

# The Corporation of the Town of Niagara-on-the-Lake Information Report to Council

**SUBJECT:** Additional Dwelling Unit (ADU) Permissions  
**DATE:** 2024-12-03  
**REPORT #:** CDS-24-173  
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**DEPARTMENT:** Community & Development Services

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## BACKGROUND INFORMATION

Through a series of recent policy changes, the Province has introduced permissions for Additional Dwelling Units (“ADUs”) on lands where residential uses are permitted. An ADU consists of a self-contained set of rooms located in a building or structure, which contains kitchen and bathroom facilities and is used or intended to be used for residential purposes.

Given the number of recent inquiries for ADUs, this report is to inform Council and the public of the current policy framework and required process to allow ADUs on urban residential or rural/agricultural properties in the Town.

### Policy Framework

The concept of ADUs was originally introduced through Bill 108 (2019), which made changes to the *Planning Act* to provide opportunities to permit an ADU within single-detached, semi-detached and townhouse dwellings. The changes did not differentiate permissions for ADUs in the urban and rural areas. Bill 108 required local municipalities to update their Official Plans and Zoning By-laws accordingly to permit these ADUs. The Town did not take action at the time to update our local planning documents.

ADUs are permitted in the Greenbelt Plan (2017) through Policy 4.5.3, which states, “outside of the Natural Heritage System, second dwelling units are permitted within [permitted] single dwellings permitted in accordance with sections 4.5.1 and 4.5.2 or within existing accessory structures on the same lot.” The referenced Greenbelt Plan sections permit all existing uses, including single dwellings. The Town has not taken action to implement the Greenbelt Plan direction in our current local planning documents.

Through Bill 23 (2022), the *Planning Act* sections regarding ADUs were further amended. The *Act* now reads that nothing in a local Official Plan or Zoning By-law may prohibit up to two ADUs on any parcel of urban residential land. Bill 23 also added a definition of “parcel of urban residential land” to support this direction. A parcel of urban residential land is a property in the urban area that is designated and zoned for residential purposes and is connected to municipal servicing.

The new Provincial Planning Statement, 2024 (“PPS”) took effect on October 20, 2024. The PPS does not provide policy direction related to the ADUs in the urban area, as these ADUs are permitted as-of-right, subject to certain requirements, through the *Planning Act*.

The PPS provides policy direction for ADUs in agricultural areas and requires the following to facilitate an ADU:

- compliance with the minimum distance separation formulae,
- being compatible with and not hindering surrounding agricultural operations,
- having appropriate servicing,
- not posing public health and safety concerns,
- being limited in scale and minimizing lands taken out of agricultural production.

ADUs in the agriculture area are not permitted as-of-right in the *Planning Act*. ADUs in the agricultural area are subject to the policies contained in the Town’s Official Plan or Zoning By-law.

On November 20, 2024, the Province implemented a new regulation (O. Reg. 462/24) to streamline zoning requirements under the *Planning Act* to facilitate the creation of ADUs in urban areas. This regulation requires that a detached ADU shall be at least 4.0 metres from another building or structure on the parcel and permits increased lot coverage (in lieu of any zoning provisions, properties with ADUs in the urban area may have up to 45% lot coverage, based on the coverage of all buildings and structures)

Staff have received numerous inquiries related to ADUs, with a significant increase in inquiries since the introduction of the new PPS. Some municipalities have updated their local planning policies to align with Provincial direction, as reflected in the above discussion. The Town’s Official Plan and Zoning By-laws have not been updated to reflect current Provincial direction related to ADUs; however, this work will be undertaken through the conformity review.

Town Staff has created an Additional Dwelling Unit Guide, attached as **Appendix I**, which outlines the current policies for ADUs and responses to frequently asked questions. The following table provides an overview of the policies and directions for ADUs, which is reflected in more detail in **Appendix I**.

**Table 1: ADU Permissions**

	<b>Urban Area</b>	<b>Rural/Agricultural Area</b>
<b>Primary dwelling unit type</b>	Single-detached dwelling, semi-detached dwelling, townhouse dwelling	Single-detached dwelling
<b>Number of ADUs permitted (in addition to the primary dwelling unit)</b>	2	1 (per the policies of the Greenbelt Plan) *
<b>Location of permitted ADUs</b>	Up to 2 within a single-detached, semi-detached or townhouse, maximum of 1 within an accessory structure	Within a primary dwelling unit or an existing accessory structure
<b>Examples of ADUs</b>	<ul style="list-style-type: none"> <li>ADU in the basement and ADU on the 2<sup>nd</sup> floor</li> <li>ADU in the basement and ADU in a detached accessory structure</li> </ul>	<ul style="list-style-type: none"> <li>ADU in the basement or on the 2<sup>nd</sup> floor</li> <li>ADU in an existing detached accessory structure</li> </ul>
<b>Maximum Number of Dwelling Units on a Lot</b>	Total of 3	Total of 2
<b>Requirements to Permit ADU</b>	Issuance of a Building Permit, subject to meeting zoning requirements for lot coverage (up to a maximum of 45% as-of-right), building setbacks and separation, and parking standards.	Approval of an Official Plan Amendment and Zoning By-law Amendment, issuance of a Building Permit. **

\* While the PPS 2024 allows up to two ADUs (in addition to the primary dwelling unit) in Prime Agricultural Areas, the Greenbelt Plan continues to only permit one ADU in agricultural/rural areas. The Greenbelt Plan has not been updated to implement the policies of the PPS with regard to ADUs; however, it is expected that the 10-Year Coordinated Plan Review will commence in 2025. As such, only one ADU is currently supported by provincial direction in the Town’s agricultural/rural areas.

\*\* Until such time that the Town updates its Official Plan and Zoning By-law to be in conformity with the provincial requirements, an Official Plan Amendment (“OPA”) and Zoning By-law Amendment (“ZBA”) are required to facilitate any ADUs in the agricultural/rural areas of the Town.

## **NEXT STEP / CONCLUSION**

Given the changing provincial policies related to ADUs and increase in inquiries for new ADUs in Town, Staff has prepared an Additional Dwelling Unit Guide, attached as **Appendix I**, to provide further details on the purpose of ADUs, their permissions, the required processes and answers to frequently asked questions. This Guide will be posted to the Town's website, and act as a resource for landowners interested in pursuing an ADU on their property.

Town Planning Staff continue to monitor provincial changes and their implementation relating to ADUs. Staff will be incorporating direction from the Provincial Policy Statement and Greenbelt Plan into the Official Plan conformity review, as well as the review, update and consolidation of the Zoning By-law.

## **APPENDICES**

- **Appendix I** – Additional Dwelling Unit Guide