



City of Nanaimo Home-Based Business Survey FINAL REPORT

December 2018



SURVEY FINDINGS

The following section outlines the findings from the *Proposed Home-Based Business Regulations Survey*. The profile of survey respondents is examined first and is followed by an analysis.

Question 1 asked respondents to indicate whether they currently operated a home-based business, were considering starting a home-based business, operated a business from a commercial premise or were an interested Nanaimo resident.

The feedback from Question 1 was that 6 respondents currently operated a home-based business, 3 respondents were considering starting a home-based business and 5 respondents were interested Nanaimo residents.

Question 2 asked respondents who are currently operating a home-based business the length of time they have been in operation, if they employ an employee, and if they envision growing their business in any capacity.

The feedback from Question 2 was that 2 respondents were in operation for under 2 years, 1 respondent has been in operation for 3-5 years and 4 respondents had been in operation for 5 or more years. 3 respondents employ an employee and 5 respondents envision growing their business within their home.

We provided the survey respondents with the following information:

A number of new directions are being proposed for home-based businesses in Nanaimo, including:

- *The types of activities permitted as a home-based business.*
- *How unit/lot size related to home-based business size.*
- *The number of non-resident employees allowed in a home-based business.*
- *The number of daily visits that can be accommodated by a home-based business.*

You may notice the reference to a 'Type' of home-based business:

Type 1: includes home-based businesses within multi-family developments or on small residential lots less than or equal to 450m².

Type 2: includes home-based businesses on residential lots greater than 450m² and less than or equal to 2,020m² (half acre).

Type 3: includes home-based businesses on residential lots over 2,020m² (half acre).

Size & Location

Home-based businesses are permitted to operate from the primary dwelling unit, secondary suite, carriage house or accessory building. The update proposes no change to this. In multi-family and small lot single family dwellings less than 450m², the home-based business must be in the primary dwelling unit.

Currently, a business is permitted varying floor space depending on whether the home-based business is located in the primary dwelling, secondary suite, both units, or the accessory building. The proposed regulations permit 30% Gross Floor Area (GFA), up to 28m² (300 sq. ft.), for Type 1. The proposed updates would allow a home-based business 50% GFA, up to 100m² (1,076 sq. ft.), for Type 2 and 50% GFA, up to 140m² (1,500 sq. ft.) for Type 3.

Question 3: Do you support permitting 30% GFA, up to 28m² (300 sq. ft.), for Type 1 Home-Based Businesses?

10 Respondents agreed with permitting 30% GFA and 4 Respondents didn't agree with the proposed regulation.

Question 4: Do you support permitting 50% GFA, up to 100m² (1,076 sq. ft.), for Type 2 Home-Based Businesses?

8 Respondents agreed with permitting 50% GFA and 6 respondents didn't agree with the proposed regulation.

Question 5: Do you support permitting 50% GFA, up to 140m² (1,500 sq. ft.), for Type 3 Home-Based Businesses?

9 Respondents agreed with permitting 50% GFA and 4 respondents didn't agree with the proposed regulation.

Daily Visits

Currently, the zoning regulations allow a home-based business a maximum of five return vehicle trips per day. The proposed update would maintain five return vehicle trips per day for Type 1, and introduce up to eight return vehicle trips for Type 2 and up to ten return vehicle trips for Type 3.

For home-based businesses requiring group visits, it is proposed Type 1 be restricted to tutoring and lessons only and capped at one client at a time, subject to the daily maximum vehicle trips detailed above. It is proposed Type 2 be capped at two clients at one time and Type 3 be capped at five clients at one time, subject to the daily maximum return vehicle trips detailed above.

Question 6: Do you support increasing the permitted number of return vehicle trips to eight for Type 2 Home-Based Businesses?

Respondents were split with 7 in support of the increase and 7 not supporting the increase of return vehicle trips for Type 2 Home-Based Businesses.

Question 7: Do you support increasing the permitted number of return vehicle trips to ten for Type 3 Home-Based Businesses?

9 Respondents agreed with increasing the permitted number of return vehicle trips for Type 3 home-based businesses and 5 respondents did not agree.

Question 8: Do you support restricting Type 1 Home-Based Businesses to tutoring and lessons only and one client at a time?

8 Respondents agreed with the restriction on Type 1 home-based businesses and 6 respondents were not in agreement.

Question 9: Do you support permitting up to two clients at one time for Type 2 Home-Based Businesses?

