



PLANNING COMMISSION CITY OF MERCER ISLAND

PCB 25-17
September 24, 2025
Regular Business

AGENDA BILL INFORMATION

TITLE:	PCB 25-17: Public Hearing – Omnibus Ordinance Related to Permanent Regulations for Housing Production and Permit Streamlining	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Recommendation
RECOMMENDED ACTION:	Conduct a public hearing, consider approving non-substantive amendments, and consider placing substantive amendments in the Planning Commission parking lot for recommendation on the 2026 annual docket.	

STAFF:	Adam Zack, Principal Planner
EXHIBITS:	1. Omnibus Legislation Code Amendment Package – Updated September 18, 2025 2. Omnibus Legislation Planning Commission Comment Matrix – V 1.0

EXECUTIVE SUMMARY

The purpose of this agenda bill is to brief the Planning Commission on the expected development code amendments that will be included in omnibus legislation to streamline regulations for residential development. The initial draft code amendment package is provided in Exhibit 1. The Planning Commission public hearing on this draft will take place September 24. The Council adopted scope of work for this project directs the Planning Commission complete review of the omnibus legislation by the end of October and targets adoption before the end of 2025.

- In the last few years, the WA Legislature has adopted many bills that require amendments to the Mercer Island City Code (MICC).
- Compliance with the updated state laws, combined with the state-required update to the Comprehensive Plan, required code amendments at a rapid pace.
- To keep pace with the changes in the state law, the City has adopted a series of interim ordinances between 2021 and 2025.
- Interim ordinances establish temporary regulations that eventually expire unless they are renewed or replaced by permanent regulations.
- Given the breadth of amendments required to replace the interim ordinances, on July 15, 2025, the City Council approved a scope of work for a project to adopt an omnibus ordinance related to permanent regulations for housing production and permit streamlining.
- The Council-approved scope of work directs the Planning Commission to complete review of this omnibus ordinance by the end of October to allow the Council to adopt the ordinance before the end of the year.
- The Planning Commission was briefed on the approved scope of work on July 23, 2025, and the initial draft of code amendments on September 10, 2025.
- During the meeting on September 10, 2025, the Planning Commission requested staff to analyze amendments that would limit where “Social Service Transitional Housing” to only those zones where hotels are allowed.

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- After initial review, the CPD Director decided to pull the proposed amendments to MICC 19.06.080(A) and (B) related to “special needs group housing” and “social service transitional housing” from the omnibus legislation to allow the City to consider permanent amendments during a separate process.
 - The proposed amendments to MICC 19.06.080(A) and (B) shown in PCB25-16 have been removed from the draft and will not be included in the Planning Commission’s recommendation (Exhibit 1).
 - All other Planning Commission comments will be entered into a comment matrix. Planning Commissioners will be able to provide comments through the end of the day on Friday, September 19, 2025. The comment matrix will be finalized and sent to the Planning Commission no later than September 22, 2025.

BACKGROUND

Beginning in 2021, the WA State Legislature enacted a series of bills that required local jurisdictions to amend their development codes to comply. During this period the City was also required to update its Comprehensive Plan. To comply with new legislation, meet its comprehensive plan update deadline, and maintain consistency with State law, the City enacted a series of interim ordinances that temporarily amended the MICC. The interim ordinances must be either renewed every 6-12 months or replaced by permanent regulations to maintain compliance with State law.

OMNIBUS LEGISLATION

Rather than prepare several code amendments to adopt permanent regulations to replace each interim ordinance individually, the City will adopt one set of omnibus legislation to replace them all at once. Omnibus legislation is the most efficient way to adopt permanent regulations because many of the interim ordinances overlap, with more than one ordinance amending the same development code section.

The omnibus legislation will address seven compliance topics that relate to housing production and streamlining permit review. On July 23, the Planning Commission was briefed on the topics to be addressed with the omnibus legislation. The omnibus legislation draft in Exhibit 1 includes notation following each amended section or subsection to indicate which topic the amendment is proposed to address. The notation is for reference only and will be removed from the text prior to adoption.

ISSUE/DISCUSSION

The Planning Commission (PC) comment period on the draft omnibus legislation began on August 11 and will conclude on September 19, 2025. All PC comments submitted to staff by 5:00 pm on September 19 will be listed in a matrix to be distributed to the PC prior to the September 24 public hearing. The PC will hold a public hearing and consider proposed amendments listed in that matrix on September 24. To provide the public with the opportunity to comment on the proposed amendments and refining amendments the PC makes on September 24, the public hearing will be continued to October 8. The PC can complete its recommendation to the City Council on October 8. The PC comments have been divided into two buckets in the matrix: non-substantive and substantive.

Non-Substantive Comments

Non-substantive comments would not alter the substance of the code provision or establish a new requirement. These are often referred to as ‘word smithing’ amendments and can also include grammatical corrections. The staff recommendation for non-substantive comments is to make these amendments in a block with a single motion as detailed in the recommended motion section below. In places where non-substantive comments overlap or need draft language, staff will resolve the overlap and draft language as needed based on direction in the non-substantive comments motion.

Substantive Comments

Comments sorted into this bucket will be those that suggest changes to the code that would alter the substance of an existing code provision or add a new code requirement that does not currently exist. Because of the breadth of amendments in the omnibus legislation and the timeline established by the City Council approved scope of work, staff recommends against the addition of substantive comments to the omnibus ordinance unless they are proposed in response to public comments or necessary to comply with the pertinent state law.

Parking Lot

Given the breadth of changes necessary and the scope of work approved by the City Council, the legislative review will need to stay focused on those amendments necessary to address the seven topics discussed above rather than considering new regulatory requirements. To stay on schedule for the omnibus ordinance, staff recommend the PC create a parking lot to place any substantive comments that are proposed during the review of the omnibus ordinance. Rather than discard substantive comments that propose new ideas or delay the omnibus ordinance to debate amendments that go above and beyond what is required to resolve the seven issues discussed above, the parking lot can gather those ideas for the PC to consider during the next annual docket process. Through a separate process next year, the PC can consider the proposed substantive code amendments and decide which it would like to formally propose through the docket.

NEXT STEPS

On July 15, the City Council approved a scope of work to adopt an omnibus ordinance related to permanent regulations for housing production and permit streamlining ([PCB25-14](#)). The scope of work gives the Planning Commission (PC) clear directions from the City Council – begin working on the omnibus ordinance in July and complete a recommendation for the City Council no later than the end of October. The scope also gives the public a schedule for when they can provide comments on the proposed amendments. The Council-directed PC schedule is outlined in Table 3. Note, the public hearing will begin on September 24 and be continued to October 8. On September 24, the Planning Commission will resolve the submitted comments and on October 8, the Planning Commission will make its final recommendation after receiving public testimony at the continued public hearing.

TABLE 3. PLANNING COMMISSION LEGISLATIVE REVIEW NEXT STEPS

Planning Commission Meeting	Scope of Work
September 10 (completed)	Briefing on code amendments by chapter
September 24	Public hearing on code amendments
October 8	Complete public hearing and PC recommendation
October 22 (If Necessary)	Work Session on PC recommendation. The PC must arrive at a recommendation no later than October 22.

RECOMMENDED ACTIONS

Conduct Public Hearing

Non-Substantive Amendments:

Move to approve the non-substantive amendments as shown in the comment matrix dated September 23, 2025, and request staff resolve any overlapping or undrafted proposed amendments.

Substantive Amendments:

Move to place any substantive amendments in the Planning Commission parking lot for consideration prior to the Planning Commission making its recommendation on the annual docket in 2026.