

PCB26-01

# Briefing on the Growth Management Hearings Board Order and steps to achieve Growth Management Act compliance.

March 25, 2026

Mercer Island Planning Commission

Community Planning and Development  
Adam Zack, Principal Planner

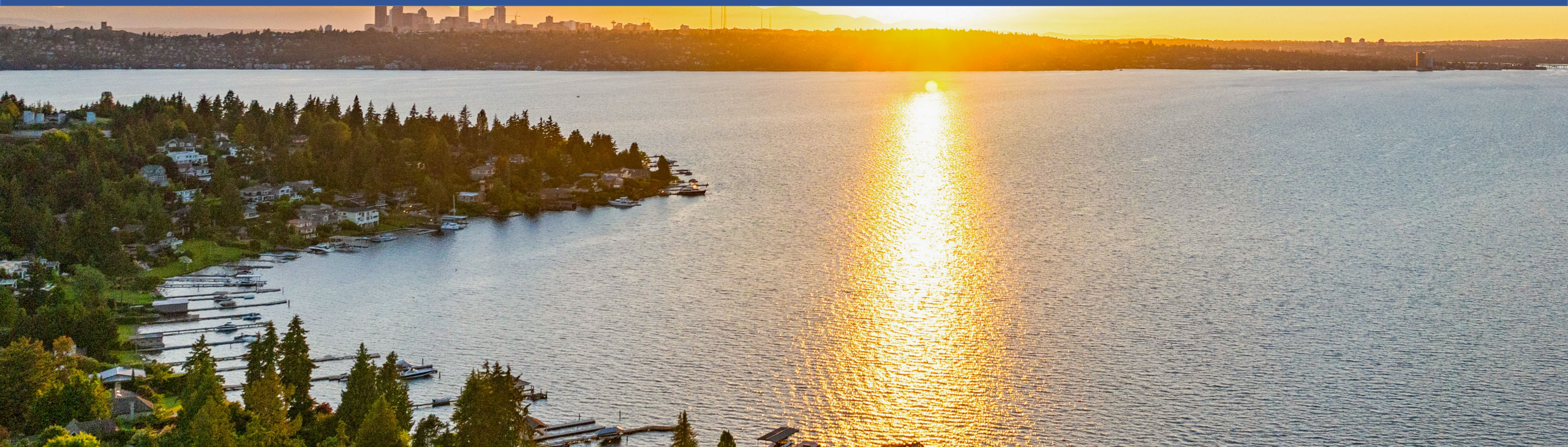


# Agenda

1. Background
2. Hearings Board Decision
3. City Council Direction
4. Scope of Work and Schedule



# BACKGROUND



# Growth Management Act (GMA)

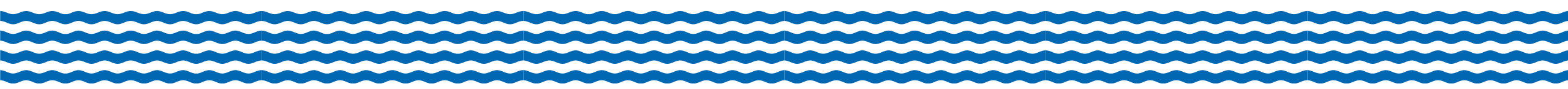
The GMA was adopted by the WA Legislature in 1990.

The GMA requires most counties and cities in WA to adopt comprehensive plans.

Cities must review and update their comprehensive plans every 10 years. Mercer Island reviewed and updated its Comprehensive Plan in November 2024.

Comprehensive plans adopted to comply with the GMA can be appealed to the Growth Management Hearings Board to determine if GMA requirements have been met.

The hearings board decision and recent legislation like HB 1220 and HB 1491 are shifting planning from bottom-up to top-down.



## How does the GMA work?

The Comprehensive plan must accommodate forecasted population increase in a 20-year period.

Planning for growth includes the following:

- Maintaining infrastructure and capital facility levels of service;
- Maintaining adequate land capacity to accommodate growth; and
- Designating areas for future land uses where existing or planning infrastructure is present.

Forecasted growth is expressed as housing and employment growth targets.

# What is a Comprehensive Plan?

The Comprehensive Plan is a statement of **vision, goals, policies, and actions** the City will take to manage growth in a 20-year period.

The GMA requires the plan to address land use, housing, capital facilities, utilities, transportation, economic development, climate change, and parks and recreation.

The Comprehensive Plan is implemented through :

- Regulations
- Capital Investments
- Projects and programs

# Key Terms

**Growth Management Hearings Board** – governor-appointed 3-member panel that resolves appeals of comprehensive plans under the GMA.

**Land Capacity** – The number of housing units allowed given current conditions, regulations, existing development, and market factors.

**Adequate Provisions** – Incentives, mandatory provisions, and planned actions that will increase the supply of affordable housing.

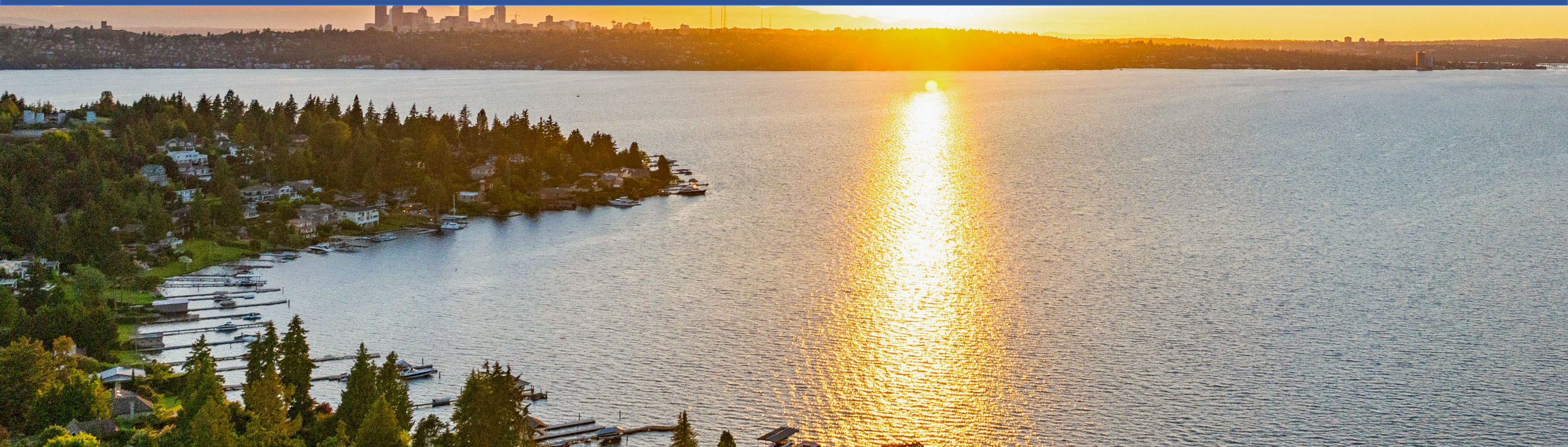
**Station Area Subarea Plan** – An area-specific plan for the area around transit. Required by the Puget Sound Regional Council *Vision 2050* plan.

