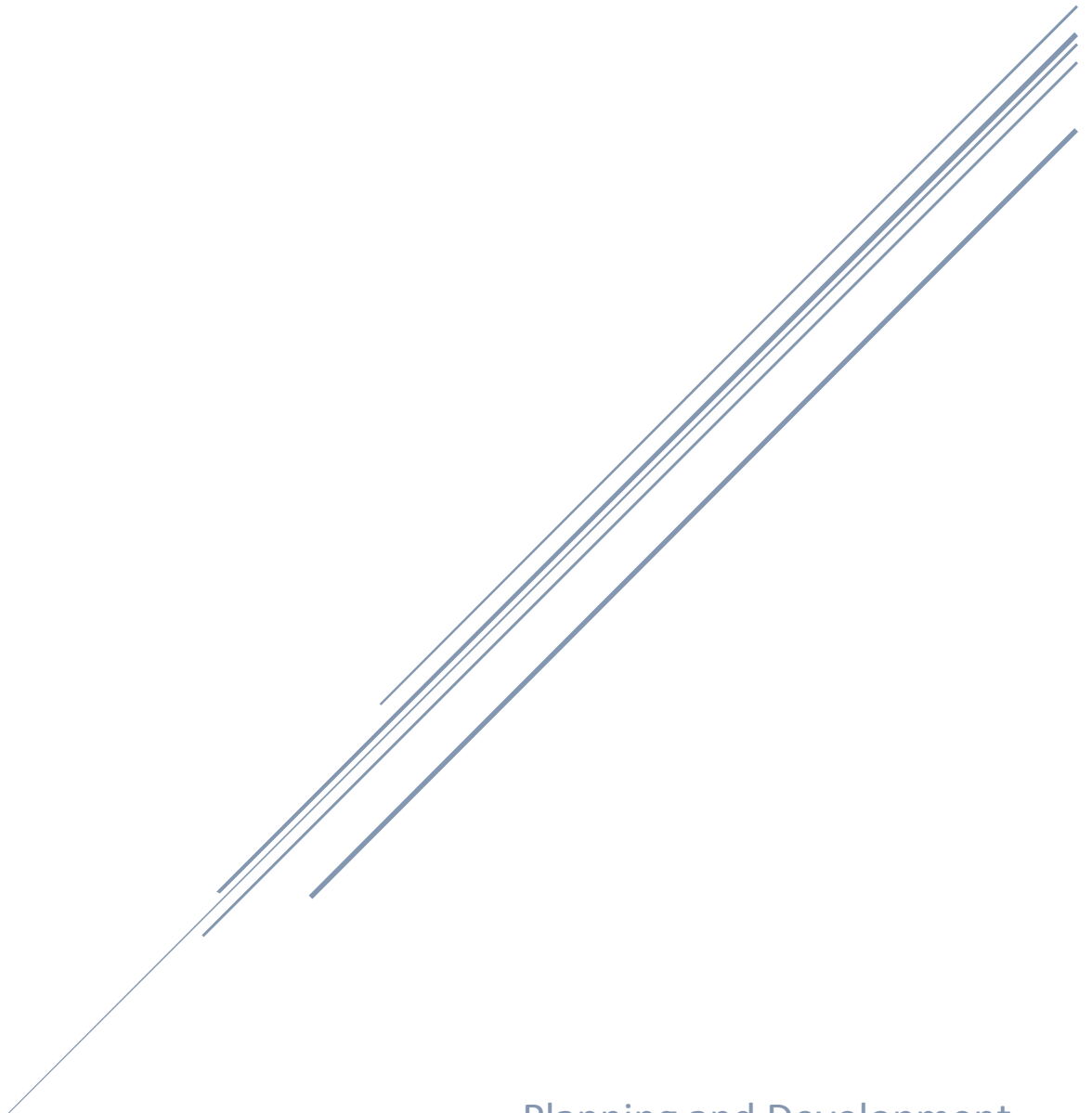


HOME OCCUPATIONS LAND USE  
BYLAW UPDATE REPORT.DOCX  
LAND USE BYLAW REPORT



Planning and Development  
September 2023



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## Executive Summary

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The purpose of this report is to provide options for updating the Land Use Bylaw (LUB) with regards to Home Occupations. The report was prepared to address recommendations from the Planning and Development Department Review, which recommended updating Home Occupations within the LUB, including:

- 1) differentiating between minor and major Home Occupations; and
- 2) adding minor Home Occupations as permitted uses in most residential districts.

