

Expanding Housing Options in Neighbourhoods – Neighbourhood Retail and Services Study Phase Two Final Report

Date: November 19, 2024

To: Planning and Housing Committee

From: Interim Chief Planner and Executive Director, City Planning

Wards: All

SUMMARY

This report recommends approval of zoning by-law amendments (ZBLA) to permit certain small-scale retail, service and office uses on Residentially-zoned properties within *Neighbourhoods* city-wide, and to update home occupations permissions in all areas. The ZBLAs provide for a more extensive list of permitted uses on major streets and more limited permissions on streets in the interior of *Neighbourhoods*. Changes are also proposed to home occupations permissions in all areas. This is the final report for Phase Two of the Expanding Housing Options in Neighbourhoods (EHON) – Neighbourhood Retail and Services Study. The report also recommends approval of a monitoring approach. This study was undertaken with a combined team of staff from the City Planning and Development Review divisions.

Draft zoning by-law amendments were presented to the Planning and Housing Committee in May 2024 and have been the basis for public and stakeholder consultations from June to October 2024, as well as internal discussions with City divisions. The proposed amendments have been revised to reflect feedback from these consultations. Amendments with respect to commercial use permissions in the Residential Zone category are appended in Attachment 1. Amendments with respect to home occupation permissions are appended in Attachment 2.

Small scale retail, service and office uses historically played an important role in many Toronto *Neighbourhoods*. This includes corner stores in the old City of Toronto, and small plazas in Etobicoke, York, North York and Scarborough. These uses, however, were strictly limited by Official Plan Policies and Zoning By-law provisions established in the mid-20th century and then carried forward over time into the current Official Plan and City-wide Zoning By-law. As a result, many residents have never had these amenities close to their homes, and others have seen them decline over decades, as existing establishments closed, and new ones did not take their place.

Recent developments in the city have enhanced the opportunity and the necessity to create greater opportunities for these community amenities. These changes include the dramatic shift toward working from home, and the anticipated new homes in *Neighbourhoods* driven by the EHON initiatives including laneway suites, garden suites, multiplexes and, on major streets, townhouses and low-rise apartments, as well as permissions for multi-tenant housing and components of the Housing Action Plan. *Neighbourhoods* with more residents, who spend more time close to home, are places which need more amenities and can support those amenities with more potential customers, employees and business owners. The focus of the proposed changes are to provide a city-wide policy environment that is more supportive of local businesses and services, allowing the flexibility for different communities to evolve in their own ways. In the pre-war City, “ghost store” buildings that were previously commercial and have switched to residential could be converted back into retail stores. In the parts of the city built in the post-war period, areas which have lost their local plaza or grocery store could see new stores along major streets where they were not permitted in the past.

The proposed ZBLAs, Attachments 1 and 2 to this report, build upon Official Plan changes approved by Council in 2022, to further complete and connect communities. The proposed amendments present a balanced approach to permit these uses while minimizing adverse impacts on nearby residents by permitting them in a physical scale, and in locations, that are compatible with and integrated into *Neighbourhoods*.

RECOMMENDATIONS

The Interim Chief Planner and Executive Director, City Planning, recommends that:

1. City Council amend Zoning By-law 569-2013, as amended, substantially in accordance with the draft Zoning By-law Amendment appended as Attachment 1 to this report.
2. City Council amend Zoning By-law 569-2013, as amended, substantially in accordance with the draft Zoning By-law Amendment appended as Attachment 2 to this report.
3. City Council authorize the City Solicitor to make such stylistic and technical changes to the proposed Official Plan and Draft Zoning By-law Amendments as may be required.
4. City Council direct the Chief Planner and Executive Director, City Planning to monitor the implementation and effectiveness of the Zoning By-law Amendments in facilitating the creation of new retail, service and office uses in Neighbourhood-designated and Residentially-zoned sites, and to report to the Planning and Housing Committee two (2) years following the date the Zoning By-law Amendments come into full force and effect, in order to review and recommend any necessary revisions to the policy, zoning, and/or other changes to improve implementation.

FINANCIAL IMPACT

The City Planning Division confirms that there are no financial implications resulting from the recommendations included in this report in the current budget year or in future years.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information as presented in the Financial Impact Section.

EQUITY STATEMENT

The Toronto Poverty Reduction Strategy, a City of Toronto 20-year plan to address housing, stability, service access, transit equity, food access, the quality of jobs and incomes, and systemic change, contains 17 recommendations to be achieved by 2035. The Expanding Housing Options in Neighbourhoods – Neighbourhood Retail and Services initiative could support the achievements of goals such as Recommendation 9, which aims to increase access to affordable, nutritious, and culturally appropriate food.

Expanding Housing Options in Neighbourhoods is an important step towards increasing and accelerating the creation of a diverse range and mix of housing options, and neighbourhood amenities, to accommodate people at all stages of life, and to accommodate the needs of all household sizes and incomes.

Broadening the types of retail, service and office uses available in low-rise *Neighbourhoods* creates the potential for local, accessible, and culturally appropriate amenities for nearby residents, leading to a more equitable and inclusive community. The proposed changes would also allow more people to operate a business out of their home or to open a retail store on the ground floor of their residential house, providing a more affordable entry-point for prospective small business owners.

CLIMATE IMPACT

The City has ambitious goals to cut greenhouse gas emissions to avoid disastrous climate change, as well as become resilient and adapt to the impacts that climate change have on the city and its residents. On October 2, 2019, City Council voted unanimously to declare a climate emergency and accelerate efforts to mitigate and adapt to a changing climate by adopting a stronger emissions reduction target of net zero by 2050 or sooner. In December 2021, City Council adopted a new goal of net zero emissions by 2040. Climate and resilience considerations and recommendations are also included in the September 2020 report from the Toronto Office of Recovery and Rebuild.

The ZBLAs proposed by the Expanding Housing Options in Neighbourhoods - Neighbourhood Retail and Services initiative take into consideration the role complete communities play in offering a range of housing, employment and amenities supported

by active transportation and transit. Compact well-connected *Neighbourhoods* reduce car dependency and enable people to live car-light or car free, which helps cut carbon pollution. The increased availability of goods nearby to where people live may also contribute to the reduction in online shopping and delivery of goods which generates carbon emissions and packaging waste. By introducing more opportunity for retail, service and office uses to locate within the areas designated *Neighbourhoods* across the city, the proposed ZBLAs could support the City's goals to reduce greenhouse gas emissions and achieving net zero emissions by 2040.

As Toronto looks to rebuild and recover after COVID-19, the Expanding Housing Options in Neighbourhoods initiative can directly advance recommendations laid out in the Towards Recovery and Building a Renewed Toronto report (<https://www.toronto.ca/legdocs/mmis/2020/ex/bgrd/backgroundfile-157346.pdf>).

Specifically, Recommendation 68, within the Resilience section of the report calls on the City to “apply the principle of “build back better” to land use planning and improve the city's overall built form by prioritizing gentle density that places greater emphasis on a mix of building types and uses – including low-rise residential, retail and services – and that supports transit use.”

DECISION HISTORY

On July 28, 2020, City Council endorsed the Expanding Housing Options in Neighbourhoods (EHON) Work Plan Report and approved the recommended approach and work plan, including to review policies on locally serving retail and services in Neighbourhoods.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PH15.6>

In November of 2021, Toronto City Council adopted the report Implementing a Small Business Property Tax Subclass, which provides a reduction in the tax rate for eligible small business properties.

<https://secure.toronto.ca/council/agenda-item.do?item=2021.EX27.7>

On February 15, 2022, the Planning and Housing Committee endorsed the contents of the report from the Chief Planner and Executive Director, City Planning titled Expanding Housing Options in Neighbourhoods - Update Report, as the basis for ongoing public consultation, including outreach to a range of stakeholders regarding Neighbourhood Retail and Services.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.PH31.6>

On July 21, 2022, City Council received the Neighbourhood Retail and Services Final Report Phase One, and adopted Official Plan Amendment 612, and Zoning By-law Amendment 820-2022 with respect to home occupation permissions in Residential zones.

<https://secure.toronto.ca/council/agenda-item.do?item=2022.PH35.1>

On May 10, 2023, City Council adopted OPA 649 and Zoning By-law 569-2013 Amendment 474-2023, to update permissions and performance standards for duplexes, triplexes, fourplexes and secondary suites as part of the EHON Multiplex Study, and direct the Chief Planner and Executive Director, City Planning to monitor the implementation and effectiveness of OPA 649 and ZBLA 474– 2023.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.PH3.16>

On November 8, 2023, City Council adopted Zoning By-law amendments to permanently expand a range of permissions for outdoor patios on private property, including permitting outdoor patios in the Commercial Local (CL) zone.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.PH7.2>

On May 9, 2024, Planning and Housing Committee directed the Chief Planner and Executive Director, City Planning, to continue consultation on proposed zoning by-law framework to permit certain small-scale retail, service and office uses on Residentially-zoned properties within *Neighbourhoods* city-wide, and report back with recommended Zoning By-law amendments in the fourth quarter of 2024. The Committee also directed that the Chief Planner and Executive Director, City Planning analyze the effect on these uses of Official Plan Amendment 727 and the Zoning By-law Amendments permitting townhouse and small-scale apartment buildings along major streets.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.PH12.4>

On May 22, 2024, City Council adopted OPA 727 and amendments to Zoning By-law 569-2013 to permit townhouse and small-scale apartment buildings on major streets along the edges of *Neighbourhoods* throughout the city. City Council further directed that the Interim Chief Planner and Executive Director, City Planning report back to Planning and Housing Committee as part of a monitoring program, and to undertake area specific engagement programs in identified areas and consider any feedback as part of the Expanding Housing Options in Neighbourhoods: Neighbourhood Retail and Services study and the proposed major streets monitoring program.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.PH12.3>

PROPOSAL

The purpose of this report is to present a final proposed zoning approach to permit certain retail, service and office uses on Residentially zoned properties in Neighbourhood-designated areas city-wide. The ZBLAs provide for a more extensive list of permitted uses on major streets and more limited permissions on streets in the interior of *Neighbourhoods*. Changes are also proposed to home occupations permissions in all areas.

