



REFERRAL REPORT

Report Date: June 11, 2024
Contact: Chris Robertson
Contact No.: 604.873.7684
RTS No.: 16382
VanRIMS No.: 08-2000-20
Meeting Date: July 9, 2024

TO: Vancouver City Council
FROM: General Manager, Planning, Urban Design and Sustainability
SUBJECT: Modernizing Home-Based Business Regulations

RECOMMENDATION TO REFER

THAT the General Manager of Planning, Urban Design and Sustainability be instructed to bring forward the application as described below, and that the application be referred to Public Hearing together with the recommendations set out below;

FURTHER THAT the Director of Legal Services be instructed to prepare the necessary by-laws, in accordance with the recommendations set out below, for consideration at the Public Hearing.

RECOMMENDATION FOR PUBLIC HEARING

- A. THAT Council approve, in principle, an application to amend the Zoning and Development By-law to facilitate the modernization of the City's home-based business regulations generally as presented in Appendix A;

FURTHER THAT the Director of Legal Services be instructed to bring forward for enactment the amendments to the various by-laws as presented in Appendix A.
- B. THAT at the time of enactment of the amended Zoning and Development By-law, the General Manager of Planning, Urban Design and Sustainability be instructed to bring forward for Council approval, amendments to the Artist Studio Guidelines, Arts and Culture Studios Technical Guidelines, and Live-Work Use Guidelines to permit customers and employees in Residential Units associated with an Artist Studio generally as presented in Appendix B.
- C. THAT Council request Mayor Ken Sim to send a letter on behalf of Council to the Ministry of Health and BC Centre for Disease Control advocating for a relaxation of the Food Premise Regulation to provide more flexibility for food-preparation businesses, similar to amendments made by the Alberta provincial government as described in the report.

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 endorsed ten quick start economic recovery actions; requiring staff to report back with proposed by-law amendments for referral to Public Hearing. The modernization of the City’s home-based business regulations was included as one of these actions.

Council direction to report back with regulatory amendments to modernize home-based business regulations was further reinforced in the Vancouver Plan. Section 2.5.2 includes direction to “provide greater opportunities for home-based businesses in residential areas by amending zoning and licensing regulations, similar to those of surrounding municipalities”.

Home-based business is already permitted in Vancouver. But, unlike other cities in British Columbia and Washington State, home-based business operators in Vancouver are not permitted to have employees or customers. This restricts entrepreneurship, constrains business growth, and creates uncertainty for many existing home-based businesses. The recommendations in this report will improve flexibility for small businesses by allowing a limited number of employees and customers into residences for the purpose of conducting business.

This project is one of several underway to implement the Vancouver Plan (2022). Other concurrent initiatives are illustrated in the diagram below, many of which will be integrated, to some degree, in the Vancouver Official Development Plan (“Vancouver ODP”).



Figure 1: Vancouver Plan implementation projects

COUNCIL AUTHORITY/PREVIOUS DECISIONS

- Employment Lands & Economy Review Phase 2 Report (2020)
- Vancouver Plan Update and Quick Start Actions (2021)
- Vancouver Plan 2050 (2022)
- Making Space for Arts and Culture (2019)

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager recommends approval of the foregoing.

REPORT***Background/Context***

The ELER Phase 2 was a comprehensive research and engagement process undertaken to inform the City's economic policies and provide input into major land use planning initiatives such as the Broadway Plan and Vancouver Plan. The ELER Phase 2 Priority Action #7 is to update the City's home-based business regulations in-line with neighbouring municipalities and to provide additional flexibility for residents who are operating business out of their homes.

The direction to expand opportunities for economic activity across the city's neighbourhoods, including home based businesses, was further reinforced through engagement as part of the Vancouver Plan process. Building upon the strong support received through that process, the Vancouver Plan includes direction to "*provide greater opportunities for home-based businesses in residential areas by amending zoning and licensing regulations, similar to those of surrounding Municipalities*" (For more information see section 2.5 of the Economy Chapter of the Vancouver Plan – *Removing Barriers*).

In preparing this report, staff examined the regulations and policy outcomes of peer cities such as Seattle, Richmond, Burnaby, and Maple Ridge. Through that research staff learned that there are opportunities for Vancouver to make meaningful updates to its home-based business regulations while still ensuring that negative impacts on neighbours are minimized. Seattle, which has the most permissive home-based business regulations of the other peer cities, noted that the common business types to operate out of a home include self-employed professional or administrative services, personal services (hair or nail services), trade services (plumbers or electricians), goods production or sales, and childcare.

A related, but separate report to allow more neighbourhood corner stores will be brought for Council's consideration in Q4 2024.

Discussion***Proposed Zoning and Development By-law Amendments***

This report presents Zoning and Development By-law amendments to advance implementation of the Vancouver Plan and the City's Employment Lands and Economy Review.

The amendments support the start-up of new businesses and enable existing businesses to expand and operate with more security by providing users with additional flexibility and opportunities for growth. The following section summarizes these changes; for additional details see Appendices A and C.

It is noted that the updated home-based business regulations would apply to all business activities taking place in a residential dwelling, except for childcare, live-work uses, and a dwelling unit associated and integrated with an artist studio as these uses are already subject to existing City and/or provincial regulations.

Modernization and Flexibility Amendments

Staff are proposing changes that appear to be working well in other cities and seem reasonable in Vancouver's context. Modernizing the City's home-based business regulations to allow for more flexibility will be achieved through the following amendments:

- **Allowing customers by appointment:** Allowing customers on the premises would substantially improve flexibility for home-based business operators. To mitigate traffic and security concerns customers would only be permitted by-appointment and a maximum of three customers would be permitted on the premises at one time. This approach is applied in peer cities such as Seattle and Maple Ridge (customers by appointment) as well as Richmond and Port Coquitlam (three customers at one time).
- **Allowing up to two non-resident employees:** Permitting up to two non-resident employees would allow more growth opportunities for home-based businesses while ensuring that the business size remains appropriate for a residential area. This approach is applied in cities such as Port Moody and Seattle.
- **Allowing more than one home-based business to operate within a dwelling unit:** Currently, only one resident is permitted to operate a home-based business within a dwelling unit. Removing that limitation provides more opportunities for residents interested in starting a business. Research into the regulations applied by other cities indicates that most peer cities do not apply a maximum on the number of home-based businesses that can operate in a single dwelling. Instead, most other cities rely on capping the total floor area within a dwelling that can be used for business. In line with that approach, the recommendations in this report include a cap on the amount of floor area that can be used for business.
- **Allowing on-site sales:** On-site sales would increase flexibility by increasing what types of businesses could operate from a residential dwelling. Customers would still be required to make an appointment with a maximum of three customers at a time.

Balancing Neighbourhood Fit

The proposed home-based business regulations would balance neighbourhood fit and mitigating impacts through the following:

- **Retaining regulations regarding neighbourhood character:** Currently, there can be nothing from the exterior of the dwelling indicating that a home-based business is operating besides a 0.2 m² sign as outlined in the Sign Bylaw. This regulation would be retained to respect residential character. Given that customers are by-appointment, a small sign indicating where the home-based business is located would be sufficient wayfinding.
- **Retaining regulations regarding impacts on neighbouring dwellings and outdoor storage:** The current regulations restricting impacts on neighbouring dwellings (i.e. noise, odour, vibrations, etc.) and outdoor storage related to a home-based business would be retained.

- **Establishing a maximum floor area:** To ensure a home-based business remains ancillary to the principal residential use, a floor area maximum of 33.3% would be established for home-based businesses. The 33.3% maximum was chosen as it is consistent with similar floor area limitations on accessory uses already established in the Zoning and Development Bylaw.
- **Establishing hours for customer visitation:** Customers would only be permitted on the premises between 8 am and 8 pm on weekdays, and 10 am and 8 pm on weekends and holidays. Similar approaches are applied in Nanaimo and Portland as establishing hours for customer visitation helps reduce potential impacts on neighbours.
- **Certain Types of Businesses not Permitted to Operate as a Home-Based Business:** There are a limited number of business types that are subject to regulatory approvals by senior levels of government (e.g. pharmacies, casinos, liquor and cannabis stores). Due to additional regulatory requirements set by other levels of government, these uses would not be eligible to operate as a home-based business. In addition, based on review of regulations in peer cities, staff are recommending that all home-based businesses be required to operate within a dwelling to exclude certain uses which would typically occur outside or in an accessory building, such as automotive repair in an attached garage.

Strata Bylaws and Rental/Lease Agreements

The City's regulatory updates will not change landlord or strata council ability to restrict business operations. The ability for landlords and strata councils to restrict certain uses are covered by Provincial legislation and the City's regulations do not override these rights.

Implementation: Updates to Business Licencing Application Forms

Should Council approve the recommendations in this report, the business license application form will be updated to require applicants who are intending to run their business from a residence complete a declaration confirming that the home-based business meets the regulation requirements outlined in the Zoning and Development Bylaw. Asking applicants to self-declare that the home-based business is compliant with the regulations avoids additional processing or document requirements, enabling the business licence process to remain relatively unchanged.

How City staff respond to complaints regarding a home-based business would also remain unchanged. If the business is operating outside of the home-based business regulations or business licence requirements, Property Use Inspections would work with the business owner to come into compliance. The process for escalating the City's response to business operations that do not comply with the home-based business regulations would follow the same process as all business licences, including suspending or revoking a business licence if necessary. Should Council approve the recommendations in this report, staff will move forward with amendments to the businesses license application form and related information on the City website. It is anticipated that these changes, along with briefing sessions for business licensing staff, would be completed in Q3 2024, allowing licensing of home-based businesses under the updated regulations to begin in Q4.

Monitoring

Should council approve the amendments, Planning, Urban Design and Sustainability staff will monitor home-based business licences, 311 complaints, and any feedback on the regulation changes and report on the results of these changes via a memo to Council. Where necessary,

staff will bring forward recommendations for further adjustments to the regulation based on these monitoring reports.

