

## STAFF REPORT

**TO:** Everett Planning Commission  
**FROM:** Becky McCrary, Long Range Planning Manager  
**DATE:** July 15, 2021  
**SUBJECT:** Proposed Code Amendments - Home Occupations

### OVERVIEW

This staff report addresses a staff proposal to update the home occupation regulations to accommodate and support new and emerging small businesses while ensuring compatibility with residential uses.

### PROCESS

Amendments to the Unified Development Code are addressed under EMC [15.03.300](#) and [15.02.095](#) – Legislative Actions.

#### Public Notice

Staff are maintaining a [project webpage](#) and regular announcements on the planning department [homepage](#). A planning commission public hearing notice was published on May 28, 2021 for a June 15 hearing date, since rescheduled to July 20, 2021 and re-noticed on June 10 and July 5. See below for noticing under the State Environmental Policy Act.

#### Interjurisdictional Coordination

Staff provided a 60-day notice of the proposal to state agencies via the Washington State Department of Commerce on April 21, 2021.

#### State Environmental Policy Act

Staff filled out a SEPA non-project [environmental checklist](#) for the proposal and issued a [Determination of Non-Significance](#) on May 20, 2021. Official notice was published in The Everett Herald on May 25, 2021 with a fourteen-day comment period extending until June 8, 2021.

### PROPOSAL

Amendments include removal of a square footage maximum for the home occupation, allowing two employees other than a resident of the dwelling, adding limitations on number of visitors/clients, and revising restrictions on commercial vehicle deliveries. Notable changes include:

- Revising the definition of “home occupation” in EMC 19.040.050 to clarify applicability to business within a dwelling unit by the resident of the dwelling.
- Relocating regulations for home occupations from EMC 19.08 to EMC 19.05 to better match chapter topics and applicability.
- Adjusting language to allow home occupations in any dwelling unit rather than in residential zones.



- Removing the following from the list of prohibited home occupations: clinics, barber/beauty shops, real estate offices, offices with client visits, on premise retail sales. Regulations have been revised to address potential impacts from these and other potential home occupations.
- Adding wedding/event venues to the list of prohibited home occupations.
- Amending the limitation on classes from 20 hours per week to five students per class and ten students per day, consistent with the customer limitation.
- Adding a limitation to two business vehicles per home occupation in EMC 19.05.067(O) and a citation related to the applicable parking section of the development regulations.

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See exhibit B for more information and a comparison table.

## ANALYSIS AND CRITERIA

Amendments to the development regulations are subject to the following criteria (EMC [15.03.300\(C\)\(4\)](#)):

### **The proposed amendment is consistent with the applicable provisions of the Everett comprehensive plan**

The proposed amendment broadly supports the economic development element of the [comprehensive plan](#), and specifically supports:

- **Goal 7.1** The City of Everett will promote economic diversity in order to enhance the economic health of the community.
- **Objective 7.1.1** To increase the total number of firms and employees, while increasing the proportion represented by non-aerospace industries.
- **Objective 7.1.12** To encourage small businesses to start up in Everett and create a vibrant expanding economy.
- **Goal 7.3** The City of Everett shall encourage redevelopment and improvements to promote economic development and improve the quality and character of Everett's neighborhoods and business districts.
- **Objective 7.3.1** To strengthen code enforcement efforts to clean up the community and encourage investment.

### **The proposed amendment bears a substantial relation to public health, safety or welfare**

The comprehensive plan states that, “Considering the Growth Management Act (GMA) goal for economic development, Everett is in a position to promote economic opportunity and to encourage economic growth. An economically healthy city helps support its own public services, as well as county and state programs through employment and the tax revenues. A strong employment base provides an opportunity for city residents to earn a living, which in turn, supports local businesses that generate additional tax revenues.”

Home occupations balance opportunities for small-scale economic activity with the need for safe, welcoming, and livable residential neighborhoods. The proposed amendment seeks to modestly increase opportunities for home occupations to launch, operate, pay salaries, welcome customers, and pay taxes, while setting clear limitations necessary to balance economic potential with neighborhood livability issues.

