

- r. Specify that a rooftop greenhouse must not exceed 3.35 m in height and 28 m² or 50% of the building's roof top area, whichever is less.
2. Prepare a *Business Licence Bylaw* amendment to:
 - a. Require a business licence for commercial urban agriculture for off-site retail purposes;
 - b. Require a business licence for on-site farm stand sales
 - c. Offer the option of a three-month farm stand business licence for \$25.00 or a year-long licence for \$100.00;
 - d. Permit the loading of commercial urban agriculture products into a delivery truck one time per day, between 7 am and 8 pm on a weekday or Saturday; and between 10 am and 8 pm on Sunday or a holiday.
 3. Prepare an *Official Community Plan Amendment Bylaw* to:
 - a. Amend policy 17.10 to clarify that urban agriculture should be subservient to the density, built form, place character and use objectives in the *Official Community Plan*.
 - b. Exempt commercial and non-commercial urban agriculture from requiring a development permit for the alteration of land, unless the installation is being constructed in association with a building, structure or other landscape features that requires a development permit.
 4. Prepare a *Sign Bylaw* amendment to allow permanent signage for outdoor markets on City property.
 5. Prepare a *Pesticide Regulation Bylaw* to restrict the use of pesticides for commercial urban agriculture use, including on industrial, commercial and institutional properties.
 6. Prepare outreach materials and design examples for food production in multi-unit, mixed-use developments and other types of housing.
 7. Prepare information for applicants on siting, appearance and design considerations to encourage compatibility of commercial urban agriculture operations, including rooftop greenhouses, farm stands and operations on vacant lands, with other land uses.
 8. Prepare information materials to communicate requirements and responsibilities for commercial urban agriculture and farm stands.
 9. Implement a process to monitor and evaluate the effectiveness and benefits of the proposed regulatory changes and report to Council after two years on the effectiveness of the changes, and recommend any adjustments that might be warranted.

EXECUTIVE SUMMARY

The purpose of this report is to present Council with a series of proposed amendments to City regulations to better support small-scale commercial urban agriculture, as part of the "Growing in the City" project. These include proposed amendments to the *Zoning Regulation Bylaw*, *Business Licence Bylaw*, *Sign Bylaw*, *Pesticide Regulation Bylaw* and *Official Community Plan*, to:

1. Define commercial agriculture
2. Allow commercial agriculture in all zones
3. Restrict loadings of delivery trucks
4. Allow off-site retail sales
5. Allow on-site retail sales through farm stands

6. Limit odours, noise and light pollution
7. Exempt rooftop greenhouses from height calculations and floor space ratio calculations
8. Exempt urban agriculture from requiring a development permit for landscaping
9. Restrict the use of pesticides in commercial urban agriculture
10. Allow perfarmers market signage

Commercial urban agriculture, which produces agricultural products for sale, is an emerging, expanding use that involves many different activities - growing, retailing, processing, packaging, warehousing, storage, wholesaling – but does not fit neatly into zoning and other City regulations. As a result, there has been uncertainty about where commercial urban agriculture is an appropriate use and how it should be regulated. The proposed changes take a balanced approach by introducing regulatory changes that support expanded small-scale commercial urban agriculture, with limits to minimize negative impacts on neighbouring properties, particularly in residential and commercial areas.

The proposed changes were identified and reviewed through two rounds of public engagement as part of the Growing in the City project, involving more than 1,300 interactions. Engagement techniques included one-on-one interviews with urban farmers, two on-line surveys and a workshop to review draft policies. Engagement results suggest strong support for expanding commercial urban agriculture activities in most areas of the city. Key regulatory barriers include a lack of clarity regarding where commercial urban agriculture is permitted, restrictive zoning and limits on retail sales. Despite the strong overall support for commercial urban agriculture, considerations for noise, odour, lighting, parking and the compatibility of agriculture with other land uses need to be managed as part of any regulatory changes.