This report includes a review of the local context, regulatory framework, comparable municipalities, best practices, and an analysis which informs the options.

The LUB is the City's main tool for regulating Home Occupations and designates them as a discretionary use in all the residential districts and the Urban Reserve District. The LUB also contains regulations to minimize their impact on adjacent uses. Overall, Spruce Grove is seeing a reduction in development permits for Home Occupations with approximately three approved to date in 2023, 18 in 2022, and 27 in 2021.

The Edmonton region municipalities reviewed generally regulate the number of employees and visitors, signage, and storage associated with Home Occupations. Home Occupations are usually a discretionary use in residential districts, with some exceptions, and several municipalities distinguish between the scale of the home business (Major and Minor).

**Key findings from the analysis** that were used to develop the options include:

- Community impacts from Home Occupations are minor, reflected by the limited complaints and appeals received. Incorporating additional performance standards and prohibiting certain uses in the LUB could further reduce community impact from Home Occupations.
- Usability could be improved by adding a definition for home offices, adding a separate definition for 'minor' and 'major' Home Occupations, and making 'minor' Home Occupations a permitted use in most residential districts.

**Recommended Land Use Bylaw Changes:**

Administration recommends creating a separate definition for Major and Minor Home Occupations to reflect their intensity and making Minor Home Occupations a permitted use in the appropriate districts. To improve the clarity of the LUB regulations and minimize potential impacts from Home Occupations, Administration also recommends:

- providing a definition for home offices;
- identifying prohibited uses within the Home Occupations definition;
- incorporate performance standards; and
- allowing the site to contain both a Minor Home Occupation and an additional dwelling unit.

## Introduction

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The recent Planning and Development Department Review recommended updating Home Occupations within the LUB to improve efficiencies and provide a more business friendly environment. Considerations included differentiating between minor and major Home Occupations and adding minor Home Occupations as permitted uses in most residential districts.

The purpose of this report is to review options for changing and improving the Land Use Bylaw (LUB) for regulating Home Occupations. The options proposed in this report are based on a review of the local context, regulatory framework, comparable municipalities, best practices, and an analysis.

## Background

Home Occupations play a significant role in growing the local economy and allow for more people to live and work locally. The benefits of Home Occupations are numerous including reduced costs and environmental impacts, improved work life balance, and more eyes on the street during the day in residential neighbourhoods. Small businesses can also benefit from reduced overhead costs from office rents. With advanced technology, the number of Home Occupations is expected to grow (separate from work from home agreements with employers).



<https://www.strongtowns.org/journal/2020/8/15/accessory-commercial-units>

Municipalities can support Home Occupations, while ensuring they do not negatively impact the residential character of a neighbourhood, through their regulatory framework. The Land Use Bylaw, which is the primary tool for regulating Home Occupations, can regulate:

- The type of business that can operate in a home
- The amount of space dedicated to the home occupation
- The number of employees and visitors allowed
- If the owner of the business must reside in the home
- Impact on the dwelling's appearance including signage and outdoor storage
- Parking and traffic generation
- Hours of operation and restrictions on generating noise, dust, etc

## Local Context

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Spruce Grove has numerous Home Occupations within the City, ranging from hair salons to deck building services. There are currently 513 total active home occupation business licences in Spruce Grove, with 196 of those issued from Jan 2021 to present. From 2021 to 2022 there was a slight increase in the number of business licenses issued, with 57 in 2021 and 69 in 2022.

The LUB identifies Home Occupations as a discretionary use in all the residential districts, including the Urban Reserve District.

## Regulatory Framework

In Alberta, Home Occupations are largely regulated by the municipality. The following regulatory framework applies to all Home Occupation in Spruce Grove.

