

AB 6936:

Renewal of Interim Regulations for Middle Housing and ADUs (HB 1110 & HB 1337)

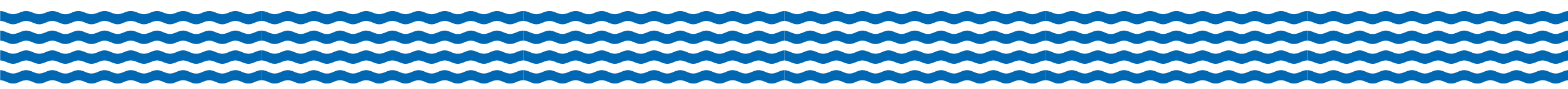
First Reading, Ord. No. 26-05

June 2, 2026, Mercer Island City Council



Background

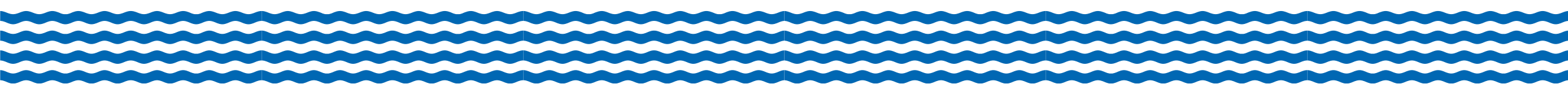
- HB 1110 & 1337 passed in 2023 establishing new requirements for development on residential lots.
- March 4, 2025: City Council adopted Ordinance No. 25C-02 which established interim regulations to provide minimum compliance with HB 1110 and HB 1337.
- Ordinance No. 25C-02 expires on June 30, 2026. The City must renew the interim regulations for an additional 6 months to maintain compliance with state law.



HB 1110

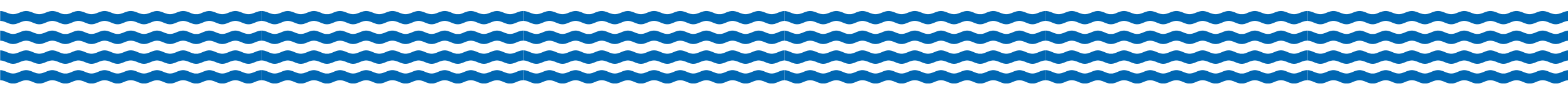
Requires the City to adopt regulations to allow middle housing in all single-family residential zones.

- Must allow six of the nine middle housing types identified in the legislation
- Requires unit densities (2-4 units per lot)
- Development standards cannot be more restrictive than single-family residential
- Design review must be administrative
- Limits on parking requirements



HB 1110 – Additional Requirements

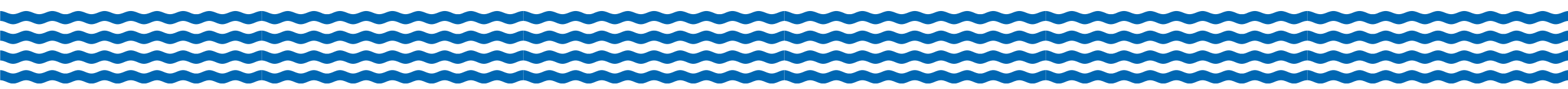
- Applies to all zones that allow residential, unless higher densities are already allowed: R-8.4, R-9.6, R-12, and R-15 zones
- Allow at least 2 middle housing units per lot
- Allow at least 4 middle housing units per lot if:
 - a) The lot is located within a quarter-mile walking distance of the light rail station; or
 - b) At least one unit is affordable



