

AB 6888: City of Mercer Island Modified Station Area Boundary

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March 17, 2026

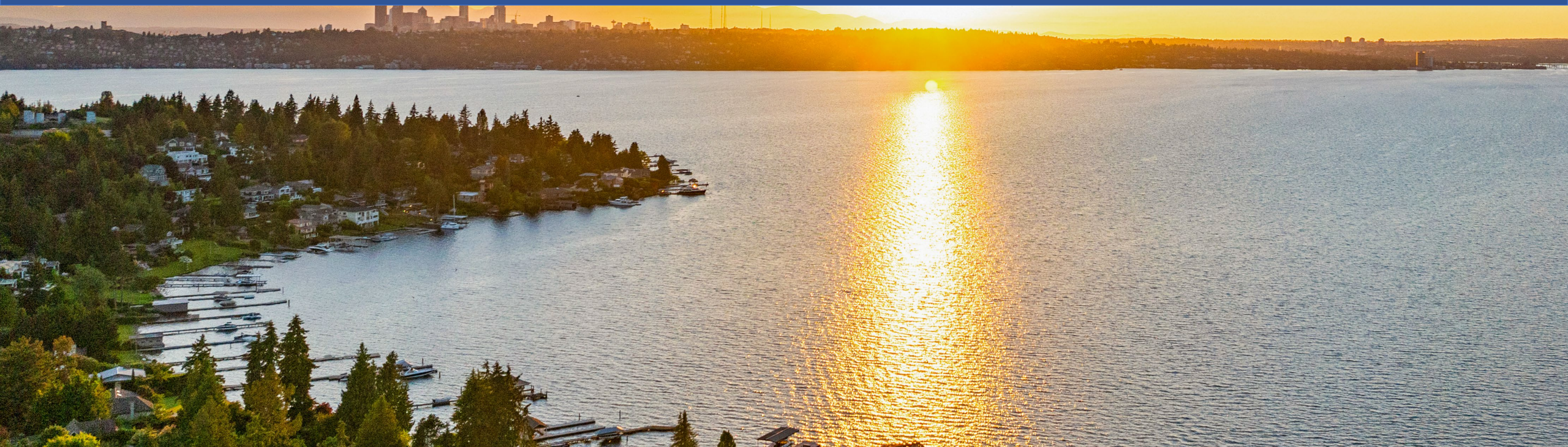


Agenda

1. Growth Management Hearings Board Order
2. Modified Station Area Boundary

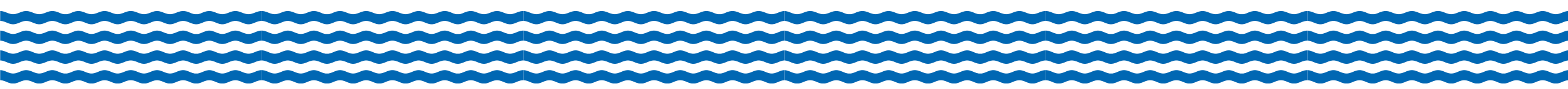


Part 1: GROWTH MANAGEMENT HEARINGS BOARD ORDER



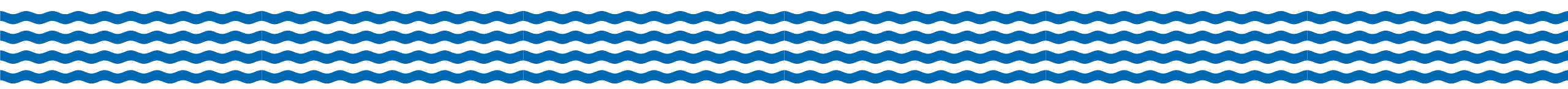
Comprehensive Plan Appealed

- The City completed a periodic review and update of the Mercer Island Comprehensive Plan, on November 19, 2024.
- The 2024 Comprehensive Plan was subsequently appealed to the Growth Management Hearings Board (GMHB) which was focused on the City not providing sufficient affordable housing.
- On August 1, 2025, the GMHB issued a final decision and order (GMHB Order).
- The GMHB Order found that the City must make changes to its Comprehensive Plan to comply with the GMA regarding four issues – land capacity, adequate provisions, **station subarea plan** and anti-displacement measures.
- The City must comply with the GMHB Order by July 31, 2026.



