



# PLANNING COMMISSION

## SPECIAL HYBRID MEETING AGENDA

Wednesday, March 20, 2024 at 6:00 PM

### PLANNING COMMISSIONERS

**Chair:** Michael Murphy

**Vice Chair:** Adam Ragheb

**Commissioners:** Kate Akyuz, Angela Battazzo,  
Carolyn Boatsman, Chris Goelz, and Victor Raisys

### LOCATION

Mercer Island Community & Event Center and Zoom

Slater Room

8236 SE 24<sup>th</sup> Street | Mercer Island, WA 98040  
(206) 275-7706 | [www.mercerisland.gov](http://www.mercerisland.gov)

*We strive to create an inclusive and accessible experience. Those requiring accommodation for Planning Commission meetings should notify the Deputy City Clerk's Office 3 days prior to the meeting at (206) 275-7791 or by emailing [deborah.estrada@mercerisland.gov](mailto:deborah.estrada@mercerisland.gov).*

**Registering to Speak:** Individuals wishing to speak live during appearances, must register with the Deputy City Clerk by 4pm on the day of the Planning Commission meeting. Register at (206) 858-3150 or email [deborah.estrada@mercerisland.gov](mailto:deborah.estrada@mercerisland.gov). Each speaker will be allowed three (3) minutes to speak.

If providing comments using Zoom, staff will permit temporary video access when it is your turn to speak. Please activate the video option on your phone or computer, ensure your room is well lit, and kindly ensure that your background is appropriate for all audience ages. Screen sharing will not be permitted, but documents may be emailed to [planning.commission@mercergov.org](mailto:planning.commission@mercergov.org).

**Join by Telephone at 6:00 pm:** Call **253.215.8782** and enter **Webinar ID 892 9433 5196, Passcode 436324**.

**Join by Internet at 6:00 pm:**

- 1) Click this [Link](#)
- 2) If the Zoom app is not installed on your computer, you will be prompted to download it.
- 3) If prompted for Webinar ID, enter **892 9433 5196, Passcode 436324**

**Join in person at 6:00 pm:** Mercer Island Community & Event Center – 8236 SE 24<sup>th</sup> Street, Mercer Island

### CALL TO ORDER & ROLL CALL, 6 PM

### PUBLIC APPEARANCES

This is the opportunity for anyone to speak to the Commission about issues of concern.

### SPECIAL BUSINESS

1. **PCB 24-05: Comprehensive Plan Periodic Review – Housing Element Initial Brief**  
**Recommended Action:** Receive report; No action necessary.

### OTHER BUSINESS

2. **Deputy Director's Report**
  - A. Meeting Schedule:
    - 1) March 27, 2024 Regular Meeting
    - 2) April 10, 2024 Special Meeting
    - 3) April 17, 2024, Special Meeting
3. **Planned Absences for Future Meetings**

### ADJOURNMENT



# PLANNING COMMISSION CITY OF MERCER ISLAND

PCB 24-05

March 20, 2024  
Special Business

Item 1.

## AGENDA BILL INFORMATION

Title:	PCB 24-05: Comprehensive Plan Periodic Review – Housing Element Initial Brief	<input checked="" type="checkbox"/> Discussion Only
Recommended Action:	Receive Report – No action necessary	<input type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input type="checkbox"/> Recommendation

Staff:	Adam Zack, Senior Planner
Exhibits:	<ol style="list-style-type: none"><li>1. Housing Work Group Recommended Draft Housing Element</li><li>2. Housing Work Group Recommended Land Use Element Consistency Amendments</li><li>3. Housing Element Planning Framework</li></ol>

## EXECUTIVE SUMMARY

This will be the first Planning Commission briefing on the Housing Element of the Comprehensive Plan.

- The draft Housing Element and Land Use Element consistency amendments were prepared by the Housing Work Group (HWG) over the course of January to March 2024;
- The HWG was composed of three City Councilmembers: Wendy Weiker, Craig Reynolds, and Salim Nice, and two Planning Commissioners: Kate Akyuz and Carolyn Boatsman;
- The draft Housing Element was drafted to address a number of requirements from state law, regional planning requirements, and King County Countywide Planning Policies (CPPs);
- On March 14, the HWG voted unanimously to recommend the draft Housing Element (Exhibit 1) and Land Use Element consistency amendments (Exhibit 2) to the Planning Commission (PC);
- Because the HWG has already reviewed the draft of amendments, the PC review is expected to be completed by April 10, in time for the Community Workshop planned for May 1; and
- Written comments on this initial draft of the Housing Element are due by March 25 so the Commission can review comments on March 27 and April 10.

## BACKGROUND

### Housing Element

The GMA was enacted by the WA State Legislature in 1990. It requires most cities and counties in the state to adopt and periodically review a comprehensive plan. The GMA requires each comprehensive plan to include several mandatory elements ([RCW 36.70A.070](#)). The Housing Element is a mandatory element under the GMA. The Housing Element is a statement of goals and policies that guide how the City will accommodate its projected population growth in the coming 20 years.

### Project History

- The WA State Growth Management Act (GMA) requires the City of Mercer Island to periodically review its Comprehensive Plan and make any necessary amendments by December 31, 2024;

- In 2021, the WA State Legislature enacted House Bill (HB) 1220, which amended the GMA requirements for locally adopted Housing Elements;
- In June 2021, King County prepared the Urban Growth Capacity (UGC) Report, which included a Land Capacity Analysis (LCA) for Mercer Island;
- The City Council set a scope of work for the Comprehensive Plan periodic review in 2022 with [Resolution 1621](#);
- The adopted scope of work included the creation of the Housing Work Group (HWG) to prepare an updated draft of the Housing Element. The HWG is composed of three city council members (Wendy Weiker, Craig Reynolds, Salim Nice) and two planning commissioners (Kate Akyuz, Carolyn Boatsman);
- The HWG was put on hold in November 2022 in anticipation of major changes prompted by HB 1220;
- Between May and August 2023, the WA Department of Commerce (Commerce) issued guidance for [updating housing elements](#) to comply with HB 1220. The Commerce guidance required additional steps not included in the City's original scope of work;
- The City Council updated this scope of work to add tasks for the Housing Element update in the summer of 2023 with [Resolution 1646](#);
- In August 2023, King County adopted [Ordinance 19660](#), which amended the Countywide Planning Policies (CPPs) to establish housing needs for all of its cities as required by HB 1220. The CPPs set the number of moderate, low, very low, and extremely low-income housing units needed in each city throughout the county;
- In accordance with the updated scope of work and the Commerce guidance, staff produced a Land Capacity Analysis (LCA) Supplement and a Racially Disparate Impacts (RDI) Evaluation and provided findings to the City Council with [Agenda Bill \(AB\) 6385](#);
- On January 16, 2024, the City Council approved two motions providing guidance to the Housing Work Group (HWG) on how to proceed with updating the Housing Element in light of the findings of the LCA Supplement and RDI Evaluation ([AB 6393](#));
- Between January and March 14, the HWG met to formulate and refine a draft of the Housing Element (Exhibit 1) and the corresponding amendments to related policies in the Land Use Element (Exhibit 2);
- The Planning Commission will review the HWG draft of the Housing Element from March 20 to April 10.

## STATE, REGIONAL, AND COUNTYWIDE REQUIREMENTS

Several layers of requirements apply to the Housing Element. State requirements are established by the GMA. Commerce provides guidance for complying with the GMA requirements. At the regional level, the Puget Sound Regional Council (PSRC) has adopted a regional plan called Vision 2050, which includes multicounty planning policies (MPPs). PSRC conducts a review of locally adopted comprehensive plans to ensure that they are consistent with the MPPs. King County has established countywide planning policies (CPPs) that local jurisdictions' comprehensive plans must be consistent with. King County will review and comment on locally adopted housing elements for the first time during this periodic review cycle. The HWG considered these requirements as it prepared its draft of the Housing Element to ensure that it meets the requirements. More information about state, regional, and countywide requirements can be found in the Housing Element Planning Framework (Exhibit 3).

The HWG draft Housing Element includes notation of which state, regional, and countywide requirements each component is directed at. In the draft, requirement notation is provided in brackets with a reference number that connects to the Housing Element Planning Framework in Exhibit 3. For example, HWG Draft Policy 1.5 states, "Take actions to promote healthy and safe homes" which is related to countywide requirement CPP-18 on page 10 of the Housing Element Planning Framework, so Policy 1.5 is followed by the notation "[CPP-18]". Throughout the HWG draft Housing Element, the bracketed notes refer back to the Housing Element Planning Framework in

Exhibit 3. The bracketed notes are for reference only and will be removed from the Housing Element prior to adoption.

## ISSUE/DISCUSSION

### Housing Element Process

The process to arrive at the recommended draft Housing Element has been underway since 2022. First, the City Council approved the Comprehensive Plan Periodic Review Scope of Work in March 2022 ([Resolution 1621](#)). Then, the five HWG members were selected from the City Council and PC. Three members were selected from the City Council (Salim Nice, Wendy Weiker and Craig Reynolds) and two from the PC (Carolyn Boatsman and Kate Akyuz). The HWG met three times between June and September 2022. The HWG process was paused in November 2022 in anticipation of Commerce issuing new guidance for updating the Housing Element and potential statewide legislation.

State and County guidelines and requirements for the Housing Element were updated throughout 2023 as the HWG work was paused. Commerce issued guidance between May and August 2023 to address the GMA requirements added by recent legislation. In August 2023, King County updated its CPPs to set housing needs by household income for all cities within the County.

By mid-2023, it became clear that the combination of updated Commerce guidance and amended CPPs required additional analysis and evaluation to ensure the Housing Element complied with state law and county policies. In July 2023, the City expanded its Comprehensive Plan Periodic Review Scope of Work to include the tasks needed to comply with updated Commerce guidance and King County CPPs ([Resolution 1646](#)). Staff prepared the LCA Supplement and RDI Evaluation, which was presented to the City Council on January 2, 2024, with Agenda Bill 6385. On January 16, 2024, the City Council provided guidance to the HWG on how to proceed with updating the Housing Element.

