



## REFERRAL REPORT

Report Date: November 10, 2020  
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Meeting Date: November 24, 2020

TO: Vancouver City Council

FROM: General Manager of Planning, Urban Design and Sustainability

SUBJECT: Employment Lands and Economy Review Quick Start Actions:  
Initial Zoning and Development By-law Amendments to Support  
Neighbourhood Grocery Stores

### **RECOMMENDATION**

- A. THAT, the General Manager of Planning, Urban Design and Sustainability be instructed to make application to amend the Zoning and Development By-law, generally as set out in Appendix A in order to:
- (i) amend the Additional Regulations for Neighbourhood Grocery Store in Section 11.24 to (a) remove the requirement that these stores be "existing as of July 29, 1980"; (b) to clarify that Neighbourhood Grocery Stores are allowable uses in all RS, RT, and RM districts; and (c) to authorize additional review of applications for new neighbourhood grocery stores, generally as set out in Appendix B;
  - (ii) amend all residential District Schedules, with the exception of RA-1 and FM-1, to (a) ensure that Neighbourhood Grocery Store is a permitted use in the schedules; and, (b) remove the aforementioned date requirements associated with this use, generally as set out in Appendix B;
  - (iii) amend and streamline associated dwelling uses for Neighbourhood Grocery Stores, generally as set out in Appendix B.

FURTHER THAT the application be referred to a Public Hearing;

AND FURTHER THAT the Director of Legal Services be instructed to prepare the necessary by-laws for consideration at the Public Hearing.

- B. THAT Recommendation A be adopted on the following conditions:

- (i) THAT passage of the above resolutions creates no legal rights for any person, or obligation on the part of the City and any expenditure of funds or incurring of costs is at the risk of the person making the expenditure or incurring the cost;
  - (ii) THAT any approval that may be granted following the public hearing shall not obligate the City to enact any rezoning by-laws;
  - (iii) THAT the City and all its officials, including the Approving Officer, shall not in any way be limited or directed in the exercise of their authority or discretion, regardless of when they are called upon to exercise such authority or discretion.
- C. THAT Council receive for information an update on the anticipated next steps associated with advancing neighbourhood grocery stores and small scale neighbourhood commercial as part of the Complete, Connected, and Culturally Vibrant Neighbourhoods program within the Vancouver Plan process.

### **REPORT SUMMARY**

Council adopted the *Employment Lands and Economy Review Phase 2 Report: Emerging Directions for Consideration through the Vancouver Plan ("ELER Phase 2")* on October 22, 2020 to guide further research, policy and program development and inform the economic foundations of the Vancouver Plan process. As part of ELER Phase 2, Council also approved the implementation of five immediate quick start economic recovery actions requiring staff to report back with proposed by-law amendments for referral to Public Hearing. One of these actions was for the amendment of the Zoning and Development By-law to provide relief to certain issues faced by small neighbourhood grocery stores.

While legally conforming, Neighbourhood Grocery Stores operate within an area of heightened precariousness as a result of zoning regulations that require them to be "existing as of July 29, 1980." These and other regulations prevent new businesses, and further constrain dwelling uses associated with them. This report proposes amendments to the Zoning and Development By-law to reduce these restrictions.

This work is intended as one component of a program to enable the long-term health of small scale neighbourhood commercial businesses, and to support complete and food-friendly neighbourhoods. Further work is anticipated to take place through 2021 as part of the Vancouver Plan process, Complete Neighbourhoods program, and the Social Infrastructure Strategy.

### **COUNCIL AUTHORITY/PREVIOUS DECISIONS**

**September 11, 1979:** Council approved staff recommendations to allow Neighbourhood Grocery Stores as a conditional use in residential zoning districts.

**July 29, 1980:** Council approved Bylaw #5369, amending the Zoning and Development Bylaw to include a definition of Neighbourhood Grocery Stores.

**January 2013:** Council approved the Vancouver Food Strategy, which calls for increased access to healthy food retail options, including healthy corner stores.

**July 2016:** Council approved the Grandview-Woodland Community Plan, which included recommendations to support small-scale neighbourhood retail located in residential areas, and further identified opportunities for “deactivated” retail sites (former grocery stores).

**April 5, 2016:** Council approved amendments to the Zoning and Development By-law to amend the definition for Neighbourhood Grocery Store in order to permit the selling and serving of prepared food as an ancillary use.

**April 2019:** Council approved the Climate Emergency Response Report, which included “Six Big Moves” - including “Big Move #1”: “adopt the target that by 2030, 90 per cent of people live within an easy walk/roll of their daily needs.”

**June 24, 2020:** Council approved a motion entitled, Corner Stores in 21st Century Vancouver: Achieving Complete Communities and Food-Friendly Neighbourhoods, which directed staff to report back with an “overview of early actions and potential policy directions Council could pursue ... with respect to promoting food-friendly and local store supported neighbourhoods.”

**October 6, 2020:** Council endorsed the Vancouver Plan Provisional Goals, including one entitled “Create Complete, Connected, and Culturally Vibrant Neighbourhoods.” Council further directed staff to “consider ways or forums to enable enhanced involvement and leadership of Council on a limited number of issues especially related to ‘complete communities’ ... that could result in “quick start” actions or pilot projects, including: ... corner grocery stores and food-friendly neighbourhoods.”

**October 22, 2020:** Council approved the Employment Lands and Economy Review, and passed a motion directing staff, as part of quick start ELER actions, “to report back with proposed by-law amendments for consideration for referral to public hearing to ... support existing and new small neighbourhood grocery stores.”

## ***CITY MANAGER'S COMMENTS***

The present report sets out initial quick start actions related to neighbourhood grocery stores, as well as details of future work to support small-scale neighbourhood commercial more broadly. The approach is consistent with approved Vancouver Plan goals of “Creating Complete, Connected, and Culturally Vibrant Neighbourhoods,” and further supports the City’s objectives around improving access to daily needs outlined in Big Move #1 of the Climate Emergency Response. Lastly, the quick starts provide an initial response to recently approved Council motions related to Corner Grocers and Food Friendly Neighbourhoods, and the Employment Lands and Economy Review. As such, the City Manager recommends approval of the foregoing.

## ***REPORT***

### ***Background/Context***

Launched in January 2019, the Employment Lands and Economy Review is a major research and stakeholder engagement initiative designed to inform the economic foundations of the

Vancouver Plan process. Since the onset of COVID-19 in March 2020, the work program for the ELER has shifted to incorporate emergency response initiatives that support workers and employers as well as identification of short-term recovery actions that the City can take to support economic recovery following the pandemic.

Small neighbourhood grocery stores in residential neighbourhoods are in a precarious situation which has been exacerbated by the COVID-19 pandemic. Current Zoning and Development By-law regulations (s.11) include date clause restrictions that limit any new Neighbourhood Grocery Stores from opening, and which further constrain existing businesses should they willingly close for a prolonged period of time. The By-law imposes further limitations on dwelling uses associated with these structures.

As a first stage of a broader response to support corner grocers and other small-scale neighbourhood commercial enterprises, staff are bringing forward by-law amendments that rectify these issues, creating opportunities for new Neighbourhood Grocery Stores, as well as a more supportive regulatory environment for existing Neighbourhood Grocery stores. These changes are attached herein as Appendix A (bylaw) and Appendix B (table of changes) and are required to be scheduled for public hearing.

### 1. Overview of Small-Scale Neighbourhood Commercial Businesses and Neighbourhood Grocery Stores

Small-scale neighbourhood commercial enterprises, including corner shops, have a rich history in Vancouver's urban landscape. Typically located in the interior of residential areas, away from the city's commercial high streets, these businesses have long been the source of neighbourhood-serving goods, services, and specialty items.