Updating the Artist Studio Guidelines

Under “Residential Unit associated and integrated with an Artist Studio”, occupants are limited to the production of art only, and employees and customers are not permitted. This differs from live-work use, as well as the proposed home-based business regulations above, which permit employees and customers.

Staff are proposing that the restrictions on employees and customers in Residential Unit associated and integrated with an Artist Studio be removed from the artist studio guidelines. This is an important adjustment to reduce barriers and support artists who are earning their livelihood within the City and have historically not been permitted the same customer and employee allowances as other commercial live-work spaces.

Advocacy to the Province re: the Ministry of Health’s Food Premise Regulation

The Ministry of Health’s Food Premise Regulation only permits at-home preparation of lower risk food (i.e. jams, baked goods, pickled produce) in residential kitchens. Further, Ministry regulations require that the lower risk food prepared in residential kitchens can only be sold at temporary food markets such as farmers markets.

To provide more flexibility to food-preparation businesses during the COVID-19 pandemic, Alberta amended their food premise regulation in 2020 to permit the sale of low-risk foods from the residence, in addition to temporary food markets and special events.

Staff are recommending that Council write a letter to the Ministry of Health and BC Centre for Disease Control advocating for a relaxation of the Food Premise Regulation. A reduction to the regulatory requirements, similar to Alberta’s 2020 changes, would provide more flexibility for food-preparation businesses and generally reduce government red-tape.

If this change is made by the Ministry of Health, the same rules for home-based businesses would apply. Meaning customers must make an appointment, only three customers would be permitted on site at one time, two employees would be allowed, and the sign bylaw would apply.

Public/Civic Agency Input

Through the Vancouver Plan process, the City sought feedback from the general public around the potential for increasing opportunities for home-based business. There was strong support to increase opportunities for people to work throughout the city, including within residential areas. Building on this direction, the home-based business modernization engagement in 2023 and 2024 focused specifically on collecting targeted input from key stakeholder groups to help shape the refinement of regulations and the creation of implementation resources.

Recent consultation efforts included an online Shape Your City Page, a survey on Talk Vancouver, and several virtual stakeholder meetings with the Urban Indigenous People’s Advisory Committee (UIPAC), Vancouver Local Immigration Partnership (VLIP), Condo Homeowners Association of BC, LandLord BC, and Vancouver Coastal Health. Refer to Appendix D for the full engagement report and Appendix E for the common themes from the public survey and the resulting home-based business policy approach.

Shape Your City Page and Online Survey

The Shape Your City page included an FAQ document to respond to policy related questions and a survey aimed at residents currently operating a home-based business or those would be interested in operating one in future. To distribute the survey in the community, staff contacted various associations and community groups, such as Vancouver neighbourhood houses, Vancouver Library, Small Business BC, and the Skilled Immigrant Centre asking for assistance. Overall, the Shape Your City page garnered over 400 visitors and 513 responses to the survey hosted through Talk Vancouver.

Survey Results

The survey, primarily focused on regulation refinement, was open from January 25 to February 25, 2024. Generally, public support for the proposed regulatory updates was very high; 84% of respondents agreed with the proposal to allow employees and customers on premises, while 78% of the respondents agreed with the proposal to maintain residential character and to limit impact to neighbourhoods. Only 15% of respondents disagreed with the proposal to allow employees and customers on the premises, while 22% of respondents disagreed with the proposal to maintain residential character and limit impact to neighbourhoods.

Financial Implications

Approval of the proposed amendments to the Zoning and Development By-law will increase flexibility for home-based businesses while balancing residential character and impacts. In aggregate, these changes are intended to provide more space options for new and existing businesses and to improve the financial viability for local businesses.

The proposed regulatory changes and approach to implementation have been developed in close collaboration with senior staff in the Development, Building and Licensing Department. Implementation of the regulatory updates will not impact permit wait times, and will be undertaken within existing staffing resource and budget.

Properties with home-based businesses could be subject to split classification (residential & business). Split classification could affect property taxes as Residential (Class 1) and Business & Other (Class 6) are subject to different tax rates. Properties with home-based businesses would only be subject to split classification if they meet the Home Based Business Split-Classification Requirements, such as a high visibility business occupying a significant portion of the total area of the residence or property. Refer to BC Assessment's [Home Based Business \(Live-Work\) Properties Policy](#).

Appendix A
DRAFT By-law to amend the Zoning and Development By-law No. 3575
regarding home-based businesses

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

1. This by-law amends the indicated provisions and Schedules of the Zoning and Development By-law No. 3575.
2. In section 2, Council strikes out the term “Homecraft” in column 1 and the definition for Homecraft in column 2, and substitutes the following:

“

Home-Based Business	A business, trade, profession, or other occupation carried on in a dwelling unit as an accessory use subordinate to the principal residential use of the dwelling unit, but does not include a business, trade, profession, or other occupation carried on in a live-work unit or a residential unit associated with and forming an integral part of an artist studio.
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”.

3. In section 4.8.1(m), Council strikes out “homecraft” and substitute “home-based business”.
4. In section 11, Council:
 - (a) adds a new section 11.2.3.3 in the correct numerical order as follows:

“11.2.3.3 Casino – class 1, casino – class 2, and bingo halls are not permitted as home-based businesses.”;
 - (b) in section 11.3.5.1, adds “, except for employees or customers” after “an integral part of the artists studio”;
 - (c) adds a new section 11.8.3.3 in the correct numerical order as follows:

“11.8.3.3 Small-scale pharmacy is not permitted as a home-based business.”;
 - (d) in section 11.8.6.2:
 - (i) in subsection (f), strikes out “or”,
 - (ii) in subsection (g), strikes out “.” and substitutes “; or”, and
 - (iii) adds a new subsection (h) in the correct numerical order as follows:

“(h) as a home-based business.”;
 - (e) adds a new section 11.8.7.3 in correct numerical order as follows:

- (f) “11.8.7.3 Liquor store is not permitted as a home-based business.”; and strikes out section 11.13.1 and substitutes the following:

11.13.1 Home-Based Business

- 11.13.1.1 Home-based businesses may only be carried on by a person who resides in the dwelling unit.
- 11.13.1.2 No more than a total of 2 non-resident employees are permitted to work in the dwelling unit at any time, regardless of the number of home-based businesses being carried on in the dwelling unit.
- 11.13.1.3 There must be nothing to indicate from the exterior of the dwelling unit or building that the dwelling unit is being used for any purpose other than its dwelling use, except as may be permitted under the Sign By-law.
- 11.13.1.4 Home-based businesses must be carried on wholly within a dwelling unit, except that products and materials related to a home-based business may be stored in a building or accessory building.
- 11.13.1.5 Home-based businesses must not include any activity that impacts neighbouring dwelling units including noise, odour, vibration, smoke, or light beyond that normally associated with a dwelling use.
- 11.13.1.6 Home-based businesses must occupy no more than 33.3% of the total gross floor area or 46 m² of the dwelling unit, whichever is lesser, regardless of the number of home-based businesses being carried on in the dwelling unit.
- 11.13.1.7 No more than 3 customers are permitted in the dwelling unit at any time, regardless of the number of home-based businesses being carried on in the dwelling unit, and customers are only permitted in the dwelling unit by appointment between 8:00 a.m. and 8:00 p.m. on weekdays and between 10:00 a.m. and 8:00 p.m. on weekends and holidays.”.

5. In section 2.1 of the RR-1 District Schedule, Council adds a new row in the use table under the title “uncategorized”, after the row for Accessory Buildings, as follows:

“

Accessory Uses, customarily ancillary to any use listed in this section 2.1	Conditional	
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”

6. In section 2.1 of the RR-2A, RR-2B and RR-2C Districts Schedule, Council adds a new row in the use table under the title “uncategorized”, after the row for Accessory Buildings, as follows:

“

Accessory Uses, customarily ancillary to any use listed in this section 2.1	Conditional	
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”

7. In section 2.2.9 of the C-1 District Schedule, Council adds “or the accessory use is a home-based business” after “pursuant to section 2.1 of this schedule”.

8. In section 2.2.10 of the C-2 District Schedule and the C-3A District Schedule, Council adds “or the accessory use is a home-based business” after “pursuant to section 2.1 of this schedule”.

9. In section 2.2.11 of the C-2B District Schedule and the C-2C District Schedule, Council adds “or the accessory use is a home-based business” after “pursuant to section 2.1 of this schedule”.

10. In section 2.2.13 of the C-2C1 District Schedule, Council adds “or the accessory use is a home-based business” after “pursuant to section 2.1 of this schedule”.

11. In section 2.2.17 of the C-5, C-5A and C-6 Districts Schedule, Council adds “or the accessory use is a home-based business” after “pursuant to section 2.1 of this schedule”.

12. In section 2.2.6 of the C-7 and C-8 Districts Schedule, Council adds “or the accessory use is a home-based business” after “pursuant to section 2.1 of this schedule”.

13. In section 2.2.27 of the HA-1 and HA-1A Districts Schedule, Council adds “a home-based business” after “other than”.

14. In section 2.2.16 of the HA-3 District Schedule, Council adds “a home-based business” after “other than”.

15. A decision by a court that any part of this by-law is illegal, void, or unenforceable severs that part from this by-law, and is not to affect the balance of this by-law.

16. This by-law is to come into force and take effect on the date of its enactment.

ENACTED by Council this _____ day of _____, 2024

Mayor

City Clerk

Appendix B
Summary of Land Use Documents Amendments

Below is a summary of proposed amendments to the City's land use documents resulting from permitting employees and customers in a Residential Unit associated and integrated with an Artist Studio.

Summary of Proposed Amendments to Guidelines

Table 1: Proposed Amendments to Guidelines

Document Title	Section	Proposed Amendment
Artist Studio Guidelines	3.3(g)	Delete "and employees and walk in trade are not permitted" and replace with "and are permitted to have employees and walk-in trade in their units".
Arts and Culture Studio Technical Guidelines	6.1.2	Delete "and employees and walk in trade are not permitted" and replace with "and are permitted to have employees and walk-in trade in their units".
Live-Work Guidelines	3.1(b)	Delete "and employees and walk in trade are not permitted" and replace with "and are permitted to have employees and walk-in trade in their units".

