” or as a primary dwelling unit and three (3) ADUs
 - three (3) units in the primary dwelling unit and 1 ADU in a separate building
 - two (2) units in the primary dwelling unit and two (2) ADUs in a separate building (either as two (2) separate single-storey units in a separate building, or as one (1) two-storey with two (2) units in a separate building)
- Delete reference to maximum number of bedrooms permitted per unit.
- Add a regulation that each ADU in a separate building shall not exceed 80m2 of residential floor area.
- Introduce greater consistency for height for ADUs in a separate building; and,
- Introduce an approach to parking such that:
 - For an ADU, one space is required for the first unit, with an additional space required for each of the third and fourth units.
 - For a “fourplex”, one space per dwelling unit is required to a maximum of three (3) spaces.

Attachment-3 A Summary Draft Regulations to Permit Four (4) Dwelling Units in Low Density Residential Zone clearly shows where the current bylaw remains unchanged as well as those targeted areas where changes are proposed. Figure 1, below, visually shows what is permitted with the existing zoning permissions as well as what could result with the proposed zoning regulations.

Figure 1: Existing and Proposed Zoning Permissions



Under existing zoning permissions, of all the approximately 32,000 low-density residential lots (RL.1 and RL.2), approximately 11,000 (35%) may currently be able to support four (4) units as-of-right through a fourplex or ADUs. These numbers assume that, in a fourplex, there would be no basements being used, one accessible unit and parking space, and a mix of one (1), two (2), and three (3)

bedrooms within the four units. With the proposed changes, including a reduction of parking requirements, this number increases to approximately 15,000 lots (47%). These proposed changes represent an increase of approximately 4,000 lots that could potentially support four (4) units as-of-right.

It is important to note that with as-of-right permissions, a building permit is still required for any additional dwelling unit, regardless of whether it is for three units or the proposed four units. This means that before adding units onto a property, homeowners/applicants must first consult with the municipality to ensure the following criteria are met, including that:

- the proposed units and configuration are permitted;
- there is adequate and available servicing; and,
- applicable zone provisions (i.e., setbacks, coverage, height, parking, etc.) can be satisfied.

These proposed regulations help to optimize the development footprint and ultimately streamline the process so that more diverse, affordable, and sustainable housing options can co-exist in established neighborhoods.

Next Steps

The proposed zoning regulations will be used as the foundation to complete proformas so that we can gain a better understanding of the financial feasibility of enabling four (4) units. Included in this analysis will also be an exploration of the implications for administering development charges and parkland dedication fees. Results from this work will be shared in the recommended Zoning Bylaw Amendment report, which will come before Council for decision in June 2024.

Further, we are exploring the implications on servicing and infrastructure and will provide recommendations with the recommended Zoning Bylaw Amendment report.

Financial Implications

Financial implications will be reported in the future staff recommendation report to Council. The implications to administering development charge collections and exemptions and parkland dedication fee collections will be included in the June recommendation report.

Consultations and Engagement

The Gentle Density project gathered feedback from internal staff, interested parties from the development and homebuilding industry, and resident groups, as well as the general public.

A [Have Your Say](#) page was created in January 2024 to introduce this project and its links to the ongoing development of the Housing Affordability Strategy.

In February 2024, over 100 participants were invited to the following sessions to learn more about Gentle Density and share feedback on how best to implement four-unit housing types in Guelph:

- Two (2) information sessions with the development and homebuilding industry.
- One (1) information session with community and resident groups.
- One (1) public open house.

Please note that a second information session for community and resident groups was offered, but due to a lack of attendance, this session was cancelled.

To generate general awareness for the Public Open House, a public notice, two social media posts, emails to a growing notification list, and information on the [Have Your Say](#) page was used.

Public and interested parties provided feedback on visual examples that acted as conversation starters around what may or may not be feasible, city-wide mapping, and siting considerations.

The project team gathered specific thoughts on how parking, landscaping, building setbacks, and other zoning requirements could impact the feasibility of four-unit housing. The feedback received through engagement is described in more detail in Attachment-2 Exploring Opportunities for Four Units on Residential Lots in Guelph: What We Heard Report, however, some key takeaways that informed the proposed zoning regulations included:

- Requests to keep any amendments to zoning regulations simple and less restrictive.
- Openness to exploring reduced parking requirements; and
- Requests to enable a greater variety of unit configurations.

Attachments

Attachment-1 Draft Regulations to Permit Four (4) Dwelling Units in Low Density Residential Zones

Attachment-2 Exploring Opportunities for Four Units on Residential Lots in Guelph: What We Heard Report

Attachment-3 Summary of Draft Regulations to Permit Four (4) Dwelling Units in Low Density Residential Zones

Attachment-4 Comparative Zoning Review of Selected Ontario Municipalities

Attachment-5 Statutory Public Meeting Presentation

Departmental Approval

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