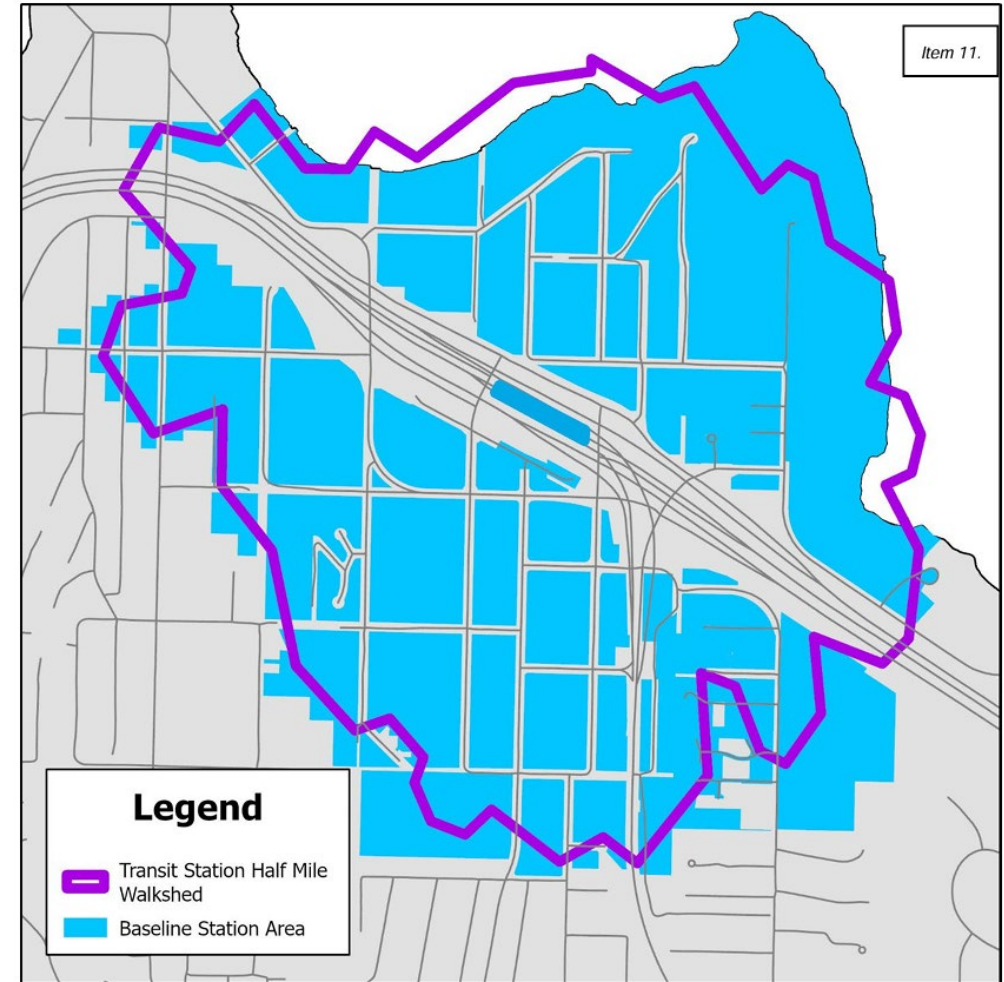
GMHB Order – Four Issues

Issue	Action Needed
1. Land Capacity	Analyze residential land capacity at each housing affordability level and close any identified gaps.
2. Adequate Provisions	Adopt incentives, mandatory provisions, and planned actions (“aka adequate provisions”) that will increase the supply of affordable housing.
3. Station Subarea Plan	Adopt a subarea plan for the area around the transit station.
4. Anti-Displacement Measures	Adopt anti-displacement measures to address the potential displacement that can occur with changes in zoning.
Compliance Deadline: July 31, 2026	Adopt a scope of work and schedule to complete work by July 2026.

