

DATE OF MEETING FEBRUARY 25, 2019

AUTHORED BY AMRIT MANHAS, ECONOMIC DEVELOPMENT OFFICER

**SUBJECT HOME-BASED BUSINESS REGULATION REVIEW**

## **OVERVIEW**

### **Purpose of Report**

To present Council with the results of the home-based business regulation review. |

### **Recommendation**

That Council:

1. receive the report titled “Home-Based Business Regulation Review” dated 2019-FEB-25; and
2. direct Staff to return to an upcoming Council meeting with amendments to “Zoning Bylaw 2011 No. 4500”, “Sign Bylaw 1987 No. 2850” and “Off-Street Parking Regulations Bylaw 2018 No. 7266” relating to the home-based business regulations.

## **BACKGROUND**

At the 2016-APR-11 Committee of the Whole meeting, Council received delegations pertaining to a proposed home-based bakery business. After receiving the delegations, Council directed Staff to review the City’s home-based business regulations and prepare a report for Council.

This report sets out the findings of the review and identifies a number of changes that Council may wish to consider to update the bylaw.

There are approximately 2,300 licensed home-based businesses operating in the city today, providing approximately 3,400 jobs and covering a wide range of sectors of the economy. Home-based businesses make up 38% of all business licences in the city and they have become an important contributor to Nanaimo’s economy.

The City of Nanaimo has regulated home-based businesses since 1993. A home-based business can either be a business operated at home, where most of the work is carried out at the home of the operator, or a business operated from home where the home is used as a base but much of the work is done offsite.

The existing home-based business regulations (Attachment A) are set out in Section 6.20 of “Zoning Bylaw 2011 No.4500” (the “Zoning Bylaw”). The regulations are intended to respect and balance the interests of the businesses and the surrounding neighbourhoods in which businesses are located. Ideally, home-based businesses should operate in a manner that does not adversely affect the quality and liveability of the neighbourhood. The most common concerns raised by neighbours relate to traffic, parking, and noise impacts.

Section 6.19 of the Zoning Bylaw specifies daycare regulations and is currently under a separate review.

## Home-Based Business Regulations Review

Staff undertook a comprehensive review of the home-based business regulations that included:

- reviewing best practices from 15 BC municipalities (Attachment B);
- meetings with Staff from Economic Development, Business Licensing, Current Planning, Bylaw Services, Transportation, and Community and Cultural Planning to discuss existing issues and areas where updates are required;
- conducting a home-based business Needs Assessment Survey (2018-JUL);
- meeting with the Neighbourhood Network and the Chamber of Commerce;
- conducting an open house at the Vancouver Island Conference Centre (2018-DEC-04); and
- posting information boards and a survey on the City website (2018-DEC-31, see Attachment C for results).

Feedback from the community consultation process was used to draft the proposed amendments to the current regulations around the following topics:

- permitted uses;
- lot size and size of business;
- lot size and permitted uses;
- number of clients permitted daily and group sessions;
- number of employees;
- parking requirements;
- hours of operation; and
- signage.

## Proposed Zoning Bylaw Amendments

The following is a summary of the proposed changes to the Zoning Bylaw as a result of the review of the home-based business regulations:

### 1. *New Classification System*

The existing home-based business regulations apply to all residential dwellings in the city regardless of lot size.

As part of the review, it was identified that the regulations could be updated to reflect the unique circumstances of operating a home-based business within a condominium/townhouse or a small lot, versus a regular-sized city lot and a large lot. As such, the following classification is recommended based on best practices from other communities:

Type	Lot size
1	≤ 450m <sup>2</sup>
2	>450m <sup>2</sup> , but ≤2,020m <sup>2</sup> (half acre)
3	>2,020m <sup>2</sup> (half acre)

There are 1,635 residential lots within Nanaimo that are 2,020m<sup>2</sup> (half acre) or larger. Home-based business on these lots would be classified as Type 3 (Attachment D) assuming there is a

street frontage of 30m or more. These properties could potentially accommodate more onsite parking and offer a larger buffer between dwellings that can accommodate certain activities not permitted under Type 1 or Type 2.

## 2. Location and Size

Home-based businesses are permitted to operate from a dwelling unit, secondary suite, carriage house, or accessory building. Currently, a business is permitted varying floor space depending on whether the home-based business is located in the primary dwelling, secondary suite, both units, or the accessory building. The update proposes no change to this.

The review has indicated that the Gross Floor Area of a home-based business could be further streamlined as outlined below:

Type	Gross Floor Area*
1	30% up to 28m <sup>2</sup> (300ft <sup>2</sup> )**
2	50% GFA up to 100m <sup>2</sup> (1,076ft <sup>2</sup> )
3	50% GFA up to 140m <sup>2</sup> (1,500ft <sup>2</sup> )

\*The maximum GFA is applicable regardless of the number of businesses in a location.

\*\* For Type 1 properties, the home-based business must be in the primary dwelling unit.

## 3. Vehicle Trips

The existing regulations allow a home-based business a maximum of five return vehicle trips per day. The proposed update maintains five return vehicle trips per day for Type 1; however, increases vehicle trips for Type 2 to eight and up to ten return vehicle trips for Type 3. The increase for Type 2 and Type 3 was proposed as a way of accommodating most businesses.

Type	Maximum Return Vehicle Trips
1	5
2	8
3	10

## 4. Non-Resident Employees on Premises

Currently, a home-based business is permitted one non-resident employee if the business is located in the primary dwelling unit, but not if it is located in the secondary suite. Under the proposed changes, Type 1 businesses would not be permitted a non-resident employee, Type 2 businesses would be permitted one non-resident employee, and Type 3 businesses would be permitted two non-resident employees.

