



PLANNING COMMISSION CITY OF MERCER ISLAND

PCB 25-14
July 23, 2025
Regular Business

AGENDA BILL INFORMATION

TITLE:	PCB 25-14: Study Session – Omnibus Ordinance Related to Permanent Regulations for Housing Production and Permit Streamlining	<input checked="" type="checkbox"/> Discussion Only <input type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input type="checkbox"/> Recommendation
RECOMMENDED ACTION:	Complete a Study Session. No Planning Commission action required.	

STAFF:	Adam Zack, Principal Planner
EXHIBITS:	1. Omnibus Ordinance Scope of Work

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 an omnibus ordinance to streamline regulations for residential development. The Council-approved scope of work, provided in Exhibit 1, directs a project in which the Planning Commission legislative review of the omnibus ordinance would conclude by the end of October with a target to adopt the omnibus ordinance 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, 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 (Exhibit 1).
- 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.

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 ORDINANCE

Rather than prepare several ordinances to adopt permanent regulations to replace each interim ordinance, the City will adopt one omnibus ordinance to replace them all at once. An omnibus ordinance 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. Table 1 lists the compliance topics, including relevant statewide legislation, that will be addressed by the omnibus ordinance.

TABLE 1. COMPLIANCE TOPICS TO BE ADDRESSED BY THE OMNIBUS ORDINANCE

Topic	Description	MICC Chapters Affected	RCW Reference	Interim Ordinance #
HB 1220	Affordable and emergency housing.	19.02, 19.11	36.70A.070	25C-05
SB 6015	Residential parking requirements	19.02, 19.03, 19.11, 19.12	36.70A.622	25C-08
HB 1293	Clear and objective design standards	19.03, 19.06, 19.11, 19.12, 19.15, 19.16	36.70A.630	25C-11
Design Commission (DC)	Remove references to Design Commission review ¹	19.01, 19.02, 19.03, 19.04, 19.05, 19.06, 19.10, 19.11, 19.12, 19.15, 19.16, App. C	N/A	25C-14 ²
SB 5290	Permit review timelines	19.15, 19.16	36.70B.080	24C-17
HB 1998	Co-Living Housing	19.06, 19.11, 19.16	36.70A.535	N/A
Comp Plan Implementation	In 2024, the City Council updated the Comprehensive Plan and made implementing amendments to the Town Center development code.	19.11	36.70A.130	24C-18

Notes:

1. In 2025, the City Council dissolved the Design Commission and reassigned design review to the Hearing Examiner. Though no further code amendments are required to implement that action, minor code amendments to remove reference to the DC will ensure the code remains consistent as the design standards are amended to address HB 1293.
2. Ordinance 25C-14 was a permanent amendment to reassign design review to the Hearing Examiner and dissolve the Design Commission concurrent with the adoption of Ordinance No. 25C-11. While additional amendments to assign design review to the Hearing Examiner are not required, there are references to the design commission throughout Title 19 of the MICC that can be removed. Amending or removing these references will clarify for applicants and other code uses who the official responsible for review is.

The omnibus ordinance will not include regulations for middle housing, ADUs, and unit lot subdivision. Given the expected public interest in these amendments and that they largely affect single-family zones, staff will prepare a separate scope of work, schedule, and public participation plan for these amendments. This will allow for additional public outreach without delaying the adoption of an omnibus ordinance addressing all other interim ordinances.

SCOPE OF WORK AND SCHEDULE

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 (Exhibit 1). The omnibus ordinance would replace nearly all of the interim ordinances the City has adopted and is expected to amend almost every chapter of the development code in [Title 19 MICC](#). 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 clear schedule for when they can provide comments on the proposed amendments. The Council-directed PC schedule is outlined below:

Planning Commission Meeting	Scope of Work
July 23	Study Session going over Council directed scope and summarizing the following seven issues: (1) HB 1220, (2) SB 6015, (3) HB 1293, (4) Dissolving the Design Commission, (5) SB 5290, (6) HB 1998, and (7) Comprehensive Plan Implementation.
August 11	Public release of code amendment package with 30-day comment period
September 10	Briefing on code amendments by chapter
September 24	Public hearing on code amendments
October 8 (If Necessary)	Study Session on PC recommendation
October 22 (If Necessary)	Study Session on PC recommendation The PC must arrive at a recommendation no later than October 22.

