

REPORTS OF COMMITTEES

1. Committee of the Whole – November 16, 2017

5. Zoning Regulation Bylaw Amendment: Schedule D- Home Occupations

Motion:

It was moved by Councillor Alto, seconded by Councillor Madoff, that Council:

1. Direct staff to prepare amendments to the *Zoning Regulation Bylaw* to update *Schedule D - Home Occupations* to increase the number of home occupations from one to three, provided only one home occupation has customers that visit the dwelling, and prohibit cannabis-related businesses.
2. Direct staff to report back within two years on any challenges and successes associated with this change or proposed additional amendments.

Carried Unanimously

5. STAFF REPORTS

5.1 Zoning Regulation Bylaw Amendment: Schedule D- Home Occupations

Committee received a report dated November 1, 2017, from the Director of Sustainable Planning and Community Development regarding amendments to the Zoning Regulation Bylaw in Schedule D.

Motion: It was moved by Councillor Alto, seconded by Councillor Lucas, that Council direct staff to prepare amendments to the *Zoning Regulation Bylaw* to update *Schedule D - Home Occupations* to increase the number of home occupations from one to three, provided only one home occupation has customers that visit the dwelling, and prohibit cannabis-related businesses.

Amendment: It was moved by Mayor Helps, seconded by Councillor Thornton-Joe, that the motion be amended to include the following:
Direct staff to report back in two years on any challenges and successes associated with the change.

Amendment to the amendment:
It was moved by Councillor Isitt, seconded by Mayor Helps, that the amendment be amended as follows:
Direct staff to report back within two years on any challenges, and successes, and proposed additional amendments associated with the change.

Committee discussed:

- Tax rates for residential and commercial buildings and the economic drivers for home businesses.

On the amendment to the amendment:
CARRIED UNANIMOUSLY 17/COTW

On the amendment:
CARRIED UNANIMOUSLY 17/COTW

Amendment: It was moved by Councillor Isitt, that the motion be amended to include the following:
Direct staff to provide BC Assessment Authority with the location of home based businesses for which licences have been issued on an annual basis.

MOTION FAILED DUE TO NO SECONDER

Amendment: It was moved by Councillor Isitt, seconded by Councillor Young, that the motion be amended to include the following:
Direct staff to report back on the implications and advisability of sharing data on the location of home-based businesses in the City of Victoria with the BC Assessment Authority on an annual basis, to ensure fair taxation of property used for commercial purposes.

Councillor Loveday withdrew from the meeting at 9:41 a.m. and returned at 9:41 a.m.

On the amendment:
DEFEATED 17/COTW

For: Councillors Isitt, Loveday, and Young
Against: Mayor Helps, Councillors Alto, Coleman, Lucas, and Thornton-Joe

Main motion as amended:

That Council:

1. Direct staff to prepare amendments to the *Zoning Regulation Bylaw* to update *Schedule D - Home Occupations* to increase the number of home occupations from one to three, provided only one home occupation has customers that visit the dwelling, and prohibit cannabis-related businesses.
2. Direct staff to report back within two years on any challenges, successes, and proposed additional amendments associated with the change.

On the main motion as amended:
CARRIED UNANIMOUSLY 17/COTW



Committee of the Whole Report For the Meeting of November 16, 2017

To: Committee of the Whole **Date:** November 1, 2017
From: Jonathan Tinney, Director of Sustainable Planning & Community Development
Subject: Zoning Regulation Bylaw Amendment: Schedule D – Home Occupations

RECOMMENDATION

That Council direct staff to prepare amendments to the *Zoning Regulation Bylaw* to update *Schedule D – Home Occupations* to increase the number of home occupations from one to three, provided only one home occupation has customers that visit the dwelling, and prohibit cannabis-related businesses.

EXECUTIVE SUMMARY

The purpose of this report is to present two proposed updates to the City's current regulations for home occupations. The first change relates to number of businesses permitted: the City regularly receives home-based business licence applications submitted by more than one resident of one dwelling, and a review of other jurisdictions reveals that, unlike Victoria, the majority permit more than one business. It is therefore recommended that the City allow up to three home occupations, provided that only one has customers visiting. Second, amendments are required to eliminate potential uncertainty regarding cannabis-related businesses operating in residential areas.

PURPOSE

The purpose of this report is to provide information and analysis to support proposed updates to the City's home occupation regulations.

BACKGROUND

I. Number of Businesses

As outlined in the Economic Development & Prosperity Action Plan, one of the main functions of the Business Hub is to 'make it easier to do business in Victoria'. One of the action items is, 'based on the input from customers, work with relevant City departments to expedite standard permitting and licensing process to accelerate and control costs relating to development application processes.' Inquiries to the Business Hub have been tracked since April 2016 to provide detailed information and trends to assist in realizing these goals. Home occupations continue to be the top area of interest for prospective and current business operators, with no indication of slowing down.