**Anti-Displacement Measures** – Policies and regulations that address the potential displacement of existing residents that can occur with changes in zoning i.e., tenant protections or ‘right to return’ provisions.

**Inclusionary Zoning** – Development regulations that require a share of housing units to be affordable at a given income range.

**Multifamily Tax Exemption (MFTE)** – A temporary property tax exemption granted to multifamily development, often tied to an affordability requirement.

# GROWTH MANAGEMENT HEARINGS BOARD DECISION



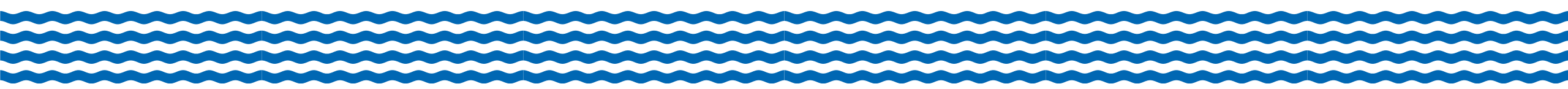
# Growth Management Hearings Board (GMHB) Appeal

Mercer Island adopted an update to its Comprehensive Plan in November 2024.

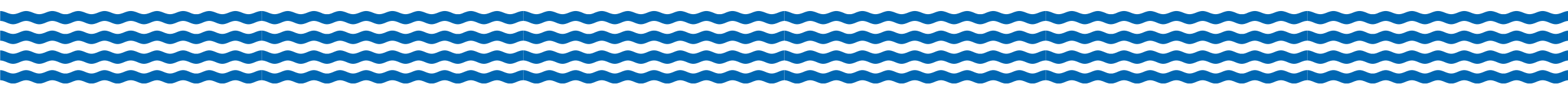
Futurewise appealed in 2025 claiming the Comprehensive Plan did not go far enough for affordable housing.

Comprehensive plan appeals under GMA are decided by the GMHB.

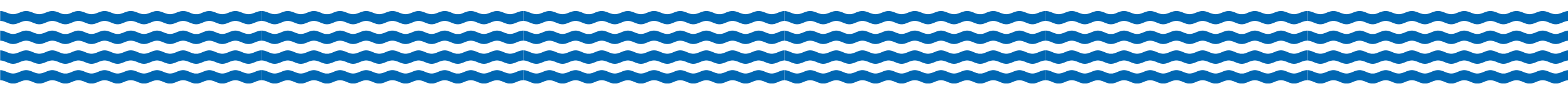
The GMHB is a state board that determines whether a comprehensive plan complies with the WA Growth Management Act.



# GMHB Appeal – 5 Issues

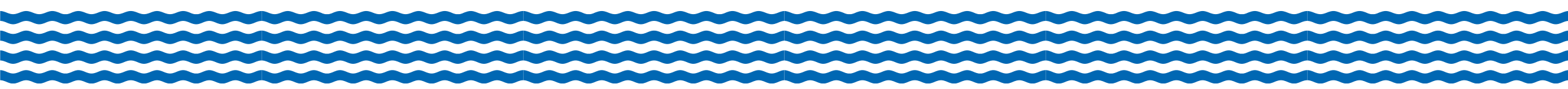
1. Did the City identify sufficient **land capacity** for affordable housing?
  2. Did the City make **adequate provisions** for affordable housing?
  3. Was the City required to include a **transit station subarea plan** in its Comprehensive Plan?
  4. Did the City fail to complete a required **housing-focused review with** King County's Affordable Housing Committee?
  5. Did the City comply with the King County **Countywide Planning Policies** related to housing?
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# GMHB Appeal – Decision

1. Land Capacity – **Remanded** to City
  2. Adequate Provisions – **Remanded** to City
  3. Transit Station Subarea Plan – **Remanded** to City
  4. Housing-focused review by Affordable Housing Committee –  
Appeal **Denied**
  5. Compliance with Countywide Planning Policies – Appeal  
**Partially Denied** (anti-displacement policies **remanded** to the  
City)
- 

# GMHB Order

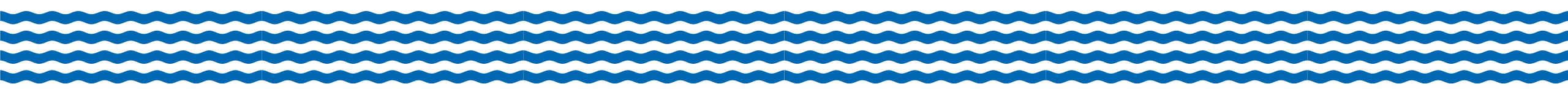
Issue	Action Needed
<b>Land Capacity</b>	Analyze residential land capacity at each housing affordability level and close any identified gaps.
<b>Adequate Provisions</b>	Adopt incentives, mandatory provisions, and planned actions (“aka adequate provisions”) that will increase the supply of affordable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