**Appendix C
Frequently Asked Questions**

Question	Answer
<p>The City already allows home-based businesses, what's changing and why?</p>	<p>Although home-based businesses (currently known as homecraft) are permitted in the City, the regulations are more restrictive than other municipalities in the region. These restrictions, primarily related to customers and employees, constrain business growth and entrepreneurship as well as create uncertainty for business owners. The goal of the home-based business modernization is to make the rules more flexible and in-line with neighbouring municipalities, while also considering how business activities could affect neighbours.</p> <p>The main changes to the home-based business regulations include allowing customers, employees, and retail sales while maintaining protections against impacts to the people living nearby.</p>
<p>How will the City ensure livability? Aren't there activities that are clearly inappropriate for residential settings?</p>	<p>The proposed regulations allow customers, employees, and on-site sales, but also contain restrictions such as only allowing customers by appointment, limiting the number of non-resident employees who can be engaged in a home-based business, and limits to how much floor area within the dwelling unit the home-based business can occupy.</p> <p>In most cases, the scale of the home-based business generally impacts neighbours more than the use itself. Many of the proposed home-based business regulations aim to limit how large the business can become within a residential space to reduce impact on neighbours. Further, regulations restricting the hours in which a customer can visit, noise and other impacts, and only permitting operation of the home-based business within a dwelling unit (not outdoors or in a garage) have been proposed to limit home-based business activity impacts.</p>
<p>Will business operators need to renovate their homes before the City will issue a license?</p>	<p>If business operators are making alterations to the dwelling unit to support a home-based business they will need to apply for the appropriate building permits, as is the case with any home renovation. However, if business operators are not making alterations to the dwelling unit, no building code requirements or upgrades will be required.</p>
<p>Will business operators need to provide on-site parking and loading?</p>	<p>Due to size, employee and customer limits, no changes to parking or loading requirements are being proposed for home-based business. However, business operators are strongly encouraged to provide parking and/or loading on-site.</p> <p>Home-based business employees will not be eligible to purchase permits to park in residential permit parking areas. Further, large vehicles (over 2.2m in height or over 6.4m in length) are not allowed to park on-street overnight, between 10 pm and 6 am. As such, home-based businesses should provide overnight parking for these vehicles on-site or at another off-street location, if needed.</p>
<p>What about rules and regulations that are set by senior governments?</p>	<p>The City's home-based business regulations will not supersede rules or regulations set by senior governments. Some activities, such as personal services or at-home food preparation, are subject to additional provincial regulations. A home-based business would need to adhere to both the City</p>

	<p>and the province’s rules and regulations to operate.</p> <p>Certain activities (cannabis and liquor sales, casinos, and small-scale pharmacies) are subject to provincial and/or federal regulations which make these activities unfeasible to operate inside a residence. For clarity, the City’s home-based business regulations do not allow these uses outright.</p>
<p>Will these changes impact the ability for strata councils and landlords to impose limits on homebased business activities?</p>	<p>The ability for strata councils or landlords to create their own rules pertaining to how a dwelling is used is a power granted to them through provincial legislation (the Strata Property Act and Residential Tenancy Act). The City’s regulations would not supersede or prevent a strata council or landlord’s ability to restrict home-based business activities.</p>
<p>Are there activities which are not currently permitted under the existing or proposed home-based business regulations, which could be permitted in the future?</p>	<p>Currently, the provincial regulations regarding the sale of at-home food preparation (i.e. limited to temporary markets) can be overly prohibitive for businesses looking to prepare and sell lower risk food items. Staff are recommending that the City advocate to the Ministry of Health to lessen their requirements. Should the provincial at-home food requirements be reduced, the proposed home-based business regulations would allow at-home food preparation without further updates.</p> <p>Childcare is another use regulated by the provincial government. City staff are currently reviewing childcare processes and policies as part of a separate work program.</p> <p>Finally, City staff will be monitoring the home-based business regulation changes. Should the regulations be preventing or hindering a type of home-based business, staff can bring forward recommendations for further adjustments to the home-based business regulation when required.</p>
<p>What if I have a complaint about a home-based business?</p>	<p>Complaints with home-based businesses not following the regulations can be submitted to the City with Van311. Once submitted, the issue will be forwarded to the appropriate team who will then assess appropriate next steps. Please visit the City’s Van311 webpage for more information.</p>

Appendix D
Public Engagement Summary Report



Home-Based Business Modernization Public Engagement Summary Report



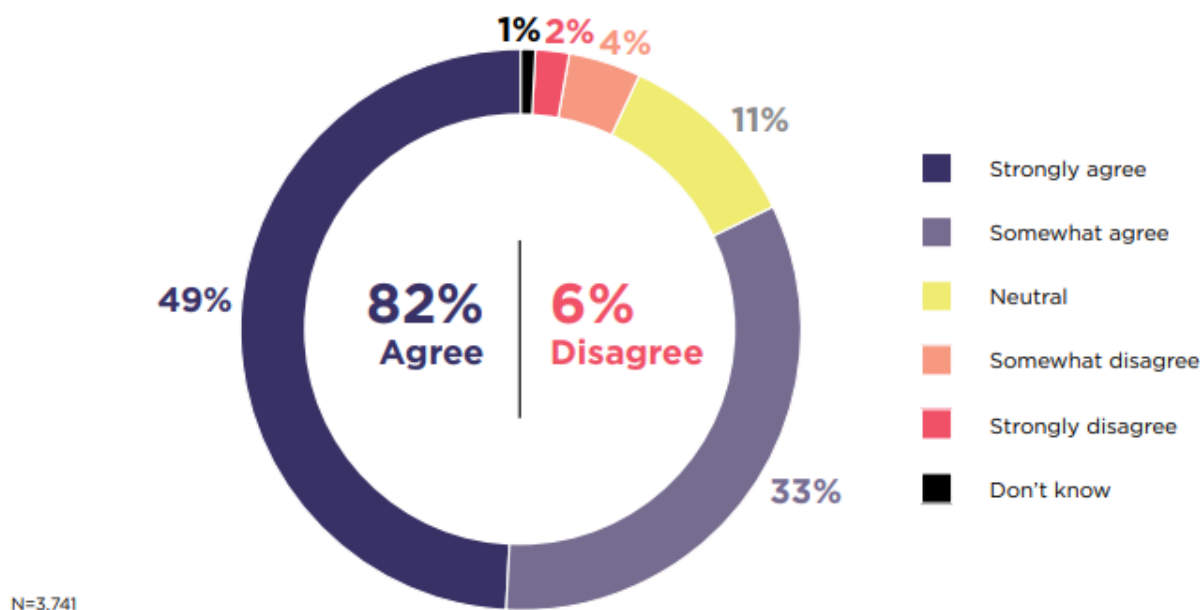
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Objectives & Connection to Previous Engagement

Through the Vancouver Plan process, the City confirmed strong support for increasing opportunities for people to work throughout the city, including in home based businesses within residential areas (below graph). Building on this direction, the home-based business modernization engagement in 2023 and 2024 focused specifically on collecting targeted input from key stakeholder groups to help shape the refinement of regulations and the creation of implementation resources.

10. Vancouver should have more places for people to work throughout the city including within or near residential areas (e.g. home based businesses, offices, and retail).



How We Engaged

Between January 25 and February 25, 2024 the City engaged residents on proposed updates to home-based business regulations. The engagement focused on collecting feedback from residents who were either already operating a home-based business or who would be interested in operating one in future.

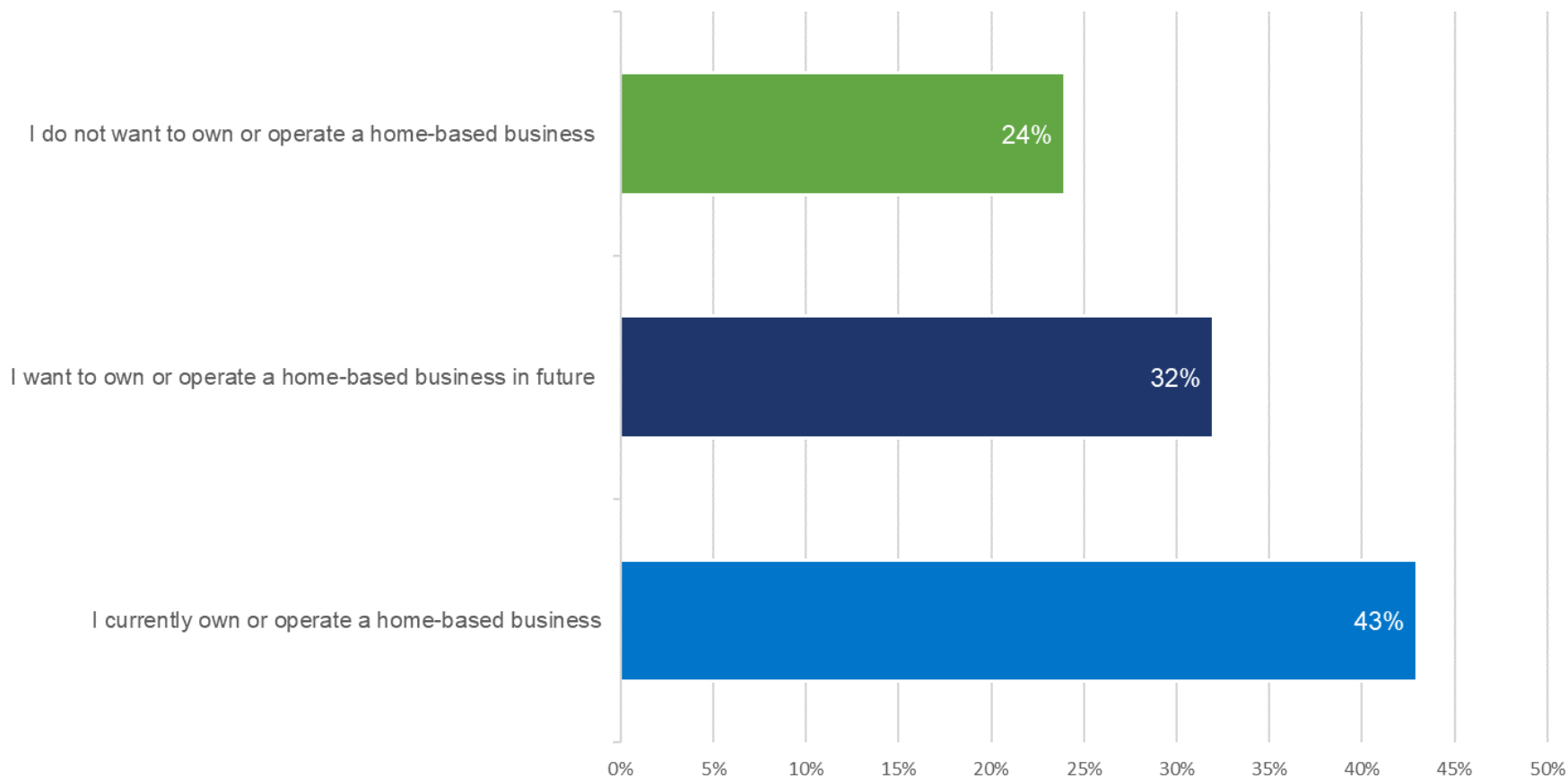
We interacted with over 500 people through an online survey hosted on the City’s “Talk Vancouver” engagement platform and included on the City of Vancouver’s “Shape Your City” site. Participants provided responses and ideas that were used to refine the proposed home-based business regulation updates.

