

## **Proposed Text Amendments for Minor Home Based Businesses**

Zoning Bylaw 12800 regulates businesses operated in the home as either a Minor Home Based Business or Major Home Based Business. A Minor Home Based Business is differentiated from a Major Home Based Business in that it is considered to have minimal to no land use impacts to surrounding neighbours.

To be considered a Minor Home Based Businesses, the business cannot generate more than one business associated visit per day at the dwelling, no aspects of the business operations can be detectable from outside of the property, and the dwelling cannot serve as a workplace for non-resident employees. The special land use provisions also require storage associated with the business be contained within the dwelling as well as other requirements to ensure the business does not change the principal character or external appearance of the dwelling.

Due to the minimal impacts associated with Minor Home Based Businesses, this use is often listed as a permitted use in residential zones. If the development meets all of the land use provisions for Minor Home Based Businesses, it is approved as a Class A development and no notices are sent to surrounding landowners, community leagues or Business Improvement Area Associations.

In consideration of options to encourage the growth of small businesses, Administration identified the opportunity to exempt Minor Home Based Businesses from requiring a development permit in the April 17, 2018, Urban Form and Corporate Strategic Development report CR\_5469 Home-Based Licence Fees Elimination - Impacts and Options. This report provides further detail on this approach.

A motion at the April 24, 2018 City Council meeting directed Administration to further explore this option:

That Administration, while continuing work on the broader business license fees review, bring back interim recommendations to immediately reduce home-based business licence fees to bring them in line with other municipalities across Canada, for consideration prior to the 2019 budget. This could include, but should not be limited to, consideration of "Opportunity 2" as outlined in the April 17, 2018, Urban Form and Corporate Strategic Development report CR\_5469 to eliminate the development permit fee associated with minor home-based businesses.

Administration will prepare a report in Quarter 3 of 2018 to explore other opportunities for fee reduction, other than what is identified in this report.

### Current conditions

Permit data suggests that home based businesses are a growing segment of Edmonton's economy. Although the number of permits issued for Minor Home Based Business has fluctuated, the number of permits issued overall has steadily increased over the last 20 years. In 2017, the City issued 2,842 Minor Home Based Businesses permits. Because these are generally permitted uses, less than one percent of the applications made for a Minor Home Based Business are refused. The low percentage of refusals may also correlate with the number of applications that switch from a Minor Home Based Business to a Major Home Based Business once a Development Officer is able to verify the type of business proposed. Additionally, some applications may be cancelled, or withdrawn, when the applicant is made aware that the business is more appropriately located in a commercial or industrial location.

Minor Home Based Business Permits Issued between 1995 to 2017



### Proposed changes

The proposed changes will exempt Minor Home Based Businesses from requiring a development permit, provided that they are listed as a permitted use in the zone they are located, and they fully comply with the special land use provisions. Minor Home Based Businesses were chosen for this exemption for their overall minimal land use impact, and that compliance with the zoning regulations can be assessed at the time of the business licence application. These proposed changes also create an opportunity to reduce administrative fees for small businesses by \$125, the current development permit application fee for a Minor Home Based Business. The removal of the development permit will also enable a faster processing time for businesses.

As Minor Home Based Businesses will still be required to obtain a business licence, Administration can verify compliance with Zoning Bylaw 12800 during the business licence application process. If it is found that the proposed Home Based Business does not comply with the Special Land Use regulations, the

applicant will be directed to apply for the appropriate development permit as required.

### Conclusion

Removing the development permit requirement for Class A Minor Home Based Business uses can help reduce startup costs for small businesses, and also creates more opportunities for new businesses to enter the market. Similar to the proposed changes for change of use developments, these changes support continued investment in Edmonton's thriving local economy.

