

**CITY COUNCIL REGULAR SESSION**

Ordinance extending the life of certain complete building permit applications, complete clearing and grading permit applications, issued building permits, and issued clearing and grading permits; providing for severability; declaring a public emergency; and establishing an immediate effective date.

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*Development Services Department*

**EXECUTIVE SUMMARY**

This Ordinance, extending certain residential and commercial permit applications and issued permits by 180 days, is necessary to prevent building and clearing and grading applications and permits from expiring during the pendency of the COVID-19 emergency.

**RECOMMENDATION**

Move to adopt Ordinance No. 6508.

**BACKGROUND & ANALYSIS****Background**

Bellevue City Code (BCC) Chapter 23.05 establishes the time limits for building permit applications and expiration periods for issued building permits. BCC Chapter 23.76 establishes the time limits for clearing and grading permit applications and expiration periods for issued clearing and grading permits.

Governor Inslee addressed the ongoing public health emergency in the State of Washington resulting from COVID-19 and the potential spread of COVID-19 through his March 23, 2020 Stay Home - Stay Healthy Order (20-25). In general, commercial and residential construction is not authorized under the Order because construction is not considered to be an essential activity. The Governor's Order has largely halted construction work that is unrelated to essential projects and emergency conditions as described in the Order and the Governor's March 25, 2020 Construction Guidance Memo. On April 2, 2020, the Governor extended the duration of his Stay Home – Stay Healthy Order until 11:59 pm on May 4, 2020. It is possible the Governor may further extend the duration of that order.

As a result of the cessation of non-essential and non-emergency construction activity during this emergency period, certain single family and commercial building permit applications, issued building permits, and clearing and grading permit applications and permits will expire during the course of the ongoing public health emergency. In the absence of the current public health emergency, development projects typically meet the deadlines in the current code with respect to permit expiration. However, because construction work has largely been halted by the Governor's Order, projects that would otherwise have proceeded to completion in the absence of the emergency may face the expiration of their permit approvals.

If the permit applications or issued permits expire, it will be difficult for project proponents to sell projects or to obtain capital to restart or complete the projects, due to the current economic downturn

and condition of financial markets. In addition, if projects must go through the permit process again, additional cost and time will be added to both the permit applicants and the City in order to realize completion of the project. More generally, if building permits, clearing and grading permits, or clearing and grading permits for plat infrastructure are allowed to expire, then such expiration may create a significant barrier for new commercial and residential development within the City. Expiration of permit applications and issued permits under Chapters 23.05 and 23.76 BCC could also subject projects that have been approved by the City within the last several years, or are currently under construction, to the risk of failure.

City Staff anticipates that as many as 500 building permits and clearing and grading permits could potentially expire before the cessation of the COVID-19 emergency period.

### **Building Permit Extension**

BCC 23.05.090.H delineates the expiration period for building permit applications and applies to complete building permit applications. BCC 23.05.100.E delineates the expiration period for issued building permits, including the time period in which an applicant must commence work to prevent the permit from expiring. This Ordinance will extend the time limits for building permit applications set forth in BCC 23.05.090.H and for issued building permits set forth in BCC 23.05.100.E by 180 days. These extensions will apply only to complete building permit applications or issued building permits active on the effective date of this Ordinance.

### **Clearing and Grading Permit Extension**

BCC 23.76.045 delineates the vesting and expiration period for clearing and grading permit applications and issued clearing and grading permits. These code provisions include vesting and expiration dates for clearing and grading permit applications for plat infrastructure. BCC 23.76.045 also requires that applicants and developers commence work within a certain time period to preserve their rights. This Ordinance will extend the time limits for clearing and grading permit applications and for issued clearing and grading permits, as set forth in BCC 23.76.045.A, by 180 days. Similar to the extension for building permits, these extensions will apply only to complete clearing and grading permit applications or issued clearing and grading permits active on the effective date of this Ordinance.

### **Exception for Civil Violations**

The time extensions provided by this Ordinance will not apply to any properties that are the subject of an active request for voluntary compliance or civil violation proceeding under Chapter 1.18 BCC.

## **POLICY & FISCAL IMPACTS**

### **Policy Impact**

On March 3, 2020, the Mayor of the City of Bellevue, pursuant to the authority granted by Bellevue City Code (BCC) 9.22.010, proclaimed that a civil emergency exists within the City of Bellevue due to the outbreak of COVID-19.

On March 23, 2020, Governor Inslee imposed a Stay Home – Stay Healthy Proclamation throughout Washington State that in part prohibits businesses determined by the Governor to be non-essential

from conducting business, and on April 2, that Order was extended through May 4, 2020. Commercial and residential construction are considered non-essential under that order.

Bellevue's Comprehensive Plan provides policy direction to promote a business climate that supports the retention and expansion of the City's economic base. The proposed extension to permit applications and issued permits, provides additional time for current applications or issued permits, to complete development projects suspended under the Governor's Stay Home – Stay Healthy Order, supporting the contribution these projects provide to Bellevue's economic base.

### **Fiscal Impact**

While the consequences of expiring building permits or clearing and grading permits could be financially devastating for property owners, developers, and builders, the City may also bear the burden in the form of decreased tax revenues, underutilized and vacant land, and long-term impacts associated with abandoned construction sites.

### **OPTIONS**

1. Adopt the Ordinance extending the life of certain complete building permit applications, complete clearing and grading permit applications, issued building permits, and issued clearing and grading permits; providing for severability; declaring a public emergency; and establishing an immediate effective date.
2. Do not adopt the Ordinance and provide alternative direction to staff.

### **ATTACHMENTS & AVAILABLE DOCUMENTS**

Proposed Ordinance No. 6508

### **AVAILABLE IN COUNCIL LIBRARY**

N/A