HB 1220 – AFFORDABLE AND EMERGENCY HOUSING

Adopted in 2021, HB 1220 made significant changes to how cities and counties must plan for housing under the Growth Management Act (GMA). HB 1220 also established [RCW 35A.21.430 – Transitional housing, permanent supportive housing, indoor emergency housing, and indoor emergency shelters](#), which specifies how code cities may regulate certain housing types. The majority of changes precipitated by HB 1220 were resolved during the Comprehensive Plan periodic review the City completed in 2024. The City still needs, however, to make a handful of permanent code amendments to regulations for shelters, temporary housing, emergency housing, and permanent supportive housing (STEP housing) in response to RCW 35A.21.430, which states:

A code city shall not prohibit transitional housing or permanent supportive housing in any zones in which residential dwelling units or hotels are allowed. Effective September 30, 2021, a code city shall not prohibit indoor emergency shelters and indoor emergency housing in any zones in which hotels are allowed, except in such cities that have adopted an ordinance authorizing indoor emergency shelters and indoor emergency housing in a majority of zones within a one-mile proximity to transit. Reasonable occupancy, spacing, and intensity of use requirements may be imposed by ordinance on permanent supportive housing, transitional housing, indoor emergency housing, and indoor emergency shelters to protect public health and safety. Any such requirements on occupancy, spacing, and intensity of use may not prevent the siting of a sufficient number of permanent supportive housing, transitional housing, indoor emergency housing, or indoor emergency shelters necessary to accommodate each code city's projected need for such housing and shelter under RCW 36.70A.070(2)(a)(ii).

The City has complied with the statutory STEP housing requirements since 2021 by adopting interim ordinances. Most recently, STEP housing requirements were addressed by [Ordinance No. 24C-03](#). Consistent with the statute, the interim regulations:

- Amended the definition of “social service transitional housing” to include the state definition of “emergency housing” and “transitional housing”.
- Amended the definition of “special needs group housing” to include “permanent supportive housing”.
- Amending the definition meets the requirement to allow the STEP housing consistent with the state law because both “social service transitional housing” and “special needs group housing” are uses that are already allowed subject to conditions in residential zones and zones where hotels are allowed.

During the Comprehensive Plan periodic review, the City's land capacity analysis found that the spacing requirement in MICC 19.06.080(B)(3)(c) requiring social service transitional housing facilities to be at least 600 feet from facilities such as churches, synagogues, parks, and schools, must be amended to provide adequate capacity for the City's allocated emergency housing needs. Amendments to comply with the statutory requirements in RCW 35A.21.430 and the GMA will include those amendments made by [Ordinance No. 25C-05](#) and changes to incorporate guidance from the WA State Department of Commerce for STEP housing.

SUMMARY OF AMENDMENTS EXPECTED

The omnibus ordinance is expected to make the amendments to the definitions of "social service transitional housing" and "special needs group housing" enacted by Ordinance No. 25C-05 permanent. The ordinance will also include removal of the spacing requirements in MICC 19.06.080(B)(3)(c).

Development Code Sections

- MICC 19.06.080 – Siting of Group Housing.
- MICC 19.16.010 – Definitions

SB 6015 – RESIDENTIAL PARKING REQUIREMENTS

Senate Bill (SB) 6015 established [RCW 36.70A.622](#), which makes significant changes to how cities are allowed to regulate parking for residential development. Parking standards for residential development are established in MICC [19.02.020](#), MICC [19.03.020](#), MICC [19.11.130](#), MICC [19.12.050](#), and Appendix A of the Unified Land Development Code Appendices. Amendments to residential parking standards in the MICC are necessary to comply with SB 6015. In detail, SB 6015 establishes the following requirements for cities and counties planning under the GMA:

- Garages and carports may not be required for residential development; parking spaces that count towards minimum parking requirements may be enclosed or unenclosed (RCW 36.70A.622(1)(a));
- Parking spaces, in tandem, count towards meeting minimum parking requirements at a rate of one space for every 20 linear feet, with any necessary provisions for turning radius (RCW 36.70A.622(1)(c));
- The existence of non-conforming gravel surfacing in existing designated parking areas may not be a reason for prohibiting the use of existing space in the parking area to meet local parking standards (RCW 36.70A.622(1)(d));
- Parking spaces may not be required to exceed 8 feet by 20 feet, except for parking designed under the requirements of the Americans with Disabilities Act (ADA) (RCW 36.70A.622(1)(e));
- Parking spaces that consist of grass block pavers may count towards minimum parking regulations (RCW 36.70A.622(1)(g));
- Existing parking spaces that do not conform to these requirements are not required to be modified or resized, except for compliance with the ADA (RCW 36.70A.622(2));
- Existing paved parking lots are not required to change the size of existing parking spaces during resurfacing if doing so will be more costly or require significant reconfiguration of the parking space locations (RCW 36.70A.622(2)); and
- Any county planning under the GMA, and any city within the county with a population greater than 6,000, may not require off-street parking as a condition of permitting a residential project if compliance with tree retention would otherwise make proposed residential development or redevelopment infeasible (RCW 36.70A.622(1)(f)).