# Land Capacity – Housing Affordability Levels

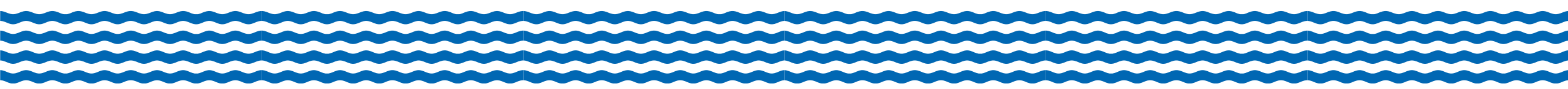
	Total	≤30%					>100 to ≤120%	>120%	Emergency Housing <sup>2</sup>
		Non-PSH <sup>1</sup>	PSH <sup>1</sup>	>30 to ≤50%	>50 to ≤80%	>80 to ≤100%			
Housing Units	1,239	339	178	202	488	4	5	23	237
<b>Total Housing Target</b>		<b>1,211 units total below 100% AMI “Affordable Housing”</b>					<b>28 market rate units</b>		

Table Source: King County Ordinance No. 19660



# Land Capacity Analysis

- A land capacity analysis is a study that evaluates how many units are possible at each housing affordability level given the current zoning, existing conditions, and market factors.
- The land capacity analysis will inform the City of what zoning changes may be necessary to comply with the GMHB Order.
- A land capacity analysis is required documentation to comply with the GMHB Order.



# STEP 5: COMPARE PROJECTED HOUSING NEEDS TO CAPACITY

**Purpose:** Summarize housing unit capacity by affordability level and compare to allocated housing need by income band.

Income Level	Zone Categories Serving These Needs	Allocated Housing Need (Units)	Market Rate Housing Capacity (Units)	Externally Subsidized Housing Capacity	Internally Subsidized Housing Capacity	Total Housing Capacity (Units)	Mercer Island Capacity Surplus or Deficit (Units)	Units Requiring New Subsidies or Incentives
Extremely Low Income (0-30% AMI PSH)	Low-Rise, Mid-Rise	178	0	0	0	0	(178)	(178)
Extremely Low Income (0-30% AMI excl. PSH)	Low-Rise, Mid-Rise	339	0	4	0	4	(335)	(335)
Very Low Income (>30-50% AMI)	Low-Rise, Mid-Rise	202	150	4	42	196	(6)	(6)
Low Income (>50-80% AMI)	Moderate Density, Low-Rise, Mid-Rise, ADUs	472	919	19	57	996	524	0
Moderate Income (>80-100% AMI)	Moderate Density, Low-Rise, Mid-Rise, ADUs	0	442	27	3	472	472	0
High Income (>100-120% AMI)	Moderate Density, Low-Rise, Mid-Rise	0	95	15	0	110	110	0
Very High Income (>120% AMI)	Low Density	0	356	0	0	356	356	0
<b>Total</b>		<b>1,191</b>	<b>1,961</b>	<b>70</b>	<b>102</b>	<b>2,133</b>	<b>942</b>	<b>(519)</b>

**Note that analysis is in progress and numbers are subject to change based on different assumptions and feedback.**

# Adequate Provisions and Anti-Displacement Measures

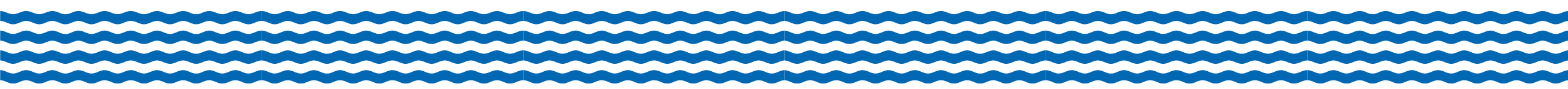
## IMPLEMENT EXISTING POLICIES FOR AFFORDABLE HOUSING FROM THE HOUSING ELEMENT

### ADEQUATE PROVISIONS

- Fee in lieu of affordable housing (Policy 2.7)
- Inclusionary zoning (Policy 2.9)

### ANTI-DISPLACEMENT MEASURES

- Evaluate and adopt tenant protections such as advance notice of rent increase and relocation assistance (Policy 4.2)