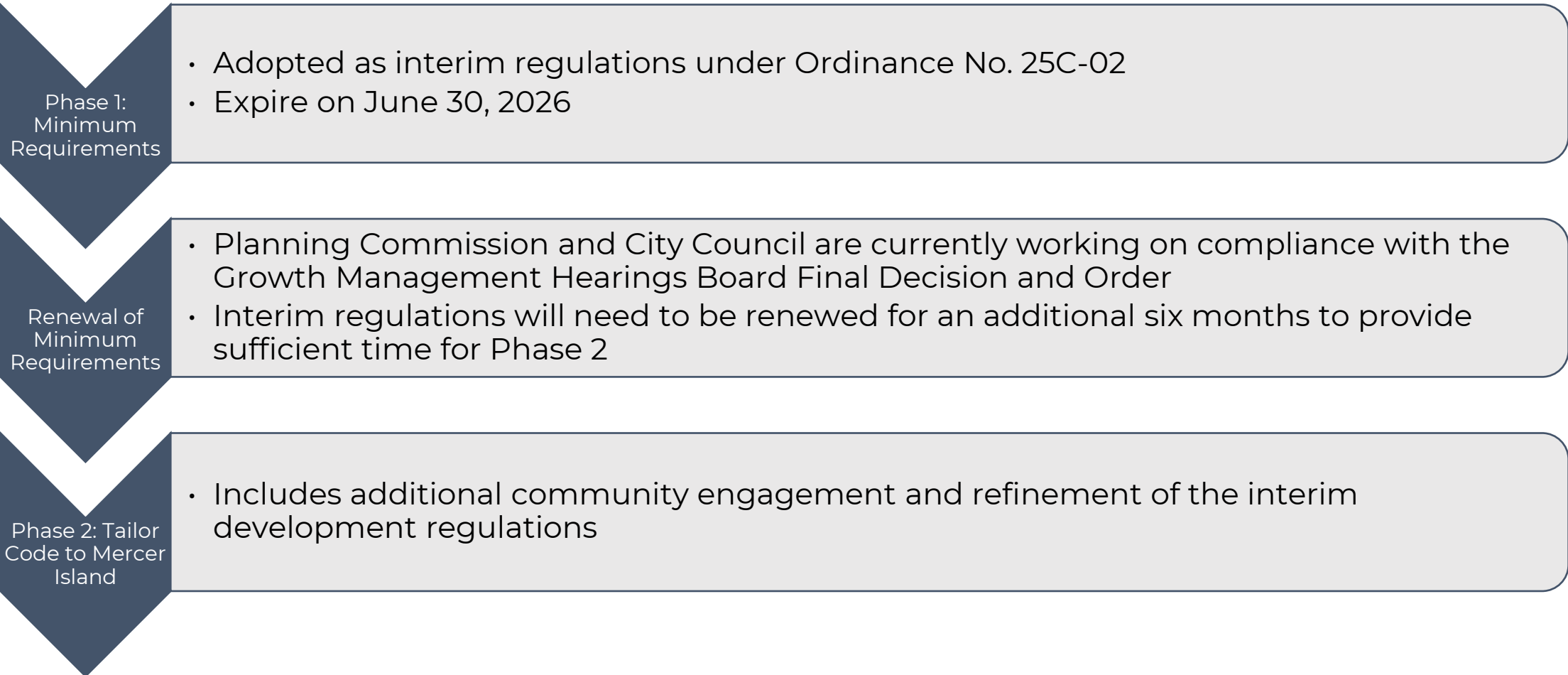
HB 1337

Requires the City to adopt regulations that allow two Accessory Dwelling Units on all lots that allow single-family development:

- ADUs may be attached, detached, or a conversion of an existing structure
- Allow at least 1,000 square feet per ADU
- No owner occupancy requirement
- Must allow sale as individual units
- Restrictions on parking requirements (same as HB 1110)
- No public street improvements as a permit condition
- Impact fees limited to 50% of single-family rate



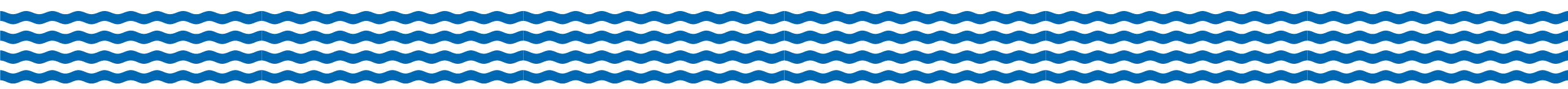
Approach and Scope of Work



Renewal of Ordinance No. 25C-02

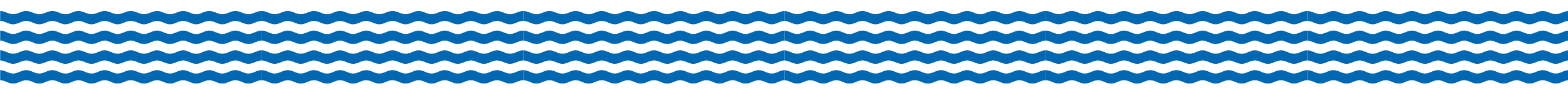
Ordinance No. 26-05 renews the interim regulations adopted under Ordinance No. 25C-02 with no changes:

- **MICC 19.02.010 Single-family:** permits middle housing and allows more than one ADU per lot
- **MICC 19.02.020 Development standards:** modifies the GFA incentive to specify that the incentive applies to single-family homes with an attached ADU when an additional off-street parking space is provided for the ADU



Renewal of Ordinance No. 25C-02

Ordinance No. 26-05 renews the interim regulations adopted under Ordinance No. 25C-02 with no changes:

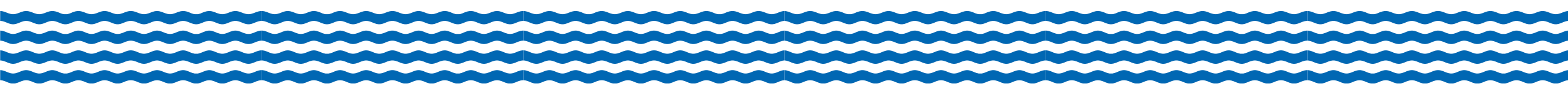
- **MICC 19.02.025 Middle Housing** (new section): permits six middle housing types in the R-zones, establishes unit density, affordable housing, and parking requirements
 - **MICC 19.02.020 ADUs**: removes the owner occupancy requirement, permits up to two ADUs per lot, increases the maximum GFA to 1,000 sf, and adds parking requirements
 - **MICC 19.16.010 Definitions**: revises and adds related definitions
- 