Following Council's consideration of the proposed approach, staff will prepare the associated revisions for consideration by Council at a future meeting. Should Council approve the associated zoning amendments, it is recommended that staff report back to Council after two years to evaluate the effectiveness and benefits of the proposed regulatory changes.

PURPOSE

The purpose of this report is to present Council with a series of proposed amendments to City regulations to better support small-scale commercial urban agriculture, as part of the "Growing in the City" project.

A separate report will provide Council with proposed updates to policies and guidelines to support urban food production in the public realm, including an updated Community Garden Policy, a land inventory of City-owned suitable land for community food growing, a pilot program to facilitate the increase in the number of food-bearing trees in City parks and a final set of Boulevard Gardening Guidelines.

BACKGROUND

The City of Victoria recognizes urban gardening and food production as a valuable community activity that contributes to health and well-being, positive social interaction, connection to nature, environmental education, increasing healthy and diverse ecosystems, neighbourhood building, and food security. Small-scale commercial urban agriculture, which involves the production of agricultural products for sale, provides household and neighbourhood-scale economic opportunities and supports the region's food production and restaurant sectors.

The 'Growing in the City' project is a year-long initiative to update and expand policies, regulations and guidelines to support urban food production in the City of Victoria. The project will deliver six related initiatives intended to advance key directives in the City's *Official Community Plan* and *2015 – 2018 Strategic Plan* towards a more sustainable local food system:

1. An inventory of City-owned land for community food growing.
2. A review and update of the Community Gardens Policy.
3. Voluntary guidelines for food production in multi-unit, mixed use developments and other types of housing.
4. Guidelines for food-bearing trees on City-held lands.
5. A review of City regulations and policies to explore the opportunity for, and implications of, supporting expanded small-scale commercial urban agriculture.
6. A final version of the Boulevard Gardening Guidelines.

The regulatory changes proposed in this report have been developed to address initiative five, described above.

Official Community Plan and Food Production

Victoria's *Official Community Plan* (OCP) supports a shift towards a more sustainable urban food system, including expanded opportunities for small-scale commercial urban agriculture and other food-related economic development. Given Victoria's small land base and the City's commitment to accommodating a significant amount of the region's population growth, the use of land for food production should be balanced with the City's objectives for new housing and development. Food production will be supported on private lands where it is safe, suitable and compatible with density and other urban place guidelines in the OCP (17.10).

Specific to commercial urban agriculture, the City's OCP directs the City to:

- 17.14. Explore expanded small-scale commercial urban agriculture through a review of policy and regulations to consider the opportunities for, and implications of:
 - 17.14.1. Enabling infrastructure and human resources needed to support small-scale commercial urban agriculture as a home occupation.
 - 17.14.2. Using residential accessory buildings for commercial agricultural purposes.
 - 17.14.3. Allowing commercial urban agriculture uses, including greenhouses, in commercial and industrial zones.

Existing Regulations for Commercial Urban Agriculture

Commercial urban agriculture is an emerging use that involves many different activities including growing, retailing, processing, warehousing, storage, wholesaling and, as such, does not fit neatly into the City's *Zoning Regulation Bylaw*. As a result, there has been uncertainty about where commercial urban agriculture should be permitted and how it should be regulated.

In 2008, the City introduced Urban Agriculture as a home occupation under the City's *Zoning Regulation Bylaw*. It allows up to two people living on site to engage in the production of fruit and vegetables for retail purposes on a portion of the parcel. As with other home occupations, no retail sales are allowed from the site. Staff have not been able to confirm the number of urban agriculture business licences obtained since 2008, but it is estimated to be less than five.

Commercial urban agriculture is not currently identified as a use elsewhere in the *Zoning Regulation Bylaw*. Operators wishing to establish a commercial urban agriculture operation away from their place of residence are directed to industrial areas, where activities analogous to food production such as manufacturing and warehousing are permitted. Most urban farmers would prefer not to be limited to industrial areas due to the limited availability of arable land, the risk of soil contamination, as well as limitations on retail sales.

