

Planning Rationale and Justification

Home-Based Business and Industry Policies – OPA3-B-25

This Appendix provides detailed planning rationale and justification for the key directional policy changes introduced through Official Plan Amendment OPA3-B-25 related to home-based businesses and home-based industries. The intent is to explain why these changes are necessary, how they respond to observed implementation challenges under the County’s current Official Plan (2023), and how they strengthen the County’s systems-based approach to rural and agricultural land use planning.

This Appendix focuses on policy changes that materially affect development applications and decision-making. Technical refinements, policy reorganization, and wording clarifications intended solely to improve readability or internal consistency are not discussed in detail.

1. Distinction between Home-Based Business and Home-Based Industry

The 2016 Zoning By-Law generally treated home-based economic activity as a single category with strict limitations. The 2023 Official Plan has relied on discretionary interpretation to determine whether a proposed use can remain “secondary” to the residential or agricultural function of a property. Experience applying these directions, particularly during and following the COVID-19 pandemic, demonstrated that this approach lacked sufficient clarity to manage the scale, intensity, and long-term compatibility of home-based economic activity.

OPA3-B-25 introduces a clear distinction between home-based businesses and home-based industries, recognizing that not all home-based economic activity functions the same or operates within the same land use context. This distinction establishes a more deliberate and defensible framework that aligns uses with appropriate settings:

- **Home-based businesses** are primarily residential in character and are intended to operate within dwellings or accessory structures in settlement and countryside residential contexts. These represent small-scale and introductory business opportunities.
- **Home-based industries** acknowledge the reality of rural-scale activity occurring on agricultural and rural lands but do so within defined limits that protect agricultural primacy and rural character. These represent business opportunities with a slightly larger scale than a home based-business, appropriate only when the surroundings warrant it.

By assigning these uses to different land use contexts, the policies introduce an implicit growth hierarchy and transition pathway. Small-scale enterprises may begin in residential settings, modest rural-based operations may be accommodated where appropriate, and larger or more intensive businesses are directed toward employment or commercial areas designed to support growth over the long term. This approach mirrors the systems-based logic applied elsewhere in the Official Plan, including the framework for natural heritage and agriculture.

2. Defining “Secondary” Through Quantitative and Functional Limits

Implementation-Driven Policy

A central concern identified through engagement was the lack of measurable criteria to determine when a home-based use ceased to be secondary to the principal residential or agricultural use. OPA3-B-25 responds by introducing objective limits related to floor area, lot coverage, clustering, and outdoor activity and storage. Directions related to employee numbers and hours operation are intentionally excluded, as the Official Plan is a land use planning instrument intended to regulate land use, built form, and site layout. Operational matters such as staffing levels and hours of operation are not land use controls and are more appropriately addressed through other regulatory mechanisms, where applicable.

The thresholds introduced by this amendment represent an intentional shift from policies reliant on broad interpretation toward an implementation-driven framework that provides predictability for applicants, neighbours, and decision-makers. The limits were informed by:

- Observed ranges in real development applications,
- Provincial guidance for On-Farm Diversified Uses,
- Ontario Building Code thresholds, and
- Existing and proposed zoning provisions related to accessory uses and coverage.

The limits are not intended to function as entitlements but as high-level guardrails that define what may reasonably be considered secondary in scale and function. Proposals that exceed these parameters are not prohibited from existing altogether but are appropriately redirected to more suitable land use designations where impacts can be accommodated.

Scale Differentiation Between Use Types

Home-based businesses are intended to be the smallest and least impactful category of use. For this reason, limits tied to a percentage of the principal dwelling's floor area are used to reinforce their subordinate relationship to the residential function.

Home-based industries, by contrast, are recognized as rural-based activities that may warrant detached structures and operational space. No minimum lot size is imposed due to the wide variation in rural parcel sizes across the County. Instead, scale and impact are managed through maximum building areas and clustering requirements.