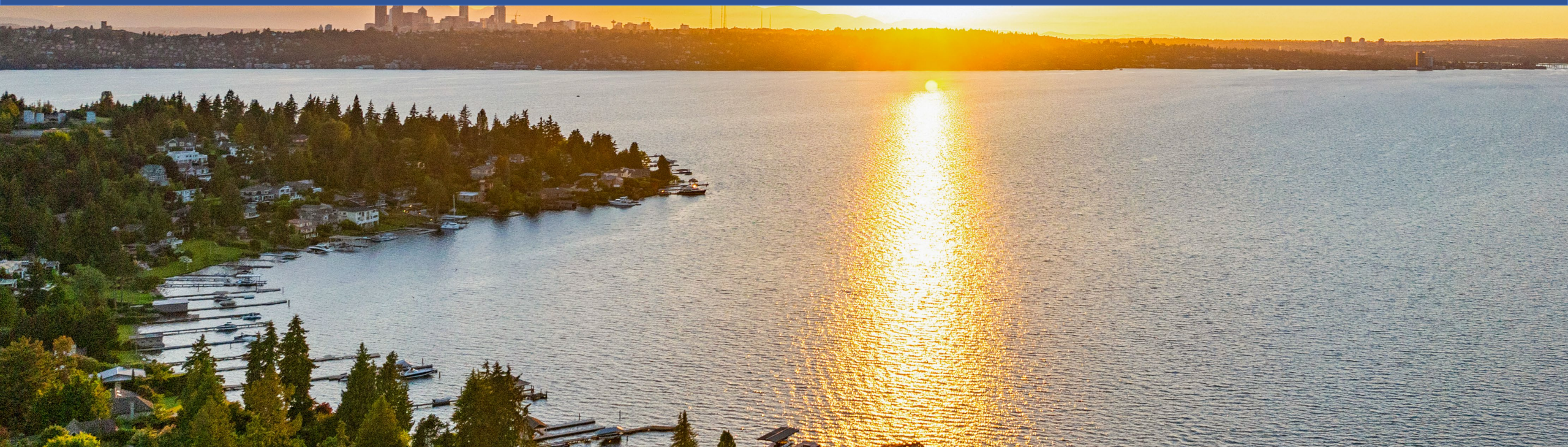


Station Subarea Plan

- PSRC VISION 2050 establishes Multicounty Planning Policies for the Puget Sound region.
- The Multicounty Planning Policies require jurisdictions to adopt subarea plans for transit station areas.
- GMHB order requires the City to adopt a plan.
- State law defines a transit station area as all lots fully or partially within **½ mile walking distance from light rail** station entrances.
- Cities may adopt a modified station area with approval by the WA Department of Commerce



Part 2: MODIFIED STATION AREA BOUNDARY



Station Subarea Boundary

- On January 16, the City Council directed staff to prepare a modified Station Subarea boundary base to the ½ mile walk distance based on four guidelines:

Guideline 1	Exclude city parks, open space, and the Interstate 90 corridor from the station area.
Guideline 2	Exclude non-contiguous area.
Guideline 3	Align the remaining station area boundary with City streets.
Guideline 4	The station area boundary should follow existing zoning boundaries if City streets do not make a logical boundary.

- The resulting draft boundary was presented to the City Council on February 17.
- Staff was directed to complete a public feedback period through March 13 on this boundary and report out the results.

Modified Station Area Boundary



Baseline Station Area



Guideline 1 Removals (green)



Guideline 2 Removals (yellow)



Guideline 3&4 add and subtract



Preliminary Modified Station Area Boundary

Public Engagement and Feedback

In February, a public engagement plan was adopted by City Council.

Community Information Webinar.

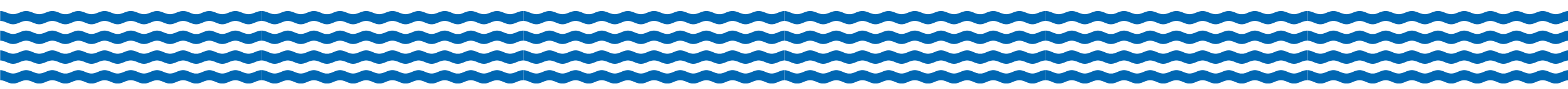
- Covered background and strategy of the GMA Compliance
- ~70 residents attended.
- 34 questions and comments received.
- The recording is available online.

Public Feedback Period for Modified Station Area Boundary.

- Open from February 17 to March 13, 2026.
- 20 comments were received during feedback period.
- Feedback attached as exhibit.

Public Feedback Summary

- Desire to focus station area and upzones south of I-90
- Concerns around infrastructure needs
- Support for fee in lieu
- Support for increased capacity in the Town Center
- Don't include parks in station area



Approving Modified Station Area Boundary

- Once the Modified Station Area Boundary is approved, work can continue on the station subarea plan and finalizing the land capacity analysis.
- No changes to the Modified Station Area Boundary are proposed at this time.

