

May 11, 2023

MEMORANDUM

To: Land Use and Neighborhood Committee
From: Ketil Freeman, Analyst
Subject: Council Bill 120520 – Regulations for Home Occupations

On May 15, 2023, the Land Use Committee (Committee) will have an initial briefing on [Council Bill \(CB\) 120520](#), which would relax regulations for home occupations. The bill would establish permanent regulations that replace interim regulations enacted during the pandemic. Those interim regulations were intended to allow home-based businesses, including those that may have operated out of a storefront, to operate with fewer restrictions during the COVID civil emergency.

Interim regulations were initially established through [Ordinance 126293](#) in March, 2021, and were later extended through [Ordinance 126555](#) in March, 2022. Interim regulations are now expired.

This memo: (1) provides some background information on how home occupations are regulated, (2) describes what CB 120520 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 peer 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 they may require construction permits and permissions from governments with regulatory authority over the type of business, such as Public Health – Seattle/King County. Home occupations are regulated primarily by operating standards that are intended to minimize the impact of the home-occupation on neighbors. These include:

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](#).

- 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;
- 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

What CB 120520 Would Do

CB 120520 would permanently relax certain performance standards for home occupations. Those standards are limitations on:

- The number of employees;
- The type of customer visits;
- Increased traffic and parking demand;
- Number of allowed vehicles;
- Outdoor locations for home occupations; and
- The non-commercial appearance of home occupations.

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 Austin Land Development Code Section 25-2-900.

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

Additionally, the bill would allow home occupations to have a larger sign, up to 720 square inches, from 64 square inches. Drive-in businesses would continue to be prohibited.

Next Steps

The Committee will hold a public hearing, discuss and may vote on CB 120520 on June 14th.

cc: Esther Handy, Director
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