Owing to a variety of factors, including early regulatory changes, macro-economic and demographic factors, the number of small-scale neighbourhood commercial services has declined from approximately 260 in the 1920s to approximately 90 such businesses today.<sup>1,2</sup>

In 1979-80, following concern about the declining number of these businesses, the Neighbourhood Grocery Store definition was added to the Zoning and Development By-law and District Schedules. The definition came with a date-specific limitation that required stores, and the dwelling uses associated with them, to be in existence prior to the date of enactment – July 29, 1980. Further, the definition only applied to stores that sold groceries and other ancillary convenience goods.

A variety of dwelling uses associated with Neighbourhood Grocery Stores were created at the same time. As set out in the Zoning and Development Bylaw and district schedules, these permit one, two, or an unspecified number of dwelling units depending on the zone in question.

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<sup>1</sup> Jacqueline Hunter. *Small-scale neighbourhood retail in Vancouver: An inventory of stores and an assessment of opportunities*. Greenest City Scholar Report. August 2019.

<sup>2</sup> Research indicates approximately 95 deactivated small-scale commercial sites remain in residentially-zoned areas, while upwards of approximately 295 have been demolished in residentially-zoned areas over the past 100 years. The term “deactivated site” was introduced in the Grandview-Woodland Community Plan to refer to sites where a building that had originally been designed for a small scale neighbourhood commercial use had been repurposed for another use – typically residential. See also: Sarah Cullingham. *Fine-Grain Commercial Land Use in Grandview-Woodland (1900-1979)*. March 2013.

As with the overall definition, they also require an associated dwelling (or dwellings) to have been “existing as of July 29, 1980.”

The date limitation effectively meant that businesses that met the other tenets of the Neighbourhood Grocery Store definition (in 1980) would be considered legally conforming – but that that no new Neighbourhood Grocery Stores could be created in residentially zoned areas. A further implication of the date constraint is that any Neighbourhood Grocery Store that willingly closed for a period of longer than six months could face difficulty in re-opening because of section 568 of the Vancouver Charter, which reads in part:

*...[I]f such non-conforming use is discontinued for a period of ninety days, any future use of those premises shall be in conformity with the provisions of the by-law. The Board of Variance may extend the aforesaid period of 90 days to a maximum of 180 days.<sup>3</sup>*

In 2016, recognizing the changing nature of retail offerings in these types of stores, some initial work was undertaken to update the Neighbourhood Grocery Store definition. However, while the 2016 revisions modernized certain aspects of the uses associated with the stores, they maintained the use of the original July 1980 enactment date as part of the section 11 regulations and associated residential District Schedules.

Today, based on an analysis of license data, staff estimate that Neighbourhood Grocery Stores account for approximately 40% (34 of 88) small-scale commercial businesses that currently exist in residentially zoned neighbourhoods. The remaining 60% of these businesses are comprised of a variety of types of business, including other types of retail, restaurants, health & beauty services, and office uses). Staff estimate that at least 80% of the active Neighbourhood Grocery Store buildings have residential dwellings associated with them.

In summary, while less precarious than non-conforming small-scale commercial uses, Neighbourhood Grocery Stores have continued to operate in a more tenuous regulatory environment than retail uses operating in commercially zoned areas. Moreover, given the considerable uncertainty wrought by COVID-19, it can reasonably be surmised that this state of precarity (i.e. potential interruptions to and/or closure of business) has increased.<sup>4</sup> While anecdotal evidence suggests that corner stores have played a valuable role in allowing residents to access daily needs, the limitations of the Neighbourhood Grocery Store definition means that a prolonged interruption in business operations could serve to exacerbate an already challenging business environment for these stores.

A longer backgrounder on the history and development of Small-Scale Neighbourhood-Serving Commercial, and Neighbourhood Grocery Stores, can be found in Appendix C of the present report.

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<sup>3</sup> Vancouver Charter. Section 568: Non-conforming use. Link: [https://www.bclaws.ca/civix/document/id/complete/statreg/vanch\\_28#section568](https://www.bclaws.ca/civix/document/id/complete/statreg/vanch_28#section568).

<sup>4</sup> Staff have identified one Neighbourhood Grocery Store that has closed during the period of COVID; however, the specific motivations behind this closure are unknown.

## **Strategic Analysis**

Overall, the research and engagement work undertaken in Phase 2 of the ELER has found that COVID-19 is amplifying and reinforcing the key economic challenges identified throughout Phase 1 of the project. The work program for the ELER has been updated to respond to the COVID-19 crisis and Council approved the implementation of an immediate quick start recovery action to support for small neighbourhood grocery stores.

Neighbourhood grocery stores, along with other small-scale neighbourhood-serving businesses, continue to play an important role in enabling Vancouverites to access daily and weekly needs. These stores support an array of policy objectives, and provide colour and texture to the character of the city's neighbourhoods. At the same time, the regulatory environment in which they exist adds further constraints and limitations into an already challenging entrepreneurial environment.

Initial planning work in the 1980s sought to provide a means to recognize the important role of corner grocery stores in particular, and subsequent regulatory updates (in 2016) and policy programs (such as the Grandview-Woodland Community Plan) have sought to further support these businesses. Over the past year and a half, staff have also undertaken work to document the array of small-scale neighbourhood commercial sites in existence around the city. At the site-specific level, several rezonings and heritage-linked initiatives (including Caffe La Tana on Commercial Drive, and Cardero Grocery in the West End) have reinforced the need to develop a broader array of tools with which to support small-scale businesses in the Vancouver's residentially zoned areas.

Recent Council-approved motions, as well as the overall Employment Lands and Economy Review, have sharpened the focus and brought renewed attention to Neighbourhood Grocery Stores in particular. These seek to both reducing the precariousness of existing businesses, and to provide opportunities for new stores.

The initial recommendations outlined below are intended as "Quick Start Actions" in keeping with Council directions coming out of the Employment Lands and Economy Review. These actions are meant to set the stage for further work to support existing and new small-scale corner stores and other types of neighbourhood-serving commercial within the broader context of the Vancouver Plan. The recommendations are paraphrased below, along with the associated rationale for each. The full text of the proposed bylaw changes is outlined in Appendices A and B.

### **Key Recommendation A(i) – Remove the "Existing as of" Requirement associated with Neighbourhood Grocery Store Regulations**

As a "quick start" to efforts to support Neighbourhood Grocery Stores, staff recommend amending the section 11 Additional Regulations associated with the Neighbourhood Grocery Store use to remove the requirement that stores need to have been "existing as of July 29, 1980" (s.11.24.1). Striking the date limitation will have the dual effect of (a) reducing some of the uncertainty associated with unanticipated business closures; and, (b) allowing applications for new small-scale Neighbourhood Grocery Stores in RS, RT, and RM-zoned residential neighbourhoods. Applications would be reviewed based on the other regulations set out in the relevant zones and permitting processes, and would need to follow all other related regulations, including those set out in the Building By-law, License By-law and Sign Bylaw.

Staff are further proposing to amend 11.24.1 to clarify that Neighbourhood Grocery Stores are not a permitted use in the RA-1 zone. While considered a residential zone under the City's Zoning and Development By-law, RA-1 zoned lands in the Southlands area are located within the ALR and therefore subject to the Provincial Agricultural Land Commission (ALC) Act & Regulations. A Neighbourhood Grocery Store and associated residential unit(s) are considered non-farm uses, and as such, would require approval from the Agricultural Land Commission to locate within the ALR.

In consultation with staff in Development, Building & Licensing, minor additions to Section 11.24.6 are also proposed in order to provide staff with additional discretion to review applications for their "proposed delivery, loading and goods movement program." This addition compliments other regulations that require the Director of Planning to notify surrounding property owners and residents, and to consider matters related to building design and the associated garbage and recycling program. It is anticipated that this will provide sufficient coverage to enable the review and processing of any applications that may be received. (Staff note that, as part of future stages of work to support small-scale neighbourhood commercial, consideration may be given to the creation of broader guidelines or policy that could compliment the s.11.24 regulations).