SUMMARY OF AMENDMENTS EXPECTED

The City must amend the parking requirements in all zones that allow residential uses to maintain compliance with SB 6015.

Development Code Sections

- MICC 19.02.020 – Development standards
- MICC 19.03.020 – Parking requirements
- MICC 19.11.130 – Parking, vehicular and pedestrian circulation
- MICC 19.12.050 – Vehicular and pedestrian circulation
- MICC Appendix A – Parking lot dimensions

HB 1293 – CLEAR AND OBJECTIVE DESIGN STANDARDS

In 2023, the WA Legislature enacted House Bill (HB) 1293. This bill added a new section to the Growth Management Act (GMA) that establishes requirements and restrictions governing how cities and counties can regulate building design. The City has established design standards and review procedures in Chapters 19.11, 19.12, and 19.15 MICC. The main requirements from HB 1293 are that (1) local design review standards must be clear and objective and (2) the standards may not reduce development intensity below the level generally allowed by the zoning designation (RCW 36.70A.630(2)). The City adopted interim Ordinance No. 25C-11 to update its design standards to comply with HB 1293 on June 17, 2025.

Nearly all the design standards in Chapters 19.11 and 19.12 MICC need an amendment to comply because many provisions are flexible rather than clear and objective. The majority of these flexible standards allow the Design Commission to determine design requirements on a case-by-case basis.

House Bill 1293 and RCW 36.70A.630

In 2023, the WA Legislature enacted House Bill (HB) 1293. This bill added a new section to the Growth Management Act (GMA) that establishes new requirements and restrictions governing how cities and counties planning under the GMA can regulate building design. The new GMA section was codified as [RCW 36.70A.630 – Local Design Review – Requirements and Restrictions](#). The Mercer Island City Code (MICC) must be consistent with RCW 36.70A.630 by June 30, 2025 (RCW 36.70A.630(5)).

Mercer Island Design Standards

In 1972, the City of Mercer Island adopted its first design standards, established a design review process, and created the Design Commission (DC) to conduct some of the design review. That system of design standards and design review has been amended several times in the years since it was adopted but remains in effect.

Much of the new development that occurs throughout the City, in Town Center and other zones, is subject to some level of design review, excluding single-family dwellings and their accessory buildings, property owned by the City, and wireless communication facilities. The Hearing Examiner conducts design review for more complex proposals, including new buildings, additions, or exterior alterations to a building or site beyond a certain threshold. All other proposals are subject to an administrative design review conducted by the code official or designee. The City's design standards and review procedures are codified in Chapters [19.11](#), [19.12](#), and [19.15](#) MICC.

SUMMARY OF AMENDMENTS EXPECTED

The City Council adopted interim [Ordinance No. 25C-11](#) on June 17, 2025. This interim ordinance amended the Mercer Island design standards in Chapters 19.11 and 19.12 of the MICC to comply. The omnibus ordinance will incorporate the permanent provisions of Ordinance No. 25C-11, along with additional amendments to ensure consistency with other required changes.

Development Code Sections

- MICC 19.11.010 – General
- MICC 19.11.020 – Land Uses
- MICC 19.11.030 – Bulk Regulations
- MICC 19.11.040 – Affordable Housing
- MICC 19.11.060 – Site Design

- MICC 19.11.070 – Greenery and Outdoor Spaces
- MICC 19.11.080 – Screening
- MICC 19.11.090 – Lighting
- MICC 19.11.100 – Building Design
- MICC 19.11.110 – Materials and Color
- MICC 19.11.120 – Street Standards
- MICC 19.11.130 – Parking, Vehicular and Pedestrian Circulation
- MICC 19.11.140 – Signs
- MICC 19.11.150 – Administration
- MICC 19.12.010 – General
- MICC 19.12.020 – Site features and context
- MICC 19.12.030 – Building design and visual interest
- MICC 19.12.040 – Landscape design and outdoor spaces
- MICC 19.12.050 – Vehicular and pedestrian circulation
- MICC 19.12.060 – Screening of service and mechanical areas
- MICC 19.12.070 – Lighting
- MICC 19.12.080 – Signs
- MICC 19.15.060 – Application
- MICC 19.15.220 – Design review and the design commission
- MICC 19.16.010 – Definitions