After the Council provided direction the HWG resumed its work in the second half of January. Meeting five times throughout January, February, and March, the HWG drafted an updated Housing Element (Exhibit 1). Through this process, the HWG took particular care to ensure that the updated element would comply with the state, regional and county requirements. On March 14, the HWG voted unanimously to recommend both the draft Housing Element (Exhibit 1) and Land Use Element consistency amendments (Exhibit 2) to the PC.

Given the scope of amendments needed to comply with the new requirements, a repeal and replacement of the Housing Element is proposed. The HWG draft Housing Element would fully replace the [existing Housing Element](#). Thus, the draft is shown without strikeout/underline notation.

### Land Use Element Consistency Amendments

The Land Use Element includes several goals and policies that directly relate to housing. These housing related goals and policies require amendments to remain consistent with the updated Housing Element. In addition to consistency amendments, some of the housing-related land use policies were identified as needing review in the RDI Evaluation. The attached draft of amendments to housing related Land Use Element goals and policies was prepared by the HWG to maintain consistency with the draft Housing Element and resolve the topics identified in the RDI Evaluation. On March 14, the HWG unanimously voted to recommend the draft Land Use Element Consistency Amendments in Exhibit 2 to the PC.

The PC has already reviewed and proposed some amendments to the goals and policies in the Land Use Element. The Land Use Element Consistency Amendments started as a clean copy of the PC draft and made strikeout/underline changes to track changes from the previous PC draft. All of the tracked changes in Exhibit 2 are new edits proposed in addition to any changes the PC made during their last review.

The Land Use Element Consistency Amendments are divided into three categories as follows:

- ❖ Items **highlighted in green** are proposed substantive changes. These changes were proposed to maintain consistency with the changes made in the Housing Element.
  - **The green highlighted items are Goals 15, Policies 15.2, 15.3, 15.5, and Goal 17.**
- ❖ Goal 29 is **highlighted in blue**. This goal and policies are proposed for repeal and replacement to match the implementation policies proposed in the Housing Element draft.
  - The proposal is to strike nearly every existing policy in this section and replace them with the same set of implementation policies from the draft Housing Element.
  - The recommended approach to this section is treat it as a block. Because the policy language is already worked out in the Housing Element, **consensus on the whole section is ideal, rather than reworking individual policies**. After review is completed, these policies can be made consistent between both drafts.
- ❖ Items **highlighted in yellow** are more minor amendments where the policy direction is not intended to significantly change.
  - In the interest of time, the yellow highlighted items can be treated as a single block of amendments.
  - **The yellow highlighted items are Goal 16, Policies 15.1, 15.4, 16.1, 16.5, 16.6, and 17.3.**

#### Review Process

On March 20, staff will provide an initial briefing on the HWG draft Housing Element and Land Use Element Consistency Amendments. The PC can ask the HWG members in attendance and staff any clarifying questions during the briefing.

Written comments on the HWG draft Housing Element and Land Use Element Consistency Amendments should be provided by March 25. Please send comments to Adam Zack, Senior Planner at [adam.zack@mercerisland.gov](mailto:adam.zack@mercerisland.gov). The PC will go over written comments on March 27. To goal is to conclude the PC initial review of the draft Housing Element on April 10.

#### NEXT STEPS

**March 25** – PC Comments on the HWG Draft Housing Element are due;

**March 27** – PC reviews comments on the HWG Draft Housing Element;

**April 10** – PC finishes review of comments on the HWG Draft Housing Element and arrives at a public review draft;

#### RECOMMENDED ACTION

Receive report – no action required.

## I. Introduction

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

### Housing Growth Target and Housing Needs

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

In 2023, King County adopted [Ordinance 19660](#), which amended the Countywide Planning Policies (CPPs) to establish the number of dwelling units needed to accommodate moderate, low, very low, and extremely low-income households for cities throughout the county. The Housing Growth Target and Housing Needs by income level are shown in Table 1. [COM-3]

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

	Total Housing Growth Target	0-≤30% AMI <sup>3</sup>			>30-≤50% AMI	>50-≤80% AMI	>80-≤100% AMI	>100-≤120% AMI	>120% AMI	Emergency Housing <sup>2</sup>
		PSH <sup>1</sup>	Non-PSH <sup>1</sup>	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

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

Notes:

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

### Capacity to Accommodate Housing Growth Target and Housing Needs

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

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



**EXHIBIT 1**

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

The Land Capacity Analysis Supplement found that the City needed to increase multifamily and mixed-use development capacity by at least 143 units during the Comprehensive Plan periodic review to accommodate lower income housing needs. During the Comprehensive Plan periodic review, the City expanded development capacity with two actions. First, the City increased the maximum building height in selected Town Center subareas. Second, the City allowed multifamily development in the Commercial Office (C-O) zone. Those two actions were analyzed in the Land Capacity Analysis Supplement and were found to generate adequate capacity to accommodate the City's housing needs. [COM-4, PSRC-2]

The City prepared a Housing Needs Assessment (HNA) during the Comprehensive Plan periodic review ([Appendix X](#)). This assessment included an inventory and analysis of the existing housing stock that, combined with LCA, found that the City can accommodate its projected growth. [CPP-1, PSRC-1]

### **Permanent Supportive Housing and Emergency Housing**

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

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

Capacity for PSH and emergency housing was evaluated in the LCA Supplement. The LCA Supplement found that the Comprehensive Plan allows adequate capacity to accommodate its PSH and emergency housing needs. [COM-5]

### **Adequate Provisions**

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

**EXHIBIT 1**

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.

14  
15 [COM-7, COM-8, PSRC-1, CPP-2]



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

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

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.

## Racially Disparate Impacts and Displacement Risk

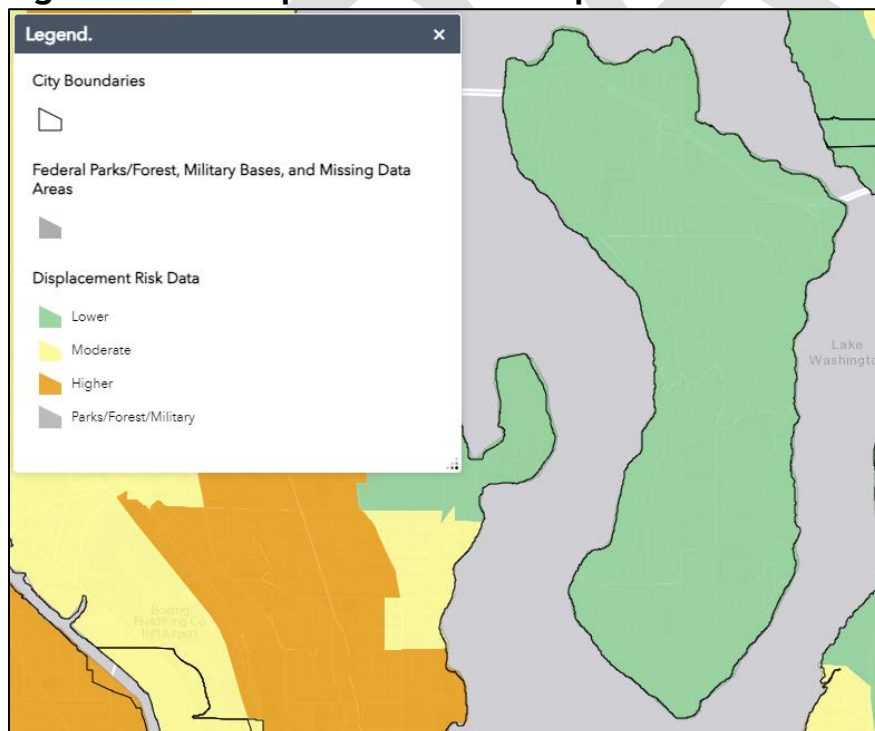
In 2021, the GMA was amended to require jurisdictions to identify potential racially disparate impacts, take steps to address those impacts, and reduce displacement risk. In 2023, Commerce provided guidance for complying with the GMA requirement to identify and begin undoing racially disparate impacts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

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

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

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

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



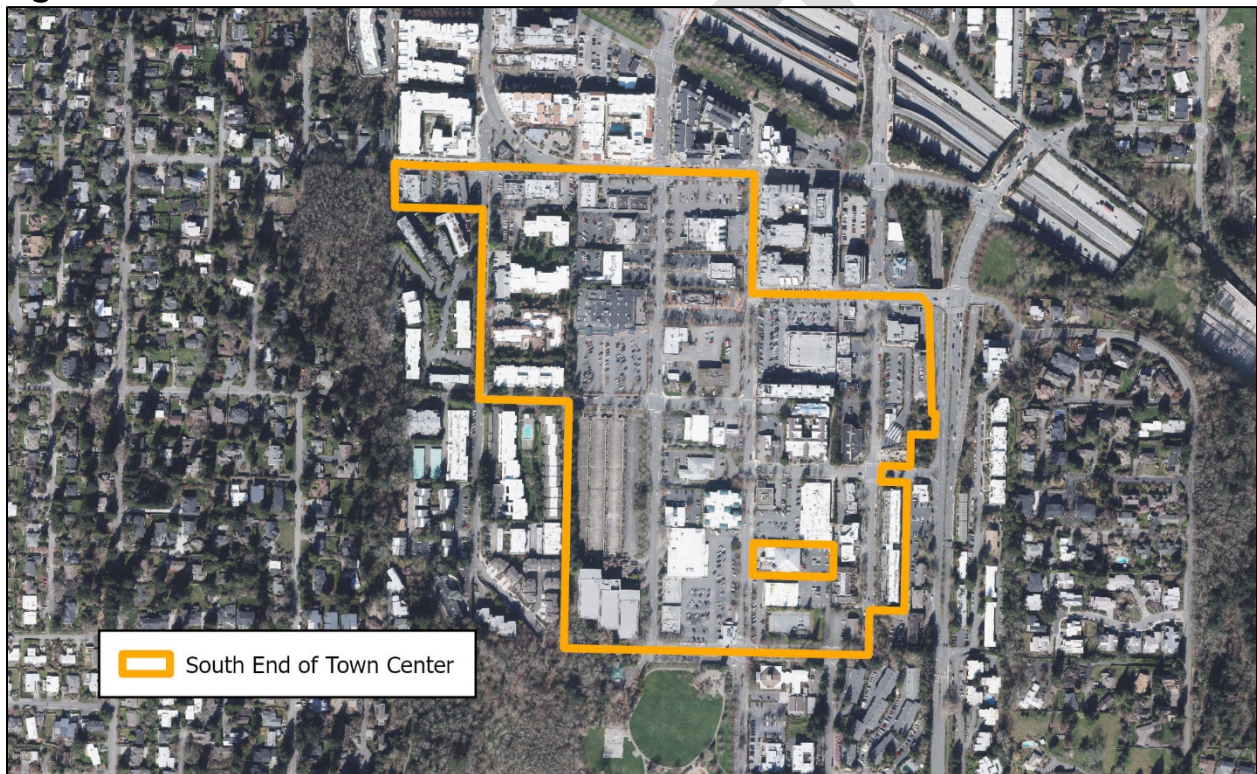
Source: Puget Sound Regional Council (PSRC) Displacement Risk Mapping. <https://www.psrc.org/our-work/displacement-risk-mapping>.

