

Home Based Businesses

Changes to Proposed Amendments and Research/Information

Requested by the Olympia Planning Commission

During the July 20, 2026, Briefing

Changes to Amendments:

1. A new definition for “principal residence” has been added based on comments from the Planning Commission.

18.02.180(P)

Principal Residence. A residence where a person lives and considers their main home for issues including, but not limited to, taxes, voting, mortgages, and IDs or drivers licenses.

The term “primary” is being changed to “principal” based on comments from the Planning Director. “Primary” is used often within the zoning and development sections of the Olympia Municipal Code already and has a different meaning for permitting and building. To avoid any conflicts in the use of this term, staff will use “principal” for the home based businesses section.

This definition does not include a period of time of residency (such as a 3-6 months) to be considered a principal residence. A drawback to requiring a number of months living at the residence prior to allowing a home based business is that it could delay a person who moves into a home and wants to start a home based business. This requirement would also delay a person who has moved from one residence to another in Olympia and wants to continue a home based business that they were operating at their prior residence.

Municipal Research Services Center (MRSC) was consulted, and they did not find a jurisdiction in Washington that has this period of residency requirement in their home occupation codes. The closest they found were references in some codes to a requirement that the applicant be a permanent resident of the home. “Permanent” was not defined. The Home Based Business Addendum, required to be signed with the business license application, requires the applicant “reside at the home”.

2. Subsection L.2.o.: Removed the language that allowed having up to two off street parking spaces for the home based business. This was based on comments from the Planning Commission.
3. The City's Finance Department suggested removing the second sentence of L.2.c. which was proposed to read *"The home based business license must list the names of each resident who is employed by the business."* The original sentence read *"The home occupation permit must list the names of each resident who is employed by the business."* It was proposed to be modified by changing "home occupation" to "home based business" and to change "permit" to "business license". Permits haven't been required since approximately 2008. The Finance Department mentioned that tracking the names of employed residents is not something that is needed. The Community Development Department does not need this information and does not have a way to collect or track it without a permit.
4. Based on Planning Commission comments, staff added "non-residential" to subsection L.2.a. where it states that a home based business must be conducted within the principal residence of the business license holder or within an (*added "non-residential" here*) accessory structure on the same property. This change keeps the home occupation in the principal residence of the business license holder or in a non-residential accessory structure on the same property such as a garage or shed. A home based business can be conducted within an accessory dwelling unit provided the accessory dwelling unit is the principal residence of the business license holder.
5. The 500 square foot limit for a home based business in subsection L.2.d. was removed. This was suggested by Planning Commission at the July 20, 2026, briefing. The maximum percentage of floor area used for the home based business is still at 25%. There was some discussion among Planning Commissioners as to what an appropriate percentage would be for a home based business but no specific number was decided upon.
6. Based on Planning Commission comments, the restriction on number of vehicles associated with mobile vehicle repair and detailing was removed from subsection L.2.h.ii. The following text was removed: *"...and no more than one vehicle used for the mobile business is present at the home based business location;"*
7. The City's Finance Department suggested removing the following sentence from the definition of "Remote Work" (subsection L.2.p.): "Activities that would necessitate obtaining a business license pursuant to OMC Title 5 are not remote work." The

sentence causes conflicts with Title 5 of the municipal code. With Title 5, “remote work” can be both an activity that does require a business license and could also be one that does not. If a community member is unsure if they require a business license, they should consult with the Finance Department.

8. The requirement to fill out and submit a child care registration form is being removed from subsection 3.a.ii. The form does not appear to have a specific purpose. Staff was only able to find one of these forms that had been filled out in the last few years and the only thing done with it is to attach it to the parcel file in the permitting system. Even though there is no fee for the City’s form, it is extra paperwork for those wanting to have a daycare in their home. These types of uses already register with the State so it is unclear why the City is requiring a registration form too. This is a staff proposed change based on comments from the Planning Director.
Unable to find a requirement for this form in the RCWs or WACs, staff reached out to the Washington State Department of Children, Youth, and Families (DCYF) regarding the form. DCYF responded that they are unaware of any requirement in State law for the City to require this form from applicants. Staff is recommending removing this requirement.
9. Based on Planning Commission comments, subsection L.3.b.i. was modified to remove the prohibition on counseling for substance abuse. Staff research did not find the reason behind the prohibition. This prohibition was likely placed in the code more than two decades ago.
10. Subsection L.3.b.ii., which prohibits group counseling, was removed based on comments by Planning Commission.
11. Based on Planning Commission comments, the prohibition on meeting at the home based business location to perform work off site that was in subsection L.2.c. has been removed. The sentence removed was “*Furthermore, the residence may not be used as a place of congregation for work that occurs off the premises.*” There was some discussion regarding putting a cap on the number of people meeting at the home for off-site work but there wasn’t a clear direction on that issue. Staff believes the intent of this prohibition was to prevent noise, congestion, and parking impacts on neighboring properties. Situations could occur where several persons and their cars may show up early in the morning and then either all leave to go to a worksite or possibly leave their parked cars at the home based business.

12. Changed the term “home occupation” to “home based business” in Table 4.01 in OMC 18.04.040. This is the table that lists permitted, conditional, and accessory uses in residential zone districts. Even though only one term is being amended, it is necessary to include the entire table with the proposed amendments. No changes are proposed to allowed uses, only the name change is proposed. This change is staff proposed.

Research and information requested by Planning Commission:

1. Business licenses and the number of homes in the South Capitol Neighborhood
 - a. A map was created on April 30, 2025, at the direction of the former department director. It identified 49 businesses and 76 home based businesses in the South Capitol Neighborhood. This map was shown during the July 20, 2026, Planning Commission briefing. Planning Commission requested the number of homes within the neighborhood. Staff requested GIS support for this on July 21, 2026 and received a response that there are approximately 797 residences within the neighborhood. This number includes the apartments that are located within the neighborhood.