**Recommendation A (ii) - Ensure that Neighbourhood Grocery Store is a listed use in all residential zones, except RA-1 and FM-1 and, (b) remove the aforementioned date requirements associated with this use.**

As noted, the Additional Regulations outlined in s.11.24.1 of the Zoning and Development By-law, set out that Neighbourhood Grocery Stores "are permitted in any R district except the FM-1 District." In addition to the general amendments outlined in Recommendation A(i), six residential District Schedules – RA-1, RS-1B, RS-3, RS-3A, RM-11/N and RM-12N – do not currently have the use listed. Staff propose adding Neighbourhood Grocery Store as a conditional permitted use in these zones, *excepting RA-1*. The proposed conditional use is consistent with most, but not all, of the other residential schedules.

Where Neighbourhood Grocery Stores and associated Dwelling Unit(s) are listed in residential District Schedules, the use is almost always accompanied with the requirement that they be "existing as of July 29, 1980."<sup>5</sup> Consistent with the first recommendation, staff propose removing the date requirement in order to clarify that both existing and new Neighbourhood Grocery Stores will be allowed in all residential zones.

**Recommendation A (iii) - Streamline associated dwelling allowances for Neighbourhood Grocery Stores**

Changes to single-family and duplex zoning over the past number of years has increased the array of housing choice available in these districts (e.g. with the addition of secondary and lock-off suites, MCD and infill dwellings, laneway housing, and two-family options in RS-zones). However, the specific options associated with neighbourhood grocery stores have remained unchanged since the definition was first developed in 1980. Further, the presence of an additional set of regulations related to Neighbourhood Grocery Store dwelling uses – where the

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<sup>5</sup> One residential zone, RM-6, does not have the July 29, 1989 date limitation.

maximum number of dwellings and their placement and configuration are already established within District Schedules – is both redundant and creates some measure of conflict.

Staff are proposing to streamline residential allowances associated with Neighbourhood Grocery Stores, so that all such stores can have “associated dwelling units.” Combining the different approaches currently taken will provide greater flexibility and consistency in the configuration of dwellings associated with Neighbourhood Grocery stores.

The intent of this recommendation is to eliminate the current specificity tied to the number of dwelling units associated with the Neighbourhood Grocery Store use. It is important to note that this would not allow more units on a given site than would be otherwise enabled through the prevailing district schedule. Associated dwellings will still need to comply with the other dwelling requirements set out in a given zone, but the overall dwelling opportunities in the grocery store will align with other types of residential allowances set out in a given zone.

In addition to providing greater clarity and consistency, a secondary benefit is the creation of a modest opportunity to increase the housing options that current exist with Neighbourhood Grocery Stores. For example, under the proposed regulations, a store that is currently allowed one associated dwelling could potentially have two or more suites, provided all other provisions of the District Schedule and Building Bylaw are met.

The proposed change would revise the following five variants of associated dwelling use and streamline them into one: “Dwelling Units in conjunction with a Neighbourhood Grocery Store” (similar to that used in the RM-3, 3, 3A, 4 and 5 zones, but without the date limitation).

Dwelling Unit in conjunction with a neighbourhood grocery store existing as of July 29, 1980	RS-1, RS-1A, RS-5, RS-6
Dwelling Units, up to a maximum of two, in conjunction with a neighbourhood grocery store existing as of July 29, 1980.	RS-2, RS-7, RT-1, RT-2, RT-3, RT-4, RT-5/N, RT-6, RT, 7, RT-8, RT-9, RT-10/N, RT-11/N, RM-1/N, RM-7 (all), RM-8 (all), RM-9 (all), RM-10 (all)
Dwelling Units in conjunction with a neighbourhood grocery store existing as of July 29, 1980	RM-2, RM-3, RM-3A, RM-4,
Dwelling Units in conjunction with a neighbourhood grocery store, or with a Laundromat or Dry Cleaning Establishment existing as of September 26, 1989. <sup>6</sup>	RM-5A, RM-5B, RM-5C, RM-5D
No Associated Dwelling Use	RS-1B, RS-3, RS-3A, RM-6, RM-11/N, RM-12N

In addition, the five residential District Schedules<sup>7</sup> that did not have a listed Neighbourhood Grocery Store use (RS-1B, RS-3, RS-3A, RM-11/N and RM-12N), also do not contain allowances for related dwellings. Consistent with the general streamlining of residential opportunities, staff propose adding the dwelling units associated with a Neighbourhood Grocery Store as a conditional use.

<sup>6</sup> Proposed changes for the RM-5 suite of zones include separating out the Dwelling Unit requirements associated with Neighbourhood Grocery Store from those associated with a Laundromat or Drycleaning Establishment.

<sup>7</sup> As noted in the previous section, this list excludes RA-1.



### ***Next Steps (overview) – For Information***

Pending Council approval of this first “Quick Start” phase of activity, staff will proceed with other work in support of neighbourhood grocery stores and other small-scale neighbourhood commercial businesses as part of the Vancouver Plan process, Complete Neighbourhoods program. Concurrent to the work program described below, opportunities to increase neighbourhood food amenities and infrastructure will also be identified through Vancouver Plan’s Complete Neighbourhoods policy work and through the Social Infrastructure Strategy. Additionally, staff anticipate bringing forward a review and recommended bylaw amendments in 2021 to better support urban farming including neighbourhood scale class A farms.

#### ***Phase 2: Near-term Opportunities – Small-scale Neighbourhood Commercial in Existing Buildings (Q4 2020 – Q3 2021)***

This phase of activity will include actions that will assess additional near-term opportunities for neighbourhood grocery store uses, as well as other types of existing small-scale neighbourhood commercial businesses. As it will explore changes to existing land use, it will be informed by public consultation. Among the proposed activities:

1. Exploration of current non-conforming commercial uses in residential-zoned areas – and testing acceptability of these uses in neighbourhoods.
2. Testing of further revisions to the neighbourhood grocery store definition – and particular consideration of (1) alcohol sales in conjunction with the sale of prepared foods; (2) on-site farm stand sales in conjunction with local farms.
3. Consideration of other non-commercial uses to support social and cultural objectives – e.g. use of space for non-profits, cultural associations, galleries, etc.
4. Review of known deactivated commercial sites, and an assessment of the potential for agreed-upon “neighbourhood serving” uses to take place in these sites.
5. Assessment of other policy, zoning and licensing changes to support small-scale neighbourhood commercial uses.

#### ***Phase 3: Exploring New Small-scale Neighbourhood Commercial Typologies (Anticipated to start in 2021)***

The third stage of work would build on learnings from the first two phases with a focus on supporting the development of new small-scale commercial sites. Three general activities are proposed. They would be developed in greater detail as part of Phase II activities and in concert with other Vancouver Plan - Complete Neighbourhoods activities.

1. Exploration of new building typologies and configurations for delivering small-scale neighbourhood serving commercial uses in residential areas – along with related opportunities for housing and amenities.
2. Assessment of other interventions that could further enhance the area around small-scale neighbourhood commercial buildings – e.g. placemaking and public space opportunities, street use, etc.
3. Identification of other programmatic or regulatory changes to support new and existing neighbourhood-serving commercial uses in residential areas.

Engagement activities during these subsequent phases of work will involve outreach to community members, business and property owners, and relevant stakeholders (including City Advisory Committees, business associations, food security and heritage organizations). Related

work will also support the Council motion of October 6, 2020, directing staff to “consider ways or forums to enable enhanced involvement and leadership of Council on a limited number of issues especially related to ‘complete communities’ ... that could result in “quick start” actions or pilot projects, including: ... corner grocery stores and food-friendly neighbourhoods.”

### ***Financial Implications***

Implementation of the proposed recommendations will be undertaken with existing budgets and personnel.

