



AB 6600: Middle Housing and Accessory Dwelling Units (HB 1110, HB 1337 & SB 5258)

January 21, 2025



Overview

1. Recap from January 7
 - a) Legislative Requirements
 - b) Approach and Scope of Work
 - c) Key Concepts
2. Policy Questions
3. Staff Analysis and Recommendations
4. Next Steps
5. Q&A, Discussion
6. Council Direction



Legislative Requirements

HB 1110

- Permits moderate density in residential zones
- 6 of 9 middle housing types
- Middle housing unit density – 2-4 units/lot
- Development regulations may not be more strict than those for single-family
- Limitations on parking regulations

HB 1337

- Permits 2 ADUs per lot
- Attached, detached, combo
- Conversions of existing structures
- Limitations on parking regulations
- Limitations on impact fees
- No owner occupancy req

SB 5290

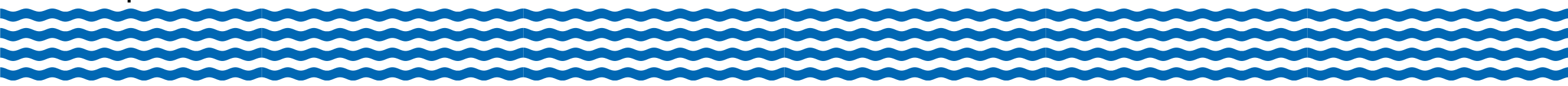
- Unit Lot Subdivision
- Type of short subdivision
- Creates unit lots from parent lots for individual fee simple ownership

Purpose

1. Compliance with state mandates (HB 1110, HB 1337, SB 5258)
2. Comprehensive Plan implementation

Approach

- Address legislative requirements related to middle housing, ADUs and unit lot subdivision as part of a single code update with 2 ordinances
- Phased approach with basic compliance through adoption of interim development regulations prior to June 30, 2025
- Development of permanent development regulations and additional community engagement to follow in second phase



Scope of Work

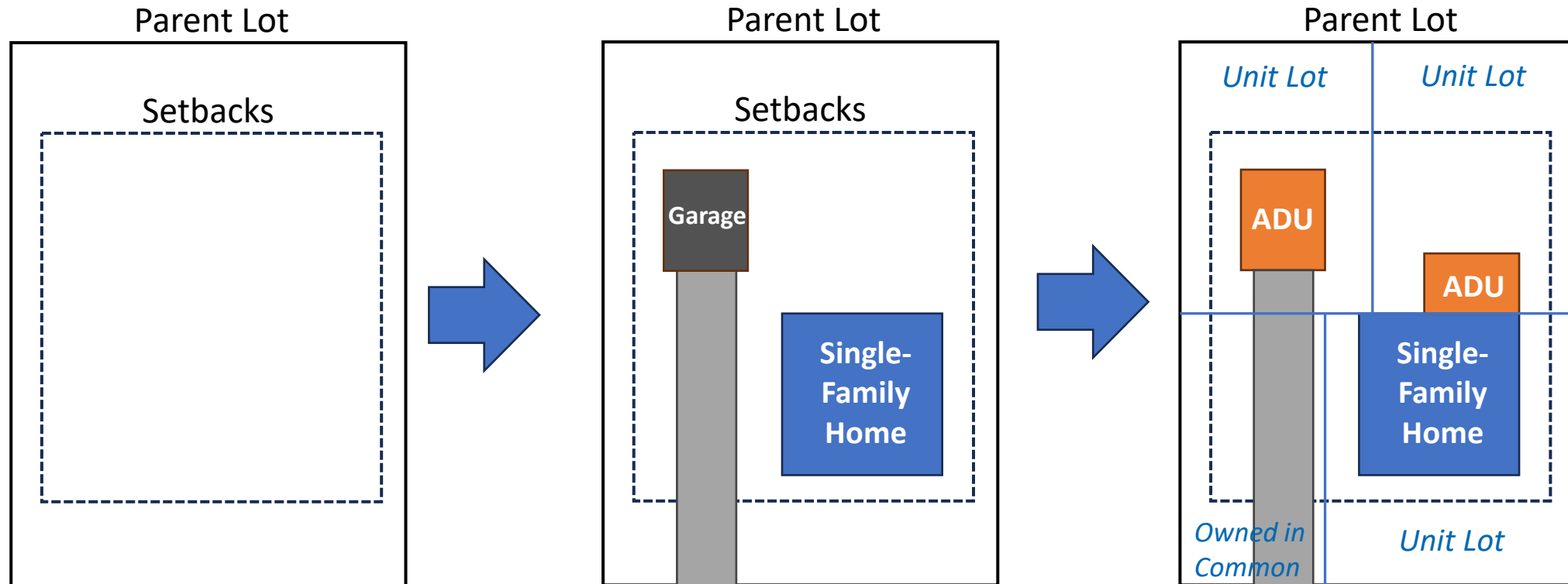
Phase 1: Minimum Requirements

- Add middle housing type definitions and permitted uses
- Add unit density definition and permit 2-4 middle housing units per lot
- Add middle housing affordability incentive
- Amend ADU standards (floor area, owner occupancy)
- Add parking requirements for middle housing and ADUs
- Add unit lot subdivision provisions
- *(optional)* Additional policy options to be considered on January 21