Staff distributed the survey with the assistance of community partners such as the Vancouver neighbourhood houses, Vancouver Library, Small Business BC, and the Skilled Immigrant Centre.

Feedback received from the home-based business modernization engagement is summarized in this report.

Who Participated

Relationship to Home-Based Businesses



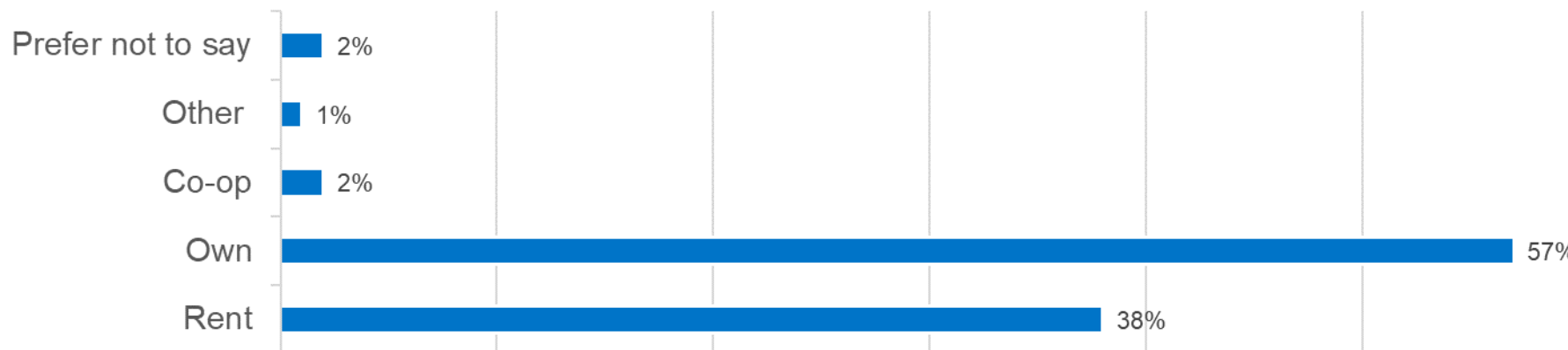
All respondents = 507

Why is this important?

Previous engagement through the Vancouver Plan process sought feedback from the general public around the potential for increasing opportunities for home-based business. There was strong support for Vancouver to increase opportunities for people to work throughout the city, including home-based businesses within residential areas. Building on this direction, the 2024 Home-Based Business Modernization Survey focused specifically on collecting targeted input to help shape the refinement of regulations and the creation of implementation resources.

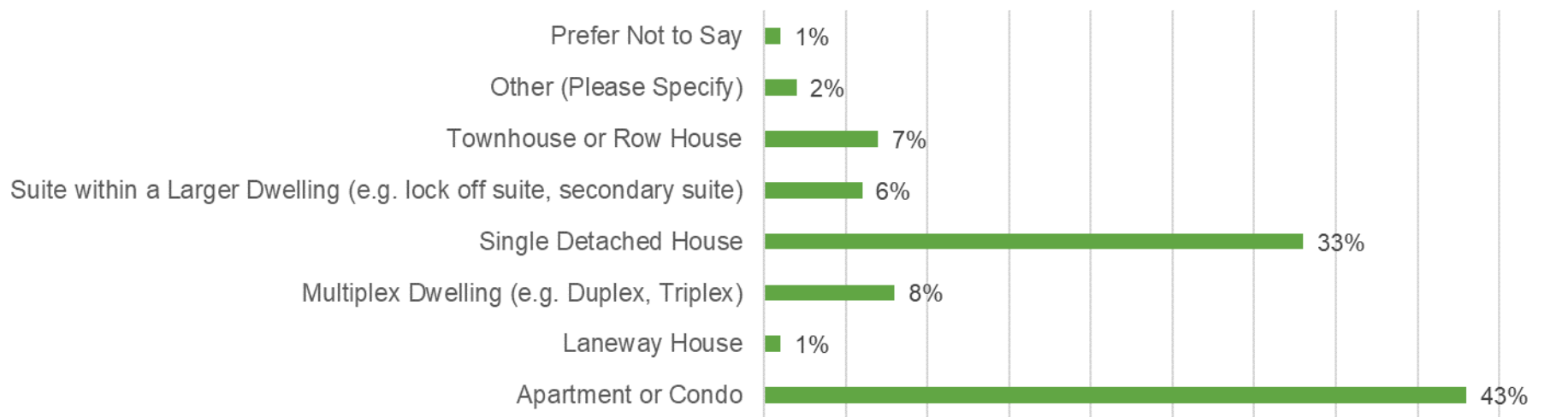
Who Participated

What is your housing situation?



All respondents = 504

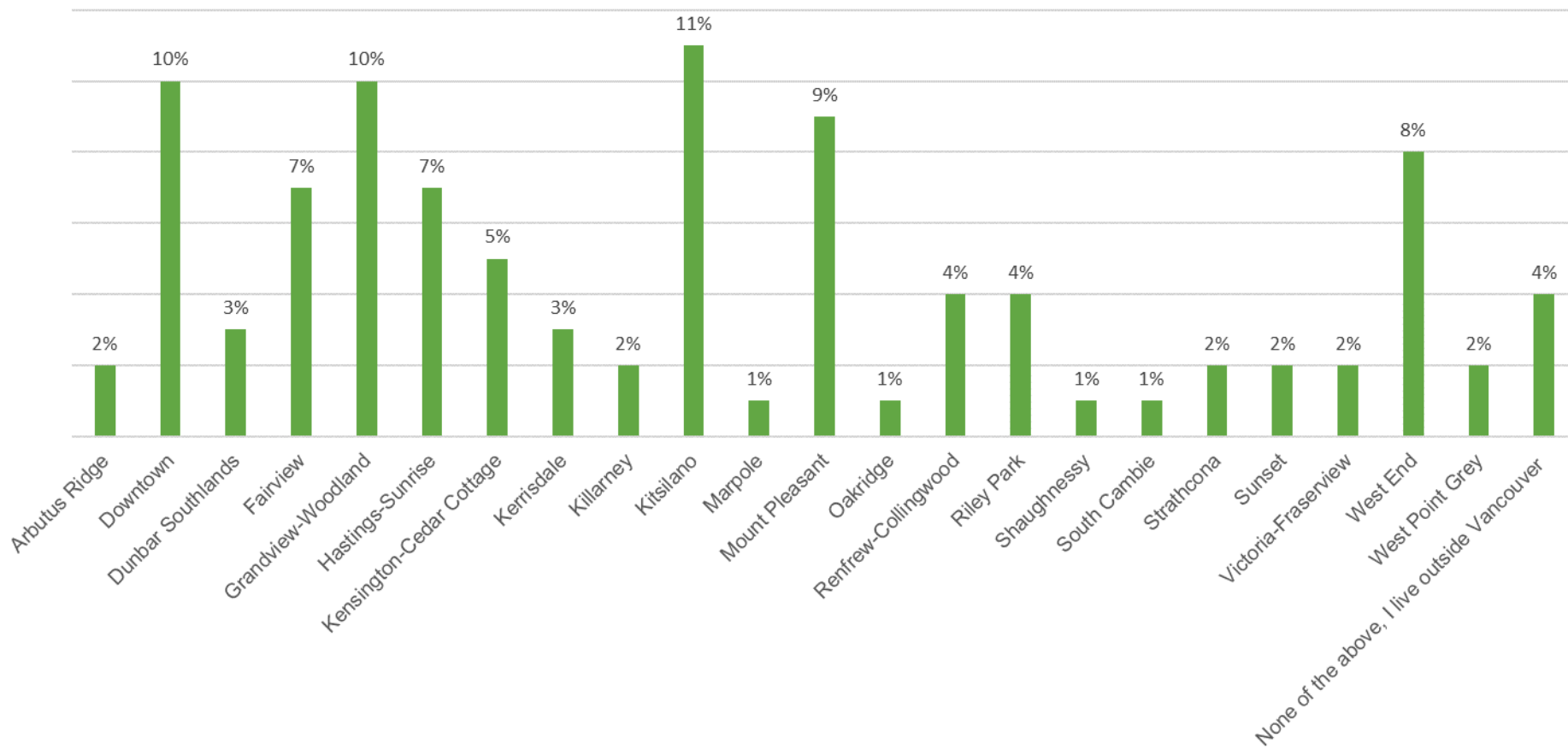
What kind of housing do you live in?