The proposed by-law amendments are a refinement of those presented to the Planning and Housing Committee in May 2024 and reflect the direction of Official Plan Amendment 612, approved in July 2022, which updated Policy 4.1.3 with respect to facilitating existing and new small-scale retail, service and office uses. This section describes the proposed by-law changes, while the Comments section below includes further details on the rationale behind these, the observations from the consultation process and the changes since May 2024.

The recommended zoning by-law amendments apply to all residential zones across the city (i.e., R, RD, RS, RT, and RM zones). The proposed changes provide equal flexibility to all five zones with the understanding that specific projects will differ based on the local context, and different communities will evolve in their own ways.

Major Streets

A broad range of retail, service and office uses would be permitted on all Residentially-zoned sites located on the major streets. There have been some refinements of this list since May 2024 that are discussed in the Comments section. Some examples of the proposed permitted land uses are listed below:

- Community and cultural uses, such as an art gallery, educational use, performing or arts studio;
- Dining, such as an eating establishment or take-out eating establishment;
- Production and/or office uses, such as an artist studio, custom workshop or office;
- Retail, personal and pet services, such as a retail store, retail service or pet service.

The proposed zoning approach would permit these new uses in the same building as residential uses as well as in stand-alone non-residential buildings. Performance standards such as height, setback, landscaping, parking and loading follow the base zoning. Council recently approved ZBLAs which would allow townhouses and six-storey apartments on major streets. These amendments are currently under appeal to the Ontario Land Tribunal. Should they come into force, they will set new performance standards for buildings in which the retail, service and office uses will be permitted uses.

Retail, service, and office uses would be limited to the ground floor of the building, with the exception of an office, health uses (medical office, wellness clinic, massage clinic) or education use, which may be located on upper floors as well. The main entrance to the non-residential space must be located on the major street. There are currently no restrictions proposed based on building type -- uses could be integrated into the ground floor of an apartment building, a detached home, semi-detached home or townhouse, for example.

On major streets, the proposed maximum Interior Floor Area (IFA) for retail, service and office uses is 150 square metres (about 1,600 square feet) per unit. This also serves as the maximum for the entire building if the building is not an apartment building. So, the building could have a single 150 square metre unit, or multiple smaller units totalling 150 square metres. There is no minimum size requirement proposed.

In an apartment building, the maximum Interior Floor Area per unit would also be 150 square metres. However, where there are multiple units, the total permitted floor area for the retail, service and office uses would be 400 square metres (4,300 square feet). A maximum of 85 percent of the building's ground floor would be permitted for these uses.

Non-residential uses are permitted on the ground floor, with the exception of office, health uses (medical office, wellness clinic, massage clinic) and education uses permitted on the second floor on major streets.

Neighbourhood Interior

In the interior of *Neighbourhoods*, for properties that are not located on Major Streets, permissions would be limited to corner sites, as well as sites adjacent to existing non-residential uses, such as schools and parks and existing commercially-zoned sites. The permitted use would be a retail store with permissions for an ancillary eating establishment or take-out eating establishment. Buildings could be non-residential, or mixed use with residential units. Building types on these sites are limited to single-lot buildings. This would mean, for example, that they could be established through renovation of an existing detached home or garage, or construction of a new apartment, or multiplex, but not in an existing semi-detached home or townhouse.

As on major streets, performance standards for the building envelope and site configuration would follow the base zoning. Within the building, floor area for individual businesses would be capped at 110 m² (about 1200 square feet), with the option of having an ancillary eating establishment occupy up to 49 percent of that space (about 580 square feet). This would allow for the establishment to serve as a small, low impact neighbourhood café which serves beverages and food items prepared off-site.

A small patio of up to 10 square metres (about 110 square feet) would be permitted in the front or side of the store, but not the rear. The proposed by-law does not specify the location of the entrance to the commercial unit, providing flexibility for access to be provided from any of the fronting streets, including a laneway.

Interior Floor Area Calculations

Certain parts of the building are proposed to be exempt from the maximum IFA calculation consistent with how these uses are permitted in other zones. For example, space used for mechanical equipment would be excluded. Areas used for associated offices, storage rooms, and staff rooms located in the basement would also be excluded.

Home Occupations

The third set of proposed changes address permissions for home occupations. Home occupation regulations apply to anyone conducting business from their home. The proposed by-law would permit up to two employees, in addition to the resident of the home. For certain uses, including offices and artist studios, the bylaw change would also remove the prohibition against allowing clients or customers to attend a home occupation. Currently, only an education use is specifically excluded from this prohibition, while there are specific provisions supporting some personal services and medical uses. Home occupation permissions would also be extended to ancillary buildings, such as a rear garage or shed, provided they conform with all relevant zoning and building code regulations. This would grant residents the option to operate their business in the part of their home that they deem most appropriate. Businesses

operated as Home Occupations would therefore have the flexibility to use as their business entrance on the front, side or rear of the property as a business entrance, including off a laneway, subject to the characteristics of the site and the needs of the resident / business owner. The proposed Zoning By-law allows for the removal of a parking space to facilitate this.

Outdoor Patios and Display of Goods

Both on major streets and in neighbourhood interiors, the proposed draft ZBLA would allow a small amount of complementary outdoor space to support some uses. Both the outdoor display of goods and outdoor patios are proposed to be permitted to a maximum of 10 square metres (about 108 square feet).

Outdoor patios are proposed to only be permitted in conjunction with a retail store, take-out eating establishment or eating establishment. In the interior of the *Neighbourhood*, the eating establishments would be ancillary to the store, whereas on major streets, standalone eating establishments and takeout eating establishments are permitted, and could have patios. The proposed ZBLA requires that patios include a fence along the lot line of a neighbouring lot, as well as a required minimum one-metre setback. Patios are not permitted above the first floor, and entertainment such as music and dancing is not permitted. Within the interior of *Neighbourhoods*, patios are only permitted in the front and side yards that abut a public street. This maintains greater privacy for the rear yards of neighbouring residents in these areas.

Outdoor patios are required to comply with all other zoning requirements such as landscaping requirements which have not been changed through the proposed ZBLA. Through the monitoring program, the project team will examine the establishment of new patios and determine what adjustments, if any, would be required in future.

LEGISLATIVE AND POLICY FRAMEWORK

The Planning Act

Section 2 of the *Planning Act* establishes matters of provincial interest to which City Council shall have regard, in carrying out its responsibilities, including: the orderly development of safe and healthy communities; the adequate provision of a full range of housing, including affordable housing; the promotion of development that is designed to be sustainable, to support public transit and to be oriented to pedestrians; and the appropriate location of growth and development.

Provincial Planning Statement, 2024 (“PPS”)

As of October 20, 2024, all decisions of Council in respect of the exercise of any authority that affects a planning matter shall be consistent with the Provincial Planning Statement and shall conform to provincial plans including the Greenbelt Plan (2017) and others.

The PPS (2024) directs planning authorities to support complete communities by accommodating an appropriate range and mix of land uses, housing options, transportation options with multimodal access, employment, public service facilities and other institutional uses, recreation, parks and open space, and other uses to meet long term needs.

Section 2.1 of the PPS (2024) directs planning authorities to support the achievement of *complete communities* by

- a) accommodating an appropriate range and mix of land uses, housing options, transportation options with multimodal access, employment, public service facilities and other institutional uses (including schools and associated child care facilities, long term care facilities, places of worship and cemeteries), recreation, parks and open space, and other uses to meet long-term needs;
- b) improving accessibility for people of all ages and abilities by addressing land use barriers which restrict their full participation in society; and
- c) improving social equity and overall quality of life for people of all ages, abilities, and incomes, including equity-deserving groups.

The PPS (2024) defines *complete communities* as places such as mixed-use neighbourhoods or other areas within cities, towns, and settlement areas that offer and support opportunities for equitable access to many necessities for daily living for people of all ages and abilities, including an appropriate mix of jobs, a full range of housing, transportation options, public service facilities, local stores and services. Complete communities are inclusive and may take different shapes and forms appropriate to their contexts to meet the diverse needs of their populations.

City of Toronto Official Plan

The City's Official Plan is founded on a growth management strategy which steers growth and change to some parts of the city, while generally limiting significant change in other areas. The Centres, Avenues, Mixed Use Areas, Regeneration Areas, Employment Areas, and Institutional Areas absorb most of the anticipated increase in jobs and population.

Section 3.5.5 of the Official Plan addresses The Future of Retailing. Policy 3.5.5.1 notes that "A strong and diverse retail sector will be promoted by (a) permitting a broad range of shopping opportunities for local residents and employees in a variety of settings; (d) supporting retail opportunities in a form that promotes pedestrian and transit use; and (e) encouraging stores selling fresh food in areas currently lacking pedestrian access to fresh food. Policy 3.5.5.5 notes that zoning may provide for a maximum store or commercial unit size.