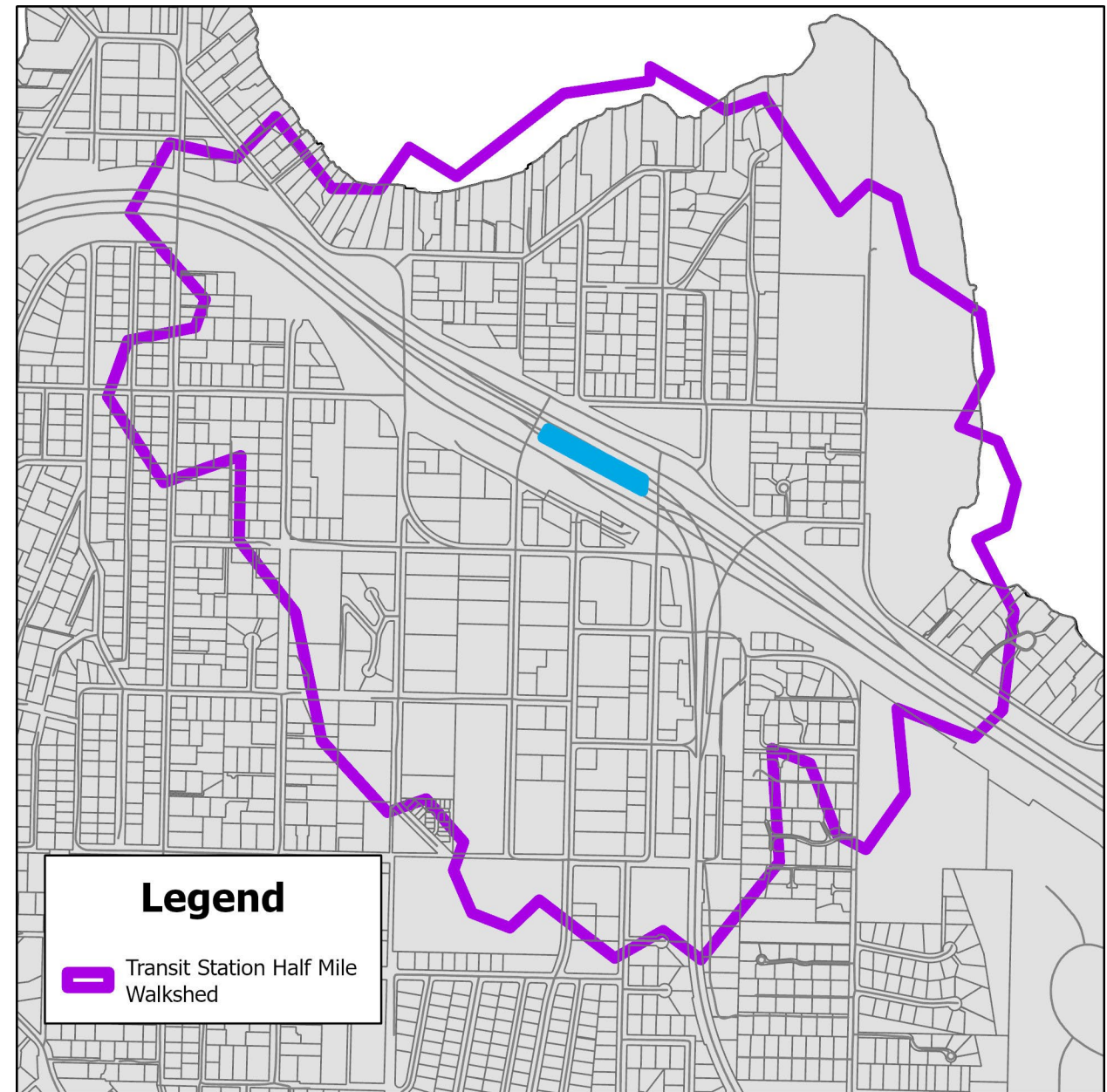


# HB 1491 TOD Bill

- Enacted in 2025, House Bill 1491 requires cities to allow **transit-oriented development or TOD** near transit.
- Cities must designate the area within one-half mile walking distance of a light rail station as a **station area**.
- Compliance with the TOD bill is required no later than 2029 regardless of the GMHB Decision. The City is only designating the station area based on HB 1491, other compliance will be in Phase 2.
- The City Council has directed compliance with HB 1491 be completed in two phases:
  - **Phase 1** – designate a station area boundary for Station Subarea Plan.
  - **Phase 2** – all other HB 1491 compliance to be completed after complying with the GMHB Order, before the TOD Bill deadline in 2029.

# Determine Baseline Station Subarea

***Rail Station Area*** means all lots that are “fully or partially within one-half mile walking distance of an entrance to a train station with a stop on a light rail system...” (RCW 36.70A.030(36))



# Determine Baseline Station Subarea

Lots fully or partially within half mile walkshed



# Station Area Modification Guidelines

- State statute allows cities to designate a modified station area. Modified station area must be approved by the WA Department of Commerce.
- A modified station subarea boundary can better reflect the existing conditions and form a more logical boundary for the station area
- On January 16, 2026, the City Council approved Motion 2b directing staff to prepare a modified station subarea boundary based on four proposed guidelines:

**Guideline 1** Exclude city parks, open space, and the Interstate 90 corridor from the station area.

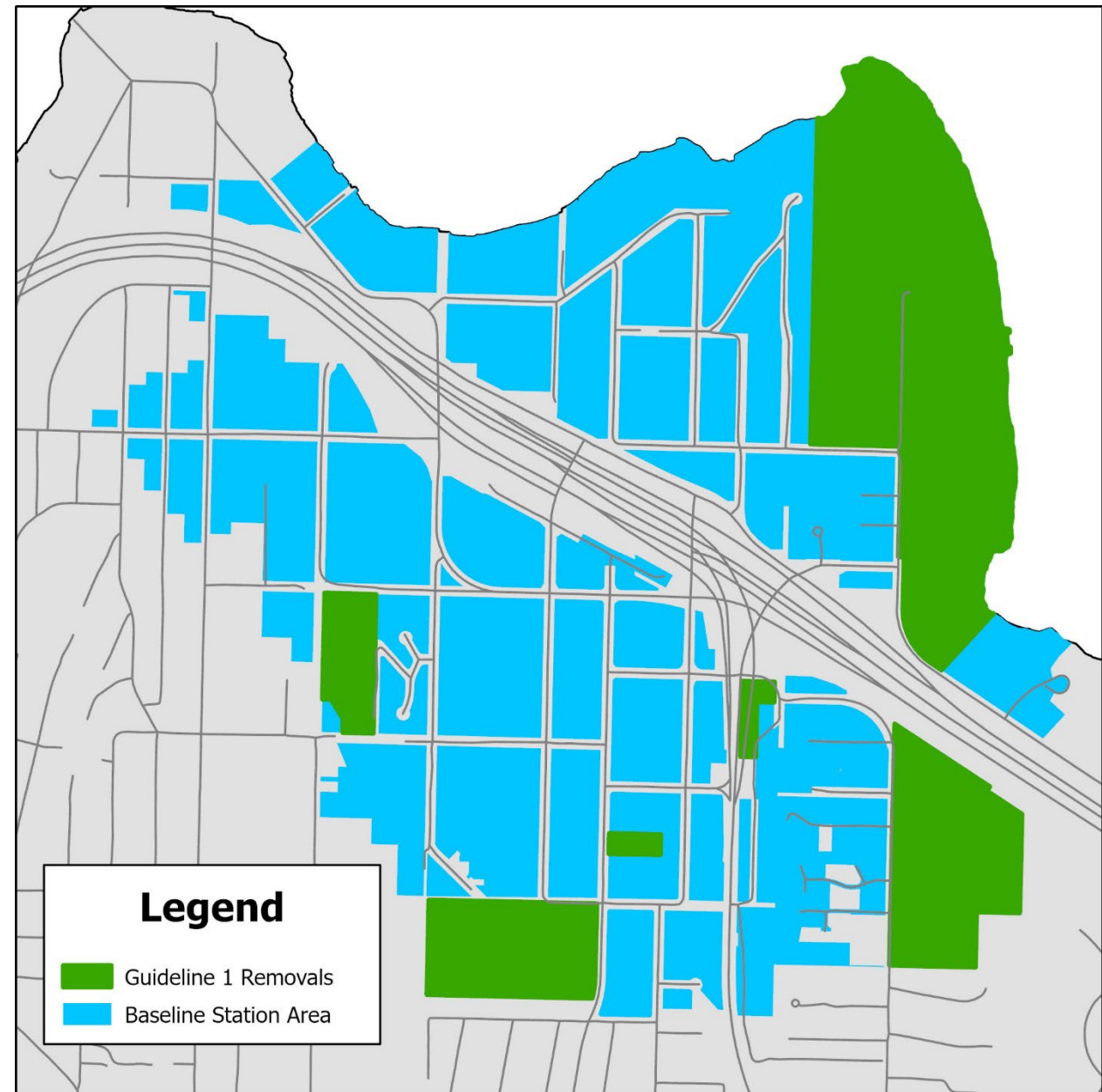
**Guideline 2** Exclude areas that would be non-contiguous from the modified station subarea boundary after removing city parks, open space, and the I-90 corridor are removed from the station area.

