



Town of Huntsville Staff Report

Meeting Date: March 26, 2025

To: General Committee

Report Number: DEV-2025-34

Confidential: No

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Subject: Housing Action Plan

Report Highlights

This report provides an overview of housing initiatives undertaken by the Town of Huntsville, and options for consideration moving forward.

Recommendation

IT IS RECOMMENDED THAT: Staff be directed to implement options 1-17 as outlined in Report DEV-2025-34;

Background

Recognizing that the challenges we are facing need to be addressed in conjunction with all levels of government, the Town has undertaken several different initiatives to try and alleviate some of the pressures related to housing, as well as a synopsis of the tools available to us as a lower-tier municipality.

Most recently, the Town commissioned a Housing Needs Assessment (HNA), a data driven report, which analyzed the current and future housing needs of a community. On December 9, 2024, the HNA was presented to Council (See Attachment to Report [DEV-2024-118](#)).

The objectives of the HNA were to:

- Examine the housing needs in the community;
- Identify gaps in the provision of housing; and
- Suggest some municipal actions to help meet current and future needs.

Findings in the HNA were intended to guide future policy and development decisions to address the housing challenges in the Town of Huntsville. They were also meant to inform recommendations for action that the Town should consider as a means of helping to address existing needs and gaps in affordable housing.

The Town's focus regarding housing policies and programs mainly pertains to market housing, both rental and sale, with the District of Muskoka responsible for affordable, subsidized, and social housing programs. Through a partnership with the Muskoka Community Land Trust the Town is helping to address deeply affordable opportunities.

Discussion

Through the HNA, it is evident that the Town needs to focus on increasing our rental housing stock and affordable housing as main priorities. Main priorities of the HNA are to encourage focus on workforce housing and seniors housing, prioritizing multiple residential development in urban centres close to employment nodes and community services. It should be noted that staff encourage and provide support to anyone who approaches the Town with a proposal for housing, be it rental, affordable, or market sale. As a matter of course, staff suggest to all proponents to increase density, look at including rental units and/or affordable units, incorporate smaller unit sizes and a mix of units. There is always discussion about increased density, unit size, and forms of development. Further, funding opportunities for builders, developers and homeowners through the Muskoka Affordable Housing Initiatives Program (MHAIP), as well as the Affordable Housing Rebate Program and Development Charge Deferral Agreements, are always discussed with residential project proponents at the outset of any project.

The Town intends to conduct a Secondary Plan for the North Huntsville Lands to help promote new housing development and the expansion of supporting infrastructure to these areas. Further, with respect to lands that have long standing approvals in place for lower density developments in serviced lands within the Huntsville Urban Settlement Area, staff are working to support the District staff in allowing such approvals to lapse. This ultimately allows the Town to encourage owners of such lands to explore more compact development forms on the lands. To encourage more housing in existing serviced areas, the Town is also working on an initiative to explore opportunities for height and density increases in Huntsville's Urban Settlement Area.

Council also directed staff to review and update the Official Plan [rural residential lot creation policies](#), which has been deferred to the April Planning Council meeting.

In addition, through the [Building Resources](#) section of the website, links have been provided to the public to encourage and educate them on adding Secondary Residential Dwelling Units (referred to by the Province as Accessory Residential Units (ARUs) to a property or within an existing building. Through this type of development, the current Town Development Charge Bylaw would exempt the additional units without any additional lot levies being owed. Further additional incentives through the Affordable Housing Program, as detailed below (section 8), may be available to offset building, planning, and public works fees.

Below is a list of items that can be implemented or further investigated should Council wish:

1. Appoint a concierge for multi-residential rental development proposals

This has been an informal process followed by staff up to now, however, we can appoint a resource specifically for these types of development proposals. The staff member would liaise with other town departments and external agencies and assist to make the development process as quick and efficient as possible.

2. Appoint a concierge for Secondary Residential Dwelling Units (SRDUs)

Similar to multi-residential development, appoint a resource to assist with the development of SRDUs. There is a lot of potential to increase our rental stock with the development of additional dwelling units, either within existing dwellings or in standalone accessory structures. Recognizing that a Planning Application and Building Permit process can be daunting, staff suggest that resources be allocated to assist with the development process.

The intent would be to designate existing planning staff to assume this function. It should be noted that if staff are to prioritize these forms of development with existing staff resources, that other types of development may be slightly delayed.