### ***CONCLUSION***

Given their size, location, and lower levels of foot traffic, there is an inherent precariousness to Neighbourhood Grocery Stores businesses that has only been exacerbated by COVID-19. That being said, many are popular with community members, providing an array of neighbourhood-serving goods and services as well as contributing to neighbourhood character and identity. Such small-scale businesses both complement, and provide an alternative to, larger high street shopping areas or commercial nodes.

In October 2016, Council approved the initiation of measures, including minor zoning amendments, to support Neighbourhood Grocery Stores uses as an ELER Quick Start. This report seeks Council approval to refer to public hearing a proposal to amend the Zoning and Development By-law to support existing and new Neighbourhood Grocery Store businesses, and to take further step forward in strengthening these businesses as part of complete, connected, culturally-vibrant and walkable neighbourhoods across Vancouver. Further exploration of opportunities to enhance neighbourhood serving stores will be explored and reported back to Council as part of the Vancouver Plan process - Complete Neighbourhoods policy work.

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**DRAFT By-law to amend  
Zoning and Development By-law No. 3575  
regarding Neighbourhood Grocery Store**

*Note: A By-law will be prepared generally in accordance with the provisions listed below, subject to change and refinement prior to posting.*

THE COUNCIL OF THE CITY OF VANCOUVER, in public meeting, enacts as follows:

1. This By-law amends the indicated provisions of the Zoning and Development By-law.
2. In section 11.24.1 Council strikes “existing as of July 29, 1980” and adds “and the RA-1 District” after “FM-1 District”.
3. In section 11.24.6, Council strikes the “and” following 11.24.6 (b) (ii), and replaces 11.24.6 (b) (iii) with the following:
  - “(iii) the proposed delivery, loading and goods movement program, and
  - (iv) the impact on adjacent property owners and residents of a proposed building addition or solid waste program.”
4. In the RS-1B, RS-3 and RS-3A, RM-6, RM-11 and RM-11N and RM-12N District or Districts Schedules, Council adds to section 3.2.DW, in correct alphabetical order “● Dwelling Units in conjunction with a Neighbourhood Grocery Store”.
5. In the RS-1B, RS-3 and RS-3A, RM-11 and RM-11N and RM-12N District or Districts Schedules, Council adds to section 3.2.R, in correct alphabetical order “● Neighbourhood Grocery Store”.
6. In the RS-1, RS-1A, RS-2, RS-5, RS-6, RT-1, RT-2, RT-3, RT-4, RT-4A, RT-4N and RT-4AN, RT-5 and RT-5N, RT-6, RT-7, RT-8, RT-9, RT-10 and RT-10-N, RT-11 and RT-11N, RM-1 and RM-1N, RM-2, RM-3, RM-3A, RM-4 and RM-4N, RM-5, RM-5A, RM-5B, RM-5C and RM-5D, RM-7, RM-7N and RM-7AN, and RM-8, RM-8A, RM-8N and RM-8AN, and RM-9, RM-9A, RM-9N, RM-9AN and RM-9BN, and RM-10 and RM-10N District or Districts Schedules, Council strikes “Neighbourhood Grocery Store existing as of July 29, 1980.”, and replaces it with “Neighbourhood Grocery Store”.
7. In the RS-1, RS-1A, RS-5, RS-6, RM-2, RM-3, RM-3A, RM-4 and RM-4N District or Districts Schedules, Council strikes “Dwelling Unit in conjunction with a neighbourhood grocery store existing as of July 29, 1980.”, and replaces it with “Dwelling Units in conjunction with a Neighbourhood Grocery Store”.
8. In the RS-2, RT-1, RT-2, RT-3, RT-4, RT-4A, RT-4N and RT-4AN, RT-5 and RT-5N, RT-6, RT-7, RT-8, RT-9, RT-10 and RT-10-N, RT-11 and RT-11N, and RM-1 and RM-1N District of Districts Schedule, Council strikes “Dwelling Units, up to a maximum of two, in conjunction with a neighbourhood grocery store existing as of July 29, 1980.”, and replaces it with “Dwelling Units in conjunction with a Neighbourhood Grocery Store”.

9. In the RS-7 District Schedule, Council strikes “Dwelling Units, up to a maximum of two, in conjunction with a neighbourhood grocery store existing as of July 29, 1980, subject to the provisions of section 11.16 of this By-law.”, and replaces it with “Dwelling Units in conjunction with a Neighbourhood Grocery Store.”.
10. In the RS-7 District Schedule, Council strikes “Neighbourhood Grocery Store existing as of July 29, 1980, subject to the provisions of section 11.16 of this By-law.”, and replaces it with “Neighbourhood Grocery Store.”.
11. In the RM-5, RM-5A, RM-5B, RM-5C and RM-5D Districts Schedule, Council strikes “Dwelling Units in conjunction with a neighbourhood grocery store, or with a Laundromat or Dry Cleaning Establishment existing as of September 26, 1989.”, and replaces it with “Dwelling Units in conjunction with a Neighbourhood Grocery Store.” and “● Dwelling Units in conjunction with a Laundromat or Dry Cleaning Establishment existing as of September 26, 1989.”
12. In the RM-7, RM-7N and RM-7AN, RM-8, RM-8A, RM-8N and RM-8AN, RM-9, RM-9A, RM-9N, RM-9AN and RM-9BN, and RM-10 and RM-10N Districts Schedules, Council strikes “Dwelling Units, up to a maximum of two, in conjunction with a Neighbourhood Grocery Store existing as of July 29, 1980.”, and replaces it with “Dwelling Units in conjunction with a Neighbourhood Grocery Store”.

**Neighbourhood Grocery Stores  
Zoning and Development Bylaw Changes & Guidelines Changes (for consideration)**

**Zoning and Development Bylaw – Strike and Replace – Table of Changes**

Z&D Chapter or Schedule	Section	Strike	Replace/Add
s.11	11.24.1	Neighbourhood grocery stores <del>existing as of July 29, 1980</del> are permitted in any R district except the FM-1 district.	Neighbourhood grocery stores are permitted in any R district except the FM-1 <del>and RA-1</del> districts.
s.11	11.24.6	Before granting a development permit, the Director of Planning must: (a) notify surrounding property owners and residents; and (b) consider: (i) the design of any proposed building addition, (ii) the proposed solid waste program for collecting, storing and disposal of garbage and recycling, <del>and</del> (iii) the impact on adjacent property owners and residents of a proposed building addition or solid waste program	Before granting a development permit, the Director of Planning must: (a) notify surrounding property owners and residents; and (b) consider: (i) the design of any proposed building addition, (ii) the proposed solid waste program for collecting, storing and disposal of garbage and recycling, (iii) the proposed delivery, loading and goods movement program, and (iv) the impact on adjacent property owners and residents of a proposed building addition or solid waste program
RS-1	3.2DW	Dwelling <del>Unit</del> in conjunction with a neighbourhood grocery store <del>existing as of July 29, 1980.</del>	Dwelling <b>Units</b> in conjunction with a neighbourhood grocery store.
	3.2R	Neighbourhood Grocery Store <del>existing as of July 29, 1980.</del>	Neighbourhood Grocery Store.
RS-1A	3.2.DW	Dwelling <del>Unit</del> in conjunction with a neighbourhood grocery store <del>existing as of July 29, 1980.</del>	Dwelling <b>Units</b> in conjunction with a neighbourhood grocery store.
	3.2.R	Neighbourhood Grocery Store <del>existing as of July 29, 1980.</del>	Neighbourhood Grocery Store.
RS-1B	3.2.DW		<b>Dwelling Units in conjunction</b>