Overview of Public Engagement

Phase 1 (June 2015 - October 2015)

From June 2015 – October 2015, the City conducted the first phase of public engagement for the 'Growing in the City' initiative to identify barriers and opportunities related to urban food production. The engagement consisted of the following opportunities to provide input:

- One-on-one interviews with urban farmers operating in Victoria
- An online survey with a short and long version
- 3 pop-up engagement stations at local farmers' markets
- A "round-table" event with representatives of the Urban Food Table (comprised of local stakeholders)
- A series of meetings between City staff and urban food system professionals, distributors and purchasers.

The City received over 800 responses to the online survey, and met with more than 30 experts involved in the local food system. The results from the engagement indicated a high level of support for increasing small-scale commercial urban agriculture activities, including:

- 87% support for small-scale urban agriculture activities in their neighbourhood
- Support for urban farms in residential areas (79%), in commercial areas (77%) and institutional/provincial public lands (70%)
- 71% support for food producers to sell produce on-site (e.g. farm stands) with no restrictions and also off-site at farmers markets or grocery stores
- The top concerns with commercial urban agriculture were noise, hours of operation, parking and pesticide use.

A complete engagement summary from Phase 1 is attached as Appendix A.

Concerns Related to Commercial Urban Agriculture

Despite strong overall support expressed for commercial urban agriculture, participants identified a number of concerns related to impacts on neighbouring properties. These concerns are described in Appendix B, and include:

- Noise from machinery and deliveries
- Odour from compost, soil amendments and chickens
- Artificial lighting from greenhouses
- Parking for customers and employees
- Hours of sale
- Aesthetics and maintenance

- Compatibility of agricultural uses in residential areas
- Increased pesticide and synthetic fertilizers use.

Interviews with Urban Farmers

Staff interviewed seven commercial urban farmers to better understand the characteristics and needs of commercial urban agriculture in Victoria. Urban farmers identified the following regulatory barriers, summarized in Appendix C:

- Lack of clarity about zones where commercial urban agriculture is permitted
- Restrictive requirements for urban agriculture as a home occupation
- Restrictions on commercial use of accessory buildings
- Need for development permits for landscaping, greenhouses and other structures
- Need for building permit for greenhouses or other accessory buildings
- Restrictions on commercial sales of animals and animal products
- Non-regulatory barriers including insecurity of tenure, lack of economic viability of urban farming, desire for preferential water pricing for urban farms, and need for more skills training and access to capital for new farmers.

Phase 2 (November 2015 - January 2016)

The second phase of public engagement solicited feedback on the draft regulation changes through a roundtable meeting with food stakeholders, an open house, a policy review workshop, and an online survey. Approximately 80 participants attended the open house, with 60 participating in the workshop sessions. An additional 263 survey responses were received. Overall, responses indicated a high level of support for the potential changes recommended in this report:

- 89% support for introducing commercial urban agriculture as a use
- 86% support for allowing commercial urban agriculture in all zones
- 87% support for allowing farm stands in all zones
- 80% support for exempting commercial urban agriculture from requiring a development permit for landscaping (alteration of land)

Some revisions have been made based on Phase 2 input and staff review, including two additional proposed amendments:

- Allow signage for farmers markets outside market hours of operation
- Restrict pesticide and synthetic fertilizer use for commercial urban agriculture.

A complete engagement summary from Phase 2 is attached as Appendix D.

ISSUES & ANALYSIS

Drawing on the results of public engagement, this report proposes a series of changes intended to support the expansion of small-scale commercial urban agriculture in the City of Victoria. The proposed changes take a balanced approach by introducing regulatory changes that support commercial urban agriculture, with limits to minimize negative impacts on neighbouring properties.

Backyard gardening is already practiced extensively in Victoria with few conflicts with adjacent properties. Commercial urban agriculture is anticipated to be similarly low-impact and small in size.

However, any expansion of commercial urban agriculture needs to carefully consider impacts on neighbours and surrounding land uses that may come with an increase in intensity of activities for commercial purposes. While some cities have limited the scale of commercial urban agriculture by restricting the size of operations, this approach is better-suited to cities where commercial urban agriculture is most likely to locate on large tracts of vacant land. As a built-out City, commercial urban agriculture operations in Victoria are more likely to use only a portion of a property and already be quite small in size.

