

## CITY COUNCIL STUDY SESSION

Bellevue City Code Amendments (BCCA) to the Environmental Procedures Code, Chapter 22.02 of the Bellevue City Code (BCC), to raise the SEPA exempt levels for new construction and conform the Environmental Procedures Code to WAC 197-11-908(1), and BCCA to the Transportation Development Code, Chapter 14.60 BCC, to align Transportation Standards with previous Council adoption of the Unit Lot Subdivision Ordinance No. 6568.

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## DIRECTION NEEDED FROM COUNCIL

### DIRECTION

Following the presentation on the proposed Environmental Procedures Code BCCA and the Transportation Development Code BCCA, staff will seek Council direction to prepare the Environmental Procedures Code BCCA and Transportation Development Code BCCA for final council action at a future meeting.

## RECOMMENDATION

Direct staff to prepare the Environmental Procedures Code BCCA and Transportation Development Code BCCA for final council action at a future meeting.

## BACKGROUND & ANALYSIS

### Background

On July 5, 2022, Council directed staff to begin work on the following five Next Right Work items to further increase housing production, affordable housing production, and housing diversity within the City:

1. Remove barriers to micro-apartments (Adopted June 5)
2. Allow higher Floor Area Ratio for residential
  - Phase 1: Downtown IOC (Adopted May 8)
  - Phase 2: Mixed Use Land Use Districts Citywide
3. Reduce permit fees for affordable housing projects
4. Encourage Detached Accessory Dwelling Units, Attached Accessory Dwelling Units, and duplex, triplex, quadplexes, including a mechanism for separate ownership
  - Phase 1: ADU Reform LUCA
  - Phase 2: DADUs, duplex, triplex, and quadplex LUCA

5. Simplify the permitting process and expedite permitting for affordable housing.

On January 17, 2023, the Council initiated two BCCAs related to the fifth item to simplify the permitting process:

- Environmental Procedures Code BCCA to maximize SEPA categorical exemptions
- Transportation Development Code BCCA to align City Code to implement previous Council decision for Unit Lot Subdivisions

The Transportation Development Code BCCA also responds to the Unit Lot Subdivision Ordinance No. 6568 adopted by Council in 2021. These BCCAs will simplify the permitting process for infill development projects and conform BCC 22.02.032(D)(5) to WAC 197-11-908(1).

### **Proposed Bellevue City Code Amendments**

Tonight's study session will focus on the following two code amendments to simplify and streamline the permitting process;

- Maximize SEPA categorical exemptions up to state allowances and conform the Environmental Procedures Code to state SEPA rules adopted by the City; and
- Align City Code to implement previous Council decision for Unit Lot Subdivisions.

To assist in Council's consideration of these BCCAs, strike-drafts of the Environmental Procedures Code and Transportation Development Code are provided as Attachments A and B, respectively. A summary of environmental protections in other codes is provided as Attachment C.

### **Environmental Procedures Code BCCA**

The State Environmental Policy Act, Chapter 43.21C RCW, and the SEPA rules adopted by the Department of Ecology to implement the Act, Chapter 197-11 WAC, aim to ensure environmental impacts are appropriately considered, adequate environmental information is provided, and the public and other entities, including affected tribes and governmental agencies, are provided the opportunity to engage in the process. The City's Environmental Procedures Code, Chapter 22.02 BCC, adopts the policies and objectives of SEPA, Chapter 43.21C RCW, has the purpose of implementing the requirements of SEPA and the SEPA rules, and adopts by reference many sections and subsections of the SEPA rules, including categorical exemptions in Chapter 197-11-800 WAC.

Not all development projects require SEPA review. The SEPA rules provide categorical exemptions from SEPA requirements and allow cities to adopt flexible thresholds to exempt certain minor new construction projects. The City-adopted exemption levels are within the range allowed by State law, but under the allowed maximum. Currently, the City's Environmental Procedures Code exempts from SEPA review:

- Single-family and Multifamily residential up to 10 units;
- Commercial, School, Office, Recreational, Service, or Storage Buildings up to 4,000 square feet and related parking up to 20 parking spaces;
- Landfill or excavation up to 500 cubic yards; and
- Agricultural structures up to 30,000 square feet.

This BCCA aims to increase the flexible thresholds to take advantage of the maximum exemption levels

allowed by State law. The City may raise these exemption levels up to maximum exemption levels established by State law after documenting that projects that would become exempt from SEPA are adequately addressed by other federal, state, or local regulations. A summary of how environmental impacts of these projects are mitigated through other regulations is provided as Attachment C.

Raising exemption levels for minor new construction would allow more projects to move through the permitting process without needing to complete an environmental checklist and receive a threshold determination from the City. Higher exemption levels would simplify the permitting process, help to shorten permit processing timelines, remove redundant processes already covered by the Land Use Code (LUC), and decrease project delays from potential SEPA appeals.

The proposed BCCA would increase the categorical exemption flexible thresholds to the maximum currently allowed by WAC 197-11-800. The City has adopted many regulations to address potential adverse environmental impacts and fill the gaps that SEPA intended to fill in the project review process, i.e., the critical areas ordinance, storm and surface water and utility code, clearing and grading code, etc. Raising the thresholds would mean projects equal to or smaller than the exemption level would not be subject to the SEPA environmental review process. Table 1 below provides a comparison of the proposed exemption levels in green to the current exemption levels.

