



AB 6243: Approve Talking Points on SB 5466 Related to Transit Oriented Development

March 7, 2023



Overview

- Update on **HB 1110** – Missing Middle Housing
- Overview of **HB 1245 / SB 5364** – Lot Splitting Bills
- Overview of **SB 5466** – Transit Oriented Development Bill
- Review and approve talking points related to SB 5466

City Legislative Session Strategy

- The State legislative session has seen an unprecedented number of consequential bills brought forward, especially related to housing and land use. Most of these bills are still "alive."
- The City has significant concerns on many of the housing bills.
- City remains opposed to HB 1110 (middle housing) and HB 1245 (lot splitting).
- There are also concerns about the “compounding effect” if multiple housing bills are passed.

HB 1110 Update – Missing Middle

- Amended version of **HB 1110** passed the House last night.
- The bill as currently written provides multiple options for Mercer Island to be in compliance, each with various trade-offs.
- Added option for Mercer Island to allow three units per lot instead of four. Six units allowed within $\frac{1}{2}$ mile of transit. Additional fourth unit allowed on all lots if affordable.
- Added option for Mercer Island to only apply the density requirements to 75% of the lots in the city if certain requirements are met. The 25% of lots excluded from density changes must also meet certain requirements.

HB 1245/SB 5346 Lot Splitting

- HB 1245 requires city's to allow for the splitting of a residential lot into two lots, if certain conditions are met.
- Resulting lots must be at least 2,000 square feet, meet certain City regulations, and may not be split again.
- HB 1245 places some restrictions on City's ability to regulate parking, frontage, and rights-of-way.
- HB 1245 passed House floor, Senate version (SB 5346) appears unlikely to make it to floor vote by cutoff.

SB 5466 – Transit Oriented Development Bill

- SB 5466, the “Transit-Oriented Development (TOD)” bill is another housing bill that recently passed off the Senate floor.
- The City staff, in consultation with the City’s lobbyists and Council leadership recommend the City Council take a position to support SB 5466, with changes as described in this presentation and the proposed talking points

What does SB 5466 do?

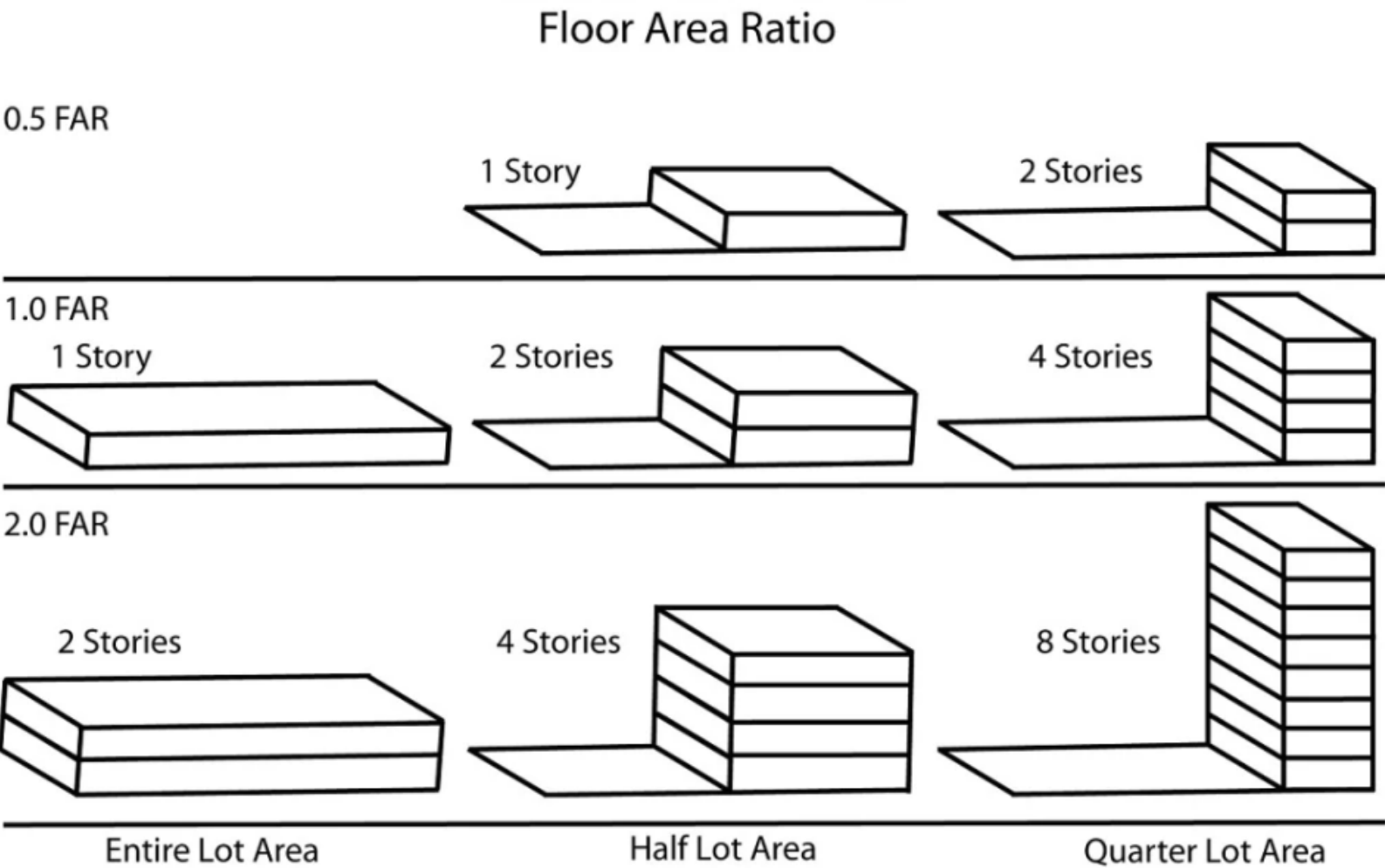
- SB 5466, as currently written, requires cities to allow additional development, such as apartments buildings, office, and commercial space, and retail, by high-capacity transit, while giving cities some flexibility on how to implement these standards
- These standards would be mandated within three-quarters of a mile walking distance of high-capacity transit stops, with larger buildings allowed within a quarter-mile walking distance.
- On Mercer Island the future Sound Transit light rail station would be the only trigger for these standards.



