

June 30, 2026

Home Based Businesses (Home Occupations) Draft Amendments

18.02.180(H)

Home ~~Occupation~~Based Business. A commercial use, also commonly known as a home occupation, 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.

18.02.180(R)

Residential use. The use of a building or structure or portion thereof for one or more dwelling units that are used for human habitation.

18.04.060 Residential districts' use standards

L. HOME ~~OCCUPATIONS~~BASED BUSINESSES.

The purpose of the home ~~occupation~~based business, also commonly known as a home occupation, provisions is to allow for ~~the use of a portion of a residential structure~~residence to be used for a ~~non-residential use-business which that~~ is clearly an accessory use to the residential use and does not change the residential character of the neighborhood. Home ~~occupations-based businesses~~ meeting the below requirements are allowed in any district in which residential uses are permitted.

1. ~~Review~~Affidavit of Compliance. Prior to both initial occupancy and issuance of any business license, the business operator or the operator's agent shall, by signing an affidavit as part of the business licensing process, certify that the home ~~occupation-based business~~ will conform with the applicable requirements.

2. General Standards. The following are the general requirements for home ~~occupations-based businesses~~. Also see specific standards for family childcare homes, ~~adult day care homes~~, bed and breakfast houses, and counseling.

a. Home ~~occupations-based businesses~~ must be conducted within the ~~principal primary~~ residence of the ~~permit-home based business license~~ holder, or within an accessory structure on the same property. ~~Permit holders shall provide evidence thereof through such means as voter registration, driver's license, tax statement, or other evidence of residency and Applicants shall sign an notarized affidavit attesting to their principal primary residence at the site.~~

Commented [DG1]: Adult day care homes have specific requirements in State law. See subsection "3" on pages 3-4 of this document for more information.

Commented [DG2]: The affidavit is on the City of Olympia business license webpage and on the Washington State Department of Revenue business licensing website that an applicant uses when applying for a business license (and a home based business license) in the City of Olympia.

The affidavit does not have a section for a notary anymore so this requirement is being removed. Also, a permit has not been required since approximately 2008 so that language is also being removed.

b. Home ~~occupations-based businesses~~ are subject to inspections by City staff insofar as permitted by law. ~~Permit holders shall execute a notarized affidavit agreeing to allow appropriate City staff the ability to conduct an inspection of the residence, after reasonable notice is given, to determine compliance with the home occupation permit.~~

Commented [DG3]: No permit has been required since approximately 2008. This particular "access" affidavit was part of the permit approval process and collection of them was stopped when the permit was no longer required.

c. No person(s) other than ~~the family member(s)~~ those who ~~resides~~ live in the residence ~~shall~~ may participate in the home ~~occupation~~ based business. The home ~~occupation-based business license~~ permit ~~shall~~ must list the names of each resident who is employed by the business. Furthermore, the residence ~~shall~~ may not be used as a place of ~~congregation~~ meeting for work that occurs off the premises. This limitation ~~shall~~ does not apply to short-term rental – homestays ~~or properties abutting the west side of the 300 and 400 blocks of West Bay Drive Northwest.~~

Commented [DG4]: No permit has been required since approximately 2008.

d. Home ~~occupations-based businesses~~ ~~shall~~ may occupy not more than ~~twenty-five (25) percent~~ of the total floor area of the dwelling or ~~five hundred (500) square feet~~ per dwelling unit, whichever is less; ~~provided, however, that properties abutting the west side of the 300 and 400 blocks of West Bay Drive Northwest shall occupy not more than fifty percent (50%) of the total floor area of the dwelling or one thousand five hundred (1,500) square feet per dwelling unit, whichever is less.~~ This limitation does not apply to family child care homes, adult day care homes, elder care homes, short-term rental – homestays, ~~business uses for cooperative housing~~, or bed and breakfast houses.

