



Committee Report

To: Chair and Members of the Planning Committee
From: Jameson Pickard, Senior Policy Planner
Date: Thursday, September 12, 2024
Subject: Official Plan Review - 2024 Rural Residential Growth Analysis



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1.0 Purpose:

The purpose of this report is to detail planning staff's review of the rural residential growth needs in the County and determine if changes to rural growth policies are necessary.

2.0 Background:

To date, much of the focus of the Official Plan Review has been on urban growth. In the last progress report on the Official Plan Review, staff committed to initiate the Rural Residential Growth component of our work plan in the fall of 2024. This phase of work is particularly important to Puslinch as it is the only municipality in the County where all of its growth is considered rural, due to lack of municipal services. Staff recognizes the need for attention to the Township's growth and launched the Puslinch by Design study to identify additional Rural Employment lands.

This report presents the results of our rural residential growth analysis and sets the stage to:

1. Allow for local input into rural growth options;
2. Determine how changing the Secondary Agricultural Area lot creation policies impacts the County's ability to meet the rural growth forecasts for Puslinch, Erin and Minto; and
3. Take new Provincial policies into consideration.

3.0 Consultation:

It should be noted that formal consultation on rural growth policies has not occurred to date. However, since the launch of the County's Official Plan Review, staff have received the following public, municipal and stakeholder comments related to rural residential growth:

Requests to re-set the date to allow additional lot creation in the Secondary Agricultural Area

- 7 Puslinch residents
- 5 Erin residents
- 1 Minto resident

Requests to allow expansion of Secondary Urban Centres (only applicable to Puslinch)

- 2 for Aberfoyle
- 2 for Morriston

Requests to allow expansion of Hamlets/Estate Residential Development

- 2 for Puslinch (Arkell, Audrey Meadows)
- 1 for Erin (Ospringle)
- 3 Centre Wellington (Inverhaugh)
- 3 Guelph/Eramosa (Ariss)
- 2 Mapleton (Wallenstein, Alma)

The County also received Municipal comments:

Puslinch

Council would like more flexibility for rural residential growth in Secondary Agricultural Areas including policy options to support:

- More severances (allowing up to three from a lot and without a date limitation)
- Establishment of new settlements
- Expansion of hamlets
- Expansion of estate residential subdivisions
- Removal of 1 km fringe policy, which limits major growth within 1 km of a settlement area boundary

Mapleton

Township comments on their 2051 growth forecasts requested that more growth be allocated to urban areas in the municipality than was originally planned. County Staff revised the growth forecasts to address these comments by re-allocating some of the rural growth to urban areas.

Minto

Council would like more options for rural residential growth in Secondary Agricultural Areas to allow for minor infilling and rounding out in areas where rural growth is already clustered. In response, staff added the following policy to the Official Plan through OPA 119:

“6.5.4 Rural Clusters

Rural clusters are long-established small groups of housing with occasional commercial, industrial or institutional uses located in the Secondary Agricultural Area designation. These areas are not designated on Schedule “A” or “B” and are not expected to grow but they may be recognized in the zoning by-law. New lots may only be allowed in rural clusters in accordance with section 10.4.

As part of a *municipal comprehensive review*, the County will assess the impact of constraints such as the *Provincial Agricultural System*, *Natural Heritage System* and *Greenbelt Plan* on the potential future supply of rural residential lots in the Secondary Agricultural Area, including rural clusters. This assessment will consider, among other things, whether changes to the rural residential lot creation policies are needed.”

The above policy will be considered as part of this analysis, but we note that under section 4.0 of this report that Minto has enough supply to 2051 to meet its growth needs without identifying rural clusters.

The County also received detailed comments from the Wellington Federation of Agriculture through the Housing Friendly Policy review. WFA’s comments are summarized below:

Wellington Federation of Agriculture (WFA)

The WFA supports housing policy that directs growth and development to existing urban areas and limits growth that fragments and erodes the viability of Wellington’s rural areas. WFA’s comments were specifically critical of rural residential lot creation in the County’s rural areas. While WFA acknowledges that rural lot creation does create housing, they advise that the creation of new rural settlements and/or rural residential lots in these areas leads to land use incompatibilities at the expense of agriculture. WFA also noted that lower quality soils are an asset for certain crop and livestock activities that should be protected and maintained. WFA’s comments put forward several policy recommendations that they believe would help build more homes and preserve farmland.