3. Enhance marketing materials for SRDU awareness

Staff could develop a marketing campaign to provide information in a simple format to encourage the development of SRDUs. Although substantial information is already available on our website, it could be consolidated. Information packages that are clear and easily understood, outlining potential costs, process, and requirements could be created and made available through our website and social media. Info sessions and open houses could also be held. We could also investigate whether the District would like to partner in this initiative.

4. Pre-Approved SRDU drawings

The municipality can do an expression of interest to designers and builders, for the submission of SRDU structural building plans. These plans would then be reviewed for building permit approval and made available to anyone wishing to construct an SRDU. The plans could be for several different types of structures, such as a detached garage with SRDU above, a standalone SRDU, with several sizes of structure, from 400sq ft to 800 sq ft. The use of these plans would be subject to a reduced fee, as the Town would own the plans. If any changes were proposed the proponents would need to deal with the designer directly, and the plans would then be subject to a new review.

5. Amend Short Term Rental Accommodation Licensing (STRA) By-law and Community Planning Permit (CPPBL) By-law

The intent of the amendment would be to add an additional restriction to the by-law, such that no STRA license would be available until a property had been owned for more than one calendar year. This would prevent purchasers of potential STRAs from renting them for the first year and encourage second dwellings to be used for long term rentals. The CPPBL could also be amended to remove a STRA as a permitted accessory use in the Urban Residential Low (UR1) precinct. This would allow existing STRAs to continue as legal non-conforming uses, but would not permit any new STRAs to be established.

6. Update CPPBL to permit two SRDUs within a detached structure

The Planning Act had specific restrictions that SRDUs were only permitted to be located with one in a detached accessory structure, even though a maximum of 2 are permitted on a lot. However, these restrictions applied to urban residential parcels only. In the rural areas, staff feel that it is appropriate to permit two within a detached structure, provided that there are increased setbacks to lot lines, and that the size of the parcel is sufficient to ensure compatibility with neighbouring properties. In the urban area, there could be more issues with setbacks and privacy as many lots are constrained by terrain and rock outcrops. A CPPA needs to be completed regardless to increase the permitted lot coverage on urban parcels containing two SRDUs from the existing 40% to 45%, as per recent changes to the [OReg 299/19](#).

7. Development Charges (DCs)

- No DCs are payable for SRDUs

- Residential DCs are exempt when the purchase price is below the market-based and income-based thresholds established by the province. Applicable units must be subject to agreements that provide for them to remain affordable residential units for 25 years. Units must also be sold or rented on an arm's length basis. For ownership housing, a unit would be considered affordable when the purchase price is at or below the lesser of the income-based purchase price (purchase price that would result in annual accommodation costs equal to 30% of a household's gross annual income for a household at the 60th percentile of the income distribution for all households in the local municipality); and market-based purchase price (90% of the average purchase price of a unit of the same unit type in the local municipality).
 - For rental housing, a unit would be considered affordable when the rent is at or below the lesser of Income-based rent (rent that is equal to 30% of gross annual household income for a household at the 60th percentile of the income distribution for renter households in the local municipality); and Market-based rent (Average market rent of a unit of the same unit type in the local municipality). Applicable units must be subject to agreements that provide for them to remain affordable residential units for 25 years.
 - There are also statutory discounts in place for rental housing where the Town must provide automatic discounts for different types of rental housing based on the number of bedrooms:
 - A development charge for a residential unit intended for use as a rented residential premises with three or more bedrooms shall be reduced by 25%
 - A development charge for a residential unit intended for use as a rented residential premises with two bedrooms shall be reduced by 20%
 - A development charge for a residential unit intended for use as a rented residential premises not referred to in paragraph 1 or 2 shall be reduced by 15%
- With the exemptions already in force and effect, staff do not feel that there are further DC rebates to encourage additional rental and affordable housing.

8. Update Affordable Housing Policy

Currently the Town's affordable housing program is outlined in the [Affordable Housing - Development Charges Policy](#) with the rates set annually through the Fees and Charges By-law. This policy is separate from the Development Charges by-law and includes other discounts such as building and planning fees. If the Town wished to enhance the affordable housing incentives, this could be accomplished through revising the affordable housing program and recommending new initiatives to support affordable housing. One such amendment should consider raising the maximum ceiling prices for assessed values. It could also be beneficial to adopt an income-based definition for affordable housing and publish those numbers annually. This way, any rental incentives could be calculated accordingly. This would also align with the provincial bulletin for development charges affordability.