The goal of the proposed amendments is to support commercial urban agriculture of a scale that is compatible with other urban land uses, particularly in residential and commercial areas. Staff propose that the scale of operations be limited through restrictions on commercial pick-ups, retail sales, hours of operation, noise, odour and artificial lighting. Large scale operations such as large commercial greenhouses play a vital role in a food secure community and will be encouraged to locate in industrial areas, subject to applicable zoning regulations, where there is a higher tolerance for industrial-scale impacts such as lighting, odour and noise.

Despite the proposed restrictions, there is still a risk that a larger-scale operation, such as a large greenhouse or an operation that cultivates an entire lot, may locate anywhere in the city, including residential areas.

Public Feedback on Proposed Amendments

Overall, engagement results indicated a high level of support for increasing opportunities for commercial urban agriculture in the City in both Phase 1 and Phase 2. Public feedback informed each of the proposed amendments, and is summarized by amendment in Appendix E.

1. Define Commercial Urban Agriculture in the Zoning Regulation Bylaw

Both the public and City staff indicated a desire to recognize commercial urban agriculture as a use in the *Zoning Regulation Bylaw*. A new definition would include the range of activities involved in commercial urban agriculture such as harvesting, packaging, storing, selling and delivery of products; the composting of waste and preparation of soil amendments; and the delivery of educational programs.

The proposed definition would allow the commercial production of a range of products with low food safety risk including the cultivation of fruits, vegetables, flowers, fibres, nuts, seeds, seedlings, herbs, eggs and honey. Island Health sets the health standards and guidelines for food safety, production and sales. While there is interest in expanding the list to include other animals and animal products, it is recommended that this expansion be considered as part of a two-year review in January 2018 due to additional health and food safety considerations.

Staff recommend that products regulated by the *Controlled Drugs and Substances Act*, such as medical marijuana, not be permitted as commercial urban agriculture products.

Due to the cost and availability of land, many urban farmers in Victoria and other cities cultivate multiple sites. The proposed definition would not require the cleaning, packaging or storing of products to occur on the same site where they are cultivated or raised. Small-scale food processing would be permitted as a home occupation or through another use that has a food processing component, subject to zoning requirements. Island Health regulates the food safety and health aspects of small-scale food processing.

2. Allow commercial urban agriculture in all zones

Under the City's current *Zoning Regulation Bylaw*, small-scale commercial urban farming is limited to industrial zones and to residential zones where the farmer lives on-site. Results from the Phase 1 survey indicated strong public support for allowing commercial urban agriculture in all land use zones, with the exception of land used for parks.

The proposal is to allow commercial urban agriculture in all zones. This would expand the range of potential sites for new urban farms, to include commercial areas, vacant residential lots, rooftops, institutional properties and other underused sites. Allowing commercial urban agriculture in all zones would recognize the wide variety of uses, activities and geographic contexts that characterize commercial urban agriculture in Victoria.

This bylaw change does not affect use in City parks. Food production activities in City parks are regulated by the *Parks Regulation Bylaw*, which does not permit the activities captured in commercial agriculture without consent of Council or the Director Parks, Recreation and Facilities, depending on the situation.

There is some concern that allowing commercial urban agriculture in all zones may impede future development, particularly for new commercial mixed-use and residential properties in the downtown core where 50% of the City's growth is envisioned in the future. There is a risk that commercial urban agriculture could stifle future development if it turns out to be more lucrative than redevelopment in the core area. In many cities, commercial urban agriculture is most often an interim use for properties awaiting eventual redevelopment. Over the long-term, Victoria's economy will likely find higher value from redevelopment than from urban agriculture. The City is not proposing any financial incentives that would make long-term commercial urban agriculture competitive with redevelopment (see page 12).