Phase 2 (future): Tailor Code to Mercer Island

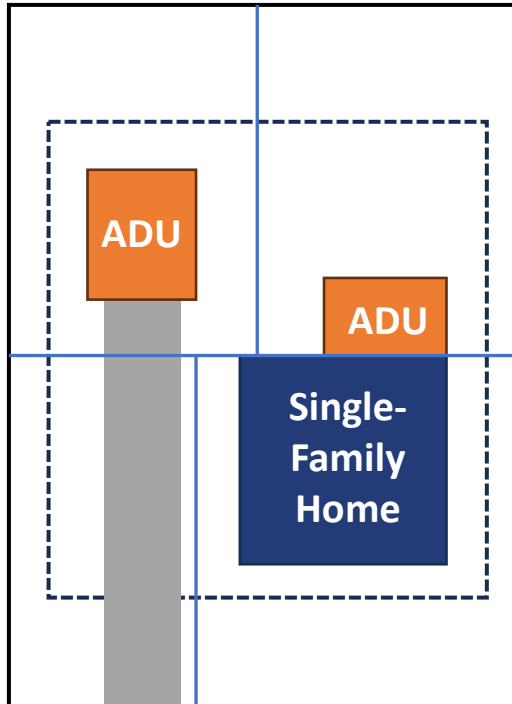
- Community outreach and engagement to determine what types of development the community wants to encourage
- Consider amending development regulations (setbacks, building height, floor area, etc) and design standards
- Explore middle housing type-specific development regulations
- Consider development incentives
- Consider updates to impact fees for middle housing and ADUs
- Explore updates to tree retention and replacement requirements
- Explore updates related to access standards, frontage and streetscape standards, utilities, hardscape and softscape requirements, etc.

Unit Lot Subdivision

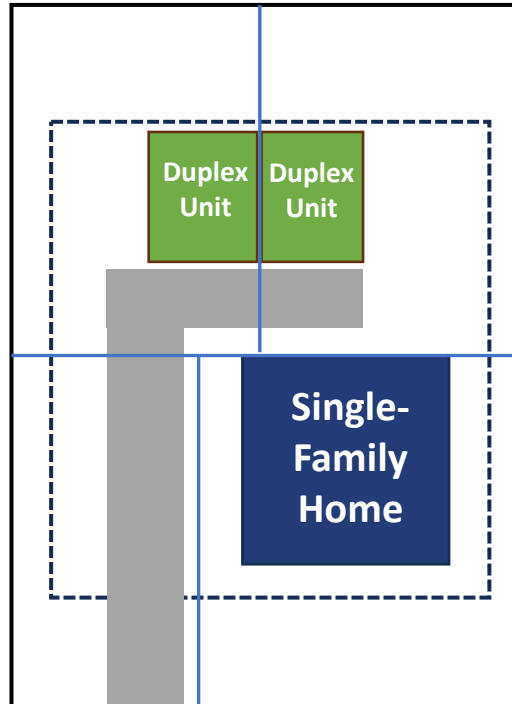


Unit Density

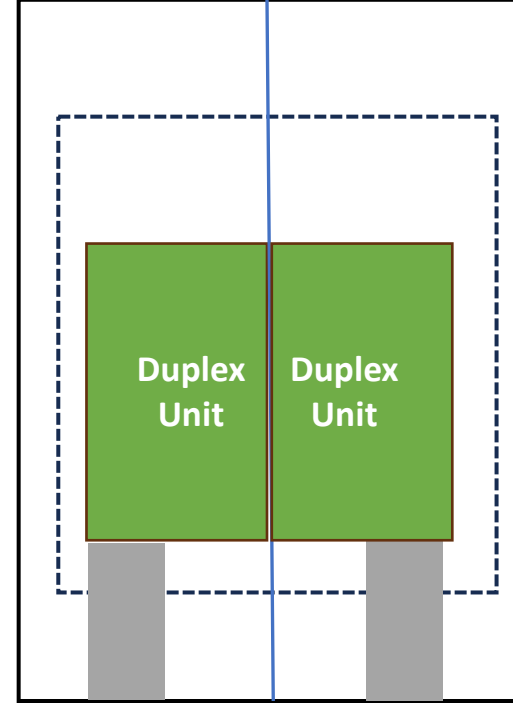
SF + 2 ADU



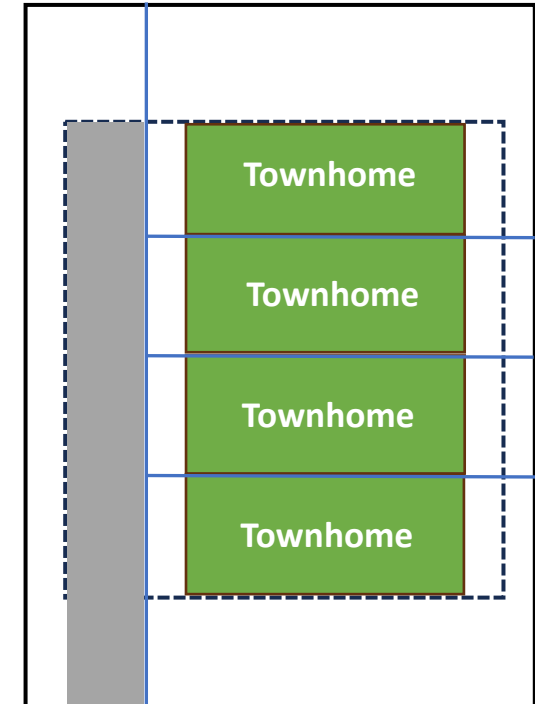
SF + Duplex



Duplex



4 Townhomes



Policy Questions

1. **Middle Housing Types:** Which six of the nine middle housing types should the City permit?
2. **Alternate Density Options:** Should the City take the standard approach (Option 1) or the alternate density option (Option 2), which would exempt some lots with significant critical areas from middle housing density requirements?
3. **Unit Density and ADUs:** Should the City adopt a maximum unit density standard? Should ADUs be counted toward middle housing unit density?
4. **ADU Floor Area Maximum:** Raise from 900 sq ft to 1,000 sq ft (or higher), or eliminate?
5. **ADU Floor Area Bonus:** Maintain bonus, amend size of bonus, or eliminate?
6. **Impact Fees:** Should the City impose impact fees on middle housing? On ADUs?