Section 4.1 of the Official Plan addresses areas designated as *Neighbourhoods*, describing these as containing, "a full range of residential uses within lower scale buildings, as well as parks, schools, local institutions and small-scale stores and shops serving the needs of area residents." A key objective of the Plan is that new development be sensitive, gradual and "fit" the existing physical character to respect

and reinforce the general physical patterns in a Neighbourhood. Approximately 35 percent of the land in Toronto is designated *Neighbourhoods* on the Official Plan Land Use Map.

Home Occupations are identified in Policy 4.1.1 as an important component of *Neighbourhoods*; "Parks, low scale local institutions, home occupations, cultural and recreational facilities and small-scale retail, service and office uses are also provided for in *Neighbourhoods*".

Policy 4.1.3 specifically addresses small scale retail, service and office uses. It was updated in 2022 through Official Plan Amendment 612, based on work completed in Phase One of the Expanding Housing Options in Neighbourhoods – Neighbourhood Retail and Services Study.

Following the amendment, the policy more clearly highlights the value of these uses in encouraging complete, connected communities, and contributing to amenity, sustainability, equity, diversity, and vitality. It supports existing small-scale retail, service and office uses and notes that new uses of this type may be permitted subject to the following criteria:

- a. have minimal adverse impacts on adjacent or nearby residences, such as those from noise, parking, delivery and loading, and other impacts from activities associated with the small-scale retail, service and/or office use;
- b. are of a physical scale and in a location that is compatible with and integrated into the Neighbourhood; and
- c. serve the needs of residents in an effort to reduce local automobile trips.

Policy 4.1.5 further specifies that proposed development within a Neighbourhood will be materially consistent with the prevailing physical character of properties in both the broader and immediate contexts.

Section 2.3.1 of the Official Plan discusses *Healthy Neighbourhoods*. *Policy 10 notes that* "Small-scale commercial, community and institutional uses are encouraged at grade in apartment buildings and on apartment building properties on major streets shown on Map 3 in Neighbourhoods".

Map 3 - Right-of-Way Widths Associated with Existing Major Streets, introduces and identifies the major streets which provide connectivity across the city. Major streets are identified on this map to highlight the significant transportation corridors which support traffic flow planning for surface multi modal transportation, shipping, and delivery routes, including planning for public transit. Map 3 also shows the planned widths for these corridors.

Of the approximately 1,200 km of major streets, about 10 percent (or 250 km of frontage) is designated *Neighbourhood*. The *Neighbourhoods* designated parcels along Map 3 are the focus of the work of the EHON Major Streets team.

Official Plan Amendment 727

On May 22, 2024, City Council adopted OPA 727 to permit townhouse and small-scale apartment buildings (up to 6 storeys and 60 units) on properties designated *Neighbourhoods* along the major streets, as shown on Map 3 of the Official Plan. The amendment is currently under appeal to the Ontario Land Tribunal and is not yet in force.

The staff report addressing these amendments noted among their benefits that they would support local retail establishments and services, a goal identified in public consultations of that project.

The OPA provides direction for *Neighbourhoods* along major streets including:

- Chapter 4, Land Use Designations, 4.1 Neighbourhoods is amended by adding Policies 12 and 13, which include:
 - 12. For properties in *Neighbourhoods* that are located along major streets shown on Map 3, development proposing intensification beyond the prevailing building type and lot patterns of the geographic neighbourhood will:
 - b. be supported to assemble lots along major streets to accommodate more intense forms of development
 - d. break up façades through means such as massing, setbacks and/or architectural articulation;
 - g. provide safe, accessible pedestrian walkways from public street(s);
 - 13. For properties in *Neighbourhoods* that are located along major streets shown on Map 3 and have a reversed or flanking frontage onto a major street, development proposing intensification beyond the prevailing building type and lot patterns of the geographic neighbourhood will:
 - a. meet the development criteria set out in Policy 12;
 - b. be oriented to front onto the major street;
 - c. ensure an active frontage, such as building entrances, onto the local street;
 - f. locate non-residential uses to front onto the major street, unless the property is a corner lot, in which case the non-residential frontage may extend to the flanking street regardless of whether it is a major street or local street; and

Chapter 4, Land Use Designations, 4.1 Neighbourhoods is amended by adding the following sidebar adjacent to Policies 12 and 13:

Major Streets Toronto's network of major streets is shown on Map 3 and is an important element of the transportation system that connects people and places. Major streets pass through all land uses and vary in width across the network. Major streets often define the edges of geographic neighbourhoods, serving as public spaces that set the stage for daily social interaction, and connecting people from home to work, school, shopping, services and community facilities.

Zoning By-Law 569-2013

The city-wide Zoning By-law 566-2013 harmonized the 43 former municipal by-laws from the pre-amalgamated City into one zoning by-law. The city-wide Zoning By-law comprehensively regulates all land uses, buildings and structures and applies to most of the City of Toronto. As some lands are not covered by the city-wide Zoning By-law, the comprehensive zoning by-laws from former municipalities remain in effect on some lands in the city.

Neighbourhood Retail and Services in Residential Zones

The majority of properties in areas designated as *Neighbourhoods* in the Official Plan are Residential zones within the Zoning By-law. This includes the R, RD, RS, RT, and RM zones. In Zoning By-law 569-2013, the current permissions for Neighbourhood retail, service and office uses are very limited, which reflects the absence of permissions for these types of uses in the general zoning by-laws of the former municipalities. This can be traced back to 1959 and Zoning By-law 20623, the predecessor to Toronto Zoning By-law 438-86 and the oldest of the former general Zoning By-laws, which did not contain permissions for these uses in residential zones. The restrictive approach taken in the former general Zoning By-laws was carried forward when the Zoning By-laws were harmonized into the City-wide By-law.

Consistent with the restrictive nature of both By-law 569-2013 and the former general Zoning By-laws, few new retail, services and office uses have been established in *Neighbourhoods*. Those that exist may be legally non-conforming or may have been permitted by way of a rezoning or minor variance application, or some others may have established over the years without legal permissions.

Home Occupation

Home occupation is a use that contributes to complete communities in *Neighbourhoods* and that is permitted in all Residential zones in By-law 569-2013. It is defined as "a business use within a dwelling unit, where the dwelling unit is the principal residence of the business operator." Specific Use Regulations relating to Home Occupations are described in section 150.5 of the By-law.

Existing zoning regulations for Home Occupation limit what types of uses can be conducted from someone's home and are intended to mitigate impacts on adjacent neighbours and the neighbourhood. Some of the existing conditions for home occupation in By-law 569-2013 are:

- No outdoor displays;
- No additional employees beyond the business owner;
- No selling, renting or leasing physical goods directly from the dwelling unit;
- No exterior alteration to a building to accommodate a home occupation;
- Maximum size of 25 percent of the area of the dwelling unit or 100 square metres, whichever is less;
- No clients or customers attending the premises except for a medical office or personal service shop in the R zone;
- A home occupation cannot be a personal service shop, animal shelter, kennel, vehicle repair shop, vehicle service shop, vehicle washing establishment, or manufacturing use.

Regulations applying to Home Occupation were amended in 2022 through By-law 820-2022, based on work completed in Phase One of the Expanding Housing Options in Neighbourhoods –Neighbourhood Retail and Services Study. Through the 2022 amendment, permissions that had previously been limited to the R zone, were equalized across all five zones in the Residential zone category:

- Personal service shops are permitted if they are a barber, hairdresser, beautician, dressmaker, seamstress or tailor, which also means that clients and customers can come to someone's home for these services; and
- Offices and medical offices for a professional regulated under the College of Physicians and Surgeons of Ontario or regulated under the Regulated Health Professions Act, are permitted to have with clients attending the home and may have one employee working in the dwelling unit in addition to the business operator.

Commercial Local (CL) Zone

In addition to Residential zones, the Commercial Local (CL) zone in By-law 569-2013 is a zone mostly found in areas designated *Neighbourhoods* in the Official Plan. The purpose of the CL zone is to provide areas for small-scale commercial uses to serve the needs of the local residential area. CL zones typically take the form of commercial plazas and do not include permissions for residential uses. They are found primarily within the geographic areas of the former cities of Etobicoke and Scarborough, with some sites in the former cities of East York, North York and York as well. There are no CL zones found within the boundary of the former City of Toronto since its Zoning By-law 438-86 did not have the equivalent of a local commercial zone.

In 2023, City staff initiated a city-wide study of all commercial strip plazas, including those in CL zones, both within *Neighbourhood*-designated areas and outside of them. The study is called “Plaza Point of View (POV): Strip Plaza Study” (<https://www.toronto.ca/city-government/planning-development/planning-studies-initiatives/strip-plaza-study/>). Through the project, City Planning is studying commercial strip plazas (or “strip malls”) across Toronto to understand their role serving local communities, and the impacts of their loss through redevelopment. Study outcomes will help inform potential policy interventions, programs, or initiatives to support and improve their role in the city’s economic and community landscape and avoid displacement.

The review of these plazas and related recommendations are integrated within this Strip Plaza Study and are outside the scope of the EHON Neighbourhood Retail and Services project.