### **The proposed amendment promotes the best long-term interests of the Everett community**

The proposed amendments are intended to, and expected to, facilitate the creation of small businesses in Everett and support their early stages by lowering barriers to entry and creating a clearer and more



predictable regulatory environment. The proposal will also simplify regulatory oversight and code enforcement activities and enable more predictable and consistent decision-making by city staff. Staff will monitor home occupation activities under the proposed regulations with an eye towards healthy and livable neighborhoods, healthy businesses (whether conducted in dwellings or in commercial zones), and predictable and enforceable regulations.

## **PLANNING COMMISSION QUESTIONS AND SUGGESTIONS**

The Planning Commission held a briefing of the proposal at the June 1, 2021 meeting and provided the following comments, questions, and direction:

### **How do the proposed regulations apply to residences in commercial zones and the applicability to live/work units?**

*Language in proposed EMC 19.05.067(D) has been modified to clarify that a home occupation may be conducted entirely within a “dwelling unit” or accessory building. This section of code does not apply to live/work units since there are specific requirements under EMC 19.08.125 that apply.*

### **Commercial wedding venue use could be a significant impact on residential neighborhoods and should be prohibited.**

*Language in proposed EMC 19.05.067(J) has been added prohibiting wedding or event venues as a home occupation.*

### **No outside storage for the home occupation should be allowed.**

*Clarifying language has been added to proposed EMC 19.05.067(G) for a prohibition on outside storage.*

### **What type of signage should be allowed?**

*The appropriate EMC (19.36.060(B)(3)) citation for signage in residential zones has been added.*

### **Clarify the noise code restriction citation.**

*Noise citation language has been modified in EMC 19.05.067(F) and hours of operations clarified in EMC 19.05.067(N)*

## **PUBLIC COMMENTS**

One comment letter was received regarding the home occupation proposed code amendments provided under separate cover.

## **EXHIBITS**

- Exhibit A: Planning Commission Proposed Resolution 21-02
- Exhibit A-1: Proposed Unified Development Code Amendments
- Exhibit B: Comparison of Existing and Proposed Regulations

## **STAFF RECOMMENDATION**

Staff recommends the Planning Commission hold a public hearing (scheduled July 20, 2021) on the proposed amendments to the Home Occupation Amendment EMC 19.04.060, 19.05.067, and 19.08.120 as shown in Exhibit A. Following the public hearing, and subject to change based on testimony heard, **staff recommends approval of the proposed amendments.**

## **RECOMMENDED PLANNING COMMISSION MOTION**

*Approve Resolution No. 21-02 recommending that the City Council adopt amendments to Chapters 19.04, 19.05, and 19.08 of Everett Municipal Code regarding home occupations.*



**EXHIBIT A: Proposed Planning Commission Resolution No. 21-02**



**Planning Commission Resolution No. 21-02**

**A Resolution Recommending that the City Council adopt Unified Development Code Amendments REVV21-001 for Home Occupations in Everett Municipal Code Sections 19.04.050 Use definitions, residential, 19.05.100 Home occupations, and 19.08.120 Home occupations**

**WHEREAS, the Planning Commission finds the following:**

1. Economic development is a key component of a healthy, thriving community; and
2. Home occupations contribute to the City's economy; and
3. The proposed amendments will facilitate the creation of small businesses in Everett and support their early stages by lowering barriers to entry and creating a clearer and more predictable regulatory environment.
4. The proposed amendments will simplify regulatory oversight and code enforcement activities and enable more predictable and consistent decision-making by city staff.
5. The proposed amendments will expand home occupation business opportunities to dwellings in all zones while ensuring compatibility with residential uses; and
6. The Planning Commission has conducted a public hearing and has considered the recommendations by staff of the Planning and Economic Development Divisions concerning the proposed amendments to the home occupation regulations; and
7. The proposed amendments are consistent with the applicable provisions of the City of Everett Comprehensive Plan; and
8. The proposed amendments bear a substantial relation to public health, safety or welfare; and
9. The proposed amendments promote the best long-term interests of the Everett community.