All respondents = 513

Who Participated

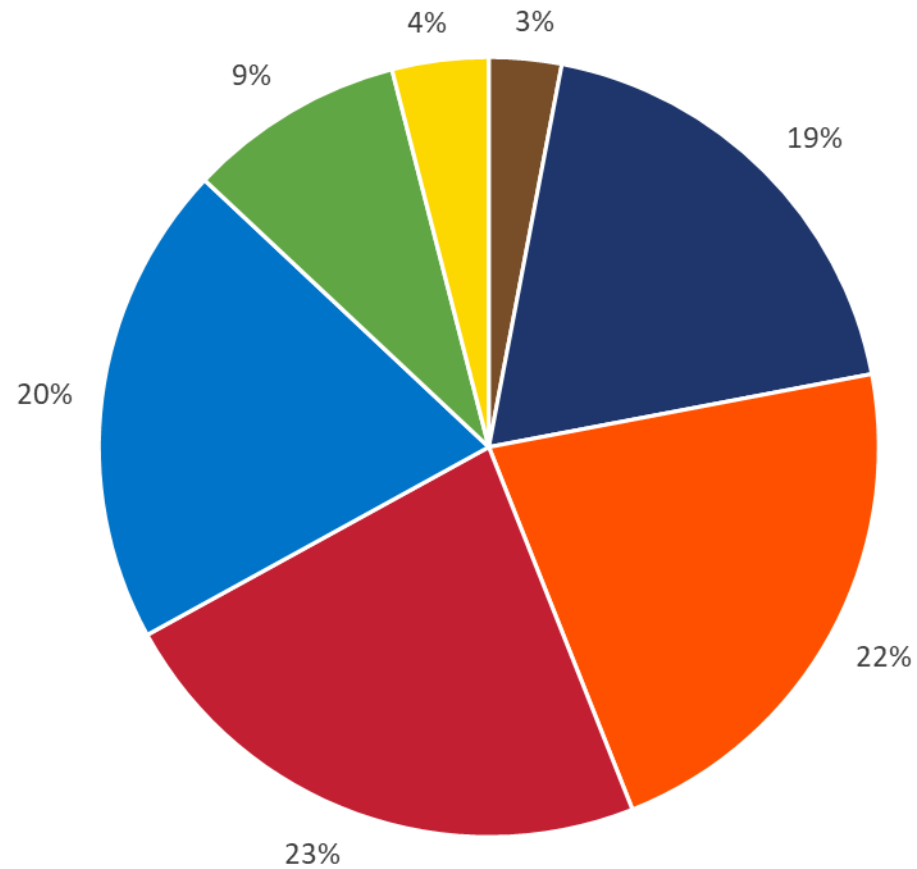
Which neighbourhood in Vancouver do you live in?



All respondents = 512

Who Participated

Which age group do you belong to?



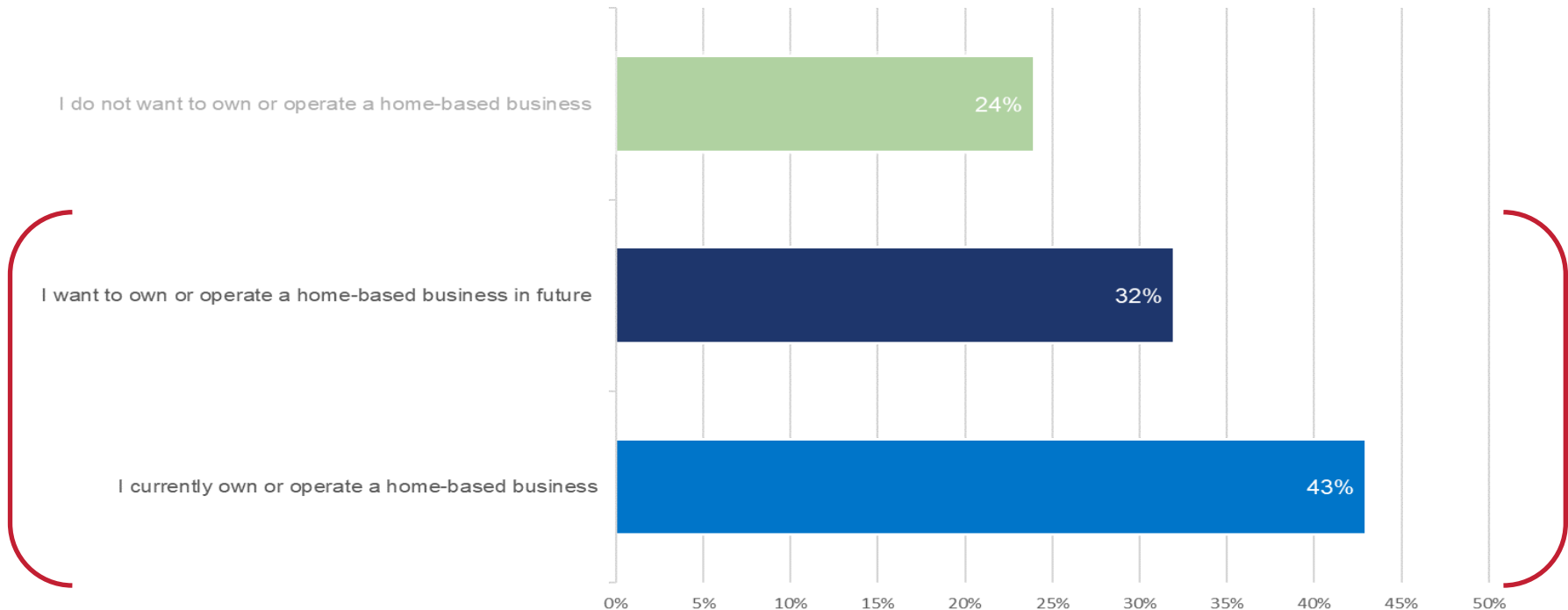
■ 20-29 years ■ 30-39 years ■ 40-49 years ■ 50-59 years ■ 60-69 years ■ 70+ years ■ Prefer not to say

All respondents = 512

What We Heard—Focused Analysis

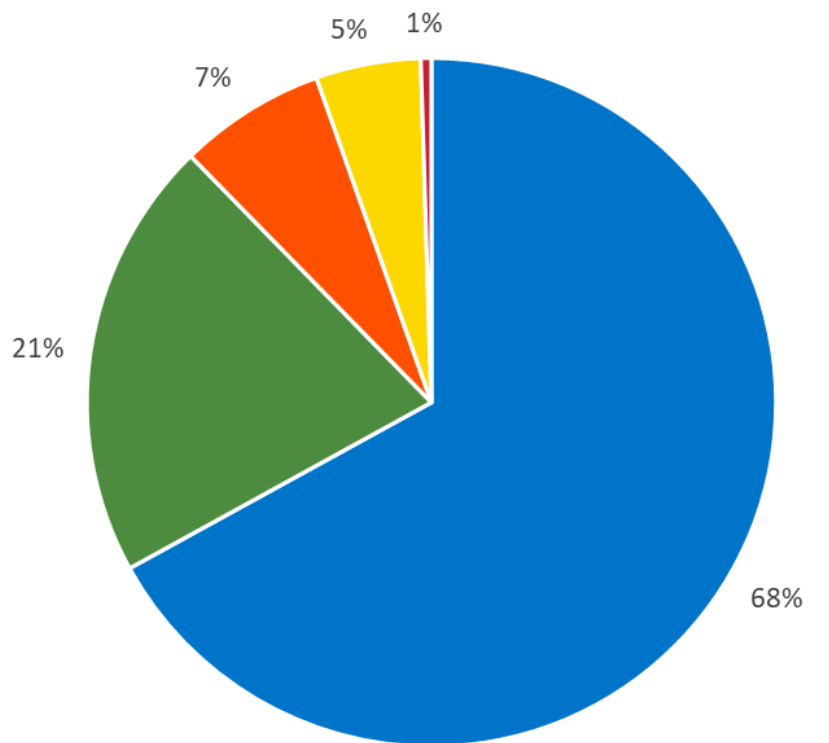
The results shown in the following section focus on respondents who indicated they were either already operating a home-based business or are interested in operating one in future. Because engagement completed as part of the Vancouver Plan process already indicated there was strong support to increase opportunities for people to work in residential areas, the home-based business modernization survey focused on input to help shape the refinement of regulations and the creation of implementation resources. Participants who either operate a home-based business or would be interested in operating one in future were selected for further analysis to gain specific insight into what regulations may or may not be right for home-based businesses modernization.

Relationship to Home-Based Businesses



What We Heard—Focused Analysis

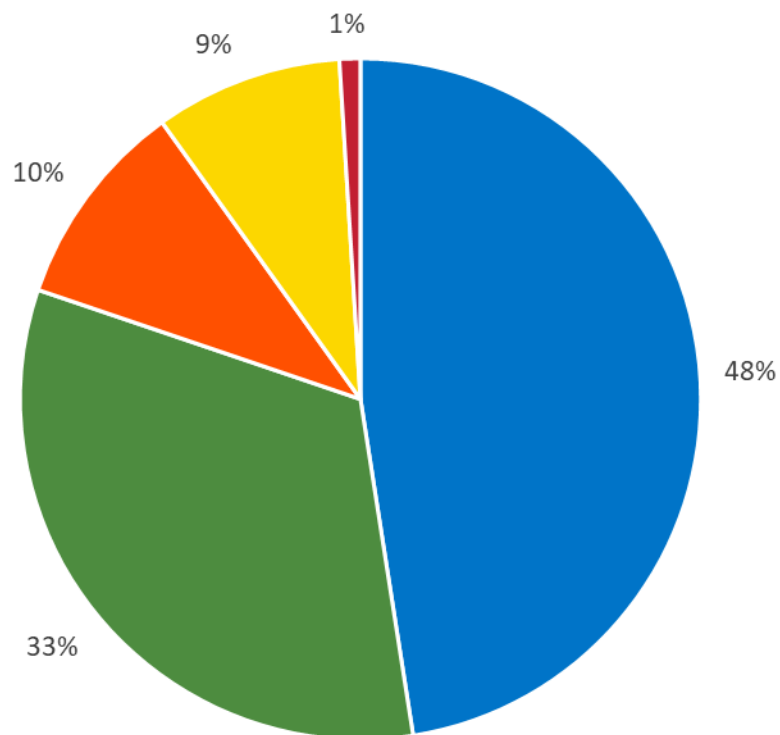
Generally, do you agree or disagree with the proposed change allowing customers and employees on the premises?



