



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

**AB 6302
July 18, 2023
Consent Agenda**

AGENDA BILL INFORMATION

TITLE:	AB 6302: Comprehensive Plan Periodic Review - Housing Element Update Supplemental Scope and Schedule	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution
RECOMMENDED ACTION:	Approve Resolution No. 1646, a Supplemental Scope of Work for the 2024 Comprehensive Plan Periodic Review.	

DEPARTMENT:	Community Planning and Development
STAFF:	Jeff Thomas, Community Planning and Development Director Adam Zack, Senior Planner
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Resolution No. 1646
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 present a resolution to approve a supplemental scope of work for the 2024 Periodic Update of the Comprehensive Plan. The City of Mercer Island is required to review and update its Comprehensive Plan by December 31, 2024. The supplemental scope of work will add tasks to the scope of work, to be completed by this deadline.

- In 2021, the Washington (WA) State Legislature enacted Engrossed Second Substitute House Bill 1220 (HB 1220) requiring changes to the Comprehensive Plan to address potential racially disparate impacts of housing policies and affordable housing for all income ranges (see [AB 6156](#) for more information).
- On March 15, 2022, the City Council approved [Resolution No. 1621](#), which established a scope of work for the Comprehensive Plan periodic review.
- In late 2022 and early 2023, the WA Department of Commerce (“Commerce”) issued guidance for complying with HB 1220. This guidance necessitates additional tasks for the comprehensive plan periodic review that were not included in the scope approved by Resolution No. 1621.
- In 2023, the WA State Legislature enacted House Bills 1110 (“HB 1110”) and 1337 (“HB 1337”) setting new requirements for residential densities in cities and amending the requirements for accessory

dwelling units (ADU). The changes enacted by both bills will require Comprehensive Plan amendments.

- Given the changes made by HB 1110 and HB 1337, and the Commerce guidance for complying with HB 1220, the scope approved by Resolution No. 1621 must be supplemented with additional tasks.
- The City Council was initially briefed on the supplemental scope of work on July 5, 2023, see [AB 6290](#).
- Resolution No. 1646 (Exhibit 1) would approve the supplemental scope of work that establishes tasks and the schedule needed to comply with recent changes in state law and Commerce guidance.

BACKGROUND

Cities and counties planning under the WA Growth Management Act (GMA) are required to periodically review and, if necessary, update their comprehensive plans. Cities in King County are required to complete periodic reviews and updates by December 31, 2024. The City Council approved a scope of work, public participation plan, and master schedule for the Mercer Island Comprehensive Plan periodic review with [Resolution No. 1621](#) on March 15, 2022.

The approved scope of work, public participation plan, and master schedule set the planned tasks for completing the comprehensive plan periodic review. Based on the minor changes to the City's housing and employment growth targets at that time, the periodic review was planned to be a 'surgical' update. While most of the Comprehensive Plan still only needs targeted updates, recent statewide legislation and guidance from Commerce indicate that the update to housing policies in the Housing Element will require additional tasks not included in the scope, public participation plan, and master schedule.

House Bill 1220 and Commerce Guidance

In 2021, the WA State Legislature enacted [HB 1220](#), which amended the planning requirements for cities. Complying with HB 1220 will necessitate additional tasks during the Comprehensive Plan periodic review. A requirement established in HB 1220 is that the City must adopt affordable housing unit targets and demonstrate that the Comprehensive Plan can accommodate the targets ([RCW 36.70A.070\(2\)](#)). Another requirement is that the City must identify policies and regulations that result in racially disparate impacts, displacement, and exclusion in housing ([RCW 36.70A.070\(2\)\(e\)](#)) and policies to address those that may be caused by local policies, plans, and actions ([RCW 36.70A.070\(2\)\(f\)](#)). In late 2022 and early 2023, [Commerce issued guidance](#) for complying with these requirements. Based on the Commerce guidance, the City will need to add new tasks to the scope of work approved in 2022.

Recent Statewide Legislation

The WA State Legislature enacted [HB 1110](#) and [HB 1337](#) during the 2023 session. HB 1110 and HB 1337 both require regulatory changes that must be adopted within six months of the completion of the periodic review (by June 30, 2025). Those regulatory changes will also require policy amendments in the Comprehensive Plan to ensure they are consistent with each other. The policy changes that precede the development code amendments can be made during the Comprehensive Plan periodic review and can be rolled into the tasks detailed in the supplemental scope of work. Work on the regulatory changes will begin in 2024, following the completion of the Comprehensive Plan periodic review.

ISSUE/DISCUSSION

The requirements added to the Comprehensive Plan periodic review by HB 1220, HB 1110, HB 1337, and the guidance provided by Commerce requires expanding the scope of work for the Housing Element. The initial

scope of work for this element was planned to be a heavy touch of the existing element but did not contemplate the additional planning requirements the legislature has since added. Given the additional planning needed for affordable housing, racially disparate impacts, middle housing, and ADUs, the Housing Element will need an in-depth overhaul. The Land Use Element will also need some further policy amendments to correspond with the overhaul of the Housing Element.

Supplemental Scope of Work

The supplemental scope of work in Exhibit 1 details the additional tasks necessary to comply with changes to State law and the Commerce guidance. This document outlines the additional steps the City will take to respond to these changes and finish the Comprehensive Plan periodic review. The additional tasks will be undertaken between July 2023 and February 2024, when the Planning Commission is scheduled to begin the legislative review of the draft Comprehensive Plan Amendment.

Key tasks and milestones in the supplemental scope of work include:

- **July – October 2023:** Staff will conduct the additional land capacity and racially disparate impacts analyses outlined in the Commerce guidance.
- **November 2023:** City Council briefing on the outcomes of the additional land capacity and the racially disparate impacts analyses.
- **December 2023:** City Council will provide direction on preferred housing alternative to address land capacity and racially disparate impacts.
- **January 2024:** Housing Work Group will review the draft of Comprehensive Plan amendments related to housing.
- **February/March 2024:** Planning Commission begins its legislative review.

The supplemental scope of work aims to get the additional work to the Planning Commission in time to wrap up the periodic review by the end of June 2024, the date the periodic review is set to conclude in the scope of work adopted by [Resolution No. 1621](#). However, in 2022, the WA Legislature pushed back the deadline for cities in King County to finish their periodic review from June 30, 2024, to December 31, 2024. Thus, additional time in the second half of 2024 is available if one or more tasks in the supplemental scope take longer than expected and the City chooses to extend the timeline.

NEXT STEPS

Staff will begin working on the tasks in the supplemental scope of work.

RECOMMENDED ACTION

Approve Resolution No. 1646 approving a Supplemental Scope of Work for the 2024 Comprehensive Plan Periodic Review.