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

- The south end of Town Center;
- Multifamily zones adjacent to Town Center; and
- Multifamily zones east of Town Center. [COM-12, PSRC-10]

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

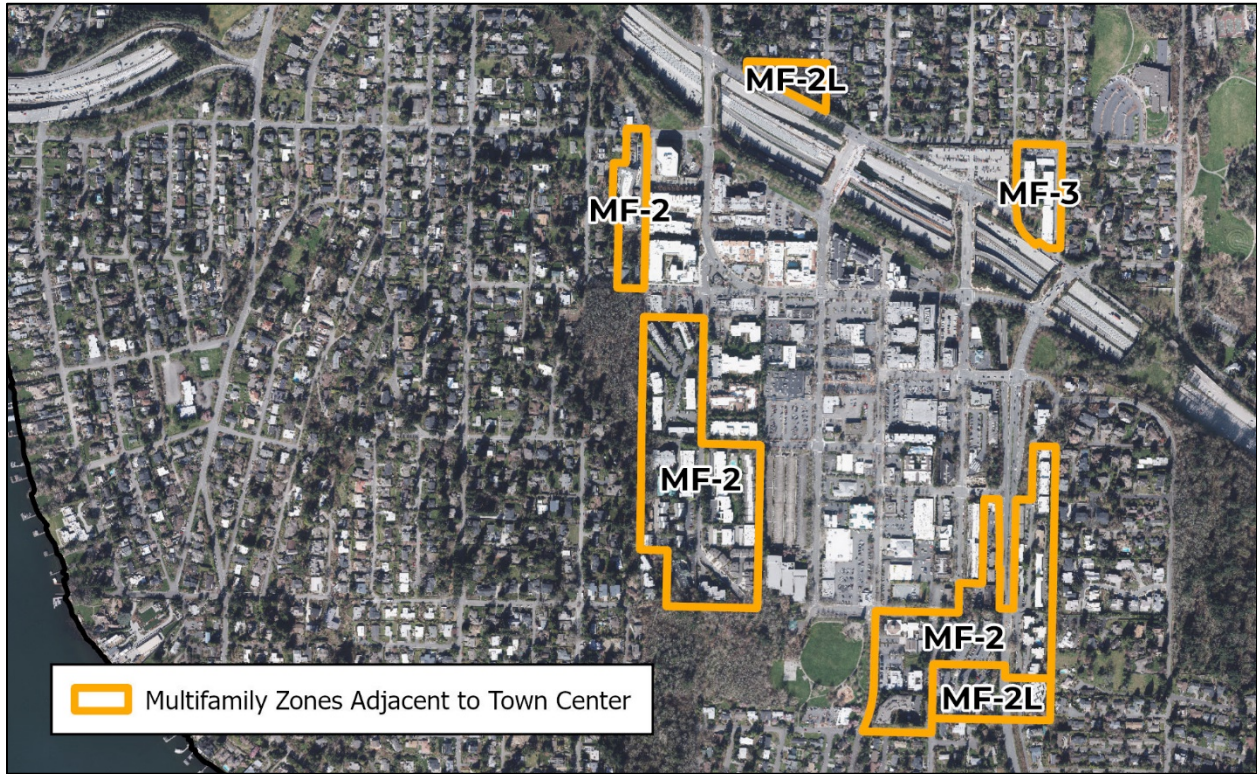
**Figure 2. South End of Town Center.**



Source: RDI Evaluation dated December 15, 2023.



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



Source: RDI Evaluation dated December 15, 2023.

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



Source: RDI Evaluation dated December 15, 2023.



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

- Increase the supply of affordable rental housing;
- Expand tenant protections;
- Add incentives for the construction of affordable housing;
- Increase capacity for multifamily and mixed-use housing; and
- Intentional public outreach during implementation of the Comprehensive Plan.

[COM-9, COM-10, COM-12, CPP-3, CPP-4]

## Goals and Policies

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

- Overall housing strategies;
- Affordable housing;
- Racially disparate impacts;
- Anti-Displacement;
- Residential regulations; and
- Implementation.

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

- Accommodate the City's housing target and projected housing needs;
- Make adequate provisions for housing needs for all economic segments of the community;
- Provide for and address potential barriers to the preservation, improvement, and development of housing;
- Begin undoing racially disparate impacts from past housing policies;
- Reduce or mitigate displacement risk as zoning changes and development occur; and
- Realize the City's goals for housing.

## II. Goals and Policies

### Goal 1 – Overall Housing Strategies

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

### Policies

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

- 1.1.A Ensuring the Comprehensive Plan allows adequate capacity for the Mercer Island housing growth target and housing needs assigned by King County;
  - 1.1.B Adopting policies that will increase the supply of income-restricted and naturally occurring affordable housing;
  - 1.1.C Addressing racially disparate impacts;
  - 1.1.D Reducing or mitigating displacement risk; and
  - 1.1.E Taking actions to implement this element throughout the Comprehensive Plan planning period.
- 1.2 Categorize household income level for the purposes of this element as follows:
- 1.2.A High income is a household income that exceeds 120 percent of the AMI;
  - 1.2.B Moderate income is a household income at or below 120 percent and above 80 percent of the AMI;
  - 1.2.C Low income is household income at or below 80 percent and above 50 percent of the AMI;
  - 1.2.D Very low income is household income at or below 50 percent and above 30 percent of the AMI; and
  - 1.2.E Extremely low income is household income at or below 30 percent of the AMI. [Definitions from RCW 36.70A.030]
- 1.3 Accommodate the Mercer Island housing growth target and housing needs by income level with the following approaches:
- 1.3.A High Income – Continue to allow market rate single-family, moderate density, and condominium housing;
  - 1.3.B Moderate, Low-, and Very Low-Income –
    - (1) Implement strategies to increase the supply of new income restricted units;
    - (2) Implement strategies to preserve existing units; and
    - (2) Reduce barriers to new moderate density, multifamily, and mixed-use construction.
  - 1.3.C Extremely Low-Income and Permanent Supportive Housing (PSH) –
    - (1) Implement strategies to increase the supply of new income restricted units for extremely low-income households and PSH; and
    - (2) Coordinate efforts among providers, developers, and government agencies; and
    - (3) Organize resources in support of new income restricted development.
  - 1.3.D Emergency Housing – Allow use consistent with state law and ensure that occupancy, spacing, and intensity regulations allow sufficient capacity to accommodate the City's level of need. [HB 1220, COM-1, PSRC-3, CPP-6, CPP-15]
- 1.4 Plan for residential neighborhoods that protect and promote the health and well-being of residents by supporting equitable access to:
- 1.4.A Parks and open space;

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



## Goal 2 – Affordable Housing

Goal: Households at all income levels can afford to live in Mercer Island because of the mix of market rate and income-restricted housing.

### Policies

- 2.1 Support the development and preservation of income-restricted housing that is within walking distance of planned or existing high-capacity transit. [PSRC-6, PSRC-9, CPP-9, CPP-10, CPP-11]
- 2.2 Implement strategies to overcome cost barriers to housing affordability. Strategies should include:
  - 2.2.A Periodic review of development standards, staffing levels, and permit processes to reduce permit review times and costs;
  - 2.2.B Periodic review of residential densities in high-density zones to adjust multifamily and mixed-use capacity as needed to accommodate housing needs;
  - 2.2.C Programs, policies, partnerships, and incentives to decrease costs to build and preserve affordable housing. [PSRC-7, CPP-5, CPP-7, COM-8, COM-11]
- 2.3 Decrease barriers and promote access to affordable homeownership for extremely low-, very low-, and low-income, households. [COM-8, CPP-13]
- 2.4 Increase affordable homeownership options for moderate income households by increasing moderate density housing capacity. [COM-1, PSRC-3, PSRC-4, CPP-12, CPP-13]
- 2.5 Encourage the construction of new permanent income-restricted housing through approaches such as the following
  - 2.5.A Affordable housing incentives that require units at varying income levels to be incorporated into new construction to address the Mercer Island housing growth target and housing needs for households earning less than the area median income (AMI). Affordable housing unit requirements should be set at levels to yield more lower-income units as the benefit of the incentive increases.
  - 2.5.B Height bonuses concurrent with any increase in development capacity to address Mercer Island's affordable housing needs;
  - 2.5.C Incentives for the development of housing units affordable to extremely low-, very low-, low-, and moderate-income households;
  - 2.5.D A multifamily tax exemption (MFTE) linked to substantial additional affordability requirements.
  - 2.5.E Reduced design review processes and simplified standards for developments with affordable units.
  - 2.5.F Reduced or waived permit fees for developments with affordable units.