Planning Staff will consider all relevant feedback received to date in the review and deliberation of rural growth options.

4.0 Rural Residential Growth Needs:

In determining if a change to rural growth policies is appropriate, it is necessary to consider the long-term rural residential growth needs of the County. It should be noted that County Staff reviewed Centre Wellington, Guelph/Eramosa, Mapleton, and Minto’s long-term rural growth needs and are satisfied forecasted rural growth can be accommodated through current supply opportunities in the rural area. The following sections outline the long-term rural growth needs of Puslinch, Erin, and Wellington North.

4.1 Long-term Rural Residential Growth Needs

As part of the County’s MCR staff reviewed and extended municipal population and household forecasts from 2041 to 2051. This also included a review and extension of our member municipalities rural forecasts. The following table provides an overview of the new 2051 rural household forecasts, implemented by OPA 120, for Puslinch, Erin, and Wellington North and details the amount of household growth remaining to achieve these forecasts over the next 27 years:

Table 1. Rural Household Demand in Puslinch, Erin and Wellington North

	Puslinch	Erin	Wellington North
2051 Rural Household Forecast	3,560	3,170	1,705
2021 Census Households	2,860	2,520	1,490
Rural Area Buildout Since Census to End of 2023	100	70	50
Growth Required to Achieve Forecast	600	580	165

Using the 2051 household forecasts and reducing it by the 2021 census household counts and further by rural residential building permits issued between the census and the end of 2023, both Puslinch and

Erin require approximately 600 additional units each to achieve their forecasts. Wellington North requires approximately 165 additional units. The following section outlines existing vacant supply options available to accommodate some of the anticipated rural growth to 2051.

4.2 Existing Vacant Residential Supply

Within Puslinch, Erin and Wellington North there are existing areas where rural growth can already be accommodated. The County maintains an inventory which monitors the levels of vacant residential supply across the County, including the rural area. This potential supply needs to be factored into the overall analysis of rural demand. Table 2 outlines the existing vacant supply that exists in Puslinch, Erin, and Wellington North’s rural areas as of July 2024.

Table 2. Vacant Unit Supply in Puslinch, Erin and Wellington North (July 2024)

Supply Category	Puslinch	Erin	Wellington North
Vacant units in Secondary Urban Centers, Hamlets and other Rural Residential Areas	73	112	77
Existing Vacant Rural Lots	73	70	38
Potential Supply from New Rural Severances under Current Policies	204	278	0
Total Vacant Supply	350	460	115

4.3 Summary of Rural Need

After reviewing the vacant residential supply available in the rural areas of Puslinch, Erin and Wellington North we see that large shares of growth can be accommodated through existing vacant supply options. Table 3 brings together the long-term demand and existing vacant supply to highlight the remaining growth that needs to be accommodated through other rural growth measures.

Table 3. Rural Area Need

	Puslinch	Erin	Wellington North
Long-Term Rural Housing Demand	600	580	165
Existing Vacant Rural Residential Supply	350	460	115
Rural Area Need	-250	-120	-50

Based on the results of the rural residential growth needs analysis, Puslinch requires approximately 250 additional units in its supply, Erin requires approximately 120 additional units in its supply, and Wellington North requires approximately 50 units in its supply. This need represents approximately 0.7% of the County’s 2051 household forecast. Based on these results, changes to rural growth management policies in Puslinch, Erin and Wellington North are necessary to address the shortfalls in supply over the long-term.

5.0 Addressing the Rural Residential Need

There are certain policy options the County can consider that would provide more opportunities for supply in rural areas. The diversity of Puslinch, Erin, and Wellington North will require a custom

approach to addressing rural growth needs but should be prioritized in accordance with the hierarchy established in the Official Plan for directing growth. The Official Plan directs:

- the majority of growth to the fully serviced urban centres;
- a limited amount of rural growth directed to Secondary Urban Centres and Hamlets (rural settlement areas); and
- to a lesser extent, rural growth is directed to Secondary Agricultural Areas.