<b>Mark-up of Proposed Text Amendment to Zoning Bylaw 12800</b>  Black Font      Existing Text in Zoning Bylaw 12800 <del>Strikethrough:</del> Proposed deletion from Zoning Bylaw 12800 <u>Underline:</u> Proposed addition to Zoning Bylaw 12800	<b>Rationale</b>
<b>12.2 No Development Permit Required</b>  1. A Development Permit is not required for:  <u>aa. a Minor Home Based Business that fully complies with the regulations of this Bylaw and it is a Permitted Use in the applicable Zone.</u>	The intent for this change is to eliminate the Development Permit requirement for Minor Home Based Businesses that generally do not create a nuisance or major land use impact to the surrounding neighbourhood.  Verification of compliance with zoning and the Special Land Use Provisions will be assessed as part of the Business Licence application. This includes a process where a Development Officer determines when a development permit is required.
<b>74. Minor Home Based Business <u>and Major Home Based Business</u></b>  <u><b>1. Minor Home Based Business</b></u>  A Minor Home Based Business shall comply with the following regulations: <ol style="list-style-type: none"> <li>1. there shall be no exterior signage, display or advertisement other than a business identification plaque or Sign 10.0 cm x 30.5 cm in size located on the Dwelling;</li> <li>2. there shall be no mechanical or electrical equipment used that creates external noise, or visible and audible interference with home electronics equipment in adjacent Dwellings;</li> </ol>	The current structure of the bylaw is numerically constrained as Special Land Use provisions must be numbered between 70 and 99. All these numbers are currently used for Special Land Use provisions.  To accommodate the new special land use provisions for Special Events, the provisions for Minor and Major Home Based Businesses have been

<ol style="list-style-type: none"> <li>3. the Minor Home Based Business shall not employ any person on-site other than a resident of the Dwelling;</li> <li>4. there shall be no outdoor business activity, or outdoor storage of materials or equipment associated with the business allowed on the Site. Indoor storage shall only be allowed inside the Dwelling;</li> <li>5. the Minor Home Based Business shall not change the principal character or external appearance of the Dwelling involved; and</li> <li>6. in addition to the information requirements of subsection 13.1 of this Bylaw, each application for a Development Permit for the Use Minor Home Based Business shall include a description of the business to be undertaken in the Dwelling, an indication of the anticipated number of business visits per week and details for the provision of parking.</li> </ol>	<p>consolidated into one Section.</p> <p>No changes to the existing provisions for Major Home Based Businesses are proposed; they have simply been copied and pasted from Section 75.</p>
<p><b><u>2. Major Home Based Business</u></b></p> <p><u>A Major Home Based Business shall comply with the following regulations:</u></p> <ol style="list-style-type: none"> <li>1. <u>there shall be no exterior display or advertisement other than an identification plaque or Sign a maximum of 20 cm x 30.5 cm in size located on the Dwelling;</u></li> <li>2. <u>there shall be no mechanical or electrical equipment used that creates external noise, or visible and audible interference with home electronics equipment in adjacent Dwellings;</u></li> <li>3. <u>the Major Home Based Business shall not generate pedestrian or vehicular traffic, or parking, in excess of that which is characteristic of the Zone in which it is located;</u></li> <li>4. <u>the number of non-resident employees or business partners working on-site shall not exceed two at any one time;</u></li> <li>5. <u>there shall be no outdoor business activity, or outdoor storage of material or equipment associated with the business. Indoor storage related to the business activity shall be allowed in either the Dwelling or Accessory buildings;</u></li> <li>6. <u>the Major Home Based Business shall not change the principal character or external appearance of the Dwelling or Accessory buildings;</u></li> <li>7. <u>a Bed and Breakfast Operation, operating as a Major Home Based Business shall have a maximum of two Sleeping Units. Cooking facilities shall not be located within the Sleeping Units. In addition to any other parking requirements of this Bylaw, one additional parking space shall be provided for each Sleeping Unit;</u></li> <li>8. <u>in addition to the information requirements of subsection 13.1 of this Bylaw, each application for a Development Permit for the Use Major Home Based Business shall include a description of the business to be undertaken at the premises, an indication of the number of business visits per week,</u></li> </ol>	

<p><u>provision for parking, and where any materials or equipment associated with the business use are to be stored; and</u></p> <p>9. <u>the Major Home Based Business shall not be allowed if, in the opinion of the Development Officer, such Use would be more appropriately located in a Commercial or Industrial Zone having regard for the overall compatibility of the Use with the residential character of the area.</u></p> <p>10. <u>a Major Home Based Business shall not be allowed within the same principal Dwelling containing a Secondary Suite or within the same Site containing a Garden Suite and an associated principal Dwelling, unless the Home Based Business is a Bed and Breakfast Operation and the Secondary Suite or the Garden Suite is an integral part of the Bed and Breakfast Operation.</u></p>	
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