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MEMORANDUM Director Interpretation

TO:

Olympia City Council, City Staff and Community Members

FROM:

Susan McLaughlin, Community Planning and Economic Development Director

DATE:

September 9, 2025

SUBJECT:

Home Occupations and the Use of Residential Homes by Legislative Lobbyists

Members of the community have recently provided comments, both written and verbal, to the Olympia City Council, Planning Commission, Land Use and Environment Committee, and the Community Planning and Economic Development Department regarding concerns about the use of residential homes for office and meeting space during the legislative session. Community members have stated that these activities are home occupations and are not operating according to development regulations in the Olympia Municipal Code (OMC).

Home occupations are defined in OMC 18.02.180:

Home Occupation. A commercial use within a residential dwelling unit which is clearly incidental and accessory to the residential use of the property and complies with applicable provisions of this Title.

"Commercial use" is not defined in the OMC, but based on some common dictionary definitions, the term means "a use that is related to buying or selling goods or services for money, rather than personal use." (See, e.g., COMMERCIAL | English meaning - Cambridge Dictionary). For purposes of the business registration requirement in OMC 5.04, "business" is defined broadly as "all activities engaged in with the object of gain, benefit, or advantage to the taxpayer or to another person or class, directly or indirectly."

While a professional lobbyist using a residence for lobbying activities might technically fall within the definitions of "commercial use" and "business," it is very difficult to enforce using provisions of OMC 18.04.060.L (home occupations) and OMC 5.04.025 (business licenses). The definitions of "commercial use" and "business" are broad and potentially encompass much activity that the City clearly does not regulate as home occupations. For example, almost anyone working from home is technically engaged in a "commercial use" of that home: they are selling their services, performed at home, for money. Furthermore, a person working from home is engaged in activity for gain or benefit, and is thus, technically, engaged in "business." A person who sells goods online or blogging or podcasting, is engaged in a "commercial use" and "business." from home. While professional lobbying might meet the definition of "commercial use" and "business," so do many other activities that do not fall within the intended scope of home occupation regulations. A professional lobbyist working from home is similar to many other business activities conducted in homes throughout the City and any enforcement directed specifically at lobbyists could be considered inequitable or arbitrary, which presents legal challenges.

The City's home occupation regulations will be updated in 2026 to reflect the realities of the modern work environment where many people work from home. The City will make amendments to OMC 18.04.060.L (home occupations) to ensure that it is enforceable, consistent with citywide policies pertaining to small scale

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commercial uses and to incorporate work from home allowances. The amendments will be made along with a package of code updates required to implement proposed new Comprehensive Plan policies in the Land Use & Urban Design Chapter. Neighborhood engagement will be part of the code amendment process, in addition to a formal public review process.

The Director of Community Planning & Development is authorized to make Development Regulation Interpretations pursuant to OMC 18.02.080. Interpretations may be appealed to the Olympia Hearing Examiner subject to the procedures set forth in OMC Chapter 18.70.170. An appeal application must be electronically filed with the City and deemed complete pursuant to OMC 18.70.170E within fourteen (14) days from the date of this letter.