



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 6622
February 4, 2025
Regular Business

AGENDA BILL INFORMATION

TITLE:	AB 6622: Interim Development Regulations Related to Middle Housing and Accessory Dwelling Units (Ordinance No. 25C-02 First Reading).	<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:	Hold public hearing and schedule second reading of Ordinance No. 25C-02.	

DEPARTMENT:	Community Planning and Development
STAFF:	Jeff Thomas, Community Planning and Development Director Alison Van Gorp, Community Planning and Development Deputy Director
COUNCIL LIAISON:	n/a
EXHIBITS:	n/a
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 hold a public hearing and conduct first reading of Ordinance No. 25C-02 related to interim regulations for Middle Housing and Accessory Dwelling Units (ADUs).

- Two previous City Council work sessions have been held on these topics, on January 7 ([AB 6556](#)) and January 21 ([AB 6600](#)). The Council provided direction on the drafting of two ordinances for consideration and public hearing.
 - The first of these ordinances, Ordinance No. 25C-02, will provide interim development regulations that permit middle housing development in the residential zones and also amend regulations related to ADUs.
 - The second ordinance, Ordinance No. 25C-06 is being prepared for public hearing and first reading on March 4, 2025, and will provide interim development regulations to permit unit lot subdivision.
- In 2023, the Washington State legislature passed [HB 1110](#), [HB 1337](#) and [SB 5258](#) establishing new requirements for development on residential lots in Washington cities, including Mercer Island.
- Mercer Island must allow two Accessory Dwelling Units (ADUs) on each lot where single-family homes are allowed (R, MF, PBZ and TC zones). ADUs can be attached, detached, or a combination and they can be a conversion of an existing building.

- Mercer Island must also allow 2 to 4 units of middle housing on each lot located in the Residential zones (R-8.4, R-9.6, R-12 and R-15). Middle housing is moderate density housing that is compatible in scale, form and character with single-family houses. The City must allow at least six of the prescribed nine types of middle housing.
- In addition, Mercer Island must permit unit lot subdivision, allowing existing “parent lots” to be split into “unit lots” that provide for individual sale and ownership of middle housing and ADU units.
- Adoption of interim regulations to provide minimum compliance with HB 1110, HB 1337 and SB 5258 is planned in Q1 2025. Permanent development regulations will be developed in the future with additional community engagement, analysis of policy options and refinement of the interim development regulations.
- At the February 4, 2025 City Council meeting, the City Council will hold a Public Hearing and conduct first reading of Ordinance No. 25C-02.

BACKGROUND

LEGISLATIVE REQUIREMENTS

In 2023, the Washington State Legislature adopted [House Bill 1110](#), commonly referred to as the “middle housing” bill. The main provisions of HB 1110 are codified as part of the Growth Management Act (GMA) in [RCW 36.70A.635](#) through [RCW 36.70A.638](#) and require many cities in the state to allow a range of moderate density housing types in areas that have predominantly allowed detached homes. The legislature also adopted [HB 1337](#) in 2023, codified as RCW [36.70A.680](#), [681](#) and [696](#), and requiring cities to permit two accessory dwelling units (ADUs) on all lots that permit single-family homes. Finally, SB 5258 was also adopted in 2023 and codified as [RCW 58.17.060](#)(3). Among other things, this bill requires jurisdictions to allow unit lot subdivision. Together these bills were intended to increase housing options that are more affordable across income levels.

Cities are required to adopt regulations in compliance with these new GMA requirements by six months after the due date for adoption of the periodic update of the comprehensive plan (June 30, 2025 for Mercer Island). If cities do not come into compliance by the due date, the state statute will “supersede, preempt and invalidate any conflicting local development regulations.” In the case of HB 1110, the state has adopted a model ordinance that will preempt any relevant local regulations if compliant regulations are not adopted by the deadline. More details on the requirements of each of these pieces of legislation is provided in [AB 6556](#).

APPROACH AND SCOPE OF WORK

Initial compliance with [HB 1110](#), [HB 1337](#) and the [SB 5258](#) unit lot subdivision requirements will be achieved via adoption of two ordinances with interim development regulations. This approach will allow the City to adopt minimally compliant development regulations in a short timeframe to meet the compliance deadline. It will also allow adequate time for review of code amendments related to other legislative mandates that have deadlines in 2025 (including [HB 1293](#), [HB 1042](#), and [HB 1998](#)), as well as addressing interim development regulations adopted in 2024 that will expire in 2025.