**Guideline 3** Align the remaining modified station subarea boundary with City streets.

**Guideline 4** The modified station subarea boundary should follow existing zoning boundaries if City streets do not make a logical boundary.

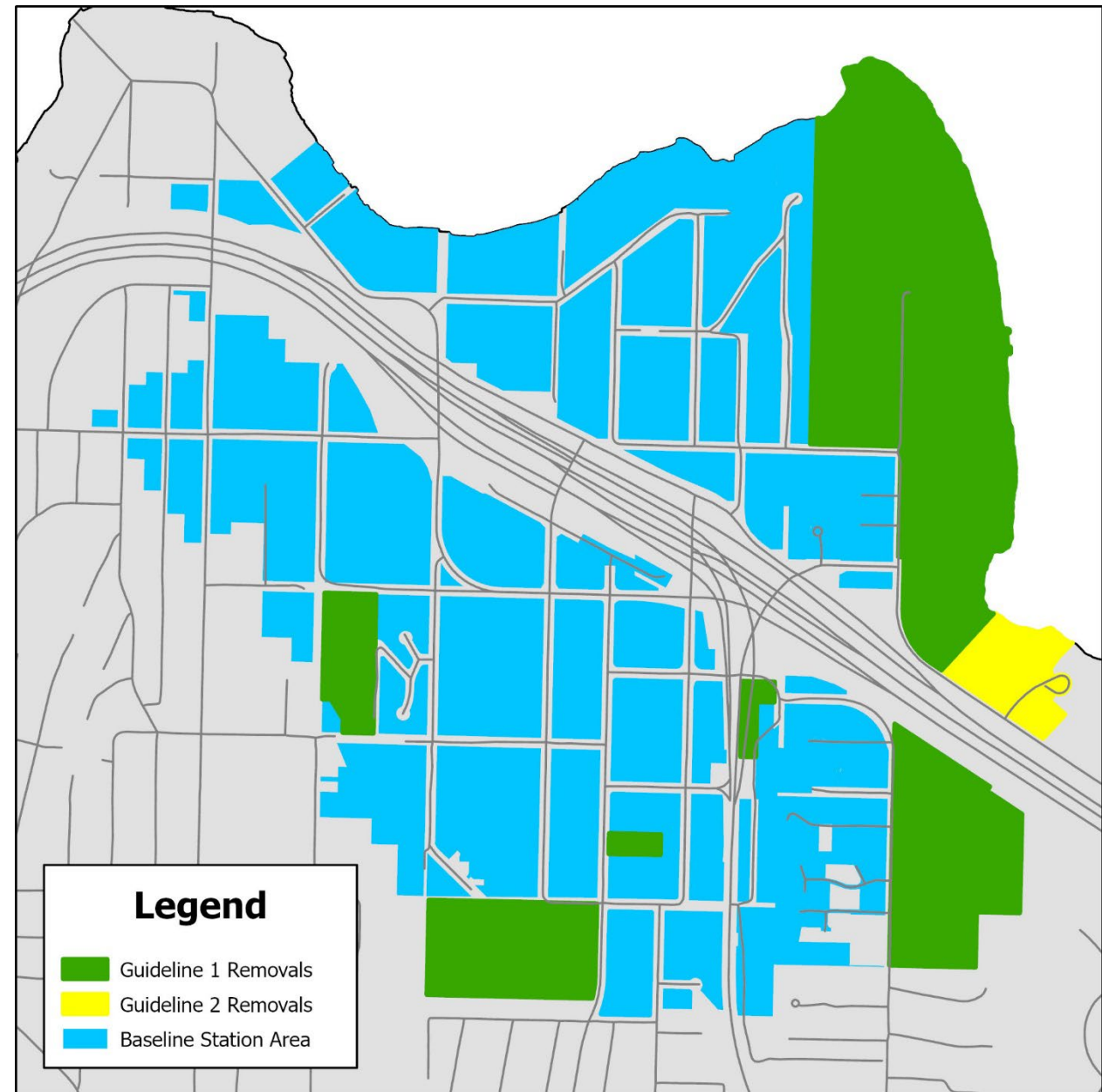
# Modified Station Subarea Boundary Guideline 1