Major Streets

On May 22, 2024, City Council adopted amendments to Zoning By-law 569-2013 to permit townhouse and small-scale apartment buildings on major streets. The amendments include performance standards such as for the number of units, height, setbacks and landscaping. These ZBLAs did not address use permissions for non-residential uses. The amendments are currently under appeal to the Ontario Land Tribunal and are not yet in force.

COMMENTS

The focus of this project is to establish a flexible city-wide policy environment through as-of-right zoning permissions for small scale retail, service and office uses in Residential Zones.

The focus on as-of-right permissions reduces the requirement for a zoning by-law amendment or minor variance application process that in past decades has created a barrier for retail, service and office uses to establish themselves in these areas. For projects that differ from City-wide zoning standards, but which may be appropriate in the local context, a minor variance or zoning by-law amendment application would remain an option. These approval processes would also allow for appropriate conditions to be applied to the site.

The proposed amendments present a balanced approach to permit these uses while minimizing adverse impacts on nearby residents by permitting them in a physical scale and in locations that are compatible with and integrated into *Neighbourhoods*. The proposed ZBLAs have been refined to address additional research and consultation since the proposed amendments to the May 2024 Planning and Housing Committee.

The staff team met with a variety of City divisions to discuss the proposed ZBLAs, as well as other, non-zoning issues raised in public consultations, including implications for taxation, licensing, and other matters. In addition to staff from the City Planning and Development Review divisions, this included discussions with Municipal Licensing and Standards (MLS), Toronto Building, City Clerk's Office, Finance & Treasury Services, Public Health, Waste Management and Economic Development and Culture.

Sections below describe the consultation program and the feedback that was received and how these have been reflected in the refined ZBLAs.

Consultation Process Summary

Staff undertook community and industry consultation throughout spring and summer 2024. Consultation included in-person and virtual events, stakeholder consultations, a

publicly accessible webpage and an online survey. The events and the survey were promoted on the City of Toronto web site and through social media. The events and the survey were also referenced in media reports about the projects, including CBC radio and the Toronto Star.

Webpage and Online Survey

A dedicated City of Toronto web page, "[Neighbourhood Retail & Services](#)", describes the study, including project reports and the draft ZBLAs, and provides study updates.

In June 2024, the EHON Neighbourhood Retail & Services Stage 2 Consultations Survey was created. This was the second online survey deployed for this team's work. The survey's goal was to provide feedback to staff on the draft ZBLA proposed as part of the EHON –Neighbourhood Retail and Services Study Phase Two Proposals Report.

The survey was available and active during June to October 2024 on Medallia Agile Research, an online surveying platform. Nearly 1100 people completed the survey.

Public Meetings

Four in-person, drop in consultation events and two virtual consultation events took place throughout June 2024. One in-person consultation event was held in each of the Planning Districts. During the consultation events, the Neighbourhood Retail and Services team presented background information about the study, information about the proposed amendments, and presented the opportunity for residents to ask questions and provide feedback about the project. Details of the in-person and virtual consultation dates are provided in Attachment 3.

Stakeholder Meetings

Stakeholder meetings included the Toronto Regional Real Estate Board, the Toronto Association of Business Improvement Areas, Toronto Board of Trade and Toronto Parking Authority as well as individual businesses, researchers, and professionals such as planners and architects.

Jane's Walk

Jane's Walk is an annual community-based festival to honour and celebrate the ideas of Jane Jacobs. Volunteers plan and host walks throughout the City on numerous topics for people to observe, reflect, share, question and re-imagine the places in which they live, work, play and learn. On May 4, 2024, the Neighbourhood Retail and Services team hosted a walk in Toronto-St. Paul's (Ward 12) and University-Rosedale (Ward 11) entitled "Neighbourhood Retail and Service Shops as Community Gems". The team received input on the project from attendees and business owners.

Zoning By-law Refinements

The proposed Zoning By-law provisions address three criteria identified in Official Plan Policy 4.1.3 as requirements for new retail, service and office uses in Neighbourhoods:

1. Location, meaning that locations of these uses are compatible with and integrated into the Neighbourhood.
2. Physical Scale, meaning that the scale of these uses is compatible with and integrated into the Neighbourhood.
3. Adverse Impacts and Use, meaning that regulations should ensure that these uses serve the needs of residents while minimizing noise, parking, delivery, loading and others adverse impacts.

The Official Plan policy also states that the uses should serve the needs of residents in an effort to reduce local automobile trips.

This section describes the ways that the zoning provisions meet these criteria, and how they have been maintained or refined in response to the consultation process since the draft was endorsed by Planning and Housing Committee in May 2024.

Location – Major Streets

The proposed By-law amendments permit a broad range of uses on major streets.

Major streets are the logical location to focus these uses given their role as the city's main thoroughfares and transportation corridors, as well as the edges and boundaries of the Neighbourhoods. These streets typically have bus service, sidewalks and, in some cases, bike infrastructure. Some major streets also have short term Toronto Parking Authority parking. Major streets sites are walking or biking distance from the homes of many residents who live within 500 metres and even 250 meters of these streets.

- Edits to Permitted Uses

The focus on major streets was supported in the consultation process. In the online survey, for example, 22 different uses were presented for consideration, and most were supported by 75 percent of the respondents, who agreed or strongly agreed with their inclusion, with under 10 percent disagreeing, or strongly disagreeing. There were, however, some specific uses identified for addition, removal or modification. These edits have been applied to the ZBLA. They are:

Permitted Uses Added: Custom Workshop, Massage Therapy and Wellness Centre, Religious Education

Phase Two consultations and research showed strong support for, and few concerns for these uses on major streets. These uses will still not be permitted in the interior of *Neighbourhoods*.

Permitted Uses Removed: Club

While a Club is membership based, and generally limits attendance at meetings and social events to members, staff identified precedents where

they have been used to host larger scale events with greater impacts on residents. The use was therefore deemed inappropriate for Residential zones.

Permitted Uses Changed: Recreation Use

Concerns were raised through the consultation period that permitting recreational uses on residential sites would lead to the commercialization of residential swimming pools for swim schools and pool parties. Addressing the distinct set of challenges and questions related to commercial swimming pools would require a comprehensive analysis that is outside of the scope of this project. Conditions have therefore been added to the Recreational Use to note that swimming pools are not permitted, and for Recreational Uses to be located indoors. The By-law would still permit other Recreational Uses which serve the local community, such as a gym, dance or martial arts classes.

- Analysis of OPA 727

In May 2024, the Planning and Housing Committee directed that the team analyze the effect on commercial uses of Official Plan Amendment 727 and the Zoning By-law Amendments permitting townhouse and small-scale apartment buildings along major streets. Through consultation with the major streets team staff determined that the addition of commercial permissions for major streets would complement recent changes approved by Council in May 2024, through Official Plan Amendment 727 and related ZBLAs, to permit townhouses and six-storey apartment buildings on major streets. New non-residential spaces could, for example, be located on the ground floor of these new developments. Even lots which currently have reverse-lot frontages on the major streets could, in future, be assembled and redeveloped in a manner that reorients the site with active commercial uses fronting onto the major street and residential units above.

Specific provisions in the ZBLAs attached to this report have been revised to better align with the amendments developed through the major streets project. These include requirements for a 3.8 metre ground floor height for new apartments with commercial uses at grade, and a pedestrian entrance within 6 metres of the major street, also consistent with the EHON Major Streets permissions. Lawfully existing buildings are exempt from these requirements.

The integration of these two complementary EHON initiatives will be examined over time through the projects' respective monitoring programs.

Location: Neighbourhood Interiors

Off the major streets, in the interior of the Neighbourhood, the use would be limited to a retail store with ancillary eating establishment or takeout eating establishment. The location would be on a corner site, or adjacent to a park, school or existing commercially-zoned site. This is unchanged from the ZBLA's presented in May 2024. A recent modification limits these uses to buildings which are on a single lot.

While major streets provide the greatest opportunities for retail uses, the distance between major streets create large blocks that leave many Neighbourhood residents more than 500 metres walking distance from major streets sites. Furthermore, through consultations the team heard significant interest in two primary uses within Neighbourhoods – local convenience grocery stores and small coffee shops. Through consultations, preferences were identified for corner sites, as well as sites adjacent to existing non-residential uses. In the public survey, over 90 percent of respondents agreed or strongly agreed with the use of a retail store and an eating establishment or takeout eating establishment on these sites and 89 percent supported an outdoor patio.

In the Toronto and East York community planning district in particular, corner sites have historically been the location of neighbourhood retail and services, many of which have been converted to residential uses in recent decades. The proposed by-law would support new uses along similar lines and would potentially allow business owners to re-establish retail, service and office uses on sites where they historically existed. Some of these buildings still have urban design characteristics that are appealing for neighbourhood businesses, including larger windows, more accessible entrances, and higher ceilings.

Some participants in the consultations noted that in certain neighbourhood within Toronto and East York there are some older retail strips which are located in *Neighbourhood* interiors which include old stores on sites that are not on corners and would remain legal non-conforming under the proposed amendments. Some of these have previously been the subject of community or academic research initiatives. The participants proposed that such strips could be specifically identified for zoning changes. The project team, however, determined that this would require additional study beyond the scope of the current phase of work. In North York, Scarborough and Etobicoke York districts, many neighbourhoods did not historically have businesses within neighbourhood interiors. Existing neighbourhood hubs, such as parks, schools and other non-residential uses were identified as desirable sites for new retail, service and office uses in these areas. For example, the team heard that in many parts of the city, convenience stores are more commercially viable when they are close to high schools and can attract staff, students, and parents. When asked about location, 86 percent to 92 percent of survey respondents agreed or strongly agreed with the proposed locations of corner sites or adjacent to parks, schools and commercially zoned sites.

