



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 6212
January 17, 2023
Regular Business

AGENDA BILL INFORMATION

TITLE:	AB 6212: Community Planning and Development 2023 Legislative Work Plan	<input checked="" type="checkbox"/> Discussion Only <input type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
RECOMMENDED ACTION:	Receive report. No action necessary.	

DEPARTMENT:	Community Planning and Development
STAFF:	Jeff Thomas, Interim CPD Director Alison Van Gorp, Deputy CPD Director
COUNCIL LIAISON:	n/a
EXHIBITS:	n/a
CITY COUNCIL PRIORITY:	n/a

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ n/a

EXECUTIVE SUMMARY

The purpose of this agenda bill is to provide an overview of the Community Planning and Development (CPD) legislative work plan for 2023. City staff have prepared a summary of the work items that were added to the docket for consideration this year, as well as other legislative work items. Staff also prepared a proposed schedule for legislative review of these items.

BACKGROUND

On December 6, 2022 the City Council adopted the 2023 docket of Comprehensive Plan and development code amendments ([AB 6198](#), [Resolution No. 1641](#)). One code amendment was added to the docket and several items will carry over from the previous years' dockets. During the discussion of the docket, the City Council requested that staff return to brief the Council on a more detailed 2023 legislative work plan, including approximate timelines for legislative review of each item on the docket.

Mercer Island's legislative review process, which is guided by the Growth Management Act (GMA) and the Mercer Island City Code (MICC), consists of substantial staff work, including research and analysis, preparation of staff reports, public notice, SEPA analysis and documentation, and notification to state agencies. In addition, the Planning Commission typically discusses each item 2-3 times at a minimum, including a work session, a public hearing, and deliberations/decision. Then, the City Council holds a minimum of two readings for each proposed amendment.

ISSUE/DISCUSSION

LEGISLATIVE WORK ITEMS

The Community Planning and Development (CPD) 2023 Legislative Work Plan includes five items:

- 1) Amending the Business Zone to Allow Schools,
- 2) Amending the shoreline regulations to allow review of marinas and swim facilities under a Shoreline Conditional use Permit (SCUP),
- 3) Renew interim regulations and/or adopt permanent regulations related to transitional and supportive housing (to comply with requirements of HB 1220),
- 4) Analyzing the effect of the 2017 Residential Development Standards (RDS) code amendment, and
- 5) Conducting the periodic update of the Comprehensive Plan. More details on each work item are provided below.

1. Schools in the Business Zone

In 2021, the City Council docketed a proposal to add schools as an allowed use in the Business Zone. This item was proposed by Herzl Ner-Tamid. Review of this amendment will include analysis of three options: a) no change, b) adding schools as an allowed use in the Business Zone (as proposed), and c) rezoning the B-zoned parcels owned by Herzl Ner-Tamid to Commercial-Office, which allows schools. City staff are currently in the process of analyzing these options and preparing draft code amendments. Staff will then conduct environmental review (SEPA) and notify state agencies of the proposed code amendment. Planning Commission review is scheduled to begin in February, with a public hearing planned in March, and City Council review thereafter.

2. SCUPs for Marinas and Swim Facilities

In 2022, City Council docketed a proposal to allow review of certain marina and swim facilities via a Shoreline Conditional Use Permit (SCUP). This item was proposed by the Mercer Island Beach Club. Review of this amendment will include analysis of three options: a) no change, b) allowing SCUPs for review of marina and swim facilities for recreational clubs/residential communities serving more than 10 families (as proposed), and 3) allowing SCUPs for review of all uses that are not listed as a permitted use in [MICC 19.13.040](#) Table B.

This proposal includes an amendment of the City's shoreline regulations and will require review by the WA State Department of Ecology (Ecology), in addition to the typical legislative review process. City staff have already requested a joint review process from Ecology, which will consolidate the required public hearings and streamline the review process. Once the Planning Commission holds a public hearing and makes a recommendation, the proposed code amendment will be provided to Ecology for a 30- to 45-day review period. The City would then need to address any comments from Ecology prior to adoption by the City Council. Finally, the amendment would receive final review by Ecology and would become effective 14-days after Ecology issues an approval letter.

3. Transitional and Supportive Housing

This code amendment is required to comply with HB 1220, which was adopted by the State Legislature in 2021. The legislation creates new requirements for cities' development regulations related to transitional, permanent supportive and emergency housing, specifying that these uses must be allowed in certain zones

and that the City must provide sufficient capacity to accommodate the projected need for this housing. City staff anticipate that in March 2023, the King County Growth Management Planning Council (GMPC) will finalize its recommendation to the King County Council on the allocation of projected special housing needs to King County cities, including Mercer Island. This will provide the information City staff need to develop a recommendation on permanent regulations that are fully compliant with the requirements of HB 1220. The City Council adopted interim regulations to comply with HB 1220 in September 2021 and extended these interim regulations in September 2022. The interim regulations are now set to expire in March 2023 and will need to be extended for another 6 months to allow time for the GMPC recommendation on the special housing need allocation to be finalized. Permanent regulations should then be adopted prior to expiration of the interim regulations in September 2023.