Remove parks, open space,  
ROW and public property –  
Green area removed



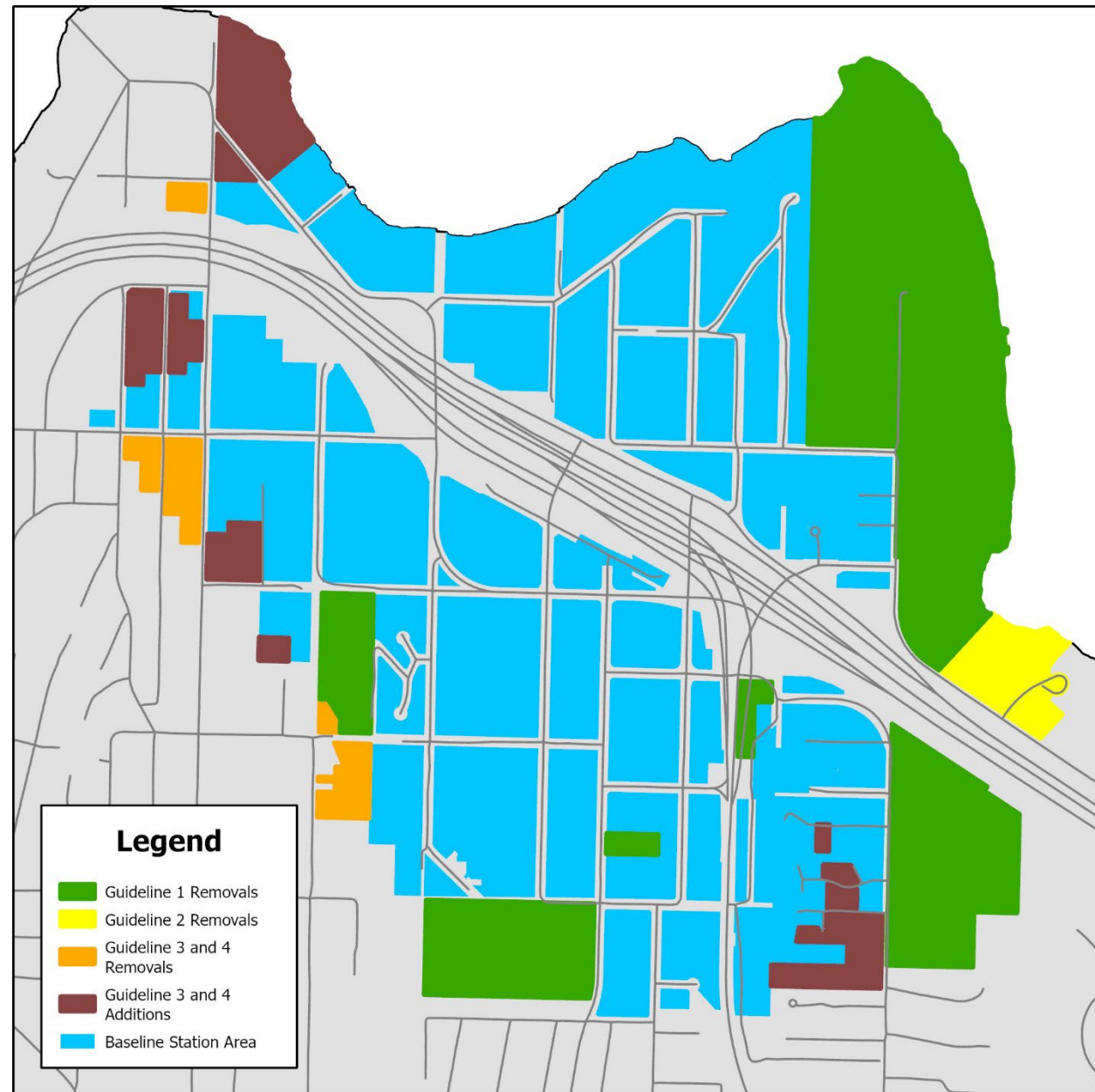
# Modified Station Subarea Boundary Guideline 2

Remove non-contiguous  
areas – Yellow area  
removed

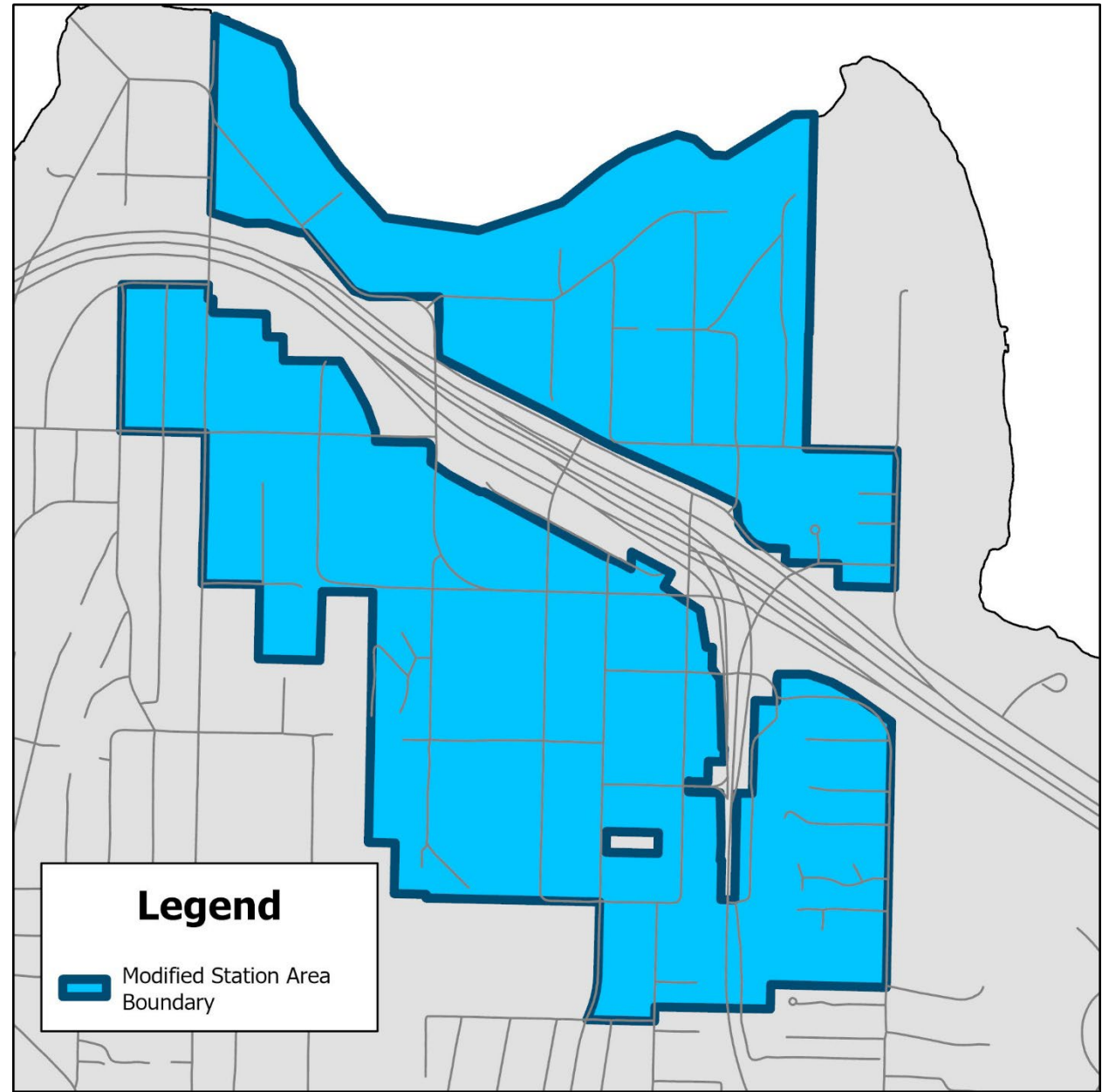


# Modified Station Subarea Boundary Guidelines 3 and 4

Move the modified station subarea boundary to align with streets and existing zoning boundaries – Orange area removed, brown area added