DISSOLVING THE DESIGN COMMISSION

When the City Council adopted Ordinance No. 25C-11 to comply with HB 1293, they also adopted [Ordinance No. 25C-14](#). This ordinance dissolved the Design Commission and reassigned quasi-judicial design review authority to the Hearing Examiner. Ordinance No. 25C-14 was drafted in a way that dissolved the Design Commission without requiring immediate changes to Title 19 MICC. The omnibus ordinance, however, will include amendments to remove references to the design commission throughout the development standards to reflect the updated decision-making authority structure established by Ordinance No. 25C-14.

SUMMARY OF AMENDMENTS EXPECTED

References to the Design Commission throughout Title 19 MICC will be struck or amended to clarify that the Hearing Examiner or code official is the decision-making authority, consistent with Ordinance No. 25C-14.

Development Code Sections

- MICC 19.01.050 – Nonconforming structures, sites, lots, and uses
- MICC 19.02.010 – Single-family
- MICC 19.03.010 – Multiple-family
- MICC 19.03.020 – Parking requirements
- MICC 19.04.010 – Planned business zone – PBZ
- MICC 19.04.020 – Commercial offices
- MICC 19.04.040 – Parking requirements
- MICC 19.05.010 – Public institution – PI
- MICC 19.06.030 – Antennas
- MICC 19.10.060 – Tree removal – Associated with a development proposal
- MICC 19.15.030 – Land use review types
- MICC 19.15.060 – Application
- MICC 19.15.220 – Design review and the design commission
- Appendix C – Design Guidelines of the Mercer Island Design Commission

SB 5290 – PERMIT REVIEW TIMELINES

In 2023, the WA State Legislature enacted SB 5290, which amended sections in Chapter 36.70B RCW. [Chapter 36.70B Revised Code of Washington](#) (RCW), Local Project Review, establishes the standards for processing land use permits for all cities and counties in Washington. SB 5290 requires cities to establish specific permit review procedures and timelines. The procedures standardize what must be submitted with an application and when certain reviews must be concluded. The City Council adopted interim [Ordinance No. 24C-17](#) to comply with SB 5290. SB 5290 requires the following:

- Interior alterations must be exempt from site plan review;
- Determinations of completeness must be provided for specific types of project permit applications;
- Set timelines for issuing determinations of completeness and permit decisions must be implemented; and
- Cities must refund or discount permit fees if review takes longer than the state-mandated review timelines.

SUMMARY OF AMENDMENTS EXPECTED

The omnibus ordinance would make the code amendments in Ordinance No. 24C-17 permanent. These changes will primarily affect Chapter 19.15 MICC.

Development Code Sections

- MICC 19.15.030 – Land use review types
- MICC 19.15.040 – Review procedures
- MICC 19.15.060 – Application
- MICC 19.15.070 – Determination of completeness
- MICC 19.16.010 – Definitions

HB 1998 – CO-LIVING HOUSING

In 2024, the WA State Legislature enacted House Bill 1998 (HB 1998). This bill enacted RCW 36.70A.535 – Co-living Housing. This state law requires that cities planning under the Growth Management Act (GMA) allow co-living housing in all zones where multifamily residential uses are allowed subject to specific conditions. Mercer Island must update its code to comply with these changes by December 31, 2025 (RCW 36.70A.535(9)(a)). If the City does not amend the development code to comply with HB 1042 the state law supersedes local regulations (RCW 35A.21.440(1)(b)).

Co-living housing is “a residential development with sleeping units that are independently rented and lockable and provide living and sleeping space, and residents share kitchen facilities with other sleeping units in the building. Local governments may use other names to refer to co-living housing including, but not limited to, congregate living facilities, single room occupancy, rooming house, boarding house, lodging house, and residential suites.” ([RCW 36.70A.535\(11\)\(a\)](#)). Mercer Island currently regulates “rooming houses”, which have nearly the same definition. The regulations for “rooming houses” will be updated to account for the requirements of RCW 36.70A.535.

