

SUMMARY OF HOME BASED BUSINESS ADDENDUM

Summary of Key Provisions:

- Definition of a Home Based Business – A Home Based Business is defined as a legally permitted business or commercial activity that operates out of the Resident’s dwelling unit on an on-going basis. This includes Family Home Child Care, which is child care provided on a regularly scheduled basis.
- Primary Purpose is Residential – The primary purpose of the unit will be for residential, and it will be the principal dwelling for the Resident and all members of the household named on the dwelling Lease.
- No Standard Hours of Business Operation – There are no standard hours of operation for the Home Based Business, however the Home Based Business must operate in a manner that is consistent with the dwelling Lease and does not violate the primary use of unit for residential purpose or interfere with the quiet peaceful enjoyment of other residents.
- Refundable \$750 Security Deposit – Resident is required to pay a \$750 refundable security deposit, with the exception of Yesler Terrace residents, who are exempt until, if and when, they move into a new unit after redevelopment.
- Insurance –Resident shall have a renter’s insurance policy with an endorsement for their business related activities, or carry a Commercial General Liability policy and name SHA as additional insured on the insurance policy.
- Valid Licenses and Accreditations –A Home Based Business must have a City of Seattle business license and any other valid license to operate a Home Based Business. Family Home Child Care operators must also have a valid license from the Washington State Department of Early Learning.
- Filing of Income Tax Return – Resident must report all income by filing a completed tax return Form 1040 and Schedule C (Profit and Loss from Business) and Form 8829 (Expenses for Business use of your Home). If the total amount of deductions claimed exceeds 30% of the total gross income reported, then Resident will provide documentation and expenses will be verified.
- Interim Reviews –Resident may request an interim review if they experience an increase or decrease in income and it remains that way for a consecutive three month period. There is a limit of three interim reviews in a 12 month period.
- New Business - New businesses are allowed to self-certify their anticipated income to be earned in the next 12 months.