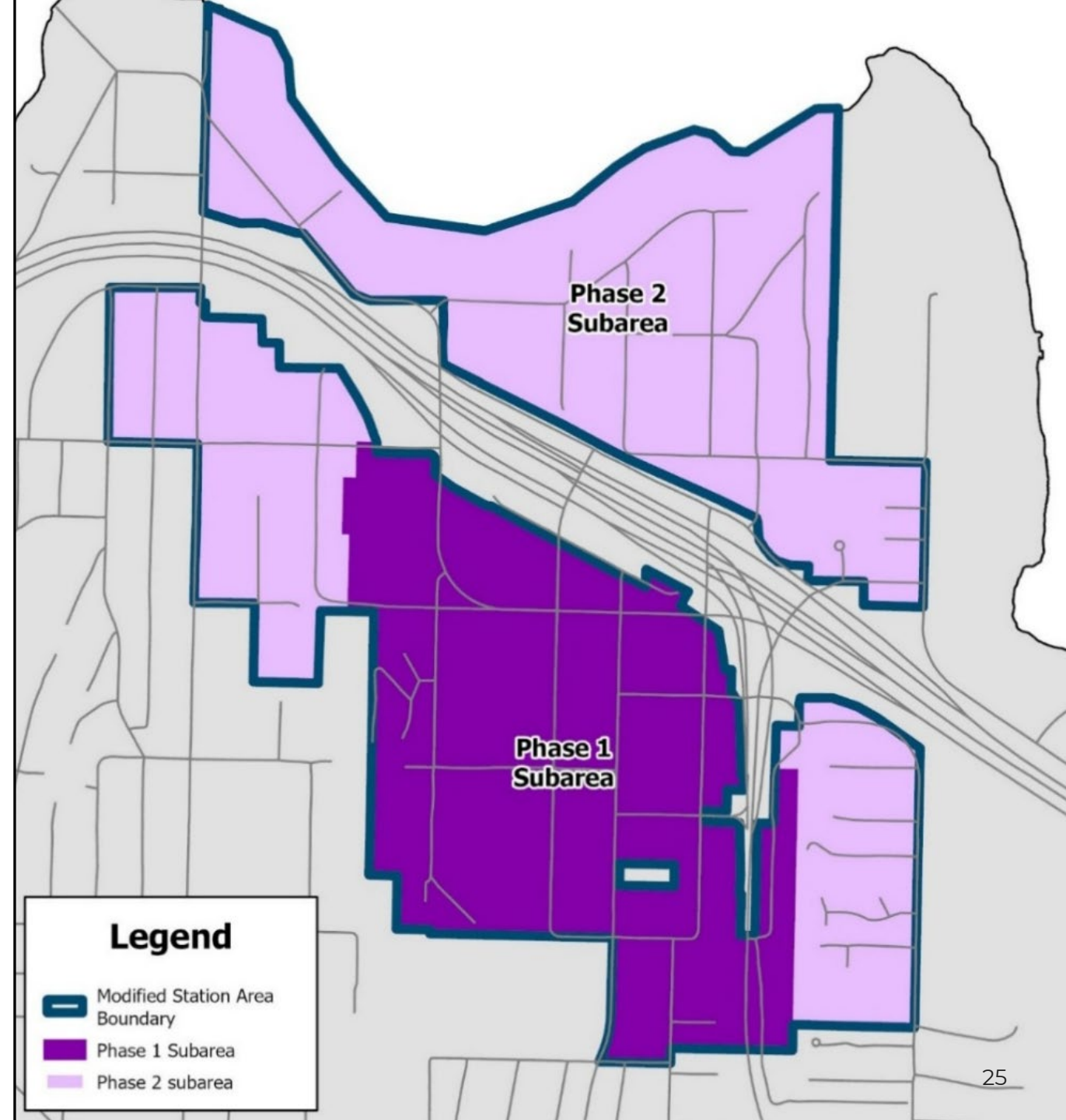


**3/17**  
**Council-Approved**  
**Modified Station**  
**Subarea Boundary**



# COMPLIANCE STRATEGY

- Land capacity Scenario 1 proposes two phases
- **Phase 1** (by July 31, 2026):
  - Establish required transit station subarea
  - Apply required upzones and additional development capacity to comply with GMHB Order
- **Phase 2** (by December 31, 2029):
  - Comply with other TOD bill requirements throughout the rest of the station subarea