1. Middle Housing Types

- Must permit 6 types
- Staff recommendation: Duplex, triplex, fourplex, townhouse, courtyard apartment and stacked flat



Duplex



Triplex



Fourplex



Townhouse



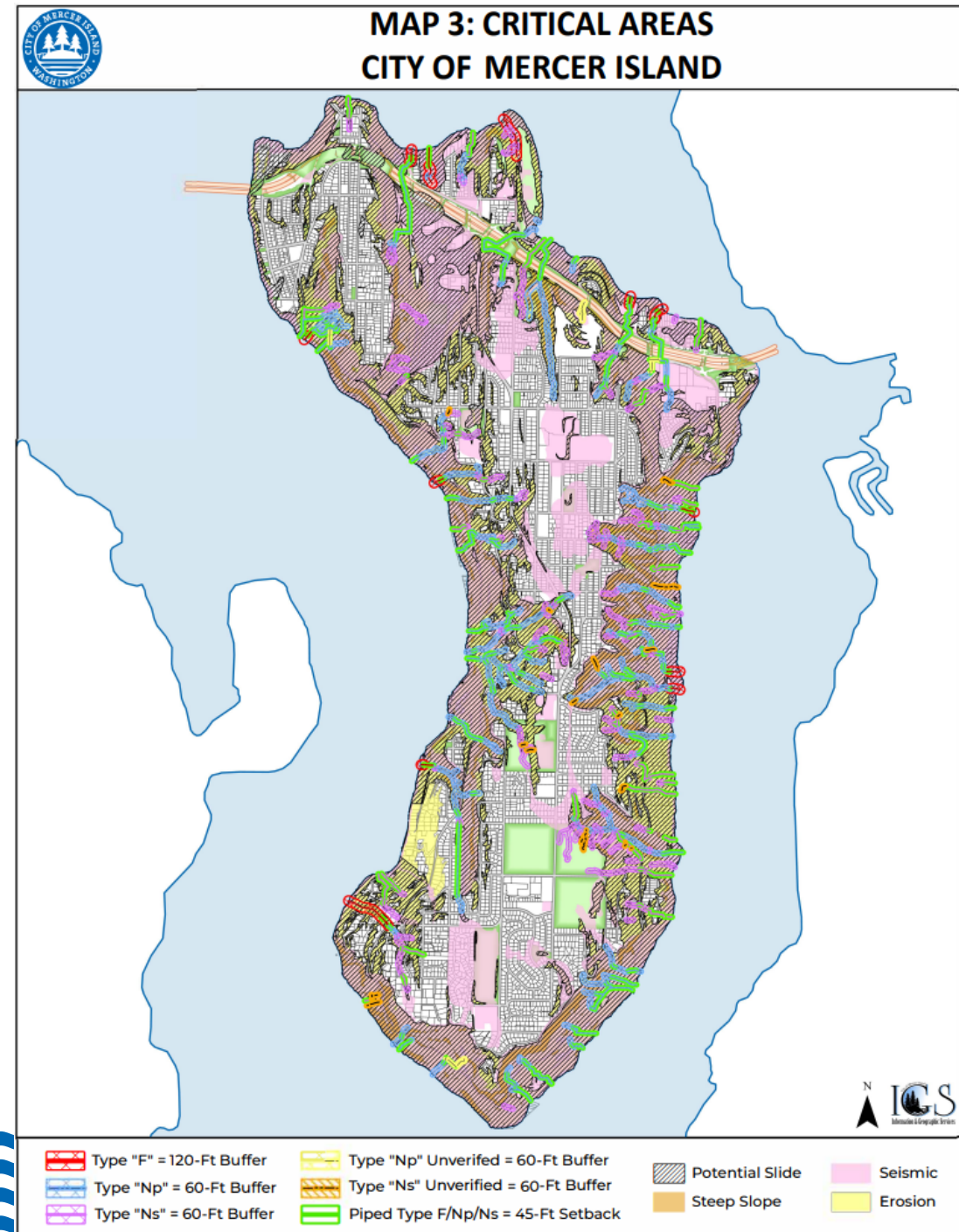
Courtyard Apt



Stacked Flat

2. Alternative Density Options

- Choose one:
 1. Standard density – 2 to 4 units per lot in R-zones
 2. Exempt 25% of lots where critical areas or their buffers would preclude middle housing development
 3. Adopt “substantially similar” provisions that result in higher middle housing production within single family zones than would be allowed by the standard density approach
- Staff recommendation:
Option 1, standard density



3. Unit Density and ADUs

- Must permit *at least* 2 units/lot in the R-8.4, R-9.6, R-12 and R-15 zones, and 4 units/lot when:
 - within ¼-mile walking distance of a major transit stop, or
 - one unit is affordable
- HB 1110 provides the option of including ADUs in the calculation of unit density
- Staff recommendation: permit a maximum of 2-4 units/lot and include ADUs in the calculation of unit density



4. ADU Floor Area Maximum

- MICC 19.02.030 currently limits ADUs to 900 sq ft in GFA
- HB 1377 requires at least 1,000 sq ft of floor area per ADU
- Staff recommendation: Raise the GFA allowance 1,000 sq ft for ADUs

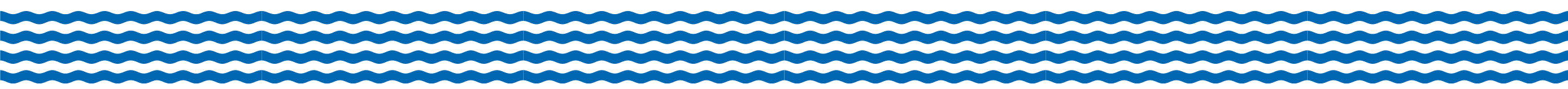


5. ADU Floor Area Bonus

- MICC 19.02.020 limits gross floor area, based on the zone:

D. Gross floor area.

1. Except as provided in subsection (D)(3) of this section, the gross floor area shall not exceed:
 - a. R-8.4: 5,000 square feet or 40 percent of the lot area, whichever is less.
 - b. R-9.6: 8,000 square feet or 40 percent of the lot area, whichever is less.
 - c. R-12: 10,000 square feet or 40 percent of the lot area, whichever is less.
 - d. R-15: 12,000 square feet or 40 percent of the lot area, whichever is less.

