

March 5, 2021

MEMORANDUM

To: Land Use and Neighborhood Committee
From: Ketil Freeman, Analyst
Subject: Council Bill 120001 – Interim Development Regulations for Home Occupations

On March 10, 2021, the Land Use and Neighborhoods Committee (Committee) will discuss and may vote on [Council Bill \(CB\) 120001](#), which would relax regulations for home occupations on an interim basis – up to one year. The bill is intended to allow home-based businesses to operate with fewer restrictions during the COVID civil emergency. This may allow more small businesses to remain operating during the pandemic and speed the economic recovery once pandemic restrictions are lifted.

This memo: (1) provides some background information on how home occupations are regulated, (2) describes what CB 120001 would do, and (3) details procedural next steps.

Background

According to the Census Bureau, since the 1990s more people have been working from home.¹ Local governments have modified regulations for home-based businesses to reflect that change. Nationwide, regulations for home occupations range from prohibiting home occupations - to requiring permits for most home occupations - to mitigating the impacts of home occupations through performance standards.² Seattle most recently approved major updates to home occupation regulations in 2006.³ Seattle's regulations are generally more permissive than those of peers jurisdictions.

How Does Seattle Regulate Home Occupations?

City regulations currently allow home occupations as an accessory use to a residential use in all zones. Home occupations do not require a land use permit, although the use may require construction permits and permissions from governments with regulatory authority over the type of business, such as Seattle/King County Public Health. Home occupations are regulated primarily by operating standards that are intended to minimize the impact of the home-occupation on neighbors. These include:

- Limitations on the number of commercial vehicle deliveries and pick-ups;
- Limitations on the size of vehicles associated with the home occupation, not including vehicles that make deliveries to the business;

¹ [Home-Based Workers in the United States: 2010 \(census.gov\)](#)

² For a description of the range of zoning controls applicable to home occupations see Beale, Henry. (2004). [Home-Based Business and Government Regulation](#). Pages 71-88. United States Small Business Administration.

³ [Ordinance 122311](#).

- Appointment-only customer visits;
- The residential appearance must be maintained;
- No more than two non-residents of the dwelling may work at the home occupation;
- The home occupation cannot substantially increase traffic and on-street parking in the vicinity;
- Signs identifying the business cannot exceed 64 square inches in size;
- Outdoor storage cannot be associated with the home occupation; and
- Limitations on noise, odor, dust, light, glare and other impacts.⁴

How Do Other Jurisdictions Regulate Home Occupations?

Portland, Oregon distinguishes two types of home occupations and requires a permit, with notice to neighbors, for home occupations that have a non-resident employee or have up to eight customer visits per day.¹ Austin, Texas prohibits certain uses as home occupations and specifies performance standards for home occupations, such as limiting commercial vehicle trips and parking associated with home occupations.² San Diego, California primarily utilizes performance standards to regulate home occupations but allows for home occupations to deviate from those standards through a permit process with notice to neighbors.³ Staff has not identified any other jurisdictions that have modified home occupation regulations due the pandemic.

What CB 120001 Would Do

CB 120001 would relax certain performance standards for home occupations for up to one year. Those standards are limitations on:

- The number of employees;
- The type of customer visits;
- Increased traffic and parking demand; and
- The non-commercial appearance of home occupations.

Additionally, the bill would allow home occupations to have a larger sign, up to 720 square inches, and utilize any required off-street parking for the home occupation.

⁴ See [Seattle Municipal Code Section 23.42.050](#). For a plain language description see also, [Home Business Rules - SDCI | seattle.gov](#).

¹ [Home Occupation Permits - Running a Business Out of Your Home | Portland.gov](#)

² [What are the regulations and limitations for a Home Occupation? | AustinTexas.gov](#)

³ City of San Diego Development Services. [How to Obtain a Neighborhood Use Permit for a Home Occupation, Information Bulletin 540](#).

Because CB 120001 would be adopted pursuant to [RCW 36.70A.390](#), which allows jurisdictions to approve interim development controls, the bill includes a work program for the Seattle Department of Construction and Inspections to analyze and propose more permanent changes to home occupation regulations. The bill does not prescribe what those recommendation would be but they could include making permanent the changes in the current bill, specifying additional performance standards, or implementing a permitting requirement to allow modifications to performance standards under specified circumstances.

Next Steps

The Committee will discuss and may vote on CB 120001 on March 10th. If a Councilmember wants to consider any amendments, such as modifications to or the addition of interim performance standards, please contact me by close of business on Monday. Because the bill would be enacted pursuant to RCW 36.70A.390, the public hearing required for changes to land use regulations may occur within 60-days after passage of the bill.

cc: Dan Eder, Interim Central Staff Director
Aly Pennucci, Policy and Budget Manager