Currently the 2025 ceilings (MPAC assessed values) are set at (fees and charges 2025 – [Bylaw #2024-107](#)):

Residential Dwelling Use	Maximum Value	Maximum Dwelling Size (square feet)
Tiny Homes	\$257,000	400
Singles/Semis/Duplexes	\$257,000	1,200
Multiples (Townhouses)	\$198,000	1,000
Apartments (2+ Bedrooms)	\$193,000	900
Apartments (1 Bedroom)	\$193,000	800

Other rebates that could be included within this policy, in addition to building permit and planning application fees are: entrance permit fees, cash in lieu of parkland and cash in lieu of parking. Implementation of these rebates may result in a decrease in general revenues for the operations division which is currently used to offset operating costs.

Council could also consider implementing a tax increment grant policy for rental and affordable rental housing. This type of program could provide a grant equal to the difference in tax levied on a property where the Municipal property tax has increased as a result of the development. It could encourage larger scale rental investment by effectively deferring all or a portion of the increase in taxation associated with the reassessment by MPAC, through grants that are equivalent to all or a portion of the resulting property tax increase. This would not include any education tax, District of Muskoka tax, or any other charges such as water and sewer. Any grant programs to offset property taxes will result in a benefit for the affordable housing provider however will need to be funded through a general increase to property taxes unless these programs are funded through an alternative revenue source such as the Municipal Accommodation Tax.

9. Pre-Approved Duplex/Semi-Detached Dwelling drawings

Similar to #4, the Town could also investigate obtaining structural permit drawings for semi-detached and duplex dwellings.

10. Reduce parking requirements for multiple-residential and affordable rental development

The CPP By-law prescribes two parking spaces for every single-family dwelling, townhouse, or semi-detached dwelling. For multiple residential buildings within the Urban Settlement Area, 1.25 parking spaces are required for each dwelling unit plus 1 parking space per every five units for visitor parking. For every dwelling unit within a commercial building, one parking space is required. Where the parking requirements cannot be met, and in the urban core, cash-in-lieu of parking is an option to reduce the parking requirement. Each parking space that is not provided is offset by a payment of \$7500 which goes into a reserve to be used for the establishment of new parking areas. Although there is a transit system, it does not provide enough opportunity to be expected to fully negate the need for parking associated with new development.

An amendment to the CPP By-law could be proposed, which would reduce the parking requirement for new multiple residential rental buildings to 1 space per dwelling unit. For affordable rental units, the parking requirement could be reduced to 0.75 spaces per unit.

11. Permit 4 plexes as of right on urban serviced lots

The CPP By-law currently allows 3 units (1 dwelling with 2 secondary accessory dwelling units) on most residential lots, be they urban or rural. Some other jurisdictions have increased the permitted density to 4 units per lot. In Huntsville, with the proposed changes to rural lot creation being investigated, in addition to the existing SRDU policies, it would not be appropriate to increase the rural density to this extent, however, it could be explored in urban serviced areas. Challenges with our rocky terrain and redevelopment opportunities with existing developed lots would not lend itself to this easily. Staff could investigate and determine if it could be implemented. Options could include limiting lot coverage to existing percentages, capping the floor area of each unit, ensuring setbacks/buffers are being met, so that the lot is not overdeveloped.

12. Amend the Official Plan to require affordable units to be incorporated in each development

Section D2.2 could be updated to include affordable percentage targets for all new residential developments. Policies such as the following could be incorporated:

- A minimum target of 10% of all new units, where development of 10 or more units is proposed through residential intensification or greenfield development, will include smart value housing units
- The Town will require a minimum of 25% of all new ground-related housing in each application of 10 or more units to be constructed to accommodate future secondary residential dwelling units through such measures as sufficient window sizes, plumbing rough-in, fire/sound separation and other base construction requirements as specified by the Ontario Building Code.

13. Amend the Official Plan to permit residential development in some employment areas

Although the OP has established several mixed-use areas, which provide for commercial and residential uses, the Regional Commercial designation could be reviewed to incorporate the potential for some residential uses.

14. Amend the Official Plan to further restrict Rental conversions to condominiums

Where a multiple residential development has received any financial incentives or been granted additional height and/or density through a community benefit, specifically when the benefit is rental housing, no conversions should be permitted. This could be implemented with a prohibition on conversions for a specific timeline, ie. 25 years.

15. Amend the Official Plan to require a mix of housing types in each phase of development

Update Section C to change the language from "encourage" to "require" where it references housing mix.

16. Encourage smaller dwelling units

Tiny Homes are included in the Affordable Housing Rebate Program, such that any single detached dwelling that is under 400sq.ft would qualify if its MPAC assessed value (for 2025) fell below \$257,000.

