



## PLANNING COMMISSION CITY OF MERCER ISLAND

PCB 26-02  
April 29, 2025  
Regular Business

### AGENDA BILL INFORMATION

|                            |                                                           |                                                                                                                                                                              |
|----------------------------|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>TITLE:</b>              | PCB 26-02: Planning Commission Legislative Review Process | <input checked="" type="checkbox"/> Discussion Only<br><input type="checkbox"/> Action Needed:<br><input type="checkbox"/> Motion<br><input type="checkbox"/> Recommendation |
| <b>RECOMMENDED ACTION:</b> | Receive Report – No Action Necessary                      |                                                                                                                                                                              |

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| <b>STAFF:</b>    | Alison Van Gorp, CPD Deputy Director |
| <b>EXHIBITS:</b> | 1. PC Legislative Review Schedule    |

### EXECUTIVE SUMMARY

The purpose of this agenda item is to brief the Planning Commission on the City Council's direction on the schedule for the legislative review of necessary amendments to the Comprehensive Plan and Development Regulations as well as a proposed Station Subarea Plan related to Growth Management Act (GMA) compliance under the Growth Management Hearing Board (GMHB) Order.

- The City completed a periodic review and update of the Mercer Island Comprehensive Plan, which was adopted by the City Council on November 19, 2024 ([AB 6573](#)).
- The 2024 Comprehensive Plan was appealed to the GMHB on the grounds that the Comprehensive Plan did not adequately plan for and accommodate future affordable housing needs (GMHB case number 25-3-0003). On August 1, 2025, the GMHB issued a final decision and order (GMHB Order).
- The GMHB Order found that the City must make changes to its Comprehensive Plan to comply with the Washington State Growth Management Act (GMA). Specifically, the City must amend its Comprehensive Plan to address the following:
  - Land Capacity: Analyze residential land capacity at each housing affordability level and close any identified gaps.
  - Adequate Provisions: Adopt incentives, mandatory provisions, and planned actions ("aka adequate provisions") that will increase the supply of affordable housing.
  - Station Subarea Plan: Adopt a subarea plan for the area around the transit station.
  - Anti-Displacement Measures: Adopt anti-displacement measures to address the potential displacement that can occur with changes in zoning.
  - July 31, 2026 Deadline: amendments to comply with the GMHB Order must be adopted by July 31, 2026.
- Compliance with the GMHB Order will require amendments to the Mercer Island Comprehensive Plan and the development code established in Title 19 Mercer Island City Code (MICC). A new Station Subarea Plan will also need to be adopted.
- The City Council has directed the Planning Commission to initiate legislative review of amendments to the Comprehensive Plan and Development Regulations as well as the proposed Station Subarea Plan and complete a recommendation to the City Council by June 10, 2026.

## BACKGROUND

### GROWTH MANAGEMENT HEARINGS BOARD FINAL DECISION AND ORDER

Cities and counties in Washington State are required to adopt a comprehensive plan under the Growth Management Act (GMA). The comprehensive plan is a statement of goals and policies that detail how a county or city will manage and accommodate future growth. The goals and policies of the comprehensive plan are implemented through capital investments, development regulations, and programs. The GMA requires cities and counties to periodically review and update their comprehensive plans on a ten-year cycle. Mercer Island most recently completed a periodic review and update of its Comprehensive Plan in 2024 (see [AB 6573](#)).

The 2024 adoption of the Mercer Island Comprehensive Plan periodic review and update was appealed to the Growth Management Hearings Board (GMHB) on the grounds that the Comprehensive Plan did not adequately plan for and accommodate future affordable housing needs (GMHB case number 25-3-0003). On August 1, 2025, the GMHB issued a Final Decision and Order (GMHB Order) and remanded the Comprehensive Plan to the City for revisions due by July 31, 2026.

The Comprehensive Plan adopted in 2024 remains in effect during the remand, but the City must complete work to update the plan and comply with the timeline established by the GMHB Order (RCW 36.70A.300(3)(b)). The compliance timeline is one year from when the GMHB issued its decision; work must be completed by July 31, 2026. Failure to comply with the GMHB Order may result in sanctions against the City (RCW 36.70A.340).

The GMHB Order requires the City to address four issues:

1. Land Capacity: Analyze residential land capacity at each housing affordability level and close any identified gaps.
2. Adequate Provisions: Adopt incentives, mandatory provisions, and planned actions (“aka adequate provisions”) that will increase the supply of affordable housing.
3. Station Subarea Plan: Adopt a subarea plan for the area around the transit station.
4. Anti-Displacement Measures: Adopt anti-displacement measures to address the potential displacement that can occur with changes in zoning.

A more in-depth description of the GMHB Order and its implications is provided in [AB 6838](#), which was presented to the City Council on January 16, 2026.

### SUMMARY OF EXPECTED AMENDMENTS

Compliance with the GMHB Order will require amendments to the Mercer Island Comprehensive Plan and the development code established in Title 19 Mercer Island City Code (MICC). A new Station Subarea Plan will also need to be adopted.

