ORDINANCE NO. 2026-10-030

AN ORDINANCE AMENDING THE BELLINGHAM MUNICIPAL CODE (BMC) TITLE 13, TITLE 20, AND TITLE 21 TO EXPAND THE TYPES OF HOME OCCUPATION USES ALLOWED, STREAMLINE PERMIT REVIEW PROCESS, EXEMPT CERTAIN HOME OCCUPATIONS FROM TRANSPORTATION CONCURRENCY REQUIREMENTS, AND IMPLEMENT GOALS AND POLICIES IN THE 2025 COMPREHENSIVE PLAN.

WHEREAS, on December 15, 2025, City Council approved the 2025 Comprehensive Plan (The Bellingham Plan); and

WHEREAS, in passing The Bellingham Plan, City Council found that there is community desire to allow for more small-scale neighborhood commercial uses that encourage walkability, placemaking, and employment; and

WHEREAS, The Bellingham Plan includes goals and land use policies to promote small-scale commercial uses in neighborhoods, such as LU-34, LU-35, LU-50, LU-51, LU-52, and LU-53; and

WHEREAS, BMC 20.10.045 regulates home occupation and BMC 21.10.040 regulates home occupation permit type; and

WHEREAS, creating more flexibility in the type and scale of home occupations is the first incremental step in expanding commercial uses within residential areas; and

WHEREAS, exempting certain home occupations from Transportation Concurrency, BMC 13.70.090, will remove additional cost barriers for home-based entrepreneurs; and

WHEREAS, on May 14, 2026, the responsible official reviewed the proposed amendments under the procedures of the State Environmental Policy Act, and issued a non-project Determination of Non-Significance (SEP2026-0021); and

WHEREAS, on May 15, 2026, notice of the City's intent to adopt the proposed amendments was sent to the State of Washington Department of Commerce pursuant to RCW 36.70A.106; and

WHEREAS, on June 18, 2026, the Planning Commission held a properly noticed public hearing on the proposed amendments; and

WHEREAS, the Planning Commission considered the record, including public comments received, and issued Findings, Conclusions and Recommendations for approval of the proposed amendments; and

WHEREAS, on October 5, 2026, the City Council held a properly noticed public hearing on the proposed amendments; and

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WHEREAS, the City Council considered the recommendation of the Planning Commission, the staff report, and the public comments received, and hereby approves the Findings, Conclusions and Recommendations of the Planning Commission; and

NOW THEREFORE, THE CITY OF BELLINGHAM DOES ORDAIN:

Section 1. BMC 20.08.020, Specific definitions, is hereby amended as follows:

"Home occupation" means an occupation carried on within the main residential building and/or the accessory residential building by the occupant thereof consistent with the provisions of BMC 20.10.045.

"Home occupation; exempt" means a home occupation which can be considered an accessory use and permitted outright. Exempt home occupations shall have no customers or employees coming to the home and shall be limited to those uses which involve only bookkeeping, an office for a business conducted elsewhere, or ~~shall~~ have no outward manifestation of the business. ~~and shall have no customers or employees coming to the home.~~ See "Day care" for "family child care home".

Section 2. BMC 20.10.045, Home occupations, is hereby amended as follows:

A. Applicability: Home occupations may be allowed in all zoning designations when accessory to a conforming or legally nonconforming dwelling unit, subject to the requirements of this section. ~~*Authority.* The director is authorized to approve home occupation permits consistent with the regulations and provisions herein.~~

B. Purpose: It is the purpose of this section to implement policy provisions of the City's Comprehensive Plan promoting small-scale commercial uses to encourage walkability and provide opportunities for employment and placemaking in all areas that allow residential. The home occupation regulations are intended to preserve residential dwelling units, fill a historic gap in the City's commercial continuum, encourage entrepreneurship, and support a resilient local economy.