■ Strongly Agree
 ■ Somewhat Agree
 ■ Somewhat Disagree
■ Strongly Disagree
 ■ Don't Know/No Opinion

Respondents = 382

Generally, do you agree or disagree with the rules to maintain residential character and limit impact to neighbours?



■ Strongly Agree
 ■ Somewhat Agree
 ■ Somewhat Disagree
■ Strongly Disagree
 ■ Don't Know/No Opinion

Respondents = 384

What We Heard—Focused Analysis

....about the proposed change to allow customers and employees on the premises

Comments referencing...	# of responses
...support for the proposed changes as they help reduce costs for small businesses	165
...the proposed customer group size maximum is too restrictive, it should be larger or have no limit	4
...the proposed customer-by-appointment requirement is too restrictive	3
...the proposed “made-on-site” requirement for the sale of goods is too restrictive and hard to understand	9
...the proposed employee maximum is too restrictive, it should be larger or have no limit	2
...the proposed customer visitation hours (8 am to 9 pm) are too permissive, 9 pm is too late to have customers visiting	17
...concern regarding allowing the sale of goods	2
...concern regarding allowing customers	4
...concern regarding allowing non-resident employees	2
...concern that proposed changes would lead to increased traffic and decrease parking availability in neighbourhoods	20
...concern that proposed changes would decrease safety and security	3
...concern that proposed changes would result in increased noise impacts in neighbourhoods	4
...concern that proposed changes would generally negatively impact neighbours	20
...concern that proposed changes would be too difficult to enforce	4
...preference to see different rules for different types of businesses (i.e. business with or without customers)	2
...preference to see different rules for different dwelling types, especially apartments/multi-family dwellings	18
...preference to retain existing home-based business regulations and not make any changes	4

What We Heard—Focused Analysis

....about the proposed change to allow customers and employees on the premises

Businesses are much more varied in type and operations. More flexibility is needed to support a diverse range of business types.

All of the changes greatly benefit and promote small independent businesses that may not be able to operate profitably if they had to rent commercial premises, with minimal disruption to neighbours.

I somewhat agree but I think the number of hours employees or customers can be on-site is unnecessarily long. I think that 9 am - 5 pm or 6 pm would be more appropriate. As a renter I like being familiar with who is coming and going in the building, and I worry about a lack of accountability for building security at night.

I am a massage therapist and my colleagues all over the province work from home and I am currently not allowed to. I desperately want this.

In general, these changes make some sense to me, however, I can see that in some circumstances a home-based business might become a significant nuisance to the neighbours. If a steady stream of customers arrives all day long, this could create parking problems, noise problems, etc. for the neighbourhood.

I think the proposals will lead to much better uses of space.
I don't know if there is an easy way to do this, but I would prefer regulation that allows even more employees and customers as long as there is no major disruption to the neighborhood.

Generally, the proposed change to allow customers and employees, within certain limits (i.e. by appointment), was well received. Respondents emphasized the need to create a balance between allowing more flexibility for home-based businesses while maintaining neighbourhood character and limiting potential impacts.

What We Heard—Focused Analysis

....about the rules to maintain residential character and limit impacts to neighbours

Comments referencing...	# of responses
...supporting proposed changes as they balance business and residential needs	45
...the proposed total floor area maximum is too restrictive, it should be larger or have no limit	32
...the proposed customer group size maximum is too restrictive, it should be larger or have no limit	31
...the rules to maintain residential character are too restrictive	4
...the proposed changes are too restrictive and should be more flexible	19
...the proposed sign maximum is too restrictive, it should be larger or have no limit	9
...certain business types should not be excluded, all business types should be allowed as long as there is no impacts	8
...the rules not allowing outdoor storage are too restrictive, outdoor spaces should be available	6
...the restrictions to protect residential neighbourhood character are important	6
...the restrictions limiting impact (noise, odour, vibrations, etc.) on neighbouring dwellings are important	6
...the proposed restrictions on certain types of business would be beneficial	7
...the proposed customer group size is too large	6
...concern that proposed changes would result in increased noise impacts in neighbourhoods	8
...concern that proposed changes would lead to increased traffic and decrease parking availability in neighbourhoods	5
...concern that proposed changes would generally negatively impact neighbours	18
...concern that proposed changes would be too difficult to enforce	9
...preference to see different rules for different dwelling types, especially apartments/multi-family dwellings	4

What We Heard—Focused Analysis

....about the rules to maintain residential character and limit impacts to neighbours

It's important that home-based businesses don't overly commercialize residential spaces and these rules will help with that.

Agree with the changes but don't think it goes far enough - make it clear that larger groups of customers or employees are acceptable as long as there is no nuisance from noise

The home-based business should be able to use as much of the dwelling as they want as long as it's not disruptive to neighbours nor the character of the neighbourhood

Good mitigation strategies, strikes a nice balance.

I think the limits to customer group size is too restrictive.

I think trying to be respectful to neighbours is a good thing here, but I don't consider "maintaining the residential character" of a neighbourhood to be a very important goal.

People have to rely on some level of privacy in their home - having a home-based business with clientele and employees coming in and out of the building and hallways on your floor would negatively impact the expectation of privacy and security.

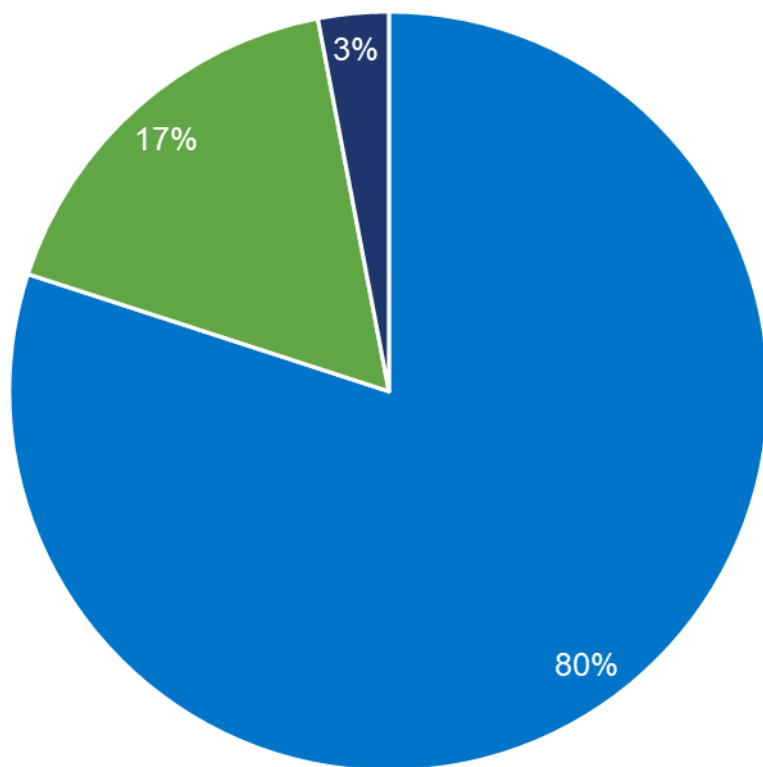
I broadly agree with the direction, but find it too restrictive. I support larger signs, increased space allowance above 500 sf, and larger class sizes for academic/art/dance/music lessons.

I believe home based business should be low profile to maintain the residential aspect of the street it's located on.

Staff received a broader range of feedback regarding keeping existing rules around residential character (i.e. sign limitations) and introduction of new rules to reduce potential impacts on neighbours (i.e. customer group size maximums). Many of the comments noted that the residential character and limiting impacts rules were too restrictive, while others felt these rules were too permissive.

What We Heard—Focused Analysis

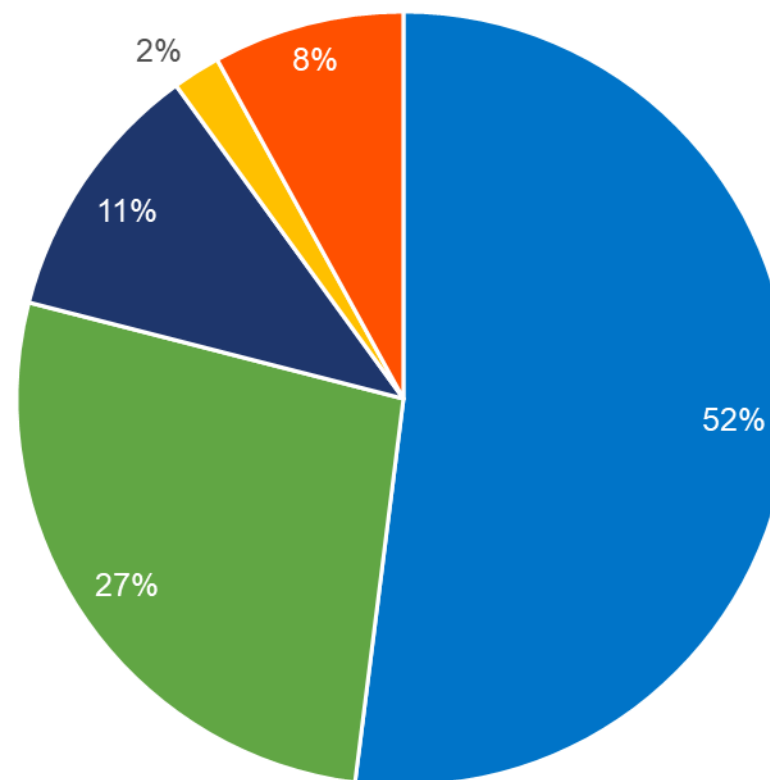
If the proposed changes happen, do you expect to have employees in your home?



- I don't expect to have any employees
- Yes, one employee
- Yes, two employees

All respondents = 382

If the proposed changes happen, do you expect to have customers in your home?