The maximum gross floor area of 500 m² was selected to reflect the approximate size of a small industrial unit, while remaining below thresholds that would constitute larger and more detailed construction requirements under the Ontario Building Code. It will also align with the current proposed maximum accessory coverage under the County's Community Planning Permit System (CPPS). This ensures the use remains clearly secondary on the property and does not evolve into de facto industrial development in the agricultural area. Through the CPPS, clear direction will be given on the potential design of these types of buildings, ensuring they resemble agricultural buildings rather than industrial warehouses.

Managing Impacts Through Clustering, Setbacks, and Compatibility

Clustering requirements are introduced to address visual impact, operational efficiency, and noise dispersion. The 50-metre clustering distance reflects a proportional relationship to the 100-metre maximum separation already contemplated in the Official Plan for agricultural farm building clusters. This recognizes that home-based industries are not the priority use within agricultural areas and should occupy a more limited footprint.

Setback distances for buildings and outdoor activity areas are aligned with the minimums recommended by the Ministry of the Environment, Conservation and Parks D-6 compatibility guidelines. Aligning policy expectations with established provincial guidance anchors compatibility decisions in a known and defensible framework.

The underlying rationale is straightforward: if the impacts of a use are such that an owner would not reasonably want it located near their own dwelling, it is likely not appropriate for a rural residential or agricultural setting.

Managing Outdoor Activity and Storage

Outdoor storage and activity have been consistently identified as the most common sources of complaints related to home-based operations. OPA3-B-25 addresses this reality directly by establishing a clear preference for indoor storage while permitting limited outdoor storage, where necessary.

Outdoor storage is capped at 25 percent of the total floor area of the use, ensuring it remains accessory and does not become the dominant function of the property.

Screening requirements, side and rear yard location expectations, and limitations on outdoor activity areas (including outdoor classes or similar uses) are introduced to manage noise, visual impact, and neighbourhood character.

These measures reflect observed operational realities while reinforcing the principle that outdoor impacts must be tightly managed to maintain compatibility.

3. Relationship with On-Farm Diversified Uses

OPA3B25 explicitly confirms that On-Farm Diversified Use (OFDU) policies take precedence over home-based permissions. This clarification addresses a recurring concern that applicants may attempt to use home-based policies to bypass the rigorous criteria established for OFDUs.

This direction reinforces agricultural primacy and ensures that the policy framework continues to function as intended: OFDU policies are designed to support farm viability and diversification, while home-based permissions are intended for non-farm economic activity that remains clearly secondary in scale.

Clear differentiation between these policy regimes avoids “policy shopping” and strengthens the integrity of the agricultural land use framework.

4. Registration and Licensing as Future Implementation Tool

The amendment enables the potential establishment of a registration or licensing framework for home-based businesses and industries. This tool is not envisioned solely as an enforcement mechanism, but as a means of improving data collection, trend analysis, and economic development support.

At present, the County lacks reliable information regarding the number, scale, and type of home-based operations. Policy refinement has relied heavily on complaint-based information or applications where compliance is uncertain, but community benefit is evident. A registration framework would allow the County to better understand how these uses function over time and to adjust policy accordingly.

This information will also support future implementation of the CPPS by informing appropriate standards and thresholds based on real operational patterns rather than anecdotal evidence.

5. Encouraging Transition to Commercial / Employment Areas

Businesses established as home-based operations often evolve over time, increasing in scale, intensity, or market reach. OPA3B25 reinforces the expectation that, once a use exceeds what can reasonably be accommodated within home-based permissions, relocation to a commercial or employment area is the appropriate pathway for continued growth.

The policies encourage the use of Economic Development tools to support this transition, recognizing that clearer frameworks at the outset reduce the likelihood of long-term legal non-conforming situations. This reflects lessons learned from existing rural employment contexts, where businesses that outgrew their original permissions would have benefited from a more deliberate transition model.

By clearly defining limits and growth pathways, the policies support entrepreneurship while protecting rural and agricultural land use systems from incremental intensification.