

CITY COUNCIL AGENDA TOPIC

Ordinance relating administration of the State Environmental Policy Act (SEPA); amending the Environmental Procedures Code, Chapter 22.02 of the Bellevue City Code (BCC), to maximize SEPA categorical exemption flexible thresholds for mixed-use projects up to the state allowances and conform the Environmental Procedures Code to state SEPA rules adopted by the City; amending BCC 22.02.032 to categorically exempt interior redevelopment of existing commercial or mixed-use buildings into residential development from review under the State Environmental Policy Act (SEPA), in accordance with RCW 35A.21.440; providing for severability; and establishing an effective date.

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Development Services Department

EXECUTIVE SUMMARY

ACTION	On January 7, after discussion in Study Session about the Environmental Procedures Code, Council directed staff to bring back this Ordinance for final action.
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RECOMMENDATION

Move to adopt Ordinance No. 6837

BACKGROUND/ANALYSIS**Background**

In 2023, the Washington State Legislature Passed Engrossed Substitute House Bill [\(ESHB\) 1042](#) requiring that cities amend their codes with the intent to encourage the interior redevelopment of existing commercial or mixed-use buildings into residential development and encourage the redevelopment of existing residential buildings at a higher density. “Existing buildings” are those which received a certificate of occupancy at least three years ago. The requirements of ESHB 1042 extend to all such buildings located in mixed-use or commercial land use districts which allow multifamily housing.

Three amendments to the City’s Environmental Procedures Code, BCC 22.02 are proposed under this BCCA. These amendments respond to requirements in ESHB 1042 and relate to prior Council actions to streamline review and decision processes.

SEPA Categorical Exemption to Comply with ESHB 1042

A SEPA categorical exemption has been added to BCC 22.02.032 as required by ESHB 1042. This change will exempt all existing buildings meeting the requirements of the Residential Conversion LUCA from SEPA processes. This update ensures compliance with state mandates and will facilitate more streamlined project review.

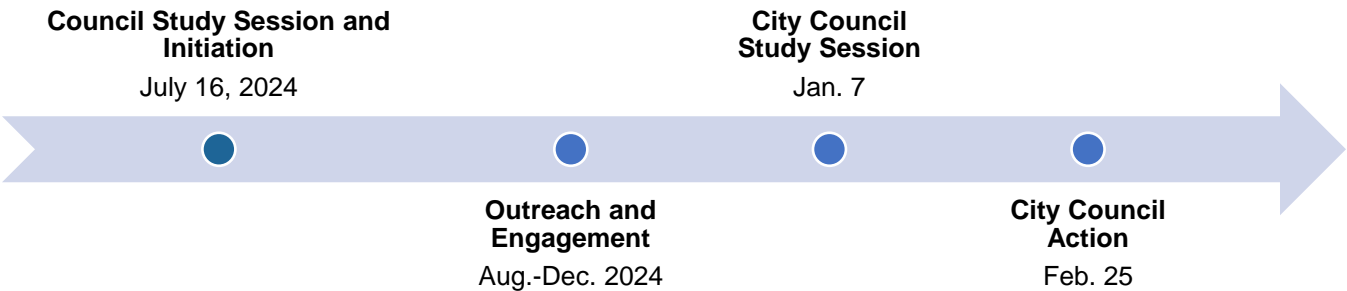
SEPA Categorical Exemption Clarifying “Exempt” Mixed-Use Development

This proposed amendment is not required under ESHB 1042. The amendments aim to clarify and align with past City Council policy decisions (Ordinance No. 6754) regarding the expansion of SEPA categorical exemptions for residential and mixed-use developments. Specifically, the amendment maintains the Council's previous decision to exempt projects containing up to 200 residential dwelling units from SEPA review and now includes a threshold for the amount of commercial development that qualifies as "exempt" within a residential mixed-use project.

Non-Project Action SEPA Appeal Process Alignment

This proposed amendment revises the SEPA threshold determination appeal process for non-project City Council actions to fix a gap in the Environmental Procedures Code. The amendment will merge the SEPA threshold determination for a non-project City Council action with the underlying Council action and provide consistency for the threshold determination appeal process associated with non-project City Council actions. A strike-draft of the proposed BCCA is provided as Attachment A.

Review Process



POLICY & FISCAL IMPACTS

Policy Impact

The recommended BCCA is consistent with the housing element of the Comprehensive Plan.

Fiscal Impact

There is no fiscal impact associated with implementing these changes.

OPTIONS

1. Adopt the Ordinance relating administration of the State Environmental Policy Act (SEPA); amending the Environmental Procedures Code, Chapter 22.02 of the Bellevue City Code (BCC), to maximize SEPA categorical exemption flexible thresholds for mixed-use projects up to the state allowances and conform the Environmental Procedures Code to state SEPA rules adopted by the City; amending BCC 22.02.032 to categorically exempt interior redevelopment of existing commercial or mixed-use buildings into residential development from review under the State Environmental Policy Act (SEPA), in accordance with RCW 35A.21.440; providing for severability; and establishing an effective date.
2. Provide alternative direction to staff.

ATTACHMENTS

- A. BCCA Final Strike-Draft
- B. Summary of Environmental Protections
Proposed Ordinance No. 6837

AVAILABLE IN COUNCIL LIBRARY

N/A