- 2.5.G Reduced parking requirements for income-restricted units. [PSRC-3, PSRC-8, CPP-5, CPP-15]
- 2.6 Evaluate potential revenue sources to fund a local affordable housing fund. [CPP-7, CPP-8, CPP-15]
- 2.7 Evaluate a fee-in-lieu program whereby payments to the local affordable housing fund can be made as an alternative to constructing required income-restricted housing. [CPP-7, CPP-8, CPP-15]
- 2.8 Prioritize the use of local and regional resources for income-restricted housing, particularly for extremely low-income households, populations with special needs, and others with disproportionately greater housing needs. [CPP-5, CPP-8, CPP-15]
- 2.9 Evaluate the feasibility of establishing zoning in existing multifamily and mixed-use zones that would require developers to provide affordable housing in new high-density developments. [PSRC-7, PSRC-8, CPP-5, CPP-12, CPP-15]
- 2.10 Continue to participate in A Regional Coalition for Housing (ARCH) as a key strategy for addressing affordable housing need for low-, very low-, and extremely low-income households. [CPP-6]
- 2.11 Evaluate increasing the contribution to the ARCH Housing Trust Fund (HTF) to be at a per-capita rate consistent with other participating/member cities as a key strategy to address PSH, extremely low-, very low-, and low-income housing needs. [CPP-6, CPP-15]
- 2.12 Develop partnerships to address barriers to the production of housing affordable to extremely low-income households by connecting with government agencies, housing service providers, religious organizations, affordable housing developers, and interested property owners. [CPP-14, CPP-15]
- 2.13 Periodically meet with partners to gather feedback on actions the City can take to reduce barriers to the production of extremely low-income housing units, including PSH and emergency housing. [CPP-14, CPP-15]

### Goal 3 – Racially Disparate Impacts

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

### Policies

- 3.1 Begin undoing racially disparate impacts by prioritizing actions that:
- 3.1.A Increase the supply of affordable rental housing;

- 3.1.B Expand tenant protections;
- 3.1.C Add incentives for the construction of affordable housing;
- 3.1.D Increase capacity for multifamily and mixed-use housing; and
- 3.1.E Include intentional public outreach during implementation of the Comprehensive Plan. [PSRC-12]

3.2 Acknowledge historic inequities in access to homeownership opportunities for communities of color. [PSRC-11]

3.3 Seek partnerships with impacted communities to promote equitable housing outcomes and prioritize the needs and solutions expressed by these disproportionately impacted communities for implementation. [PSRC-10, CPP-4, CPP-14, CPP-15]

3.4 Include a statement in all future Public Participation Plans adopted for actions that implement this Housing Element explaining how the City will reach impacted communities. [PSRC-10, CPP-4, CPP-14, CPP-15]

3.5 Seek partnerships and dedicated resources to eliminate racial and other disparities in access to housing and neighborhoods of choice. [PSRC-10, CPP-4, CPP-14, CPP-15]

#### **Goal 4 – Anti-Displacement**

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

#### **Policies**

4.1 Seek partnerships to develop an affordable housing inventory to catalog the location, quantity, and ownership of income-restricted affordable units and naturally occurring affordable housing (NOAH). [CPP-14, CPP-15, CPP-17]

4.2 Evaluate and consider implementing the following tenant protections:

4.2.A Required advance notice of rent increases;

4.2.B Relocation assistance; and

4.2.C Right of first refusal or tenant opportunity to purchase requirements when an apartment building is converted to a condominium. [CPP-15, CPP-17]

4.3 Evaluate the potential increased risk of displacement that could accompany any increase in development capacity concurrent with proposed zoning changes affecting a zone where multifamily or mixed-use development is allowed. This evaluation should:

4.3.A Be paid for by an applicant requesting a rezone and conducted on behalf of the City;

- 4.3.B Consider economic, physical, and cultural displacement as defined by the WA Department of Commerce;
- 4.3.C Recommend strategies to reduce or mitigate identified displacement risks; and
- 4.3.D Be presented to City decision makers prior to making findings, recommendations, or decisions. [CPP-15, CPP-17]

- 4.4 Policy or regulatory amendments that affect development capacity in zones where multifamily or mixed-use residential development is allowed must be accompanied by findings that displacement risk has been adequately reduced and/or mitigated. [CPP-15, CPP-17]

## Goal 5 – Residential Regulations

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

## Policies

- 5.1 Consider reviewing the multifamily development standards to identify potential amendments that would:
  - 5.1.A Reduce permit review times and costs;
  - 5.1.B Simplify requirements,
  - 5.1.C Limit design review process to administrative design review and ensure that all design standards are objective and measurable;
  - 5.1.D Ensure parking requirements are right-sized to adequately balance the need for parking with the per-unit cost of parking and consistent with state law;
  - 5.1.E Increase affordable housing incentives; and
  - 5.1.F Address displacement risk from zoning changes. [PSRC-7, CPP-6]
- 5.2 Identify the regulatory amendments necessary to allow duplexes, triplexes, townhomes, and other moderate density housing types in residential zones. [COM-1, PSRC-4]
- 5.3 Amend residential development standards to allow middle housing types and ADUs in residential zones consistent with the state law. [HB 1110, COM-1, PSRC-4, CPP-12]
- 5.4 Consider amending ADU development standards to add flexibility and expand options for the development of this type of housing to help meet housing needs for moderate to low-income households. [HB 1337, COM-2]
- 5.5 Consider restructuring existing ADU incentives such as the gross floor area bonus to require affordable housing.

## Goal 6 – Implementation

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

### Policies

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

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

6.1.B Any funding including grants allocated to support the completion of these actions;

6.1.C Any staff resources allocated to support the completion of these actions;

6.1.D A schedule detailing the key actions and/or milestones for the completion of each action; and

6.1.E A list of near-term future actions expected to be proposed to be added to department work plans in the next three to five years.

6.2 Prepare a biennial report tracking implementation of the Housing Element. The report will be provided to the City Council prior to adoption of the budget.

6.3 Partner with state, regional, and countywide agencies to periodically track the effectiveness of the policies in this element including the GMA required implementation progress report due five years after each Comprehensive Plan periodic review. [CPP-20 and RCW 36.70A.130(9)(a)]

6.4 Provide resources for actions to implement this element and respond to limited resources by using strategies such as:

6.4.A Alternate funding sources;

6.4.B Public-private partnerships;

6.4.C Reducing project or program scope to align with current biennial budget constraints; and

6.4.D Amending the policies of the Housing Element to reflect the City's capacity to implement the element.

# Housing Related Land Use Policies

## GREEN – SUBSTANTIVE AMENDMENTS

**GOAL 15:** Mercer Island should remain principally a low to moderate density, single family residential community.

**15.2** ~~Residential densities in single family areas will generally continue to occur at three to five units per acre, commensurate with current zoning. However, some adjustments may be made to allow the development of innovative~~ Provide for housing types in residential zones, such as accessory dwelling units and compact courtyard homes ~~additional middle housing types at slightly higher densities as outlined in the Housing Element.~~

**15.3** ~~Confine low rise apartments, condos, and duplex/triplex designs to those areas already zoned to allow multi-family housing. Encourage multifamily and mixed-use housing within the existing boundaries of the Town Center, multifamily, and Commercial Office zones to accommodate moderate- to extremely low-income households.~~

**15.5** Manage impacts that could result from new development in residential zones by establishing standards to:

15.5.A Regulate on- and off-street parking;

15.5.B Encourage the retention of trees and landscaped areas;

15.5.C Establish incentives and anti-displacement measures consistent with the Housing Element; and

15.5.D Control the scale and intensity of new development to be consistent with the existing built form in residential zones.

**GOAL 17:** ~~Commercial designations and permitted uses under current zoning will not change with the exception of allowing residential development in mixed-use zones. The allowed uses in commercial and mixed-use zones balance the City's economic development and housing needs.~~

## BLUE – IMPLEMENTATION POLICIES

**GOAL 29:** ~~To implement land use development and capital improvement projects consistent with the policies of the comprehensive plan. The Land Use Element is implemented in a timely and efficient manner so that City's goals are realized.~~

**29.1** ~~To focus implementation of the Comprehensive Plan on those issues of highest priority to the City Council and community: Town Center development, storm drainage, critical lands protection, and a diversity of housing needs including affordable housing.~~

~~29.2 To create opportunities for housing, multi-modal transportation, and development consistent with the City's share of regional needs.~~

~~29.3 To make effective land use and capital facilities decisions by improving public notice and citizen involvement process.~~

~~29.4 To continue to improve the development review process through partnership relationships with project proponents, early public involvement, reduction in processing time, and more efficient use of staff resources.~~

29.5 To continue to improve the usability of the "Development Code" by simplifying information and Code format; eliminating repetitious, overlapping and conflicting provisions; and consolidating various regulatory provisions into one document.

~~29.6 Mercer Island has consistently accepted and planned for its fair share of regional growth, as determined by the GMPC and the King County CPPs. However, build out of the City is approaching. In the future, the City will advocate for future growth allocations from the GMPC which will be consistent with its community vision, as reflected in the Comprehensive Plan and development regulations; environmental constraints; infrastructure and utility limitations; and its remaining supply of developable land.~~

29.2 Establish a Land Use Element implementation strategy and schedule in conjunction with each biennial budget cycle. This implementation strategy can be periodically updated and amended by City Council at any time thereafter and should detail the following:

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

29.2.B Any funding including grants allocated to support the completion of these actions;

29.2.C Any staff resources allocated to support the completion of these actions;

29.2.D A schedule detailing the key actions and/or milestones for the completion of each action; and

29.2.E A list of near-term future actions expected to be proposed to be added to department work plans in the next three to five years.

29.3 Prepare a biennial report tracking implementation of the Land Use Element. The report will be provided to the City Council prior to adoption of the budget.

29.4 Provide resources for actions to implement this element and respond to limited resources by using strategies such as:

29.4.A Alternate funding sources;

29.4.B Public-private partnerships;



**EXHIBIT 2**

29.4.C Reducing project or program scope to align with current biennial budget constraints; and

29.4.D Amending the policies of the Land Use Element to reflect the City's capacity to implement the element.