- Eating Establishments and Takeout Eating Establishment maintained as ancillary uses only

While few people disagreed with the benefit of a retail store, there was a lot of discussion through the consultations about the permissions within *Neighbourhood* interiors for a Retail Store with Ancillary Eating Establishment and Takeout Eating Establishment. Most participants supported the idea of a small local café, including as a stand-alone establishment. Some noted that broader permissions would make cafés more likely to be established and succeed. Others expressed concerns that such eating establishment would lead to restaurants or bars that were be overly disruptive to neighbours in terms of nuisances like noise, garbage and deliveries, particularly if the establishment obtained a liquor license.

With these concerns in mind, the limitation on the Eating Establishments and Take Out Eating Establishments as ancillary uses to a Retail Store was maintained, which means that they must be less than 55 square metres in size.

- Retail Stores Limited to Single-lot Buildings:

In a refinement of the May 2024 proposals, the permission for retail stores on Neighbourhood interior sites have been limited to single-lot buildings.

Most building types would still qualify after this change, through both renovation or new construction. This includes, for example, the renovation of an existing detached home into a building with both a retail store, and one or more residential units, or the conversion of an ancillary garage or a bungalow into a commercial unit. It would also permit a store within a new apartment or multiplex on a single lot, provided that the building type is permitted under the applicable zoning. The refinement, however, would mean that, without a variance, a store could not be established in renovated semi-detached or townhouse sites or in a two-lot multiplexes. This change is to provide greater separation, privacy and reduced noise to neighbouring homes, particularly those with shared walls.

- Licensing

Typically, these ancillary eating establishments will require *Eating or Drinking Establishment* license if they have seating and a *Take-Out or Retail Food Establishment* license if they don't have seating. Some establishments will be exempt from licensing based on recent revisions to the municipal code, which exempts businesses which offer "pre-packaged food or drink items where such a service is insignificant to the purposes of the business".

- Laneway Permissions Consistent With May 2024 Proposals

The staff team also received input from professionals proposing that permissions for retail, service and office uses on laneways be expanded beyond the current proposed amendments.

Some of the proposed zoning by-law changes noted above will provide opportunities on laneways. Most notable is the proposed removal of the prohibition on Home Occupations in ancillary buildings. This would provide new home occupation options in rear garages and other laneway buildings. Other sites, on major streets and neighbourhood interiors, which have proposed retail, service and office uses would have the option to provide access from a laneway as appropriate to the site.

Laneways, however, are more challenging for access than other street types. They are narrow and are often actively used by residents to travel to and from their homes and, in some cases for leisure activities. Broadly speaking, for public-facing retail, service and office uses, it is more appropriate for access to be provided off the primary street rather than the lane. The project team therefore did not expand laneway permissions beyond those identified in the amendments proposed in May 2024. There may be specific sites where such a use may be appropriate and, in

those cases, a site-specific application, such as a minor variance, is an available route.

Small Scale

Participants mostly agreed that commercial uses in *Neighbourhoods* should be “small scale” but were often neutral on specific maximum floor area numbers. There was widespread agreement that big box stores were not desired, and strong support for no minimum size.

Some comments were made regarding that size should be dependent on context rather than a max floor area and worried that they may be too low to be feasible for certain business owners. While the project team explored different options, the use of maximum interior floor area per unit was maintained, with small adjustments. The table below summarizes the maximum floor areas permitted.

Location	Max IFA (m2)	Max IFA (SF) (Approx)
Patio / Outdoor Display of Goods	10 m2	110 SF
Home Occupation	100 m2 or 25% of Total GFA	1080 SF
Neighbourhood Interior Retail Store	110 m2	1200 SF
Major Streets – Individual Unit	150 m2	1600 SF
Major Streets – Total Building (non-Apartment)	150 m2	1600 SF
Major Streets – Total Building (Apartment Building)	400 m2	4300 SF

On major streets, the proposed maximum interior IFA for retail, service and office uses is 150 square metres (about 1,600 square feet) per unit, approximately the same as common retail store size with dimensions of a 6-metre frontage and a 24-metre depth, or a 20-foot frontage and 80-foot depth.

The total maximum of 400 square metres within apartment buildings matches the standard for apartment buildings in the Residential Apartment Commercial (RAC) zone. The limit of 85 percent of the ground floor space allocated to non-residential uses provides the opportunity to animate the ground floor with retail, service and office uses while maintaining the basic requirements of a residential building such as a lobby and elevator.

On interior streets, the proposed maximum IFA for the permitted retail, service and office uses of 110 m2 (1200 SF) would accommodate the equivalent of a common retail store size with dimensions of a 6-metre frontage and 18-metre depth (108 square metres), or a 20-foot frontage and 60-foot depth. As an ancillary use, the permitted eating establishments would need to be smaller than 55 square metres, as it would have to be no larger than 49 percent of the total 110 square metres space.

The 10 square metres (about 108 square feet) limit for outdoor display of goods and outdoor patios is consistent with the size established in the RAC zone for areas abutting a dwelling unit.

- Size Changed - Maximum Interior Floor Area Limited to 150 m² for Non-Apartment Buildings

The draft By-law presented in May 2024 identified a maximum interior floor area per unit of 150 square metres on a major street, and a commercial area of up to 250 square metres per building for non-apartment buildings. The 250 square metres size would have supported the establishment of standalone commercial buildings, through a new building, or the conversion of a single detached home. The project team, however, determined that the 250 m² size would go beyond the standard of “small scale”. This was reinforced by the fact that, anticipated uses, such as Medical Office, Office, or Education Use have historically had greater parking requirements. In both public and staff consultations, some respondents felt that in Residential zones, commercial uses should primarily be integrated into residential buildings, rather than in standalone commercial projects. With these concerns in mind, the permitted maximum interior floor area per unit, per building, have been aligned at 150 square metres. Those seeking to establish a stand-alone commercial building can apply through the Committee of Adjustment where the specific characteristics of the site and Neighbourhood can be more comprehensively analyzed, and any relevant conditions can be applied.

Home Occupations

Through the consultation process, there was broad support for proposed amendments addressing home occupations, including the ability to see customers for an expanded list of business types and permissions for up to two employees, and the use of ancillary buildings for home occupations.

Survey respondents strongly reinforced the specific limitation of two employees, with 70 percent disagreeing with permitting more than two employees, or an unlimited number of employees. 90 percent agreed with the removal of prohibitions on the use of ancillary buildings.

- Use Permissions Restrictions Maintained: Production Studio, Pet Services

The May 2024 version of the by-law amendments proposed change that would allow a Production Studio and Pet Services to have customers attend a home occupation. These raised concerns in the consultations as they were considered to be noisier, more intrusive uses. Instead, the status quo permissions have been maintained, meaning that clients or customers will still be unable to attend the premises for these uses.

- Permission to remove parking space

The other changes since May 2024 is the permission to removal a parking space, which is a requirement to allow for the conversion of a garage to a home occupation. This is discussed further in the parking and loading section below.

In discussions about Home Occupations, some had questions about food service businesses in personal homes. The city-wide Zoning By-law does not speak explicitly about this business type in the Home Occupation section or anywhere else. These businesses are primarily controlled through public health regulations. Reference guides for prospective food business owners are available online from both the Ontario Ministry of Health ([A Guide to Starting a Home-based Food Business \(ontario.ca\)](#)) and Toronto Public Health ([Starting a Food Business – City of Toronto](#)). The proposed ZBLAs do not include changes targeted towards changes in home-based food businesses.

Nuisances

Through the consultations, the team discussed a number of measures which had been integrated into the by-laws to reduce impact on neighbouring residents. Participants generally saw these measures as beneficial, or, in some cases, were not concerned about the specific nuisance. The measures included:

- No minimum requirement are established for parking or loading spaces, in order to avoid attracting cars (though owners may choose to provide);
- Ramp access to the main entrance of the commercial unit is required if the entrance is not level with the sidewalk;
- Most retail, service and office uses are limited to the ground floor;
- Along Major Streets, the main commercial entrance must front onto the Major Street;
- In mixed-use buildings, separate entrances would be required for commercial and residential uses;
- Above the first story, only Health Uses (Medical Office, Wellness Clinic, Massage Therapy), Office, or Education Uses would be permitted;
- Waste and recyclable material must be stored in a wholly enclosed building;
- Patios may not be used to provide entertainment such as performances, music and dancing;
- Patios must be set back at least 1 metre from a Residential lot line and have a fence along the lot line;
- In Neighbourhood interiors, food preparation in eating establishments would be limited to avoid impacts on neighbours.

In the consultations, concerns were raised about certain specific measures:

Food Preparation In Neighbourhood Interiors:

In the interior of Neighbourhoods, where retail stores are permitted on corner sites, and adjacent to schools, parks and commercial sites, the draft ZBLA presented in May stated:

“A retail store may include an ancillary **eating establishment** or **take-out eating establishment**, provided that the preparation and sale of food and beverages is limited to hot beverages and low-risk or pre-packaged, ready-to-eat food items;”.

This language aligns with some defined phrases in Ontario Regulation 493/17, which deals with Food Premises.

On major streets, the proposed ZBLA permits stand-alone eating establishment and take-out eating establishments without these restrictions.