There is also a risk that permitted commercial urban agriculture uses could be displaced by a new, adjacent development in the future. For example, an established farmer may object to a taller building due to the fear of losing their sunlight. As with other businesses, the onus will be on the farmer to understand the existing zoning entitlements on adjacent properties.

In the case of a rezoning, commercial urban agriculture is not intended to impede the achievement of future density and growth objectives, which would remain a higher priority. It is proposed that OCP policy 17.10 be amended to clarify that urban agriculture shall be subservient to other OCP objectives for form, place character, use and density provided in OCP policy 6.2 and Figure 8.

3. Restrict truck loadings for off-site sales

To minimize parking and traffic impacts in residential neighbourhoods, regulatory changes are proposed to restrict the frequency and hours of commercial loadings. The proposal is to allow only one delivery truck loading of commercial urban agriculture products per day, between the hours of 7 am and 8 pm on a weekday or Saturday, and from 10 am to 8 pm on a Sunday or holiday.

Following discussion with farmers and non-farmers at the draft policy review workshop, it is recommended that the restriction apply to delivery trucks over 907kg (a one ton truck) only, and not to lower-impact modes such as personal vehicles, bicycles or foot. Loading of delivery trucks would not be restricted where otherwise permitted by zoning.

4. Allow off-site retail sales

Urban farmers indicated that direct sales to restaurants, farmers markets and subscription box programs provide a stable market and make up the majority of their business. Off-site retail sales of commercial urban agriculture products are currently only allowed as a home occupation, which requires producers to live on site.

The proposal is to permit the off-site retail sale of commercial urban agriculture products. An annual Business Licence would be required for off-site retail sales of commercial urban agriculture products, which will include a referral to Island Health for any high-risk food products.

Off-site retail sales would not be restricted where otherwise permitted by zoning.

5. Allow on-site retail sales at farm stands

Farm stands can provide easy access to healthy, fresh food, as well as provide household economic opportunities. On-site sales of agricultural products are not currently allowed through existing City regulations. It is proposed that on-site sales at small farm stands be allowed with the following conditions to limit impacts on surrounding neighbours and businesses:

- Farm stand is limited to 6 m² (20 feet²) in area and 3.35 m feet in height
- Allowed in front yard only, set back at least 0.6 m (2 feet) from the lot line, to address privacy and security concerns
- Stand may be covered, and partially enclosed
- Products must be grown on-site
- Sale of raw products only, such as fresh fruits and vegetables, eggs and honey. No crafts, baked or canned goods.
- Stand must be stored out of front yard when not in use for more than 7 days
- Hours limited from 7 am and 8 pm on a weekday or Saturday, and from 10 am – 8 pm on a Sunday or holiday
- One small sign allowed (12 in * 24 in), which is in accordance with the *Sign Bylaw*
- Maximum one farm stand per property.

The proposed changes seek to make farm stands suitable for both seasonal hobby growers who wish to sell surplus harvest, as well as year-round commercial urban farmers selling a portion of their products. The small size of the stands, and the requirement that products for sale must be grown on-site, aim to limit competition with surrounding shops and farmers markets. Staff acknowledge that the proposed size and origin restrictions may not meet the needs of year-round urban farmers. However, urban farmers can still continue to sell to other off-site retail locations where larger-volume sales are more appropriate.

As part of the business licence application, staff will distribute tips and other information on farm stand siting, appearance and design to encourage high-quality design and aesthetics of farm stands.

Farm stands would require a business licence for on-site retail sales of commercial agriculture products, distinct from the one required for off-site retail sales. Given the seasonal nature, it is proposed that the City pilot a new cost structure where applicants would have the option of obtaining a year-round farm stand licence for \$100 or a three-month licence for \$25.

Health Regulations

In consultation with Island Health, it is proposed that products for sale at farm stands be restricted to raw, unprocessed fruit and vegetable products, eggs and honey. Island Health sets the health standards and guidelines for food safety, production and sales. Island Health staff have reviewed the proposed changes and recommend that sales be limited to foods with a low food safety risk. This would exclude processed products such as jams, jellies, canned goods and baked goods.