6 Respondents agreed with permitting up to two clients at one time for Type 2 home-based businesses and 8 respondents were not in agreement.

Question 10: Do you support permitting up to five clients at one time for Type 3 Home-Based Businesses?

8 Respondents agreed with the permitting up to five clients at one time for Type 3 home-based businesses and 6 respondents were not in agreement.

Employees

Currently, a home-based business is permitted one non-resident employee if the business is located in the primary dwelling unit, but not if it is located in the secondary suite. Under the proposed home-based business regulations Type 1 businesses would not be allowed a non-resident employee, Type 2 businesses would be allowed one non-resident employee and Type 3 businesses would be allowed two non-resident employees. Non-resident employee parking must be provided onsite.

Parking

The City of Nanaimo recently passed a new parking bylaw. Under this bylaw a home-based business that has no clients coming to the premise is exempt from the requirement to provide a parking spot. An onsite parking spot must be provided for each non-resident employee.

Question 11: Do you support the proposed restriction to not allow any non-resident employees for Type 1 Home-Based Businesses?

Respondents were split with 7 in support and 7 not in support of the not allowing any non-resident employees for Type 1 home-based businesses.

Question 12: Do you support permitting up to one non-resident employee, subject to parking requirements, for Type 2 Home-Based Businesses?

9 Respondents agreed with the permitting up to one non-resident employee, subject to parking requirements, for Type 2 home-based businesses and 5 respondents were not in agreement.

Question 13: Do you support permitting up to two non-resident employees, subject to parking requirements, for Type 3 Home-Based Businesses?

9 Respondents agreed with the permitting up to one non-resident employee, subject to parking requirements, for Type 3 home-based businesses and 5 respondents were not in agreement.

Hours of Operation

Currently the hours of operation for home-based businesses are between 7am – 9pm.

Question 14: Do you support keeping the hours of operation between 7am – 9pm?

Respondents were split with 7 in support and 7 not in support of the keeping the hours of operation the same.

Respondents who did not support keeping the hours of operation between 7am – 9pm were asked what hours they would suggest. The answers are below.

- 9am to 8pm
- 8am to 6pm

- 9am – 5pm
- 6am – 9pm
- 8am – 7pm
- Depends on business (baker)
- 8am – 8pm

Signage

Currently a home-based business is permitted one sign (size specifications in Sign Bylaw). The proposed regulations permit one sign per location regardless of the number of home-based businesses. The sign may include names of all businesses operating at the location.

Question 15: Do you support permitting one sign per location?

13 Respondents were in support of permitting one sign per location, only 1 respondent was not in agreement.

Permitted Uses

The City of Nanaimo Zoning Bylaw permits a wide variety of activities as a home-based business. A number of activities are restricted or outright prohibited due to their impact on neighbourhoods through noise, traffic, odours, vibration, smoke, dust, effluent, etc.

The home-based business update proposes that “personal services” not be permitted in Type 1. (Personal services involve hair, skin, nails and personal wellness and body modification services such as tattooing, piercing and micro-blading, etc.)

Limited animal services (dog walking, pet sitting, pet grooming, training therapy, but not, commercial kennels, breeding, dog boarding and dog daycares) are permitted as a home-based business

Question 16: Do you support that “personal services” should not be permitted as a Type 1 Home-Based Business?

9 Respondents agreed that “personal services” should not be permitted as a Type 1 home-based businesses and 4 respondents did not support.

Question 17: Do you agree that ‘animal services’ should be permitted as ‘mobile only’ for Type 1 Home-Based Businesses?

All respondents agreed that animal services should be permitted as ‘mobile only’ for Type 1 home-based businesses.

Question 18: Do you support that ‘animal services’ should be permitted as ‘mobile only’ and ‘on-site’ for Type 2 and Type 3 Home-Based Businesses?

9 Respondents support that ‘animal services’ should be permitted as ‘mobile only’ and ‘on-site’ for Type 2 and Type 3 home-based businesses. 5 Respondents did not support this.

Additional Uses

There are opportunities for Type 3 home-based businesses to accommodate certain activities. Both drop-in retail for artisanal products and auto repair are being proposed in the home-based business regulations as a Type 3 use.

Question 19: Do you support drop-in retail for artisanal products as a Type 3 Home-Based Business use?