4. Residential Development Standards Analysis

The Residential Development Standards (RDS) analysis will include a permit data analysis, code audit, broad community engagement, as well as targeted outreach to focus groups of architects, builders, and other key stakeholders. The results of the analysis and a recommendation on potential code amendments will be presented to the City Council for review and feedback in April. Based on this feedback, staff will prepare development code amendment proposals for consideration on the 2024 docket.

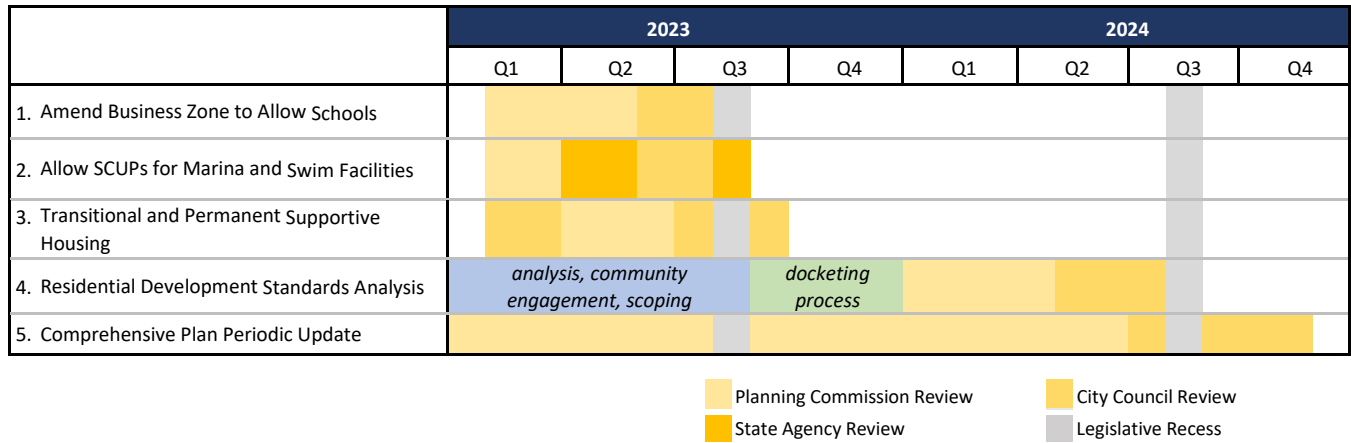
5. Comprehensive Plan Periodic Update

Work on the periodic update of the City's Comprehensive Plan is ongoing, with a deadline for adoption by December 31, 2024. As discussed with the City Council last fall, [HB 1220](#) added new requirements for the Housing Element of the Comprehensive Plan ([AB 6156](#)). Guidance from the WA State Department of Commerce (Commerce) and King County continues to emerge related to the new requirements. City staff are in the process of reviewing draft guidance documents and staying engaged in Commerce and King County discussion related to this work. The scope of work for the periodic update will need to be amended to address this growing body of work.

City staff plan to bring a supplementary scope of work to the City Council for review later this spring, once the guidance and new requirements have been finalized. In the meantime, staff are beginning initial analysis and outreach that is clearly required by HB 1220. Work on an addendum to the Housing Needs Assessment analyzing racially disparate impacts is underway, and community engagement including targeted outreach to stakeholders representing groups that may have experienced racially disparate impacts, displacement or exclusion in housing is planned to begin in March.

LEGISLATIVE REVIEW SCHEDULE

The graphic below summarizes the approximate timelines for the legislative review for each item on the 2023 CPD Legislative Work Plan.



CPD staff have already begun initial work on items 1 and 2 (the Business Zone and Shoreline code amendments). Planning Commission review of these items is scheduled to begin in February, with the intent of completing Planning Commission and City Council review of these items in advance of the summer legislative recess. The Transitional and Supportive Housing code amendment requires an extension of the interim regulations by early March and is then scheduled to begin legislative review of permanent regulations in late Q2. The permanent regulations must be completed by mid-September, prior to the expiration of the existing interim regulations. The Residential Development Standards Analysis will take place in the first half of 2023, with the goal of making initial recommendations to City Council in April and then scoping and preparing proposals for the docket in September. Docketed code amendments will be scheduled for legislative review beginning in early 2024. Work on the Comprehensive Plan periodic update will continue through 2023 and most of 2024, with City Council review and action scheduled in the second half of 2024.

NEXT STEPS

Legislative review of items on the 2023 docket will commence beginning in February 2023. Planning Commission recommendations on each item will be transmitted to the City Council for review beginning approximately mid-year.

RECOMMENDED ACTION

Receive report. No action necessary.