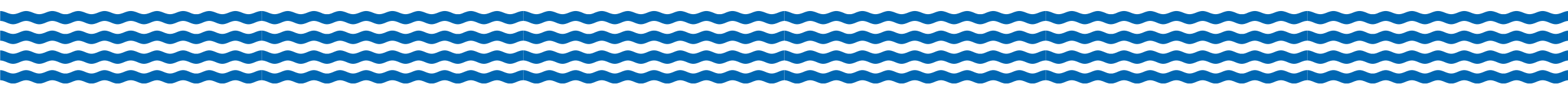
- The code currently provides a floor area bonus of up to 5% of the lot area for projects that include a new/remodeled single family home and an ADU (up to a max of 4,500 sq ft in total GFA)
 - Staff recommendation: Maintain current ADU bonus.
- 

6. Impact Fees

- The City currently does not impose impact fees on ADUs.
- The City can choose to impose impact fees on middle housing and/or ADUs
 - HB 1337 limits impacts fees for ADUs to 50% of the single-family rate
- Staff recommendation: institute impact fees on middle housing and ADUs by applying existing rates, as follows:
 - Middle housing:
 - 1-2 units = single-family rate
 - 3 or more units = multi-family rate
 - ADUs: multifamily rate, not to exceed 50% of the single-family rate
- Note: this is a fee schedule update only

Next Steps

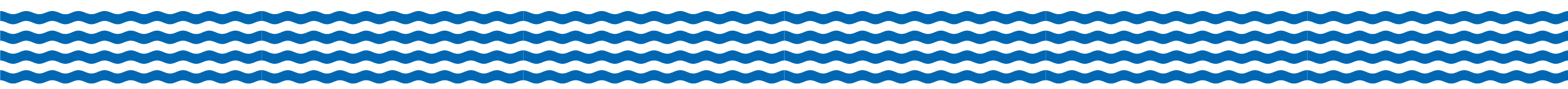
- Public Hearing: February 4
- Second Reading: March 4
- Effective Date: June 30, 2024



Recommended Motions

1. Direct staff to prepare an ordinance containing interim development regulations for public hearing and consideration on February 4, 2025 incorporating the following six middle housing types [duplex, triplex, fourplex, townhouses, courtyard apartments, stacked flats].
2. Direct staff to prepare an ordinance containing interim development regulations for public hearing and consideration on February 4, 2025 incorporating the [standard density approach (Option 1)].
3. Direct staff to prepare an ordinance containing interim development regulations for public hearing and consideration on February 4, 2025 setting an allowed unit density with a maximum of [two units per lot in the R-8.4, R-9.6, R-12 and R-15 zones, with a maximum of four units per lot permitted within ¼-mile walking distance of a major transit stop or when one unit is affordable]. Additionally, the interim development regulations should specify that ADUs will be [considered a unit] for the purposes of calculating unit density.
4. Direct staff to prepare an ordinance containing interim development regulations for public hearing and consideration on February 4, 2025 including a maximum floor area for ADUs of [1,000 square feet].
5. Direct staff to prepare an ordinance containing interim development regulations for public hearing and consideration on February 4, 2025 maintaining the existing ADU floor area bonus of [5% GFA].
6. Direct staff to prepare a resolution for consideration on March 4, 2025 to amend the City's fee schedule to apply existing impact fee rates to [middle housing and ADUs].

