



Adelaide Metcalfe

MUNICIPAL COMPREHENSIVE REVIEW

BACKGROUND REPORT

July 2022



FINDLATER & ASSOCIATES

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1. INTRODUCTION AND BACKGROUND

The Adelaide Metcalfe Official Plan was adopted by Council on October 25, 2010 and approved with modifications by the County of Middlesex on April 26, 2011. There have been fourteen amendments to the document since then. Overall, it is thought that the existing Official Plan is a sound document, that largely meets the needs of the Township but would benefit from a review and update to be consistent with the 2020 Provincial Policy Statement and to conform with the Middlesex County Official Plan. In addition to this, there is a desire to review employment lands to determine if there is a need to reduce or expand the amount of land designated for commercial and industrial purposes.

The County of Middlesex retained Watson & Associates Economists Ltd. in 2020 to update its Housing Growth and Population Forecasts. The study concluded that all local municipalities, including Adelaide Metcalfe, are anticipated to experience moderate to strong population and housing growth over the next twenty-five (25) years. Given this scenario, it is timely that this Background Report of a Municipal Comprehensive Review (MCR) of the Adelaide Metcalfe Official Plan is being undertaken to chart a course for the future and to determine whether sufficient lands are currently available to accommodate the anticipated growth over the next twenty-five (25) years.

This document comprises the Background Report of the 5-Year Review, which contributes to a MCR as defined in the Provincial Policy Statement (PPS). The actual Municipal Comprehensive Review will be completed in 2023 as part of the Township's Official Plan 5-Year Review. In terms of a Municipal Comprehensive Review, the 2020 PPS defines a comprehensive review as an official plan review, which is initiated by a planning authority, or an official plan amendment, which is initiated or adopted by a planning authority.

This Background Report reviews future population and employment growth projections and the resulting potential settlement area lands needs over a twenty-five (25) year time horizon, while still protecting Provincial interests. The PPS notes that in undertaking a comprehensive review, the level of detail of the assessment should correspond with the complexity and scale of the settlement area boundary proposal.

As well, this Background Report examines both residential and employment lands development potential in the Township of Adelaide Metcalfe. The report will focus on answering some basic questions for the Official Plan Review on the demand for new residential development and employment lands and the potential supply of land for these purposes. These questions are:

- Is there a sufficient supply of land designated for residential development to meet the growth needs of the Township over the 25-year planning period to 2046; and
- Is there sufficient supply of lands designated industrial and commercial to meet the growth needs of the Township over the 25-year planning period to 2046?

The report begins with a review of the policies in the Provincial Policy Statement, 2020, (PPS) that deal with settlement areas and residential land supply as well as employment lands. The PPS has specific policies that aim to ensure an adequate supply of residential land to meet housing targets and demand.

The report will then examine the Township's current employment lands that are available to accommodate growth forecast to 2046 and the housing requirements associated with the anticipated growth in population. Recent trends in both residential and industrial and commercial building permits will also be examined.

The various considerations in identifying potential residential supply throughout the Township will then be discussed. Following that discussion, the potential residential land supply in the Township's settlement areas will be compared to the short-term, long-term and the 25-year housing requirements. The ability to meet the Official Plan's housing mix and intensification targets will also be assessed. A similar review will be undertaken for the employment lands.

The 2020 PPS, effective May 1, 2020 provides direction for land use planning and appropriately managing growth and development in Ontario while protecting natural resources and features based on a 25-year planning horizon. In regard to urban growth management, the PPS generally directs growth to areas located within urban settlement areas on full municipal services. There are no settlement areas in Adelaide Metcalfe that are fully serviced at this time.

Kerwood is the only defined Settlement Area within the Township of Adelaide Metcalfe. Kerwood, is identified as a "Community Area" in the Official Plan. It has a communal wastewater system, but all development within Kerwood is serviced by private wells for water supply. The existing Official Plan directs that the majority of development should occur within Community, Urban and Hamlet areas. There are five defined Hamlet areas in the Township, being Adelaide, Napier, Napperton and Pike, Walker and Cairngorm. None of these hamlets have access to municipal services, with private services being required for all development.

2. POLICY CONTEXT

Land use planning and growth management in Adelaide Metcalfe is driven by the Provincial Policy Statement (PPS), the County of Middlesex Official Plan and the policies of its own Official Plan, as required by the Planning Act. A review of these policy documents is outlined below.

Section 2 of the Planning Act outlines matters of provincial interest that municipalities shall have regard for in implementing their responsibilities under the Act. These matters of interest are expanded upon in the Provincial Policy Statement 2020 (PPS). The Planning Act also requires that decisions affecting planning matters "shall be consistent with" policy statements found in the PPS.

2.1 Provincial Policy Statement (2020)

The Province recently released an updated version of the Provincial Policy Statement, which took effect May 1st, 2020.

The 2020 PPS provides direction for land use planning and appropriately managing growth and development in Ontario while protecting natural resources and features based on a 25-year planning horizon. In regard to urban growth management, the PPS generally directs new growth to areas located within urban settlement areas on full services.

Section 2 of the Planning Act, R.S.O. 1990 identifies the provision of a “full range of housing, including affordable housing” as a matter of Provincial interest.

Section 1.1.1. Managing and Directing Land Use to Achieve Efficient Land Use Patterns

There are several policies in the 2020 PPS that are relevant to the residential land needs assessment and to which the Adelaide Metcalfe Official Plan is to be consistent with, including the following.

Section 1.1.1 b) of the PPS states that healthy, livable, and safe communities are sustained by:

“Accommodating an appropriate affordable and market-based range and mix of residential housing types (including second units, additional residential units, multi-unit housing, affordable housing and housing for older persons), employment (including industrial and commercial), institutional (including places of worship, cemeteries and long-term care homes), recreation, park and open space and other uses to meet long-term needs;”

The PPS identifies the time period that planning authorities shall plan for:

“Sufficient land shall be made available to accommodate an appropriate range and mix of land uses to meet projected needs for a time horizon of up to 25 years, informed by provincial guidelines. Within settlement areas, sufficient land shall be made available through intensification and redevelopment and, if necessary, designating growth areas. This policy is not intended to limit the planning for infrastructure, public service facilities and employment areas beyond a 25-year time horizon.”

This 25-year time horizon is important to consider for the purposes of the residential land supply analysis as sufficient land is to be set aside to meet planning needs for up to 25 years. In the case of this Municipal Comprehensive Review; that is to the year 2046. It will be further demonstrated in this report through the residential land supply analysis that there is a small surplus of lands within the existing settlement area boundaries to accommodate anticipated growth for the next 25 years. It is estimated that there is a surplus of approximately 10 hectares of land to accommodate residential growth over

the next 25 years.

Section 1.1.3 Characteristics of Settlement Areas

Policies contained within Section 1.1.3.1 of the PPS state that settlement areas shall be the focus of growth and development. Further, it states in Section 1.1.3.2 that:

“land use patterns within settlement areas shall be based on densities and a mix of land uses which:

- a) Efficiently use land and resources;*
- b) Are appropriate for and efficiently use the infrastructure and public service facilities which are planned or available, and avoid the need for their unjustified and / or uneconomical expansion;*
- c) Minimize negative impacts to air quality, climate change and promote energy efficiency;*
- d) Prepare for the impacts of a changing climate;*
- e) Support active transportation*
- f) Are transit supportive, where transit is planned, exists or may be developed and*
- g) Are freight-supportive.”*

The 2020 PPS emphasizes the importance of intensification and redevelopment throughout the document, by stating that “land use patterns within settlement areas shall be based on a range of uses and opportunities for intensification and redevelopment”, that “development standards should be promoted that facilitate intensification and redevelopment” and further, “that planning authorities shall establish minimum targets for intensification and redevelopment within built-up areas, based on local conditions.”

Section 1.1.3.7 states that planning authorities should establish and implement phasing policies to ensure:

- a) That specified targets for intensification and redevelopment are achieved prior to, or concurrent with, new development within designated growth areas; and*
- b) The orderly progression of development within designated growth areas and the timely provision of the infrastructure and public service facilities required to meet current and projected needs.*

Section 1.7.1 Long Term Economic Prosperity

The 2020 PPS articulates the important link between housing and the workforce in a new policy which states that “Long-term economic prosperity should be supported by:

- b) encouraging residential uses to respond to dynamic market-based needs and*

provide necessary housing supply and range of housing options for a diverse workforce.”

Section 1.4 Housing Supply

The 2020 PPS provides direction to planning authorities on the range of housing options that is to be promoted and encouraged and identifies the amount of short-term and long-term residential land supply that is to be maintained.

Section 1.4.1 states that:

“To provide for an appropriate range and mix of housing options and densities required to meet projected requirements of current and future residents of the regional market area, planning authorities shall:

a) Maintain at all times the ability to accommodate residential growth for a minimum of 15 years through residential intensification and redevelopment and, if necessary lands which are designated and available for residential development, and

b) Maintain at all times where new development is to occur, land with servicing capacity sufficient to provide at least a three-year supply of residential units available through lands suitably zoned to facilitate residential intensification and redevelopment, and lands in draft approved and registered plans.”