Next Steps

Ordinance No. 26-05 (renewal of Ordinance No. 25C-02 establishing interim regulations for Unit Lot Subdivisions)

- 
- 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



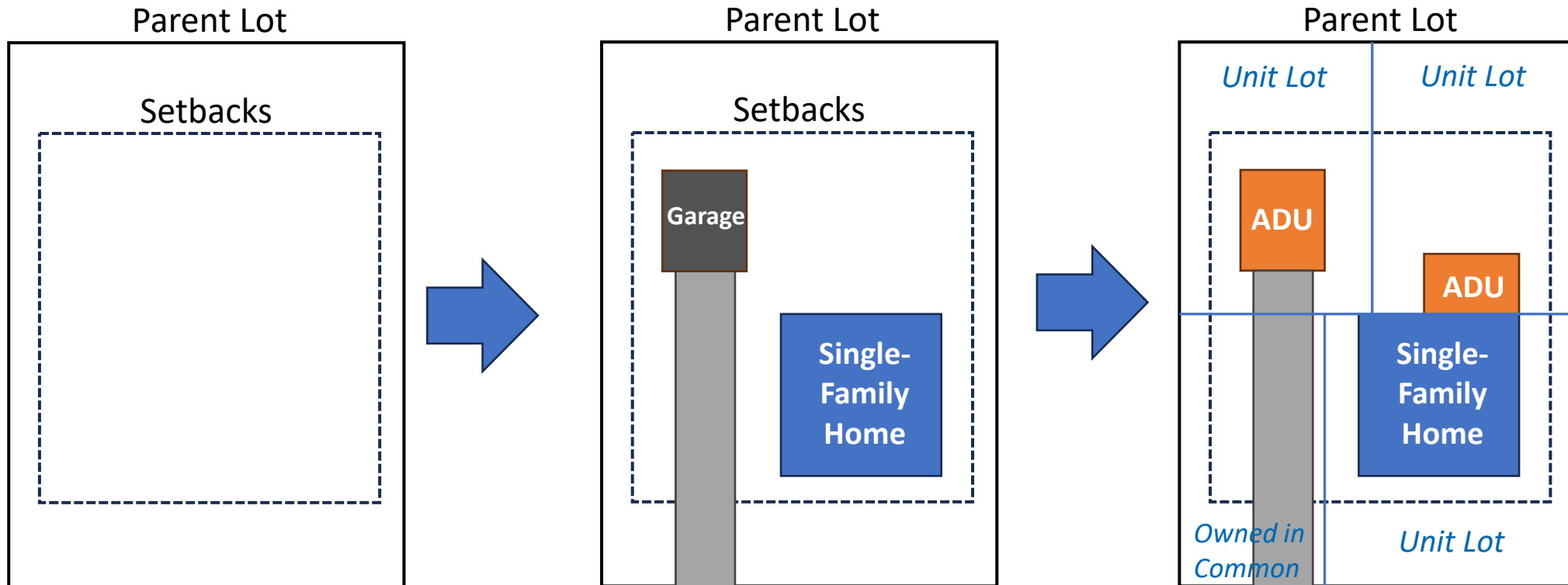
Phase 1: Minimum Requirements

- 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

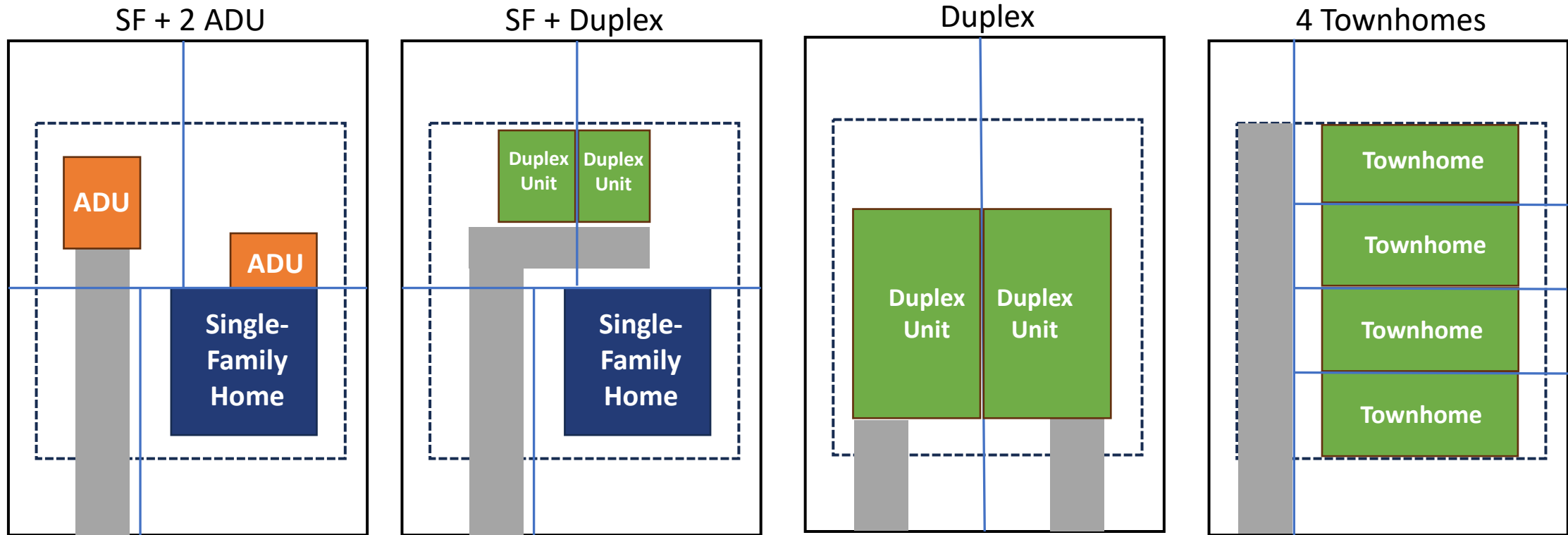
Phase 2 (future): Tailor Code to Mercer Island