### Municipal Development Plan Bylaw C-960-16

Your Bright Future: Municipal Development Plan 2010 – 2020 (Bylaw C-960-16) supports home-based businesses under section 6.1.1.6 “Support home-based businesses while ensuring that such businesses do not have a negative impact on the residential character of the neighbourhoods.” The City of Spruce Grove is currently updating the Municipal Development Plan, Shaping Our Community.

### Land Use Bylaw C-824-12

Land Use Bylaw C-824-12 is the City’s main tool for regulating Home Occupations with the regulations summarized below in Table 1. The LUB identifies Home Occupations as a discretionary use in all the residential districts and contains regulations to minimize their impact on the community, including limiting their visibility from the street and traffic and parking generation.

**Table 1 - Land Use Bylaw Regulations for Home Occupations**

Home Occupation	
<b>Definition</b>	A business venture carried on within a Dwelling, which is not visible in any manner from the outside of the Dwelling. Such an operation is secondary to the residential Use of the Dwelling and does not change the character thereof. This Use does not include Family Day Homes.
<b>Districts</b>	All residential districts and the Urban Reserve District. Home Occupations are not allowed in the C4-Integrated Mixed Use District, which integrates commercial and residential uses above.
<b>Use Class</b>	Discretionary Use in all districts where allowed.
<b>Visibility from the Street</b>	The Home Occupation shall be operated as a secondary Use only and shall not change the principal character or external appearance of the Dwelling involved.
<b># of Visitors</b>	6 at a time.
<b># of Employees</b>	Only the resident of the dwelling can undertake work at the dwelling.
<b>Storage</b>	There shall be no outside display or storage of materials, commodities, or finished products.
<b>Other</b>	A Site containing a Home Occupation shall not contain a Secondary Suite, Garage Suite, or Garden Suite.
<b>Parking and Loading</b>	Not more than one business related vehicle, no heavier than 5,000 kg, shall be parked on the property at any time. Development Officer is responsible for determining the parking and loading requirements as per Section 85 - Number of on-site parking stalls required and Section 87 Off Street Loading. A utility trailer parked on the property associated with the business shall not exceed 6.0m in length.
<b>Discretion</b>	Development Officers can determine if a Home Occupation is more appropriate for a Commercial or Industrial District.

The LUB does not define home offices or identify them as a permitted or discretionary use in any district. However, Section 11 Where a Development Permit is not Required states home offices do not require a development permit if they meet the following conditions:

- no individual other than the resident of the Dwelling is employed there;
- business does not generate any pedestrian or vehicular traffic;
- no on-site signs or advertisements;
- no outdoor storage of materials, goods, or finished products for business purposes; and
- business is operated as an Accessory Use and does not change the residential character or appearance of the Dwelling.

#### Noise Control Bylaw C-908-15

All Home Occupations are subject to the Noise Control Bylaw which states “No owner shall allow property they own to be used in such a way that there is excessive noise originating from the property.”