In other words, the 2020 PPS requires a municipality to maintain a short and long-term land supply, achieved through either intensification, redevelopment, or greenfield development. It will be further demonstrated in this report through the residential land supply analysis that most of the potential land supply available for future residential development is located on greenfields within the existing settlement areas boundaries.

Section 1.1.3 Settlement Areas

According to the PPS, settlement areas are urban and rural settlement areas and include cities, towns, villages and hamlets. Section 1.1.3.8 outlines the conditions that must be met to expand the existing settlement areas and / or to identify new settlements:

“A planning authority may identify a settlement area or allow the expansion of a settlement area boundary only at the time of a comprehensive review and only where it has been demonstrated that:

a) Sufficient opportunities to accommodate growth and to satisfy market demand are not available through intensification, redevelopment and designated growth areas to accommodate the projected needs over the identified planning horizon;

b) The infrastructure and public service facilities which are planned or available are suitable for the development over the long term, are financially viable over the

life cycle, and protect public health and safety and the natural environment;

c) In prime agricultural areas;

1. The lands do not comprise specialty crop areas;

2. Alternative locations have been evaluated, and

i. There are no reasonable alternative which avoid prime agricultural areas; and

ii. There are no reasonable alternatives on lower priority agricultural lands in prime agricultural areas;

d) The new or expanding settlement area is in compliance with the minimum distance separation formulae; and

e) Impacts from new or expanding settlement areas on agricultural operations which are adjacent or close to the settlement area are mitigated to the extent feasible.

In undertaking a comprehensive review, the level of detail of the assessment should correspond with the complexity and scale of the settlement boundary expansion or development proposal.”

In summary, Section 1.1.3.8 identifies the five conditions that must be met in order for a planning authority to consider a boundary expansion, the first of which must be the demonstration of need and whether there is enough land available through intensification, redevelopment or greenfield development opportunities within the settlement area(s) to accommodate the projected housing need over a 25-year planning horizon. A calculation of “need” requires the completion of a “comprehensive review”.

The 2020 PPS provides direction for land use planning and appropriately managing growth and development in Ontario while protecting natural resources and features based on a 25-year planning horizon. In regard to urban growth management, the PPS generally directs growth to areas located within urban settlement areas on full municipal services. Section 2 of the Planning Act, R.S.O. 1990 identifies the provision of a “full range of housing, including affordable housing” as a matter of Provincial interest.

Section 1.4 identifies several timelines in regard to the accommodation of residential growth. The PPS now requires planning authorities to maintain at all times the ability to accommodate residential growth for a minimum of 15 years through residential intensification and redevelopment and if necessary, lands which are designated and available for such. Further, the PPS also requires planning authorities to maintain at all times where new development is to occur, land with servicing capacity sufficient to provide at least a three-year supply of residential units available through lands suitably zoned to facilitate residential intensification and redevelopment, and lands in draft

approved and registered plans.

Section 1.3.2 Employment Areas

The 2020 PPS provides direction to local municipalities with regards to Employment Lands.

Section 1.3.2.1 states that:

“Planning authorities shall plan, protect and preserve employment areas for current and future uses and ensure that the necessary infrastructure is provided to support current and projected needs.

Section 1.3.2.2 states that:

“At the time of the official plan review or update, planning authorities should assess employment areas identified in local official plans to ensure that this designation is appropriate to the planned function of the employment area.

Employment areas planned for industrial and manufacturing uses shall provide for separation or mitigation from sensitive land uses to maintain long-term operational and economic viability of the planned uses and functions of these areas.”

Section 1.3.2.4 states that:

*“Planning authorities may permit the conversion of lands within employment areas to non-employment uses through a comprehensive review, **ONLY** where it has been demonstrated that the land is not required for employment purposes over the long term and that there is a need for the conversion.”*

Section 1.3.2.6 states that:

“Planning authorities shall protect employment areas in proximity to major goods movement facilities and corridors for employment uses that require those locations.”

The clear direction is that municipalities should carefully review the employment lands at the time of the official plan five-year review and can only remove employment lands only if demonstrated the lands are not required in the long term **and** there is a need for the proposed conversion. For example, if the Township had a significant amount of employment lands beyond what the 25-year time horizon is projecting a need for, **AND** the Township had a need for increased residential lands, the Township could redesignate the employment lands for residential purposes. Short of a scenario such as this, removing lands designated for employment would NOT be consistent with the above noted policies in the PPS.

2.2 County of Middlesex Official Plan

Section 2.3.1 of the County of Middlesex Official Plan states that the majority of growth in the County is directed to designated settlement areas, in accordance with the County's Growth Management Hierarchy. Although the County does not currently recognize Hamlets within Adelaide Metcalfe as a designated Settlement Areas, the County is currently updating their Official Plan and may be adding Kerwood as a recognized Settlement Area in the County Plan. In such settlement areas, a range of land uses are permitted, including a range of housing by type, size and tenure to meet projected demographic and market requirements of current and future County residents.

The County Official Plan requires the completion of a Comprehensive Review prior to the expansion to the limits of a settlement area or the identification of a new settlement area.

The County Official Plan also contains a variety of policies encouraging local municipalities to support intensification and redevelopment opportunities, alternative forms of housing for special needs groups, and housing for lower and moderate-income households. To this end, the County Official Plan requires 15% of all development to occur by way of intensification and redevelopment and 20% of all development to be affordable (being 10% below the average purchase price of a resale unit in the regional market area).

2.3 Adelaide Metcalfe Official Plan

The Adelaide Metcalfe Official Plan contains policies related to growth and development. Section 1.3 states the following:

- *To concentrate the majority of growth in the Township within Community, Urban and Hamlet Areas, especially in areas where services can be provided in a cost effective and environmentally responsible manner.*
- *To promote the retention and expansion of existing business and the attraction of new businesses to the Township to provide for a balance of residential and employment opportunities, and short and long-term employment stability.*

Section 2.4 Housing and Development states there is a sufficient supply of existing lots and lands designated for residential purposes to accommodate anticipated growth during the planning period of this Plan.

Section 2.5 Economic Development indicates that the Township will encourage the location of light and industrial and service commercial uses in areas permitted in the Plan. It also states that in order to avoid conflicts with sensitive land uses, the Township will ensure the provision of adequate separation between industrial and non-industrial land uses.

Section 3.2 Hamlet Areas indicates the primary uses within the Hamlet Areas shall be for residential use. Secondary uses shall be limited to small scale commercial uses, institutional uses and public uses.

Section 3.3 Urban Area indicates it is the objective to provide a broader range of urban uses including residential areas, commercial corridor, natural environment areas and Special Urban Policy Areas.

Section 3.4 Community Area is intended to provide opportunity for residential, commercial, industrial and open space uses to serve the community and surrounding areas. Kerwood is the only Community Area within the Township.

3. GROWTH AND DEVELOPMENT

3.1 Historic Population Growth for the Township of Adelaide Metcalfe

The historic population growth for the Township is shown in Figure 3.1.

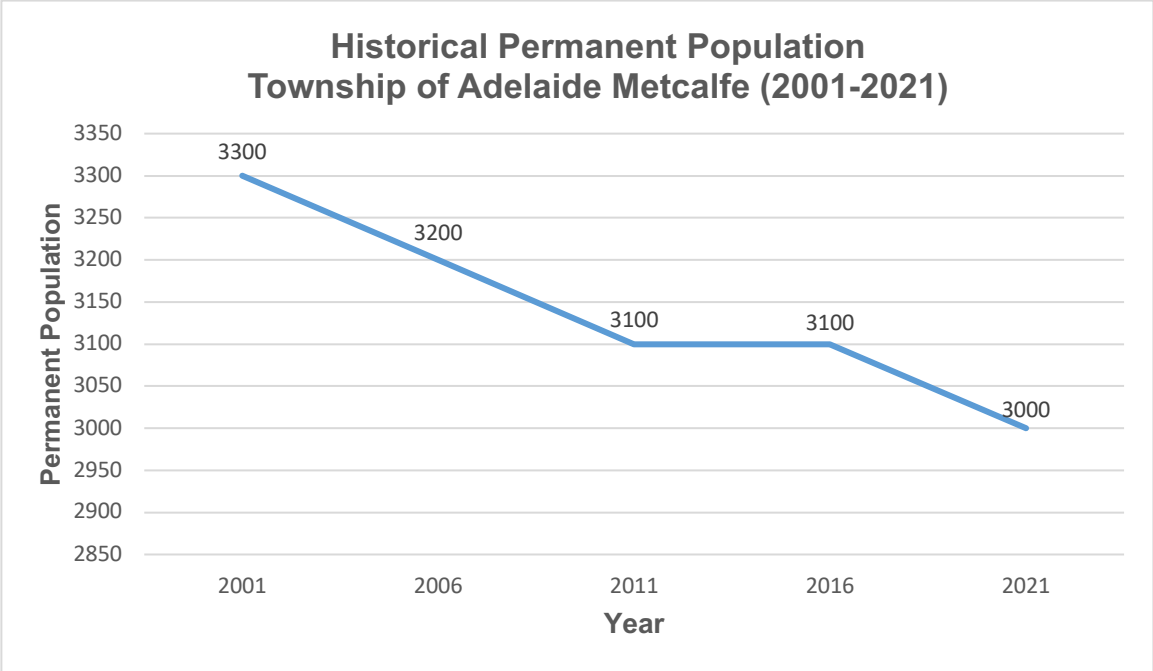


Figure 3.1

This shows that the Township experienced population loss over the fifteen-year period from 2001 to 2016, however the population stabilized at 3,100 people from 2011 to 2016.