*Table 1. SEPA Flexible Thresholds*

<b>Project Type</b>	<b>Current Exemption Threshold</b>	<b>Max. Exemption Threshold</b>
Single-Family Residential	10 units	30 units
Multifamily Residential	10 units	200 units
Commercial, School, Office, Recreational, Service, or Storage Buildings	4,000 square feet and 20 parking spaces	30,000 square feet and 90 parking spaces
Landfill or excavation	500 cubic yards	1,000 cubic yards
Agricultural structures	30,000 square feet	40,000 square feet

The BCCA will also conform the Environmental Procedures Code, at BCC 22.02.032(D)(5), to WAC 197-11-908. The City adopted WAC 197-11-908 by reference in BCC 22.02.020, and WAC 197-11-908 provides the City with authority to except, i.e., not apply, certain categorical exemptions within critical areas. However, BCC 22.02.032(D)(5) provides an exception that is not authorized by WAC 197-11-908. This BCCA will conform BCC 22.02.032(D)(5) to WAC 197-11-908 and fix an inconsistency in the Environmental Procedures Code. This necessary amendment will also decrease project delays from potential SEPA appeals.

The City initiated outreach and began coordinating with the Washington State Department of Ecology and Transportation. A 60-day public comment period started on June 29 and included notice in the City’s Weekly Permit Bulletin and to affected tribes, the Washington State Department of Archaeology and Historic Preservation, Ecology, and Transportation.

Transportation Development Code BCCA

On February 16, 2021, the City Council adopted Ordinance No. 6568, amending the Land Use Code to establish provisions for Unit Lot Subdivisions where multifamily development is currently allowed. The

Ordinance allows for attached buildings, such as townhouses, to be divided onto individual lots and owned in fee simple. Fee simple ownership means absolute title in improvements of the townhouse unit and the land. This fee-simple ownership of townhomes expands homeownership opportunities and advances the City's Affordable Housing Strategy, specifically Strategy B, calling for the creation of a variety of housing choices.

As projects began taking advantage of the unit lot subdivision provisions, staff identified an opportunity to streamline and standardize transportation design standards that apply to all townhouse developments, regardless of the ownership model, i.e., condominium versus fee-simple. Under current requirements, vehicular and pedestrian facilities vary by the number of lots and type of development in the project. This BCCA allows the Transportation Director to establish consistent provisions for vehicular and pedestrian access that apply to unit lot subdivisions and other attached dwellings to serve the public interest. Standardizing the transportation requirements for these housing types creates better equity between use types, allows better administration of the code and results in predictability and flexibility for developers and the public during the review process.

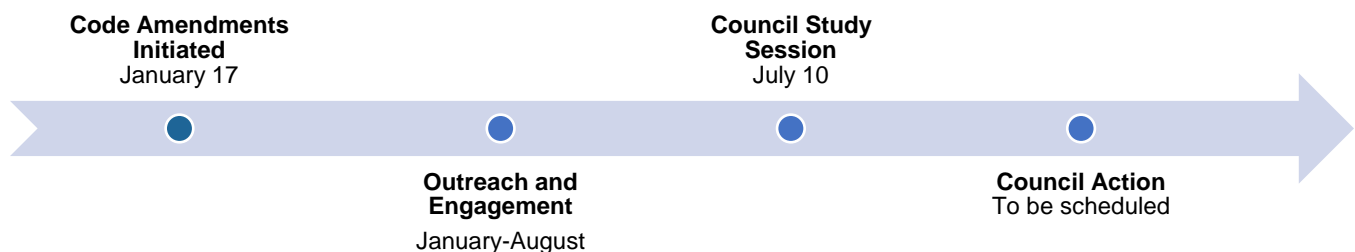
Transportation Department staff has coordinated with the Master Builders Association of King and Snohomish Counties on this proposed code amendment and has received supportive comments on this change.

### **Public Engagement**

These BCCAs are not amendments to the Land Use Code and do not require review by the Planning Commission, and a public hearing is not needed to adopt changes to the Environmental Procedures Code (22.02 BCC) or Transportation Development Code (14.60 BCC). The Department of Ecology requires a 60-day public comment period before taking action to increase the SEPA categorical exemption flexible thresholds. The public notice and 60-day comment period was published in the Weekly Permit Bulletin on June 29, 2023, and availability of the Weekly Permit Bulletin was noticed in the Seattle Times, along with availability of staff's summary of environmental protections in other codes (Attachment C).

### **Review Process**

The timeline identifies the review process for these BCCAs. Council will consider the proposed BCCAs during the July 10 Study Session, with final council action at a future meeting.



## **POLICY & FISCAL IMPACTS**

### **Policy Impact**

The proposed BCCAs will provide streamline permitting for projects throughout the City, encourage the construction of more housing, and help maximize City resources devoted to code and policy work initiated by Council, rather than litigating SEPA appeals based on categorical exemptions. This is consistent with City Council priorities, Comprehensive Plan Housing Policies, the Affordable Housing Strategy and Economic Development Plan Strategies.

### **Fiscal Impact**

There is no fiscal impact associated with these proposed BCC amendments.

## **OPTIONS**

1. Direct staff to prepare the Environmental Procedures Code BCCA and Transportation Development Code BCCA for final council action at a future meeting.
2. Provide alternative direction to staff.

## **ATTACHMENTS**

- A. Environmental Procedures Code BCCA Strike-Draft
- B. Transportation Development Code BCCA Strike-Draft
- C. Summary of Environmental Protections

## **AVAILABLE IN COUNCIL LIBRARY**

N/A