Commented [DG5]: The exceptions in this section apply to two City blocks (300 and 400 blocks of West Bay Drive). They address residency requirements, square footage used for the business, group counseling sessions, and slightly larger signage. There is only one business here and it was established in 1988 with a home occupation permit and is still operating. The exceptions were added around 2000-2003. Removal of these exceptions from the regulations will not affect the ability of the existing business to continue with their operations as they have been. Chapter 18.37 *Nonconforming and conforming buildings and uses of the Olympia Municipal Code* provides for lawfully established uses to continue. This business will be able to continue utilizing the exceptions they are currently using. One of the policies in the recently updated Olympia Comprehensive Plan was to simplify and streamline the zoning code. Removal of an exception that is already provided for elsewhere in the Olympia Municipal Code is consistent with that policy.

e. ~~A person or persons engaging in a home based business pursuant to this section shall maintain. The residential character of the lot and dwelling shall be maintained. The occupation and shall be conducted~~ ~~conduct the business~~ entirely within ~~at the~~ dwelling and/or accessory building ~~by the occupant of the dwelling~~. A carport ~~shall~~ may not be used for home ~~occupations-based businesses~~, except for parking. There ~~shall~~ may be no structural alterations nor any exterior modifications ~~of to~~ the structure ~~that are not consistent with the residential character and exterior appearance of the lot and dwelling, except for a home based business sign in conformance with OMC Chapter 18.43,~~ in order to accommodate the ~~occupation~~ business.

Commented [DG6]: See comment on subsection (c) directly above..

f. ~~A person or persons engaging in a home based business pursuant to this section The occupation business shall conduct be conducted the business~~ in such a manner as to give minimal outward appearance of a business, ~~in the ordinary meaning of the term, that would and may not~~ infringe upon the right of the neighboring residents to enjoy peaceful occupancy of their homes.

g. Except for adult daycare, child daycare, and bed and breakfast businesses, and short-term rental – homestays, the hours of operation, as related to customer or

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client visitations, ~~shall be limited to~~may be no earlier than 7:00 a.m. and no later than 9:00 p.m.

h. The following types of uses ~~shall are not be~~ permitted as home ~~occupations based businesses~~:

i. Veterinarian, medical, and dental offices and clinics;

ii. Vehicle sales or repair. Mobile auto repair and mobile auto detailing are allowed provided no vehicle repair or detailing is performed at the home based business location and no more than one vehicle used for the mobile business is present at the home based business location;

Commented [DG7]: There are community members that provide these services. This change would allow for these types of businesses, provided they only perform services elsewhere.

iii. Contractors' yards;

iv. Restaurants;

v. Exterminating services;

i. ~~No s~~Stock in trade ~~shall may be~~ sold or displayed on the premises provided it is not visible from a public street and is located entirely within the portion of the dwelling unit or accessory structure that is being used for the home based business; ~~provided, however, that this limitation shall not apply to properties abutting the west side of the 300 and 400 blocks of West Bay Drive Northwest.~~ No equipment or material ~~shall may be~~ stored on any exterior portion of the premises.

Commented [DG8]: If the products are not visible from the street then there doesn't appear to be a reason to prohibit the sale or display of the products inside the residence. Additional related restrictions are located in subsection 2.e. and 2.f. on page 2 of this document.

Commented [DG9]: See comment for subsection (c) on page 2.

j. A person or persons engaging in a home based business pursuant to this section ~~Home occupations may not conduct the business in a manner that~~ emits ~~no~~ noise, vibration, smoke, dust, odor, heat, glare, fumes, electrical interference, or pollutants or waste products detrimental to the environment, public safety or neighborhood, beyond those normally emanating from residential uses.

k. A person or persons engaging in a home based business pursuant to this section ~~Home occupations based businesses~~ shall comply with all applicable local, state, ~~and~~ federal laws and regulations. ~~Requirements or permission granted or implied by this section shall not be construed as an exemption from such regulations.~~

l. A home ~~occupation based business permit license~~ issued to one ~~(1)~~ person residing in the dwelling ~~shall is~~ not ~~be~~ transferable to any other person, ~~nor and shall~~ a home ~~occupation permit based business license~~ be is not valid at any address other than the one appearing on the ~~permit license~~.

m. ~~Any~~A person or persons engaging in a home ~~occupation based business pursuant to this Section~~ shall register as a business under Chapter 5.04 of

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the Olympia Municipal Code, and ~~shall be~~ subject to the Business and Occupation Tax levied by the Olympia Municipal Code.

- n. ~~The applicant shall~~ A person or persons engaging in a home based business pursuant to this Section demonstrate compliance shall comply with all City and State licensing requirements, including those pertaining to building, fire safety, and health codes.
- o. Parking of customer, employee, or client vehicles ~~shall~~ may not create a hazard or unusual congestion. No more than two ~~(2)~~ off-street parking stalls ~~shall~~ may be provided in addition to any required for the residence. A driveway may be used as off-street parking. Except for commercial ~~type postal package~~ carriers (such as UPS or FedEx), traffic generated by the home ~~occupation-based business~~ shall may not exceed two ~~(2)~~ commercial vehicles per week. See OMC Chapter 18.38 for parking requirements for specific home ~~occupations~~ based businesses.