3.2 Population Projections

The County of Middlesex recently retained Watson & Associates Economists Ltd. to update population and housing projections for all local municipalities. That study provided a low base scenario, a reference growth scenario and a high growth scenario. The low base scenario is shown in Figure 3.2 the reference scenario is shown in Figure 3.3 and the high scenario is shown in Figure 3.4

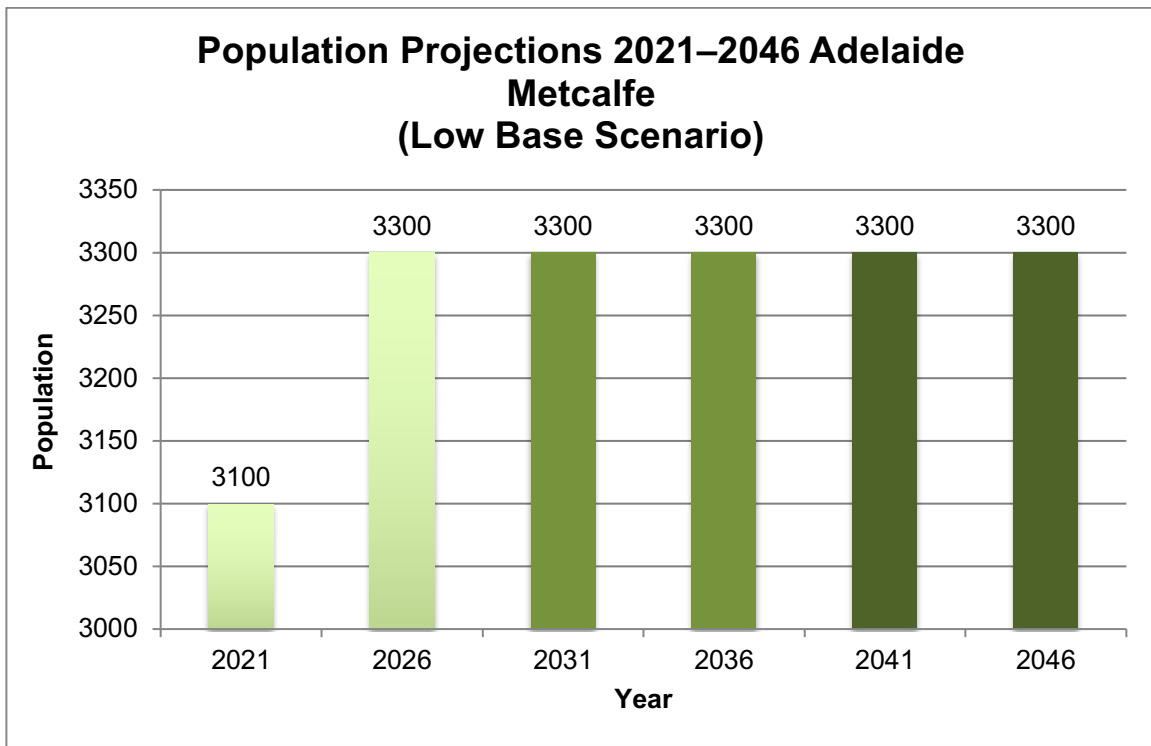


Figure 3.2

Under this scenario, including the census undercount, the population would increase from 3,100 people in 2021 to 3,300 people in 2046. When excluding the census undercount, the population would increase from 3,000 people in 2021 to 3,200 people in 2046. In either scenario, the population is anticipated to increase by approximately 200 people over twenty-five years, or approximately 8 people per year.

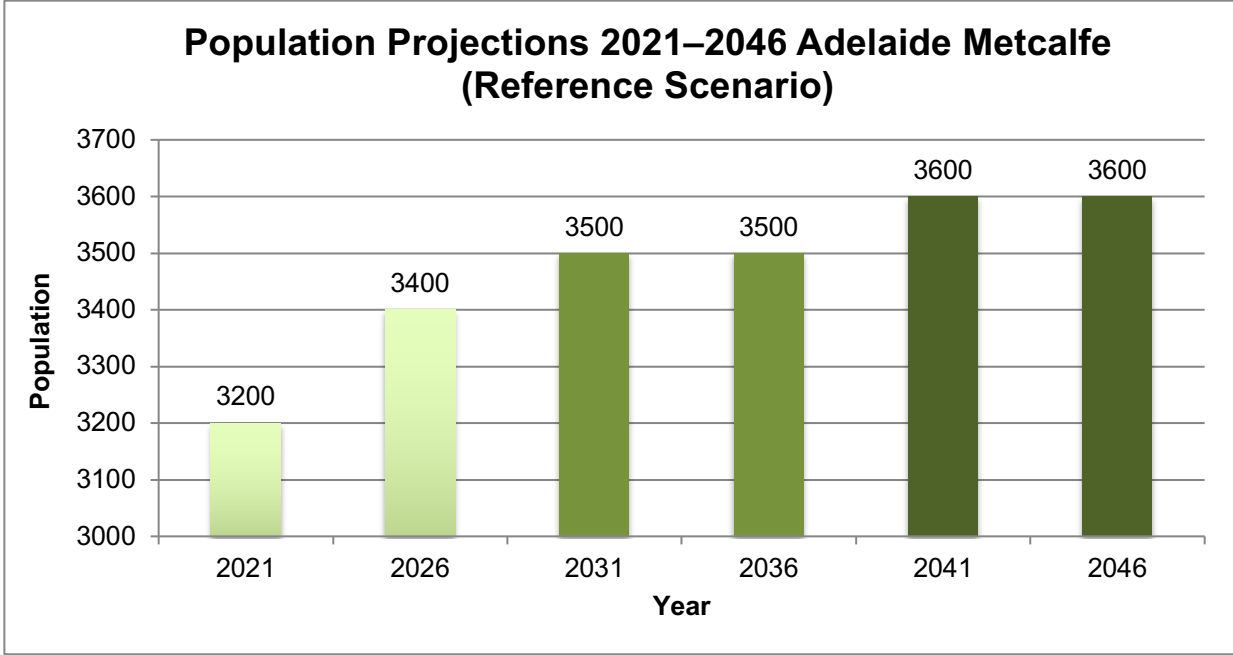


Figure 3.3

Under this scenario, including the census undercount, the population would increase from 3,200 people in 2021 to 3,600 people in 2046. When excluding the census undercount, the population would increase from 3,000 people in 2021 to 3,400 people in 2046. In either scenario the population increases by approximately 400 people over twenty-five years or approximately 16 people per year.

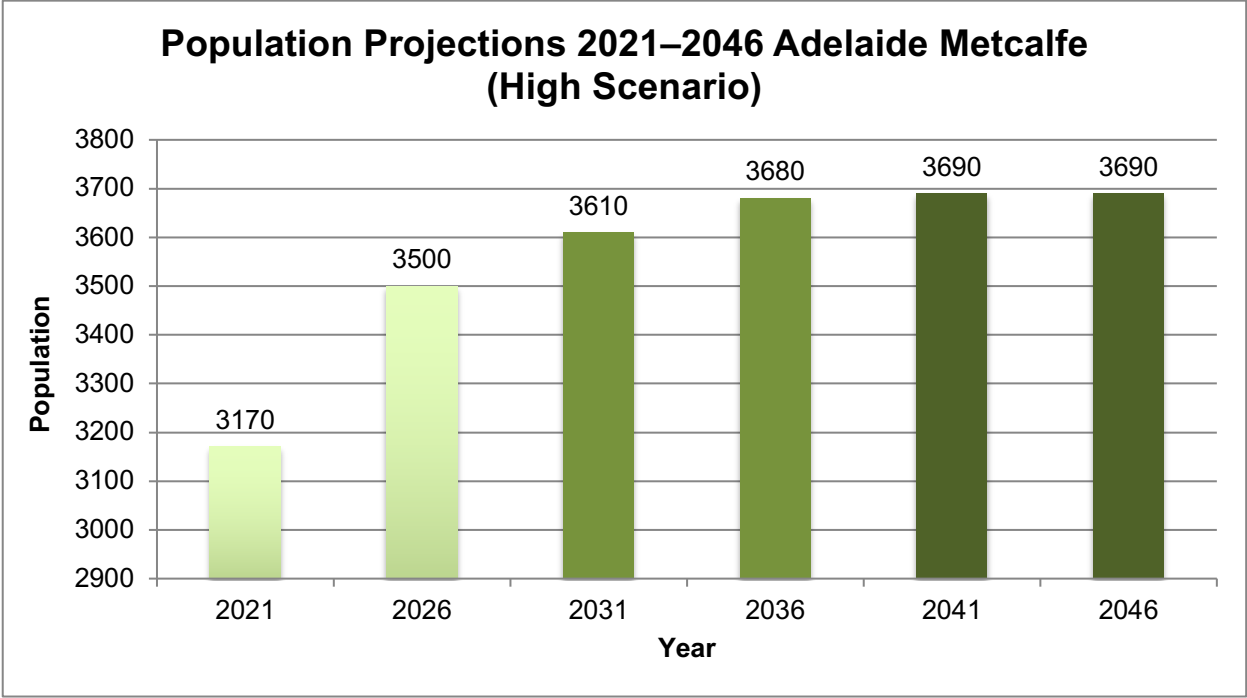


Figure 3.4

Under this scenario, including the census undercount, the population would increase from 3,170 in 2021 to 3,690 people in 2046. When excluding the census undercount, the population would increase from 3,070 people in 2021 to 3,570 people in 2046. In either scenario the population increases by approximately 500 people over the twenty-five years or approximately 20 people per year.