Questions and Discussion



Impact Fees

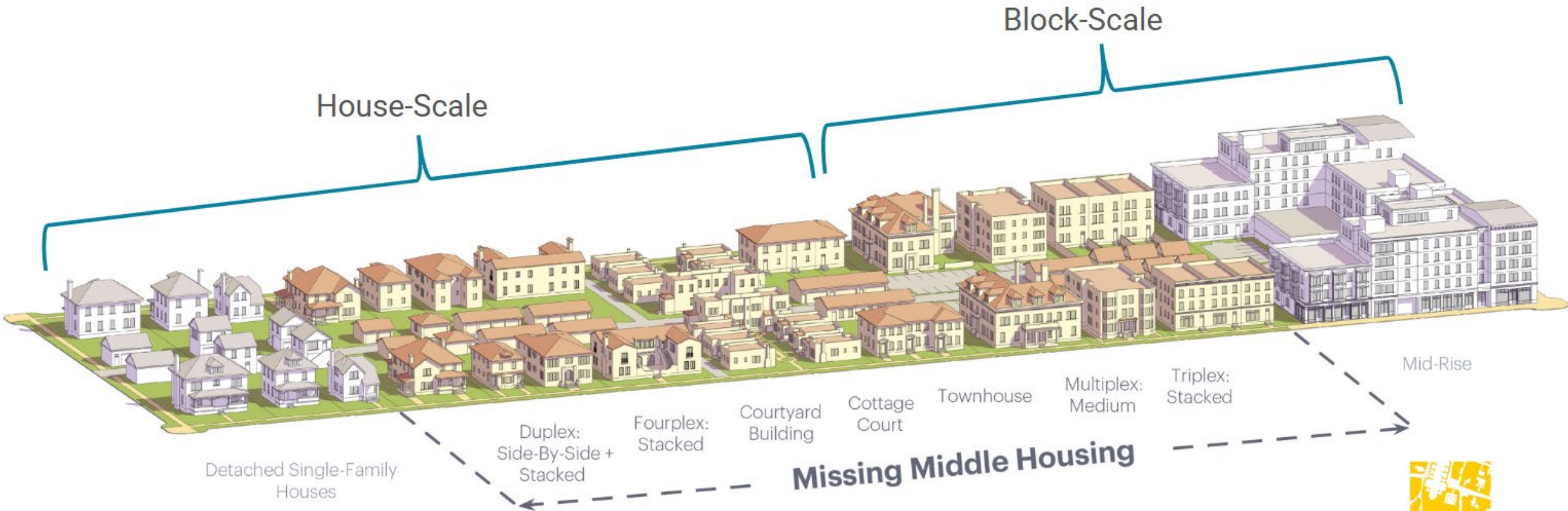
Current Rates

- Transportation
 - Multifamily: \$1,961.12
 - Single family: \$4,388.23
- Parks
 - Multifamily: \$3,996.21
 - Single family: \$6,416.97



