



# PLANNING COMMISSION CITY OF MERCER ISLAND

PCB 24-05

March 20, 2024

Special Business

## AGENDA BILL INFORMATION

Title:	PCB 24-05: Comprehensive Plan Periodic Review – Housing Element Initial Brief	<input checked="" type="checkbox"/> Discussion Only
Recommended Action:	Receive Report – No action necessary	<input type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input type="checkbox"/> Recommendation

Staff:	Adam Zack, Senior Planner	
Exhibits:	<ol style="list-style-type: none"> <li>1. Housing Work Group Recommended Draft Housing Element</li> <li>2. Housing Work Group Recommended Land Use Element Consistency Amendments</li> <li>3. Housing Element Planning Framework</li> </ol>	

## EXECUTIVE SUMMARY

This will be the first Planning Commission briefing on the Housing Element of the Comprehensive Plan.

- The draft Housing Element and Land Use Element consistency amendments were prepared by the Housing Work Group (HWG) over the course of January to March 2024;
- The HWG was composed of three City Councilmembers: Wendy Weiker, Craig Reynolds, and Salim Nice, and two Planning Commissioners: Kate Akyuz and Carolyn Boatsman;
- The draft Housing Element was drafted to address a number of requirements from state law, regional planning requirements, and King County Countywide Planning Policies (CPPs);
- On March 14, the HWG voted unanimously to recommend the draft Housing Element (Exhibit 1) and Land Use Element consistency amendments (Exhibit 2) to the Planning Commission (PC);
- Because the HWG has already reviewed the draft of amendments, the PC review is expected to be completed by April 10, in time for the Community Workshop planned for May 1; and
- Written comments on this initial draft of the Housing Element are due by March 25 so the Commission can review comments on March 27 and April 10.

## BACKGROUND

### Housing Element

The GMA was enacted by the WA State Legislature in 1990. It requires most cities and counties in the state to adopt and periodically review a comprehensive plan. The GMA requires each comprehensive plan to include several mandatory elements ([RCW 36.70A.070](#)). The Housing Element is a mandatory element under the GMA. The Housing Element is a statement of goals and policies that guide how the City will accommodate its projected population growth in the coming 20 years.

### Project History

- The WA State Growth Management Act (GMA) requires the City of Mercer Island to periodically review its Comprehensive Plan and make any necessary amendments by December 31, 2024;

- In 2021, the WA State Legislature enacted House Bill (HB) 1220, which amended the GMA requirements for locally adopted Housing Elements;
- In June 2021, King County prepared the Urban Growth Capacity (UGC) Report, which included a Land Capacity Analysis (LCA) for Mercer Island;
- The City Council set a scope of work for the Comprehensive Plan periodic review in 2022 with [Resolution 1621](#);
- The adopted scope of work included the creation of the Housing Work Group (HWG) to prepare an updated draft of the Housing Element. The HWG is composed of three city council members (Wendy Weiker, Craig Reynolds, Salim Nice) and two planning commissioners (Kate Akyuz, Carolyn Boatsman);
- The HWG was put on hold in November 2022 in anticipation of major changes prompted by HB 1220;
- Between May and August 2023, the WA Department of Commerce (Commerce) issued guidance for [updating housing elements](#) to comply with HB 1220. The Commerce guidance required additional steps not included in the City's original scope of work;
- The City Council updated this scope of work to add tasks for the Housing Element update in the summer of 2023 with [Resolution 1646](#);
- In August 2023, King County adopted [Ordinance 19660](#), which amended the Countywide Planning Policies (CPPs) to establish housing needs for all of its cities as required by HB 1220. The CPPs set the number of moderate, low, very low, and extremely low-income housing units needed in each city throughout the county;
- In accordance with the updated scope of work and the Commerce guidance, staff produced a Land Capacity Analysis (LCA) Supplement and a Racially Disparate Impacts (RDI) Evaluation and provided findings to the City Council with [Agenda Bill \(AB\) 6385](#);
- On January 16, 2024, the City Council approved two motions providing guidance to the Housing Work Group (HWG) on how to proceed with updating the Housing Element in light of the findings of the LCA Supplement and RDI Evaluation ([AB 6393](#));
- Between January and March 14, the HWG met to formulate and refine a draft of the Housing Element (Exhibit 1) and the corresponding amendments to related policies in the Land Use Element (Exhibit 2);
- The Planning Commission will review the HWG draft of the Housing Element from March 20 to April 10.

## **STATE, REGIONAL, AND COUNTYWIDE REQUIREMENTS**

Several layers of requirements apply to the Housing Element. State requirements are established by the GMA. Commerce provides guidance for complying with the GMA requirements. At the regional level, the Puget Sound Regional Council (PSRC) has adopted a regional plan called Vision 2050, which includes multicounty planning policies (MPPs). PSRC conducts a review of locally adopted comprehensive plans to ensure that they are consistent with the MPPs. King County has established countywide planning policies (CPPs) that local jurisdictions' comprehensive plans must be consistent with. King County will review and comment on locally adopted housing elements for the first time during this periodic review cycle. The HWG considered these requirements as it prepared its draft of the Housing Element to ensure that it meets the requirements. More information about state, regional, and countywide requirements can be found in the Housing Element Planning Framework (Exhibit 3).

