

GMHB EXHIBIT 272

Alison Van Gorp

From: Horwith, Isaac <Isaac.Horwith@kingcounty.gov>
Sent: Tuesday, March 19, 2024 4:08 PM
To: Alison Van Gorp
Cc: AHC Plan Review; Adam Zack; Jeff Thomas; Daffern, McCaela
Subject: RE: Mercer Island Comp Plan

Follow Up Flag: Follow up
Flag Status: Flagged

Hi Alison,

Thanks for reaching out and sharing your draft housing element, and apologies for my delay. Before we dive into reviewing your draft plan, we need some additional materials. We are requesting each jurisdiction submit:

- the housing-related components of its draft comprehensive plan (in addition to the housing element, that might be the land use element and any housing technical appendices/needs assessments, whatever you need to share to show your draft plan is aligned and responsive to all parts of the CPP Housing Chapter);
- a draft land use map;
- a [CPP completeness checklist](#); and
- a [draft implementation strategies workbook](#).

You should send a complete submission to AHCplanreview@kingcounty.gov. Affordable Housing Committee (AHC) staff will draft a comment letter which the AHC members will review and approve. **This process is expected to take 2 – 5 months.** There are more steps and details in the [Housing-focused Draft Comprehensive Plan Review Guide](#), which should help you to understand the whole process. You can find other resources in the “Housing-focused Draft Comprehensive Plan Review Program” drop down on the [Affordable Housing Committee website](#).

Please let me know if you want to meet to talk this through before you submit.

Thanks. I’m looking forward to learning more about Mercer Island!

Isaac Horwith

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From: Alison Van Gorp <alison.vangorp@mercergov.org>
Sent: Friday, March 15, 2024 4:16 PM
To: Horwith, Isaac <Isaac.Horwith@kingcounty.gov>
Cc: AHC Plan Review <AHCplanreview@kingcounty.gov>; Adam Zack <adam.zack@mercerisland.gov>; Jeff Thomas

<jeff.thomas@mercerisland.gov>

Subject: RE: Mercer Island Comp Plan

[EXTERNAL Email Notice!] External communication is important to us. Be cautious of phishing attempts. Do not click or open suspicious links or attachments.

Hi Issac – Please find Mercer Island’s draft Housing Element, attached, for AHC review. As I mentioned last week, we would like to set up a meeting to walk you thru the draft and get your initial thoughts as soon as you’re able. Our Planning Commission will be completing their initial review of the draft over the next few weeks, and we’ll be holding a public open house event on the full Comp Plan draft on May 1. The Public Hearing and final PC recommendation are scheduled for June. Things are moving fast right now so we’d love to get our review underway with your team.

Thanks,
Alison

From: Alison Van Gorp

Sent: Friday, March 8, 2024 5:35 PM

To: 'isaac.horwith@kingcounty.gov' <isaac.horwith@kingcounty.gov>

Cc: 'AHCplanreview@kingcounty.gov.' <AHCplanreview@kingcounty.gov.>; Adam Zack <adam.zack@mercerisland.gov>; Jeff Thomas <jeff.thomas@mercerisland.gov>

Subject: Mercer Island Comp Plan

Hi Isaac – I saw your presentation for the King County Planning Directors group a couple weeks ago. I wanted to reach out to touch base about Mercer Island’s progress/timing for our periodic update. We are currently working to complete a first draft of our Housing Element with a Housing Work Group composed of 3 city council members and 2 planning commissioners. This draft should be completed March 14 and it will then be transmitted to the full Planning Commission for their review beginning March 20. We are working on a very compressed schedule for the next several months to ensure that we are able to complete the periodic update as well as accompanying code amendments by the Dec 31 deadline. Thus, I wanted to reach out and start to get us into your queue for plan review.

We are planning to submit the Housing Work Group’s draft to King County for AHC review on ~ March 15. I was wondering if we could schedule a meeting shortly thereafter to walk you/your team through the draft and discuss any initial questions/concerns you may have? Do you have availability on March 18-19? We are thinking it would be helpful to do this initial walk through prior to meeting with the Planning Commission on March 20.

Thanks,
Alison

Alison Van Gorp

Deputy Director

City of Mercer Island | Community Planning & Development

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The City of Mercer Island utilizes a hybrid working environment. Please see the City’s [Facility and Program Information](#) page for City service hours of operation.

1 **I. Introduction**

2 This Housing Element of the Comprehensive Plan details the policy approaches the
 3 City will take to manage projected housing growth and accommodate its housing
 4 needs.