**YELLOW – SIMPLE TEXT AMENDMENTS**

15.1 Preserve the neighborhood character in ~~single family~~ all residential zones.

15.4 ~~As a primarily single family residential community with a high percentage of developed land, the community cannot provide for all types of land uses. Certain activities will be considered incompatible with present uses. Incompatible uses include~~ Discourage incompatible land uses such as landfills, correctional facilities, zoos and airports in existing zones. Compatible ~~Encourage compatible permitted~~ uses such as education, recreation, open spaces, government social services and religious activities ~~will be encouraged.~~

**GOAL 16: Achieve additional residential capacity in ~~single family residential~~ zones through flexible land use techniques and land use entitlement regulations.**

16.1 ~~Encourage the~~ Use of the existing housing stock to address changing population needs and aging in place. Accessory dwelling units and shared housing opportunities should be considered in order to provide accessible and affordable housing, relieve tax burdens, and maintain existing, stable neighborhoods.

16.5 ~~Encourage~~ infill development ~~of middle housing on vacant or under-utilized sites should occur outside of critical areas and ensure that the infill it is compatible with the surrounding neighborhoods.~~

16.6 Explore flexible residential development regulations and entitlement processes that support, and create incentives for, ~~subdivisions that incorporate public amenities through the use of a pilot program. The use of flexible residential development standards should be used to~~ and encourage public amenities such as wildlife habitat, accessible homes, affordable housing, and sustainable development.

17.3 ~~Inclusion of a range of~~ Add multifamily residential and other commercial densities should be allowed when compatible uses in to the Commercial Office zones. This should be accomplished t ~~Through rezones or changes in zoning district regulations, multi-family residences should be allowed in all commercial zones where that minimize potential~~ adverse impacts to surrounding areas ~~can be minimized. Housing should be used to create new, vibrant neighborhoods.~~



# HOUSING ELEMENT PLANNING FRAMEWORK

State, Regional, Countywide, and Local  
Information

## SUMMARY

This document is a summary of the general housing planning framework under state law, regional planning efforts, King County policies, and local sources of information. This paper is a primer for the City of Mercer Island Planning Commission to review the Housing Element of the Comprehensive Plan.

City of Mercer Island, WA  
Community Planning and Development Department  
Adam Zack, Senior Planner  
March 14, 2024

## Housing Element Planning Framework

This document is a summary of the general housing planning framework under state law, regional planning efforts, King County policies, and local sources of information. This paper is a primer for the City of Mercer Island Planning Commission to review the Housing Element of the Comprehensive Plan.

## Statewide – Growth Management Act (GMA)

Adopted in 1990, the WA State Growth Management Act (GMA) requires most cities and counties in the state to adopt and periodically review a comprehensive plan. The City of Mercer Island adopted its first GMA compliant comprehensive plan in 1994 with [Ordinance A-122](#). The City's GMA compliant Comprehensive Plan has been updated several times in the intervening 30 years. The GMA is codified in [Chapter 36.70A Revised Code of Washington \(RCW\)](#).

### Statewide Planning Goals and Mandatory Elements

The GMA establishes fifteen statewide planning goals to guide the development of local comprehensive plans. The statewide planning goals are the foundation of what comprehensive plans should seek to accomplish. Statewide planning goal 4 established in RCW 36.70A.020(4) addresses housing, stating:

“Housing. Plan for and accommodate housing affordable to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock.”

In addition to outlining the goal for planning for housing, the GMA requires the City adopt a Housing Element as part of its comprehensive plan. The GMA Housing Element requirement includes direction on what must be included in a Housing Element in RCW 36.70A.070(2) – Mandatory Elements, which states:

[ ... ]

(2) A housing element ensuring the vitality and character of established residential neighborhoods that:

(a) Includes an inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth, as provided by the department of commerce, including:

(i) Units for moderate, low, very low, and extremely low-income households; and

(ii) Emergency housing, emergency shelters, and permanent supportive housing;

(b) Includes a statement of goals, policies, objectives, and mandatory provisions for the preservation, improvement, and development of

housing, including single-family residences, and within an urban growth area boundary, moderate density housing options including[,] but not limited to, duplexes, triplexes, and townhomes;

(c) Identifies sufficient capacity of land for housing including, but not limited to, government-assisted housing, housing for moderate, low, very low, and extremely low-income households, manufactured housing, multifamily housing, group homes, foster care facilities, emergency housing, emergency shelters, permanent supportive housing, and within an urban growth area boundary, consideration of duplexes, triplexes, and townhomes;

(d) Makes adequate provisions for existing and projected needs of all economic segments of the community, including:

(i) Incorporating consideration for low, very low, extremely low, and moderate-income households;

(ii) Documenting programs and actions needed to achieve housing availability including gaps in local funding, barriers such as development regulations, and other limitations;

(iii) Consideration of housing locations in relation to employment location; and

(iv) Consideration of the role of accessory dwelling units in meeting housing needs;

(e) Identifies local policies and regulations that result in racially disparate impacts, displacement, and exclusion in housing, including:

(i) Zoning that may have a discriminatory effect;

(ii) Disinvestment; and

(iii) Infrastructure availability;

(f) Identifies and implements policies and regulations to address and begin to undo racially disparate impacts, displacement, and exclusion in housing caused by local policies, plans, and actions;

(g) Identifies areas that may be at higher risk of displacement from market forces that occur with changes to zoning development regulations and capital investments; and

(h) Establishes antidisplacement policies, with consideration given to the preservation of historical and cultural communities as well as

investments in low, very low, extremely low, and moderate-income housing; equitable development initiatives; inclusionary zoning; community planning requirements; tenant protections; land disposition policies; and consideration of land that may be used for affordable housing.

In counties and cities subject to the review and evaluation requirements of RCW 36.70A.215, any revision to the housing element shall include consideration of prior review and evaluation reports and any reasonable measures identified. The housing element should link jurisdictional goals with overall county goals to ensure that the housing element goals are met.

### **RCW Sections**

[36.70A.020 – Planning Goals](#)

[36.70A.030 – Definitions](#)

[36.70A.070 – Mandatory Elements](#)

### **Washington Administrative Code (WAC)**

The WA Department of Commerce (Commerce) has established additional Housing Element requirements and recommendations in WAC 365-196-410 - Housing Element. The Commerce guidance and expanded housing checklist also provide information about recommendations and requirements at the state level.

[WAC 365-196-410 – Housing Element](#)

### **Commerce Guidance**

Between May and August 2023, Commerce published three housing guidebooks. These documents updated the Commerce guidance for complying with GMA given the significant changes enacted in 2021, when the WA Legislature passed House Bill 1220. The Commerce guidebooks are available on the Commerce website:

**Book 1 - [Establishing Housing Targets for Your Community](#)**

**Book 2 – [Guidance for Updating Your Housing Element](#)**

**Book 3 – [Guidance to Address Racially Disparate Impacts](#)**

### **Commerce Expanded Housing Checklist**

Commerce has published the [Expanded Housing Checklist](#) for updating the housing elements to ensure that the element is consistent with the GMA requirements. The Expanded Housing Checklist includes items in the Land Use Element and development regulations that need to be updated. The requirements from the Expanded Housing Checklist are:

## Land Use Element

- LU-1** The land uses on the future land use map must reflect projected growth including future housing needs.
- LU-2** Include table or other documentation of local allocation of population and housing needs by income bracket from the countywide process.
- LU-3** Population estimates should include assumed densities to accommodate housing needs.
- LU-4** Review and potentially amend goals and policies to address racially disparate impacts. Land use goals and policies identified for potential amendment in the Racially Disparate Impacts Evaluation: Goal 15, Policies 15.1, 15.2, 15.3, 15.4, 16.5, and 30.6.
- LU-5** Land Use Map should show higher density housing located near employment (commercial) and/or adjacent to high quality transit.

## Housing Element

- COM-1** Ensure there are policies addressing a variety of moderate density housing types, such as duplexes, triplexes, and townhomes.
- COM-2** Include text and/or policies that address the potential for ADUs to meet housing needs.
- COM-3** Table or other documentation of local allocation of housing needs by income bracket.
- COM-4** Statement showing there is sufficient capacity of land for all income housing needs, including a table showing the breakdown of capacity in zones which adds up to housing needs for all income brackets.
- COM-5** Documentation that the City allows the siting of a sufficient number of units and beds necessary to meet projected needs for Permanent Supportive Housing (PSH) and Emergency Housing.
- COM-6** The Zoning Map must be consistent with and implement the Land Use Map and land capacity findings.
- COM-7** Include a list of barriers to affordable housing needs, including barriers to emergency housing and permanent supportive housing.
- COM-8** Documentation of programs and actions intended to remove barriers to affordable housing.
- COM-9** Include a statement of whether data shows if there are disparate impacts.
- COM-10** Review of housing element policies and regulations that have led to these impacts.
- COM-11** Include policies that address development of more affordable housing, preservation of existing affordable housing, and protection of existing households from displacement.

**COM-12** Map of areas that may be at risk of displacement.

## Development Regulations and Zoning Code

**COM-13** Zoning map and text allow for the housing types and densities in the land capacity analysis.

**COM-14** Any limitations on permanent supportive housing and transitional housing must be connected to public health and safety and allow the siting of a sufficient number of units and beds necessary to meet projected needs.

## Regional – Puget Sound Regional Council (PSRC)

The PSRC is a regional planning agency that coordinates decisions about regional growth, transportation and economic development planning in King, Kitsap, Pierce, and Snohomish counties. The PSRC is a Regional Transportation Planning Organization (RTPO), which reviews locally adopted comprehensive plans to transportation planning goals are met ([RCW 47.80.026](#)). The PSRC will review the City's adopted Comprehensive Plan update to ensure that it is consistent with regional plans.

### Vision 2050

From the [PSRC website](#):

VISION 2050 is the region's plan for growth. By 2050, the region's population will reach 5.8 million people. The region's cities, counties, Tribes, ports, agencies, businesses, and communities have worked together to develop VISION 2050 to prepare for this growth and serve as a guide for sustaining a healthy environment, thriving communities and a strong economy. VISION 2050 is a plan for the long-term that can be adjusted as the region changes.