#### Community Standards Bylaw (Proposed)

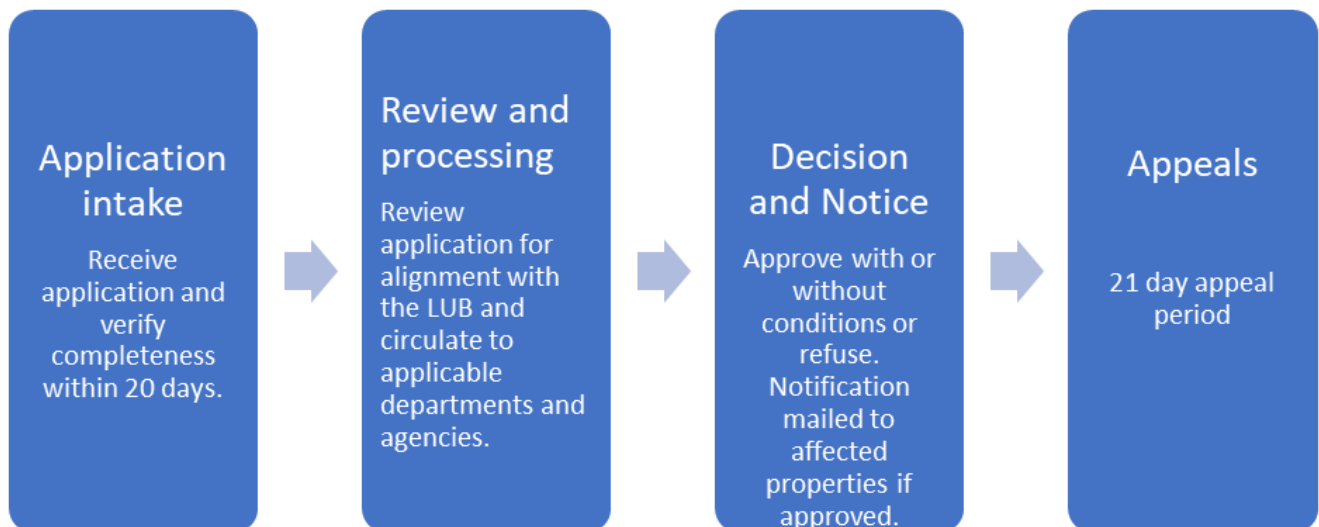
While this falls outside of the scope of the LUB, the City is proposing a Community Standards Bylaw to potentially address public behaviour, property maintenance and neighbour relations, and noise control.

### Approval Process

Home Occupations require a development permit and a business license (Business License Bylaw C-975-16). Business licenses must be renewed annually.

Typically, development permit applications for Home Occupations are processed within 17 days and the applicant must include a Site Plan and Floor Plan (see Figure 1). The Development Officer can also require additional information about the provision of parking, number of visitors, etc. As a discretionary use, neighbourhood notification is required, and the development permit decision and conditions are subject to appeal.

**Figure 1 - Development Permit Process for a Discretionary Use**



Development permit conditions for Home Occupations reflect LUB Section 70 Home Occupations and seek to reduce their impact on the site and surrounding neighborhood. Conditions include ensuring the home occupation is not visible from the street by not allowing changes to the external appearance of the dwelling, signage, or outdoor storage. As well, development permit conditions can minimize traffic and parking generation by limiting the number of visitors.

Home offices only require a business license and not a development permit if they comply with LUB Section 11 Where a Development Permit is Not Required.

## Comparable Municipalities

The following municipalities were reviewed as comparators due to their similar size and location within the Edmonton Metropolitan Region.

**Table 2 - Municipal Comparisons**

Municipality	Definition	Districts & Permitted (P) or Discretionary (D) Use	# of Visitors	# of Employees	Signs Allowed	Storage allowed in Accessory Structures	Parking
<b>Spruce Grove</b>	Home Occupation	D in all residential and UR district.	6 at a time	Resident only	N	-	1 business/ D.O <sup>1</sup>
	Home Office	-	0	Resident only	N	-	-
<b>Beaumont</b>	Home-Based Business - Major	D in most districts. P in Main street & commercial district.	10/ day	2 at a time	Y	Y	1
	Home-Based Business - Minor	P in most districts.	0	-	N	N	-
<b>St. Albert</b>	Home Occupation	D in residential & several commercial districts. P in Mixed Comm. District.	5 at a time	Resident only	N	Y	D.O
	Major Home Occupation	D in UR & Transitional district.	D.O	2	Y.	Y	1/employee
	Home Office	-	0	-	N	N	-
<b>Stony Plain</b>	Major Home Occupation	D in most residential, Central MU & Future Develop. districts.	-	0	Y	Y	1
	Minor Home Occupation	P in all residential, Central MU & Future Develop. districts.	0	0	Y	Y	-
<b>Fort Saskatchewan</b>	Home Business	D in most residential & downtown districts. D in AG – S District.	-	1	Y	Y	-
	Home Office	P in all residential, C5 Fort Mall Redevelop., AG – S & downtown districts.	0	Resident only	Y	N	-
<b>Leduc</b>	Home Occupation	D in residential and MU districts.	6 at a time	1 at a time	Y	Y	1 business/ D.O
	Home Occupation Limited	P in residential & MU districts.	-	-	Y	Y	1 business/ D.O
	Home Office	-	0	Resident only	Y	N	0

<sup>1</sup> D.O is Development Officer discretion



Further information on the regulatory similarities and differences are found in Tables 3. As noted below, several municipalities distinguish between the scale of the Home Occupation (Major and Minor) and identify Home Occupations as a discretionary use except for Minor Home Occupations. Most regulate the number of visitors, employees, signage, storage, and parking.