P. Remote work is not a home based business. Remote work is an arrangement under which a person works at their primary residence, rather than at their employer's worksite or other location. A person engaging in remote work does not have any customers, clients, or other work related persons coming to the residence, has no business signage, and no work-related deliveries beyond what is customary and usual for residential dwellings. Activities that would necessitate obtaining a business license pursuant to OMC Title 5 are not remote work. Consistent with Section 18.02.080, Interpretations, the Director, or the Director's designee, may make a determination in individual cases if the activities at the residence are to be considered remote work, a home based business, or another use.

3. Specific Home ~~Occupation-Based Business~~ Standards.

- a. Family Child Care Home. Family child care homes are allowed in all districts permitting residences, subject to the following conditions:

~~i. Structural or exterior alterations which would alter the single-family residential character of an existing single family dwelling or be incompatible with surrounding residences are prohibited.~~

- ii. Prior to initiation of child care services, each child care provider must file a Child Care Registration Form with the Department of Community Planning and Economic Development. The child care provider must demonstrate compliance with the applicable requirements of the code as listed on the Registration Form. No fee will be required for registration.

~~b. Adult Day Care Homes. Adult day care homes are permitted in the districts specified in Table 4.01 and Table 5.01, subject to the following conditions.~~

Commented [DG10]: This is already covered in subsection 2.e. Removal is to reduce redundancy.

~~i. No more than six (6) adults (at least eighteen (18) years of age) shall be cared for in an adult day care home.~~

~~ii. Adult day care homes shall not operate for more than twelve (12) hours per day.~~

~~iii. The primary care giver shall reside in the adult day care home.~~

~~iv. Emergency medical care may be provided in adult day care homes, but not routine care necessitating the services of a licensed health care professional (e.g., dispensing of medicine or convalescent care). The caregiver must be certified in basic First Aid and cardiopulmonary resuscitation. First Aid supplies, including bandages and an antiseptic, shall be available on premises.~~

~~v. A smoke detector must be provided in each room occupied by people in day care. A fire extinguisher (rated 2A10 BC or the equivalent) must be installed in a readily accessible location. It shall be the responsibility of the day care operator to maintain the smoke detectors and fire extinguisher in operating condition.~~

~~vi. The structure and grounds accommodating an adult day care shall not be altered in such a way that they manifest characteristics of a business or pose a nuisance for the occupants of abutting properties.~~

be. Bed and Breakfast Houses. Bed and breakfast houses are subject to the following conditions:

i. The owner shall operate the facility and shall reside on the premises.

ii. There ~~shall may~~ be no more than five ~~(5)~~ guest (rental) rooms for persons other than the members of the operator's immediate family.

iii. No bed and breakfast establishment ~~shall may~~ be located closer than ~~two hundred (200)~~ feet to another bed and breakfast establishment, as measured in a straight line from property line to property line.

cd. Counseling. Counseling by single practitioners, licensed in accordance with Washington State laws, is permitted as a home ~~occupation-based business~~ under the following conditions:

i. Counseling for sex offenders and substance abuse is prohibited.

ii. Group sessions are prohibited (i.e., more than two ~~(2)~~ people per session). ~~This limitation shall not apply to home occupations businesses in properties abutting the west side of the 300 and 400 blocks of West Bay Drive Northwest.~~

Commented [DG11]: Adult day care homes are required to meet the requirements within Washington State law. Many of the requirements listed here are out of date and were copied from the Revised Code of Washington and the building and fire codes. For example, RCW 18.20.020 mentions that 10 hours is the maximum amount of time per day that one can operate whereas the Olympia Municipal Code (subsection ii) mentions 12 hours is the maximum. Keeping these requirements here is redundant and would require updates as changes are made to State law and the building and fire codes.

Commented [DG12]: See comment for subsection (c) on page 2.