5
 6 **Housing Growth Target and Housing Needs**

7 In 2022, King County adopted [Ordinance 19384](#), which amended the Countywide
 8 Planning Policies (CPPs) and set housing growth targets for the cities in King County.
 9 Mercer Island’s projected housing growth target is 1,239 dwelling units.

10
 11 In 2023, King County adopted [Ordinance 19660](#), which amended the Countywide
 12 Planning Policies (CPPs) to establish the number of dwelling units needed to
 13 accommodate moderate, low, very low, and extremely low-income households for
 14 cities throughout the county. The Housing Growth Target and Housing Needs by
 15 income level are shown in Table 1.

16
 17 **Table 1. Mercer Island Housing Growth Target and Housing Needs.**

	Total Housing Growth Target	0-≤30% AMI ³			>30-≤50% AMI	>50-≤80% AMI	>80-≤100% AMI	>100-≤120% AMI	>120% AMI	Emergency Housing ²
		PSH ¹	Non-PSH ¹	Total ≤30% AMI						
20-years Total Need	1,239	339	178	517	202	488	4	5	23	237
% of total	100%	27%	14%	41%	16%	39.39%	0.32%	0.40%	1.86%	N/A
Average Units/year achieve in 20 Years (2024-44)	62	17	9	26	10	24	0	0	1	12

18 Source: King County Countywide Planning Policies (CPPs), current through Ordinance 19660.

19 Notes:

- 20 1. Permanent Supportive Housing (PSH)
 21 2. Emergency Housing need is its own metric and not part of the housing need or housing growth
 22 target.
 23 3. Area Median Income (AMI).

24
 25 **Capacity to Accommodate Housing Growth Target and Housing Needs**

26 In 2022, King County enacted [Ordinance 19369](#), which adopted the King County Urban
 27 Growth Capacity (UGC) Report. The UGC Report established the land capacity analysis
 28 for the City of Mercer Island and found that the City has capacity for 1,429 dwelling
 29 units; enough capacity to accommodate its housing growth target.

30
 31 In 2023, the WA Department of Commerce (Commerce) issued new guidance for
 32 complying with updated housing requirements in the WA Growth Management Act

1 (GMA) to counties and cities. That guidance recommended a process by which cities
2 should evaluate development capacity to accommodate housing needs
3 disaggregated by income level. Based on the Commerce guidance, the City prepared
4 the Land Capacity Analysis (LCA) Supplement ([Appendix X](#)).

5
6 The Land Capacity Analysis Supplement found that the City needed to increase
7 multifamily and mixed-use development capacity by at least 143 units during the
8 Comprehensive Plan periodic review to accommodate lower income housing needs.
9 During the Comprehensive Plan periodic review, the City expanded development
10 capacity with two actions. First, the City increased the maximum building height in
11 selected Town Center subareas. Second, the City allowed multifamily development in
12 the Commercial Office (C-O) zone. Those two actions were analyzed in the Land
13 Capacity Analysis Supplement and were found to generate adequate capacity to
14 accommodate the City's housing needs.

15
16 The City prepared a Housing Needs Assessment (HNA) during the Comprehensive
17 Plan periodic review ([Appendix X](#)). This assessment included an inventory and analysis
18 of the existing housing stock that, combined with LCA, found that the City can
19 accommodate its projected growth.

20 21 **Permanent Supportive Housing and Emergency Housing**

22 Under the GMA the City must plan for two types of housing for households with
23 income at or below 30 percent of the AMI: permanent supportive housing (PSH) and
24 non-permanent supportive housing. Housing need for extremely low-income housing
25 is split into these two categories because these are two distinct housing types. PSH is
26 intended to house people who need support services whereas non-PSH extremely
27 low-income housing is meant for people at the lowest income level that do not
28 necessarily need additional services. For reference, PSH is defined in [RCW](#)
29 [36.70A.030\(31\)](#).

30
31 In addition to planning for PSH, the City must also plan for emergency housing.
32 Emergency housing provides temporary indoor accommodations for individuals or
33 families who are homeless or at imminent risk of becoming homeless that is intended
34 to address the basic health, food, clothing, and personal hygiene needs of individuals
35 or families ([RCW 36.70A.030\(14\)](#)). Emergency housing is different from housing for
36 extremely low-income households and PSH in that it is intended to be shorter-term
37 accommodations. Emergency housing can include shelter space.