Inquiry Type	Number of Inquiries to Business Hub	
	2016 *Data collected from April 2016*	Jan 1, 2017 – Oct 31, 2017 *No data collected for April and weeks 1 & 2 of May*
New Business Inquiries	240	244
Home Occupation Inquiries	98 (41%)	99 (41%)

Home Occupation Licences	Number of Licences Issued	
	2016	Jan 1, 2017 – October 31, 2017
Home Occupation New	240	264
Home Occupation Renewal	674	684

Schedule D – Home Occupations of the *City of Victoria Zoning Regulation* states “not more than one person shall be engaged in a home occupation” and “No more than one home occupation shall be carried on in any dwelling unit.” However, this is not reflective of the current need and demand of Victoria home-based businesses.

II. Cannabis

A concern has been raised over the potential for some cannabis-related businesses to be located in residential areas in the guise of a home occupation. To eliminate uncertainty in this regard, Staff recommend adding cannabis-related businesses to the list of prohibited uses under home occupation regulations.

ISSUES AND ANALYSIS

I. Number of Businesses

Cross-Jurisdictional Scan

By reviewing the following municipalities' home occupation bylaws, we have determined our limit of one home occupation is not in alignment with current practices elsewhere.

Municipality	Number of Home Occupations	Other Requirements
District of Saanich	No maximum (for SFD) and 2 max for Multiple Dwellings Apt, Townhouses, and Condos	Combined commercial use of the dwelling unit must not exceed 20% and not have more than 2 clients or patrons on the premises at any one time
District of Central Saanich	No maximum	Combined commercial use must not exceed 25% of the gross floor area and no more than 2 clients or patrons of business on site at any one time (exception of daycare).

City of Richmond	No maximum	Be limited to a maximum of three clients on the premises at any one time.
Town of Sidney	No maximum	Commercial use does not exceed 20% of gross floor area (SFD), 15m ² in secondary suite, 13m ² in detached secondary dwelling and 35m ² in an accessory building, "high traffic" home occupations have no more than 2 customers in unit at any one time (exception of daycare).
City of Langford	No maximum	Only one licence permitted that involves having client on-site (parking regulations). Combined commercial use of the dwelling must not exceed 25% of the total floor area
Town of View Royal	Maximum three	Different levels, with conditions based on the maximum amount of space the business occupies and varying restrictions on the number of clients allowed on premise at any one time.
District of Oak Bay	Maximum of two	No visitors or clients to the house, except for music instruction and school tuition
City of Vancouver	Maximum of three	Up to three licenses for each dwelling type, but no more than one resident family member occupying the residence can be engaged in each of the businesses. No clients can attend the premises at any time.

Data Analysis

The Business Hub repeatedly encounters inquiries requesting Schedule D to be amended to allow for more than one home occupation per dwelling. These requests are most frequently from couples that both work as consultants, contractors or freelancers, and none of which see visitors to the home. Compounding this, we see similar environments in which couples also have grown children, either living at home, or returning home for the summer from university, and want to employ themselves as contractors or something similar. As the current bylaw is written, only one of the household residents is permitted to apply for a Home Occupation Business Licence. We view this as unnecessary red-tape that discourages citizens from appropriately registering their businesses, and significantly hinders the ability to make it easier to business in our City.

Parking Impacts

Given that home occupations are located in residential neighbourhoods, care must be taken to reduce parking and traffic impact on neighbouring residents. By continuing to limit the home occupation to only one that has any customers visiting the premises (e.g. hairdresser, massage therapist), traffic impacts are not anticipated to be further impacted with this amendment. Additionally, with an increasing number of services conveniently located close to homes, customers may choose to use home-based businesses within their own neighbourhood, potentially reducing the number and length of vehicle trips, and advancing the OCP goal to have "a minimum of 60% of all trips by Victoria residents take place by walking, cycling and public transit by 2041" (Section 7.30.2).

II. Cannabis

Although storefront cannabis retailers are prohibited in residential neighbourhoods, there are concerns that some cannabis-related business could potentially be located within residential neighbourhoods through the home occupation regulations. For instance, one of the permitted uses in Schedule D is mail order. Nuisance and security concerns could arise if an online cannabis dispensary with cannabis stored on-site is operating in a residential neighbourhood. In order to eliminate potential uncertainties, Staff recommend prohibiting cannabis-related businesses within the home occupation regulations by inserting "cannabis-related businesses" under the list of prohibited uses.

OPTIONS AND IMPACTS

Option 1 – Approve the proposed changes to Schedule D (Recommended)

These changes to Schedule D will bring Victoria in line with other municipalities and deliver on an initiative identified in the City's Economic Action Plan, making it easier to do business in Victoria and help to accelerate the development of a vibrant downtown; they will also prevent cannabis-related businesses from existing in residential neighbourhoods.

