

AB 6937:
Renewal of Interim
Regulations for Unit
Lot Subdivision
(SB 5258)

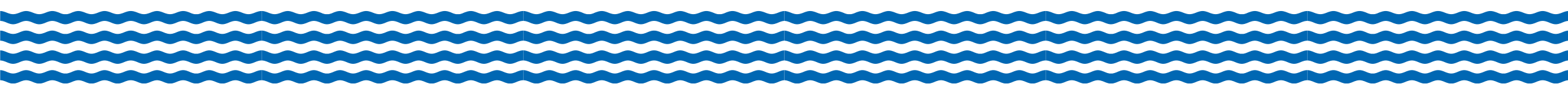
First Reading, Ord. No. 26-06

June 2, 2026, Mercer Island City Council



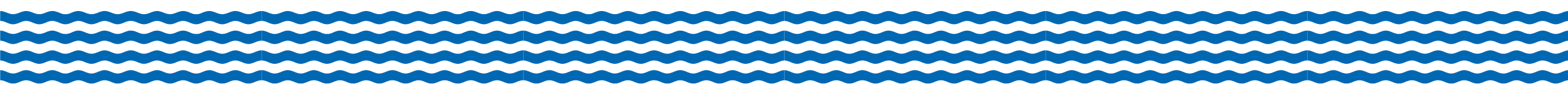
Background

- SB 5258 passed in 2023 establishing new requirements for development on residential lots.
- March 4, 2025: City Council adopted Ordinance No. 25C-06 which established interim regulations to provide minimum compliance with SB 5258.
- Ordinance No. 25C-06 expires on June 30, 2026. The City must renew the interim regulations for an additional 6 months to maintain compliance with state law.