Z&D Chapter or Schedule	Section	Strike	Replace/Add
			with a neighbourhood grocery store.
	3.2.R		Neighbourhood Grocery Store.
RS-2	3.2.DW	Dwelling Units, <del>up to a maximum of two,</del> in conjunction with a neighbourhood grocery store existing as of July 29, 1980.	Dwelling Units in conjunction with a neighbourhood grocery store.
	3.2.R	Neighbourhood Grocery Store <del>existing as of July 29, 1980.</del>	Neighbourhood Grocery Store.
RS-3 and RS-3A	3.2.DW		Dwelling Units in conjunction with a neighbourhood grocery store.
	3.2.R		Neighbourhood Grocery Store.
RS-5	3.2.1.DW	Dwelling <del>Unit</del> in conjunction with a neighbourhood grocery store <del>existing as of July 29, 1980.</del>	Dwelling <del>Units</del> in conjunction with a neighbourhood grocery store.
	3.2.1.R	Neighbourhood Grocery Store <del>existing as of July 29, 1980.</del>	Neighbourhood Grocery Store.
RS-6	3.2.DW	Dwelling <del>Unit</del> in conjunction with a neighbourhood grocery store <del>existing as of July 29, 1980.</del>	Dwelling <del>Units</del> in conjunction with a neighbourhood grocery store.
	3.2.R	Neighbourhood Grocery Store <del>existing as of July 29, 1980.</del>	Neighbourhood Grocery Store.
RS-7	3.2.1.DW	Dwelling Units, <del>up to a maximum of two,</del> in conjunction with a neighbourhood grocery store <del>existing as of July 29, 1980, subject to the provisions of section 11.16 of this By-law.</del>	Dwelling Units in conjunction with a neighbourhood grocery store.
	3.2.1.R	Neighbourhood Grocery Store <del>existing as of July 29, 1980, subject to the provisions of section 11.16 of this By-law.</del>	Neighbourhood Grocery Store.
RT-1	3.2.DW	Dwelling Units, <del>up to a maximum of two,</del> in conjunction with a neighbourhood grocery store <del>existing as of July 29, 1980.</del>	Dwelling Units in conjunction with a neighbourhood grocery store.
	3.2.R	Neighbourhood Grocery Store	Neighbourhood Grocery

Z&D Chapter or Schedule	Section	Strike	Replace/Add
		<del>existing as of July 29, 1980.</del>	Store.
RT-2	3.2.DW	Dwelling Units, <del>up to a maximum of two,</del> in conjunction with a neighbourhood grocery store <del>existing as of July 29, 1980.</del>	Dwelling Units in conjunction with a neighbourhood grocery store.
	3.2.R	Neighbourhood Grocery Store <del>existing as of July 29, 1980.</del>	Neighbourhood Grocery Store.
RT-3	3.2.DW	Dwelling Units, <del>up to a maximum of two,</del> in conjunction with a neighbourhood grocery store <del>existing as of July 29, 1980.</del>	Dwelling Units in conjunction with a neighbourhood grocery store.
	3.2.R	Neighbourhood Grocery Store <del>existing as of July 29, 1980.</del>	Neighbourhood Grocery Store.
RT-4, RT-4A, RT-4N and RT-4AN	3.2.1.DW	Dwelling Units, <del>up to a maximum of two,</del> in conjunction with a neighbourhood grocery store <del>existing as of July 29, 1980.</del>	Dwelling Units in conjunction with a neighbourhood grocery store.
	3.2.1.R	Neighbourhood Grocery Store <del>existing as of July 29, 1980.</del>	Neighbourhood Grocery Store.
RT-5	3.2.1.DW	Dwelling Units, <del>up to a maximum of two,</del> in conjunction with a neighbourhood grocery store <del>existing as of July 29, 1980.</del>	Dwelling Units in conjunction with a neighbourhood grocery store.
	3.2.1.R	Neighbourhood Grocery Store <del>existing as of July 29, 1980.</del>	Neighbourhood Grocery Store.
RT-6	3.2.DW	Dwelling Units, <del>up to a maximum of two,</del> in conjunction with a neighbourhood grocery store <del>which was existing as of July 29, 1980.</del>	Dwelling Units in conjunction with a neighbourhood grocery store.
	3.2.R	Neighbourhood Grocery Store <del>existing as of July 29, 1980.</del>	Neighbourhood Grocery Store.
RT-7	3.2.DW	Dwelling Units, <del>up to a maximum of two,</del> in conjunction with a neighbourhood grocery store <del>existing as of July 29, 1980.</del>	Dwelling Units in conjunction with a neighbourhood grocery store.
	3.2.R	Neighbourhood Grocery Store <del>existing as of July 29, 1980.</del>	Neighbourhood Grocery Store.
RT-8	3.2.DW	Dwelling Units, <del>up to a maximum of two,</del> in conjunction	Dwelling Units in conjunction with a neighbourhood grocery

Z&D Chapter or Schedule	Section	Strike	Replace/Add
		with a neighbourhood grocery store <del>existing as of July 29, 1980.</del>	store.
	3.2.R	Neighbourhood Grocery Store <del>existing as of July 29, 1980.</del>	Neighbourhood Grocery Store.
RT-9	3.2.DW	Dwelling Units, <del>up to a maximum of two,</del> in conjunction with a neighbourhood grocery store <del>existing as of July 29, 1980.</del>	Dwelling Units in conjunction with a neighbourhood grocery store.
	3.2.R	Neighbourhood Grocery Store <del>existing as of July 29, 1980.</del>	Neighbourhood Grocery Store.
RT-10 and RT-10N	3.2.DW	Dwelling Units, <del>up to a maximum of two,</del> in conjunction with a neighbourhood grocery store <del>existing as of July 29, 1980.</del>	Dwelling Units in conjunction with a neighbourhood grocery store.
	3.2.R	Neighbourhood Grocery Store <del>existing as of July 29, 1980.</del>	Neighbourhood Grocery Store.
RT-11	3.2.DW	Dwelling Units, <del>up to a maximum of two,</del> in conjunction with a Neighbourhood Grocery Store <del>existing as of July 29, 1980.</del>	Dwelling Units in conjunction with a neighbourhood grocery store.
	3.2.R	Neighbourhood Grocery Store <del>existing as of July 29, 1980.</del>	Neighbourhood Grocery Store.
RM-1 and RM-1N	3.2.DW	Dwelling Units, <del>up to a maximum of two,</del> in conjunction with a Neighbourhood Grocery Store <del>existing as of July 29, 1980.</del>	Dwelling Units in conjunction with a neighbourhood grocery store.
	3.2.R	Neighbourhood Grocery Store <del>existing as of July 29, 1980.</del>	Neighbourhood Grocery Store.
RM-2	3.2.DW	Dwelling Units in conjunction with a neighbourhood grocery store <del>existing as of July 29, 1980.</del>	Dwelling Units in conjunction with a neighbourhood grocery store.
	3.2.R	Neighbourhood Grocery Store <del>existing as of July 29, 1980.</del>	Neighbourhood Grocery Store.
RM-3	3.2.DW	Dwelling Units in conjunction with a neighbourhood grocery store <del>existing as of July 29, 1980.</del>	Dwelling Units in conjunction with a neighbourhood grocery store.
	3.2.R	Neighbourhood Grocery Store	Neighbourhood Grocery