6. Limit odours, noise and light pollution

Public feedback indicated that noise, odour and light pollution from commercial urban agriculture could have negative impacts on neighbours and surrounding properties, particularly in residential areas. It is proposed that the *Zoning Regulation Bylaw* be amended to restrict commercial urban agriculture from creating unreasonable noxious or offensive odours, noise and light pollution. This amendment would be in addition to the *Nuisance (Business Regulation) Bylaw*, which would prohibit businesses from being a nuisance to neighbours or violating noise regulations. Commercial urban agriculture operations would also be required to comply with the *Property Maintenance Bylaw* in order to minimize visual impacts on neighbours and the public realm.

The proposed amendments to the *Zoning Regulation Bylaw* may pose a challenge for management and enforcement, particularly for odours, given the range of tolerance for what is "unreasonable". Staff will encourage urban farmers to use proper management techniques through public education, and track complaints, calls for service and inquiries as part of the two-year review.

7. Exempt rooftop greenhouses from height calculations and floor space ratio calculations

Small-scale rooftop greenhouses on industrial, commercial, institutional and higher-density residential buildings present an emerging opportunity to enable high-yield, year-round local food production. In addition to structural limitations of some buildings, zoning regulations for building height and floor area have constrained opportunities for these facilities in Victoria and other North American cities. To encourage the development of greenhouse food production, the proposal is for rooftop greenhouses under a certain size to be exempted from zoning height calculations and floor space ratio calculations. This would apply to smaller commercial and non-commercial greenhouses.

Some members of the public expressed concern regarding the visual impact and potential for blocked views on adjacent properties. The recommended height exemption of rooftop greenhouses has been reduced to 3.35 m in height (12 feet) from 15 feet based on feedback from the public and staff. It is proposed that rooftop greenhouses be made of a translucent material and be limited to 28 m² (300 square feet) in area, or 50% of the roof area, whichever is less, to reduce further visual impacts on neighbours. Rooftop greenhouses would not be permitted in low-density residential zones, where views are of a particular concern.

All rooftop greenhouses would need to meet City requirements for building permits (including engineering studies), development permits, and heritage alteration permits, where applicable. Owners would be responsible for obtaining appropriate insurance.

The proposed limits aim to minimize visual impacts on neighbours and the public realm by keeping the greenhouses to a small size, particularly in commercial and mixed use areas. Larger rooftop greenhouses play an important role in urban food production but are more suitable for industrial

areas. Larger greenhouses in industrial areas would be subject to zoning regulations for height and floor area, although many industrial sites likely have excess capacity.

8. Exempt urban agriculture from requiring a development permit for landscaping

Under the OCP, a development permit is required in some areas for landscaping (the alteration of land). It is proposed that commercial and non-commercial (e.g. community gardens, community orchards and edible landscaping) urban agriculture be exempted from requiring a development permit for the alteration of land, unless the installation is being constructed in association with a building, structure or other landscape feature that requires a development permit.

While development permits serve important purposes in minimizing visual impacts on adjacent properties and the public realm, the time and cost involved in obtaining a development permit has been identified as a barrier, particularly on vacant lots. Gardening is already extensively practiced through the City with limited visual impacts on neighbouring properties and the public realm. The *Property Maintenance Bylaw* would continue to apply to address maintenance concerns.

9. Restrict the use of pesticides in commercial urban agriculture

One of the most common concerns that the public had regarding the expansion of commercial urban agriculture was the potential risk of increased pesticide and synthetic fertilizer use. It is proposed that the City's *Pesticide Reduction Bylaw* be amended to restrict the application of pesticides for commercial agricultural use, including on commercial, institutional or industrial properties. The City does not currently have a tool to limit the use of synthetic fertilizers, but this could be explored as part of the two-year review.

The issue of whether to restrict pesticides needs to be carefully considered. While there are numerous health and ecological benefits associated with reducing and regulating the use of pesticides and fertilizers, there are also practical considerations such as enforcement, restrictions on personal choice, and the effectiveness of some organic pest controls.