Key Concepts

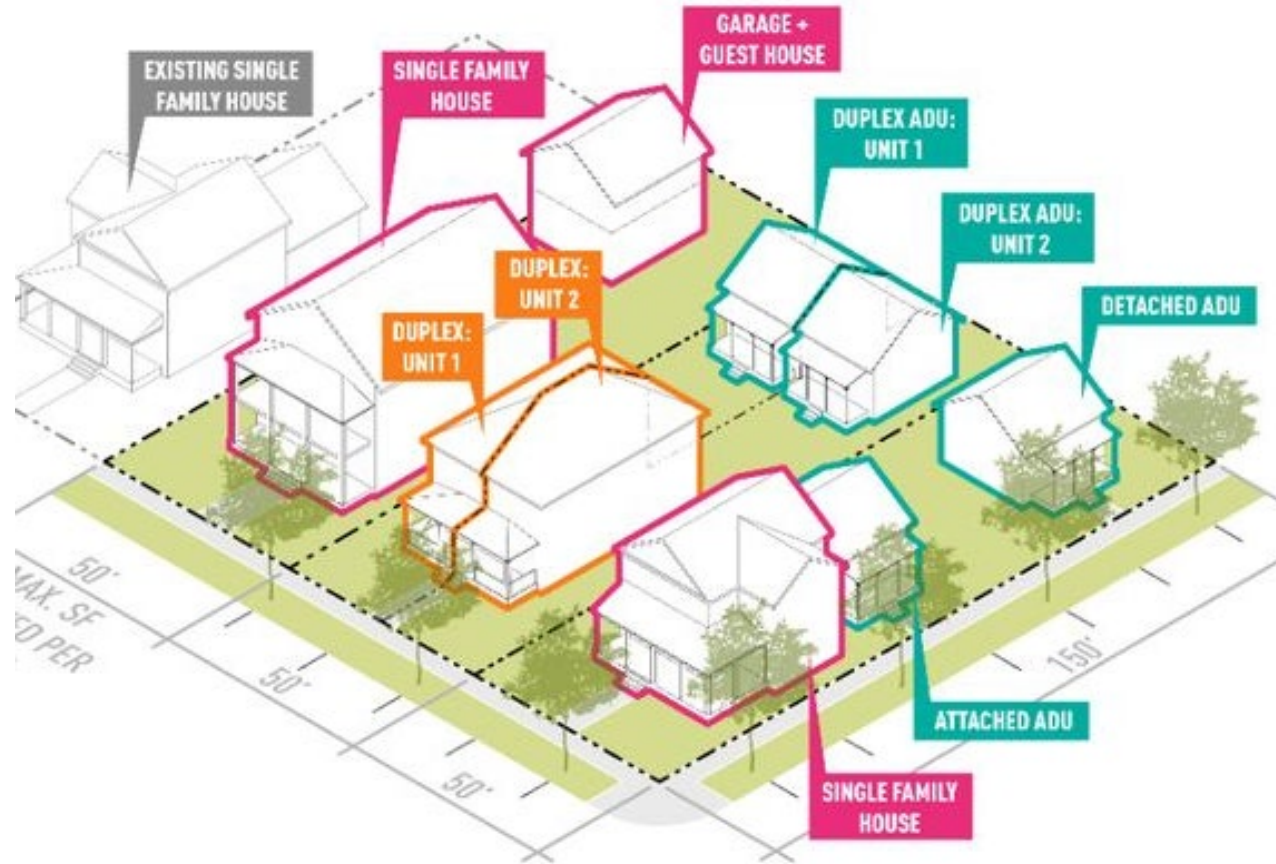
Middle Housing



Accessory Dwelling Units

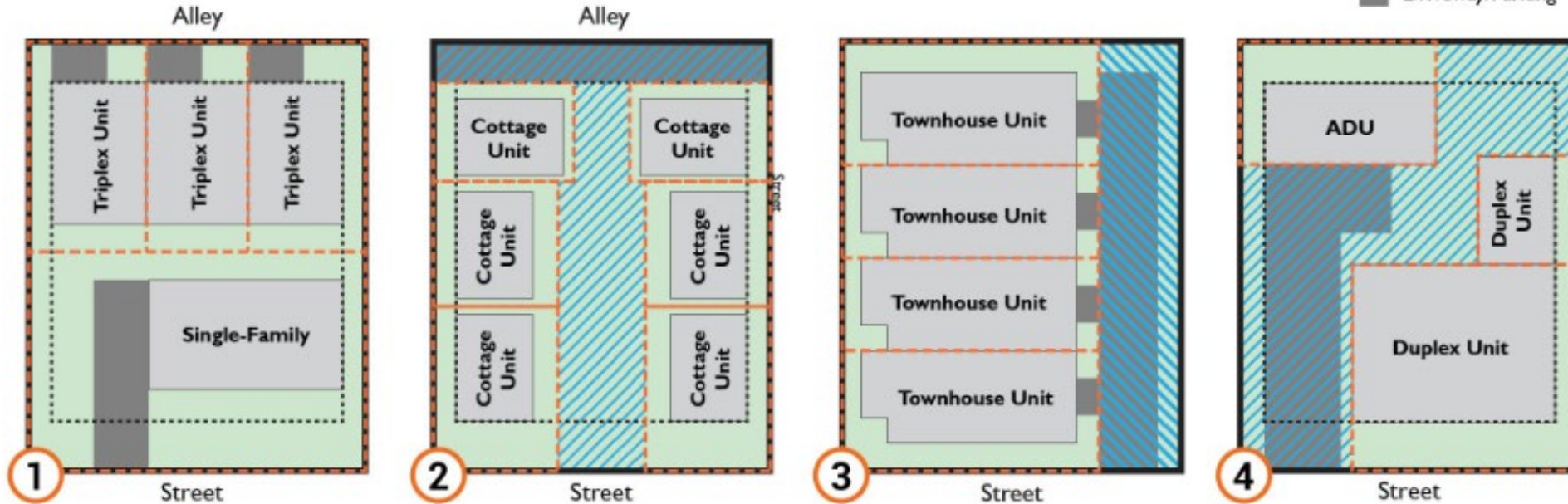


Unit Density



Unit Lot Subdivision

1. Preserved single-family house with three attached units built in the back yard.
2. A cottage cluster development with a shared open space.
3. A townhouse development with a shared driveway.
4. A duplex with an accessory dwelling unit (ADU) on its own unit lot.

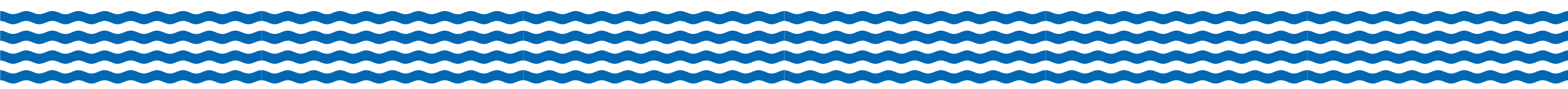




HB 1110

HB 1110 – Middle Housing

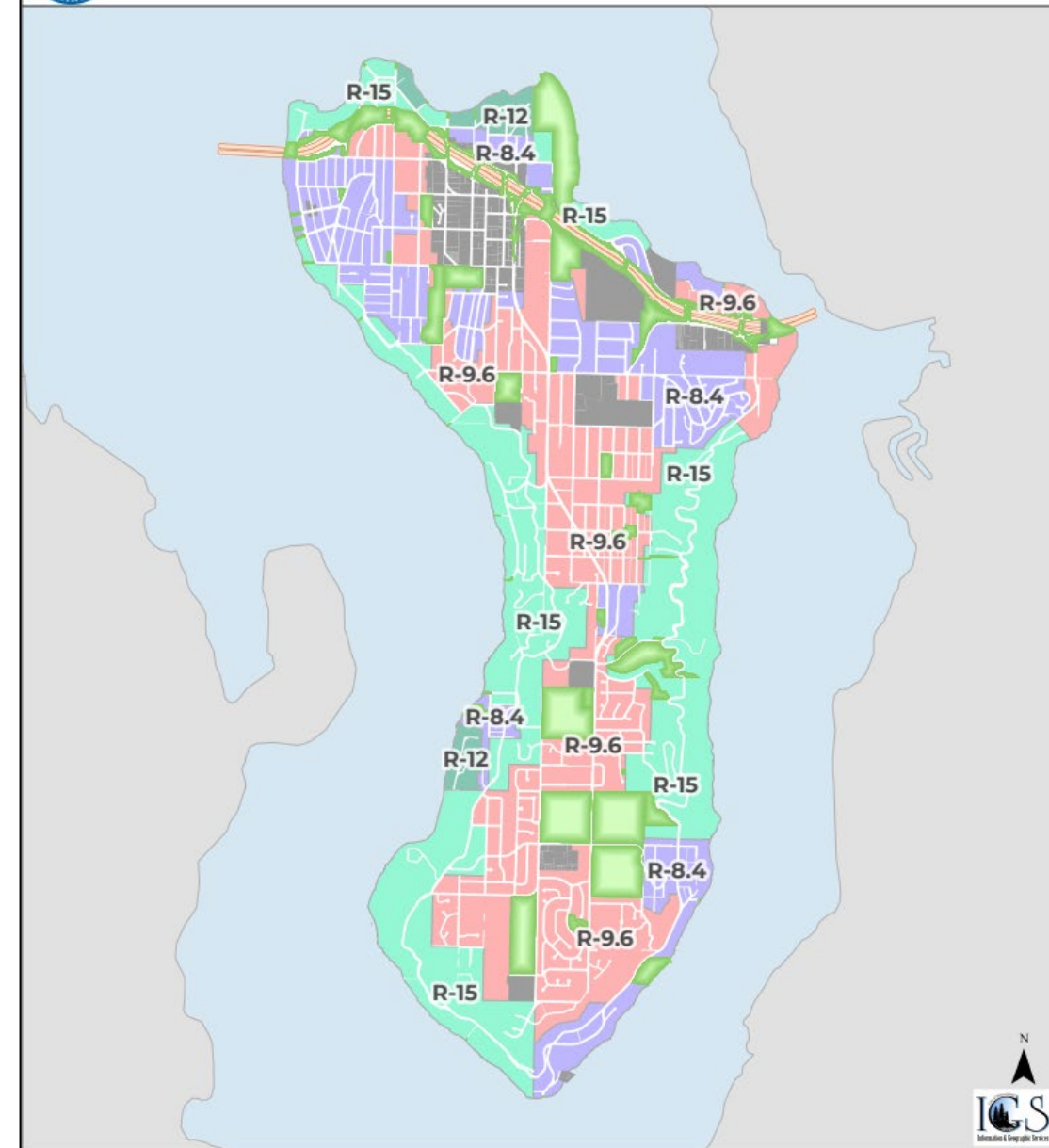
- Passed by legislature in 2023
- Must be in compliance by June 30, 2025, or model ordinance will apply
- Must adopt regulations to allow middle housing in all single-family residential zones
 - Must allow six of the nine middle housing types identified in the legislation
 - Required unit densities (2-4 units/lot)
 - Development standards cannot be more restrictive than single-family residential
 - Design review must be administrative
 - Limits on parking requirements