38
39 Capacity for PSH and emergency housing was evaluated in the LCA Supplement. The
40 LCA Supplement found that the Comprehensive Plan allows adequate capacity to
41 accommodate its PSH and emergency housing needs.

42 43 **Adequate Provisions**

44 The GMA requires the Housing Element to make adequate provisions for existing and
45 projected needs of all economic segments of the community. This includes taking
46 actions to address potential barriers to housing production. Barriers are factors that
47 negatively affect production for different housing types. The Commerce Housing
48 Element Update Guidebook 2 explains barriers as follows:

1 “For example, a city may be seeing a lot of detached single-family housing
2 production on vacant land, and therefore determine that there are no
3 significant barriers to single-family home construction. However, the same
4 city may be seeing very little production of moderate density housing
5 types such as townhomes or triplexes in zones where those types are
6 allowed. If the city’s housing element is relying on capacity for those
7 housing types to meet the needs of moderate-income households, then
8 its housing element should also assess barriers specific to those housing
9 types as well as actions to help overcome those barriers.”

10
11 Table 2 provides the documentation of potential barriers and the programs and
12 actions detailed in this Housing Element to overcome those barriers and achieve
13 housing availability.

DRAFT

Table 2. Programs and Actions Needed to Achieve Housing Availability.

Housing Type	Share of Existing Housing Units ¹	Likelihood Barriers Exist	Potential Barriers	Action or Program
Single-Family	67%	Very Low Likelihood given the large share of existing units	Development Regulations	No change.
			Other Limitations: Permitting Process	Comply with statewide legislation ^{8(d)} .
			Other Limitations: Development Capacity	No change.
Multifamily and Mixed-Use	27% ²	Moderate Likelihood given the lower share of existing units and the need to increase capacity ³ during the periodic review	Development Regulations	Review multifamily zone development regulations to: <ul style="list-style-type: none"> • Simplify the requirements • Reduce permit review times • Consider adjustments to bulk, dimensions, and parking standards
			Other Limitations: Permitting Process	Consider streamlining design review for multifamily and mixed-use development, particularly for developments with income-restricted affordable units.
			Other Limitations: Development Capacity	Increase development capacity within existing Town Center and Commercial Office zone boundaries to address the capacity shortfall identified in the City's Land Capacity Analysis Supplement ⁷ .
			Other Limitations: Displacement Risk	Establish anti-displacement measures to reduce and mitigate risk of displacement in areas with increase displacement risk.
Middle Housing	6% ⁴	High Likelihood given the small share of existing units	Development Regulations	Comply with statewide legislation ^{8(b)} .
			Other Limitations: Permitting Process	Comply with statewide legislation ^{8(b)} .
			Other Limitations: Development Capacity	Comply with statewide legislation ^{8(b)} .
Income Restricted Units, Permanent Supportive Housing (PSH) and Emergency Housing	<1% ⁵	High Likelihood given the small share of existing units	Development Regulations	<ul style="list-style-type: none"> • Comply with statewide legislation^{8(a)} for PSH and emergency housing Adopt additional incentives to spur development of new income-restricted affordable housing units
			Other Limitations: Permitting Process	<ul style="list-style-type: none"> • Comply with statewide legislation^{8(a)} Consider streamlining design review for developments with income-restricted affordable units.
			Other Limitations: Development Capacity	<ul style="list-style-type: none"> • Increase land capacity within existing boundaries to address the capacity shortfall identified in the City's Land Capacity Analysis Supplement⁷ Comply with statewide legislation ^{8(a)}
			Funding Gaps	<ul style="list-style-type: none"> • Maintain membership in A Regional Coalition for Housing (ARCH) and continue to contribute to the ARCH Housing Trust Fund (HTF) • Evaluate potential local revenue sources for affordable housing • Evaluate an affordable housing fee-in-lieu program • Use incentives to reduce the per-unit costs for affordable housing Coordinate efforts with providers, developers, and government agencies
Accessory Dwelling Units (ADUs)	N/A ⁶	Low Likelihood given ADUs are allowed in all single-family zones	Development Regulations	Comply with statewide legislation ^{8(c)}
			Other Limitations: Permitting Process	Comply with statewide legislation ^{8(c)}
			Other Limitations: Development Capacity	Comply with statewide legislation ^{8(c)}

Notes:

1. Source: U.S. Census Bureau 2022 American Community Survey (ACS), Table B25024. This is an estimate of the number of existing housing units based on an annual survey.
2. Multifamily and mixed-use housing type is categorized as residential development with ten or more units per structure.
3. A multifamily and mixed-use housing capacity deficit was found in the Land Capacity Analysis Supplement (Appendix X). The capacity deficit was addressed in the Comprehensive Plan periodic review, but additional actions can address other potential barriers.
4. Middle housing development is categorized as residential development with 2-9 units per structure.
5. The Puget Sound Regional Council (PSRC) maintains [an inventory of income restricted housing units per jurisdiction](#). As of November 6, 2023, PSRC tracked that there were 102 income restricted affordable housing units in Mercer Island. Per the PSRC inventory, there were 30 units for extremely low-income households, 59 units for very low-income households, and 13 units for low-income households.
6. Accessory dwelling unit share of housing units is combined with the single-family. Between 2006 and 2022, the City permitted 104 ADUs.
7. The Land Capacity Analysis Supplement was developed to evaluate whether the Comprehensive Plan allows adequate capacity to accommodate its housing needs (Appendix X).
8. Statewide legislation passed in the years preceding the Comprehensive Plan periodic review affected several types of housing as follows:
 - a. House Bill 1220 – Adopted in 2021, this bill amended several GMA requirements and also set limits on how jurisdictions can regulate PSH and emergency housing;
 - b. House Bill 1110 – Adopted in 2023, this bill requires cities to allow middle housing types in zones where single-family homes are allowed. Jurisdictions must make amendments to comply with this bill within six months of the Comprehensive Plan periodic review;
 - c. Housing Bill 1337 – Adopted in 2023, this bill requires cities and counties to amend the development regulations for ADUs. Jurisdictions must make amendments to comply with this bill within six months of the Comprehensive Plan periodic review; and
 - d. Senate Bill 5290 – Adopted in 2023, this bill requires cities and counties to meet permit review timetables.

1 **Racially Disparate Impacts and Displacement Risk**

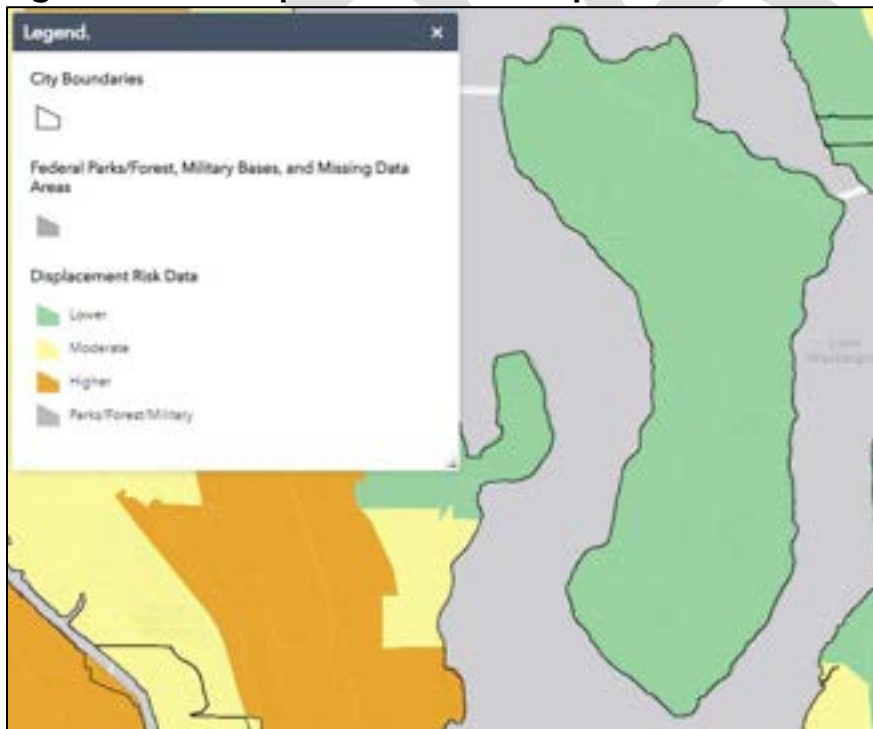
2 In 2021, the GMA was amended to require jurisdictions to identify potential racially
3 disparate impacts, take steps to address those impacts, and reduce displacement risk.
4 In 2023, Commerce provided guidance for complying with the GMA requirement to
5 identify and begin undoing racially disparate impacts established in [RCW](#)
6 [36.70A.070\(2\)\(e\)-\(g\)](#). Based on that guidance, the City prepared the Racially Disparate
7 Impacts (RDI) Evaluation. The RDI Evaluation provides the analysis and policy
8 evaluation to identify policies that may have resulted in racially disparate impacts and
9 identify areas at higher risk of displacement (**Appendix X**).