The HWG draft Housing Element includes notation of which state, regional, and countywide requirements each component is directed at. In the draft, requirement notation is provided in brackets with a reference number that connects to the Housing Element Planning Framework in Exhibit 3. For example, HWG Draft Policy 1.5 states, "Take actions to promote healthy and safe homes" which is related to countywide requirement CPP-18 on page 10 of the Housing Element Planning Framework, so Policy 1.5 is followed by the notation "[CPP-18]". Throughout the HWG draft Housing Element, the bracketed notes refer back to the Housing Element Planning Framework in

Exhibit 3. The bracketed notes are for reference only and will be removed from the Housing Element prior to adoption.

## ISSUE/DISCUSSION

### **Housing Element Process**

The process to arrive at the recommended draft Housing Element has been underway since 2022. First, the City Council approved the Comprehensive Plan Periodic Review Scope of Work in March 2022 ([Resolution 1621](#)). Then, the five HWG members were selected from the City Council and PC. Three members were selected from the City Council (Salim Nice, Wendy Weiker and Craig Reynolds) and two from the PC (Carolyn Boatsman and Kate Akyuz). The HWG met three times between June and September 2022. The HWG process was paused in November 2022 in anticipation of Commerce issuing new guidance for updating the Housing Element and potential statewide legislation.

State and County guidelines and requirements for the Housing Element were updated throughout 2023 as the HWG work was paused. Commerce issued guidance between May and August 2023 to address the GMA requirements added by recent legislation. In August 2023, King County updated its CPPs to set housing needs by household income for all cities within the County.

By mid-2023, it became clear that the combination of updated Commerce guidance and amended CPPs required additional analysis and evaluation to ensure the Housing Element complied with state law and county policies. In July 2023, the City expanded its Comprehensive Plan Periodic Review Scope of Work to include the tasks needed to comply with updated Commerce guidance and King County CPPs ([Resolution 1646](#)). Staff prepared the LCA Supplement and RDI Evaluation, which was presented to the City Council on January 2, 2024, with Agenda Bill 6385. On January 16, 2024, the City Council provided guidance to the HWG on how to proceed with updating the Housing Element.

After the Council provided direction the HWG resumed its work in the second half of January. Meeting five times throughout January, February, and March, the HWG drafted an updated Housing Element (Exhibit 1). Through this process, the HWG took particular care to ensure that the updated element would comply with the state, regional and county requirements. On March 14, the HWG voted unanimously to recommend both the draft Housing Element (Exhibit 1) and Land Use Element consistency amendments (Exhibit 2) to the PC.

Given the scope of amendments needed to comply with the new requirements, a repeal and replacement of the Housing Element is proposed. The HWG draft Housing Element would fully replace the [existing Housing Element](#). Thus, the draft is shown without ~~strikeout~~/underline notation.

### **Land Use Element Consistency Amendments**

The Land Use Element includes several goals and policies that directly relate to housing. These housing related goals and policies require amendments to remain consistent with the updated Housing Element. In addition to consistency amendments, some of the housing-related land use policies were identified as needing review in the RDI Evaluation. The attached draft of amendments to housing related Land Use Element goals and policies was prepared by the HWG to maintain consistency with the draft Housing Element and resolve the topics identified in the RDI Evaluation. On March 14, the HWG unanimously voted to recommend the draft Land Use Element Consistency Amendments in Exhibit 2 to the PC.

The PC has already reviewed and proposed some amendments to the goals and policies in the Land Use Element. The Land Use Element Consistency Amendments started as a clean copy of the PC draft and made ~~strikeout~~/underline changes to track changes from the previous PC draft. All of the tracked changes in Exhibit 2 are new edits proposed in addition to any changes the PC made during their last review.

The Land Use Element Consistency Amendments are divided into three categories as follows:

- ❖ Items **highlighted in green** are proposed substantive changes. These changes were proposed to maintain consistency with the changes made in the Housing Element.
  - **The green highlighted items are Goals 15, Policies 15.2, 15.3, 15.5, and Goal 17.**
- ❖ Goal 29 is **highlighted in blue**. This goal and policies are proposed for repeal and replacement to match the implementation policies proposed in the Housing Element draft.
  - The proposal is to strike nearly every existing policy in this section and replace them with the same set of implementation policies from the draft Housing Element.
  - The recommended approach to this section is treat it as a block. Because the policy language is already worked out in the Housing Element, **consensus on the whole section is ideal, rather than reworking individual policies**. After review is completed, these policies can be made consistent between both drafts.
- ❖ Items **highlighted in yellow** are more minor amendments where the policy direction is not intended to significantly change.
  - In the interest of time, the yellow highlighted items can be treated as a single block of amendments.
  - **The yellow highlighted items are Goal 16, Policies 15.1, 15.4, 16.1, 16.5, 16.6, and 17.3.**

#### **Review Process**

On March 20, staff will provide an initial briefing on the HWG draft Housing Element and Land Use Element Consistency Amendments. The PC can ask the HWG members in attendance and staff any clarifying questions during the briefing.

Written comments on the HWG draft Housing Element and Land Use Element Consistency Amendments should be provided by March 25. Please send comments to Adam Zack, Senior Planner at [adam.zack@mercerisland.gov](mailto:adam.zack@mercerisland.gov). The PC will go over written comments on March 27. To goal is to conclude the PC initial review of the draft Housing Element on April 10.

#### **NEXT STEPS**

**March 25** – PC Comments on the HWG Draft Housing Element are due;

**March 27** – PC reviews comments on the HWG Draft Housing Element;

**April 10** – PC finishes review of comments on the HWG Draft Housing Element and arrives at a public review draft;

#### **RECOMMENDED ACTION**

Receive report – no action required.