**NOW, THEREFORE, THE PLANNING COMMISSION RECOMMENDS THE FOLLOWING:**

1. The Planning Commission recommends that the City Council amend the Regulations, attached hereto as Exhibit A-1.

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Planning Commission Secretary

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PLANNING COMMISSION SECRETARY

**DATED:**

For:

Against:

Absent:

Abstain:



## EXHIBIT A: Proposed Planning Commission Resolution No. 21-02

### EXHIBIT A-1

*Everett Municipal Code*

*JULY 20, 2021 PROPOSED CODE AS REVISED*

*19.04.050, 19.05.067, and 19.08.120 Home occupations*

#### **19.04.050 Use definitions, residential.**

“Home occupation” means a business carried out in a dwelling by a resident of that dwelling.

#### **19.05.100 Home occupations.**

Home occupations are permitted in any dwelling provided the home occupations comply with the requirements in this subsection.

- A. Any person engaging in a home occupation shall register as a business with the city clerk’s office and shall be subject to the city business and occupations tax.
- B. Home occupations shall comply with all other local, state, and federal regulations pertinent to the activity pursued, and the requirements of or permission granted by this section shall not be construed as an exemption from such regulations.
- C. The home occupation shall be secondary to the residential use of the property;
- D. The home occupation shall be carried on entirely within a dwelling or accessory building by the occupant thereof and employees as allowed in this subsection;
- E. The home occupation shall be conducted in such a manner as to give no outward appearance of a business, affect the appearance of the building(s) as a residence, nor manifest any characteristics of a business;
- F. No noise, vibration, dust, smoke, light, glare, or odor shall be emitted other than is commonly associated with a residential use. The maximum permissible noise levels of Noise Control District I applies to all home occupations;
- G. The home occupation shall be fully enclosed within the residence or accessory building with no outside storage of equipment or materials allowed;
- H. No stock in trade shall be displayed on the premises;
- I. Signage is prohibited in accordance with EMC 19.36.030(A)(13) for residential zones;
- J. Prohibited home occupations include, but are not limited to:
  - 1. Veterinary clinic,
  - 2. Automobile or other vehicle sales, service, fueling, body repair and painting, or commercial parking,
  - 3. Wedding or event venues;
  - 4. Any home occupation of a nature which is similar to those listed in this subsection 19.05.067.J or which creates impacts on surrounding properties which are similar to those created by the uses listed herein;
- K. No more than two people other than residents of the dwelling may work on the property at any time;



## EXHIBIT A: Proposed Planning Commission Resolution No. 21-02

- L. If the home occupation is the type in which classes are held or instruction is given, not more than five students are allowed in any one class or instruction period and not more than ten students are allowed on the property on any day;
- M. If the home occupation is the type with client or customer visits, not more than two clients or customers are allowed on the property at any time, and not more than ten clients or customers are allowed on the property on any day;
- N. Employees shall only be allowed to work, and students, customers, and clients shall only be allowed to do business on the property from eight o'clock a.m. to six o'clock p.m. on weekdays or from nine o'clock a.m. to five o'clock p.m. on weekends and holidays;
- O. The number of business vehicles is limited to two;
- P. Parking of any vehicles associated with the home occupation shall use legal on-site or off-site parking spaces and shall comply with the provisions of EMC 19.34.105;
- Q. No receipt or delivery of products shall be permitted except as is commonly associated with residential use. The gross vehicle weight of delivery vehicles shall not exceed eighteen thousand pounds;
- R. Garage Sales shall not be considered a home occupation and are subject to the limitations in EMC 19.05.068.H.1.