11 Respondents support drop-in retail for artisanal products as a Type 3 home-based business. 2 Respondents did not support this.

Question 20: Do you support auto repair as a Type 3 Home-Based Business?

8 Respondents support auto repair as a Type 3 home-based business. 6 Respondents did not support this.

Respondents were then asked if there were any other uses that you feel should be permitted as a Type 3 Home-Based Business? The answers are below:

- No
- Inside vehicle or equipment

The final question for Respondents asked if they have any other thoughts comments or suggestions about the proposed updates to the home-based business regulations. The answers are attached.

Q22 Do you have any other thoughts, comments or suggestions about the proposed updates to the home-based business zoning regulations?

Answered: 12 Skipped: 2

#	RESPONSES	DATE
1	I think there could be an increase for square footage of businesses that are on 1 acre or more...	12/26/2018 9:22 PM
2	The City of Nanaimo is currently reviewing it's Home Based Business (H.B.B.) regulations to "support HBB's while balancing the needs of neighbourhoods". The new proposals are based on a recent survey, returned by 19% of HBB operators. Six objectives to support HBB's were identified in the July survey, there were no objectives to support neighbourhoods. If anything the proposals for Type 2 and Type 3 will increase stress on some neighbourhoods. The original HBB guidelines were introduced in 1993. Since then our society and governments on all levels have moved to more consultation, transparency and inclusion when making decisions that impact others. In the process of reviewing the HBB's the EDD at City Hall have done this from the business perspective but not from a neighbourhood perspective. To make the new HBB proposals more balanced, with transparency, inclusion and consultation in mind, at the very least a written notification needs to be sent to the neighbours living on the same block as the business. This would allow concerns to be shared before the licence is granted. Given that 38% of the business licences issued in Nanaimo are for HBB's, I want to suggest more oversight. Are HBB's tracked? Does the City know how many HBB's there are on a given block? Often there are more than one business. If another business was licenced, how would that affect traffic, parking, noise? Before issuing a licence is the proposed site visited? Any concerns / disputes a neighbourhood may have with a new HBB needs to be heard by an independent oversight committee. Currently there is no mechanism for neighbourhood to appeal. Which is wrong. I recognise cost is a factor with the changes I propose. I suggest these costs be a part of the business license.	12/17/2018 3:45 PM
3	neighbours should have some input as to what happens next door to them as part of the approval process	12/14/2018 3:28 PM
4	Be very clear what the response is to activities not allowed in a residential home-based business i.e. using a single-family home as a multi-client gym, having clients before and after allowed hours, parking violations etc. Concrete actions should be expected for violations. Neighbours shouldn't have to track the traffic to/from these businesses and complaints should be followed up with an actual investigation.	12/5/2018 5:09 PM
5	Consideration needs to be given to shared driveways and impact of traffic across access granted by easement.	12/5/2018 12:54 PM
6	Yes, I think the number of employees allowed in each of the types of home-based businesses is unnecessarily restrictive. If parking on-site is available, I would support 1 employee for type 1, 2 or 3 employees for type 2, and up to 4 employees for type 3. I am the only resident in my home, so if my home-based business has 2, or even 3 employees, that is still less people than a typical family of 4 or 5. I also think the number of visits per business type is overly restrictive, especially if it includes sales, deliveries and customer visits. I don't think the limits as set out encourage home-based business, productivity and innovation in Nanaimo.	12/5/2018 10:35 AM
7	Q.3 - should be 1,500 sq. ft. Q.4 - should be 1,500 sq. ft. (What does the lot size have to do with sq. ft.?) Q.6 - should be more, can't make a living off 8 clients Q.7 - should be more, can't make a living off 10 clients (or 5 each if you have one employee) Q.9 - needs to be more Q.11 - should allow one, no vacation, or if you do, business stops?! Q.12 - need more! brick and mortar businesses are becoming less necessary with online market - need more than one employee! Q.15 - yes, but allow a freestanding sign! everyone has one even though they are not allowed. Allow it and tax it! Moving in the right direction, but overall very disappointing. Nanaimo needs to allow more clients and more employees for home businesses. With these bylaws people can't make a living and they will just break the laws anyway. Increase the limits, tax or charge for it if necessary. Music Teacher (8 appointments, 1/2 hour each) - welfare Nails/Hair (5 appointments with 2 stylists, 1 hour each) - welfare Daycare (up to 16 kids, only allowed 10 trips?) - How does that work?	12/5/2018 10:09 AM
8	Q.8 - two as long as enough parking space	12/5/2018 10:02 AM