10
11 The RDI Evaluation found that the primary racially disparate impacts are :

- 12 • Renting households are more cost-burdened than homeownership households by
13 a margin of 20 percentage points;
- 14 • Households of color are eight percentage points more likely than White
15 households to be housing cost-burdened; and
- 16 • Black or African American households in Mercer Island are severely housing cost-
17 burdened at more than double the rate of any other racial group.

18
19
20 Figure 1 shows the PSRC displacement risk mapping for Mercer Island census tracts. All
21 tracts on Mercer Island were in the lower risk category, suggesting that most of Mercer
22 island in general has a lower risk of displacement occurring compared to other census
23 tracts in King, Pierce, Snohomish, and Kitsap counties.

24
25 **Figure 1. PSRC Displacement Risk Map.**



26
27 Source: Puget Sound Regional Council (PSRC) Displacement Risk Mapping. [https://www.psrc.org/our-](https://www.psrc.org/our-work/displacement-risk-mapping)
28 [work/displacement-risk-mapping](https://www.psrc.org/our-work/displacement-risk-mapping).

1 The RDI Evaluation identified three areas that may be at higher risk of displacement
2 relative to other areas in the City. Displacement could occur due to changes in
3 development regulations or capital investments. The three areas that may be at higher
4 risk of displacement are:

5
6
7
8
9

- The south end of Town Center;
- Multifamily zones adjacent to Town Center; and
- Multifamily zones east of Town Center.

10 Figures 2, 3, and 4 show maps of the three areas that may be at higher risk of
11 displacement.

12
13

Figure 2. South End of Town Center.



14
15

Source: RDI Evaluation dated December 15, 2023.

1 **Figure 3. Multifamily Zones Adjacent to Town Center.**



2
3 Source: RDI Evaluation dated December 15, 2023.

4
5 **Figure 4. Multifamily Zones East of Town Center.**



6
7 Source: RDI Evaluation dated December 15, 2023.

1 The following strategies detailed in this Housing Element are directed at addressing
2 and beginning to undo the impacts identified in the RDI Evaluation:

- 3
- 4 • Increase the supply of affordable rental housing;
- 5 • Expand tenant protections;
- 6 • Add incentives for the construction of affordable housing;
- 7 • Increase capacity for multifamily and mixed-use housing; and
- 8 • Intentional public outreach during implementation of the Comprehensive Plan.
- 9

10 **Goals and Policies**

11 The goals and policies in this Housing Element are divided into six sections focusing on
12 a specific topic:

- 13
- 14 • Overall housing strategies;
- 15 • Affordable housing;
- 16 • Racially disparate impacts;
- 17 • Anti-Displacement;
- 18 • Residential regulations; and
- 19 • Implementation.
- 20

21 The strategies outlined in the policies should be implemented throughout the planning
22 period to accomplish the following by the year 2044:

- 23
- 24 • Accommodate the City’s housing target and projected housing needs;
- 25 • Make adequate provisions for housing needs for all economic segments of the
26 community;
- 27 • Provide for and address potential barriers to the preservation, improvement, and
28 development of housing;
- 29 • Begin undoing racially disparate impacts from past housing policies;
- 30 • Reduce or mitigate displacement risk as zoning changes and development
31 occur; and
- 32 • Realize the City’s goals for housing.
- 33

34 **II. Goals and Policies**

35 **Goal 1 – Overall Housing Strategies**

36 Goal: Mercer Island provides housing affordable for all income levels meeting its
37 current and future needs.

38 **Policies**

39 1.1 Accommodate the Mercer Island housing growth target and housing needs
40 shown in Table 1 by:

- 41
- 42
- 43 1.1.A Ensuring the Comprehensive Plan allows adequate capacity for the Mercer
44 Island housing growth target and housing needs assigned by King County;
- 45
- 46
- 47