Through the consultations, some participants had concerns about the wording of this measure. There were questions about the definition of “low-risk food items”. Some participants also questioned whether the by-law would prevent the serving of cold drinks, as only hot ones were identified. In general, there were questions about the ability of store owners to understand the by-law and for city staff to enforce them. Some felt that the limitations should be eliminated altogether, others questioned whether a different approach would be more appropriate. In general, however, there was agreement about the goal of avoiding equipment that would be noisy (e.g. because of loud ventilation systems) or would generate external smoke or odours (e.g. smokers, deep fryers) and to avoid a level of food preparation that would generate a lot of waste or frequent deliveries.

With all of this in mind, the staff team determined that the clearest way to achieve the goals articulated would be with the following revised language:

“A retail store may include an ancillary **eating establishment** or **take-out eating establishment**, provided that food is prepared off-site;”

This will allow establishments to provide a variety of food options, without the equipment that would be required to prepare the food on-site. With no restrictions on drinks, it would be clear that all types of drinks (hot and cold) are permitted. This approach, of preparing drinks on-site, but serving food prepared elsewhere, is also consistent with how many establishments operate today.

The team consulted with Toronto Buildings, Public Health and Municipal Licensing and Standards to confirm that this standard is an approach that is enforceable staff and understandable for business operators. This provides the best opportunity to strike the balance of providing a friendly neighbourhood eating establishment, such as a café, while minimizing disruptions to neighbours.

Outdoor Patios

In response to concerns of some residents about the noise and privacy impact of outdoor patios, and the loss of greenspace within the interior of *Neighbourhoods*, patios are no longer proposed to be permitted in rear yard, but continue to be permitted on corner lots, in the side or front yard that abut a street. In all cases, a fence along the property line is required, as is a 1.0m buffer. Together these enhance privacy and reduce noise for neighbouring residents. Requirements for landscaping and soft-landscaping in the city-wide Zoning By-law are unchanged and therefore also have a

role in controlling patio impacts.

Garbage Storage

Consultations with City staff noted that while the by-law amendment requires that all waste and recyclable material associated with the non-residential uses must be stored in a wholly enclosed building, in many cases, the appropriate location for storage would not be in the main building but in an ancillary structure, specifically for the purpose of garbage storage. An additional provision was added stating:

- If the waste and recyclable material associated with the non-residential uses is stored in an **ancillary building**, the **ancillary building** may not be located in a **side yard** that abuts a **street** or in a **front yard**, and must be a minimum of 1.0 metres from any **lot line**;

Parking and Loading

There are no additional parking requirements generated by the conversion of residential space to new retail, service or office units. Loading spaces are also not required, as proposed size permissions are also well below the requirements for a loading space, which only apply to commercial spaces sized 500 square metres or greater.

The proposed ZBLA would allow for the conversion of residential garages to commercial space. Ancillary garages, such as those on laneways, could be used for home occupations. On other sites, renovations to accommodate a ground floor retail, service or office unit may incorporate the removal of a garage at the front of the site. In order to accommodate this possibility, Internal staff consultation identified the need for an additional provision in the ZBLA to allow for the reduction of required parking spaces. This change has been made.

Through the consultations, concerns were raised about the impact of parking generated by commercial spaces, as well as the impact on curbside space for pick up/drop off activities. The majority of residents agreed that having no minimum requirement for parking or loading spaces would avoid attracting cars and be a helpful way to mitigate this impact.

City Council adopted revised city-wide parking standards on December 15, 2021. These standards were guided by the principle that minimum parking standards should be avoided except where necessary to ensure equitable access. These revised standards do not contain minimum parking standards for housing, including low-rise housing and multiplexes. This means that there is no requirement for parking in Toronto's Neighbourhoods, but it remains up to individual property owners to determine how much parking to provide on-site while meeting zoning standards for soft landscaping. Consistent with this approach, by-laws brought forth through the EHON Multiplex and Major Streets projects did not establish parking minimums and amendments brought through the EHON Laneway Housing project allowed for the removal of parking spaces to facilitate laneway homes.

The standards are consistent with Official Plan policies related to discouraging auto dependence and encouraging walking, cycling and transit over other modes of passenger travel. The Official Plan encourages decreasing the reliance on personal automobiles in both policies and its general text in numerous areas. Policy 2.1.1.d) acknowledges that the City will work to develop strategies which reduce automobile dependency. Policy 2.4.1.3 directs the City to pursue measures which increase the proportion of trips made by active transportation and transit. Section 4.1.3 of the Official Plan, which notes that new retail, service and office space “serve the needs of residents in an effort to reduce local automobile trips.”

The provision of parking and loading spaces will be demand driven, with some units being offered with or without parking on-site. Similarly, business owners will determine their own needs and will seek out or develop locations appropriate to those needs.

This approach to parking is consistent with the broader initiative which reduces automobile dependence by providing opportunities for amenities in close proximity to people’s homes, focussed on major streets, which typically are well served by public transit and walkable. The small-scale of the sites and the prohibition of certain auto-oriented uses further reinforces this goal.

With respect to deliveries, even where off-street facilities such as circular driveways and loading zones exist, this typically occurs on-street due to their short duration. Within Neighbourhood interiors, the small scale of permitted stores and the limitations on types of food preparation will limit the frequency of deliveries. Furthermore, the potential for more amenities close to home may reduce the desire to get products through delivery services. While Toronto’s Curbside Management Strategy has partially addressed this, the challenge still exists. City staff continue to explore opportunities to address this.

Other Supportive By-laws

While the Zoning By-law can mitigate certain adverse impacts on nearby residents, others are best addressed through other City by-laws. Discussions with MLS highlighted a number of by-laws which address concerns articulated in consultation meetings, such as those related to noise or littering. Continued, effective enforcement of these by-laws is an appropriate way to support the positive impacts of *Neighbourhood* amenities while mitigating the negative ones. Some of these are summarized in Attachment 4 and include:

- [Chapter 591, Noise](#)
- [Chapter 548, Littering and Dumping](#)
- [Chapter 841, Waste Collection, Commercial Properties](#)
- [Chapter 629, Property Standards](#)
- [Chapter 742, Sidewalk Cafes, Parklets and Marketing Displays](#)

In addition to the above, [Chapter 545, Licensing](#) requires a variety of businesses (including bars, restaurants, nightclubs) to obtain a licence from the City and comply with its regulations, the purpose of which is, among other things, to ensure public health and safety, consumer protection, and nuisance control. As with other by-laws, staff use education and may issue warnings or lay charges to gain compliance with Chapter 545.

As of January 1, 2025, amendments to Chapter 545 will be in effect for food and entertainment businesses, which were approved by City Council through a review of the 'night economy' in 2023 ([2023.EC8.13](#)). These changes include the implementation of an activity-based licensing model to enable more precise inspections and enforcement, which will require higher impact businesses to be required to meet additional licence requirements, such as providing a noise control plan and a patron management plan. In addition, changes to general requirements for all licensed businesses related litter control were approved as part of the review. The changes clarify that all business licensees are responsible for ensuring that the sidewalk outside their establishment is free of litter and waste, regardless of who left it.

Next Steps

Sign By-law

The City of Toronto enacted the Sign By-law in 2010, which sets out regulations for signs used for business identification or advertising purposes (https://www.toronto.ca/legdocs/municode/1184_694.pdf). Currently, the Sign By-law regulations in residential areas reflect only a limited number of non-residential uses typically found in these zones, such as schools, places of worship, and some home occupations. With the expansion of small-scale retail and service uses into residential zones, amendments to the Sign By-law are necessary to allow for appropriate signage for these newly permitted uses.

It is crucial to ensure that any amendments to the Sign By-law result in signage that is appropriate for the built form of the affected properties, the surrounding neighborhood, and do not adversely impact nearby properties, given that these signs will be in residential areas. The criteria for what is considered "appropriate" will include the compatibility of the signs with the built form on the property, the surrounding neighborhood, as well as any impacts that the signs may have on the surrounding properties. Additionally, any amendments to the Sign By-law will follow a thorough review of the appropriateness of different sign types, sizes, and locations to ensure they complement the permitted retail uses while not adversely impacting the surrounding residential properties.

The project team and Toronto Building have consulted on this matter, and Toronto Building is preparing to report on any required amendments to the Sign By-law in Q1 2025.

Small Business Enterprise Centres

Through the consultations, businesses and other residents asked about City supports for potential entrepreneurs looking to take advantage of the proposed Zoning By-law changes. The project team met with staff from Entrepreneurship Services in the City's Economic Development and Culture Division (EDC) who support new businesses and startups (<https://www.toronto.ca/business-economy/new-businesses-startups/>) including through the Toronto Small Business Enterprise Centres (<https://www.toronto.ca/business-economy/new-businesses-startups/small-business-support/>). The EHON Retail and Services team will continue to work with EDC staff to

support the development of relevant materials and other supports for prospective businesses.

City Divisions

The project team will continue its collaboration with City Divisions such as MLS, Toronto Building, City Clerk's Office, Finance & Treasury Services and Public Health to inform ongoing work related to the implications of these ZBLAs.

Monitoring Program

As with the other EHON projects, Laneway Suites, Garden Suites, Multiplexes, and Major Streets, Recommendation 4 of this report directs staff to undertake a program to monitor the implementation and effectiveness of the ZBLAs in facilitating the creation of new small-scale retail, service and office uses in *Neighbourhood*-designated and Residentially-zoned sites. The recommendation is for staff to report to the Planning and Housing Committee two years following the ZBLAs coming into full force and effect, to review and recommend any necessary revisions to the policy, zoning, and/or other changes to improve implementation.

