

November 20, 2025

Shavindra Fernando, Planning Assistant  
Township of Southgate  
[planning@southgate.ca](mailto:planning@southgate.ca)

**RE: Zoning By-law Amendment C24-25 – General Commercial Zone changes  
Township of Southgate**

Dear Shavindra Fernando,

This correspondence is in response to the above noted application. We have had an opportunity to review the application in relation to the Provincial Planning Statement (PPS) and the County of Grey Official Plan (OP). We offer the following comments.

Proposal Summary

The Township seeks input on proposed changes to building and parking regulations in the General Commercial 2 (C2) regarding residential dwelling units located above the first floor or behind a permitted non-residential use.

The proposed changes to parking and building regulations for dwelling units located above the first storey of a permitted non-residential use applies to all properties zoned C2 with municipal sewer and water located within the Downtown and other areas of Dundalk, as well as to properties in various rural Settlement Areas throughout the Township that are on private sewer.

Documents submitted with the application and reviewed by staff:

- Notice of Public Meeting, received October 29, 2025
- Public Meeting Presentation, dated November 26, 2025

Comments

The County Official Plan (OP) encourages residential intensification mainly in Primary Settlement Areas, but also within Secondary Settlement Areas, and supports an approach to intensification that intends to retain small town character and revitalize downtown areas. Including, for example, encouraging the addition of housing above

commercial uses in and near the downtown, in residential transition areas, and in other main commercial areas, encouraging intensification which results in new rental accommodation, and facilitating the adaptive re-use or redevelopment underutilized lands within a settlement area. The County OP also encourages local municipalities to preserve and revitalize traditional main streets, downtowns, and commercial areas.

1. The County OP recognizes the need for additional mixed-use development with residential dwellings above commercial or office development within Primary Settlement Areas. Staff note that in most cases mixed use development would exceed the County's 25 units per net hectare minimum density requirement. Within the Primary Settlement Area of Dundalk, County staff have no concerns with eliminating the maximum number of dwelling units in the C2 zone, removing the minimum floor area for dwelling units, and allowing for the conversion of existing floor space to be converted to dwellings units without requiring additional parking.
2. Within Secondary Settlement Areas, the County OP also encourages intensification opportunities, including additional residential units (see Section 4.2.5), the development of vacant and/or underutilized lots within previously developed areas and the expansion or conversion of existing buildings. As these settlement areas in Southgate have partial or fully private services, staff would encourage additional clarity and/or zone provision(s) to ensure that the number of additional dwelling units that can be accommodated on the commercial parcel is appropriate to the servicing is available.
3. Within the Countryside, there appears to be a few parcels within the C2 zone specifically in the rural area of Conn. The County OP designates these parcels as Rural and Hazard Lands on Schedule A. The rural land use designation provides greater flexibility for economic development, lot creation and residential uses than other countryside land use types.

Staff understand and appreciate the merit in permitting dwelling units more broadly, but note that proposals for mixed-use development in the countryside may benefit from a site-specific zoning by-law amendment. Alternatively, consideration could be given to a maximum number of units permitted on commercially designated parcels outside of a designated settlement area (i.e. a maximum of three units). Further comments in this regard are provided below for consideration.

4. The County OP notes that in the Rural areas, additional residential units (ADUs) will be the most likely means of increasing housing affordability stock in Grey County. Staff understand that the policy framework surrounding ADUs to

generally permit residential units within a main residence or structures additional to a dwelling. While the current proposal would apply to dwelling unit(s) that are located within a portion of a non-residential building, this framework may provide some insight into establishing a maximum number of units. For example, the PPS provides policy support for up to three residential units on a lot in the prime agricultural area where a residential dwelling is permitted.

The County agricultural permitted use policies (and by extension the Rural land use type) also states that “at no point shall the total number of permanent residential units on a farm property exceed three” [Section 5.2.1.7)].

Staff acknowledge that the number of dwellings units would also be regulated by the Ontario Building Code provisions related to life safety, floor space, well and septic capability, however, staff are hesitant to support the complete elimination of a dwelling unit threshold specifically within the Rural designation.

5. Further to the above, staff note that note that Misty Meadows property in Conn has an existing site-specific exemption, per policy 5.4.1. 4):

*n) Notwithstanding the provisions of Section 5.4.1 for those lands described as Part Lot 29, Concession 4, Township of Southgate (geographic Township of Egremont) and indicated on the attached Schedule ‘A’, the following shall apply*

*In addition to the permitted uses of the Rural land use type, a market or general store, not to exceed 915 square metres in building size, is also a permitted use. Associate parking and ancillary uses to the market or general store are also permitted (OPA#133).*

Staff would be happy to discuss the proposal to add three dwelling units this property further with Township staff and the applicant if desired.

6. County Ecology staff have reviewed the proposal and have no concerns.
7. From a general planning perspective, staff understand that the current C2 zone provision 16.2(w) to permit a dwelling unit above the first storey of the main building OR at the rear of the main building, containing any of the permitted uses, however, the proposed changes appear to limit dwelling unit to the upper floors only. Provided that the dwelling unit(s) have separate access from the commercial portion of the non-residential building and that the unit is not located along the street frontage (i.e. the dwelling unit is at the rear), staff would encourage maintaining the existing flexibility regarding the location of the

dwelling unit. Ground-related residential units can be designed with no-step access allowing for easier access for residents with reduced mobility.

The County requests notice of any decision rendered with respect to this file.

If you wish to discuss any of the above further, please contact me.

Yours Truly,

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