- 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.

Unit Lot Subdivision



Unit Density



Impact Fees

Current Rates

- Transportation
 - Multifamily: \$1,961.12
 - Single family: \$4,388.23
- Parks
 - Multifamily: \$3,996.21
 - Single family: \$6,416.97

1. Middle Housing Types

- Must permit 6 types
- Staff recommendation: Duplex, triplex, fourplex, townhouse, courtyard apartment and stacked flat



Duplex



Triplex



Fourplex



Townhouse



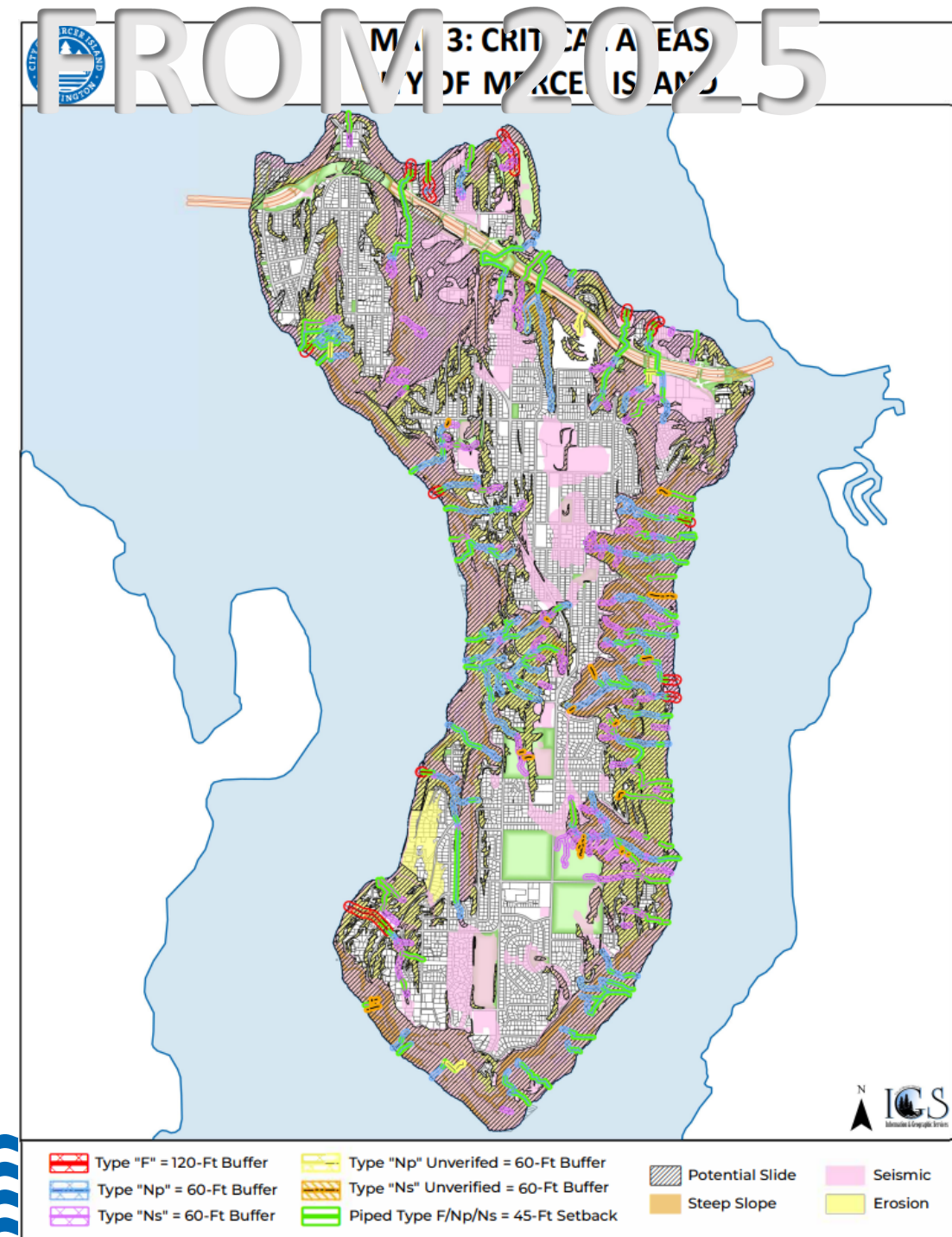
Courtyard Apt



Stacked Flat

2. Alternative Density Options

- Choose one:
 1. Standard density – 2 to 4 units per lot in R-zones
 2. Exempt 25% of lots where critical areas or their buffers would preclude middle housing development
 3. Adopt “substantially similar” provisions that result in higher middle housing production within single family zones than would be allowed by the standard density approach
- Staff recommendation:
Option 1, standard density