Type	Maximum Permitted Number of Employees
1	0
2	1
3	2

## 5. Hours of Operations

Currently, the hours of operation for home-based businesses are between 7am - 9pm and no changes have been deemed required through the process.

## 6. Signage

Under the existing regulations, a home-based business is permitted one sign per business (size specifications set out in “Sign Bylaw 1987 No. 2850” (the “Sign Bylaw”). Through the review process, it is recommended that the Sign Bylaw be amended to permit one sign per dwelling unit regardless of the number of home-based businesses. The sign may include names of all businesses operating at the location.

## 7. Permitted/Prohibited Uses

The City of Nanaimo Zoning Bylaw permits a wide variety of activities as a home-based business, with only the following uses prohibited:

- Retail stores
- Auto body shop, vehicle storage, wrecking or dismantling.
- Storage, wrecking, dismantling, structural repair, painting or metal plating of vehicles and equipment, including motor vehicles, recreational vehicles, boats and other water vessels, aircraft, all-terrain vehicles and snowmobiles, heavy equipment and machinery.
- Pet day care, boarding kennel, animal training and commercial dog breeder.
- Commercial sawmill.

The review of the home-based business regulations recommends the following updates:

Type 1	
Prohibited	<i>Personal Services</i> – includes hair, skin, nails, personal wellness, and body modification services such as tattooing, piercing, and micro-blading, etc.
Permitted	<i>Limited Animal Services</i> – includes dog walking, pet sitting, pet grooming, training therapy and will be permitted as a mobile only (offsite).
Type 3	
Permitted	<i>Limited Retail:</i> for products manufactured in the home-based business <i>Limited Auto Repair:</i> must be fully contained within a building and have must not discharge or emit odorous, toxic or noxious matters or vapours, heat, glare, noise, vibration, smoke, dust or effluent across any lot line.

## 8. Parking & Access

The City of Nanaimo recently adopted “Off-Street Parking Regulations Bylaw 2018 No.7266”. Under the bylaw, a home-based business is required to provide one parking spot per dwelling.

Based on the feedback received through the process, Staff recommend that the Parking Bylaw be amended to exempt the parking requirement for home based businesses that do not have clients coming to the premises.

In addition, it is recommended that the Parking Bylaw be amended to limit marshalling and staging to on-site parking associated with the residence for a home-based businesses.

In the scenario where customers access a home-based business via a private easement agreement, the business owner will be required to obtain approval from the neighbouring property owner prior to issuance of a business license. This requirement doesn't apply to home-based businesses that do not generate traffic or have employees coming to the property.

## OPTIONS

### A. That Council:

1. receive the report titled "Home-Based Business Regulations Review" dated 2019-FEB-25; and
2. direct Staff to return to an upcoming Council meeting with amendments to "Zoning Bylaw 2011 No. 4500", "Sign Bylaw 1987 No. 2850" and "Off-Street Parking Regulations Bylaw 2018 No. 7266" relating to the home-based business regulations.
  - **Budget Implication:** There are no direct budget implications through these proposed changes. The update to the regulations may provide more certainty to businesses and induce business formation in the community, which would have a positive impact on the local economy.
  - **Legal Implication:** The City solicitor will review the proposed changes prior to the amendments being brought forward to Council.
  - **Policy Implication:** Goal Four of the Official Community Plan is to "Promote a Thriving Economy".
  - **Engagement Implication:** As part of the process, all home-based businesses in Nanaimo were invited to participate in an online survey to provide feedback. An open house was held on 2018-DEC-04 to present the proposed changes and the display boards and on-line survey were available for the public to comment.
  - **Strategic Priorities Implication:** Economic Health is one the City's four community values and the plan recognizes the need for diverse jobs and an innovative atmosphere to support creativity and entrepreneurialism.
  - **Political Implication:** Updating the Home-Based Business Regulations would show Council's commitment to promoting economic development in the community.

### B. That Staff be directed to not proceed with the proposed Home-Based Business regulations changes at this time.

- **Budget Implication:** There are no direct budget implications if the proposed changes to the Home-Based Business regulations were not implemented.
- **Policy Implication:** Goal Four of the Official Community Plan is to "Promote a Thriving Economy".
- **Engagement Implication:** As part of the process, all home-based businesses in Nanaimo were invited to participate in an online survey to provide feedback. An open house was held on 2018-DEC-04 to present the proposed changes, and the display boards and on-line survey were available for the public to comment.
- **Strategic Priorities Implication:** Economic Health is one the City's four community values and the plan recognizes the need for diverse jobs and an innovative atmosphere to support creativity and entrepreneurialism.

### **SUMMARY POINTS**

- Home-based businesses comprise 38% of all business licences within the city of Nanaimo and generate around 3,400 jobs.
- At the 2016-APR-11 Committee of the Whole meeting, Council directed Staff to review the home-based business bylaw and prepare a report for Council.
- Staff undertook a comprehensive review of the existing regulations, undertook best practice research, and conducted a survey with business owners to identify areas for improvement. The proposed changes were presented at an open house on 2018-DEC-04 and were made available on-line.
- The regulations are intended to respect and balance the interests of the businesses and the surrounding neighbourhoods in which businesses are located.
- If Council provides direction to incorporate the changes, a separate Staff report will be brought forward for Council's consideration with the necessary bylaw amendments.

### **ATTACHMENTS**

ATTACHMENT A: Existing Home-Based Business Regulations

ATTACHMENT B: Best Practices from 15 BC Municipalities

ATTACHMENT C: Open House Boards and Survey Results

ATTACHMENT D: Residential Lots Half Acre or Larger

#### **Submitted by:**

Bill Corsan  
Deputy Director, Community Development

#### **Concurrence by:**

Dale Lindsay  
Director, Community Development