Watson & Associates Economists Ltd. suggests that Adelaide Metcalfe is poised to experience modest growth in both population and housing over the time period of the Official Plan through to 2046. These population forecasts by major age group utilizes the most recent Ministry of Finance (M.O.F.) 2019 population forecast by age cohort prepared for the County and the City of London.

Consideration was also given to historical Statistics Canada Census trends from 2001 to 2016 regarding population change by major age group for Middlesex County to ensure that local demographic trends within the County (excluding the City of London) were considered. The High Scenario forecast also attempts to capture potential migration occurring within Southwestern Ontario. Based on recent building activity and interest from the development community, it is recommended that *Adelaide Metcalfe utilize the Reference Scenario for the purpose of this MCR.*

The average age of the population in Adelaide Metcalfe is 40.7, similar to the Province as a whole. Across Middlesex County, the population is aging due to the large concentration of *Baby Boomers* (empty nesters and young seniors between 56 and 74

years of age), which represent approximately a quarter of the total population. The percentage of seniors is anticipated to steadily increase and is forecast to almost double in the next 25 years. Ultimately, the aging population will place downward pressure on population growth and labour force participation while at the same time increasing demand for housing, amenities and community services in denser areas such as Kerwood, Adelaide and Napier.

The Watson report suggests future population growth, as well as associated housing needs will be driven largely by the “*Millennial Generation*” (currently 28 to 40 year olds) and “*Generation Z*” (currently 15 to 27 year olds). A diverse range of housing by both type and tenure (ownership and rental) are anticipated to be required to accommodate these two demographic groups. Watson observes that relative to the past, it is anticipated that housing demand will shift more towards medium/high density housing (townhomes and apartments) from the traditional low density (single detached dwellings) housing. Watson estimates that County wide, 21% of new housing will be in the medium/high density form which over time will result in 13% of all housing being that form.

The Township of Adelaide Metcalfe is currently experiencing development applications primarily in the form of surplus farm dwelling severances and consents to establish residential developments. As demographics change, demand for an increasing diversity of housing types is anticipated to occur.

3.3 Housing Demand

Watson & Associates Economists Ltd. also completed an updated Housing Forecast for 2016 to 2046 based on the updated population projections for each local municipality 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 the PPU for each of the low, reference and high growth scenarios.

Using this approach, they forecast that Adelaide Metcalfe’s low growth scenario PPU would be 2.62 in 2046, the reference growth scenario would be 2.65 and the high growth scenario would be 2.60 in 2046.

Historically, the PPU across all of Middlesex County has steadily declined, falling from 2.98 in 2001 to 2.76 in 2016. While the PPU is expected to continue to decline, Watson suggests that this decline will be moderated as a result of an anticipated increase in the number of young adults and children migrating to the County. This scenario is considered likely to occur in the Township of Adelaide Metcalfe.

Given these numbers, Watson projects the 2046 housing forecast will result in 1,260 total households in the low scenario (an increase of 240), 1,360 in the reference scenario (an increase of 340) and 1,420 in the high scenario (an increase of 390).

Watson's forecast trends in household structure were derived from a review of historical household trends by structure between 2001 and 2016; forecast housing propensity trends by structure type by major age groups; and consideration of future demographic trends (ie. Aging population) and socio-economic trends across the County.