3. Unit Density and ADUs

- Must permit *at least* 2 units/lot in the R-8.4, R-9.6, R-12 and R-15 zones, and 4 units/lot when:
 - within ¼-mile walking distance of a major transit stop, or
 - one unit is affordable
- HB 1110 provides the option of including ADUs in the calculation of unit density
- Staff recommendation: permit a maximum of 2-4 units/lot and include ADUs in the calculation of unit density



4. ADU Floor Area Maximum

- MICC 19.02.030 currently limits ADUs to 900 sq ft in GFA
- HB 1377 requires at least 1,000 sq ft of floor area per ADU
- Staff recommendation: Raise the GFA allowance 1,000 sq ft for ADUs



5. ADU Floor Area Bonus

- MICC 19.02.020 limits gross floor area, based on the zone:

D. Gross floor area.

1. Except as provided in subsection (D)(3) of this section, the gross floor area shall not exceed:
 - a. R-8.4: 5,000 square feet or 40 percent of the lot area, whichever is less.
 - b. R-9.6: 8,000 square feet or 40 percent of the lot area, whichever is less.
 - c. R-12: 10,000 square feet or 40 percent of the lot area, whichever is less.
 - d. R-15: 12,000 square feet or 40 percent of the lot area, whichever is less.

- The code currently provides a floor area bonus of up to 5% of the lot area for projects that include a new/remodeled single family home and an ADU (up to a max of 4,500 sq ft in total GFA)
- Staff recommendation: Maintain current ADU bonus.

6. Impact Fees

- The City currently does not impose impact fees on ADUs.
- The City can choose to impose impact fees on middle housing and/or ADUs
 - HB 1337 limits impacts fees for ADUs to 50% of the single-family rate
- Staff recommendation: institute impact fees on middle housing and ADUs by applying existing rates, as follows:
 - Middle housing:
 - 1-2 units = single-family rate
 - 3 or more units = multi-family rate
 - ADUs: multifamily rate, not to exceed 50% of the single-family rate
- Note: this is a fee schedule update only