What does SB 5466 do?

- The bill uses mandated standards around **floor-area-ratio, or FAR**, to achieve this growth.
- Mercer Island already uses FAR in the Town Center's commercial development regulations.
- FAR is the total floor area of a building divided by the area of the parcel of land it's built on.
- For example, a one-story building that completely covers its lot has a FAR of one. A four-story building that only covers half of its lot has a FAR of two.
- The higher the FAR, the more development capacity

FAR illustration



What does SB 5466 do?

- SB 5466 requires a FAR of 6.0 within a quarter-mile walking distance from the light rail station, and a FAR of 4.0 between a quarter-mile and three quarter-mile walking distance from the light rail station.
- For example, a FAR of 6.0 would result in a building with a minimum of 6 stories if entire lot is used for each floor.
- The bill mandates city codes allow this level of FAR, but smaller buildings (lower FAR) could still be built.
- The current bill language does not mandate the type of development (housing vs offices vs retail).
- Flexibility to reduce FAR in some areas if FAR is increased equally in others (FAR averaging).

What does SB 5466 do?

- SB 5466 provides incentives for building affordable housing and homeownership, 3 bedroom+ homes, childcare, and for small businesses.
- The bill language is generally, in line with HB 1220 (2021) requirements around anti-displacement measures and affordable housing.
- Mechanism for state grants assisting cities with implementation and planning, assistance financing affordable housing projects
- Bill removes ability of city to require parking within TOD area but includes ability for city to apply for exemption.
 - City is seeking changes to bill on this subject.

Why support this bill?

- If this bill passes, and the other housing bills fail, the City will be required to accommodate additional density in Mercer Island's Town Center area. This is preferred over the other housing bills, which significantly impact single-family zones.
- Bill is in line with goals of Puget Sound Regional Council's VISION 2050. VISION 2050 incorporates a strong focus on locating growth near current and future high-capacity transit facilities

Amendments to SB 5466 Still Needed

- The bill should include increased flexibility on the placement of the TOD station area and removal of restrictions on requiring parking.
- Prefer the TOD area be focused within the existing Town Center rather than a broad circle around the light rail station.

Seeking Council Approval of SB 5466 Talking Points

- Seeking approval of talking points (as opposed to a formal letter) to use in future communications with legislators, lobbyists, AWC, other cities, etc.
- The timing of action on these bills rarely aligns with City Council meetings, hence the reason we are asking City Council review and approval now.
- This bill is likely to see a lot of action in the coming months.
- Support of this bill is conditional on requested changes to the bill language.
- Legislative strategy also includes continued opposition to HB 1110 and HB 1245/SB 5364.