Z&D Chapter or Schedule	Section	Strike	Replace/Add
		<del>existing as of July 29, 1980.</del>	Store.
RM-3A	3.2.DW	Dwelling Units in conjunction with a neighbourhood grocery store <del>existing as of July 29, 1980.</del>	Dwelling Units in conjunction with a neighbourhood grocery store.
	3.2.R	Neighbourhood Grocery Store <del>existing as of July 29, 1980.</del>	Neighbourhood Grocery Store.
RM-4 and RM-4N	3.2.DW	Dwelling Units in conjunction with a neighbourhood grocery store <del>existing as of July 29, 1980.</del>	Dwelling Units in conjunction with a neighbourhood grocery store.
	3.2.R	Neighbourhood Grocery Store <del>existing as of July 29, 1980.</del>	Neighbourhood Grocery Store.
RM-5A, RM-5B, RM-5C, RM-5D	2.2.DW	<del>Dwelling Units in conjunction with a neighbourhood grocery store, or with a Laundromat or Dry Cleaning Establishment existing as of September 26, 1989.</del>	Dwelling Units in conjunction with a neighbourhood grocery store.  Dwelling Units in conjunction with a Laundromat or Dry Cleaning Establishment existing as of September 26, 1989.
	2.2.R	Neighbourhood Grocery Store <del>existing as of July 29, 1980.</del>	Neighbourhood Grocery Store.
RM-6	3.2.DW		<del>Dwelling Units in conjunction with a neighbourhood grocery store.</del>
	3.2.R	<i>No Changes</i>	
RM-7, RM-7N and RM-7AN	3.2.DW	Dwelling Units, <del>up to a maximum of two,</del> in conjunction with a Neighbourhood Grocery Store <del>existing as of July 29, 1980.</del>	Dwelling Units in conjunction with a Neighbourhood Grocery Store.
	3.2.R	Neighbourhood Grocery Store <del>existing as of July 29, 1980.</del>	Neighbourhood Grocery Store.
RM-8, RM-8A, RM-8N and RM-8AN	3.2.DW	Dwelling Units, <del>up to a maximum of two,</del> in conjunction with a Neighbourhood Grocery Store <del>existing as of July 29, 1980.</del>	Dwelling Units in conjunction with a Neighbourhood Grocery Store.
	3.2.R	Neighbourhood Grocery Store <del>existing as of July 29, 1980.</del>	Neighbourhood Grocery Store.
RM-9, RM-9A, RM-9N,	3.2.DW	Dwelling Units, <del>up to a maximum of two,</del> in conjunction with a Neighbourhood Grocery	Dwelling Units in conjunction with a Neighbourhood Grocery Store.

Z&D Chapter or Schedule	Section	Strike	Replace/Add
RM-9AN and RM-9BN		Store <del>existing as of July 29, 1980.</del>	
	3.2.R	Neighbourhood Grocery Store <del>existing as of July 29, 1980.</del>	Neighbourhood Grocery Store.
RM-10 and RM-10N	3.2.DW	Dwelling Units, <del>up to a maximum of two,</del> in conjunction with a Neighbourhood Grocery Store <del>existing as of July 29, 1980.</del>	Dwelling Units in conjunction with a Neighbourhood Grocery Store.
	3.2.R	Neighbourhood Grocery Store, <del>in conjunction with a multiple dwelling.</del>	Neighbourhood Grocery Store.
RM-11 and RM-11N	3.2.DW		<del>Dwelling Units in conjunction with a Neighbourhood Grocery Store.</del>
	3.2.R		<del>Neighbourhood Grocery Store.</del>
RM-12N	3.2.DW		<del>Dwelling Units in conjunction with a Neighbourhood Grocery Store.</del>
	3.2.R		<del>Neighbourhood Grocery Store.</del>

**Backgrounder:**

**Small-Scale Neighbourhood Commercial & Neighbourhood Grocery Stores in Vancouver**

The following document provides an overview of the early growth and distribution of neighbourhood-scale commercial enterprises in residential areas. It covers early planning and development history, the introduction of zoning regulations, and the emergence of the “Neighbourhood Grocery Store” definition in 1979-80. The material contained herein is intended to provide additional background on Zoning and Development changes under consideration as part of the Employment Lands and Economy Review “Quick Starts.”

A) Small-Scale Neighbourhood-Serving Commercial in Residential Areas - Early 20th Century

Small-scale neighbourhood commercial enterprises, including corner shops, have a rich history in Vancouver’s urban landscape. Typically located in the interior of residential areas, away from the city’s commercial high streets, these businesses have long been the source of neighbourhood-serving goods, services, and specialty items. The role of corner shops goes beyond commercial goods with such spaces often playing a role in neighbourhood identity, and supporting values of community connection, health, neighbourhood character and heritage. As entrepreneurial spaces, they have provided a place for many small-scale ventures, including those provided by newcomers to the city.

Many of the buildings that house small-scale neighbourhood commercial ventures date to the early decades of the 20th century, and reflect patterns of growth associated with the early ‘street car suburbs.’ At this time, there were no specific regulations concerning zoning, and only limited regulations concerning the location and form of retail – so the buildings were developed somewhat organically, in a variety of shapes and sizes, and in response to anticipated local neighbourhood demand.

By the time the City’s first comprehensive land-use planning effort took place in 1928-29’s Plan for Vancouver (known informally as the “Bartholomew Plan” after its lead author Harland Bartholomew), official perceptions of the role and placement of commercial services was decidedly clearer, and generally opposed to this type of mixing of uses within residential neighbourhoods. The broader desire to more cleanly separate different types of land-use is apparent throughout the Plan, and reflects the sort of early modernist thinking around separated land-use functions that was pervasive in many cities around the world. With this as a basis, the Bartholomew Plan itself makes specific appeals to aesthetics, economics and liveability, when it suggests that

**Neighbourhood Grocery Stores – Key Dates**

**Late 19<sup>th</sup> c / Early 20<sup>th</sup> c** – Little restriction on location of retail / commercial; organic development.

**1929** – *Bartholomew Plan* advanced clearer separation of land-uses. Considered small-scale neighbourhood retail undesirable. Later built into City zoning bylaws.

**1930 – 1980s** – Steady decline in small-scale neighbourhood commercial businesses.

**1980** – Creation of “Neighbourhood Grocery Store” zoning category for *existing* grocery stores in residential zones.

**2016** – Neighbourhood Grocery Store definition updated to allow sale of prepared foods, and inclusion of small seating areas.

*“[T]he scattering of stores promiscuously throughout residence districts has done considerable damage to the city’s appearance. The nearly universal custom of building stores out to the street line has hurt the appearance of a good many residence streets and at the same time has injured adjoining lots by making them less desirable for living purposes and reducing their saleable value. The zoning by-law will remedy this condition and tend to prevent residence districts from becoming blighted.”<sup>8</sup>*

The resulting regulatory changes that Bartholomew proposed (and which were ultimately incorporated into the City’s first Zoning and Development By-law) saw a relatively limited number of small-scale commercial business areas<sup>9</sup> protected by commercial zoning (including early versions of the C-1 and C-2 District Schedules). At the same time, a large number of the corner stores and similar types of businesses were ‘zoned out’ of conformity with the residential District Schedules that were established around them.<sup>10</sup>

In addition to the emergent regulatory changes, other considerations in the early to mid-20th century also affected the viability of grocery stores, including the growth of automobile usage, changing family composition and employment patterns, and the growth of larger and more centralized supermarkets. The result, according to a survey of historical directories undertaken as part of this initiative, is a decline in the number of small-scale neighbourhood commercial services from approximately 260 in the 1920s to approximately 105 in the 1970s. There are approximately 90 such businesses today.<sup>11,12</sup>

While macro-level socio-economic changes and regulatory “tightening” in the mid-20th century had the effect of discouraging these uses, leading to a decline in the number of bricks and mortar businesses, it is clear that there was still a sufficient level of community interest and support to sustain a number of the businesses throughout a period when they were considered legally non-conforming. Indeed, many of the idiosyncratic characteristics that led Bartholomew and his associates to decry the scattering of stores as a form of blight are the same characteristics that contribute to the buildings being seen as a unique and valued aspect of neighbourhood character. Most recently small-scale neighbourhood commercial businesses are

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<sup>8</sup> Harland Bartholomew and Associates, *A Plan for the City of Vancouver*, British Columbia, 1928. Page 221. Link: <https://archive.org/details/vancplanincgen00vanc>

<sup>9</sup> The decision-making process that governed how these existing (or anticipated) small-scale commercial sites were ultimately zoned – i.e. as commercial vs residential – is not entirely clear. We hypothesize that some sites were simply seen as relatively more prominent or viable; however, there may have been other factors informing this process.