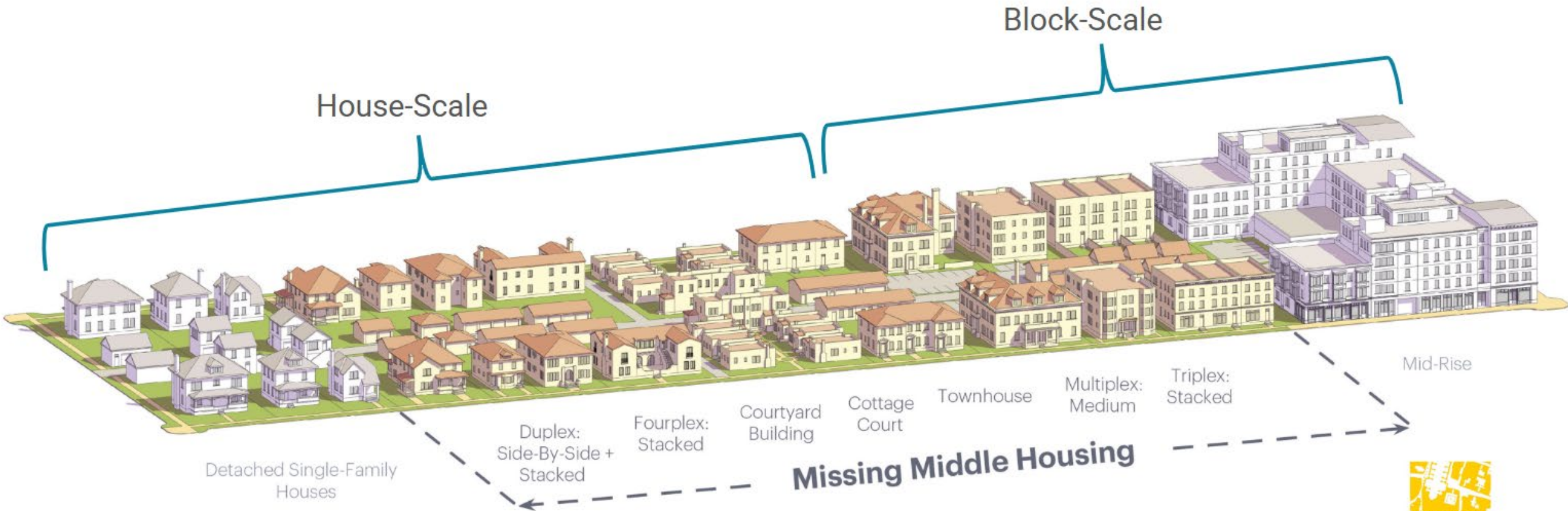
SLIDE FROM 2025



Key Concepts

SLIDE FROM 2025

Middle Housing



SLIDE FROM 2025

Accessory Dwelling Units

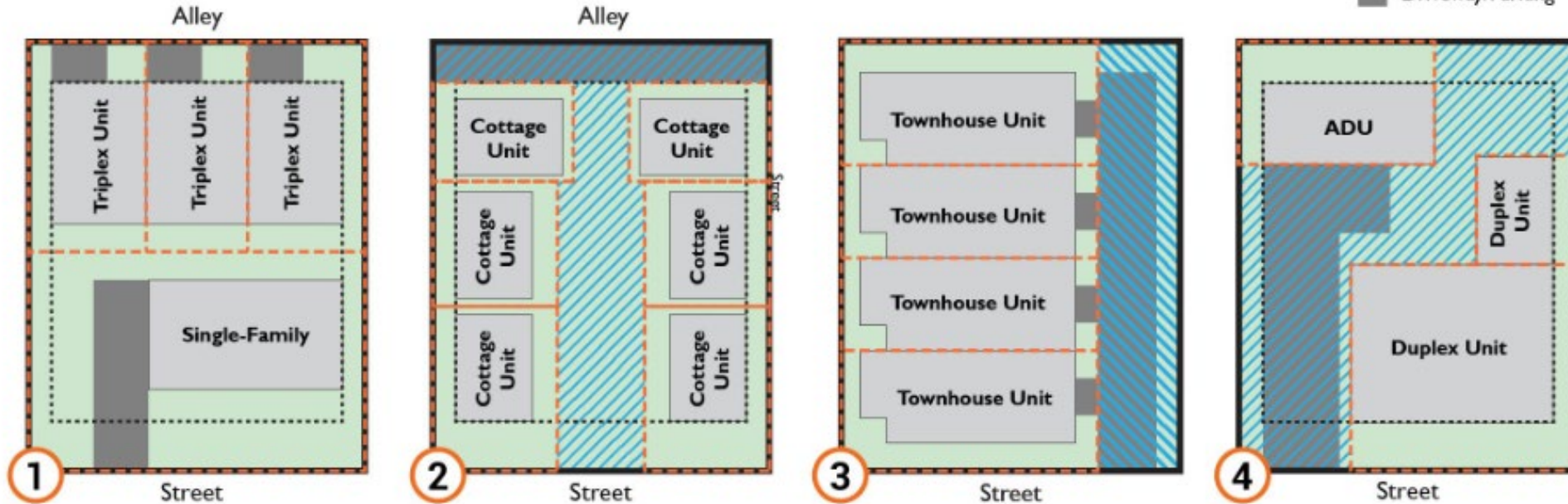


Unit Density



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.



