

**CITY COUNCIL AGENDA TOPIC**

Council Initiation of a Land Use Code Amendment encouraging the redevelopment of existing buildings into residential uses to comply with House Bill 1042.

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**EXECUTIVE SUMMARY****DIRECTION**

Initiate work on a Land Use Code Amendment (LUCA) to comply with House Bill (HB) 1042 which encourages the redevelopment of existing buildings into residential uses.

**RECOMMENDATION**

Initiate work on the LUCA to comply with HB 1042 which encourages the redevelopment of existing buildings into residential uses.

**BACKGROUND/ANALYSIS****Background**

In 2023, the Washington State Legislature Passed HB 1042 (Bill) requiring that cities amend their codes 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.

The required code changes must apply to all buildings over three years old in mixed-use and commercial land use districts that permit multifamily housing. For any residential redevelopment within an existing structure, the City generally:

- Must allow at least a 50% increase in density within existing building envelopes;
- May not require additional parking, but may require existing parking to remain;
- May not require permitting beyond what is required for a new residential development in that zone;
- May not require additional form, use, or design standards that would not apply to equivalent housing in the same district;
- May not require ground floor commercial or retail unless it is along a major pedestrian corridor as defined by city code;
- May not deny a building permit based on certain existing non-conformities, with exceptions;
- May not require a transportation concurrency study or SEPA review; and
- May require changes to buildings for life safety reasons

The Bill also requires that cities update their code by June 30, 2025. If a LUCA consistent with the Bill is not adopted by this time, state law will supersede the Land Use Code. The full text of HB 1042 is

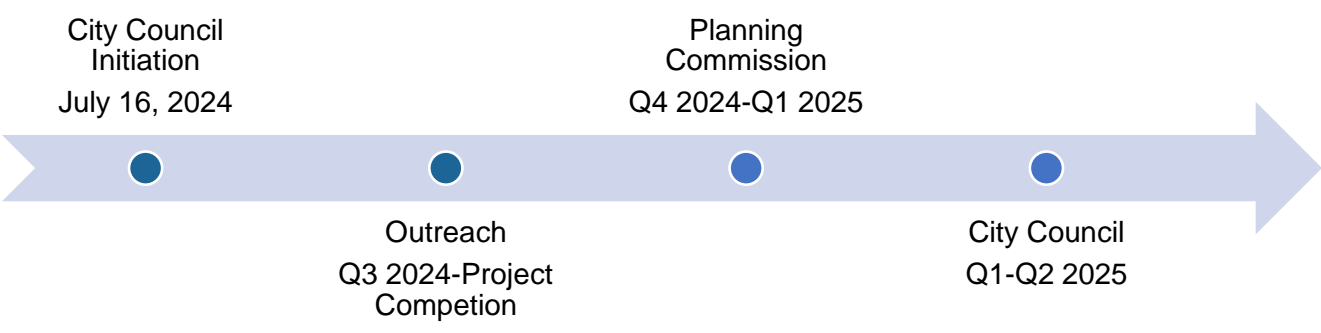
provided as Attachment A.

**LUCA Overview**

The LUCA will focus on ensuring direct compliance with the requirements laid out in the Bill. These requirements apply to all commercial and mixed-use Land Use Districts within the city that allow multifamily housing development. A map of these districts is provided as Attachment B. The Land Use Code will need to be updated to allow for additional density for redevelopment of existing buildings in these districts. Several districts, including Downtown, require ground floor retail for all new buildings. Buildings that are being redeveloped will be exempted from the ground floor retail requirement unless along a “major pedestrian corridor”. The Land Use Code does not currently define “major pedestrian corridor” but, at a minimum, the Grand Connection would likely fulfill the intent of the legislation. The Code and Policy Team will work with the City Attorney’s Office to clarify this requirement and add any necessary definition. The City’s parking and non-conforming building requirements will also need to be updated to accommodate flexibility for redevelopment proposals. New development and redevelopment are not differentiated in the Land Use Code and the Code and Policy team will work closely with Land Use to ensure the code meets the requirements of the bill in regard to permitting and form, use, and design standards. Additionally, redeveloped buildings will be exempted from the City’s SEPA and transportation concurrency requirements, where currently applicable. Staff will also ensure there are no updates to the City’s adopted building code that are required to ensure life safety.

As the City is prioritizing the creation of additional housing, staff will also reach out to the development and affordable housing communities to ensure there are not provisions in the current Land Use Code that could prevent or hamper the redevelopment of existing buildings into residential uses.

**Project Timeline**



**Public Engagement**

Staff has developed a public engagement plan with three modes of outreach to ensure the public, stakeholders, and interested parties have the opportunity to be informed and to provide comments.

- Process IV Requirements. Consistent with Chapter 20.35 LUC procedural requirements, public input will be solicited by a notice of application, notice of public hearing and the required public hearing.
- Direct Engagement and Feedback. Engagement with the Bellevue Development Committee, and market rate and affordable housing developers.
- Online Presence. City webpage to provide the public information about the project, who to direct questions to, and how to submit comments.

## **POLICY & FISCAL IMPACTS**

### **Policy Impact**

The proposed LUCA is consistent with the housing element of the draft Comprehensive Plan. The Comprehensive Plan is undergoing an update and is scheduled to be completed in the fall. As the LUCA will be completed after the adoption of the new Comprehensive Plan, the LUCA will be consistent with the updated plan.

### **Fiscal Impact**

The LUCA may have a small positive fiscal impact by encouraging vacant or underutilized buildings to redevelop into denser, better-occupied uses, potentially increasing tax revenues from the property.

## **OPTIONS**

1. Move to direct staff to initiate work on the Land Use Code Amendment to comply with HB 1042.
2. Do not initiate the work and provide alternative direction to staff

## **ATTACHMENTS**

- A. HB 1042
- B. Map of Commercial and Mixed-Use Districts

## **AVAILABLE IN COUNCIL LIBRARY**

N/A