



**BUSINESS OF THE CITY COUNCIL
CITY OF MERCER ISLAND**

**AB 6243
March 7, 2023
Regular Business**

AGENDA BILL INFORMATION

TITLE:	AB 6243: Approve Talking Points on SB 5466 Related to Transit Oriented Development	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
RECOMMENDED ACTION:	Approve proposed talking points on SB 5466	

DEPARTMENT:	City Manager
STAFF:	Salim Nice, Mayor Jessi Bon, City Manager Jeff Thomas, Community Planning and Development Director Robbie Cunningham Adams, Management Analyst
COUNCIL LIAISON:	n/a
EXHIBITS:	1. 2023 Legislative Priorities 2. Draft Talking Points on SB 5466, Transit Oriented Development Bill 3. February 7, 2023 - City Letter Opposing HB 1110
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 approve talking points related to [SB 5466](#), a bill related to Transit Oriented Development.

- The 2023 Washington State Legislature Regular Session began in January 2023 and is scheduled to end April 23, 2023.
- The City Council approved the 2023 Legislative Priorities, which serve as a guide for lobbying efforts. The legislative priorities were recently amended to reflect a change in a grant ranking, (see Exhibit 1).
- This year’s state legislative session has seen an unprecedented number of consequential bills brought forward, especially related to housing and land use. The City has been actively engaged with legislators on these matters. One such bill, [SB 5466](#), which relates to Transit Oriented Development, has passed the Senate and will be under consideration in the House.
- City staff are seeking approval of talking points related to SB 5466 for use in future communications with legislators, lobbyists, the Association of Washington Cities, and others, (See Exhibit 2).

- The City Council recently approved a letter opposing HB 1110, a bill regarding increasing middle housing in areas traditionally dedicated to single-family detached housing, and the rationale for the opposition, (see Exhibit 3 and [AB 6220](#)).

BACKGROUND

On February 7, 2023, the City Council adopted an updated version of the City’s legislative priorities for the 2023 State legislative session. The legislative priorities were recently amended to reflect a change in a grant ranking for Luther Burbank Park, (see Exhibit 1). The City is focused on five legislative priorities in 2023:

- Funding for operations, basic infrastructure, and capital projects
- Support for mental and behavioral health services
- Policing for a safe Mercer Island
- Support for housing availability
- Preserving and protecting the environment.

The City is supported by contract lobbyists, Federici, Esser & Gallagher (see [AB 6114](#)).

This year’s state legislative session has seen an unprecedented number of consequential bills brought forward, especially related to housing and land use. The City of Mercer Island has many concerns about the consequence of these housing bills if they are passed. The City Council and City staff, in coordination with the City’s contract lobbyists, are in constant communication with the City’s legislative representatives on these bills and other matters impacting Mercer Island.

At the February 7, 2023 City Council meeting, the Council approved a letter opposing HB 1110 ([AB 6220](#)), regarding increasing middle housing in areas traditionally dedicated to single-family detached housing, as explained in the approved letter. The City has been actively advocating opposition to this bill through lobbying efforts and engagement with legislators, lobbyists, other cities, and the Association of Washington Cities.

The tenets included in the City’s letter opposing HB 1110 also apply to [HB 1245/SB 5364](#). These bills, if passed, would mandate code revisions allowing the splitting of residential lots statewide. In short, a property owner could split their lot in two as long as the new lot was at least 2,000 square feet, allowing a second home to be built on the new lot.

The City is concerned about the “compounding effect” if multiple housing bills are passed. For example, the “lot splitting” bills, combined with HB 1110, could result in up to 12 units constructed on what is currently a single-family zoned lot on Mercer Island.

SB 5466, the “Transit-Oriented Development (TOD)” bill is another housing bill that recently passed off the Senate floor, although the mechanism for accommodating additional density is different than the other housing bills. 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 Exhibit 2.

ISSUE/DISCUSSION

What is SB 5466 and Transit-Oriented Development?

Transit-Oriented Development, or TOD, is a planning concept of concentrating growth around existing and future high-capacity transit resources.

[SB 5466](#), as currently written, would create flexible standards for cities to allow mid-sized apartment buildings, office and commercial space, and retail within three-quarters of a mile walking distance of high-capacity transit stops, and larger buildings within a quarter-mile walking distance of light rail stations. On Mercer Island the future Sound Transit light rail station would be the only trigger for these standards.

The bill uses mandated standards around floor-area-ratio, or FAR, to achieve this growth. FAR is the total floor area of a building divided by the area of the parcel of land it is built on. 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, generally the more development capacity. Mercer Island now uses FAR as the regulatory standard in Town Center for street level commercial requirements.

SB 5466 would generally require a FAR of 6.0 around 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. The bill gives cities the flexibility to reduce the building intensity in some areas within the TOD area as long as density is increased in other areas to maintain the FAR at or above the minimum requirement.

The bill provides incentives for housing built to be affordable, and generally gives flexibility to cities to tailor affordability requirements to their specific needs as detailed in HB 1220 (2021).

Additional details of how the bill would affect Mercer Island and other provisions of the bill will be presented during the City Council meeting.

Why is Transit-Oriented Development and this Bill Potentially Appropriate for Mercer Island?

Concentrating growth around high-capacity transit leverages the region's billions of dollars of investment in transportation infrastructure to improve mobility and minimize impacts on the environment.

This bill is also in line with the 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, with a goal for 65% of the region's population growth and 75% of the region's employment growth to be in regional growth centers and areas within walking distance of high-capacity transit.

City Talking Points on SB 5466

City staff are seeking approval of the talking points on SB 5466 (see Exhibit 2). The proposed talking points include recommended changes to the bill language related to increased flexibility on the placement of the TOD area and removal of restrictions on requiring parking. Council leadership, City staff, and the City's lobbyists will use these talking points to push for needed changes in the bill and to demonstrate the City's commitment to reasonable housing affordability solutions while continuing to oppose bills that would be damaging to the Mercer Island community.

NEXT STEPS

The approved talking points related to SB 5466 will be used for future communications with legislators, lobbyists, the Association of Washington Cities, and others.

RECOMMENDED ACTION

Approve proposed talking points on SB 5466 as presented in Exhibit 2 of AB 6243.