- 1 1.1.B Adopting policies that will increase the supply of income-restricted and
- 2 naturally occurring affordable housing;
- 3 1.1.C Addressing racially disparate impacts;
- 4 1.1.D Reducing or mitigating displacement risk; and
- 5 1.1.E Taking actions to implement this element throughout the Comprehensive
- 6 Plan planning period.
- 7
- 8 1.2 Categorize household income level for the purposes of this element as follows:
- 9
- 10 1.2.A High income is a household income that exceeds 120 percent of the AMI;
- 11 1.2.B Moderate income is a household income at or below 120 percent and
- 12 above 80 percent of the AMI;
- 13 1.2.C Low income is household income at or below 80 percent and above 50
- 14 percent of the AMI;
- 15 1.2.D Very low income is household income at or below 50 percent and above
- 16 30 percent of the AMI; and
- 17 1.2.E Extremely low income is household income at or below 30 percent of the
- 18 AMI.
- 19
- 20 1.3 Accommodate the Mercer Island housing growth target and housing needs by
- 21 income level with the following approaches:
- 22
- 23 1.3.A High Income – Continue to allow market rate single-family, moderate
- 24 density, and condominium housing;
- 25 1.3.B Moderate, Low-, and Very Low-Income –
- 26 (1) Implement strategies to increase the supply of new income
- 27 restricted units;
- 28 (2) Implement strategies to preserve existing units; and
- 29 (2) Reduce barriers to new moderate density, multifamily, and mixed-
- 30 use construction.
- 31 1.3.C Extremely Low-Income and Permanent Supportive Housing (PSH) –
- 32 (1) Implement strategies to increase the supply of new income
- 33 restricted units for extremely low-income households and PSH; and
- 34 (2) Coordinate efforts among providers, developers, and government
- 35 agencies; and
- 36 (3) Organize resources in support of new income restricted
- 37 development.
- 38 1.3.D Emergency Housing – Allow use consistent with state law and ensure that
- 39 occupancy, spacing, and intensity regulations allow sufficient capacity to
- 40 accommodate the City’s level of need.
- 41
- 42 1.4 Plan for residential neighborhoods that protect and promote the health and well-
- 43 being of residents by supporting equitable access to:
- 44
- 45 1.4.A Parks and open space;
- 46 1.4.B Recreation opportunities and programs
- 47 1.4.C Safe pedestrian and bicycle routes;
- 48 1.4.D Clean air, soil, and water;

- 1 1.4.E Shelter from extreme heat events;
- 2 1.4.F Fresh and healthy foods;
- 3 1.4.G High-quality education from early learning through kindergarten through
- 4 twelfth grade;
- 5 1.4.H Public safety;
- 6 1.4.I Artistic, musical, and cultural resources
- 7 1.4.J Affordable and high-quality transit options and living wage jobs;
- 8 1.4.K The opportunity to thrive in Mercer Island regardless of race, gender
- 9 identity, sexual identity, ability, use of a service animal, age, immigration
- 10 status, national origin, familial status, religion, source of income, military
- 11 status, or membership in any other category of protected people; and
- 12 1.4.L Neighborhoods in which environmental hazards are minimized to the
- 13 extent possible.
- 14
- 15 1.5 Take actions to promote healthy and safe homes.
- 16
- 17 1.6 Mitigate climate impacts related to housing by executing the Climate Action
- 18 Plan.
- 19
- 20 1.7 Strive to increase class, race, and age integration by equitably dispersing
- 21 affordable housing opportunities.
- 22
- 23 1.8 Discourage neighborhood segregation and the isolation of special needs
- 24 populations.
- 25
- 26 1.9 Increase housing choices for everyone, particularly those earning lower wages, in
- 27 areas with access to employment centers and high-capacity transit.
- 28
- 29 1.10 Encourage accessory dwelling units (ADUs) as a housing form that can help to
- 30 meet housing needs for moderate to low-income households.
- 31
- 32 1.11 Focus on the Town Center and Commercial-Office zones when increasing
- 33 multifamily and mixed-use development capacity to accommodate the Mercer
- 34 Island housing growth target and housing needs. Strive to reduce and/or
- 35 mitigate displacement of businesses resulting from an increase in residential
- 36 capacity.
- 37
- 38 1.12 Consider alternatives for maximizing housing capacity in the Town Center and
- 39 Commercial-Office zones before analyzing alternatives for increasing multi-
- 40 family capacity elsewhere.
- 41

42 **Goal 2 – Affordable Housing**

43

44 Goal: Households at all income levels can afford to live in Mercer Island because

45 of the mix of market rate and income-restricted housing.