Vision 2050 establishes Multicounty Planning Policies (MPPs), which help guide the formulation of countywide and local comprehensive plan policies.

[Vision 2050 – MPPs: Housing](#)  
[Vision 2050 – Housing Element Guide](#)  
[Vision 2050 – Full Plan](#)

### PSRC Vision 2050 Consistency Tool

The PSRC has published a [Vision 2050 Consistency Tool for Local Comprehensive Plans](#), which includes items that must be addressed in local housing elements. The requirements from the Vision 2050 Consistency Tool are:

**PSRC-1** Address affordable housing needs by developing a housing needs assessment and evaluating the effectiveness of existing housing policies, and documenting strategies to achieve housing targets and affordability goals. This includes documenting programs and actions needed to



achieve housing availability including gaps in local funding, barriers such as development regulations, and other limitations.

- PSRC-2** Increase housing supply and densities to meet the region’s current and projected needs at all income levels consistent with the Regional Growth Strategy. [Source: Multicounty Planning Policy (MPP)-H-1]
- PSRC-3** Expand the diversity of housing types for all income levels and demographic groups, including low, very low, extremely low, and moderate-income households. [Source: MPP-H-2-6, H-9]
- PSRC-4** Expand housing capacity for moderate density housing, i.e., “missing middle”. [Source: MPP-H-9]
- PSRC-5** Promote jobs-housing balance by providing housing choices that are accessible and attainable to workers. Include jobs-housing balance in housing needs assessments to better support job centers with the needed housing supply. [Source: MPP-H-1, H-6, H-Action-4]
- PSRC-6** Expand housing choices in centers and near transit. [Source: MPP-H-7-8]
- PSRC-7** Promote flexible standards and innovative techniques to encourage housing production that keeps pace with growth and need. [Source: MPP-H-10]
- PSRC-8** Use inclusionary and incentive zoning to provide more affordable housing when creating additional housing capacity. [Source: H-Action-5]
- PSRC-9** Jurisdictions planning for high-capacity transit stations: Create and preserve affordable housing near high-capacity transit. [Source: MPP-H-8, H-Action-1]
- PSRC-10** Identify potential physical, economic, and cultural displacement of low-income households and marginalized populations and work with communities to develop anti-displacement strategies when planning for growth. [Source: MPP-H-12, H-Action-6]
- PSRC-11** Promote homeownership opportunities while recognizing historic inequities in access to homeownership opportunities for communities of color. [Source: MPP-H-5]
- PSRC-12** Identify and begin to undo local policies and regulations that result in racially disparate impacts, displacement, and exclusion in housing, including zoning that may have a discriminatory effect and areas of disinvestment and infrastructure availability.

## King County

Under the GMA, counties serve an important role to coordinate planning among cities, setting urban growth area boundaries, analyzing land capacity, and regulating land use to preserve natural resource lands for farming and timber production.

## Urban Growth Capacity (UGC) Report

In 2021, King County issued the [Urban Growth Capacity Report](#) (UGC Report). This report provides the development capacity for all cities within the County, including Mercer Island. The UGC Report analyzes development trends, vacant and redevelopable lands, and achieved densities by jurisdiction to determine each city's capacity to accommodate the 20-year housing and employment growth targets. The UGC Report found that the City of Mercer Island had sufficient capacity to accommodate both its employment and housing growth targets in the next twenty years:

**Mercer Island Housing Capacity – 1,429 housing units**  
**Mercer Island Employment Capacity – 961 jobs**

## Countywide Planning Policies (CPPs)

The [CPPs](#) coordinate planning among cities throughout King County. They do this by setting standards and establishing growth targets, so all cities are planning for their proportionate share of the projected countywide growth. The CPPs were most recently updated by King County by [Ordinance 19660](#). One of the aspects of the CPPs that influence the Housing Element the most are the setting of both an overall growth target and the housing need, which is a disaggregation of the growth target into a number of housing units needed at varying household income levels. Table 1 provides the housing needs as established in the CPPs amended by King County Ordinance 19660.

**Table 1. Mercer Island 2044 Housing Growth Target and Housing Needs.**

	Total Housing Growth Target	0-≤30% AMI <sup>3</sup>			>30-≤50% AMI	>50-≤80% AMI	>80-≤100% AMI	>100-≤120% AMI	>120% AMI	Emergency Housing <sup>2</sup>
		PSH <sup>1</sup>	Non-PSH <sup>1</sup>	Total ≤30% AMI						
20-years Total Need	1,239	339	178	517	202	488	4	5	23	237

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

Notes:

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

## Countywide Planning Policies

[King County Website – CPPs](#)

## Permanent Supportive Housing and Emergency Housing

Under the GMA the City must plan for two types of housing for households with income at or below 30 percent of the AMI: permanent supportive housing (PSH) and non-permanent supportive housing. Housing need for extremely low-income housing is split into these two categories because these are two distinct housing types. PSH is intended to house people who need support services whereas non-PSH extremely low-income housing is meant for people at the lowest income level that do

not necessarily need additional services. For reference, PSH is defined in [RCW 36.70A.030\(31\)](#).

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

### **CPP Housing Element Requirements**

All city comprehensive plans in King County must be consistent with the CPPs. They were most recently updated in August 2023, by King County [Ordinance No. 19660](#). The 2023 update included amendments to address the new GMA housing requirements. The Housing Element requirements from the CPPs are summarized below:

- CPP-1** Include an inventory of the existing housing stock and assessment of housing needs and analysis to demonstrate that the jurisdiction can accommodate its projected housing need. [Source: CPP H-3]
- CPP-2** Evaluate the effectiveness of existing housing policies and strategies to plan for and accommodate their allocated share of countywide need. This includes identifying gaps in existing partnerships, policies, and dedicated resources for meeting countywide needs and eliminating racial and other disparities in access to housing and neighborhoods of choice. [Source: CPP H-4]
- CPP-3** Document the local history of racially exclusive and discriminatory land use and housing practices, consistent with local and regional fair housing reports and other resources. This includes evaluating housing policies for potential racially disparate impacts. Cities must demonstrate how current strategies are addressing impacts of those racially exclusive and discriminatory policies and practices. [Source: CPP H-5]
- CPP-4** Adopt intentional, targeted actions that repair harms to Black, Indigenous, and People of Color households from past and current racially exclusive and discriminatory land use and housing practices (generally identified through Policy H-(5). Promote equitable outcomes in partnership with communities most impacted. [Source: CPP H-9]
- CPP-5** Adopt policies, incentives, strategies, actions, and regulations that increase the supply of long-term income restricted housing for extremely low-, very low-, and low-income households and households with special needs. [Source: CPP H-10]
- CPP-6** Adopt and implement policies that improve the effectiveness of existing housing policies and strategies and address gaps in partnerships, policies, and dedicated resources to meet the jurisdiction's housing needs. [Source: CPP H-12]

- CPP-7** Implement strategies to overcome cost barriers to housing affordability. Strategies to do this vary but can include updating development standards and regulations, shortening permit timelines, implementing online permitting, optimizing residential densities, reducing parking requirements, and developing programs, policies, partnerships, and incentives to decrease costs to build and preserve affordable housing. [Source: CPP H-13]
- CPP-8** Prioritize the use of local and regional resources (e.g., funding, surplus property) for income-restricted housing, particularly for extremely low-income households, populations with special needs, and others with disproportionately greater housing needs. Consider projects that promote access to opportunity, anti-displacement, and wealth-building for Black, Indigenous, and People of Color. [Source: CPP H-14]
- CPP-9** Increase housing choices for everyone—particularly those earning lower wages—that is co-located with, accessible to, or within a reasonable commute to major employment centers and affordable to all income levels. Ensure there are zoning ordinances and building policies in place that allow and encourage housing production at levels that improve jobs-housing balance throughout the county across all income levels. [Source: CPP H-15]
- CPP-10** Expand the supply and range of housing types at densities sufficient to maximize the benefits of transit investments. [Source: CPP H-16]
- CPP-11** Support the development and preservation of income-restricted affordable housing that is within walking distance to planned or existing high-capacity and frequent transit. [Source: CPP H-17]
- CPP-12** Adopt inclusive policies intended to increase the ability of all residents to live in the neighborhood of their choice, reduce disparities in access to opportunity, and meet the needs of current and future residents by:
- Providing access to affordable housing with a focus on areas of high opportunity;
  - Increasing capacity for moderate density housing;
  - Evaluating the feasibility of inclusionary zoning to provide affordable housing; and
  - Providing access to housing types that serve a range of household sizes, types, and incomes. [Source: CPP H-18]
- CPP-13** Lower barriers to and promote access to affordable homeownership for extremely low-, very low-, and low-income, households. [Source: CPP H-19]
- CPP-14** Adopt and implement policies that address gaps in partnerships, policies, and dedicated resources to eliminate racial and other disparities in access to housing and neighborhoods of choice. [Source: CPP H-20]
- CPP-15** Adopt policies and strategies that promote:

- Equitable development and mitigate displacement risk, with consideration given to the preservation of historical and cultural communities;
- Investments in low-, very low-, extremely low-, and moderate-income housing production and preservation;
- Dedicated funds for land acquisition;
- Manufactured housing community preservation, inclusionary zoning; community planning requirements;
- Tenant protections;
- Public land disposition policies; and land that may be used for affordable housing;
- Mitigation of displacement that may result from planning efforts;
- Large-scale private investments, and market pressure; and
- Implementation of anti-displacement measures prior to or concurrent with development capacity increases and public capital investments. [Source: CPP H-21]

**CPP-16** Implement fair housing policies so that every person has equitable access and opportunity to thrive in their communities of choice regardless of their race, gender identity, sexual identity, ability, use of a service animal, age, immigration status, national origin, familial status, religion, source of income, military status, or membership in any other relevant category of protected people. [Source: CPP H-22]

**CPP-17** Adopt and implement policies that protect housing stability for renter households; expand protections and supports for moderate-, low-, very low- and extremely low-income renters and renters with disabilities. [Source: CPP H-23]

**CPP-18** Adopt programs and policies that ensure healthy and safe homes. [Source: CPP H-24]

**CPP-19** Plan for residential neighborhoods that protect and promote the health and well-being of residents by supporting equitable access to parks and open space, safe pedestrian and bicycle routes, clean air, soil and water, fresh and healthy foods, high-quality education from early learning through kindergarten through twelfth grade, affordable and high-quality transit options and living wage jobs and by avoiding or mitigating exposure to environmental hazards and pollutants. [Source: CPP H-25]

**CPP-20** Cities and the County must collaborate with the County to monitor and continually review the effectiveness of local strategies at meeting the countywide need. [Source: CPP H-28]

## Mercer Island Housing Information

Throughout the Comprehensive Plan periodic review, the City of Mercer Island has prepared several documents to inform goal setting and drafting policies.