RCW 36.70A.535 requires the following:

- Cities planning under the GMA must allow co-living housing in all mixed-use and multifamily zones;
- Cities cannot require the following in co-living housing:
 - Room or unit sizes larger than the minimums set in the building code;
 - A mix of unit sizes or number of bedrooms;
 - A mix of non-residential uses;
 - Any parking within one half mile walking distance of a major transit stop;
 - Parking to be provided at a rate greater than 0.25 spaces per sleeping unit;
 - Any development standards more restrictive than those required for multifamily residential uses in the subject zone; and
 - Additional review, public meetings, or public notice beyond that required for residential uses in the subject zone;
- Co-living housing cannot be excluded from affordable housing incentive programs;
- Sleeping units within co-living housing may not count for more than 0.25 dwelling units for the purpose of calculating maximum density;

- Sleeping units cannot count as more than one half a dwelling unit for the purpose of utility connection fees; and
- Cities must comply by December 31, 2025.

SUMMARY OF AMENDMENTS EXPECTED

This project is expected to result in the amendment of the following sections of Title 19 Mercer Island City Code (MICC):

Development Code Sections

- MICC 19.06.080 – Siting of Group Housing.
- MICC 19.11.020 – Land Uses
- MICC 19.16.010 – Definitions

COMPREHENSIVE PLAN IMPLEMENTATION

Under the GMA, the City was required to update its Comprehensive Plan in 2024 (RCW 36.70A.130). When the Comprehensive Plan was updated, there were corresponding code amendments required to implement the updated policies. On December 3, 2024, the City Council adopted interim [Ordinance No. 24C-18](#) to amend the development code concurrently with the Comprehensive Plan update to maintain consistency between the plan and the code. The interim regulations increased the maximum building height in three subareas of the Town Center to ensure that the Comprehensive Plan allows sufficient development capacity to accommodate its allocated housing needs as required by the GMA (RCW 36.70A.115).

SUMMARY OF AMENDMENTS EXPECTED

The Comprehensive Plan implementation amendments will affect several sections in Chapter 19.11 MICC to increase the maximum building height in the TC-5, TC-4, and TC-4 Plus subareas and amend the affordable housing height bonus. These changes will ensure the development code remains consistent with the updated Comprehensive Plan.

Development Code Sections

- MICC 19.11.015 – Town Center subareas
- MICC 19.11.020 – Land uses
- MICC 19.11.030 – Bulk regulations
- MICC 19.11.040 – Affordable housing
- MICC 19.11.060 – Site design
- MICC 19.11.100 – Building design

ISSUE/DISCUSSION

The City Council approved a scope and schedule for legislative review of this project on July 15, 2025 (Exhibit 1). Per the scope and schedule approved by the City Council, the PC must complete its deliberations and make its recommendation by October 22, 2025. An initial draft of the code amendments to be included in the omnibus ordinance will be made public in August. The PC comment period on the initial draft will be open from August 11 to September 17. Staff will brief the PC on the initial draft, walking through the sections to be amended during a briefing on September 10. Following the PC comment period, the public hearing will be held on September 24. The PC will begin considering its recommendation after the public hearing. Deliberations may continue to October 8 and 22 if needed.

The Council-directed scope and schedule for reviewing the omnibus ordinance reflects the following key points: (1) the ordinance will establish permanent amendments to replace interim regulations that have already been on the books, (2) the regulations in the interim ordinances are the preferred approach to achieving compliance with

the state law, and (3) any staff recommended amendments that are not included in the existing interim ordinances will be proposed to maintain consistency with statewide requirements. Accordingly, the PC Study Sessions will focus on completing a review of the proposed amendments without creating new policy direction or adding requirements over and above what has been included in the interim ordinances already adopted. The City Council direction is to undertake a project to review permanent regulations that would make one-to-one permanent replacements for the existing interim ordinances rather than a full reworking of each affected code section.

SUBSTANTIVE AND NONSUBSTANTIVE PC COMMENTS

In general, staff will divide PC comments into two buckets: 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 will be to make these amendments in a block with a single motion. In places where non-substantive comments overlap, the PC can ask staff to resolve the overlap 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 ordinance 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.

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

August 11 – Code amendments become publicly available

September 10 – PC Code Amendment briefing

September 17 - PC Comments Due

September 24 - PC Public Hearing

October 8 (If Necessary) - PC Study Session

October 22 (If Necessary) - PC Study Session (Note: the PC must complete its recommendation by this date)

RECOMMENDED ACTION

Complete a Study Session. No Planning Commission action required.