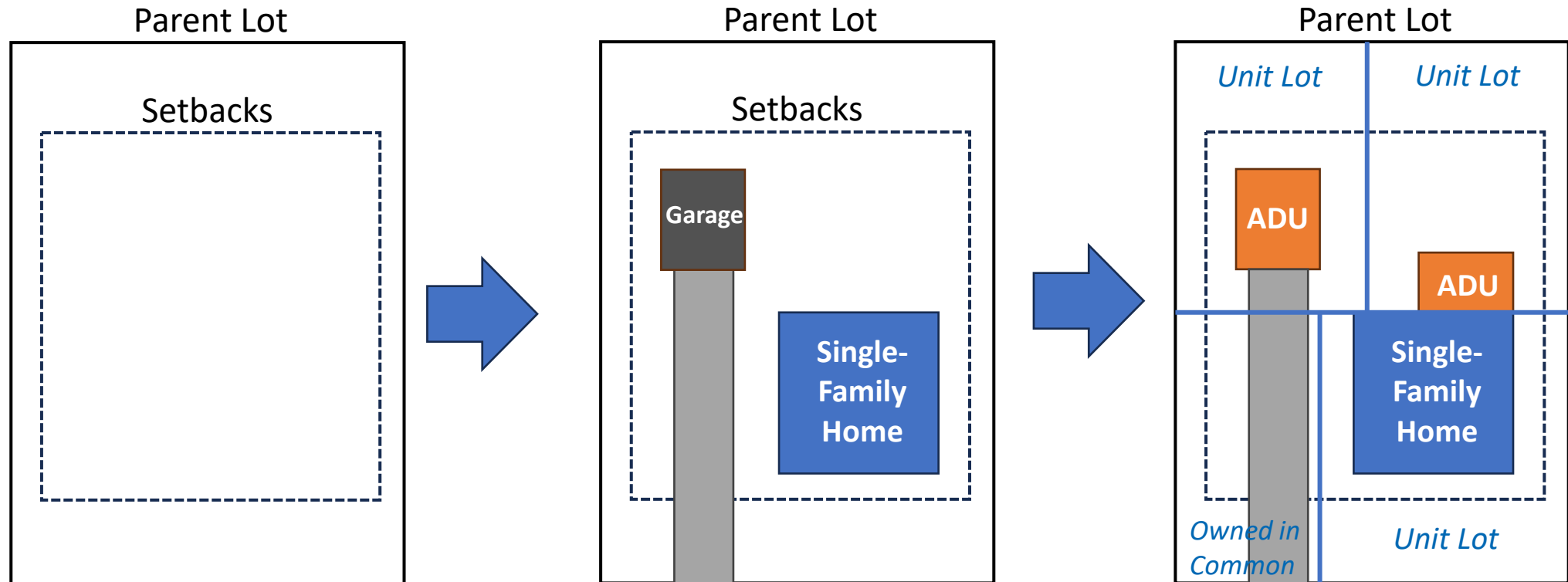


SB 5258

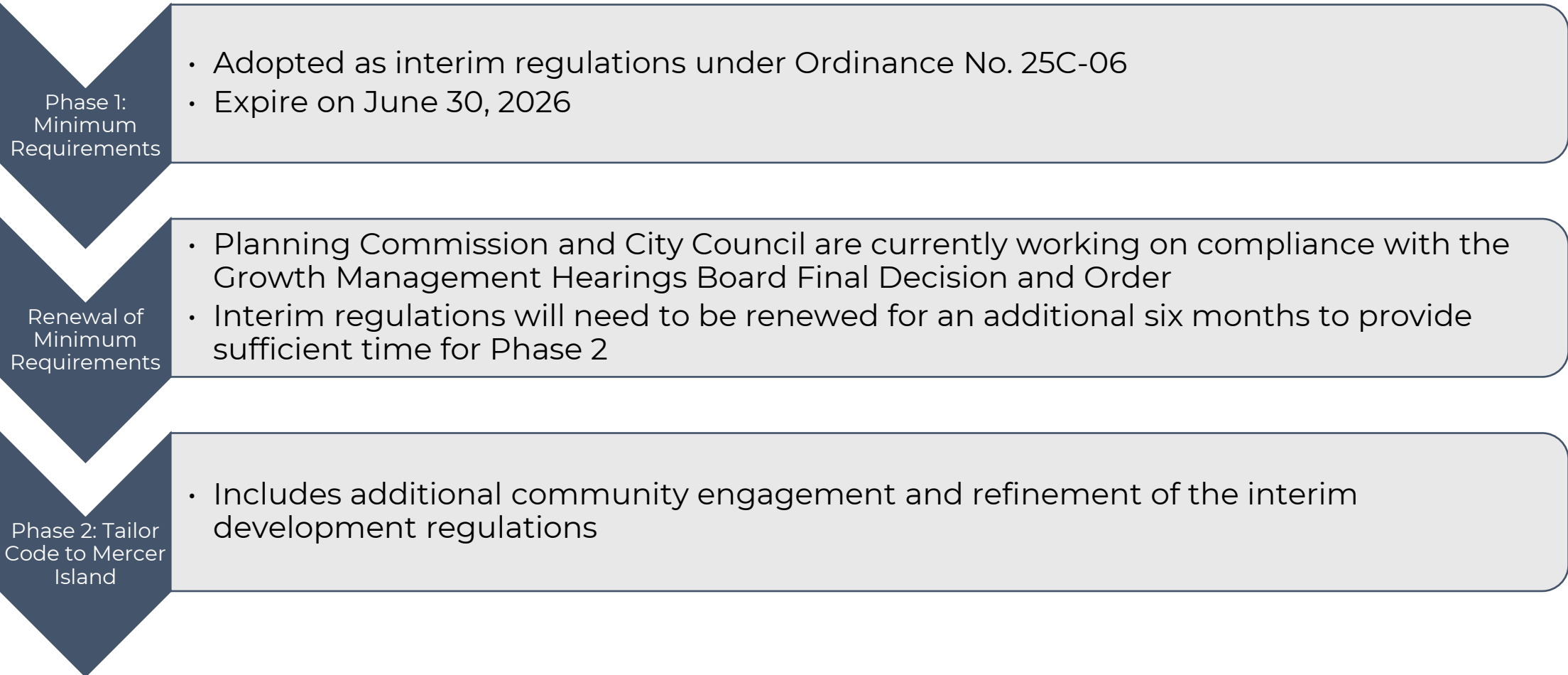
- Local jurisdictions must “include in their short plat regulations procedures for unit lot subdivision of a parent lot into separately owned unit lots...”
- Allows the land beneath detached single-family housing, accessory dwelling units, or middle housing where no units are stacked on another unit to be divided for individual sale.