Option 2 – Decline the proposed changes

Not amending Schedule D as proposed, will leave the current regulations in place for the number of home occupations per dwelling restricted to one, and will keep open the potential for home based cannabis businesses.

Option 3 – Request amendments to the proposed changes

Council may choose to selectively approve parts of this proposal and decline or request amendments to other parts.

ALIGNMENT WITH CITY OBJECTIVES

Accessibility Impact Statement

There are no impacts to accessibility associated with the recommendations in this report.

2015 – 2018 Strategic Plan

Amending this bylaw is directly aligned with several of Victoria's strategic objectives:

- #1 Innovate and Lead
- #3 Strive for Excellence in Planning and Land Use
- #5 Create Prosperity through Economic Development

Impacts to Financial Plan

The recommended changes have no negative impact on the Financial Plan. If approved, there would likely be an increase in revenue due to business licence fees collected (\$100 per year per business).

Official Community Plan Consistency Statement

These updates to home occupation regulations are consistent with several objectives laid out in the Official Community Plan, particularly those in Section 14 – Economy:

- 14(a) That Victoria is more resilient to economic change through the strength of its core sectors, diversification, local business and community-based initiatives; section
- 14.5.3 Encourages and supports local ownership, business that use local resources, and social enterprise
- 14.11 Encourage and support economic activities that provide household sustaining jobs, and retain more community wealth in the community


CONCLUSIONS

The proposed updates to Schedule D – Home Occupations reflect the City of Victoria’s continued adaptation to the evolving nature of business in this community. Increasing the number of home occupations is an efficient way of advocating for our local economy, small businesses and residents working in the ever-evolving economic landscape here in the City of Victoria, while prohibiting home-based cannabis businesses will remove uncertainties when interpreting the *Zoning Regulation Bylaw*.

Respectfully submitted,




Quinn Anglin
Business Ambassador



Michael Angrove
Planner

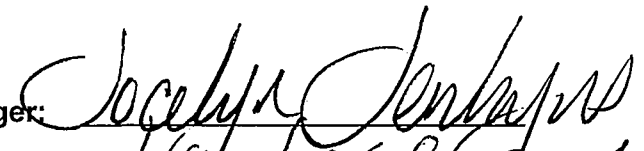


Kerri Moore
Manager, Strategic Relations & Business
Development



Jonathan Tinney
Director, Sustainable Planning &
Community Development

Report accepted and recommended by the City Manager:



Date: November 8, 2017

List of Attachments

1. Draft Amendment Bylaw 17-110

NO. 17-110

A BYLAW OF THE CITY OF VICTORIA

The purposes of this Bylaw are to amend the Zoning Regulation Bylaw by updating the home occupation provisions of Schedule D to allow more than one home occupation at single dwelling, provided only one of the home occupations has customers that would attend and park at the dwelling; and to prohibit cannabis-related businesses.

The Council of the Corporation of the City of Victoria, in an open meeting assembled, enacts the following provisions:\

- 1 This Bylaw may be cited as the "ZONING REGULATION BYLAW, AMENDMENT BYLAW (NO. 1123)".
- 2 Bylaw No. 80-159, the Zoning Regulation Bylaw, is amended in Schedule D – Home Occupations by:
 - (a) deleting the period at the end of section 6(2)(k) and replacing it with a semi-colon;
 - (b) inserting the following as the new section 6(2)(l):

"(l) cannabis-related business."; and
 - (c) deleting section 9 and replacing it with the following:

"9 No more than three home occupations shall be carried on in any one dwelling unit, provided that only one of the home occupations has customers that attend the dwelling unit."

READ A FIRST TIME the	day of	2017
READ A SECOND TIME the	day of	2017
Public hearing held on the	day of	2017
READ A THIRD TIME the	day of	2017
ADOPTED on the	day of	2017

CITY CLERK

MAYOR

Zoning Regulation Bylaw
Amendment

Schedule D – Home Occupation



Proposed Changes- Schedule D

- Increasing the number of home occupations permitted in a single dwelling unit from one to three
- Adding cannabis-related businesses to the list of prohibited businesses in the home occupation regulations



Inquires to the Business Hub

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* DATA COLLECTED FROM APRIL 2016

** NO DATA COLLECTED IN APRIL & FIRST 2 WEEKS OF MAY



Home Occupation Licences Issued

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Cross Jurisdictional Scan

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City of Richmond	No maximum
Town of Sidney	No maximum
City of Langford	No maximum
Town of View Royal	Maximum of three
District of Oak Bay	Maximum of two
City of Vancouver	Maximum of three