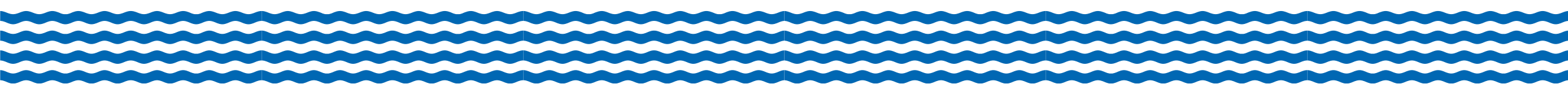
SLIDE FROM 2025



HB 1110

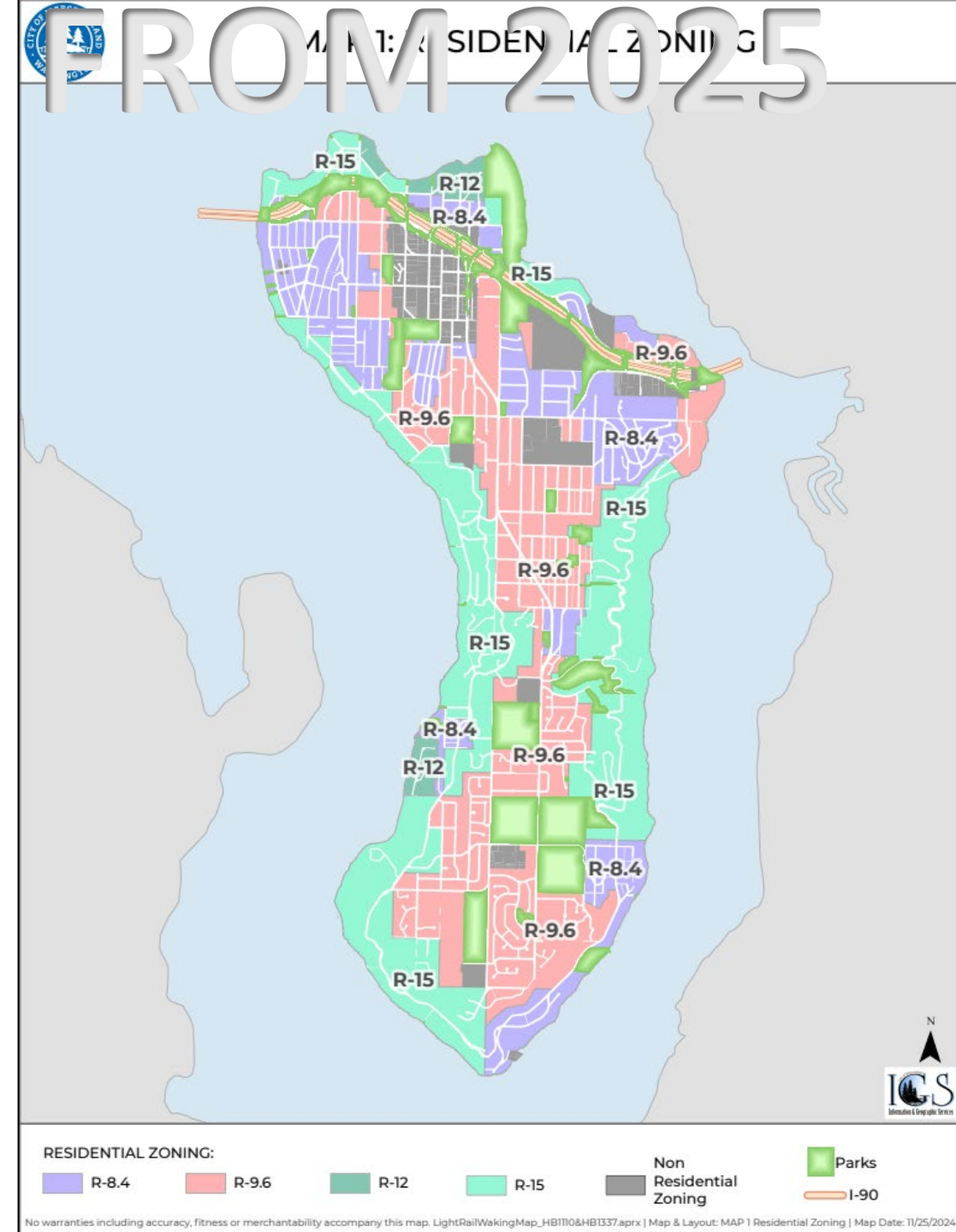
HB 1110 – Middle Housing

- Passed by legislature in 2023
- Must be in compliance by June 30, 2025, or model ordinance will apply
- Must adopt regulations to allow middle housing in all single-family residential zones
 - Must allow six of the nine middle housing types identified in the legislation
 - Required unit densities (2-4 units/lot)
 - Development standards cannot be more restrictive than single-family residential
 - Design review must be administrative
 - Limits on parking requirements



HB 1110 Additional Requirements

- Applies to all zones that allow residential, unless higher densities already allowed: R-8.4, R-9.6, R-12, and R-15 zones
- Unit Density Requirements
 - Allow at least 2 middle housing units per lot
 - Allow at least 4 middle housing units per lot if:
 - a) The lot is located within a quarter mile walking distance of the light rail station, or
 - b) At least one unit is affordable.



SLIDE FROM 2025

Nine Housing Types



Duplex



Triplex



Fourplex



Five/Six-plex



Cottage Housing



Townhouses



Courtyard Apt



Stacked Flat

Must permit at least 6 middle housing types

Parking Requirement Limitations

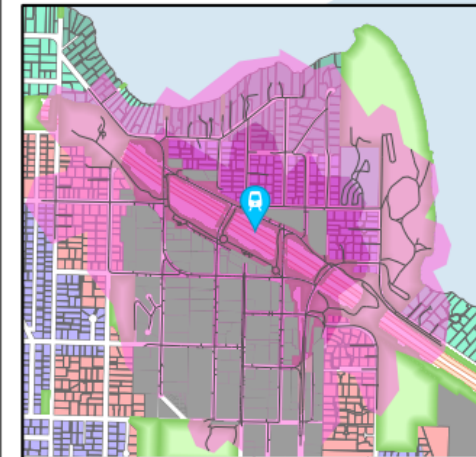
HB 1110 limits parking requirements for middle housing:

- No parking requirements are allowed within 1/2-mile walking distance of the light rail station
 - Applies to about 325 lots in Mercer Island
- May only require 1 parking space per unit for lots smaller than 6,000 square feet
 - Applies to about 150 lots in Mercer Island
- May only require 2 parking spaces per unit for lots larger than 6,000 square feet
 - Applies to 98% of lots in Mercer Island

SLIDE FROM 2025 MAP: WALKING DISTANCE FROM LIGHT RAIL STATION

ZONING	# OF PARCELS	>6,000 SF LOT	% >6,000 SF LOT
R-8.4	2242	2118	94.5%
R-9.6	2972	2953	99.4%
R-12	165	164	99.4%
R-15	2071	2065	99.7%
TOTAL	7450	7300	98.0%

Does not include non-residential or non-buildable lots, tracts or parks.