### Housing Needs Assessment

In 2022, the City prepared a Housing Needs Assessment (HNA). The HNA analyzes conditions, trends, and gaps in Mercer Island's housing stock. The HNA describes the current housing stock in the city and evaluates how the Mercer Island Comprehensive Plan will accommodate the projected growth in housing.

In addition to analyzing housing needs, the HNA includes a list of recommended actions to address housing during the Comprehensive Plan update. The list of recommended actions includes policy recommendations, possible city programs, and other implementation actions to address identified housing needs.

The HNA was presented to the City Council and Planning Commission during a joint briefing with [Agenda Bill 6107](#). The City Council and Planning Commission made comments on HNA and were provided with an updated version in November 2022. That updated version will be adopted as an appendix of the Comprehensive Plan.

### Land Capacity Analysis (LCA) Supplement

In August 2023, Commerce issued its housing guidebook 2 "Guidance for Updating Your Housing Element" (see page 5 above). This guidance recommended steps for cities to analysis development capacity for their housing needs at varying household income levels. This guidance was issued to address new GMA planning requirements established by HB 1220.

In 2021, King County prepared the UGC Report, which analyzed land capacity in King County urban growth areas. The UGC Report did not consider the capacity for housing at affordable at different income levels. Further analysis is needed to determine whether there is adequate capacity to accommodate the housing need at each affordability level. The analysis that follows will make that determination and identify potential alternatives for addressing any capacity deficits at a given affordability level.

Based on the Commerce guidance, the City decided to conduct additional analysis to supplement the LCA conducted in the UGC Report. The LCA Supplement was prepared in the latter months of 2023 and was provided to the City Council with [Agenda Bill 6385](#). The LCA Supplement found that the City needed to increase development capacity by 143 multifamily and mixed-use housing units to accommodate its housing needs established in the King County CPPs. That capacity deficit will be addressed during the Comprehensive Plan periodic review.

### Racially Disparate Impacts (RDI) Evaluation

In May 2023 Commerce published "Guidance to Address Racially Disparate Impacts" (see page 6 above). This guidance recommended a process for cities to evaluate housing policies to comply with new requirements enacted by HB 1220 (RCW 36.70A.070(2)(e)-(h)). Based on the guidance, the City prepared the RDI Evaluation to determine whether housing policies have had a racially disparate impact and propose

steps the City can take to begin undoing those impacts. The RDI Evaluation also identified areas that have elevated risk of displacement as zoning changes and development occurs. The RDI Evaluation was presented to the City Council with the LCA Supplement in [Agenda Bill 6385](#). Updates to the Housing Element during the periodic review will address the findings of the RDI Evaluation.





Comprehensive Plan Periodic Review

## **Housing Work Group (HWG) Draft Housing Element**

PCB 24-05 | March 20, 2024

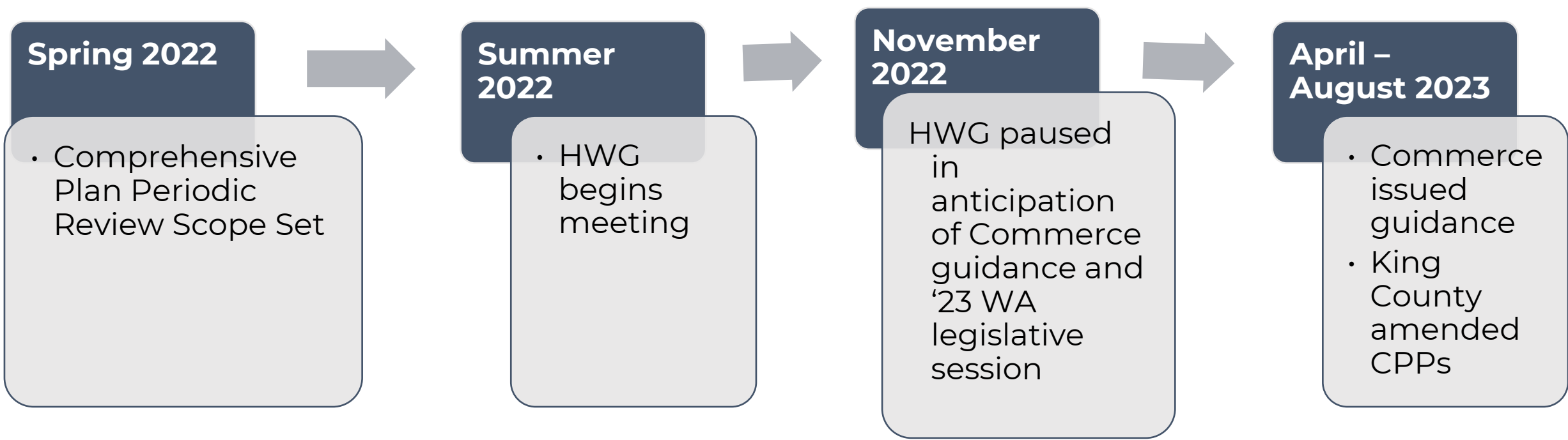
Adam Zack, Senior Planner  
Community Planning and Development



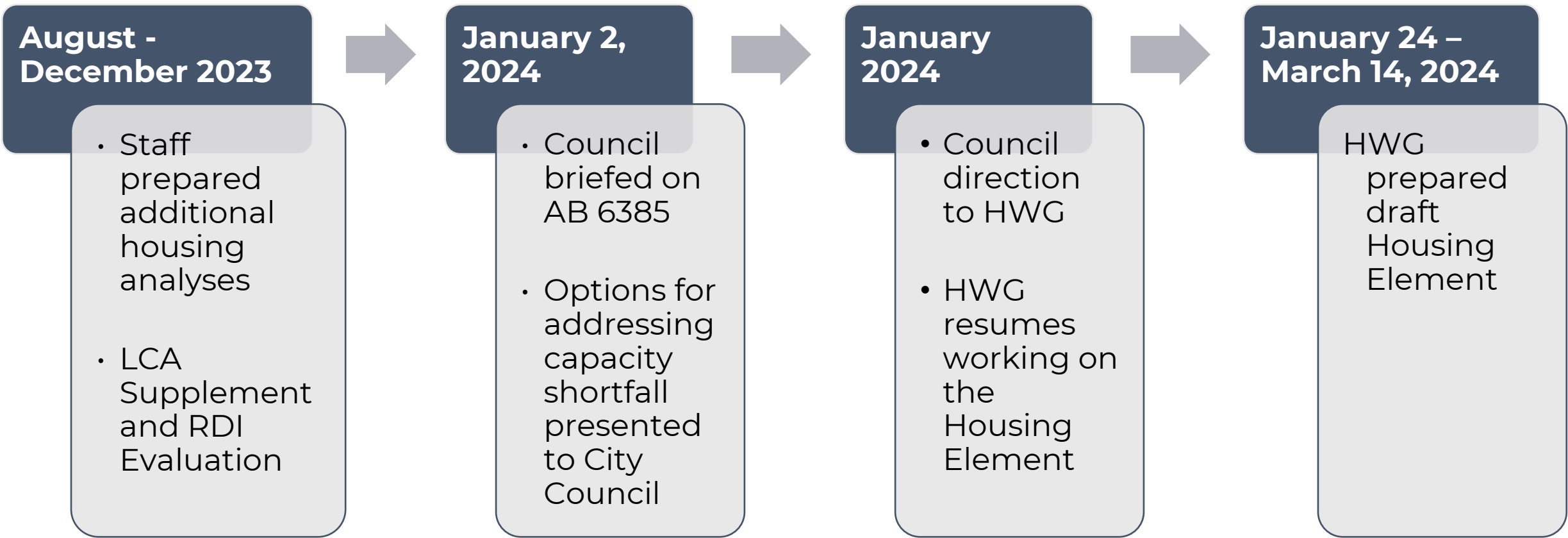
# Agenda

- Background
- Housing Element Requirements
- Remaining Process and Schedule

# Project History



# Project History



# Housing Work Group (HWG)

- Joint Planning Commission (PC) and City Council (CC) subcommittee.
- The HWG was created under the Comprehensive Plan scope of work to prepare a draft Housing Element.
- Members selected from the PC and CC:
  - Three CC members: Wendy Weiker, Craig Reynolds, Salim Nice
  - Two PC members: Kate Akyuz, Carolyn Boatsman



# HWG Draft Housing Element (Exhibit 1)

- HWG prepared the draft over the course of five meetings from January to mid-March.
- In preparing this draft, the HWG focused on crafting policy to satisfy the requirements.
- The HWG Draft Housing Element meets at least the minimum necessary for each requirement.
- On March 14, the HWG unanimously voted to recommend the HWG draft Housing Element.

# HWG Methodology

- **Step 1:** Briefing on reports, GMA requirements, and City Council Direction
- **Step 2:** Survey to identify HWG preferred policy approaches to satisfy requirements
- **Step 3:** Review of preliminary draft with preferred policy approaches and policies to address minimum requirements
- **Step 4:** Refine drafts and arrive at a recommendation

# Housing Planning Framework

- The Housing Element has some of the most complex requirements under the Growth Management Act (GMA).
- Requirements are set in state law, regional plans, and Countywide Planning Policies.
- Exhibit 3 summarizes the State, regional, and countywide requirements that local housing elements must satisfy.