#### Expected Amendments to the Comprehensive Plan

The City’s Comprehensive Plan provides goals and policies to manage future growth. Cities in King County are required to adopt a comprehensive plan that is consistent with the GMA, the Multi-County Planning Policies adopted as a part of Puget Sound Regional Council’s VISION 2050, and the Countywide Planning Policies adopted by King County. A comprehensive plan is composed of topic-specific elements that detail policies for each topic. The Mercer Island Comprehensive Plan has the following elements:

- Land Use
- Housing

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- Transportation
  - Utilities
  - Capital Facilities
  - Shoreline Master Program\*
  - Economic Development
  - Parks and Open Space\*

\*Note: the Shoreline Master Program, and Parks and Open Space elements are not expected to be amended during the project to comply with the GMHB Order.

Amendments to the comprehensive plan will be primarily focused on the Housing and Land Use Elements. Consistency amendments are also expected in the Transportation, Utilities, Capital Facilities and the Economic Development Elements to reflect updates to land capacity and the consolidation of goals and policies related to the station area in the new subarea plan.

#### Land Use Element

The Land Use Element serves an important function in how the City plans for growth. It includes policies that direct how the development code should be written. In addition to these policies, the Land Use Element includes a future land use map that provides the planned general location of land uses throughout the City. The future land use map provides the basis for zoning which is established by the development code.

The Land Use Element policies and future land use map are expected to be substantively amended to comply with the GMHB Order. The Station Subarea Plan will be adopted by reference in the Land Use Element. Increases to land capacity and changes in land use designation should be accounted for on the future land use map. The Land Use Element policies will also be reviewed to maintain consistency with the adequate provisions made in the Housing Element.

#### Housing Element

The Housing Element establishes the City's goals and policies for accommodating affordable housing needs throughout the planning period. The requirements for the Housing Element were significantly expanded by state legislation adopted in advance of the periodic review of the 2024 Comprehensive Plan. Additional amendments to the Housing Element will be necessary to comply with the GMHB Order. These amendments will be largely focused on addressing the adequate provisions and anti-displacement requirements of the GMHB Order.

#### Capital Facilities, Utilities, and Transportation Elements

The GMA requires that the elements of the Comprehensive Plan be coordinated and internally consistent so that all elements of the plan include the same assumptions about growth. This requirement ensures that planning for infrastructure and capital facilities is aligned with the City's growth targets. The amendments to the Capital Facilities, Utilities, and Transportation Elements will need to be amended to align with changes made to the Land Use and Housing Element.

#### Economic Development Element

The Economic Development Element was newly adopted as a part of the 2024 periodic update to the Comprehensive Plan. It is intended to guide City policy and action related to business and commerce in the City. The Economic Development Element has a large focus on the Town Center as the City's central business district. Updates to this element are likely to be necessary to ensure consistency with the Station Subarea Plan, which will consolidate goals and policies related to the station area.

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## **Adoption of Station Subarea Plan**

The GMHB Order (Issue #3) requires the City to establish a subarea plan for the area around the Sound Transit Link Light Rail Station. The Station Area is defined as all parcels fully or partially within a half mile walking distance from the station entrances. The existing Town Center is fully located within this half mile distance. The Subarea Plan will adopt a Station Area boundary and bring together existing goals and policies related to the station area and Town Center. It will also include new goals and policies that outline future planning actions in the station area, including implementation of HB 1491, the TOD bill.

## **Expected Amendments to the Development Code**

The development code is expected to have numerous amendments to ensure alignment with the amended Comprehensive Plan and to implement new regulations required under the GMHB Order. The development code in Title 19 of the Mercer Island City Code (MICC) implements the policies in the Housing and Land Use elements. The development code includes numerical standards such as setbacks, height limits, and minimum lot sizes. The code also includes other regulations such as design standards and required permit processes. The zoning map is also established in Title 19 MICC and will also need to be amended.

## **Development Standards**

Several sections of Title 19 MICC are expected to be amended to implement the necessary changes to address the GMHB Order. This is expected to include changes to the Town Center and adjacent multi-family zones to increase land capacity and implement adequate provisions such as incentive zoning and fee in lieu. These amendments are also expected to include the establishment of anti-displacement measures and permanent regulations related to Shelters, Temporary, Emergency, and Permanent Supportive (STEP) Housing. The following chapters of the development code are expected to be amended during this project:

### Chapter 19.01 MICC

This chapter will be amended to maintain consistency with changes made in other chapters.

### Chapter 19.02 MICC

Amendments to address the state requirements for Shelters, Transitional, Emergency, and Permanent Supportive (STEP) housing.

### Chapter 19.03 MICC

Amendments to address the state requirements for STEP housing.

### Chapter 19.04 MICC

Amendments to address the state requirements for STEP housing.

### Chapter 19.06 MICC

Amendments to address the state requirements for STEP housing.

### Chapter 19.11 MICC

Amendments to increase development capacity in the Town Center and adjacent multi-family zones to address GMHB Order Issue #1. These amendments will include consolidating the Town Center subareas and increasing the maximum building height. Additional amendments to establish adequate provisions for affordable housing such as inclusionary zoning requirements and fee in lieu of affordable housing standards to address GMHB Order Issue #2.