9	Q18 - Type 2 mobile only and onsite for Type 3	12/5/2018 9:59 AM
10	Q.6 - should be more allowed Q.7 - should be more allowed Q.9 - more clients at a time should be allowed Q.12 - more should be allowed Q.13 - more should be allowed We should be allowed more then 1 sign per home and I think we should have more then 10 return vehicle visits per day.	12/5/2018 9:56 AM
11	Hours of operation should depend greatly on the business	12/5/2018 9:51 AM
12	Type 3 split for inclusion of 1 acre or more allowing additional provisions / employees.	12/4/2018 8:15 PM

Re: Updating Regulations Governing Small Home-Based Businesses

The City of Nanaimo is currently working on an update of its regulations governing small home-based businesses. This was last done in 1996. Since that time, much has changed in terms of the number of home-based businesses, technologies, and the City's interest in balancing the needs of home-based businesses with neighbourhood character.

Interested residents are encouraged to contact the City of Nanaimo, either in person or on-line, to inform themselves of the complete ongoing review and provide further input. Contact Ms. Amrit Manhas, Economic Development Officer, City of Nanaimo at amrit.manhas@nanaimo.ca, or 250-755-4465.

SPNA has provided input to date through the following forums:

- Nov 9, 2018 - Chairs of all Neighbourhood Associations were invited to review the City's proposals to date.
- Dec 4, 2018 – General public invite to the Vancouver Island Convention Centre Open House to review the City's **ongoing revised** proposals to date.

SPNA's input to date included:

- 1) **City should consider the distinct differences in many new types of on-line businesses, which do not have staff, consultant partners, or clients arriving on-site, or physical deliveries in/out of the residence.** They do not impact their neighbourhood and as such should not be required to adhere to parking requirements beyond that of a regular residence. *(City of Nanaimo appears to have incorporated this Nov. 9, 2018 suggestion into its Dec 4, 2018 presentation.)*
- 2) **City should provide curbed sidewalks, at a minimum along major arterials, where proposed parking requirements on-site may still rely on overflow on-street parking.** Relying on overflow on-street parking dangerously impacts pedestrians where there are no curbed sidewalks. The most dangerous example provided was Hammond Bay Rd. (HB Rd.), a major arterial, of which only 180m of its 3,400m of shoulder has a curbed sidewalk. The remaining 3,220m has only, at best, a white paint line ***(which only demarks the vehicle lane – it does not demark a designated pedestrian zone – and as such, can be used legally as parking)***. In this example, any reliance on on-street parking will completely impede the disabled, and likely force pedestrians into dangerous and high-speed vehicle lanes.
- 3) **City should review the proposed 8 vehicle trips per day allowed for 'Type 2' businesses.** Others in the Nov 9, 2018 meeting offered multiple examples (photographer/ hairdresser with no staff), where this number would be impractical and

insufficient. Fifteen vehicles trips per day was proposed by others. *(City of Nanaimo has not incorporated this suggestion as of the Dec 4, 2018 presentation.)*

- 4) **City should require a means of turn-around on-site, similar to what appears to be required for commercial zoned businesses, along arterial roads (HB Rd.).** Allowing business traffic to back onto HB Rd. is dangerous, and exacerbates the already compromised flow of traffic along HB Rd.
- 5) **City should better enforce existing rules governing signage.** This includes the allocation of one sign only, of a particular size and placement, as outlined in the existing bylaws governing signs. No allowance should be made for additional sandwich boards, directional signage to the business from blocks away, special promotional signage or decoration, or the long-term parking of commercial vehicles advertising the business.
- 6) **City should not incorporate the proposal by others that all businesses must have a sign.** SPNA agrees it is beneficial for neighbours to know the nature of adjacent businesses, and supports the requirement if there are staff, consultant partners, or clients arriving on-site, or physical deliveries in/out of the residence. Those businesses which do not, do not place an impact on neighbour and should not be required to have a sign as it may compromise security sensitive work, and mistakenly appear to solicit customers.

Thank you to all residents who have provided input or participated in the Open House.

Attention: City of Nanaimo

Re: Home Based Business

I attended your HBB open house (December 4th) and appreciate the time and work put into the revisions to date. I would like to add that many of the small business owners would like the RTV to be increased in a formulaic way.