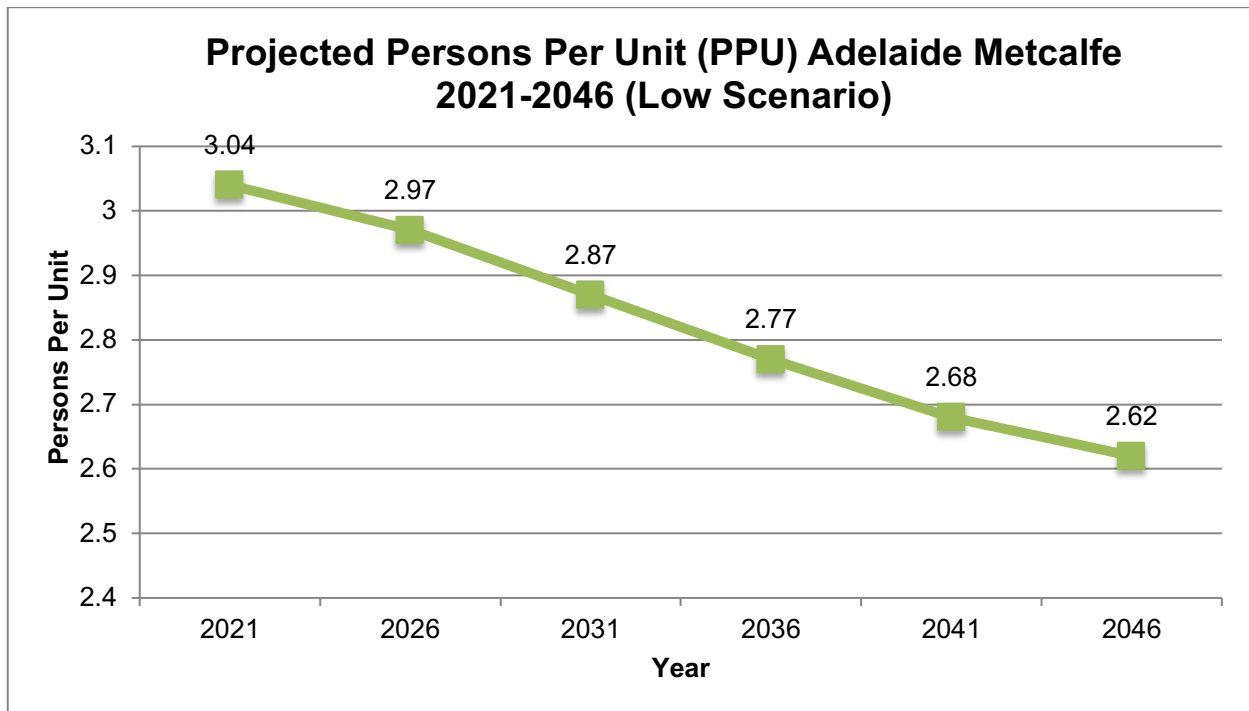


Figure 3.5

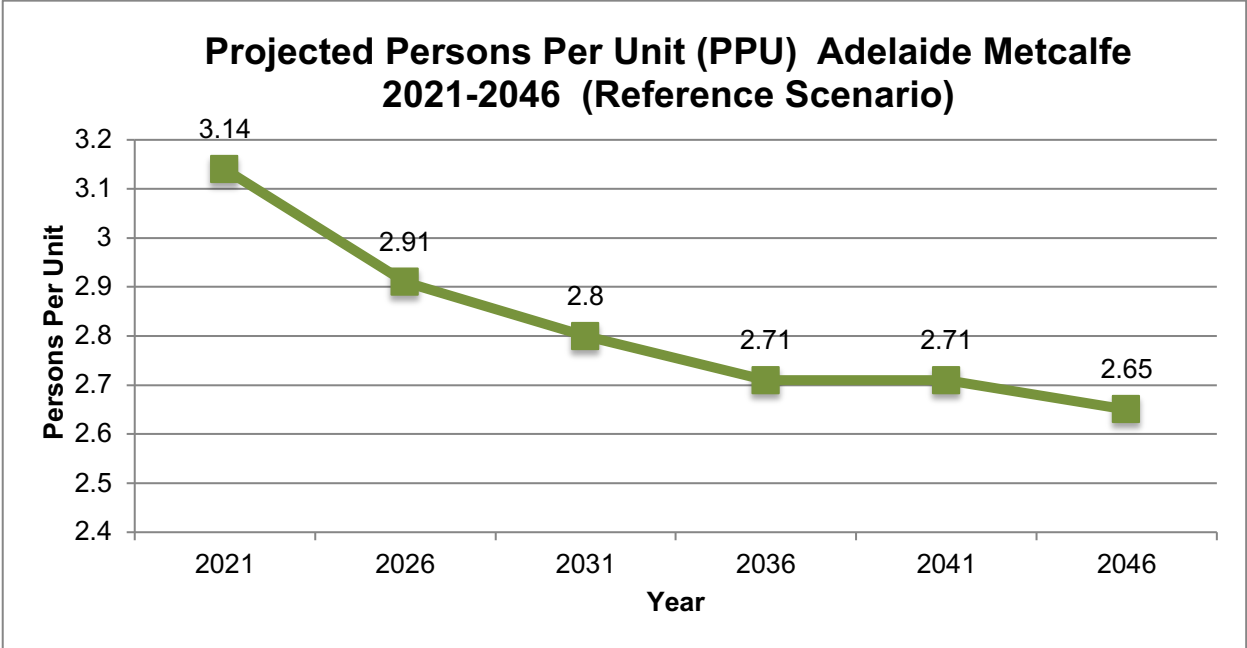


Figure 3.6

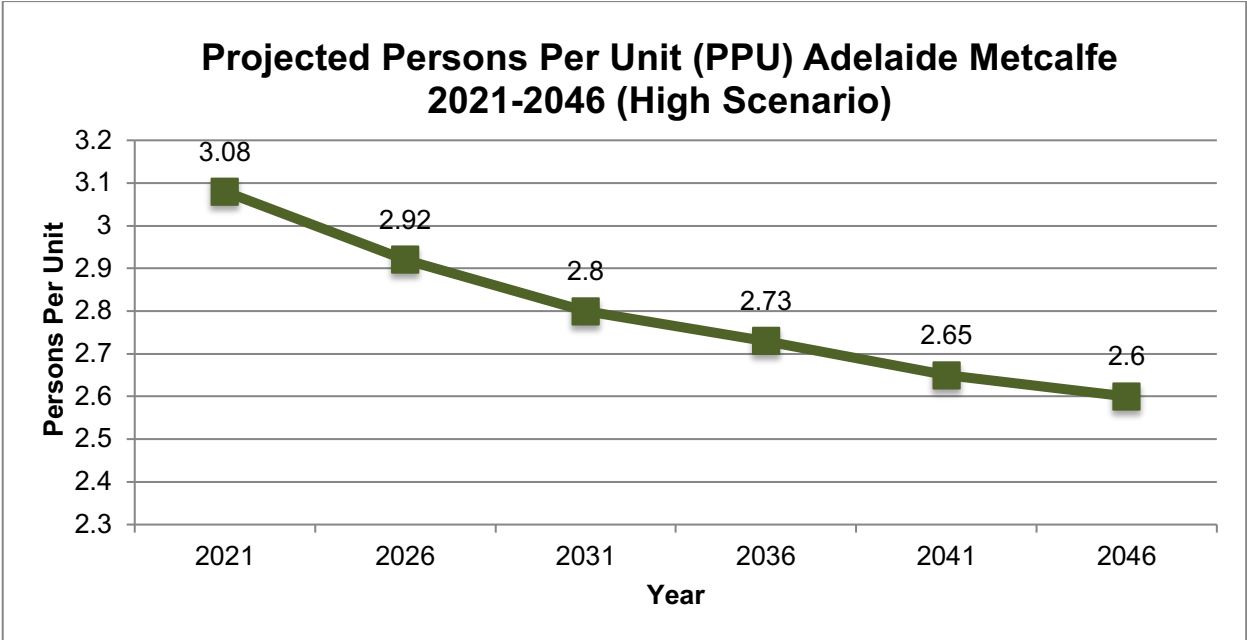


Figure 3.7

As noted earlier, while the PPU continues to decline, its projected slower rate of decline can be attributed to the expected increase in migration of young families, which moderates the overall decline. In relation to other local municipalities, Adelaide Metcalfe’s PPU of 2.60 in 2046 under the high growth scenario is higher than the projected County average of 2.43 PPU in 2046. In 2046, local municipalities’ PPU range from a projected low of 2.15 in Southwest Middlesex to a high of 2.78 in Middlesex Centre.

3.4 Location of Residential Development

The Municipality is comprised of two main residential areas, being Kerwood and Adelaide. There are four smaller hamlet areas being Napperton and Pike, Napier, Walker and Cairngorm. In the four smaller hamlets there has been very limited residential growth recently and growth potential in the future is not anticipated to be substantial. Since 2016, thirty-five (35) new dwellings have been constructed across Adelaide Metcalfe. Only seven (7) of those have been located in recognized settlement areas with the majority being located in the rural areas of the Township. The Township of Adelaide Metcalfe is facing a number of population and household trends that are anticipated to influence housing demand over the short and long-term:

- Aging population
- Continued reliance on vehicles
- Fewer people living in households, rise of 1 and 2-person households
- Continued attractiveness to those wishing to re-locate from more expensive housing markets
- Rising cost of housing, continued pressure on supply
- Increased demand for housing options other than ownership single-detached dwellings
- Possible long-term impacts of COVID19 (work from home trend)

3.5 Types of Residential Development

Historical building permit data (2000 to 2021) generally indicates the consistent construction of predominantly single detached dwellings. Watson & Associates project a gradual shift to more medium and high-density housing types based on demographic trends across the County. Adelaide Metcalfe has not received applications for subdivisions or condominiums since 2018 which indicates that while higher density development is occurring in other municipalities within Middlesex County, Adelaide Metcalfe may instead continue to see low-density development that can accommodate anticipated population growth.

It is recommended that a target be set for 20% of all new residential development to be of the medium/high density type, with 80% of new residential development being the traditional low density single unit dwelling type. This would help achieve the range and mix of uses contemplated in the Official Plan and PPS 2020, as well as assist with the affordable and attainable housing goals. These targets should be reviewed by Council and provided to the public for input.

4. HOUSING

4.1 Overview

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. Section 1.4.1 of the PPS effectively requires a municipality to maintain both a short and long-term land supply achieved through either intensification, redevelopment or green field development.

4.2 Housing Starts

The total number of annual housing starts in the Township of Adelaide Metcalfe between 2016 and 2021 has historically been quite low. During this period, permits for dwelling units range from a low of two (2) dwellings in 2016 to a high of thirteen (13) dwellings in 2019. Close to half of the dwellings constructed in 2019 were located in the Grogast Court development.

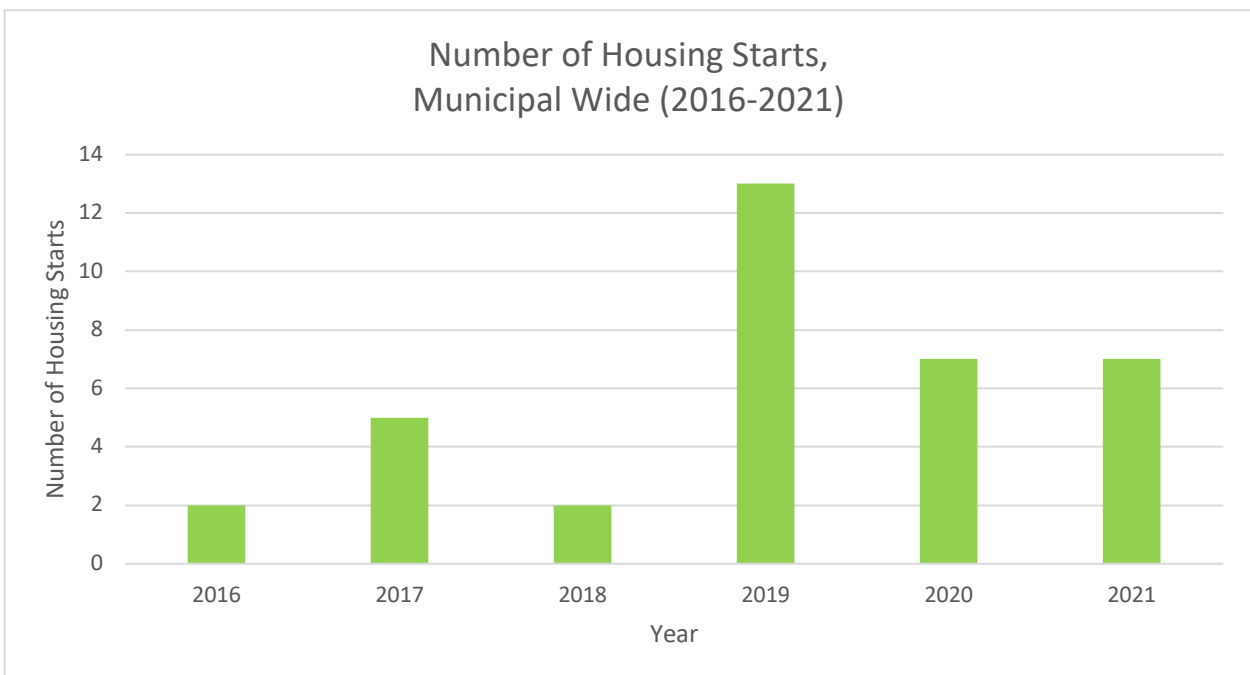


Figure 4.1

Recent years (2016-2021) have seen an average of 6 new residential units constructed each year.