Additional public education would be required to help commercial urban farmers understand which commercial products are suitable for use. Enforcement of the regulation would be challenging due to the need to prove non-compliance. Contraventions of the Bylaw may result in fines.

10. Allow farmers market signage

Farmers markets are an important retail outlet for commercial urban agriculture. Through consultation, it was suggested that permanent directional signage for markets would improve awareness and attendance, but that City regulations restrict this type of signage. It is proposed that the *Sign Bylaw* be amended to allow signage for markets managed by non-profits on public property, outside market hours. This would apply only to outdoor markets managed by a non-profit organization. Because the signs would be on City property, City staff would review the placement and design of the signs.

Other Regulatory Issues Related to Commercial Urban Agriculture

Development permits for buildings and structures

The need for a Development Permit for structures such as greenhouses, walk-in coolers and chicken coops in applicable areas was identified as a barrier to expanded commercial urban

agriculture. Nevertheless, such permits serve important purposes in regulating visual impacts from adjacent properties and the public realm. It is proposed that buildings and structures associated with commercial urban agriculture continue to require development permits, subject to OCP requirements. Later this month, Council will consider exemptions to certain types of development permits and delegation of approval authority. If approved, these changes may reduce the time and cost for the approval process for structures under 93 metres² (1000 square feet). Under the proposed changes, structures under 9.3 metres² (100 square feet) will not require a development permit.

Building permits

Urban farmers identified the need for a building permit for agriculture-related buildings and structures as a barrier, particularly for temporary plastic hoopouses. Currently, a building over 9.3 metres² (107 square feet) in size requires a building permit. After consideration by staff, it is proposed that the City continue to require a building permit for agriculture-related buildings and structures. Even for temporary structures, there are risks to life safety due to snow collapse or materials blowing around in heavy winds. The building permit process would provide needed oversight and regulation. Individual buildings and structures under 9.3 metres² (100 square feet) do not require a building permit.

Tax implications

Through consultation, some urban farmers have encouraged the City to adopt lower tax rates for commercial urban farms. In 2008, Council directed staff to amend the City's Revenue and Tax Policy so that farm class properties pay equivalent taxes as if they were residential class properties. This policy was introduced to mitigate the potential increase in tax burden to existing tax classes with commercial urban agriculture being added to the list of permitted home occupations in Schedule D of the *Zoning Regulation Bylaw*. Since 2008, no property in the City of Victoria has been classified as farm. After staff consideration, it is recommended that the City maintain the current policy with respect to farm class tax rates.

Properties under 8000m² with farm sales exceeding \$10,000 can be classified as a farm class property by BC Assessment Authority. Once classified as a farm, all land associated with farming, including the footprint of the farmer's dwelling (but not the dwelling itself), is classed as farm and valued solely based on soil capability, whether cultivated or not. While the assessment value is typically lower for farm class property, this can vary from property to property.

Urban farmers have encouraged the City to set a low farm tax rate to encourage the growth of commercial urban agriculture. However, more analysis is needed to carefully consider the tax impacts of expanded commercial urban agriculture, namely whether lower tax rates would indeed act as an incentive for more commercial urban farms, whether such an incentive is desirable and what the overall impact would be on other taxpayers, and to whom the tax burden would be redistributed.

Next Steps

Following Council's consideration of the proposed changes, a third and final phase of the Growing in the City project is to prepare bylaws for Council consideration and provide public outreach and engagement to support the recommended changes. Specific to the amendments proposed in this report, the final phase of this project will include:

- Council consideration of proposed regulatory amendments, including public consultation and a public hearing where applicable
- Developing educational materials to support commercial urban agriculture, including:
 - A food program identity on the City of Victoria website, including online forms, educational materials, policies and additional resources
 - Outreach materials and design examples for food production in multi-unit, mixed-use developments and other types of housing
 - Outreach materials and design examples that encourage compatibility of commercial urban agriculture operations with other land uses, such as rooftop greenhouses, farm stands and operations on vacant lands
 - Information materials to communicate requirements and responsibilities for commercial urban agriculture and farm stands, to be distributed as part of the business licence application process
 - Information regarding commercial urban agriculture opportunities and processes through the Business Hub
- Strengthening partnerships and aligning program goals, including:
 - Meeting with large landowners, including School District 61, Island Health, Greater Victoria Harbour Authority, faith-based organizations, and the Province of British Columbia to discuss opportunities and share information for encouraging community gardens or other urban agriculture initiatives in the City
 - Meeting with non-profit organizations and community groups with urban food agendas, to support networking, capacity-building, partnership development and program delivery goals.

Monitoring and Two-Year Review

Many of the regulatory amendments proposed in this report are new to Victoria and unique in a Canadian context. Monitoring will be important to determine the effectiveness and impact of the proposed regulatory changes, and whether adjustments are needed. It is proposed that staff establish a system to track urban agriculture activities, inquiries, calls for service and complaints. Staff would report back to Council after two years on effectiveness and benefits of any regulatory changes and recommend any needed adjustments.

The two-year review would also provide an opportunity to consider additional changes to support commercial urban agriculture. This will provide staff with the opportunity to monitor the level of interest and uptake in commercial urban agriculture over the first two years and provide a more accurate basis upon which to analyse the potential impacts of any further changes.

OPTIONS & IMPACTS

Option 1 (Recommended):

That Council direct staff to proceed with the amendments to the *Zoning Regulation Bylaw*, *Business Licence Bylaw*, *Sign Bylaw*, *Pesticide Regulation Bylaw* and *Official Community Plan*, as described in this report.

Option 2

That Council provide alternate direction to staff.

2015 – 2018 Strategic Plan

The recommended option is consistent with Objective 8: Enhance Public Spaces, Green Spaces and Food Systems, including the following actions:

2015 Actions

- Develop long-term policies for food security and boulevard gardening, including an inventory of City-owned land for food production and improved coordination of food systems resources and initiatives in the City.
- Allocate existing resources in Parks and other departments to implement food security initiatives.

2016 Actions

- Introduce new partnerships with citizens and groups to increase food cultivation on public and private land.

Impacts to the Financial Plan

Implementing the regulatory amendments associated with the recommended option will be completed using staff time and are not anticipated to result in impacts to the Financial Plan.

Permitting farm stands and commercial urban agriculture will require staff time for processing new Business Licence Applications. This will be met by existing staff capacity. New licences will generate nominal, incremental revenue.

The proposed regulations for commercial urban agriculture may create additional enforcement needs. While it is difficult to estimate how many people will be interested in establishing urban agriculture operations and the associated enforcement costs, it is anticipated that the impact will be low. Additional resource needs will be anticipated as part of the two year review.

Official Community Plan Consistency Statement

The proposed amendments support the OCP's objectives for a more food secure and sustainable urban food system. The proposed amendments seek to balance the desire for more commercial urban agriculture with restrictions that will limit impacts on adjacent land uses. The encouragement for commercial urban agriculture needs to consider the City's growth targets for new housing and development.

CONCLUSIONS

There is a strong desire by Victoria residents and urban farmers to enable and expand small-scale commercial urban agriculture. The proposed regulatory changes in this report are anticipated to remove barriers to small commercial urban agriculture operations, while imposing some restrictions to minimize the scale and potential negative impacts on neighbouring properties.

Respectfully submitted,



Kristina Bouris
Senior Planner
Community Planning Division

Att.



Jonathan Tinney, Director
Sustainable Planning and Community
Development

Report accepted and recommended by the City Manager:



Date: Feb. 18, 2016

List of Attachments

- Appendix A: Engagement Summary Report (Phase 1)
- Appendix B: Concerns Related to Commercial Urban Agriculture
- Appendix C: Regulatory Barriers Identified Through Interviews with Urban Farmers
- Appendix D: Engagement Summary Report (Phase 2)
- Appendix E: Public Feedback on Specific Proposed Amendments to Support Commercial Urban Agriculture.