**Table 3 - Regulatory Similarities and Differences**

Consideration	Municipal approaches
<b>Scale of Home Occupation</b>	Spruce Grove does not distinguish between the scale of Home Occupations. (Major and Minor). Beaumont, St. Albert, Leduc, and Stony Plain distinguish between the scale of the home business (Major and Minor). Major Home Occupations are those that tend to generate more visitors and have more employees.
<b>Size Restrictions</b>	Spruce Grove does not have size restrictions on Home Occupations. Stony Plain and St. Albert are the only municipalities with size restrictions on Home Occupations. Stony Plain LUB states that “A home occupation may not occupy more than 25% of the total gross floor area of all the buildings on the Site, to a maximum of 40.0 m2.” St. Albert’s UR district states “A Major Home Occupation shall not occupy more than 30% of the gross floor area of the principal dwelling plus the area of accessory buildings.”
<b>Permitted Use</b>	Beaumont, Leduc, and Stony Plain identify Minor Home Occupations as a Permitted Use. Spruce Grove designates Home Occupations as a discretionary use only.
<b>Discretionary Use</b>	All the municipalities designate Major Home Occupations as a discretionary use.
<b>Visitor Restrictions</b>	Visitor restrictions vary greatly from no visitors allowed for Home-Based Business - Minor in Beaumont, to up to 10 visitors per day for Home-Based Business - Major in Beaumont. Spruce Grove allows up to 6 visitors at a time. Fort Saskatchewan, Stony Plain (Major Home Occupations), and Leduc (Home Occupations, Limited) do not have defined regulations on the number of visitors.
<b>Signage</b>	All municipalities regulate signage.
<b>Storage</b>	All municipalities regulate storage, except for Beaumont.
<b>Allowed within accessory structures</b>	It is not clear in the LUB if Spruce Grove allows home occupations within accessory structures. All the other municipalities allow Home Occupations within accessory structures except for Home-Based Business - Minor (Beaumont).
<b>Parking</b>	In Spruce Grove, the Development Officer establishes the parking requirements for Home Occupations. Beaumont, St. Albert, and Stony Plain only require parking to be considered for Major Home Occupations.
<b>Home Offices</b>	Spruce Grove, St. Albert, Fort Saskatchewan, and Leduc incorporate Home Offices into their LUB. Home Offices are intended to have less neighbourhood impacts (e.g., generate no traffic, parking, or outdoor storage) than Home Occupations. Spruce Grove is the only municipality that does not provide a definition for Home Offices. Only Fort Saskatchewan requires development permits for Home Offices.

## Best Practices

Best practices from Canada and the United States for regulating Home Occupations are summarized in Table 4 below, as well as how the City’s LUB regulations address them. As per the table below, the City’s LUB could further align with the best practices by regulating the size of the Home Occupation and limiting the number of Home Occupations per dwelling unit.