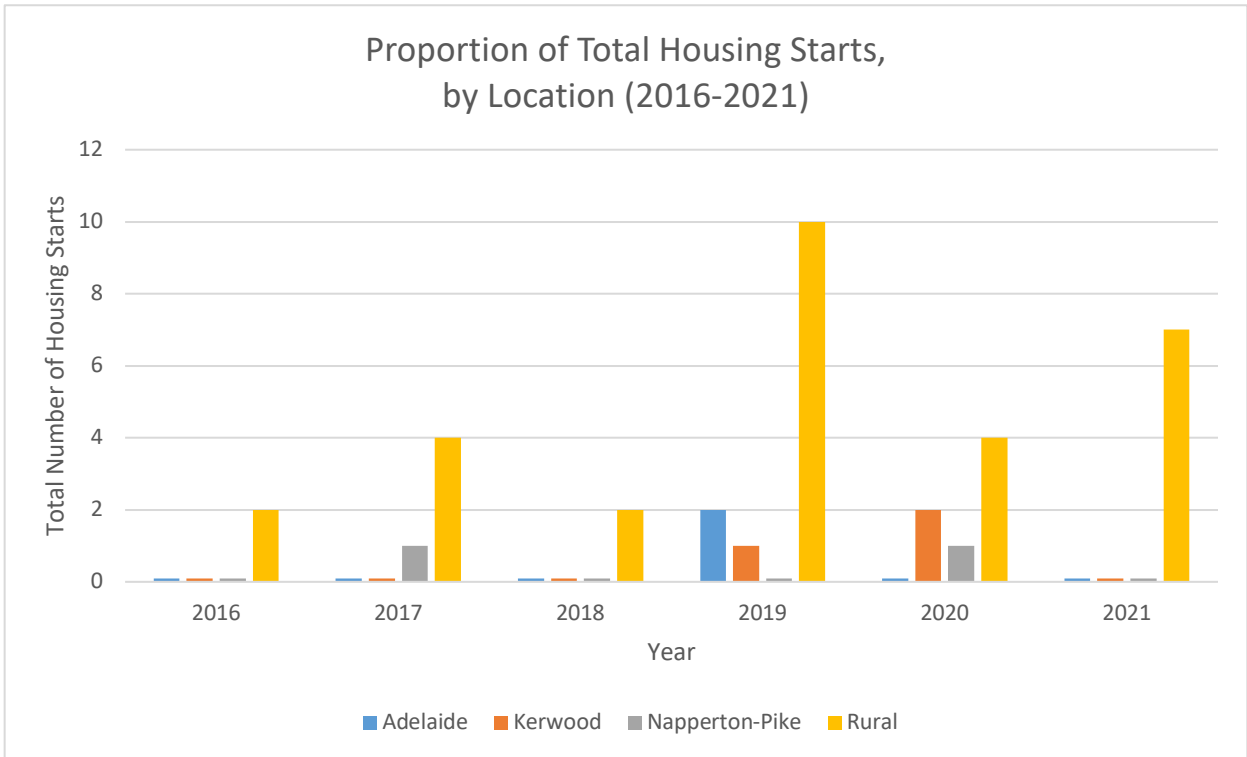


Figure 4.2

4.3 Land Available for Development

In accordance with the Middlesex County Official Plan Section 2.3.7.1, local municipalities are to provide to the County at least every five years, with a summary of its supply of vacant land designated for future residential development to ensure that a sufficient supply of lands is maintained. While there are no current potential and existing building lots and blocks in proposed, draft approved and registered plans of subdivision within the Township at this time, there is vacant designated residential lands available to accommodate future growth.



Figure 4.3

Figure 4.3 shows vacant future development lands in Kerwood. There is approximately 12.5 hectares of vacant lands designated for future development.



Figure 4.4

Figure 4.4 shows vacant residential lands in Adelaide. There is approximately 7.3 hectares of vacant designated residential lands.



Figure 4.5

Figure 4.5 shows vacant residential lands in Napperton and Pike area. There is approximately 1.13 hectares of vacant designated residential lands.



Figure 4.6

Figure 4.6 shows vacant residential lands in Walker. There is approximately 5 hectares of vacant designated residential land in the Hamlet.



Figure 4.7

Figure 4.7 shows vacant residential lands in Cairngorm. There is approximately 11 hectares of vacant designated residential lands in the Hamlet.



Figure 4.8

Figure 4.8 shows vacant residential lands in Napier. There is approximately 0.5 hectares of vacant designated residential lands in Napier.

There are also lands that are designated for development within the Township's Official Plan but for which no development plans are underway.

- In Kerwood there are 12.5 gross hectares (30.9 acres) of lands designated "Future Development." There are no constraints to these lands being developed.
- Undeveloped lands designated "Hamlet Residential" in Adelaide that are not the subject of an active, draft approved or registered plan of subdivision amount to 7.3 gross hectares (18 acres). There are no constraints on these lands being developed.
- Undeveloped lands designated "Residential" in Napperton and Pike that are not the subject of an active, draft approved or registered plan of subdivision amount to 1.52 gross hectares (3.75 acres). There are no constraints on these lands being developed.
- Undeveloped lands designated "Residential" in Walker that are not the subject of an active, draft approved or registered plan of subdivision amount to 5 gross hectares (12.4 acres). There are no constraints on these lands being developed.
- Undeveloped lands designated "Residential" in Cairngorm that are not the subject of an active, draft approved or registered plan of subdivision amount to 11 gross hectares (27.2 acres). There are no constraints on these lands being developed.
- Undeveloped lands designated "Residential" in Napier that are not the subject of an active, draft approved or registered plan of subdivision amount to 0.5 gross hectares (1.2 acres). There are no constraints to these lands being developed.

The difference in gross to net areas accounts for the exclusion of lands that are designated for growth but that are constrained by factors that limit their practical potential for development. Constraints include setbacks from large gas pipelines, areas regulated by the conservation authority, setbacks from woodlands, etc.

In total, 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). These lands are illustrated within Figures 4.3 through 4.8 presented earlier in this report.

In addition to excluding lands that are designated for development but that are constrained, the lands available for development need to also account for land supply adjustments for market vacancy factors (landowners may be unwilling or unable to develop their lands in accordance with the official plan) and net to gross adjustments (to provide for the development of local roads, parkland, stormwater management ponds, rights-of-way and other infrastructure and public facilities).

4.4 Land Required for Development

Based on the projections provided by Watson & Associates Economists Ltd, staff have determined 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.

When contemplating residential land needs however, consideration should be given to a housing split and how those requirements may affect the amount of land required to accommodate housing demand. This report recommends that Council consider an overall housing split that requires 80% low density development and at a minimum 20% medium or high-density development. In doing so, the Township would be able to accommodate predominantly low-density development in the form of single detached dwellings, and potentially assist with housing affordability issues by providing for a range of housing types and densities.

In terms of projected density target, it is considered conservative to base land requirements on a target density of 12.5 units per hectare. Given the lack of full municipal water and sanitary sewage systems, it is thought that a lower density is a better fit for the Township of Adelaide Metcalfe.

There is Provincial and County policy requirements for development to be accommodated within existing development areas by way of intensification, redevelopment, and infilling. The County of Middlesex Official Plan requires that 15% of all development occur by way of intensification, redevelopment, and infilling.

As explained above, the lands available for development should also account for land supply adjustments for market vacancy factors (landowners may be unwilling or unable *to develop their lands in accordance with the official plan*) and net to gross adjustments (to provide for the development of local roads, parkland, stormwater management ponds, rights-of-way and other infrastructure and public facilities). *These factors necessarily increase the amount of land that is required to be designated for future development.*

After accounting for lands already designated for development without current proposals, it has been determined that the Township currently has an over supply of residential lands of approximately 10 hectares on a Township wide basis based on the reference growth scenario. In simple terms, the Township requires 27.2 hectares to accommodate anticipated growth over the next 25 years, and there is already 37.8 hectares of land designated for growth inside current settlement area boundaries.

As of the writing of this report, the Township has received four (4) unsolicited requests from landowners to have their lands brought into existing designated Hamlets or simply be designated to permit residential growth. As outlined earlier in this report, settlement area boundaries may only be expanded at the time of a comprehensive review, and only where it can be justified in terms of land needs based on projected growth. In this review, it has been determined that no additional land is required over the 25-year period of the Plan. As the Municipality currently has 37.8 gross hectares of undeveloped residential lands within existing settlement area boundaries, there is no need for any expansion of the settlement areas to accommodate anticipated growth over the next 25 years. It should be noted that the Ontario Planning Act requires municipalities to update their Official Plan every 5-years, however Council may choose to update the Plan at any time should circumstances require it.

Given Kerwood has partial municipal services, it would appear that it is the logical location for any expanded settlement area boundary to take place when required in the future. The first consideration for further development in Kerwood should be on the 12.5 hectares of lands designated Future Development already located within the settlement area boundary.