The following sections review the different options to grow the vacant residential supply in Puslinch, Erin and Wellington North’s rural areas.

5.1 Rural Settlement Area Expansions

In the County, rural settlement areas are considered Secondary Urban Centres and Hamlets and are identified on Schedule A – County Growth Structure in the Official Plan. Over time, these areas have played an important role in accommodating growth in the County’s rural areas and now have limited opportunities for additional growth due to build out. This raises the opportunity to consider expansions of these areas and allow them to continue to play a role in accommodating growth and supporting vibrant rural communities.

A significant constraint to rural settlement area expansions is the Greenbelt Plan. This plan prohibits the expansion of settlement areas reliant on private services. This is an important policy consideration for Puslinch and Erin, which have rural settlement areas located within the regulated area of the Greenbelt Plan. Table 4 identifies the rural settlement areas in Puslinch, Erin and Wellington North and identifies which rural settlement areas are subject to the Greenbelt Plan.

Table 4. Rural Settlement Areas in Puslinch, Erin and Wellington North

Within the Greenbelt	Outside of the Greenbelt
Brisbane (Erin) Ballinafad (Erin) Morrison (Puslinch)	Orton (Erin) Cedar Valley (Erin) Ospringle (Erin) Crewson Corner’s (Erin) Arkell (Puslinch) Aberfoyle (Puslinch) Conn (Wellington North) Damascus (Wellington North) Riverstown (Wellington North) Kenilworth (Wellington North)

Preliminary Observations

Current Provincial and County policies permit the expansion of settlement areas, subject to detailed criteria being met. The Official Plan prioritizes rural growth to rural settlement areas, as these areas are established and often have existing amenities present to service the community. As part of the Official Plan Review, the County is prepared to work with Puslinch, Erin and Wellington North to discuss options to address rural growth needs by potential expansions to rural settlement areas (outside of the Greenbelt).

5.2 Country Residential Areas

Existing Country Residential Areas are designated on Schedule B of the of the Official Plan. These areas exist in Puslinch, Erin and Wellington North but are largely built out. The County Official Plan does not permit new Country Residential Areas to be established.

Preliminary Observation

Staff will conduct a further review of the new Provincial Planning Statement to determine whether the new policies are intended to allow estate residential subdivisions outside of rural settlement areas.

5.3 Secondary Agricultural Area Lot Creation

Most of the rural part of the County is designated Prime Agricultural Area in which new residential lots are not permitted, but there are some areas designated Secondary Agricultural Area in Puslinch, Erin, and Minto. The Secondary Agricultural Area designation provides for a wider variety of uses than the Prime Agricultural Areas and includes a limited opportunity for new rural residential lot creation by severance.

Rural residential lot creation has played an important role in addressing rural growth needs in the County since the creation of the Plan in 1999. Table 5 below shows the numbers of rural residential lots that have been created since 2014 in the County's Secondary Agricultural Area. Both the Township of Puslinch and Town of Erin have received consistent demand for rural lots over time, while the Town of Minto has experienced consistent, but much lower levels of rural residential lot creation.

Table 5. Historical Secondary Agricultural Area Residential Lot Creation

Year	Puslinch	Erin	Minto	Total
2014	5	19	1	25
2015	31	9	1	41
2016	18	12	0	30
2017	34	15	2	51
2018	14	4	2	20
2019	11	1	1	13
2020	9	8	1	18
2021	19	10	3	32
2022	13	9	1	23
Total	154	87	12	253

Revisions to the current Secondary Agricultural Area lot creation policies in the Official Plan is an opportunity to increase supply of rural residential lots. Lot creation for residential uses in the Secondary Agricultural Area is regulated by the following policies under Section 10.4.4:

“One new lot for residential purposes may be permitted from a parcel of land existing on March 1, 2005, provided that:

- a) the lot generally meets a 0.4 ha minimum lot size and is not larger than needed to accommodate the intended residential use, consisting of the dwelling, accessory buildings and uses, and individual sewage and water services, while taking into account

- site constraints such as grading, sightlines, natural heritage features, hazardous lands, and minimum distance separation formulae requirements;
- b) the accessory buildings referred to in a) above may include a hobby barn, subject to local regulations;
- c) the lot has access to an open public road;
- d) the residential use will not hinder or preclude the present use or future potential for agricultural or mineral aggregate operations;
- e) the residential use is compatible with surrounding development;
- f) the use is well removed from any settlement area boundary;
- g) the lands have been owned by the applicant for at least 5 years.

Residential lots in the Secondary Agricultural Area are to be considered part of the rural portion of the local municipal growth strategy. In considering new residential lots the County will assess whether other locations exist on the same property which would provide a more appropriate site given the overall policies of this Plan.

For the purposes of this section, if a parcel of land was the subject of a severance application that was submitted before March 1, 2005, then the severed and retained parcels will be deemed to have existed on March 1, 2005, and a new residential lot may be considered.”

While not the only limiting factor, one of the main policies limiting residential lot creation in the Secondary Agricultural Area designation is the requirement that only one new lot can be created from an original lot that existed as of March 1, 2005. Once a new lot from the original March 2005 parcel has been created, a second new residential lot is not permitted.

Preliminary Observations

Staff have completed an analysis in Puslinch and Erin to estimate the number of eligible parcels that could be severed in the Secondary Agricultural Area designation at various dates. While it may be necessary to consider adjusting the March 1, 2005 date, this decision cannot be finalized until the amount of rural growth to be directed to rural settlement areas is first determined. New rural residential lot creation is not permitted in Wellington North as their rural area is designated entirely as Prime Agricultural Area. Accordingly, other growth options will need to be considered in Wellington North.

5.4 Rural Clusters

Rural clusters are long-established small groups of housing with occasional commercial, industrial or institutional uses located in the Secondary Agricultural Area designation. These areas are not designated on Schedule “A” or “B” in the Official Plan and are not expected to grow but they may be recognized in the zoning by-law. Policy 6.5.4 of the Official Plan speaks to rural clusters in the Secondary Agricultural Areas and commits the County to review these areas through the Official Plan Review.

Preliminary Observations

Due to the new Provincial Planning Statement, previous constraints to rural lot creation (Provincial Agricultural and Natural Heritage Systems) are no longer a factor outside of the Greenbelt Plan. This reduces pressures for new supply opportunities, such as rural clusters, to help accommodate rural

growth. Further, through the consent analysis described in Section 5.3 of this report, any opportunities for lot creation in rural clusters can be facilitated in accordance with the secondary agricultural area lot creation policies of the Official Plan. As a result, rural cluster policies may no longer be necessary.

6.0 Summary

Based on the results of the rural residential growth analysis, changes to the rural area policies will need to be considered to help address rural residential growth needs identified in Puslinch, Erin, and Wellington North. While the Official Plan establishes a hierarchy to direct growth, staff anticipate that a combination of policy changes will be necessary to address the diversity that exists across these municipalities.

7.0 Next Steps

Planning Staff is open to discuss the results of the rural residential growth analysis with all member municipalities. Consultation with Puslinch, Erin, and Wellington North, is required to determine the appropriate composition of rural growth options to address identified need. Once municipal input is received, staff will report back to the Planning Committee, with a path forward to satisfy identified rural residential growth needs. Staff will also factor in the new Provincial Planning Statement.

8.0 Strategic Action Plan:

This report relates to the following objectives and priorities in the County's Strategic Action Plan:

- Making the best decisions for the betterment of the community
- To assist in solving the current housing crisis

9.0 Recommendation:

That the 2024 Rural Residential Growth Analysis report be received for information.

That Planning Staff be directed to consult with the Township of Puslinch, the Town of Erin and the Township of Wellington North to determine the appropriate approach to addressing rural growth needs in these municipalities.

That the County Clerk circulate this report to Member Municipalities for information.

Respectfully submitted,



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