WALKING DISTANCE	NUMBER OF LOTS	< 6,000 SF LOT SIZE	> 6,000 SF LOT SIZE
1/4 Mile	94	5	89
1/2 Mile	234	4	230
TOTAL	328	9	319

Does not include non-residential lots, tracts or parks.

WALKING DISTANCE FROM LIGHT RAIL STATION:

1/4-Mile 1/2-Mile



Reachable Streets/Paths

I-90

RESIDENTIAL ZONING:

R-8.4 R-12

R-9.6 R-15

Non Residential Zoning

Parks

MA 3: CRITICAL AREAS
OUT OF MERCEDES ISLAND

-  Type "F" = 120-Ft Buffer
  Type "Np" Unverified = 60-Ft Buffer
  Potential Slide
  Seismic
 Type "Np" = 60-Ft Buffer
 Type "Ns" Unverified = 60-Ft Buffer
 Steep Slope
 Erosion
 Type "Ns" = 60-Ft Buffer
 Piped Type F/Np/Ns = 45-Ft Setback



SLIDE FROM 2025



HB 1337

HB 1337 – Accessory Dwelling Units (ADUs)

- Passed by legislature in 2023
- Compliance deadline: June 30, 2025
- Must allow two ADUs on all lots that allow single-family development
- Attached, detached or conversion of existing structure
- At least 1,000 sq ft per ADU
- No owner occupancy requirement
- Must allow sale as individual unit
- Restrictions on parking requirements – same as HB 1110
- No public street improvements as a permit condition
- Impact fees limited to 50% of single-family rate

SLIDE FROM 2025

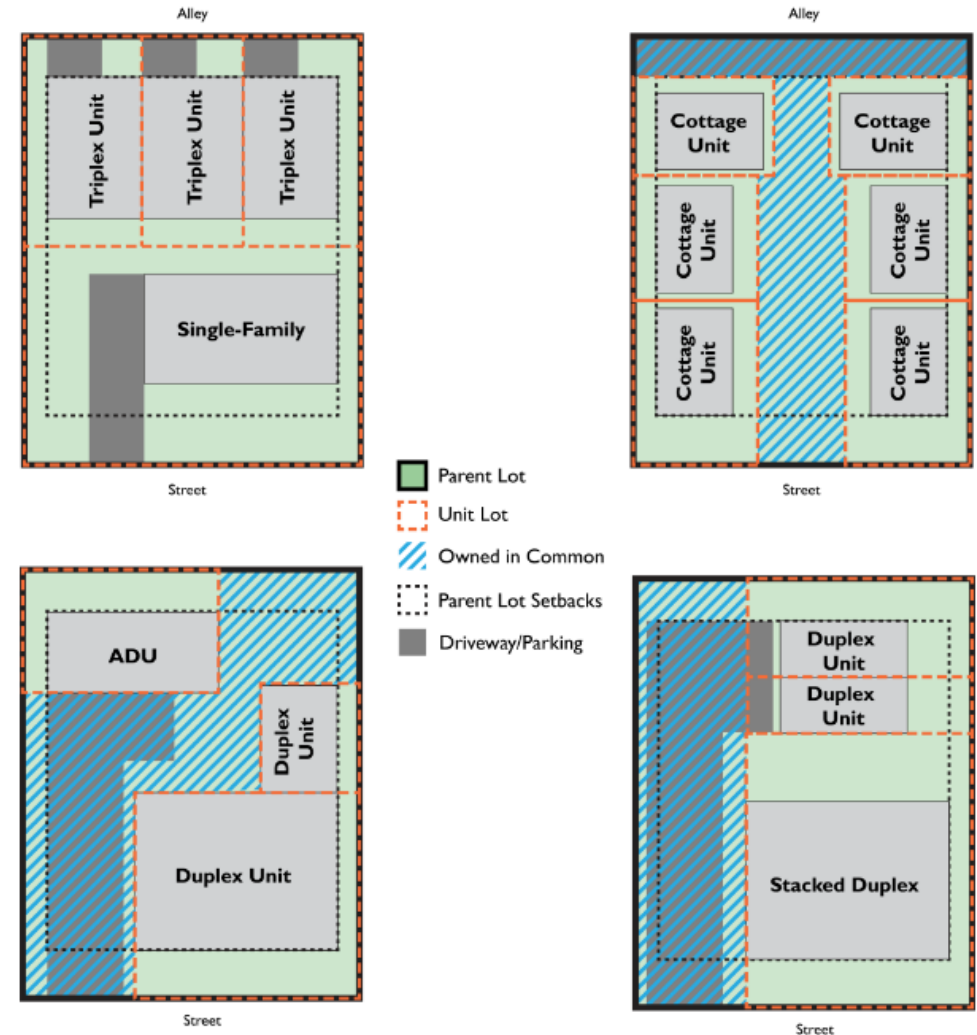


SB 5258

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