19.08.120 Home occupations.

*This section is repealed.*



**EXHIBIT B: COMPARISON OF EXISTING AND PROPOSED REGULATIONS**

<b>Topic</b>	<b>Existing regulations</b>	<b>Planning Commission draft (July 14, 2021)</b>	<b>Notes</b>
<b>Definition</b>	“Home occupation” means an occupation which is incidental and subordinate to a residential use, which is carried on by a member of the family residing in the dwelling. (EMC 19.04.100)	“Home occupation means a business carried out in a dwelling by a resident of that dwelling.” (amend EMC 19.04.100)	
<b>Permit status</b>	A. Home occupations may be permitted in any residential zone provided such home occupations comply with the requirements of the zone in which the property is located and the following requirements: (EMC 19.08.120)	Home occupations are permitted in any dwelling provided the home occupations comply with the requirements in this subsection. (EMC 19.05.067)	“May be permitted” is changed to “are permitted” to reflect that home occupations, as a permitted use, do not involve a permit review process or discretion by the city as long as the business meets the requirements in code
<b>Maximum size and access</b>	1. Home occupations shall not occupy more than twenty-five percent of the total floor area of the residence, or six hundred square feet, whichever is less. Home occupations carried on within a dwelling shall be provided access to the work space through the dwelling only, with no direct access to the outside; (EMC 19.08.120)	C. The home occupation shall be secondary to the residential use of the property; D. The home occupation shall be carried on entirely within a dwelling or accessory building by the occupant thereof and employees as allowed in this subsection;	Size limitation proposed for removal. It is difficult to enforce conditions that are only apparent from within a property. The access restriction proposed for removal. Staff did not see the value in this restriction.
<b>Enclosure</b>	2. The occupation shall be carried on entirely within a residence or accessory building by the occupant thereof; 3. The home occupation may be located in the principal dwelling or in the accessory structure. If located in an accessory structure, the following regulations shall apply: a. The area devoted to the occupation, as described in subsection (A)(1) of this section, shall be based upon the floor area of the dwelling only; and b. Access to the work space may be directly from the outside; (EMC 19.08.120)	D. The home occupation shall be carried on entirely within a dwelling or accessory building by the occupant thereof and employees as allowed in this subsection;	Maintains requirement that the home occupation be fully enclosed within a residence or accessory building. Removes limitations on size.
<b>Noise, dust, glare, etc.</b>	4. No noise, dust, smoke, light, glare or odor shall be emitted other than is commonly associated with a residential use; (EMC 19.08.120)	F. No noise, vibration, dust, smoke, light, glare, or odor shall be emitted other than is commonly associated with a residential use. The maximum permissible noise levels of Noise Control District I applies to all home occupations;	Adds reference to maximum permissible noise levels.
<b>Outward appearances</b>	5. The occupation shall be conducted in such a manner as to give no outward appearance of a business nor manifest any characteristics of a business; (EMC 19.08.120)	E. The home occupation shall be conducted in such a manner as to give no outward appearance of a business, affect the appearance of the building(s) as a residence, nor manifest any characteristics of a business;	Clarifies requirement to maintain the appearance of the building as a residence.
<b>Prohibited uses</b>	6. Occupations which shall be prohibited as home occupations include, but are not limited to: a. Veterinarians; b. Clinics; c. Auto repair; d. Auto sale; e. Barber/beauty shops; f. Real estate offices; g. Offices with client visits; h. Retail sales, on premises;	J. Prohibited home occupations include, but are not limited to:  1. Veterinary clinic, 2. Automobile or other vehicle sales, service, fueling, body repair and painting, or commercial parking, 3. Wedding or event venues;  4. Any home occupation of a nature which is similar to those listed in this subsection (J) or which creates impacts on surrounding properties which are similar to those created by the uses listed herein;	Reduces and clarifies the list of prohibited uses. Clinics, barber/beauty shops, offices with client visits, and retail sales would no longer be prohibited.