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~~e. Short-Term Rental — Homestays. (See also JJ. Short-Term Rentals; OMC 18.38.100 Table 38.01; and OMC 18.43.130.B.)~~

~~i. The property owner, or a long-term rental tenant, must reside in a residence offered as a short-term rental — homestay as their primary residence, including whenever a guest is residing in the homestay.~~

Commented [DG13]: This is a requirement that is already located in the Short-Term Rentals section of the Olympia Municipal Code (OMC 18.04.060.JJ). It is not needed here as well.

18.04.060(F)

F. COOPERATIVE-HOUSING.

Cooperative-housing developments are allowed in the districts specified in Table 4.01 and 6.01 subject to the following requirements:

1. Common Structure. The following provisions apply to co-housing developments in the residential districts listed in OMC [18.04](#).
 - a. Quantity, size, and use. Cooperative-housing projects may contain any number of common structures; however, no more than two common structures may exceed 800 square feet in size and none may exceed 5,000 square feet in size. At least one common structure must contain a dining room and kitchen large enough to serve at least 50 percent of the development's residents at a time based upon occupancy of one person per bedroom, and at least one of the following: a children's day care center, mail boxes for a majority of the residents, recreational facilities (such as pool tables or exercise equipment), laundry facilities, or a meeting room available for the use of all residents.
 - b. Location. Common structures may be located in all developable portions of the site (e.g., excluding critical areas and their associated buffers and required building setback areas). However, within 40 feet of the site's perimeter or a public street extending through the site, no more than two common or accessory structures may be contiguous to one another (i.e., uninterrupted by a dwelling or a landscaped open space with no dimension less than 40 feet). This requirement does not apply to structures which would not be visible from the site's perimeter or through streets (e.g., due to topography or vegetation) or which adjoin undevelopable property (e.g., critical areas) which will separate proposed structures by at least 40 feet from existing and potential dwelling sites. In no case may more than 50 percent of any street frontage be occupied by common and/or accessory structures.
2. Business Uses. Cooperative-housing developments may contain business uses allowed as home ~~occupations-based businesses~~ (see Section [18.04.060\(L\)](#)) in structures other than residential dwellings, subject to the conditions below:

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- a. The total building square footage devoted to business uses in the entire development may not exceed the rate of 500 square feet per dwelling unit.
 - b. Business uses may not occupy more than 50 percent of a common building. The proportion of dwellings devoted to business uses must comply with OMC [18.04.060](#)(L), Home ~~Occupations~~[Based Businesses](#).
 - c. Structures containing a business which are visible from public rights-of-way adjoining the development may give no outward appearance of a commercial use, other than one sign mounted flush to the building in which the business is located. (See OMC [18.43](#), Signs.) No outdoor storage related to a business may be visible from public rights-of-way bordering the development.
 - d. Each business located in a cooperative-housing development may employ a maximum of two people who do not reside in the development. This limitation does not apply to seasonal agricultural employees.
 - e. Business uses may not emit noise, pollutants, waste products, or create impacts which would pose a nuisance or health risk for the occupants of abutting properties.
3. Dwelling Units. Dwelling units in cooperative-housing developments may only be required to contain minimal kitchen facilities (e.g., a sink and stove or hot plate), consistent with the Building Code, provided that a common structure provides a fully equipped kitchen (e.g., containing a stove, refrigerator, and sink) and dining area available to all residents of the development.
 4. Approval Process. Applications for cooperative-housing projects are processed as land use reviews.
 5. Common Areas. A note must be added to the plat or site plan, as applicable, which establishes common areas and precludes their conversion to another use. (See OMC [18.100](#), Design Review, for applicable design guidelines.)
 6. Platting.
 - a. Dwellings in cooperative-housing developments (as allowed in Table 4.01 or 6.01 for the applicable district) are not required to be located on individual lots.
 - b. Perimeter setbacks. The minimum building setbacks for unplatted cooperative-housing developments in the R-4, R 4-8, and R 6-12 districts are as follows:
 - i. Five feet from the side property line of an adjoining parcel.

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- ii. 10 feet from public rights-of-way and five feet from the rear property lines of adjoining parcels.

The setbacks required in Subsections a. and b. above may be reduced per OMC [18.04.080\(H\)\(2\)](#) and [18.04.080\(H\)\(5\)](#).

- c. Dwelling separation. Residential structures (i.e., single-family houses and middle housing units with up to six units) in cooperative-housing developments in an R-4, R 4-8, or R 6-12 district, which are not on individual lots, must be separated by at least 10 feet along the site's perimeter and per the adopted building codes elsewhere. Dwellings on individual lots are subject to the applicable setback standards specified in Table 4.04 or 6.01.