Unit Lot Subdivision



Approach and Scope of Work



Renewal of Ordinance No. 25C-06

Ordinance No. 26-06 renews the interim regulations adopted under Ordinance No. 25C-06 with no changes:

- **MICC 19.08.080 Fee Simple Unit Lot Subdivisions** (new section)
 - Enables the creation of ULS using the City's existing short plat process
 - Applies existing development standards to the **parent lot**
 - No setbacks or prescribed requirements for lot length, width or area required on unit lots
 - Required parking may be provided on another unit lot or tract
 - Final plat must indicate that unit lots are not separate buildable lots and additional development of units lots may be limited by the application of development standards to the parent lot

Renewal of Ordinance No. 25C-06

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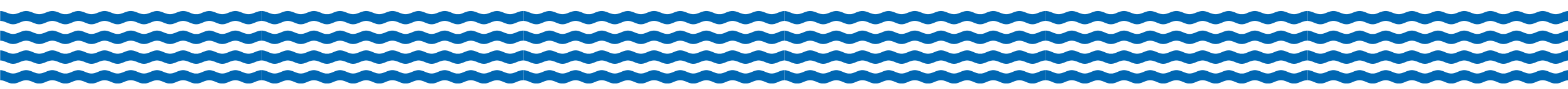
- **MICC 19.15.030:**
 - Adds Preliminary Unit Lot Subdivision and Final Unit Lot Subdivision to the City's Land Use Review Type table
- **MICC 19.16.010:**
 - Adds definitions of "Parent Lot" and "Unit Lot" to the Definitions chapter

Next Steps

Ordinance No. 26-06 (renewal of Ordinance No. 25C-06 establishing interim regulations for Unit Lot Subdivisions)

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- Public Hearing and First Reading: June 2, 2026
 - Second Reading: June 16, 2026
 - Effective Date: June 30, 2026
 - New Expiration: December 30, 2026

Interim regulations may be continued to be renewed every six months until the capacity exists for permanent regulations to be adopted



Phase 1: Minimum Requirements

- Add middle housing type definitions and permitted uses
- Add unit density definition and permit 2-4 middle housing units per lot
- Add middle housing affordability incentive
- Amend ADU standards (floor area, owner occupancy)
- Add parking requirements for middle housing and ADUs
- Add unit lot subdivision provisions
- *(optional)* Additional policy options to be considered on January 21

Phase 2 (future): Tailor Code to Mercer Island

- Community outreach and engagement to determine what types of development the community wants to encourage
- Consider amending development regulations (setbacks, building height, floor area, etc) and design standards
- Explore middle housing type-specific development regulations
- Consider development incentives
- Consider updates to impact fees for middle housing and ADUs
- Explore updates to tree retention and replacement requirements
- Explore updates related to access standards, frontage and streetscape standards, utilities, hardscape and softscape requirements, etc.