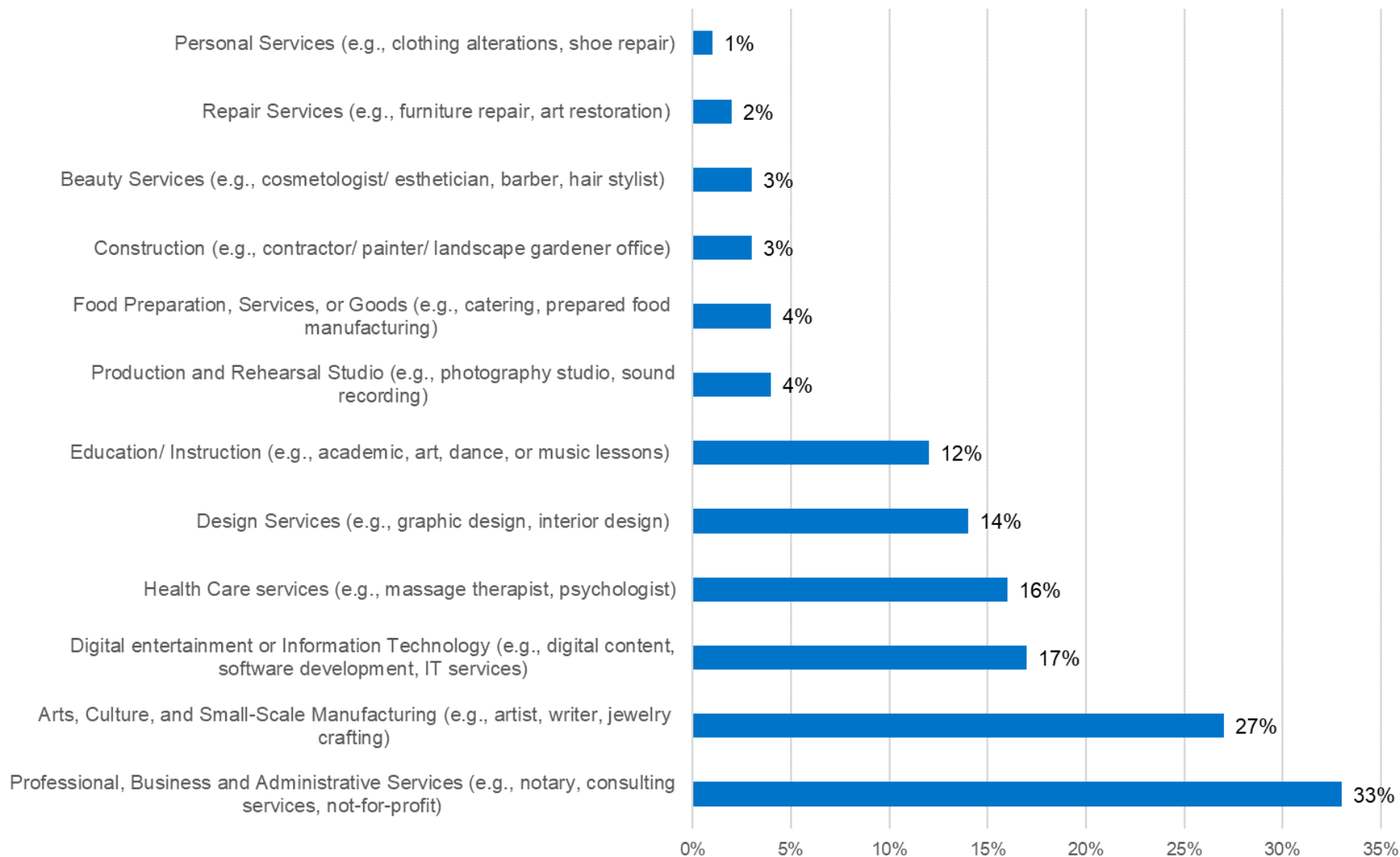


- No, I probably won't have customers
- Yes, probably a few times a month
- Yes, probably a few times a week
- Yes, at least one a day
- Yes, likely several each day

All respondents = 382

What We Heard—Focused Analysis

What kind of home-based business do you have or are thinking about starting?

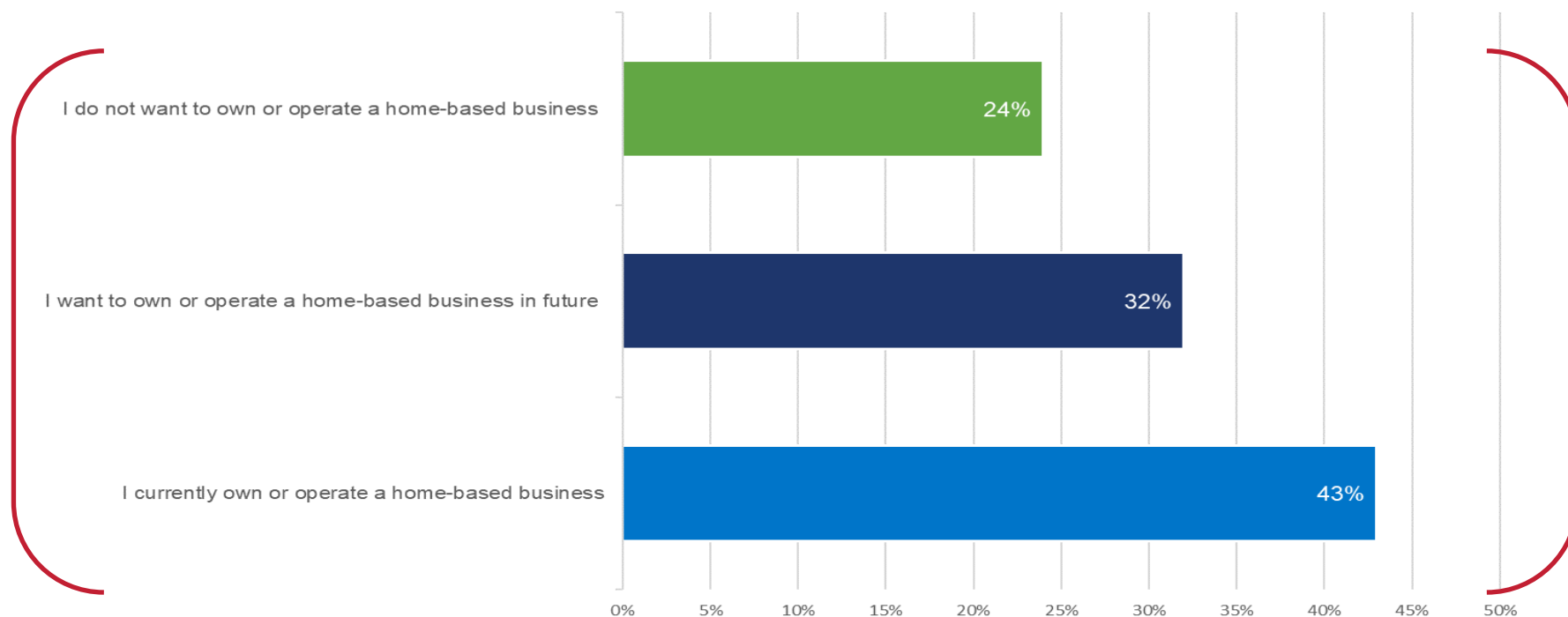


All respondents = 383

What We Heard—All Respondents

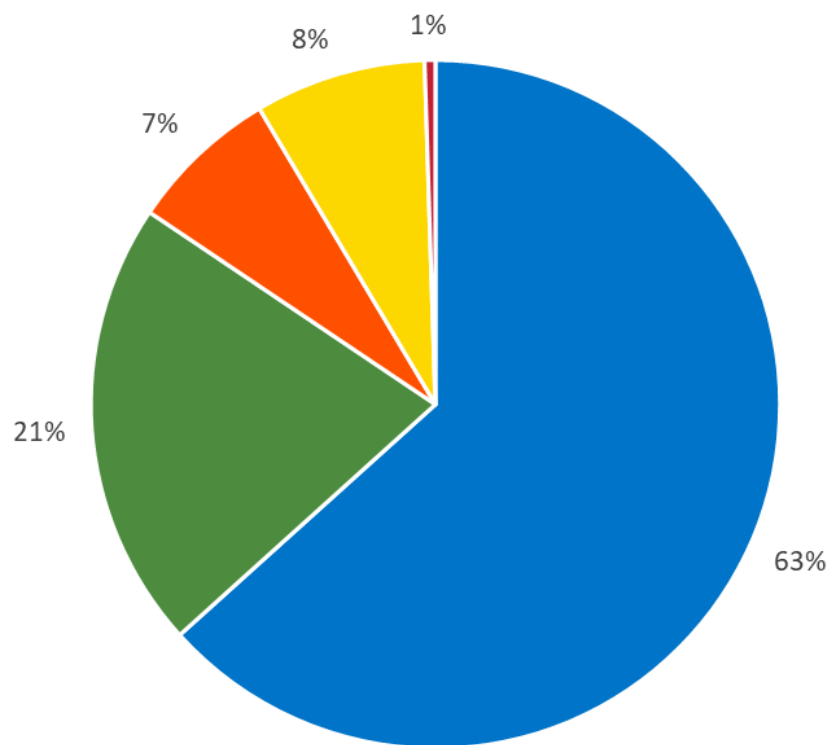
The following section outlines the results from all respondents that participated in the home-based business modernization survey. It is noted that the survey was “branched”, and only respondents who indicated they either already operated, or were interested in operating, a home-based business were asked additional questions about business activities. These additional questions included how many employees or customers the home-based business expected to have as well as which industry or sector the home-based business would fall under (See “What We Heard—Focused Analysis”). The additional questions were not asked to respondents who indicated there were not interested in operating a home-based business, and therefore are not included in the following section.