HB 1110 Additional Requirements

- Applies to all zones that allow residential, unless higher densities already allowed: R-8.4, R-9.6, R-12, and R-15 zones
- Unit Density Requirements
 - Allow at least 2 middle housing units per lot
 - Allow at least 4 middle housing units per lot if:
 - a) The lot is located within a quarter mile walking distance of the light rail station, or
 - b) At least one unit is affordable.



RESIDENTIAL ZONING:

R-8.4

R-9.6

R-12

R-15

Non
Residential
Zoning

Parks

I-90

Nine Housing Types



Must permit at least 6 middle housing types



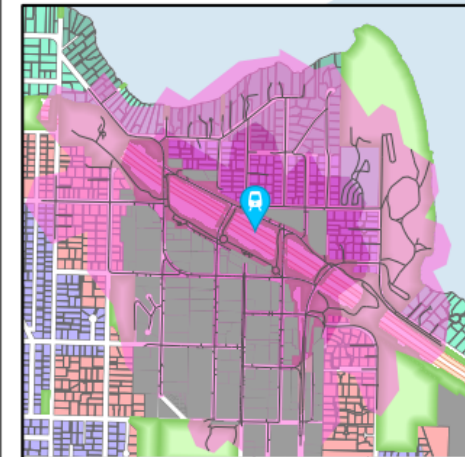
Parking Requirement Limitations

HB 1110 limits parking requirements for middle housing:

- No parking requirements are allowed within 1/2-mile walking distance of the light rail station
 - Applies to about 325 lots in Mercer Island
- May only require 1 parking space per unit for lots smaller than 6,000 square feet
 - Applies to about 150 lots in Mercer Island
- May only require 2 parking spaces per unit for lots larger than 6,000 square feet
 - Applies to 98% of lots in Mercer Island

ZONING	# OF PARCELS	>6,000 SF LOT	% >6,000 SF LOT
R-8.4	2242	2118	94.5%
R-9.6	2972	2953	99.4%
R-12	165	164	99.4%
R-15	2071	2065	99.7%
TOTAL	7450	7300	98.0%

Does not include non-residential or non-buildable lots, tracts or parks.



WALKING DISTANCE	NUMBER OF LOTS	< 6,000 SF LOT SIZE	> 6,000 SF LOT SIZE
1/4 Mile	94	5	89
1/2 Mile	234	4	230
TOTAL	328	9	319

Does not include non-residential lots, tracts or parks.

WALKING DISTANCE FROM LIGHT RAIL STATION:

1/4-Mile 1/2-Mile



Light Rail Station

Reachable Streets/Paths

I-90

RESIDENTIAL ZONING:

R-8.4 R-12

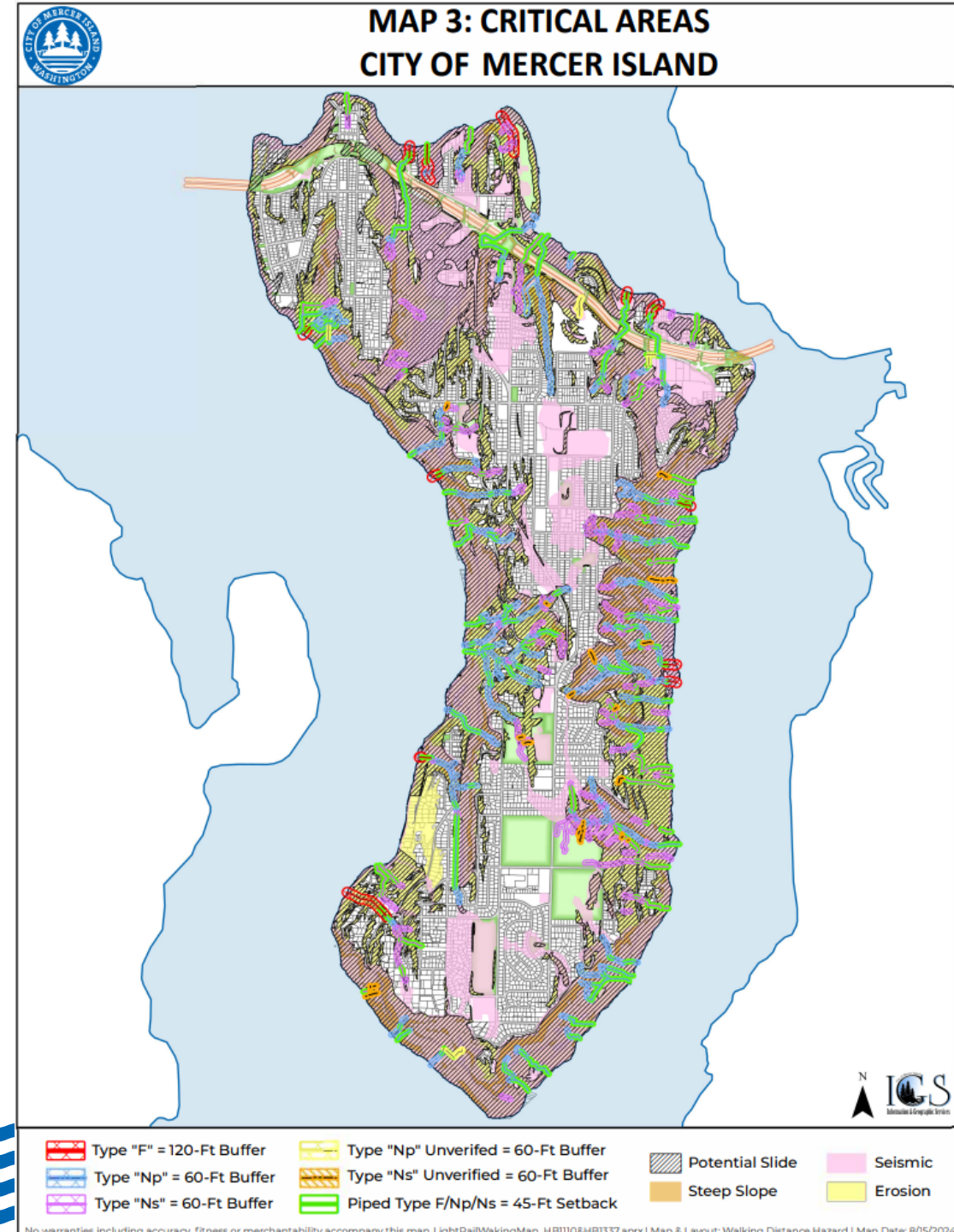
R-9.6 R-15

Non Residential Zoning

Parks

Critical Areas Applicability

- Middle housing is not required on portions of lots with critical areas that would preclude development
- The City's existing critical areas regulations will apply on a site-by-site basis just as they do for single-family





HB 1337

HB 1337 – Accessory Dwelling Units (ADUs)

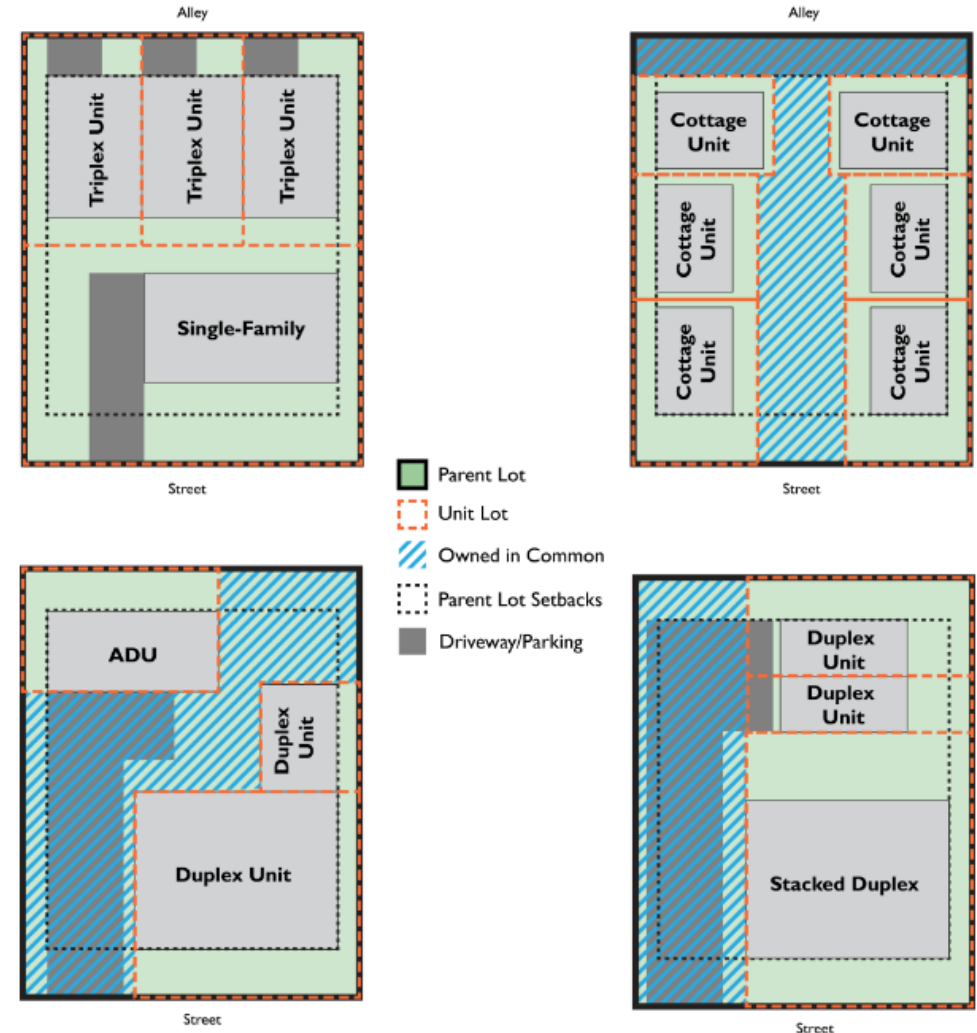
- Passed by legislature in 2023
- Compliance deadline: June 30, 2025
- Must allow two ADUs on all lots that allow single-family development
- Attached, detached or conversion of existing structure
- At least 1,000 sq ft per ADU
- No owner occupancy requirement
- Must allow sale as individual unit
- Restrictions on parking requirements – same as HB 1110
- No public street improvements as a permit condition
- Impact fees limited to 50% of single-family rate



SB 5258

SB 5258 - Unit Lot Subdivision

- Passed by legislature in 2023
- Allows short subdivision process to create “unit lots” within a parent lot
- Allows fee simple land ownership for middle housing
- Must also allow zero lot line development under RCW 36.70A.635



Source: Commerce Middle Housing User Guide, MAKERS