(See OMC [18.100](#), Design Review, for applicable design guidelines.)

Section 18.43.130 – Residential Sign Zone

Table 43-8: Permanent Signs for Residential Uses in Residential Sign Zone

Permanent Signs – Residential Uses (Not Including Apartment Complexes)		
Home Occupation-Based Businesses and Short-Term Rentals	Up to two (2) square feet, flush mounted near entrance	One (1) per licensed Home Occupation-Based business or short-term rental only
Home Occupation Business abutting west side of 300 and 400 blocks of West Bay Drive NW	Up to five (5) square feet if flush mounted near entrance or up to five (5) square feet per side if freestanding	One (1) per licensed Home Occupation business only
Development Identification Signs	Freestanding Sign for Residential Subdivisions, up to 50 square feet (or 25 square feet per side).	One (1) per street frontage which has an entry to the development
Permanent Signs – Non-Residential Uses and Apartment/Multifamily Complexes		
Identification signs for non-residential uses	One (1) freestanding or building mounted sign per driveway access from a street. If freestanding, maximum height is four (4) ft.	• Academic schools – up to 100 sq. ft. maximum; • Other Uses: Up to 24 sq. ft. in size (12 sq. ft. per side if double-sided).
Secondary wall signs for non-residential uses	1 per exterior public entrance to the building	Up to 12 square feet of sign area to identify the primary

Commented [DG14]: See comment for subsection (c) on page 2.

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Table 43-8: Permanent Signs for Residential Uses in Residential Sign Zone

Permanent Signs – Residential Uses (Not Including Apartment Complexes)		
		destination of the entrance (e.g. office, library, gymnasium sanctuary).
Identification Signs for Apartment/Multifamily Complexes	Building mounted sign (flush mounted only) or Freestanding sign. • Multi-family uses - up to 16 sq. ft. maximum; Double sided signs: 1/2 the max.	1 per use. Except multi-family uses in RM-18, RM-24 & RMH : 2 signs are permitted where there are entrances off 2 public rights-of- way.
Identification Signs for Individual Uses in Multiple Occupancy Buildings	Building mounted sign to be flush mounted only. • Academic schools – up to 100 sq. ft. maximum; • Multi-family uses - up to 16 sq. ft. maximum; • All other uses - 24 sq. ft. maximum. Double sided signs: 1/2 the max.	
Driveway Entrance/Exit Signs	Freestanding only. 5 square feet total (2.5 square feet per side if double sided)	1 per driveway
Directional	18.43.070	
Public Service	18.43.070	

Commented [DG15]: Proposed as part of the 2026 miscellaneous/minor code amendments that are scheduled for review by the Olympia City Council in June 2026.

18.82.120 Authority

The following cases are within the jurisdiction of the Hearing Examiner under the terms and procedures of this Chapter.

- A. Short plat modification, variance requests or appeals.
- B. Shoreline development permits and permit rescissions.
- C. Shoreline development variances.
- D. Preliminary plat applications.

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- E. Preliminary plat approval extension requests.
- F. Rezone and Master Planned Development applications.
- G. Preliminary plat modification requests.
- H. Planned residential developments.
- I. Conditional use permits.
- J. Zoning variances.
- K. Appeals of zoning interpretations.
- L. Administrative appeals.
- M. Appeals of the requirements of the Engineering Design and Development Standards, including deviation request decisions made under Chapter 1 of such Standards.
- N. Applications for density bonuses.
- O. Removal of density bonus conditions.
- P. Critical area reasonable use exception.
- Q. Site plan ~~and home occupation application~~ referred by staff.
- R. Preliminary short plat or binding site plan applications referred by staff.
- S. Concept design review.
- T. Detailed design review.
- U. Building and grading permits.
- V. Engineering and other construction permits.
- W. Permits and other matters associated with and consolidated with applications for the above project approvals.
- X. Appeals of Community Planning and Economic Development Director's denial or cancellation of a multi-family housing final certificate of tax exemption.
- Y. Subdivision improvement deferral agreement.

Commented [DG16]: No application for a permit has been required since approximately 2008.

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Z. County homeless encampments.

AA. Appeals of Drainage Manual Administrator decisions.

BB. Development Agreements associated with a pending development permit application requiring Hearing Examiner review.