5 SPECIAL POLICY AREAS

5.1 Overview

The current Adelaide Metcalfe Official Plan contains nine (9) Special Agricultural Policy Areas and five (5) Special Urban Policy Areas. Within these special policy areas, uses are permitted that may not otherwise be generally permitted within the Township. In 2019, questions were raised by Council and members of the community regarding the appropriateness of these policies. In order to complete that review, Council passed an interim Control By-Law (ICB) on May 21, 2019 to temporarily prohibit uses other than those existing on those lands identified as Special Policy Area within the Official Plan. A Special Policy Area Background Report was completed by Middlesex County Planning Services and presented to Council on October 17, 2019.

A subsequent “Memo to Council” from the County Planning Service was presented on November 18, 2019 summarizing comments and concerns received at the Public Open House on October 19, 2019. Following this, a “Special Policy Review Report No. 2” was presented to Council on December 16, 2019 which provided Council with Planning Staff’s preliminary considerations regarding potential changes to the Township’s planning documents in relation to the Township’s “Special Policy Area Review”.

On January 21, 2020, Council directed planning staff to proceed with drafting amendments to the Official Plan and Zoning By-Law as they related to the Special Policy Areas in the Official Plan. Staff prepared a draft Official Plan Amendment and draft Zoning By-Law Amendment for Council’s consideration. At the March 12, 2020 meeting of Council, Council resolved “that planning staff be directed to initiate an analysis of employment lands throughout the special policy areas within the Township of Adelaide Metcalfe by means of a comprehensive official plan review”.

5.2 Agricultural Special Policy Areas Review

Currently the Adelaide Metcalfe Official Plan contains nine (9) Agricultural Special Policy Areas (Section 3.1.10). Questions have been raised by both Council and the public with respect to inconsistencies between the land use designations in the Official Plan and the zoning provisions in the Zoning By-law. Council directed a review be undertaken with respect to Special Policy Areas 1 through 7. Numerous reports have been completed by Middlesex County Planning Staff and presented to Council and the public, culminating

with Special Policy Review Report No. 3 being presented to Council on March 12, 2020. That report was accompanied by a draft Official Plan Amendment and draft Zoning By-Law Amendment.

The following motion was passed at the March 12, 2020 Council meeting following the presentation from County planning staff Erin Besch and Abby Heddle:

“Resolved that Planning Staff be directed to initiate an analysis of employment lands throughout the Special Policy Areas within the Township of Adelaide Metcalfe by means of a Comprehensive Official Plan review”

The Provincial Policy Statement (PPS) 2020 provides the following in terms of policy direction to local municipalities related to “employment areas”:

1.3.2 Employment Areas

1.3.2.1 Planning authorities shall plan for, protect and preserve employment areas for current and future uses and ensure that the necessary infrastructure is provided to support current and projected needs.

1.3.2.2 At the time of the official plan review or update, planning authorities should assess employment areas identified in local official plans to ensure that this designation is appropriate to the planned function of the employment area. Employment areas planned for industrial and manufacturing uses shall provide for separation or mitigation from sensitive land uses to maintain the long-term operational and economic viability of the planned uses and function of these areas.

1.3.2.3 Within employment areas planned for industrial or manufacturing uses, planning authorities shall prohibit residential uses and prohibit or limit other sensitive land uses that are not ancillary to the primary employment uses in order to maintain land use compatibility. Employment areas planned for industrial or manufacturing uses should include an appropriate transition to adjacent non-employment areas.

1.3.2.4 Planning authorities may permit conversion of lands within employment areas to non-employment uses through a comprehensive review, only where it has been demonstrated that the land is not required for employment purposes over the long term and that there is a need for the conversion.

1.3.2.5 Notwithstanding policy 1.3.2.4, and until the official plan review or update in policy 1.3.2.4 is undertaken and completed, lands within existing employment areas may be converted to a designation that permits non-employment uses provided the area has not been identified as provincially significant through a provincial plan exercise or as regionally significant by a regional economic development corporation working together with affected upper and single-tier municipalities and subject to the following:

a) there is an identified need for the conversion and the land is not required for employment purposes over the long term;

b) the proposed uses would not adversely affect the overall viability of the employment area; and

c) existing or planned infrastructure and public service facilities are available to accommodate the proposed uses.

1.3.2.6 Planning authorities shall protect employment areas in proximity to major goods movement facilities and corridors for employment uses that require those locations.

1.3.2.7 Planning authorities may plan beyond 25 years for the long-term protection of employment areas provided lands are not designated beyond the planning horizon identified in policy 1.1.2.”

The PPS defines “**Employment Area**” as follows:

“means those areas designated in an official plan for clusters of business and economic activities including, but not limited to, manufacturing, warehousing, offices, and associated retail and ancillary facilities”.

Of the nine (9) “Agricultural Special Policy Areas” identified in the Official Plan, only Special Policy Areas 2, 3 and 4 can by the PPS definition be considered “Employment Areas”. A detailed analysis of Special Policy Area 4 lands will follow given the questions raised regarding this parcel during previous planning reviews.

After a thorough review of all the background information including County staff planning reports, Adelaide Metcalfe Council minutes and submitted public comments related to the Agricultural Special Policy Areas, it is recommended that Council implement the proposed amendments to the Official Plan and Zoning By-law provided in the March 12, 2020 County Planning Service Report (Attached hereto as Appendix 1). Those recommendations provide sound land use planning advice that would address current inconsistencies between the Official Plan designations and Zoning on the subject properties.

In reviewing “**Special Agricultural Policy Areas 4A and 4B**”, it is noted that the lands are currently vacant. Section 3.1.10.4 of the Adelaide Metcalfe Official Plan details the specific policies that apply to the development of these lands. Within this designation, industrial uses including manufacturing, wholesaling, warehousing, servicing of storage and goods and materials and bulk sales establishment and accessory uses such as offices and factory retail outlets are permitted. All new development proposals must demonstrate the existing or proposed services are adequate to serve the development. It must have vehicular access from a public road that is maintained year-round and must minimize any potential conflicts with adjacent lands by buffer plantings, screening and other landscaping. In addition to these requirements, all site development or re-development is subject to the provision of Section 41 of the Planning Act and the Township’s Site Plan Control By-Law.

It would appear that the lands designated as “Special Policy Areas 4A and 4B” are

capable of meeting all of these requirements for development.

“Special Agricultural Policy Areas 4A and 4B” are presently zoned “Industrial (M)” in the Adelaide Metcalfe Zoning By-Law. This zone permits a wide range of uses including automotive repair, custom workshop, grain handling/drying facility, livestock marketing or sales yard, manufacturing, outdoor storage, repair service, tradesperson or contractor’s establishment, a transportation terminal, warehousing and wholesaling. All of these uses should be defined in the zoning by-law for greater clarity. During the public consultation process undertaken in 2019 and 2020, in relation to the “Agricultural Special Policy Areas” substantial input was received on this particular property in relation to a specific proposed use. It should be noted that any use on these lands **MUST** comply with those uses permitted under Section 16.1 of the Adelaide Metcalfe Zoning By-Law 34-2007, as amended by By-Law 38-2012.

While the lands are currently vacant, Section 1.3.2.1 of the PPS, requires planning authorities (ie. Council) to protect and preserve employment areas for future uses. Section 1.3.2.4 of the PPS only permits the conversion of employment areas to non-employment uses through a comprehensive review and only where it has been demonstrated that the lands are not required for employment purposes over the long term and there is a need for the conversion.

Given the limited inventory across the Township of designated Employment Lands, it would not appear reasonable to convert these lands to non-employment uses at this time as the lands provide the Township with employment opportunities. It may however be prudent for Council as part of the upcoming Municipal Comprehensive Review to determine if this is the best location for this type of development, or if it would be better suited in a cluster closer to Highway 402 for example.

6 COMMERCIAL CORRIDOR

Within the Centre Road Commercial Corridor, industrial uses, other than currently existing businesses, are generally not permitted. These lands do provide for a range of highway commercial uses along County Road #81 (Centre Road) from Highway 402 south to Pannell Lane at the municipal boundary with Strathroy-Caradoc.

However, the municipal services provided to Adelaide Metcalfe from Strathroy-Caradoc under agreement to these lands are vitally necessary for the continued benefit of the Township and surrounding area. Inter-municipal agreements are an integral part of regional economic development, and this is a prime example of that type of arrangement.

The County of Middlesex “Economic Development Strategy Update” completed in December of 2020 identified four strategic objectives as follows:

1. Invest in people and places via rural revitalization.
2. Entice talented workers and entrepreneurs to relocate here by leveraging the pace of rural life and nearby urban amenities.

3. Attract investment in technology-based manufacturing, food production, and agricultural technology.
4. Advocate for investment readiness and implement improvements in business development services.

All of the above point to the need to continue with the inter-municipal co-operation with Strathroy-Caradoc with regard to shared services. Strategic Objective #4 states “Businesses choose to make expansion and relocation decisions in communities that are ready to receive new investment. ***Co-operation and collaboration across sectors, regions, and political realms always have a positive result for economic development***”.