C. Prohibited uses:

a. Veterinarian offices and clinics
b. Hospitals
c. Mortuaries
d. Major and/or minor automotive repairs
e. Eating and/or drinking establishments
f. Stables
g. Kennels
h. Fleet dispatch center for contracting, trucking, or similar

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i. Retail sales of items not crafted on the premises or not in conjunction with a service

D. Class A: Exempt home occupations.

1. Intent: A Class A home occupation shall be considered an accessory use and permitted outright with no land use permit required. Class A home occupations are not subject to the regulations or performance standards for Class B or C home occupations
2. Qualifying uses:
    a. If the home occupation is limited to those activities which involve bookkeeping, an office for a business conducted elsewhere, or no outward manifestation of the business, and no customers or employees coming to the home, it shall be considered "exempt" from additional permitting requirements.
    b. Family child care home providing care of up to 12 children by the occupant, and licensed by the state of Washington (also see BMC 20.16.020(D)(1)(a)).

E. Class B: Administrative Type I

1. Intent: Class B home occupations are intended for skilled entrepreneurs who provide goods and services that are generally compatible with residential uses. These uses may be similar in nature to labor or hobbies normally conducted in a residence or accessory residential building. The Class B home occupation permit serves to reduce procedural and regulatory barriers for small-scale business owners.
2. Qualifying uses
    a. Personal services such as but not limited to massage, salon, physical therapy, and chiropractic services
    b. Business and professional services or offices such as but not limited to counseling, legal offices, and financial planning
    c. Repair shops for household items
    d. Instructional classes for fitness, music, art, tutoring or similar
    e. Retail sales of handicraft goods made on the premises such as jewelry, ceramics, paper and fiber arts, and photography
    f. Retail sales of goods accessory to a service provided
3. Development Standards:

~~B. *Regulations.*~~

a. The primary use of the premises shall be residential and at no time shall the home occupation be the predominant use.

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b. ~~1.~~ Home occupations must be conducted within the main residential building and/or accessory residential building on the property by the occupant. ~~The occupation may include such uses as personal, business, or professional services, or offices and repair shops for household items; however, veterinarian offices and clinics, hospitals, mortuaries, major and/or minor automotive repairs, eating and/or drinking establishments, stables, or kennels are prohibited.~~

c. The maximum allowed size of a home occupation is 500 square feet (sf) unless approved through the Type II permit process. A home occupation shall not exceed 50% of the gross floor area of the main residential dwelling unit. ~~2. There shall be no exterior modification of the building in order to accommodate the occupation, nor shall there be any outward manifestation of the occupation. No home occupation shall be located anywhere but in the main building.~~

d. Outdoor storage or display is prohibited. All business activity shall occur within the designated areas of the main residential building or accessory residential building.

e. ~~3.~~ No more than three (3) ~~one~~ assistants or employees, in addition to the resident(s), may engage in the occupation on the premises. ~~One off-street parking space shall be provided for the use of the employee.~~

f. ~~4.~~ A flat, unlighted sign flush against the building is allowed. Such sign shall not exceed two square feet in area. The sign shall state only the name/address/phone number of the occupant and the occupation.

~~5. No retail sales of goods in connection with the home occupation shall occur on or about the subject premises.~~

h. The home occupation shall comply with all local, state, and federal regulations including building and fire codes as applicable.

4. Process

a. Class B home occupations follow the Type I process described in BMC 21.10.100. The director is authorized to approve home occupations permits only when consistent with the regulations of this section.

A. Class C: Discretionary Type II

1. Intent: Class C home occupations are intended for business owners who operate at a larger scale than Class B home occupations and/or involve specialized operations and equipment. These uses have variable potential impacts which necessitate a discretionary review process, including public notice, to study potential impacts and proportional mitigating measures.