CONCLUSION

The EHON Neighbourhood Retail and Services study aims to support the other EHON initiatives by reducing barriers and restrictions for small-scale retail, service and office uses in Toronto's residential *Neighbourhoods*. With more people working from home than ever before and with anticipated additional residential density, there is a greater need for neighbourhood amenities to serve existing and future residents. Providing opportunities for complete communities in the city's *Neighbourhoods* is an important component in addition to increased density and residential land use permissions that are being facilitated by the EHON initiatives.

The proposed Zoning By-law 569-2013 Amendments discussed and included in this report are consistent with the Provincial Planning Statement (2024 PPS), have regard for matters of provincial interest, and are consistent with the Official Plan. They would create the flexibility to allow these retail, service and office uses to be established and preserved in Residential Zones in a balanced way that provide walkable, accessible amenities, at a physical scale and in a location that is compatible with and integrated into *Neighbourhoods* while minimizing adverse impacts on nearby residents and are of a. In doing so, it will encourage complete, connected communities, contributing to amenity, sustainability, equity, diversity and vitality.

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SIGNATURE

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ATTACHMENTS

Attachment 1: Draft Zoning By-law Amendment: Commercial Use Permissions in the Residential Zone Category

Attachment 2: Draft Zoning By-law Amendment: Specific Use Regulations, Home Occupations

Attachment 3: Consultation Event Details and Survey Results Highlights

Attachment 4: Other City By-Laws for Minimizing Adverse Impacts

Attachment 1: Draft Zoning By-law Amendment: Commercial Use Permissions in the Residential Zone Category

(Attached under separate cover)

Attachment 2: Draft Zoning By-law Amendment: Specific Use Regulations, Home Occupations

(Attached under separate cover)

Attachment 3: Consultation Event Details and Survey Results Highlights

Staff undertook community and industry consultation through Spring and Summer 2024. Consultation included in-person and virtual events, stakeholder consultations, a publicly accessible webpage and an online survey.

Four in-person, drop in consultation events and two virtual consultation events took place in June 2024. Amongst the four in-person consultation events, one was held in each of the Planning Districts. During the consultation events, the Neighbourhood Retail and Services team presented background information, information about the proposed amendments, and presented the opportunity for residents to ask questions and complete an online survey about the project.

Attendees at the consultation events were encouraged to complete the online survey, which asked users to provide input on topics related to the project in relation to their own neighbourhood experiences and personal opinions.

City-Wide Virtual Consultation Events

- Wednesday, June 12, 2024, from 1:00 p.m. – 3:00 p.m.
- Monday, June 17, 2024, from 6:30 p.m. – 8:30 p.m.

City-Wide In-Person Consultation Events

- Etobicoke – Monday, June 3, 2024 – Toronto Public Library – Eatonville Branch Auditorium from 5:30 p.m. – 7:30 p.m. Presentation 6:30 p.m.
- Scarborough – Thursday, June 6, 2024 – Scarborough Civic Centre – Rotunda from 5 p.m. – 7:30 p.m. Presentation 6:30 p.m.
- Toronto and East York – Tuesday, June 11, 2024 – Metro Hall, Room 308/309 from 5 p.m. – 8 p.m. Presentation 6:30 p.m.
- North York Centre – Wednesday, June 19, 2024 – North York Memorial Hall Burgundy Room A from 4 p.m. – 8 p.m. Presentation 6:30 p.m.

Ward-Specific Consultation Events

- Ward specific in-person and virtual consultation events were held in Scarborough Southwest (Ward 20) and Scarborough-Agincourt (Ward 22) in response to Council direction and in coordination with the respective Ward Councillors.

Jane's Walk

May 4, 2024: In person tour “Neighbourhood Retail and Service Shops as Community Gems” exploring small-scale retail, service and office locations in *Neighborhood* interiors and major streets in Toronto-St. Paul's (Ward 12) and University-Rosedale (Ward 11).

Background and Objectives

As part of the Neighbourhood Retail and Services team's investigation of small-scale retail, service, and office uses, the EHON Neighbourhood Retail & Services Stage 2 Consultations Survey was created. This was the second online survey deployed for this team's work. The survey's goal was to provide policy makers feedback on the draft proposed Zoning By-law Amendment proposed as part of the Expanding Housing Options in Neighbourhoods –Neighbourhood Retail and Services Study Phase Two Proposals Report.

Survey Method

The survey was available and active during June to October 2024 on Medallia Agile Research, an online surveying platform. To maximize participation and reach, the survey deployment strategy included multiple promotions on Twitter (now called X), promotion at the in-person consultation events, and the EHON mail list. About 1100 people completed the survey.

The survey was mostly structured into four sections of questions relating to the draft proposed Zoning By-law Amendment:

1. Major streets;
2. Neighbourhood interior;
3. Home occupation;
4. Minimizing adverse impacts.

Additionally, respondents were then asked general questions about themselves. The survey questions were varied, including multiple-choice where participants could select the best answer(s), open-ended questions for written responses, and Likert scale questions, where respondents would rank how they feel on a particular statement ranging from strongly agree to strongly disagree.

Survey Results

Major Streets

Respondents were asked about the proposed changes on major streets. The first question listed the proposed uses to be permitted on Residentially Zoned properties on Major Streets and had respondents indicate if they should be permitted or not. The majority of respondents for each proposed use strongly agreed that the use should be permitted as-of-right (refer to Table 1 for details).

Following questions on uses on major streets, respondents were to rank in which building types the non-residential uses should be located. The results were that having commercial uses in all types of residential buildings is supportable. Locating uses in a stand-alone commercial building (with no residential uses in a Neighbourhood) was not as supported by respondents (refer to Table 2 for details).

The last questions in the major streets section pertained to non-residential unit sizes in different types of buildings. Over 40 percent of respondents were neutral on specific floor area numbers, with some noting that they did not have sufficient knowledge or information to identify a preferred number. Of those who disagreed with the identified sizes, more commenters identified concerns with the cap being too low than too high. Some felt that a standard cap was not appropriate and that it should be based on a percentage of the building.

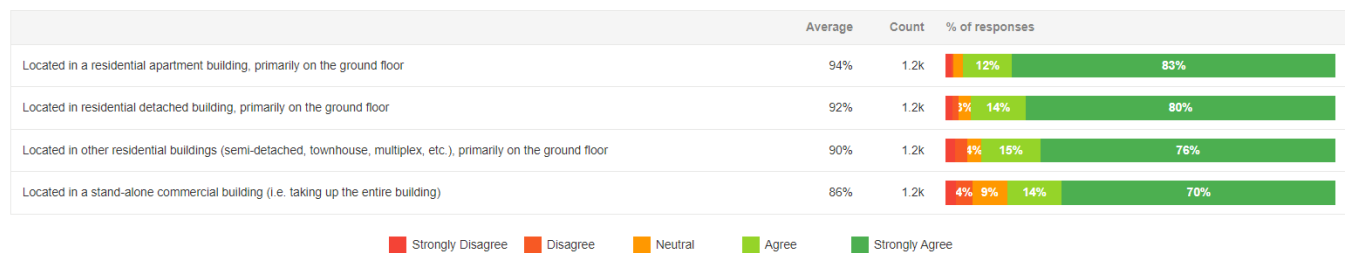
Table 1: Major Streets - Proposed Uses

Major Streets - Proposed Uses: The following uses are proposed to be permitted on Residentially Zoned properties on Major Streets. On a scale of 1-5, how strongly do you agree or disagree with each proposed permitted use, with 1 being that you strongly disagree that the use should be permitted and 5 being that you strongly agree that the use should be permitted as-of-right.



Table 2: Major Streets - Building Types

Major Streets – Building Types: Non-residential uses are proposed to be permitted in a variety of building types (including apartments, detached homes, townhouses, etc.), primarily on the ground floor, with some office uses permitted on upper floors. On a scale of 1-5, how strongly do you agree or disagree with each proposed location for a non-residential use within an otherwise residential building, with 1 being that you strongly disagree that the location is appropriate and 5 being that you strongly agree that the location is appropriate.



Neighborhood Interior

The first question in the Neighbourhood interior section listed the proposed uses to be permitted on properties in the interior of Neighbourhoods and respondents were asked if they should be permitted or not. The vast majority of responses for each use was “strongly agree” to be permitted in the interior of Neighbourhoods (refer to Table 3 for details).

Table 3: Neighbourhood Interior - Proposed Uses

Neighbourhood Interiors - Proposed Uses: The draft proposed Zoning By-law would permit the following retail and service uses in Neighbourhood interior locations. On a scale of 1-5, how strongly do you agree or disagree with each proposed permitted use within Neighbourhood interiors, with 1 being that you strongly disagree that the use should be permitted and 5 being that you strongly agree that the use should be permitted as-of-right.

	Average	Count	% of responses				
Ancillary Eating Establishment (e.g. café) within a retail store	92%	1.1k					
Ancillary Takeout Eating Establishment (e.g. café) within a retail store	92%	1.1k					
Retail Store	90%	1.1k					
Outdoor Patio	89%	1.1k					

Strongly Disagree Disagree Neutral Agree Strongly Agree

The next question asked about the location of the proposed uses in the interior of Neighbourhoods. There was strong support for all four options identified on the chart (refer to Table 4 for details).