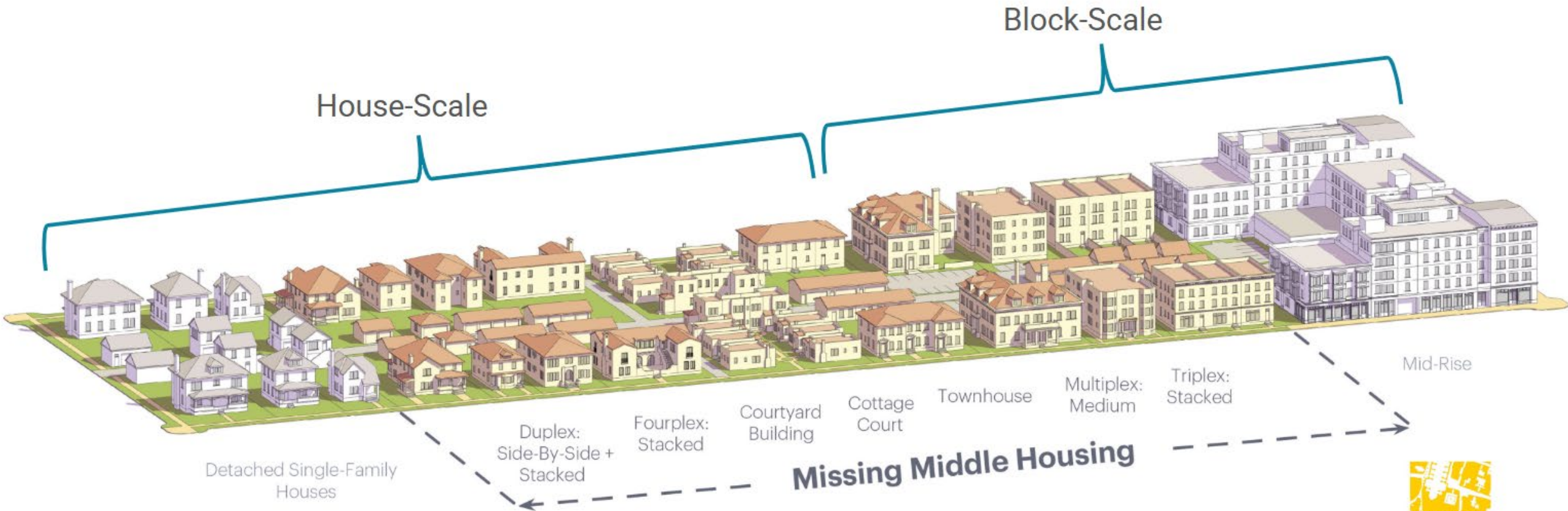
SLIDE FROM 2025



Key Concepts

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Middle Housing



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Accessory Dwelling Units

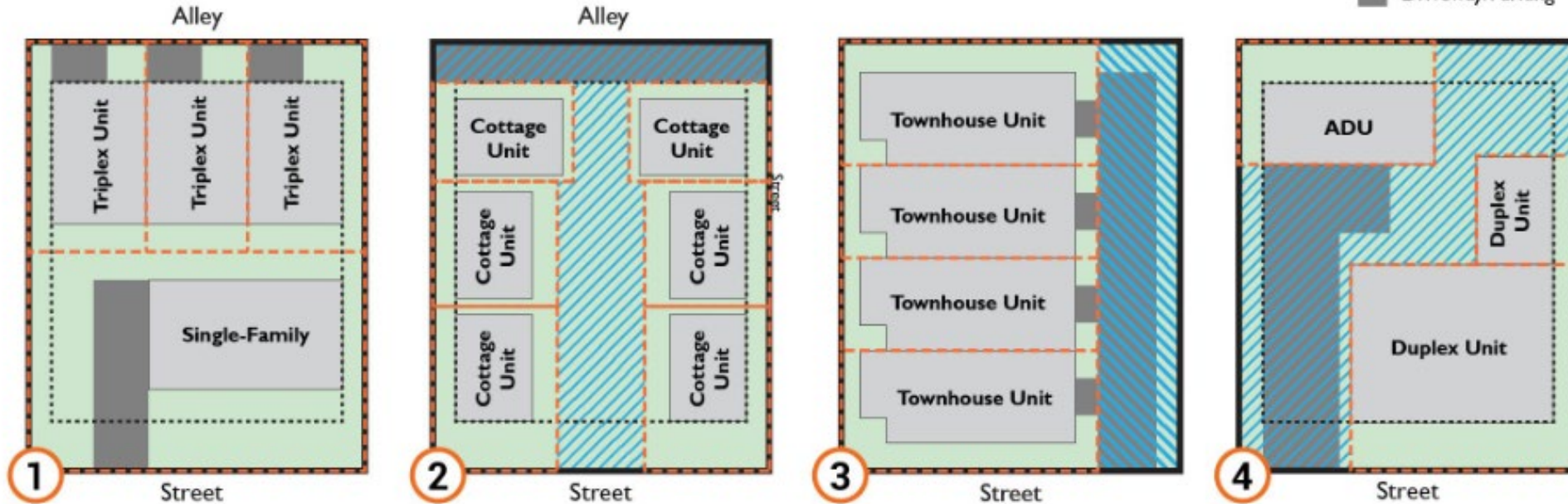


Unit Density



Unit Lot Subdivision

1. Preserved single-family house with three attached units built in the back yard.
2. A cottage cluster development with a shared open space.
3. A townhouse development with a shared driveway.
4. A duplex with an accessory dwelling unit (ADU) on its own unit lot.