In a review of commercial and industrial building permit activity from 2015 through to the end of 2020, a total of thirty-two (32) permits were issued. Eleven (11) of those permits were for relatively minor mechanical (HVAC upgrades), structural (ie. covered porch, fire proofing building, gas bar canopies) and exterior finishes. The remaining twenty-one (21) permits were for new or expansions to existing industrial or commercial buildings. Thirteen (13) of the building permits were issued in the Commercial Corridor over this time period. In total, approximately one hundred and sixty thousand (160,000) square feet of commercial and industrial buildings were constructed over the six years from January of 2015 to December of 2020.

Given the amount of activity and the limited lands designated for commercial and industrial lands across the Township, it would not appear to be reasonable or justifiable to re-designate any of these lands for alternative uses at this time. It is important to have available commercial lands such as those in the County Road 81 Commercial Corridor, as well as the limited amount of industrial lands located in the Village of Kerwood.

A complete review of the Special Policy Areas should be undertaken as part of the Municipal Comprehensive Review to be completed in 2023.

7 OTHER ISSUES FOR CONSIDERATION

Since the last update to the Adelaide Metcalfe Official Plan, there have been a number of new Provincial planning initiatives that should be considered for inclusion in the updated Official Plan.

(i) On-Farm Diversified Uses

The Ontario Ministry of Agriculture, Food and Rural Affairs published a document (Publication 851) “Guidelines on Permitted Uses in Ontario’s Prime Agricultural Areas” in 2016 to assist local municipalities, decision makers and farmers interpret the policies in the Provincial Policy Statement (PPS) on the uses that are permitted in prime agricultural areas. The guideline is intended to complement, be consistent with and

explain the intent of the PPS policies and definitions. Where specific parameters are proposed, they represent best practices rather than specific standards that must be met in every case.

There are two key objectives of the guidelines:

1. Maintaining the land base for agriculture (PPS Policy 2.3.1)
2. Supporting a thriving agricultural industry and rural economy (PPS Vision and PPS Policy 1.1.4)

These objectives will at times compete with each other and these guidelines are intended to assist decision makers balance the objectives.

The PPS provides for three types of permitted uses in Prime Agricultural Areas. Those are:

1. **Agricultural uses** (growing of crops, raising of livestock and raising of other animals for food, fur or fibre).
2. **Agricultural Related uses** (farm related commercial and farm related industrial uses).
3. **On-Farm Diversified uses** (located on a farm, secondary to the principal agricultural use of the property, limited in area and includes, but is not limited to, home occupations, home industries, agri-tourism uses and uses that produce value added agricultural products).

Most people are familiar with the first two types of permitted uses noted above, but a more recent concept promoted by the Province is “On-Farm Diversified Uses (OFDU)”. This really goes to the heart of Objective 2 of the policy which is to support a thriving rural economy. The current Adelaide Metcalfe Official Plan permits “On-Farm Businesses” provided they are compatible with, and secondary to, the existing farm operations and are appropriately zoned to regulate the use, size and scale. The PPS permits OFDU in agricultural areas and as such, it is recommended that the Adelaide Metcalfe Official Plan be amended with updated policies in this regard. At the time of the writing of this report, Pam Duesling and Emily Sousa of the School of Environmental Design and Rural Development at the University of Guelph are competing a research project entitled “Balancing On-Farm Diversification and Agricultural Land Preservation on Ontario 2021 and Beyond”. While the final report with recommendations is not expected until the spring of 2022, some preliminary findings have been published.

It found that of the 49,600 farms in Ontario, 98% are family owned. The number of small and medium sized farms are decreasing while the number of large farms is increasing. The report noted “it is not enough to preserve farmland; society must also preserve the farmer”. On-farm diversification can have many benefits, but ensuring a balance between farmland preservation, agricultural viability and economic development is key. It is hoped

that the research paper will ensure the policy framework for OFDU is supportive of balancing these goals and will also assess the benefits and costs for farmers and municipalities. As part of the early research, surveys were undertaken with farmers with established OFDU. Over 70% noted the reason they started the OFDU was the need for additional income. Over 30% indicated it was started in order to be able to keep the farm in the family. This should point out the importance of permitting and promoting OFDU in Adelaide Metcalfe.

(ii) Additional Residential Units (ARU's)

Bill 108 was passed in July of 2019 by the Province of Ontario. Schedule 12 to that Bill amended the Planning Act in a number of ways. The updated policy in the Act “***requires policies authorizing additional residential units by authorizing two residential units in a house and by authorizing a residential unit in a building or structure ancillary to a house.***”

The current Official Plan is silent on Additional Residential Units, so it is recommended that policies be established to comply with this change to the Planning Act. The Zoning By-Law would establish specific provisions for the accommodation of ARU's.

(iii) Cultivation and Retail Sales of Cannabis

Since the growing and sale of Cannabis is now legal in Canada, it would be prudent to have some policies in the Official Plan to regulate the location of these facilities within the Township. While I understand Adelaide Metcalfe permits the growing of cannabis in the Agricultural designation as it deems it a crop, many growing operations are indoors, similar to a mushroom operation. These can be located virtually anywhere, and that is why policies should be put in place to ensure they are not established in proximity to sensitive land uses (ie. Schools, residential neighbourhoods).

(iv) Modular/Pre-Fabricated Housing and Tiny Homes

As the Province is encouraging attainable and affordable housing, consideration may be given to permitting modular, pre-fabricated and Tiny homes in certain areas of the Township. These housing types promote affordability, increased home ownership opportunities, diversity of housing stock and availability to a broader range of demographics than traditional housing types, including young individuals and families, aging residents and residents seeking to downsize to a smaller housing type.

(v) Site Plan Control Policies

The current Official Plan policy states that “All development and re-development within the Site Plan Control Area ***SHALL BE*** subject to site plan control” with the exception of agricultural uses, single, semi-detached and duplex dwellings and institutional

development or re-development within the jurisdiction of the two local school boards (TVDSB and LDCSB). Staff have indicated the need for some flexibility with this policy and recommend it be updated accordingly.

8 RECOMMENDED REVISIONS TO OFFICIAL PLAN

As a result of the review of the Municipality's current Official Plan and new Provincial policies, the following are recommended to be undertaken as part of the 2023 Municipal Comprehensive Review:

- (i) That Council implement the proposed amendments to the Official Plan and/or Zoning By-law provided for in the March 12, 2020 County Planning Service Report (Attached hereto as Appendix #1). Those recommendations which are outlined below, provide sound land use planning advice that would address current inconsistencies between the Official Plan designations and Zoning on the subject properties:

Special Agricultural Policy Area 1: Re-Zone 30260 Keyser Road Site Specific Rural Residential (RR-#) Zone

Special Agricultural Policy Area 2: Re-Zone 3343 Egremont Drive Site Specific Rural Commercial (RC-#) Zone

Special Agricultural Policy Area 3: Amend Official Plan at 3536 Egremont Drive to only permit those uses permitted in the Rural Commercial (RC) Zone.

Special Agricultural Policy Areas 4a and 4b: Leave Official Plan designation as is on lands located at 25700 Kerwood Road, 26158 Kerwood Road, 26210 Kerwood Road, 26232 Kerwood Road and 1745 Melwood Drive until thorough review as part of MCR.

Special Agricultural Policy Area 5: Re-Zone a portion of these lands to Site Specific Parks and Recreation to include campground and trailer park as permitted use.

Special Agricultural Policy Area 6: Remove Official Plan designation that permits dwelling at 23979 Mayfair Road as appears to be an administrative mapping transposition error.

Special Agricultural Policy Area 7: Remove Official Plan designation at 1697 Melwood Drive and return to Agricultural designation.

Special Urban Policy Area 2: Leave Official Plan designation as is at 3279 Napperton Road, 120 and 123 Eastman Avenue.

Special Urban Policy Area 4: Leave Official Plan designation as is on lands

on the east side of Centre Road just north of Highway 402.

- (ii) That Council consider implementing specific policies related to permitting modular, pre-fabricated and Tiny homes to promote housing affordability, increased home ownership opportunities and diversity of housing stock.
- (iii) That Council implement specific policies related to On-Farm Diversified Uses (OFDU) which would permit and encourage such uses consistent with Provincial Policy and guidelines.
- (iv) That Council implement specific policies related to regulating the location of cannabis grow operations and sales locations to prevent land use conflict with sensitive land uses.
- (v) That Council implement the required changes to the Site Plan Control Policies as outlined in Bill 109.
- (vi) That Council implement specific policies related to regulating the location of cannabis grow operations and sales locations to prevent land use conflict with sensitive land uses.

That as a result of the review of the Municipality's current Official Plan and new Provincial policies, the following are recommended to be undertaken at your earliest opportunity:

- (vii) That Council implement specific policies related to Additional Residential Units (ARU's) as prescribed within the Planning Act.
- (viii) That Council implement specific policies related to "Complete Application" requirements.

Stewart Findlater, MCIP, RPP

Findlater & Associates Inc.