Residential neighbor-hoods have changed dramatically over the years. Many people do not work Monday to Friday 9-5 jobs only; weekend work is common as well as shift work. Convenience stores are now of the common place bordering residential areas. Opening our city to more employment opportunities (that would not be possible due to high commercial rental and minimum 3-5 yr lease time) is an invitation for a stronger commerce community.

One of the factors that we should base balanced changes on is "allotted vehicles per lot size". When R3 zoning was captured into RS1 zoning, more restrictions were introduced.

Stating the obvious, property taxes are higher proportionately to size increase based on comparative uses and potentials etc. (Ex. ½ acre pays less than 1 acre, 1 ½ acres pays more than 1 acre, 2 acres pay more than 1 acre). Consider this as a RVT (Return Vehicle Trip) allotment; in the existing HBB regulations, home residents RVT are unlimited and would remain as such.

- A high density lot (450m²), has an average of 2 vehicles with minimum 2 vehicle return trips (VRT) per day at any hour and HBB will allow an additional 5 RVT per day;
- In proportion, if a half acre parcel (2,020 m²) was subdivided, that street may produce a minimum of 8 RVT per day (not between specific hours); Compared with type the one proposal, that would be + 20 RVT = 28 RVT.
- 1 acre (4046m²) = 16 RVT per day; this would be the equivalent (in comparison of type one) of 40 RVT.
- 2 acres = 32 RVT per day.
- 3 acres = 48 RVT per day.

Employee maximums would be based on lot size as well. Consideration should be given that transportation other than private vehicles may be used (ex. Bus, bike, car pool) Type one = one non resident employee. Type two = 2 non resident employees. Type three, broken down by ½ acre increments = 4 employees, 1 acre = 6 employees, 2 acres = 8 employees, 3 acres = 10 employees; and so on up to 12 employees with "all" parking on property. I would like to see type 1, 2, and 3 HBB's being able to use another HBB for parking if they do not meet their maximum allotment.

Note:

If these properties ½ acre + were subdivided, the RVT would easily surpass these proposals for HBB and reduce green space immensely. Keeping larger properties in many residents view are essential for the diversity in wild life. Home base business's are the most quiet polite neighbors generally, no loud outside music (etc) as they show examples of neighborhood respect for customers unlike Airbnb's, generally speaking of course.

Listed below are proposal for review and consideration for changes:

Type 1

- 5 RVT per day
- 1 non resident employee

Type 2

- Size (based on gross floor area) up to 50% of the GFA.
- Up to 12 VRT per day
- 2 non resident employees
- Parking must be located on the property.
- Storage of vehicle etc. (inside)

Type 3

- Based on ½ acre increments would be RVT.
- HBB Size up to 50% of the GFA or Size based above the minimum amount of living / non business area must be 100 m sq. and all other area may be dedicated to business.
- ½ acre 13 RVT per the first half acre and 3 per each half acre increment. Ex. ½ acre = 13 RVT; 1 acre = 16 RVT; 1 ½ acre = 19 RVT and so on up to 5 acres. A limit of 27 RVT would be the cap.
- ½ acre = 2 non resident employees; 1 acre = 4 non resident employees; 2 acres = 8 employees; and so on up to 5 acres with a maximum of 12 employees.
- All parking must be located on the property.
- Up to 20 non-resident employees.
- Note, “Mini storage” inside any structure may be unlimited and non restrictive provided normal safety precautions / laws are followed.

The following to be enhanced to accommodate the above recommendations:

6.20.2.1. In a dwelling unit, the home based business shall not occupy more than 100m² of the dwelling unit, or 50% of the dwelling unit, whichever is less. 6.20.2.2. Where the home based business is located in an accessory building, the home based business shall not occupy more than 42m². 6.20.2.3 Where a home based business is located within a secondary suite, the home based business shall be wholly contained within the secondary suite and shall not occupy more than 42m² or 50% of the secondary suite, whichever is less. 6.20.2.4 Notwithstanding Subsections 6.20.1., where a dwelling contains a secondary suite and both the dwelling unit and the secondary suite each contain a home based business, or portion thereof: a) the home based business for the secondary suite shall not occupy more than 42m², or 50% of the secondary suite, whichever is less; and b) the home based business for the principal dwelling unit shall not occupy more than 60m², or 50% of the dwelling unit, whichever is less.