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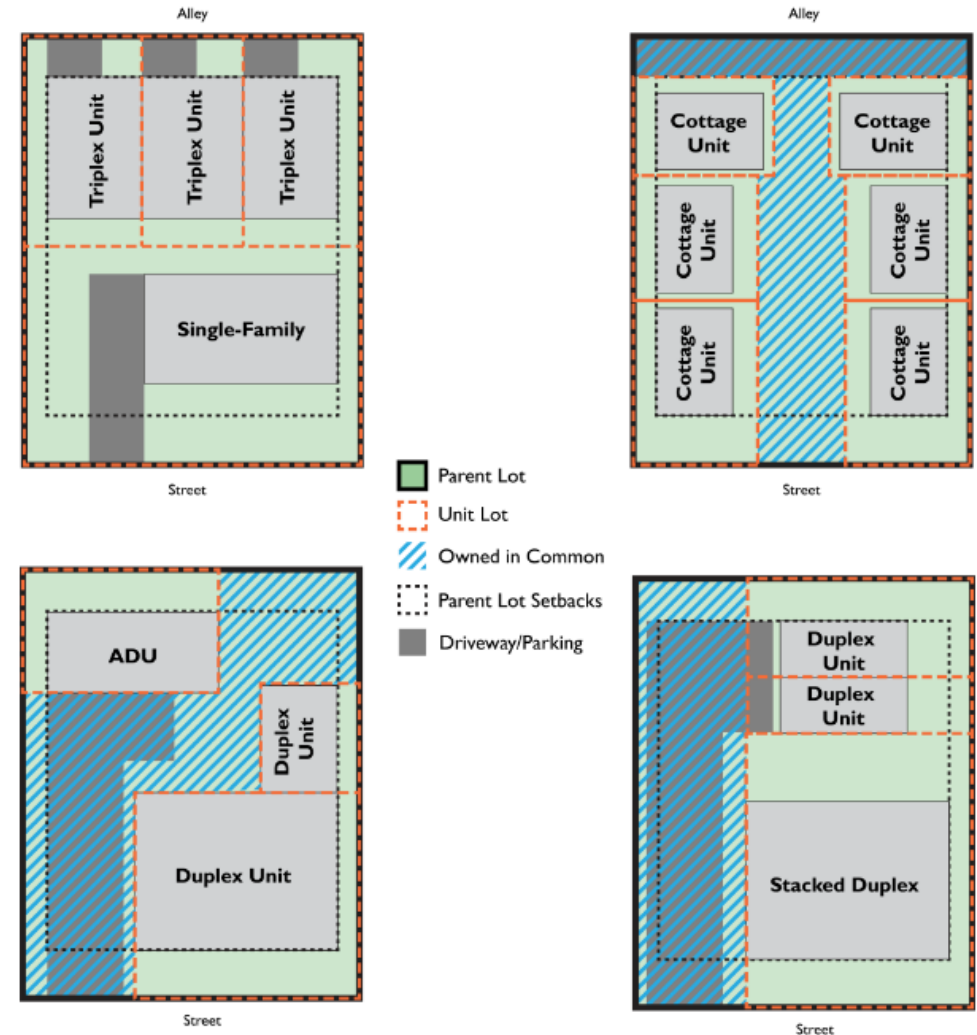


SB 5258

SLIDE FROM 2025

SB 5258 - Unit Lot Subdivision

- Passed by legislature in 2023
- Allows short subdivision process to create “unit lots” within a parent lot
- Allows fee simple land ownership for middle housing
- Must also allow zero lot line development under RCW 36.70A.635



Source: Commerce Middle Housing User Guide, MAKERS