**EXHIBIT B: COMPARISON OF EXISTING AND PROPOSED REGULATIONS**

	i. Any use of a nature which is similar to those listed in this chapter or which creates impacts on surrounding properties which are similar to those created by the uses listed herein; (EMC 19.08.120)		
<b>Client or customer visits</b>		M. If the home occupation is the type with client or customer visits, not more than two clients or customers are allowed on the property at any time, and not more than ten clients or customers are allowed on the property on any day;	Client visits would be allowed under the proposal – limitation on the number at a time and in a day are proposed to mitigate traffic impacts.
<b>Hours</b>		N. Employees shall only be allowed to work, and students, customers, and clients shall only be allowed to do business on the property from eight o'clock a.m. to six o'clock p.m. on weekdays or from nine o'clock a.m. to five o'clock p.m. on weekends and holidays;	Adds limits on hours of operation.
<b>Employees</b>	7. There shall be no person other than a resident of the dwelling employed on the premises; (EMC 19.08.120)	K. No more than two people other than residents of the dwelling may work on the property at any time;	Allows two employees that do not reside in the dwelling.
<b>Classes</b>	8. If the occupation is the type in which classes are held or instruction is given, there shall be not more than five students allowed in any one class or instruction period. Classes shall not exceed a total of twenty hours in any week; (EMC 19.08.120)	L. If the home occupation is the type in which classes are held or instruction is given, not more than five students are allowed in any one class or instruction period and not more than ten students are allowed on the property on any day;	Adds limits on the number of students at a time and in a day instead of limiting the number of class hours.
<b>Stock in trade</b>	9. No stock in trade shall be sold or displayed on the premises, and no equipment or materials shall be stored on any outdoor portion of the premises; (EMC 19.08.120)	H. No stock in trade shall be displayed on the premises; G. The home occupation shall be fully enclosed within the residence or accessory building with no outside storage of equipment or materials allowed;	Minor clarification and reorganization.
<b>Parking</b>	10. Parking of student, client or employee vehicles shall not create any hazard or congestion; (EMC 19.08.120)	P. Parking of any vehicles associated with the home occupation shall use legal on-site or off-site parking spaces and shall comply with the provisions of EMC 19.34.105; O. The number of business vehicles is limited to two;	Clarification – “hazard” and “congestion” are subjective; legal parking is not. Adds limitation on number of business vehicles.
<b>Deliveries</b>	11. No receipt or delivery of products shall be permitted except as is commonly anticipated in residential areas. Commercial vehicle deliveries shall not exceed two per week. The gross vehicle weight of delivery vehicles shall not exceed eighteen thousand pounds; (EMC 19.08.120)	Q. No receipt or delivery of products shall be permitted except as is commonly associated with residential use. The gross vehicle weight of delivery vehicles shall not exceed eighteen thousand pounds;	Removes limit on number of commercial deliveries, as long as deliveries are within a range commonly associated with residential uses.
<b>Signs</b>	12. No signs shall be allowed for home occupations; and (EMC 19.08.120)	I. All signage is prohibited in accordance with 19.36.030(A)(13) EMC;	Revised for clarity..
<b>Other laws</b>	13. Home occupations shall comply with all other local, state and federal regulations pertinent to the activity pursued, and the requirements of or permission granted by this section shall not be construed as an exemption from such regulations. (EMC 19.08.120)	B. Home occupations shall comply with all other local, state, and federal regulations pertinent to the activity pursued, and the requirements of or permission granted by this section shall not be construed as an exemption from such regulations.	No change
<b>Business license</b>	B. Any person engaging in a home occupation shall register as a business with the city treasurer’s office and shall be subject to the city business and occupations tax. (EMC 19.08.120)	A. Any person engaging in a home occupation shall register as a business with the city clerk’s office and shall be subject to the city business and occupations tax.	No change
<b>Garage sales</b>	C. Garage sales shall not be considered to be a home occupation. (EMC 19.08.120)	R. Garage Sales shall not be considered a home occupation and are subject to the limitations in EMC 19.05.068(H)(1).	Revised for clarity.