46

47 **Policies**

48

- 1 2.1 Support the development and preservation of income-restricted housing that is
2 within walking distance of planned or existing high-capacity transit.
3
- 4 2.2 Implement strategies to overcome cost barriers to housing affordability.
5 Strategies should include:
6
- 7 2.2.A Periodic review of development standards, staffing levels, and permit
8 processes to reduce permit review times and costs;
9 2.2.B Periodic review of residential densities in high-density zones to adjust
10 multifamily and mixed-use capacity as needed to accommodate housing
11 needs;
12 2.2.C Programs, policies, partnerships, and incentives to decrease costs to build
13 and preserve affordable housing.
14
- 15 2.3 Decrease barriers and promote access to affordable homeownership for
16 extremely low-, very low-, and low-income, households.
17
- 18 2.4 Increase affordable homeownership options for moderate income households by
19 increasing moderate density housing capacity.
20
- 21 2.5 Encourage the construction of new permanent income-restricted housing
22 through approaches such as the following
23
- 24 2.5.A Affordable housing incentives that require units at varying income levels
25 to be incorporated into new construction to address the Mercer Island
26 housing growth target and housing needs for households earning less
27 than the area median income (AMI). Affordable housing unit requirements
28 should be set at levels to yield more lower-income units as the benefit of
29 the incentive increases.
30 2.5.B Height bonuses concurrent with any increase in development capacity to
31 address Mercer Island's affordable housing needs;
32 2.5.C Incentives for the development of housing units affordable to extremely
33 low-, very low-, low-, and moderate-income households;
34 2.5.D A multifamily tax exemption (MFTE) linked to substantial additional
35 affordability requirements.
36 2.5.E Reduced design review processes and simplified standards for
37 developments with affordable units.
38 2.5.F Reduced or waived permit fees for developments with affordable units.
39 2.5.G Reduced parking requirements for income-restricted units.
40
- 41 2.6 Evaluate potential revenue sources to fund a local affordable housing fund.
42
- 43 2.7 Evaluate a fee-in-lieu program whereby payments to the local affordable housing
44 fund can be made as an alternative to constructing required income-restricted
45 housing.
46

- 1 2.8 Prioritize the use of local and regional resources for income-restricted housing,
2 particularly for extremely low-income households, populations with special
3 needs, and others with disproportionately greater housing needs.
4
- 5 2.9 Evaluate the feasibility of establishing zoning in existing multifamily and mixed-
6 use zones that would require developers to provide affordable housing in new
7 high-density developments.
8
- 9 2.10 Continue to participate in A Regional Coalition for Housing (ARCH) as a key
10 strategy for addressing affordable housing need for low-, very low-, and extremely
11 low-income households.
12
- 13 2.11 Evaluate increasing the contribution to the ARCH Housing Trust Fund (HTF) to
14 be at a per-capita rate consistent with other participating/member cities as a key
15 strategy to address PSH, extremely low-, very low-, and low-income housing
16 needs.
17
- 18 2.12 Develop partnerships to address barriers to the production of housing affordable
19 to extremely low-income households by connecting with government agencies,
20 housing service providers, religious organizations, affordable housing developers,
21 and interested property owners.
22
- 23 2.13 Periodically meet with partners to gather feedback on actions the City can take
24 to reduce barriers to the production of extremely low-income housing units,
25 including PSH and emergency housing.
26

27 **Goal 3 – Racially Disparate Impacts**

28
29 Goal 3: Undo identified racially disparate impacts, avoid displacement and
30 eliminate exclusion in housing, so that every person has the opportunity
31 to thrive in Mercer Island regardless of their race.
32

33 **Policies**

- 34
35 3.1 Begin undoing racially disparate impacts by prioritizing actions that:
36
 - 37 3.1.A Increase the supply of affordable rental housing;
 - 38 3.1.B Expand tenant protections;
 - 39 3.1.C Add incentives for the construction of affordable housing;
 - 40 3.1.D Increase capacity for multifamily and mixed-use housing; and
 - 41 3.1.E Include intentional public outreach during implementation of the
42 Comprehensive Plan.
- 43
44 3.2 Acknowledge historic inequities in access to homeownership opportunities for
45 communities of color.
46

- 1 3.3 Seek partnerships with impacted communities to promote equitable housing
2 outcomes and prioritize the needs and solutions expressed by these
3 disproportionately impacted communities for implementation.
4
- 5 3.4 Include a statement in all future Public Participation Plans adopted for actions
6 that implement this Housing Element explaining how the City will reach
7 impacted communities.
8
- 9 3.5 Seek partnerships and dedicated resources to eliminate racial and other
10 disparities in access to housing and neighborhoods of choice.
11