Home Based Businesses and Easements in Nanaimo

History

There are many lots in Nanaimo (i.e.: Rock City, Robin Hood area) with driveways that cross neighbouring lot(s). Access for the driveway has been granted via easement drafted during the subdivision process. These easements pre-date any Home Based Business Bylaw and are silent on the matter of traffic from home based businesses. An arbitration case in Nanaimo has ruled that, unless specifically prohibited, an easement agreement does not restrict traffic from home based businesses in any way. As a result, residential property owners are subject to business traffic crossing their property without their knowledge or approval.

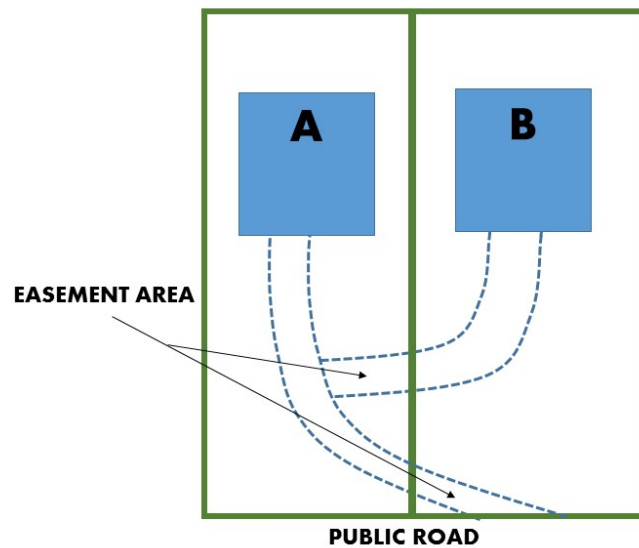
Concerns

- Depending on the easement agreement, the property owner is responsible for some or all of the driveway maintenance.
- Standard of care for business access is far higher than that for residential access. The addition of business traffic on residential property changes the property owner's risk profile and adds additional maintenance costs.
- This means that the property owner could be sued by a client of a neighbouring business in the event of injury. Rarely do visitors to a residential property attempt to sue the homeowner following an accident on that property. Clients of a business, on the other hand, are more likely to sue and more likely to receive judgement in their favour following an accident.
- The current bylaw does not require the home based business proprietor to consult, obtain approval or notify the property owner that vehicular or pedestrian traffic from a neighbouring home based business will cross their property. Property owners could be unknowingly and unfairly putting themselves at risk.
- A property owner should not incur additional costs or take on additional risk because there is a business being operated out of the residence next door. The City of Nanaimo has a responsibility to protect these property owners.

Proposal

- In any scenario where traffic accessing a home based business is expected to cross property not owned by the proprietor, the proprietor should be required to obtain approval from the property owner prior to issue of a business licence.
- The above criteria does not apply to a home based business with zero traffic and no employees other than the proprietor (i.e.: mobile, remote or mail-order business).
- If there is an easement agreement in place that specifically names home based business as an acceptable type traffic, then the approval requirement is waived.
- The approval process need not be involved, complicated or expensive.

Example



- “B” decides to open a home based business selling essential oils and brightly patterned leggings. “B” meets all of the criteria with respect to zoning, square footage, maximum vehicle trips per day, and parking availability so a business license is granted.
- However, anyone wishing to patronize the business must cross property owned by “A”. Under the current Home Based Business Bylaw, “A” was not required to give consent for this activity. In fact, “A” did not even receive notification that a business license was issued.
- The driveway is steep with several blind spots. It is also frequently subject to black ice in winter. “A” is very concerned about being sued by a client of the home based business.
- Since “A” property is insured for residential use only, “A” decides to notify their insurer of this additional type of traffic. “A” also decides to increase their liability limit on their homeowner’s insurance policy and begins paying a higher monthly premium.
- In the winter, “A” becomes more diligent in clearing snow and ice from their driveway. “A” is up early each morning to salt the driveway. Slips, falls, and vehicular accidents pose a significant risk in the winter given the topography of the neighbourhood. “A” has contemplated installing more lighting on the driveway but the household budget is tight.
- “A” soon realizes that they are ostensibly subsidizing “B”’s business by way of additional insurance premiums and maintenance costs. While “A” wants a diverse and vibrant community, “A” does not want to shoulder additional costs and responsibilities because “B” elects to run a business from a residential property.