Relationship to Home-Based Businesses



What We Heard—All Respondents

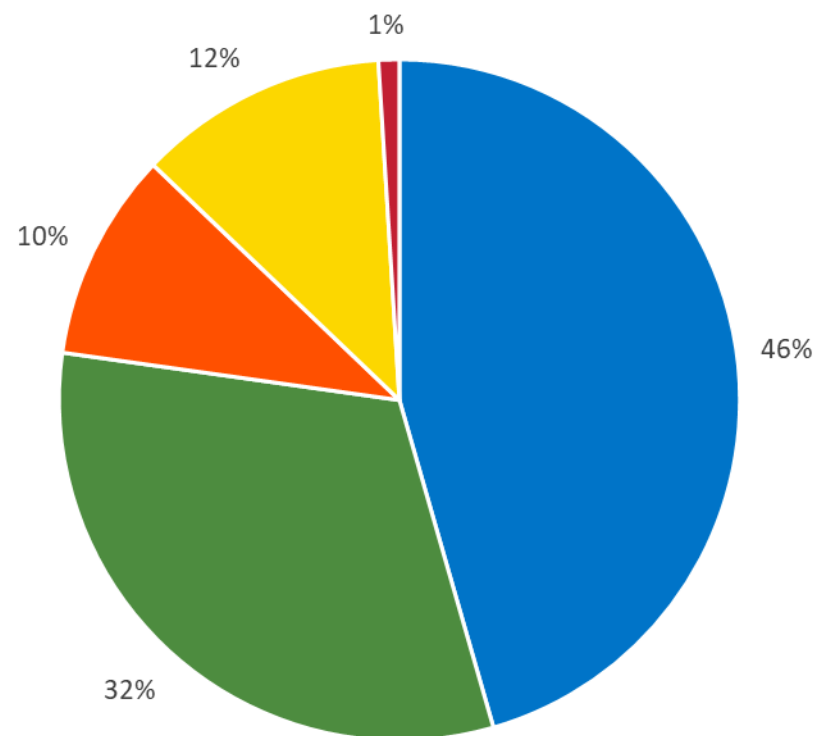
Generally, do you agree or disagree with the proposed change allowing customers and employees on the premises?



■ Strongly Agree ■ Somewhat Agree ■ Somewhat Disagree
■ Strongly Disagree ■ Don't Know/No Opinion

Respondents = 513

Generally, do you agree or disagree with the rules to maintain residential character and limit impact to neighbours?



■ Strongly Agree ■ Somewhat Agree ■ Somewhat Disagree
■ Strongly Disagree ■ Don't Know/No Opinion

Respondents = 513

What We Heard—All Respondents

....about the proposed change to allow customers and employees on the premises

Comments referencing...	# of responses
...support for the proposed changes as they help reduce costs for small businesses	199
...the proposed customer group size maximum is too restrictive, it should be larger or have no limit	6
...the proposed customer-by-appointment requirement is too restrictive	9
...the proposed “made-on-site” requirement for the sale of goods is too restrictive and hard to understand	11
...the proposed employee maximum is too restrictive, it should be larger or have no limit	5
...the proposed customer visitation hours (8 am to 9 pm) are too permissive, 9 pm is too late to have customers visiting	24
...concern regarding allowing the sale of goods	6
...concern regarding allowing customers	16
...concern regarding allowing non-resident employees	7
...concern that proposed changes would lead to increased traffic and decrease parking availability in neighbourhoods	32
...concern that proposed changes would decrease safety and security	8
...concern that proposed changes would result in increased noise impacts in neighbourhoods	9
...concern that proposed changes would generally negatively impact neighbours	32
...concern that proposed changes would be too difficult to enforce	5
...preference to see different rules for different types of businesses (i.e. business with or without customers)	3
...preference to see different rules for different dwelling types, especially apartments/multi-family dwellings	18
...preference to retain existing home-based business regulations and not make any changes	7

What We Heard—All Respondents

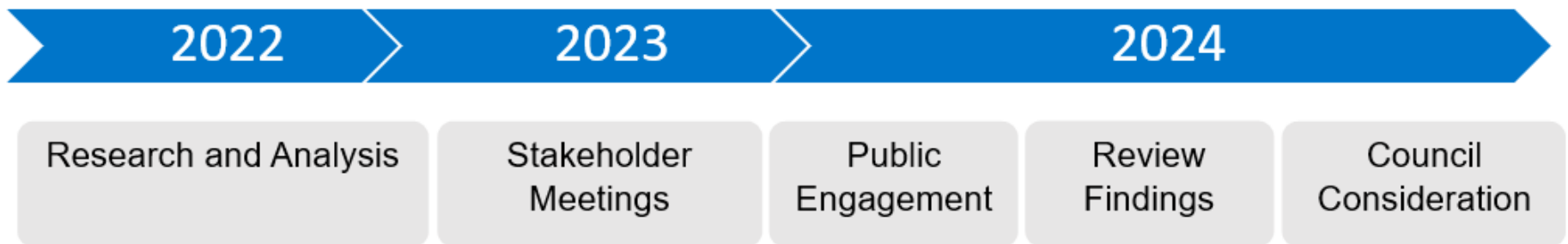
...about the rules to maintain residential character and limit impacts to neighbours

Comments referencing...	# of responses
...supporting proposed changes as they balance business and residential needs	47
...the proposed total floor area maximum is too restrictive, it should be larger or have no limit	38
...the proposed customer group size maximum is too restrictive, it should be larger or have no limit	42
...the rules to maintain residential character are too restrictive	6
...the proposed changes are too restrictive and should be more flexible	20
...the proposed sign maximum is too restrictive, it should be larger or have no limit	21
...certain business types should not be excluded, all business types should be allowed as long as there is no impacts	12
...the rules not allowing outdoor storage are too restrictive, outdoor spaces should be available	11
...the restrictions to protect residential neighbourhood character are important	8
...the restrictions limiting impact (noise, odour, vibrations, etc.) on neighbouring dwellings are important	18
...the proposed restrictions on certain types of business would be beneficial	10
...the proposed customer group size is too large	6
...concern that proposed changes would result in increased noise impacts in neighbourhoods	9
...concern that proposed changes would lead to increased traffic and decrease parking availability in neighbourhoods	15
...concern that proposed changes would generally negatively impact neighbours	27
...concern that proposed changes would be too difficult to enforce	14
...preference to see different rules for different dwelling types, especially apartments/multi-family dwellings	12



Next Steps

Engagement participants provided a range of feedback on the proposed home-based business regulations. The feedback has informed regulation amendments such as removing the requirement that only items made within the dwelling unit can be sold and reducing the hours which customers can visit.

The project team will be bringing the proposed home-based business regulations to Vancouver City Council for consideration in summer/fall 2024.



Stay connected to the project!

- Visit the project webpage shapeyourcity.ca/home-based-businesses
- Follow us on our socials @cityofvancouver  @CityofVancouver 
- Further questions? Email homebusiness@vancouver.ca

Appendix E
Public Engagement General Themes and Resulting Policy Approach

The survey, primarily focused on regulation refinement, was open from January 25 to February 25, 2024. Below is a summary of the main themes staff received from the public survey and the resulting policy approach staff took when drafting the proposed home-based business regulations.

Table 1: General Public Themes – Support

General Theme	Policy Approach
<p>Balancing business and residential needs: Respondents expressed support for the proposed regulations as these changes help reduce the costs for small businesses while respecting residential needs.</p>	<p>The theme of balancing business and residential needs was the main consideration when drafting the proposed regulations. While the proposed regulations seek to allow more flexibility for businesses there are still restrictions in place to ensure residential needs are met.</p>
<p>Restricting certain uses: We heard from respondents that certain uses which have the potential to impact neighbouring residents, such as automotive repair and industrial use, should not be eligible as a home-based business.</p>	<p>Under the proposed regulations, a home-based business can only operate within a dwelling unit to limit some uses which could be impactful on neighbours (i.e. automotive repair). Further, the proposed regulations limit the home-based business floor area to ensure the business is an appropriate size for the residential area. As some uses could be impactful due to the size of the business, not necessarily the use itself (i.e. jewellery manufacturing), staff determined that establishing a floor area maximum was a better solution for managing impacts.</p>
<p>Limiting impacts (noise, odour, vibrations, ect.) on neighbouring dwellings: Respondents noted that limiting impacts, such as noise and odour, is important given that home-based business will be operating in residential areas.</p>	<p>The existing home-based business regulations include limiting impacts on neighbouring dwellings, such as noise, odour, vibrations, and smoke. These regulations are proposed to be retained and expanded to include light pollution impacts on neighbours.</p>

Table 2: General Public Themes – Against

General Theme	Policy Approach
<p>Concerns that allowing employees and customers will lead in an increase in traffic and decrease in security: We heard from respondents that allowing employees and customers on the premises would lead to an increase in traffic and a decrease in security, especially in multi-unit buildings.</p>	<p>The proposed home-based business regulation includes several restrictions on customers and employees to limit impacts on neighbours, including:</p> <ul style="list-style-type: none"> • Customers are by-appointment; • Customers can only visit the dwelling between certain hours; • A maximum of three customers can visit the dwelling at one time; • A maximum of two non-resident can be involved in home-based business(es) within the dwelling; and, • Annual monitoring of the proposed changes will be conducted by city staff.

<p>Concerns about an increase in noise and general impacts to neighbours: Respondents were concerned that the proposed changes, especially allowing customers on the premises and the sale of goods, would result in noise and other impacts on neighbouring residents.</p>	<p>Staff have retained the existing regulations which limit a home-based business' impact on neighbours, such as noise, smoke, vibrations, etc. Additionally, customers are only permitted by-appointment and between certain hours. Staff proposed these regulations to limit potential impacts customers could have on neighbours.</p>
<p>The proposed regulations are too restrictive: Respondents noted that some of the proposed regulations, such as limiting the number of employees and the total floor area the home-based business can occupy, are too restrictive and there is opportunity to lessen restrictions.</p>	<p>Staff have included certain restrictions, such as employee and floor area maximums, to limit potential impacts on neighbours. Allowing customers, employees, and the sale of goods are significant changes which provide more flexibility, but also have the potential to impact existing residential areas. During ongoing monitoring staff will review the home-based business regulations to determine if further relaxations should be undertaken.</p>