**Table 4 - Best Practices and Spruce Grove’s LUB Regulations**

Best Practice	Spruce Grove’s LUB Regulations
1) Regulating the size of the home occupation.	No regulations around the size of Home Occupations.
2) Regulate the number of Home Occupations per dwelling unit.	No limit on the number of Home Occupations per dwelling unit.
3) Restrict the number of non-resident employees and clients to reduce traffic and reinforce the intent of Home Occupations as primarily a place where residents work from home. This also provide municipalities with a basis to respond to complaints (City of Markham Task 11: Review & Assessment of Home Occupations Comprehensive Zoning By-law Project).	Only the resident can work at the dwelling and visitors are restricted to six at any one time.
4) Regulate on-site parking requirements. Basing parking requirements on the neighbourhood context and availability of on-site parking (City of Markham Task 11: Review & Assessment of Home Occupations Comprehensive Zoning By-law Project).	Only one business related vehicle can be parked. Visitors are restricted to six at any one time. Home Occupations are currently a discretionary use in all residential districts, allowing the Development Officer to assess their parking impact and provide appropriate development permit conditions to address parking impacts.
5) Regulate the location and size of signage.	Outside storage or displays are not permitted.
6) Restrict noise generation. Restrict certain types of Home Occupations that could produce noise within multi-family developments (City of Markham Task 11: Review & Assessment of Home Occupations Comprehensive Zoning By-law Project).	No regulations within the LUB restrict noise related to Home Occupations. The Noise Control Bylaw states “No owner shall allow property they own to be used in such a way that there is excessive noise originating from the property.” Home Occupations are currently a discretionary use in all residential districts, allowing the Development Officer to assess their impact on adjacent neighbours and provide appropriate development permit conditions to address these impacts.
7) Create a permit free “no impact” category for Home Occupations, as many produce no impact to the community and provide significant benefits to the local economy (Center for Growth and Opportunity).	Home offices do not require a development permit (Section 11 Where a Development Permit is Not Required).

# Analysis

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## Community Impacts

Home Occupations provide many local economic benefits including employment and wealth creation. Home Occupations can also serve as a business incubator with low overhead costs.

A common concern associated with Home Occupations is their impact on the community from increased traffic, parking, noise, and other nuisances. Home Occupations can also grow and expand their operation, without relocating to a suitable site.

To assess the community impacts of Home Occupations, Administration reviewed the complaints data and appeals associated with them. The City has received relatively few complaints regarding Home Occupations, indicating a negligible community impact. There are only two complaints filed in CityView regarding noise (woodworking in the garage and driveway) and parking (multiple vehicles on site). According to Enforcement Services, the most common challenge with Home Occupations is homeowners not obtaining the required development permit and/or business license.

Only two Home Occupations have been appealed since 2020. In 2020, the development permit for a home occupation (51 Kensington Close) selling baked goods was appealed due to concerns about increased foot traffic and parking. The development permit included a condition that a maximum of one customer at any one time was allowed. The appeal was denied, and the development permit approved. In 2021, a development permit to locate a home occupation on the same site as an existing secondary suite (41 Hudson Cove) was appealed due to parking concerns. The appeal was denied, and the development permit was approved.

Administration will continue to work with CityView and GIS to track the number of Home Occupations and Home Offices, as well as the number and location of complaints and appeals related to them. This information could be used to inform future LUB updates.

## Opportunities for Improvement

The City's LUB addresses many of the best practices in Table 4 - Best Practices and Spruce Grove's LUB Regulations, with a few exceptions. The LUB does not regulate the size of Home Occupation, number of Home Occupations per dwelling unit, and noise. Opportunities to amend the LUB to reduce potential community impacts and align with the best practices identified above, include:

- do not permit Home Occupations if they produce offensive noise, vibrations, smoke, dust, odour, heat, or glare;
- prohibit the production, use, or storage of hazardous materials;
- limit the number of Home Occupations per dwelling unit; and
- prohibit uses that are more likely to create nuisances (e.g., autobody shop).

Regulating the size of Home Occupation could be challenging to calculate depending on the nature of the Home Occupation, and how the size is calculated (e.g., floor area, per cent of house). The size of the Home Occupation, because it is contained within the primary residence, may not impact the community as well.

## Usability

Opportunities to improve the usability of the Home Occupation regulations for Administration, applicants, and Council includes:

- Provide a definition for Home Offices and clarify the approval process. According to the Planning and Development Review Report “The wording of the home occupation brochure is a bit confusing. The title is “Starting a Home-Based Business?” yet it goes on to use the terms home-based business, home occupation, and home office, seemingly interchangeably. Home Offices are set aside as not needing a development permit, but it is unclear if they still need a business license.”
- Provide a separate definition for Major and Minor Home Occupations and designate Minor Home Occupations as a permitted use in the relevant districts. This would reduce development permit processing times by eliminating neighbourhood notifications and appeals from other parties. Applicants applying for a Minor Home Occupation would also have more assurance of its approval.
- Allow Home Occupations that generate minimal traffic in homes that have a secondary, garage, or garden suite. This would reduce appeals and provide more flexibility for homeowners.