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2. Qualifying uses
    a. Uses that exceed 500 sf of the main residential dwelling unit and/or accessory residential building
    b. Wood working
    c. Welding
    d. Machining
    e. Cooking or baking food for off-site consumption
    f. Uses similar to the above.
3. Development Standards:
    a. All Development Standards as for Class B home occupations shall apply to Class C home occupations.
    b. Class C home occupation hours of operation shall be between Monday through Friday 8am and 5pm, unless otherwise relaxed or restricted by the planning director through the Type II process.
    c. Class C home occupations shall submit an operations plan detailing delivery schedule, materials stored on site, types of equipment used, and proposed methods to mitigate impacts such as noise, smell, and light.
4. Approval criteria:
    a. Be harmonious with the general policies and specific objectives of the comprehensive plan.
    b. Be adequately served by public facilities, streets and utilities including drainage provisions.
    c. Not create excessive vehicular congestion on neighborhood collector or residential access streets.
    d. Not create a hazard to life, limb, or property resulting from the proposed use, or by the structures used therefore, or by the inaccessibility of the property or structures thereon.
    e. Not create influences substantially detrimental to neighboring uses. "Influences" shall include, but not necessarily be limited to: noise, odor, smoke, light, electrical interference, and/or mechanical vibrations.
5. Process
    a. A Class C home occupation shall be reviewed under the Type II process described in BMC 21.10.110 for home occupations. Class C home occupations require public notice to property owners within 100' and a discretionary permit decision approved by the planning director when the approval criteria are found to be met. The director shall have authority to place such restrictions and conditions on the permit as deemed necessary to protect the neighborhood from any detrimental effect which may arise from the proposed use.

G. Non-Transferable

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~~C. *Permit Procedure.*~~

~~1. *Exempt.* If the home occupation is limited to those activities which involve bookkeeping and office for a business conducted elsewhere, has no outward manifestation of the business, and no customers or employees coming to the home, it shall be considered "exempt." An exempt home occupation shall be considered an accessory use and permitted outright with no land use permit required.~~

~~2. A nonexempt home occupation is required to obtain approval following the procedures established in Chapter~~ 21.10 ~~BMC. The director shall have authority to place such restrictions and conditions on the permit as deemed necessary to protect the neighborhood from any detrimental effect which may arise from the proposed use.~~ Once a home occupation permit has been issued, it shall not be transferable to another person or location, nor shall the specified conditions be changed in any manner except upon reapplication.

H. Revocation

1. If after issuance of the permit, the use violates any of the conditions of the permit, or if the director otherwise finds the use to have a detrimental effect on the surrounding neighborhood, the director shall have the authority to place additional restrictions on the permit or to revoke the permit and order the use abated. [Ord. 2004-09-065; Ord. 2002-10-069 § 42; Ord. 10169 § 11, 1991; Ord. 9024, 1982].

Section 3. BMC 13.70.090(E), Permit Actions Exempt from Concurrency, are hereby amended as follows:

1. Boundary line adjustments;
2. Variance;
3. Parking waiver or joint parking;
4. Vision clearance waiver;
5. Billboard relocation;
6. ~~Exempt~~ Hhome occupations 500 square feet (sf) or less;
7. Lot line adjustment;
8. Nonconforming use status determination;
9. Over-height fence;
10. Shoreline statement of exemption;
11. Site area exception (BMC 20.30.040(B)(1)(d)); and
12. Wireless communication facility that does not require either a planned development approval or conditional use permit.

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Section 4. BMC 21.10.040 Permit Review Types, are hereby amended as follows:

B. *Type I.* A Type I review process is an administrative review and decision by the director. It is exempt from notice requirements. If a Type I decision is not categorically exempt from SEPA and the SEPA review has not been completed with a prior permit, the Type II process shall be used. Appeals of Type I decisions are decided by the hearing examiner unless the rules for a specific permit or decision specify that no administrative appeal is available. The following are Type I decisions when the application does not require a SEPA threshold decision:

1-4. [NO CHANGE]

5. Class B ~~Exempt~~ home occupations.

6-33. [NO CHANGE]

C. *Type II.* A Type II review process is an administrative review and decision by the director. Public notice is required. Appeals of Type II decisions are decided by the hearing examiner. The following are Type II decisions:

1-4. [NO CHANGE]

5. Class C Home occupation permit;

6-18. [NO CHANGE]

Section 5. BMC 20.30.100 Accessory Buildings and Uses, are hereby amended as follows:

A. *Generally.*

1-2. [NO CHANGE]

3. ~~Exempt~~ Permitted home occupations and ~~babysitting~~ family child care providing care of up to 12 children by the occupant, and licensed by the state of Washington (also see BMC 20.16.020(D)(1)(a)) shall be considered an accessory use.

PASSED by the Council this 19th day of October, 2026

Council President

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APPROVED by me this 29 day of OCT, 2026

Mayor

ATTEST: _____
Finance Director

APPROVED AS TO FORM:

_____
Office of the City Attorney

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