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#### Chapter 19.15 MICC

Amendments to establish anti-displacement policies to address GMHB Order Issue #4. Additional amendments to this section will be made to maintain consistency with amendments in other chapters.

#### Chapter 19.16 MICC

This chapter will be amended to maintain consistency with changes made in other chapters.

Other chapters of the development code may need to be amended to maintain consistency with the changes to the Comprehensive Plan and development code. The entire development code will be reviewed for consistency prior to adoption of the amendments.

#### Zoning Map

The zoning map is a regulatory tool that establishes zones where types of land uses are allowed, and in so doing also limits where some land uses like multifamily development can be developed. By controlling where different types of development can take place, the zoning map is a powerful tool for managing growth.

The Mercer Island zoning map is established in Appendix D of Title 19 MICC. The map is expected to be amended to add residential development capacity in the Town Center and adjacent multi-family zones. The changes to the zoning map will include consolidating several of the Town Center subareas and rezoning the MF-2 zones to the east and west of Town Center.

#### **LEGISLATIVE REVIEW PROCESS**

To adopt these amendments, the City must follow the processes outlined in the Mercer Island City Code (MICC) Chapter 19.15 for Comprehensive Plan and Development Code amendments ([MICC 19.15.230](#)). This includes providing public notice, holding a public hearing, a Planning Commission recommendation, and City Council adoption of each ordinance.

### **ISSUE/DISCUSSION**

The City Council has directed the Planning Commission to initiate legislative review of amendments to the Comprehensive Plan and Development Regulations as well as the proposed Station Subarea Plan. The City Council has directed that the Planning Commission complete a recommendation to the City Council on these materials by June 10, 2026. Exhibit 1 provides the Council-approved schedule for Planning Commission legislative review of the amendments and Station Subarea Plan. Key dates are also summarized below, under “Next Steps”. The Planning Commission is expected to hold 7 meetings, beginning on April 29. The Planning Commission must complete their recommendation by June 10, 2026, to allow the City Council to complete its review in a timely manner. Staff and the Planning Commission Chair will present the PC recommendation to the City Council at their June 16 regular meeting. The City Council will then take up final review of the ordinances beginning on July 7 and conclude the process by adopting an ordinance on July 21, 2026. This timeline is necessary to ensure the City meets the Growth Management Hearings Board compliance deadline of July 31, 2026.

### **BACKGROUND MATERIALS & REFERENCES**

Background materials are provided on the [City’s Let’s Talk page](#) Summary of previous agenda materials:

#### January 16, 2026

- [AB 6838](#): Compliance with [Growth Management Hearings Board Final Decision and Order](#) related to the City of Mercer Island Periodic Update to the Comprehensive Plan Overview of City Council Planning Session.

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#### February 17, 2026

- [AB 6865](#): Compliance with Growth Management Hearings Board Final Decision and Order Related to the City of Mercer Island Periodic Update to the Comprehensive Plan
- [AB 6866](#): GMA Compliance Public Engagement Plan
- [AB 6871](#): Legislative Review Alternatives to Help City Meet GMHB Order Compliance Deadline (Ordinance No. 26C-03 First Reading)

#### March 3, 2026

- [AB 6893](#): Compliance with Growth Management Hearings Board Order – Follow-Up Discussion on Financing Affordable Housing
- [AB 6890](#): Legislative Review Alternatives to Help City Meet GMHB Order Compliance Deadline (Ordinance No. 26C-03 Second Reading)

#### March 17, 2026

- [AB 6888](#): Final Approval of the Modified Station Subarea Boundary
- [AB 6894](#): Update on the Growth Management Hearings Board Order – GMA Compliance Work Plan

#### April 21, 2026

- [AB 6909](#): GMA Compliance – Policy Direction on Development Code Amendments
- [AB 6911](#): GMA Compliance – Legislative Review Process

### **NEXT STEPS**

May 6 – Planning Commission briefing on Station Subarea Plan and Comprehensive Plan Elements: Land Use, Housing, and Economic Development

May 11 – Planning Commission comments on the Station Subarea Plan, Land Use Element, Housing Element, and Economic Development Element are due

May 13 – Planning Commission briefing on development code amendments: land capacity zoning changes.

May 18 – Planning Commission comments on the land capacity zoning change development code amendments are due.

May 20 – Planning Commission briefing on development code amendments: inclusionary zoning and fee in lieu of affordable housing.

May 26 – Planning Commission comments on the inclusionary zoning and fee in lieu development code amendments are due.

May 27 – Planning Commission briefing on Comprehensive Plan Elements: Transportation, Capital Facilities, and Utilities.

June 1 – Planning Commission comments on the Transportation, Capital Facilities, and Utilities elements are due.

June 3 – Planning Commission public hearing – to be continued to June 10

June 10 – Planning Commission public hearing and recommendation

June 16 – Planning Commission recommendation is delivered to the City Council.

### **RECOMMENDED ACTION**

Receive Report. No action necessary.