## Options and Recommendations

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### Option:

To streamline the approval process and facilitate more home-based occupations, the following options have been developed for the City of Spruce Grove to consider.

#### Option – Create a separate definition for Major and Minor Home Occupations

Create a separate definition for Major and Minor Home Occupations that reflects their intensity and make Minor Home Occupations a permitted use in the appropriate districts.

#### Rationale:

- Provides a more customer friendly approach to residents seeking to open a Minor Home Occupation.
- Streamlines approval process with fewer discretionary use development permits to process and potential appeals.
- Better aligns the regulations to reflect the intensity and impact of Home Occupations. For example, consider allowing Major Home Occupations to have more visitors and employees than Minor Home Occupations, but require Major Home Occupations to provide more parking.
- Encourages local, small scale business development by making it easier for Home Occupations to establish.
- Reflects the approach of other municipalities including Beaumont, St. Albert, Stony Plain, and Leduc.
- If Minor Home Occupations are designated a permitted use, the development permit conditions can address the potential impacts associated with them.

With this approach, an amendment to the LUB would be required to add a separate definition for Major and Minor Home Occupations, and update to the associated districts. The website and brochure on Home Occupations should also be updated to reflect these changes.

## Recommended Regulatory Changes

To improve clarity, the following LUB changes should be considered.

### Define Home Offices

Provide a clear definition and process for Home Offices in the LUB and associated on-line brochure and website information.

### Identify prohibited uses within the definition for Home Occupation

Identify prohibited uses within the definition for Home Occupations to provide more clarity to the public, Administration, and Council. Prohibited uses could include auto body shops, vehicle storage, boarding kennels, massage parlors, sale or use of hazardous materials, and cannabis sales. This approach would reduce the negative externalities from Home Occupations and provide consistency with other municipalities. For example, St. Albert, Stony Plain, Leduc, and Fort Saskatchewan identify prohibited uses for Home Occupations.

### Incorporate performance standards

To mitigate the impacts of Home Occupations on the surrounding neighbourhood, update Section 70 of the LUB to regulate operational hours; not allow the production of noise, smoke, steam, odor, dust, fumes, exhaust, vibration, heat, glare, refuse; and not allow the storage or production of hazardous materials. This approach would provide clarity about what types of activities within Home Occupations are not allowed. It would also provide the City with a basis to respond to complaints.

Allow sites with a Minor Home Occupation to contain a secondary, garden, or garage suite.

Allow sites with Home Occupations that generate minimal traffic and parking (e.g., maximum of 1 customer at a time) to contain a secondary, garden, or garage suite at the discretion of the Development Office. This approach would provide flexibility for applicants applying for Home Occupations that have an existing secondary, garden, or garage suite. It could also reduce potential development permit appeals for Home Occupations that are denied because the home contains an accessory dwelling unit.

### Limit the number of Home Occupations per dwelling unit

Limit the number of Home Occupations per dwelling unit to one to ensure the primary use of the dwelling unit remains residential. This could eliminate conflicts between Home Occupations operating out of the same dwelling unit and provide clarity to administration and the public. However, it could also prevent a home from having two or more Home Occupations that work well together and do not impact the surrounding community.

### Allowing indoor storage within accessory buildings for Major Home Occupations

Allow indoor storage within accessory buildings for Major Home Occupations to provide additional flexibility for Major Home Occupations while still screening the activities of it.

### Allowing Major and Minor Home Occupations to have a small sign within the dwelling

Allow Major and Minor Home Occupations to have a small sign within the dwelling to advertise their business while not creating visual impacts for the surrounding neighbours.

## Resources

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Salkin, P. (2006). *Modernizing Zoning for Home Occupations*. Retrieved from <https://planning-org-uploaded-media.s3.amazonaws.com/document/Zoning-Practice-2006-09.pdf>

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