



Report No.

CMO-38-25

File No.

3-04-25, # 2-08-25,
CIP 02-25

Directed to:

Mayor Joe Preston and Members of City Council

Meeting Date:

August 11, 2025

Department

City Manager's Office

Authorized By:

Brandon Sloan, HAF Coordinator

Attachment

Attachment A – Draft
Official Plan Amendment
Attachment B – Draft
Zoning Bylaw Amendment
Attachment C – Draft CIP
Amendment
Attachment D – Draft ARU
Guidebook

Subject:

Proposed Amendments to the St. Thomas Official Plan, Zoning By-law and Community Improvement Plan for Additional Residential Units

Recommendation:

THAT: Report CMO-38-25 relating to Proposed Amendments to the St. Thomas Official Plan, Zoning By-law and Community Improvement Plan for Additional Residential Units be received for information; and further,

THAT: Council authorizes staff to prepare amendments to the St. Thomas Official Plan, Zoning By-law and Community Improvement Plan for Additional Residential Units; and further,

THAT: A public meeting be scheduled for **September 8, 2025**, in accordance with Ontario Regulations 543/06 and 545/06, as amended.

Background:

Included as part of the commitment for the City receiving Housing Accelerator Funds (HAF) through a federal program aimed at accelerating and permitting new housing development is: to create a new guidebook for homeowners interested in building an Additional Residential Unit (ARU); to utilize some of the funding towards increasing the Community Improvement Plan programs for ARUs and new housing development; and to amend the land use permissions to allow four units as-of-right.

Draft OP and Zoning Amendments

The national housing strategy and plan, provincial direction and municipal growth study and housing needs assessment all provide the direction to find ways to allow for and create new housing options, including rental, affordable and attainable housing options. In addition to other actions, in 2023, the City amended the land use permissions (Official Plan and Zoning) to allow for up to three residential dwelling units on a lot. As part of the federal HAF funding, the City is required to further amend the land use regulatory environment to allow for up to four units on a lot. This was previously considered at the Sept. 9, 2024, Council meeting regarding the HAF funding and 4 units as-of-right direction (Option 1 from Report CMO-12-24).

The City is now proceeding with the required amendments. A summary of the proposed changes to the existing Official Plan policies and Zoning By-law provisions regarding Additional Residential Units include:

- Updating terminology from additional ‘dwelling’ unit to additional ‘residential’ unit in accordance with the *Planning Act* wording and for consistency.
- Adding definitions for “Additional Residential Unit, Interior” and “Additional Residential Unit, Detached”.
- Allowing for up to three ARUs with the primary dwelling on a lot instead of up to two (e.g. four units in total). This could be in various configurations including one to three ARUs within the one building that has the primary dwelling and/or with one detached ARU in the rear or

interior side yard.

- Adding two provisions as required through O. Reg. 299/19 regarding the minimum distance of an ARU to another building on the same lot with residential uses of 2.4 metres and to allow a maximum lot coverage of 45% where there is an ARU.
- Establishing a minimum width of an unobstructed, access walkway from a public street to an ARU of 1.0 metres for emergency and other access purposes.
- The existing provision regarding an ARU being 40% of the total floor area has provided some challenges to interpret for ARU building permits. It is proposed to be amended with the definitions, and that a detached ARU maximum floor area is no more than 50% of the main dwelling.

The zoning provisions currently allow for dwellings city-wide to be renovated, new additions or a detached accessory unit built to certain standards city-wide (building height, setbacks, lot coverage, tandem parking, etc.). Those regulations essentially would remain the same with the new provision of one additional dwelling unit would be allowed within the same building envelope and with a few new provisions for access and lot coverage.

In 2024, there were permits for 16 ARUs and permits for six ARUs in the first half of 2025 (only a few of those were to have 2 additional units). Given the financial and development considerations, the market for developers to build multi-units is more towards a minimum of 6-8 units or more. A future phase of the HAF initiative is to conduct a broader intensification review for areas of the city that could be appropriate for higher density and mixed use, like nodes and corridors. For now, it is important to proceed with this 'gentle density' amendment to provide some potential for additional residential units as part of the housing acceleration program.

The draft Official Plan and Zoning By-law Amendments are attached as Appendix A and B to the report.

Draft CIP Amendment

The City currently has a Community Improvement Plan (CIP) with nine financial incentives, one of which is the Residential Program. The Residential Program is a matching grant to incent the renovation, intensification or creation of new residential dwelling units – including Additional Residential Units (ARUs) and more. Part of the HAF grant would be used for the following proposed changes to the program:

- Increase the maximum grant per new dwelling unit from \$7,500 to \$12,500 and total per property/project from \$60,000 to \$100,000.
- Increase the maximum grant per new "affordable" dwelling unit from \$12,500 to \$15,000 and total per property/project from \$100,000 to \$120,000.
- Increase the maximum loan amount per new dwelling unit from \$12,500 to \$15,000 and total per property/project from \$100,000 to \$120,000.
- Eligible projects would be allowed city-wide instead of limited to the Primary CIP Area (downtown/central)

At the same time, there are a few updates to other existing CIP programs that are proposed which could take advantage of the HAF grant and provide incentives for housing, including:

- Allowing brownfield sites rehabilitated and developed with residential use or mixed-use (residential and other uses) to take advantage of the Development Charges and Tax-Increment Grant Programs (in addition to redevelopment for employment purposes currently).
- Allowing applications approved under the Residential Program for ARUs to also be considered for the Planning and Building Fees Program city-wide instead of limited to the Primary CIP Area.

The intent is to help provide additional opportunities and support for more housing options. Staff would monitor any uptake of the revised programs. The HAF grant funding could continue from 2025 through 2028, at which time the City could review the approach. At the same time with this amendment, a technical housekeeping update to the Official Plan and CIP to reflect the lands added via the MZO in 2024 (Yarmouth Yards) is proposed to the CIP Area map within the plan and as part of the OPA. Through the creation of an affordable/supportive housing partnership grant program

as part of a separate HAF Initiative, there may be a further update to the CIP in the future. The draft CIP Amendment is included as Appendix C.

Draft ARU Guidebook

One of the components to go with the permissions and incentives for ARUs is a “how-to” guidebook. This could assist property owners with resources and information for planning an ARU project and the application process. Further review and updates are expected before it is finalized and available for prospective applicants. A draft of the ARU Guidebook is included as Appendix D.

Stakeholder Information Session(s)

In addition to the regular circulation, notice and comments for City-initiated land use and CIP amendments, staff are also intending to host a Public Information Session(s) and development industry consultation for this and other HAF-related initiatives between the August 11th Council meeting and September 8th Council meeting for the Statutory Public Meeting.

Summary

Essentially, these initiatives from the HAF Action Plan would provide the permissions for additional residential units, the how-to, and some financial incentive towards more housing options. They contribute towards increasing the potential supply of housing options through “gentle”, sustainable intensification.

Strategic Priority:

Strategic Pillar: Excellence in All We Do - Priority #5: Housing for Everyone

Financial Impact:

Any additional funds towards the increased CIP program components to assist in the creation of additional residential units and housing development would be sourced from the Housing Accelerator Fund grant.

Report Approval:

This report has been reviewed by: Manager of Planning Services, Director of Corporate Services / City Treasurer, and Director of Planning and Building Services.

All reports are reviewed and approved by the City Manager.