# Requirement Notation

- The HWG Draft Housing Element includes notation in brackets to note the connections between the draft with the minimum requirements in the Housing Planning Framework (Exhibit 3)
- For example, proposed Policy 1.5 looks like this:

“1.5 Take actions to promote healthy and safe homes. [CPP-18]”

- The notation at the end [CPP-18] means this proposed policy is directed at the requirement CPP-18 from the Housing Planning Framework.

# Land Use Element Consistency Amendments (Exhibit 2)

- Changes in the HWG draft of the Housing Element necessitated amendments to the Land Use Element goals and policies to maintain consistency.
- The RDI Evaluation highlighted several Land Use policies for review.
- Strikeout/underline shows changes from last PC draft of Land Use Element.
- Additive to previous PC work on Land Use Element
- The HWG recommended the proposed amendments.

# Land Use Element Consistency Amendments (Exhibit 2)

## **Green** – Substantive Changes

Goal 15, Policies 15.2, 15.3, 15.5, and Goal 17

## **Blue** – Implementation Policies

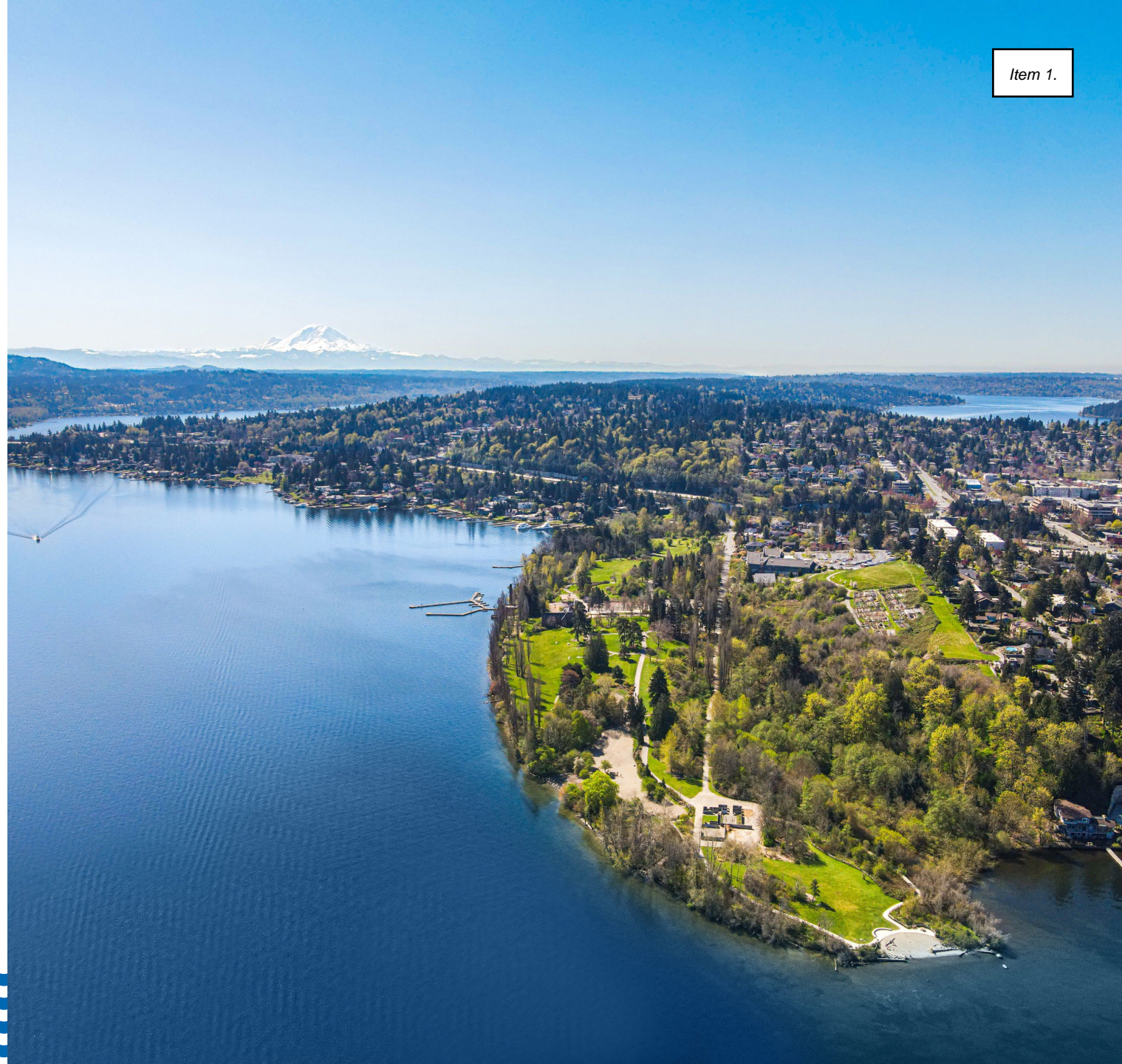
Implementation Policies under Goal 29.

## **Yellow** – Minor consistency amendments

Goal 16, Policies 15.1, 15.4, 16.1, 16.5, 16.6, and 17.3.



# Questions?



# Schedule and Next Steps

<b>March 25</b>	Comments on the HWG Draft Housing Element are due
<b>March 27</b>	PC to review comments on the HWG Draft Housing Element
<b>April 10</b>	Conclude review of the HWG Draft Housing Element
Target: PC must complete review of the HWG Draft Housing Element by <b>April 17</b>	



# Additional Reference



Item 1.



# Recent Housing Bills

## **1220 – Affordable Housing** Enacted in 2021

- Requires planning for affordable housing
- Cities must address racially disparate impacts
- Commerce Guidance issued between April and August 2023

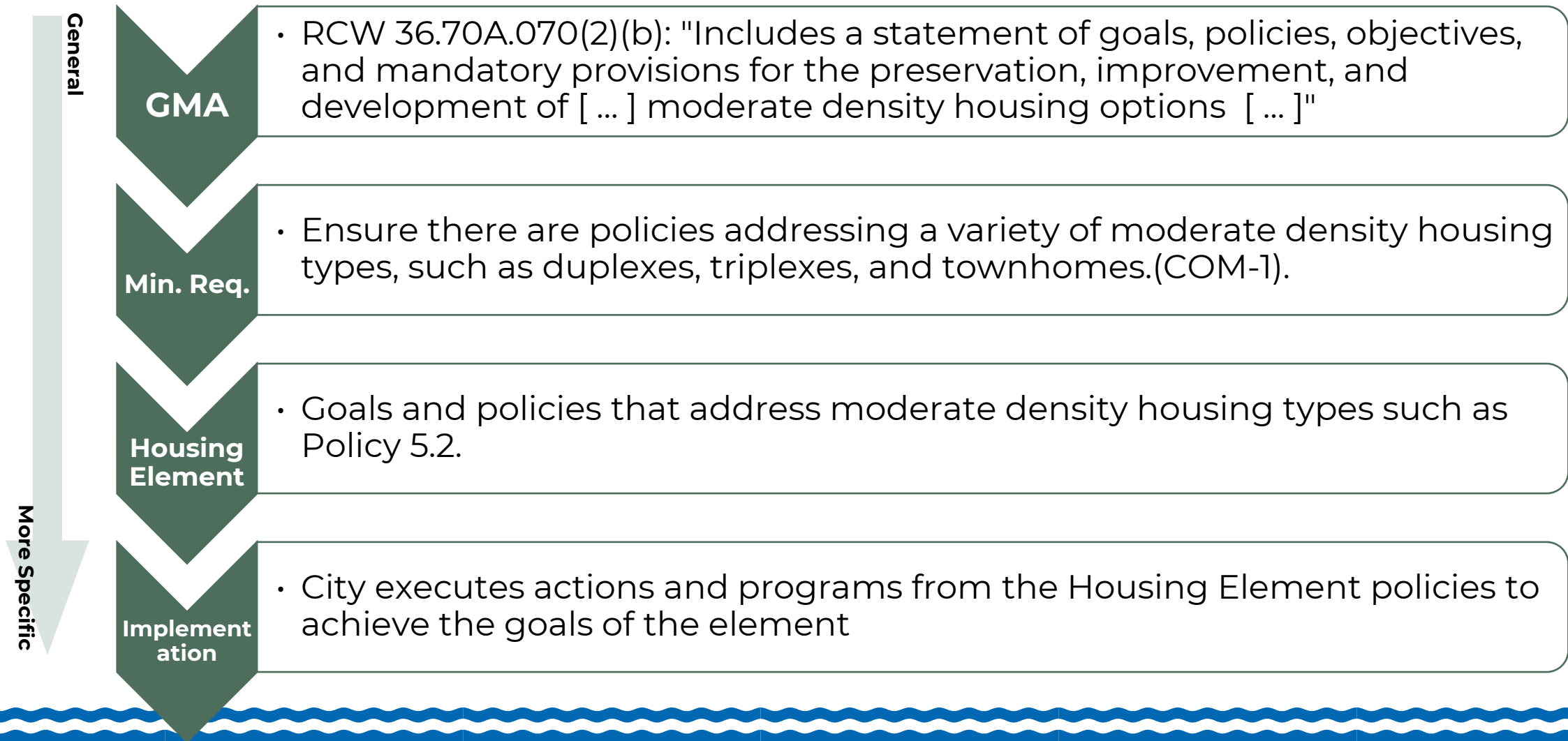
## **1110 – Middle Housing** Enacted in 2023

- Requires cities to allow middle housing
- Will require some policies directed at moderate density
- Primarily requires development code amendments

## **1337 – ADUs** Enacted in 2023

- Changes how cities can regulate ADUs
- Some ADU policy amendments will be needed
- Primarily requires development code amendments

# Addressing Requirements



# Sources for Minimum Requirements

- **State** – GMA and Commerce Checklist
  - Checklist updated in November 2023
- **Regional** – Puget Sound Regional Council (PSRC) Vision 2050 Consistency Tool
  - Help cities review local plans for consistency with multicounty planning policies (MPPs)
- **County** – King County Countywide Planning Policies (CPPs)
  - Coordinates planning among cities in King County as required by GMA ([RCW 36.70A.100](#))