12 **Goal 4 – Anti-Displacement**

14 Goal: City actions reduce and mitigate displacement risk as regulations change
15 and development occurs.
16

17 **Policies**

- 18
- 19 4.1 Seek partnerships to develop an affordable housing inventory to catalog the
20 location, quantity, and ownership of income-restricted affordable units and
21 naturally occurring affordable housing (NOAH).
22
- 23 4.2 Evaluate and consider implementing the following tenant protections:
24
 - 25 4.2.A Required advance notice of rent increases;
 - 26 4.2.B Relocation assistance; and
 - 27 4.2.C Right of first refusal or tenant opportunity to purchase requirements when
28 an apartment building is converted to a condominium.
29
- 30 4.3 Evaluate the potential increased risk of displacement that could accompany any
31 increase in development capacity concurrent with proposed zoning changes
32 affecting a zone where multifamily or mixed-use development is allowed. This
33 evaluation should:
34
 - 35 4.3.A Be paid for by an applicant requesting a rezone and conducted on behalf
36 of the City;
 - 37 4.3.B Consider economic, physical, and cultural displacement as defined by the
38 WA Department of Commerce;
 - 39 4.3.C Recommend strategies to reduce or mitigate identified displacement
40 risks; and
 - 41 4.3.D Be presented to City decision makers prior to making findings,
42 recommendations, or decisions.
43
- 44 4.4 Policy or regulatory amendments that affect development capacity in zones
45 where multifamily or mixed-use residential development is allowed must be
46 accompanied by findings that displacement risk has been adequately reduced
47 and/or mitigated.
48

1 **Goal 5 – Residential Regulations**

2
3 Goal: Regulations that affect residential development are balanced so that they
4 safeguard the public health, safety, and welfare.
5

6 **Policies**

7
8 5.1 Consider reviewing the multifamily development standards to identify potential
9 amendments that would:

10
11 5.1.A Reduce permit review times and costs;

12 5.1.B Simplify requirements,

13 5.1.C Limit design review process to administrative design review and ensure
14 that all design standards are objective and measurable;

15 5.1.D Ensure parking requirements are right-sized to adequately balance the
16 need for parking with the per-unit cost of parking and consistent with
17 state law;

18 5.1.E Increase affordable housing incentives; and

19 5.1.F Address displacement risk from zoning changes.
20

21 5.2 Identify the regulatory amendments necessary to allow duplexes, triplexes,
22 townhomes, and other moderate density housing types in residential zones.
23

24 5.3 Amend residential development standards to allow middle housing types and
25 ADUs in residential zones consistent with the state law.
26

27 5.4 Consider amending ADU development standards to add flexibility and expand
28 options for the development of this type of housing to help meet housing needs
29 for moderate to low-income households.
30

31 5.5 Consider restructuring existing ADU incentives such as the gross floor area bonus
32 to require affordable housing.
33

34 **Goal 6 – Implementation**

35
36 Goal: The Housing Element is implemented in a timely and efficient manner so
37 that the City's goals are realized.
38

39 **Policies**

40
41 6.1 Establish a Housing Element implementation strategy and schedule in
42 conjunction with each biennial budget cycle. This implementation strategy can
43 be periodically updated and amended by City Council at any time thereafter and
44 should detail the following:
45

46 6.1.A Actions from this element to be added to department work plans for the
47 next biennial budget cycle;

- 1 6.1.B Any funding including grants allocated to support the completion of these
2 actions;
- 3 6.1.C Any staff resources allocated to support the completion of these actions;
- 4 6.1.D A schedule detailing the key actions and/or milestones for the completion
5 of each action; and
- 6 6.1.E A list of near-term future actions expected to be proposed to be added to
7 department work plans in the next three to five years.
8
- 9 6.2 Prepare a biennial report tracking implementation of the Housing Element. The
10 report will be provided to the City Council prior to adoption of the budget.
11
- 12 6.3 Partner with state, regional, and countywide agencies to periodically track the
13 effectiveness of the policies in this element including the GMA required
14 implementation progress report due five years after each Comprehensive Plan
15 periodic review.
16
- 17 6.4 Provide resources for actions to implement this element and respond to limited
18 resources by using strategies such as:
19
- 20 6.4.A Alternate funding sources;
- 21 6.4.B Public-private partnerships;
- 22 6.4.C Reducing project or program scope to align with current biennial budget
23 constraints; and
- 24 6.4.D Amending the policies of the Housing Element to reflect the City's
25 capacity to implement the element.
26