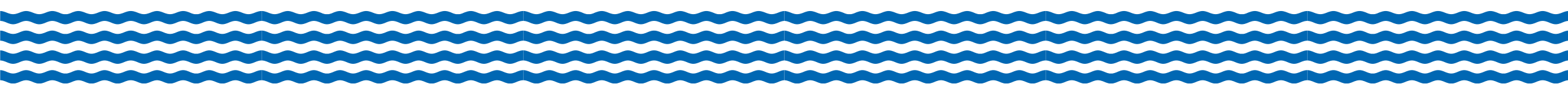
Department of Commerce approval will be needed in the future:

- Will be submitted for review after guidance is released.
- Guidance will likely be released after compliance deadline July 31, 2026.
- Some changes may be needed for approval and TOD compliance in 2029.

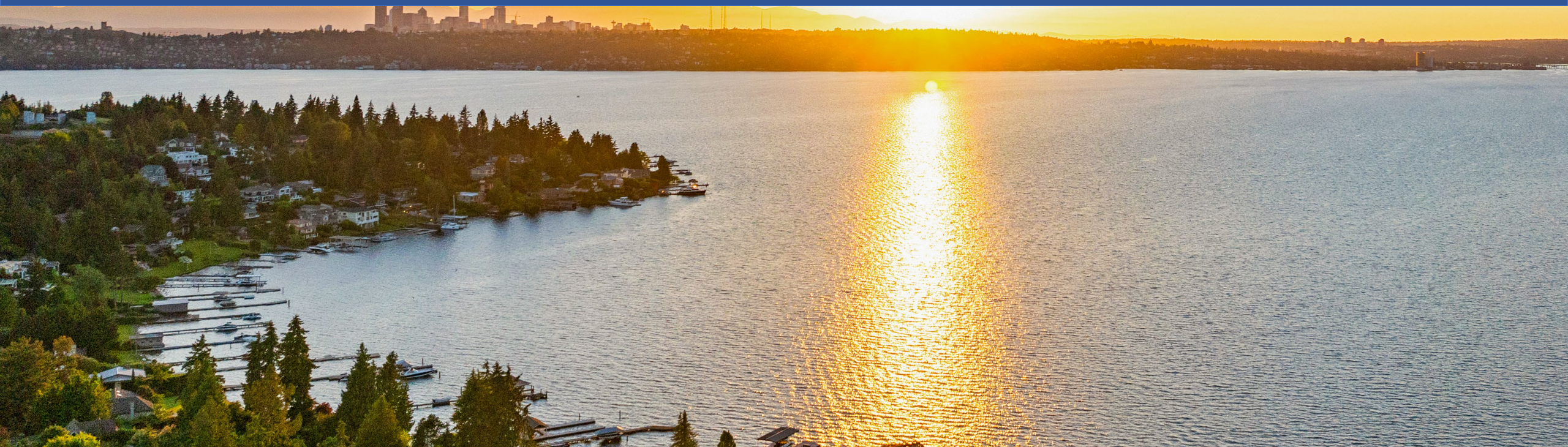


Recommendation

- Approve the Modified Station Area Boundary as shown in Exhibit 1 for the purposes of GMA compliance.



Thank You!





HB 1491 TOD BILL



- Allow multifamily residential and mixed-use development.
- Allow an average of 6 stories across the entire station area.
- Require a percentage of affordable housing in new developments.
- Enact a multifamily tax exemption (MFTE) for affordable housing
- Grant an additional 2 stories for developments with 100% of units affordable.
 - Affordability is measured via KC Area Median Income
- Reduced parking requirements.

Overlap of TOD Bill and GMHB Order Compliance

- On January 16, 2026, the City Council directed staff to align compliance with the GMHB Order and the TOD Bill where possible.

GMHB Order	Both	TOD Bill
<ul style="list-style-type: none"> • Evaluate land capacity and upzone to close the gaps • Make adequate provisions for affordable housing • Adopt a Transit Station Subarea Plan • Adopt anti-displacement measures • Compliance required by July 31, 2026 	<ul style="list-style-type: none"> • Allowing multifamily, mixed-use, and average of 3.5 FAR in station area (close land capacity gaps) • Inclusionary zoning, MFTE, and reduced parking in the station area (make adequate provisions) • Plan for growth in the area around transit (Subarea Plan) 	<ul style="list-style-type: none"> • Allow multifamily and mixed-use in the station area • Allow an average of 3.5 FAR in the station area. • MFTE and inclusionary zoning • Reduced parking requirements • Compliance required by 2029