If there was a desire to incentivize smaller units, funding for this type of incentive would need to be allocated and identified through the budget process, and a program established that could be monitored and effectively enforced. We would also need to ensure that this type of development would provide the most opportunity for additional rental units, as compared to other forms of housing.

17. Review fines for STRAs

Another option that was raised would be to review the monetary penalties for contraventions related to STRAs, to disincentivize someone from operating a STRA instead of having a longer-term rental

property. This is not something that staff feel would be feasible as under the Municipal Act, our penalties cannot be punitive and should only cover the costs associated with the enforcement or program in question. What could be reviewed instead is the strike system, and tightening up the number of infractions permitted prior to a license being revoked.

18. Renoviction By-law

Hamilton passed the first [renoviction by-law](#) which came into effect Jan 1 of this year. This by-law requires landlords to obtain a license prior to starting any renovation work, where a tenant is required to move out. The by-law requires the landlord to provide temporary alternative accommodation or compensation with any tenant who use the right of first refusal through the Residential Tenancies Act. The license is not issued until an attestation form is provided by both the landlord and tenant noting agreement on the proposed accommodation.

This is a novel program that would require extensive staff resources. As we do not currently have an established list/register of rental apartments, we would not be able to ensure that all landlords comply. The program appears to make the municipality an intervenor between the landlord/tenant tribunal, the landlord and the tenant. Staff suggest that this option not be explored at this time and can be revisited once we can see how it has worked in Hamilton.

19. Expand Access to Transit

Reviewing the Transit routes, timing and number of buses could also be investigated in terms of encouraging more multiple residential development in locations not currently serviced by transit, such as Port Sydney, Utterson or Novar. Alternatively, considering more frequent routes down intensification corridors, such as West Road and Main Street.

20. Other matters

If Council wanted to explore other options with urban development, staff can initiate discussions with the District on the potential for expansion of the serviced area or realigning the urban settlement area boundaries. Based on the recently completed Muskoka Growth Strategy and amount of vacant available serviced land it would not appear to be something that can be supported, but could be further discussed.

Options

1. Committee direct staff to implement options 1-17 (recommended);
2. Committee direct staff to remain status quo (not recommended);
3. Committee provide additional options for staff to investigate and report back.

Operational

The Municipal Accommodation tax budget principles policy allows and encourages the use of the MAT funds for affordable housing. It is important to note that over the next two years the MAT funds will primarily be exhausted by projects approved in the 2025 and 2026 budgets.

As of December 31, 2024, there is \$76,183 in the Affordable Housing reserve (unaudited) to use to offset future affordable housing rebates not included in annual budgets.

The approved budget includes:

- \$50,000 for building fee rebates – affordable housing (2025 & 2026)

- \$77,686 for development charges and planning fee rebates - affordable housing (2025 & 2026)

If any of the incentives have a financial impact outside of approved budgets, it would be reported to Committee.

Relevant Policies / Legislation / Resolutions

Huntsville Corporate Policy Budget&Financial-12 [Deferral of Development Charges](#) (Res. No. GC122-18)

[Huntsville 2024 Development Charges Background Study](#)

[By-law #2024-130](#) Development charges for the Corporation of the Town of Huntsville

Policy - Budget&Financial-23 [Affordable Housing](#)

Policy - Budget&Financial-20 [Municipal Accommodation Tax Budget Principles](#)

[By-law 2019-123 Municipal Accommodation Tax](#)

Municipal Accommodation Tax Financial Accountability Agreement

[Housing Needs Assessment](#)

Strategic Plan

Balanced Growth – 1.1: Review planning legislation and policies to support flexibility and optimize land use, including in rural areas, to address different community needs.

Balanced Growth – 2.1: Develop a Housing Action Plan to identify solutions to meet the Town’s market rental and ownership needs as identified through a Needs Assessment to be conducted in conjunction with the District of Muskoka.

Balanced Growth – 2.2: Collaborate with the District, other levels of government and community partners to create attainable housing options and effectively communicate their programs to Huntsville residents.

Consultations

Richard Clark, Manager of Planning

Kelsea Shadlock, Senior Planner

Christopher Nagy, Manager of Building and By-law Services/Chief Building Official

Julia McKenzie, Director of Financial Services/Treasurer

Lisa Spolnik, Manager of Marketing and Communications

Reva Frame, Director of Corporate and Community Strategy

Respectfully Submitted: Kirstin Maxwell, Director of Development Services

Manager Approval (if required): _____

Director Approval: _____

CAO Approval: Denise Corry, Chief Administrative Officer