Table 4: Neighbourhood Interior - Location of Proposed Uses

Neighbourhood Interiors - Locations: For Residentially Zoned properties in the interior of a Neighbourhood, retail stores are proposed to be permitted in the following locations. On a scale of 1-5, how strongly do you agree or disagree with each proposed location for a non-residential use within a Neighbourhood interior, with 1 being that you strongly disagree that the location is appropriate and 5 being that you strongly agree that the location is appropriate.

	Average	Count	% of responses				
All corner lots	92%	1.1k					
Adjacent to a park that fronts on the same street	92%	1.1k					
Adjacent to another lot that has existing non-residential zoning (Commercial, Commercial Residential, Commercial Residential Employment or Institutional Zone category)	90%	1.1k					
Adjacent to a public school that fronts on the same street	86%	1.1k					

Strongly Disagree Disagree Neutral Agree Strongly Agree






The last questions in this section of the survey pertained to non-residential unit sizes and built form. Similar to the question in the major streets section of the survey, responses were more likely to be neutral. Some comments were made regarding that size should be dependent on context rather than a maximum floor area and worried that the caps may be too low to be feasible for certain business owners. When asked about the size of an outdoor patio or the outdoor display of goods 10 m² the data and respondent’s comments generally found the size maximum to small and a greater size could be permitted.

Home Occupation

The first question of the home occupation section listed the proposed uses for which employees could be permitted to attend home occupations. All six proposed uses had the majority of respondents “agree” or “strongly agree” that they should be permitted as-of-right. The home occupation section then asked how many employees should be permitted to work in a home-based business. An overwhelming majority of respondents selected to permit two or more employees or an unlimited amount in a home-based business (refer to Table 6 for details).

Table 5: Home Occupation - Employees Permitted

Home Occupations - Employees: Currently only health-related businesses are permitted to have an employee at a home-occupation in addition to the resident and main business operator. The draft proposed Zoning By-law Amendment would allow up to two employees in the home at a time in addition to the resident. Please select the statement that you consider to be the most appropriate in terms of allowing for employees within a home-based business.

	Count	% of responses	%
Permit up to two employees (current proposal)	287		26%
Permit zero employees except where currently allowed (existing bylaw)	28		3%
Permit one employee in the home	21		2%
Permit more than two employees in the home	235		21%
Permit unlimited number of employees in the home, with size restrictions for Home Occupations being the main means to limit the size of a home-based business	541		49%

The final topic in the home occupation section was about home-based business in ancillary buildings. 90 percent of respondents agreed with the current proposal to remove prohibitions on home occupations in ancillary buildings (refer to Table 7 for details).

Table 6: Home Occupation - Ancillary Buildings

Home Occupations - Ancillary Buildings: Currently, home occupations are prohibited in ancillary buildings, such as a garage or shed beside or behind a home, including on a laneway. The draft proposed Zoning By-law would remove this prohibition. Home occupations are currently permitted in integral garages, laneway suites and garden suites. Please select the statement that you consider to be the most appropriate in terms of whether or not to permit home-based businesses to operate out of an ancillary building.

	Count	% of responses	%
Remove prohibition on home occupations in ancillary buildings (current proposal)	1k		90%
Maintain existing restrictions	51		5%
Permit home occupations only in ancillary buildings on laneways, but not within a shed or other ancillary structure on the property	60		5%

Nuisances

From those who came to the consultation events and spoke there were common themes in nuisance concerns. These include waste storage, vehicular parking, bicycle parking and lanes and licensing.

Conclusion

With over 1100 responses received the survey helped city staff gather and analyze feedback on the proposed Draft Zoning By-Law Amendment. The data and the comments from the survey show that generally there is support for what is being

recommended by this report. Furthermore, there is a sense that less stringent measures could be implemented. However, there were a minority number of respondents or consultation attendees who voiced concerns over nuisances or specific uses or sizes.

Attachment 4: Other City By-Laws for Minimizing Adverse Impacts

The City of Toronto enforces a number of existing bylaw regulations that are intended to mitigate potential nuisances, which would also apply to retail, service and office uses on Residentially-zoned properties within *Neighbourhoods* city-wide.

Noise

Within the Toronto Municipal Code, [Chapter 591, Noise](https://www.toronto.ca/legdocs/municode/1184_591.pdf), (https://www.toronto.ca/legdocs/municode/1184_591.pdf) works to set out clear and enforceable noise rules, time restrictions and sound level limits for various types of noise in the city. Relevant provisions under the Noise By-law that relate, for example, to eating establishments include amplified sound (for music that might be played in the business) and stationary sources (like a kitchen hood or fan).

- 591-2.1 Amplified Sound includes a few technical measurements for decibel limits for amplified sounds, but notably has a lower decibel limit for amplified sound made between 11 p.m. and 7 a.m. These decibel limits are measured from the point of reception (i.e. where a person is experiencing the noise).
- 591-2.8 Stationary Sources and Residential Air Conditioners - No person shall cause or permit the emission of sound from a stationary source or residential air conditioner that, when measured with a sound level meter at an outdoor or indoor point of reception exceeds the decibel limits prescribed in the Bylaw (or the applicable sound level limit in provincial noise pollution control guidelines, if relevant)
 - A stationary source is defined as “A source of sound which does not normally move from place to place, including the premises of a person as one stationary source, unless the dominant source of sound on those premises is construction or a conveyance”.

Waste

[Chapter 548, Littering and Dumping](https://www.toronto.ca/legdocs/municode/1184_548.pdf) (https://www.toronto.ca/legdocs/municode/1184_548.pdf) provides rules for the control of litter on public and private property. It generally requires property owners to clean waste on private property and allows for enforcement of litter on public and private property.

[Chapter 841, Waste Collection, Commercial Properties](https://www.toronto.ca/legdocs/municode/1184_841.pdf) (https://www.toronto.ca/legdocs/municode/1184_841.pdf) provides regulation for containers and the setting out and collection of commercial waste, it includes sizes of containers, times for when they may be put out for collection, and ensuring the material is free from contamination and the area kept clean.

Property Standards

[Chapter 629, Property Standards,](https://www.toronto.ca/legdocs/municode/1184_629.pdf)

(https://www.toronto.ca/legdocs/municode/1184_629.pdf) sets the standards for maintenance of all properties in Toronto, and repair where it does not meet the standards. It applies to all residential and non-residential properties across the city. Chapter 629 contains many regulations related to the physical properties of the building, as well as general maintenance and cleanliness.

Some relevant provisions include:

- 629-5 – The owner of the property shall repair, maintain and keep clean the property in accordance with the standards and take immediate action to eliminate any unsafe condition.
- 629-6 – Every person who occupies property shall maintain the property in a clean and sanitary condition.
- 629-9 - All properties shall at all times be kept free of pests and from conditions which may encourage infestation by pests.
- 629-10(b) - All yards and any other part of a property shall be kept clean and free from accumulations of junk, rubbish, brush, refuse, litter, garbage and other debris, and any conditions that are health, fire or other hazards.
- 629-17 - Property that, because of its use, occupancy or other reasons, creates a nuisance to other properties in the neighbourhood shall be buffered from these properties so as to minimize the effect of the nuisance by the provision and maintenance of:
 - (b) A barrier to prevent wind-blown waste, wrappings, debris and similar things from littering or settling on adjacent properties;
 - (c) A visual screen or fence, of uniform construction and appropriate to the nature of the adjacent use, to minimize the visual impact of nuisances to persons at grade on adjacent properties or a public highway.
- 629-22(a) - Garbage and refuse shall be stored in receptacles and removed in accordance with other City by-laws.
- 629-22(b) - All garbage bags containing garbage shall be stored within an enclosed garage or in a covered garbage receptacle.
- 629-22 (f) - Every garbage chute, garbage disposal room, garbage storage area, garbage container or receptacle shall be washed and disinfected as often as is necessary to maintain a clean and odour-free condition.
- 629-22(g) - The place for temporary storage and disposal of garbage and refuse shall be kept in a litter-free and odour-free condition, maintained in a manner that will not attract pests, create a health or other hazard, or obstruct an emergency route, recreation facility, parking area, driveway or walkway.
- 629-22(h) - Screening of garbage and refuse on a property shall be a visual screen or fence, of uniform construction and appropriate to the nature of the

adjacent use, to minimize the visual impact to persons at grade on adjacent properties or a public highway.

Patios:

[Chapter 742, Sidewalk Cafes, Parklets and Marketing Displays](https://www.toronto.ca/legdocs/municode/toronto-code-742.pdf)
(<https://www.toronto.ca/legdocs/municode/toronto-code-742.pdf>)

regulates sidewalk cafes (i.e. patios) and marketing displays (i.e. a display of goods, articles or merchandise for the purpose of retail sale from inside adjoining commercial property) on the right-of-way – it does not apply to patios or marketing displays wholly on private property.

There are several provisions explicitly for cafes located on local roads as designated by the Road Classification System. This includes:

- Amplified live music on a cafe is not permitted on a local road;
- Where the cafe is located on a local road, the permit area must be closed and cleared of customer by 11pm (2am on non-local roads);
- There must be a 1m separation between the café or marketing display permit area and the entrance to an adjacent dwelling unit;
- Where a café is located on a local road, there must be a visual screen on the edge of the permit area facing the residential area which is at least 1.5m high (except where the GM Transportation determined is poses a safety risk by obstructing sightlines of vehicles);
- No café on a local road may have a barbeque on the permit area.