<sup>10</sup> A number of sites that were initially zoned C-1 for small-scale neighbourhood-serving commercial (actual or anticipated) were also later rezoned in the 1960s and 1970s to residential uses, meaning that corner stores and other retail/commercial uses – or the opportunity for them - that existed at the time were rendered legally non-conforming.

<sup>11</sup> Jacqueline Hunter. *Small-scale neighbourhood retail in Vancouver: An inventory of stores and an assessment of opportunities*. Greenest City Scholar Report. August 2019.

<sup>12</sup> Research indicates approximately 95 deactivated small-scale commercial sites remain in residentially-zoned areas, while upwards of approximately 295 have been demolished in residentially-zoned areas over the past 100 years. The term “deactivated site” was introduced in the Grandview-Woodland Community Plan to refer to sites where a building that had originally been designed for a small scale neighbourhood commercial use had been repurposed for another use – typically residential. See also: Sarah Cullingham. *Fine-Grain Commercial Land Use in Grandview-Woodland (1900-1979)*. March 2013.

being further revalued for their potential role in supporting walkable, compact, and climate-friendly neighbourhoods.

Notwithstanding the changing perception of these spaces, the remaining small-scale neighbourhood commercial sites have always been in a somewhat precarious position given their reduced visibility (relative to high street businesses), and their heightened dependence on foot traffic. The challenges of COVID-19, while highlighting the importance of having easy access to daily needs, is nevertheless exacerbating the challenges faced by many of these businesses.

## B) Neighbourhood Grocery Stores as a type of Small-Scale Neighbourhood Commercial Use

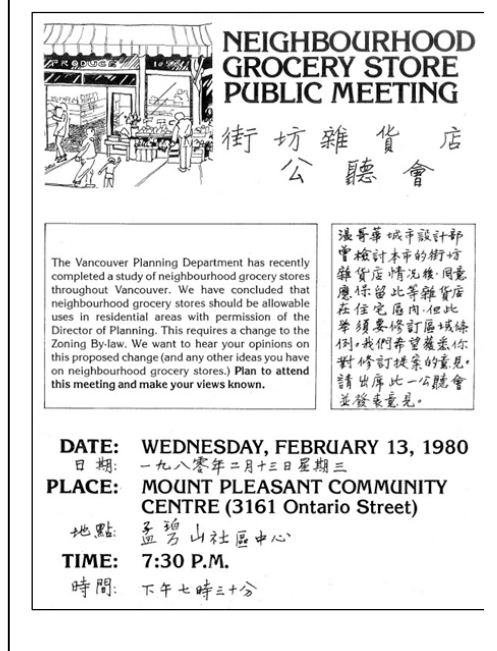
As part of the first wave of neighbourhood-scale planning work that took place in Mt. Pleasant, Kensington, Grandview-Woodland and Riley Park in the 1970s, the City identified community interest in the conservation and upgrading of corner or neighbourhood grocery stores. A number of options were explored, with the ultimate decision being taken to create a new category of allowable use in residential areas: the Neighbourhood Grocery Store. In adopting this approach, the Council of the day created a mechanism to bring a portion of the small-scale neighbourhood-serving commercial uses found in residential-zoned areas into conformity with the Zoning and Development By-law. Under the definition adopted at the time, a Neighbourhood Grocery Store meant:

*A premises with a maximum of 1200 sq. ft. of retail and storage floor area selling groceries and ancillary convenience goods and services in a residentially zoned district and may include dwelling units.*

It is important to note that Neighbourhood grocery stores – the subject of the present Council report and recommendations – account for one of several types of small-scale commercial enterprise, and that the “Neighbourhood Grocery Store” definition currently used as part of the Zoning and Development By-law was specifically created as a way to ensure corner stores located in residentially zoned areas<sup>13</sup> would be treated as legally conforming.

As such, Neighbourhood Grocery Stores are not analogous – in a regulatory sense - with corner grocery stores that exist in other types of district schedule (including commercial and industrial zoned areas). They are treated differently than other small-scale neighbourhood commercial uses. Table 1 sets out the key points of difference:

**Image 1: Poster from the City’s 1980 community meeting on Neighbourhood Grocery Stores**



<sup>13</sup> Under the City’s Zoning and Development By-law, the residentially-zoned areas include all RA, RS, RT and RM zones, but not the FM-1 zone. The recommendations contained in this report provide additional clarification around the RA-1 zone, as it these lands are within the Provincial Agricultural Land Reserve (ALR) and subject related Provincial legislation.

**Table 1: Zoning Considerations for Corner Stores & Other Small-Scale Neighbourhood-Serving Commercial Uses**

<b>Zoning</b>	<b>Considerations</b>
Commercial (“C”); Light Industrial (“I”); Heavy Manufacturing (“M”)	<ul style="list-style-type: none"> <li>▪ Some small corner stores (and other types of neighbourhood-serving commercial uses) are found in “C”, “I” and “M” zoned areas</li> <li>▪ These zones allow an array of retail and commercial uses, and grocery-type stores are typically allowed as an outright or conditional use; as a result, there is no separate “Neighbourhood Grocery Store” use category.</li> </ul>
Residential “R” zone – Neighbourhood Grocery Store  <i>*The focus of this report*</i>	<ul style="list-style-type: none"> <li>▪ This zoning category enables <i>existing</i> small corner stores, whose primary purpose is the sale of groceries and convenience goods, to operate in a legally conforming fashion, provided they were “existing as of July 29, 1980.”</li> <li>▪ Businesses that willing close for longer than 6 months would be unable to re-open as they would be considered non-conforming.</li> </ul>
Residential “R” zone – Other small-scale	<ul style="list-style-type: none"> <li>▪ Other small-scale neighbourhood bricks and mortar businesses, retail or service, that do not meet the Neighbourhood Grocery Store definition (or any other relevant retail/commercial definition contained in the given zone<sup>14</sup>) are considered legally non-conforming.</li> </ul>
Residential “FM-1” zone	<ul style="list-style-type: none"> <li>▪ The only residential zone that currently, per s.11.24 of the Zoning and Development By-law, does not allow the Neighbourhood Grocery Store use – because the zone already allows a broader array of retail, commercial and office uses.</li> </ul>

Based on an analysis of license data, staff estimate that Neighbourhood Grocery Stores account for approximately 40% (34 of 88) small-scale commercial businesses that currently exist in residentially-zoned neighbourhoods. The remaining 60% of these businesses are comprised of a variety of types of business, including other types of retail, restaurants, health & beauty services, and office uses).

The following images (2 through 5) illustrate some of the types of neighbourhood-scale commercial buildings (and uses) reflected in Table 1: a Neighbourhood Grocery Store, a deactivated retail space, a non-conforming small-scale neighbourhood business, and a C-1 zoned corner store. Despite a relatively similar lower-density building form, these buildings, and their allowable uses, are treated differently through the existing zoning regulations.

<sup>14</sup> A limited number of commercial uses – e.g. Farmers’ Markets, Public Bike Share, Bed and Breakfast – are allowed in most or all residential zones. A small number of *other* commercial uses are allowed in *specific* residential zones around the city (notably RM-5, RM-8, RM-10, RM-12N). This table refers to active bricks-and-mortar businesses found in zones that do not currently allow the primary use for which they are operating.