This initial phase will focus on complying with the minimum requirements of the legislation, as described above. This approach will apply the existing dimensional standards in the residential zones to the newly permitted housing types (including floor area, lot coverage, building height, setbacks, etc.). It may also include additional action to address the policy options described below. It will not include development regulations tailored to specific housing types.

The City is planning a future second phase of work aimed at adopting permanent development regulations. This second phase will include additional community engagement, analysis of additional policy options and refinement of the interim development regulations. If development regulations or incentives related to specific housing types or any other policy options are desired, they can be developed during Phase 2.

ISSUE/DISCUSSION

At the January 21 meeting, City Council provided direction on six policy questions, directing staff to prepare ordinances and a resolution to include the following provisions:

1. **Middle Housing Types:** permit the following six middle housing types - duplex, triplex, fourplex, townhouses, courtyard apartments, stacked flats.
2. **Alternate Density Options:** incorporate the standard density approach (Option 1 in [AB 6600](#))
3. **Unit Density and ADUs:** permit unit density with a maximum of two units per lot in the R-8.4, R-9.6, R-12 and R-15 zones and 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.
4. **ADU Floor Area Maximum:** amend the maximum floor area for ADUs to 1,000 square feet.
5. **ADU Floor Area Bonus:** amend the ADU floor area bonus to apply when a single family home with an attached ADU provides additional off-street parking.
6. **Impact Fees:** amend the City's fee schedule to apply the existing impact fee rates to middle housing and ADUs.

Items one through five listed above, have been incorporated into Ordinance No. 25C-02 per City Council direction. Item six will be addressed in a resolution to amend the City's fee schedule to be presented for City Council consideration on March 4, 2025. In addition, a public hearing is scheduled March 4, 2025 for Ordinance No. 25C-06 to amend the subdivision code to enable unit lot subdivision as required by SB 5258.

ORDINANCE NO. 25C-02

Ordinance No. 25C-02 will enact interim development regulations for a period of one year, beginning on June 30, 2025. These interim regulations include the following:

- Amendments to MICC 19.02.010 Single-family to permit middle housing and allow more than one ADU per lot.
- Amendments to MICC 19.02.020 Development Standards to modify the Gross Floor area incentive for ADUs to specify that the incentive applies to single family homes with attached ADUS when an additional off-street parking space is provided for the ADU.
- A new section MICC 19.02.025 Middle Housing permitting the following housing types in the R-8.4, R-9.6, R-12 and R-15 zones: duplex, triplex, fourplex, townhouses, courtyard apartments, and stacked flats, subject to unit density, affordable housing and parking standards specific to these housing types.
- Amendments to MICC 19.02.030 Accessory Dwelling Units to remove the owner occupancy requirement, permit up to two ADUs per lot, increase the maximum gross floor area to 1,000 square feet, add parking requirements and a few additional changes to comply with requirements in HB 1337.
- Amendments to MICC 19.16.010 Definitions to revise and add definitions pertinent to the above amendments.

NEXT STEPS

Second reading of Ordinance No. 25C-02 is tentatively scheduled for March 4, 2025. The ordinance is drafted with an effective date of June 30, 2025, the compliance deadline established for Mercer Island by HB 1110 and HB 1337. City staff will use the time between adoption of the ordinance and this effective date to update the City website and permit forms and train permit review staff on the regulatory changes.

A resolution amending the City's fee schedule will be prepared for consideration on March 4, 2025. The proposed amendments to the fee schedule will apply existing impact fee rates to middle housing and ADUs. Also scheduled for March 4 is a public hearing on Ordinance No. 25C-06, to consider amendments to the City's subdivision code to enable unit lot subdivision as required under SB 5258. Second reading of Ordinance No. 25C-06 is planned for March 18. These items will also be drafted with effective dates of June 30, 2025.

RECOMMENDED ACTIONS

Hold the public hearing.

Set Ordinance No. 25.C-02 for second reading on March 4, 2025.