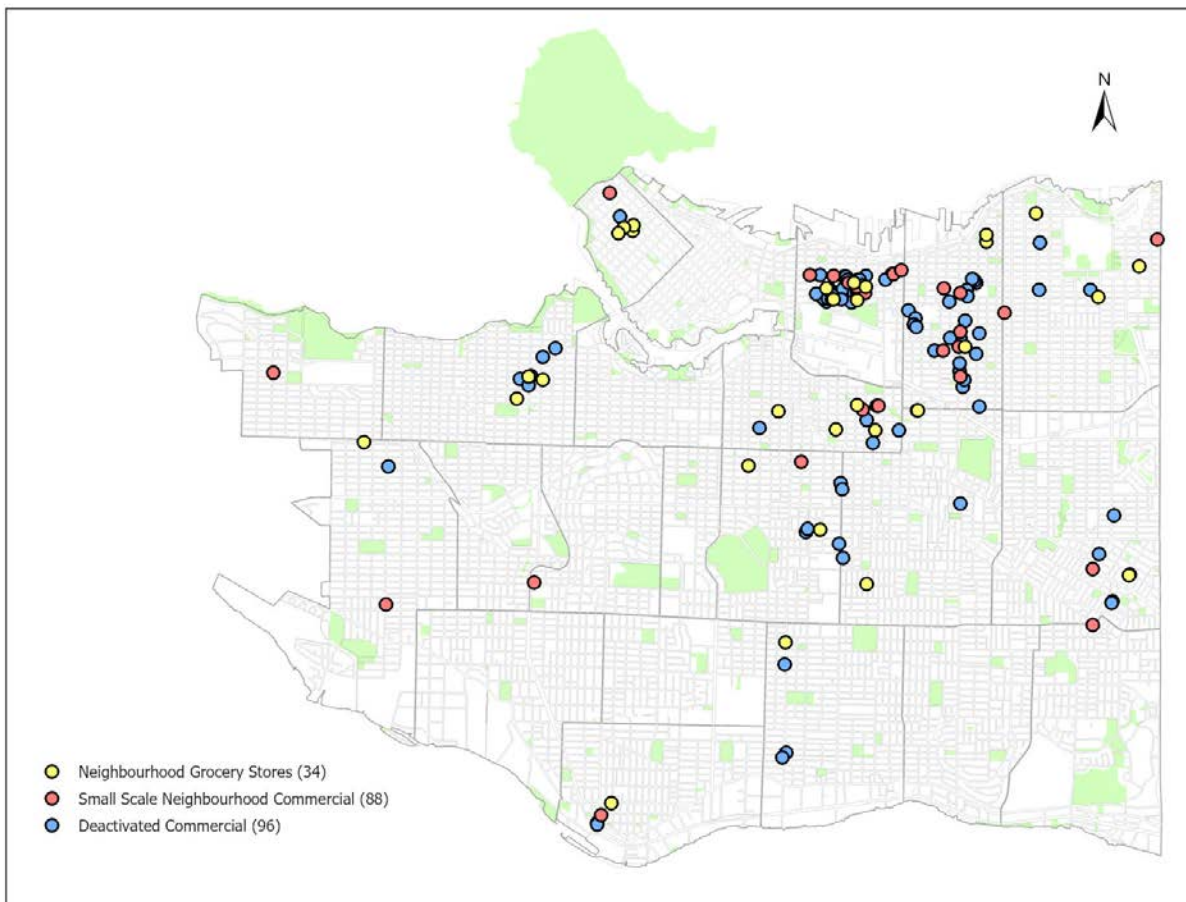
**Images 2 through 5: Examples of Existing and Former Small-scale Neighbourhood Commercial**

	
<p>Neighbourhood Grocery Store – Residential Zone 800-block Union St. (RT-3 District)</p>	<p>Deactivated Retail site – Residential Zone 2800-block Manitoba St. (RT-6 District) (Photo: Google Streetview)</p>
	
<p>Non-conforming retail space – Residential Zone 1900-block Victoria Dr. (RT-5 District) (Photo: Google Streetview)</p>	<p>Proposed (and former) corner store – Commercial Zone; 2500-block Eton St. (C-1 District)</p>

Map 1 details the distribution of existing Neighbourhood Grocery Stores and other small-scale neighbourhood commercial businesses<sup>15</sup> located in residentially-zoned areas. Deactivated sites are also shown. While they can be found throughout the city, these types of existing (and former) commercial enterprise are more prevalent in the north-eastern neighbourhoods of the city, including Strathcona, Grandview-Woodland, Hastings-Sunrise, Mt. Pleasant and Riley Park.

<sup>15</sup> Note: The total number of small-scale commercial sites indicated in the legend (88) includes neighbourhood grocery stores.

**Map 1. Neighbourhood Grocery Stores, Small-Scale Neighbourhood Commercial, Deactivated Commercial Sites**



### C) Neighbourhood Grocery Store Definition & Regulations

The Neighbourhood Grocery Store definition that was created and approved in 1979-80 was added into the Zoning and Development By-law and District Schedules with a date-specific limitation that required stores, and the dwelling uses associated with them, to be in existence prior to the date of enactment – July 29, 1980.

This limitation effectively meant that businesses that met the other tenets of the definition (in 1980) would be considered legally conforming – but that no new Neighbourhood Grocery Stores could be created in residentially zoned areas. This restriction has remained in place through to the present day.

The date-related limitation also means that any Neighbourhood Grocery Store that willingly closes for a period of longer than six months would be unable to re-open because of section 568 of the Vancouver Charter, which reads in part:



*...[I]f such non-conforming use is discontinued for a period of ninety days, any future use of those premises shall be in conformity with the provisions of the by-law. The Board of Variance may extend the aforesaid period of 90 days to a maximum of 180 days.<sup>16</sup>*

This type of regulatory constraint acts as an additional challenge for this particular category of small business.

In 2016, recognizing the changing nature of retail offerings in these types of stores, some initial work was undertaken to update the Neighbourhood Grocery Store definition. Revisions to the Zoning and Development By-law (including amendments to the Section 2 Definitions and Section 11 Additional Regulations) enabled the sale of prepared foods, and the creation of small seating areas (up to 16 seats) for patrons. The revised definition, still currently in use, describes a Neighbourhood Grocery Store as

*[T]he use of premises in a residential district for the primary purpose of selling groceries and convenience goods, and may include selling and serving prepared food and beverages for consumption on or off the premises, but does not include the sale of beer, wine, spirits, or other products that are intended for human consumption, containing more than 1% alcohol by volume.<sup>17</sup> [Emphasis added]*

However, while the 2016 revisions modernized certain aspects of the Neighbourhood Grocery Store definition, they maintained the use of the original July 1980 enactment date as part of the section 11 regulations and associated residential District Schedules.

In summary, while less precarious than non-conforming small-scale commercial uses, Neighbourhood Grocery Stores have continued to operate in a more tenuous regulatory environment than retail uses operating in commercially zoned areas. Moreover, given the considerable uncertainty wrought by COVID-19, it can reasonably be assumed that this state of precarity (i.e. potential interruptions to and/or closure of business) has increased.<sup>18</sup> While anecdotal evidence suggests that corner stores have played a valuable role in allowing residents to access daily needs, the limitations of the Neighbourhood Grocery Store definition means that a prolonged interruption in business operations could serve to exacerbate an already challenging business environment for these stores.

#### D) Dwelling Uses Associated with Neighbourhood Grocery Stores

As part of the creation of the Neighbourhood Grocery Store category in 1980, a variety of associated dwelling uses were also created. As set out in the Zoning and Development Bylaw and district schedules, these permit one, two, or an unspecified number of dwelling units depending on the zone in question. As with the overall definition, they also require an associated dwelling (or dwellings) to have been “existing as of July 29, 1980.”

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<sup>16</sup> Vancouver Charter. Section 568: Non-conforming use. Link: [https://www.bclaws.ca/civix/document/id/complete/statreg/vanch\\_28#section568](https://www.bclaws.ca/civix/document/id/complete/statreg/vanch_28#section568).

<sup>17</sup> Zoning and Development Bylaw. Section 2: Definitions. Link: <https://bylaws.vancouver.ca/zoning/zoning-by-law-section-2.pdf>

<sup>18</sup> Staff have identified one Neighbourhood Grocery Store that has closed during the period of COVID; however, the specific motivations behind this closure are unknown.

Based on initial analysis, staff estimate that at least 80% of the active neighbourhood grocery stores buildings have residential dwellings associated with them. Traditionally these would be occupied by business owners and their families, although a detailed assessment of present-day occupancy data has not been undertaken as part of the present report.