# Capacity and Adequate Provisions

## 1. Phase 1: Upzone Town Center to 8 Stories and adjacent surrounding MF-2/2L zones to 6 Stories

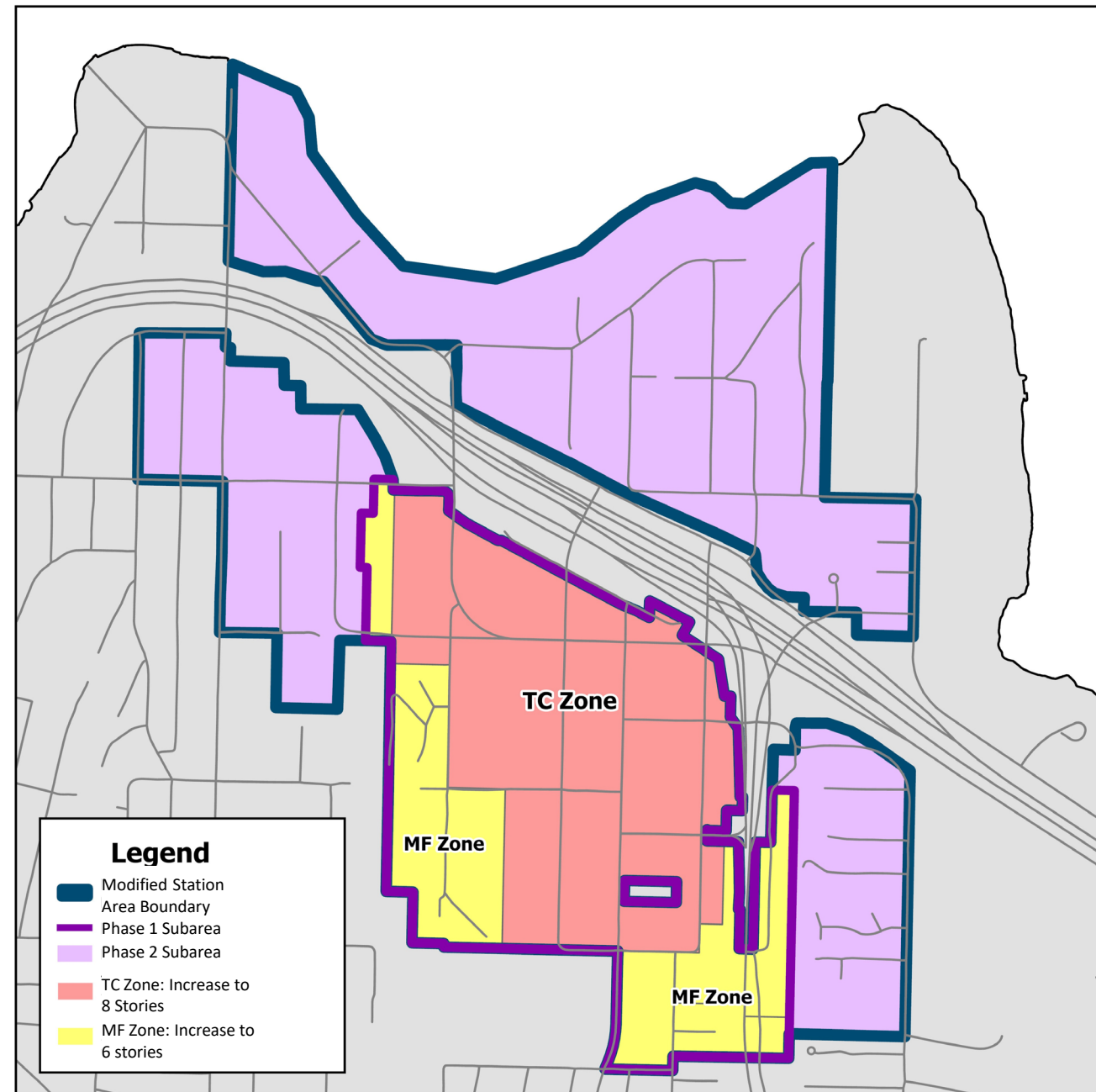
- Total Town Center and MF capacity increased from 667 to 1,698 units

## 2. Inclusionary Zoning

- Require 10% of TC and adjacent MF zone units to be affordable (from 30% to 80% AMI).

## 3. Fee In-Lieu

- Establish a fee in-lieu program for private development to pay a fee as an alternative to building affordable housing.
- These funds would support direct delivery of <30% AMI units on Mercer Island.



# Work Plan – What Will Be Amended?

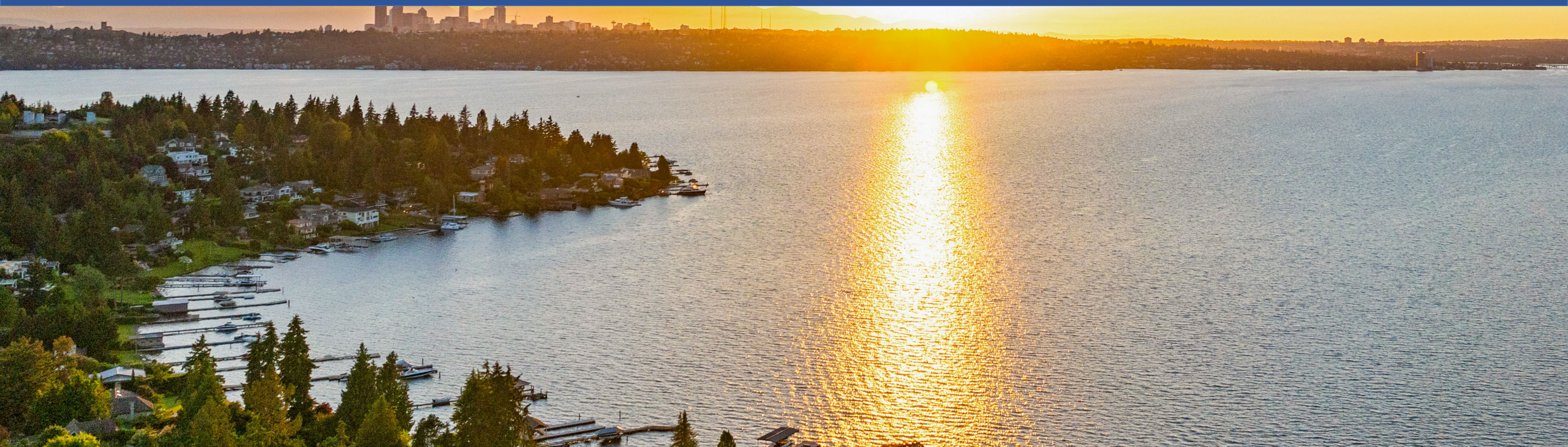
## **COMPREHENSIVE PLAN AMENDMENTS**

- Land Use Element
- Housing Element
- Station Subarea Plan (new)
- Transportation Element
- Utilities Element
- Capital Facilities Element
- Economic Development Element

## **DEVELOPMENT CODE AMENDMENTS**

- Zoning Map Changes
- Inclusionary Zoning
- Fee in Lieu
- Anti-Displacement Measures
- Town Center Development Standards
- Internal Consistency Throughout the Code

# NEXT STEPS



# Next Steps

- **April:** Ongoing City Council input and refinement on compliance strategy
- **May/June:** Planning Commission legislative review and public Hearing. Note – extra meetings are expected in May. PC must complete its legislative review in June.
- **June/July:** City Council review and adoption of amendments
- **July 31, 2026:** GMHB Order Deadline
- **September 15, 2026:** Compliance hearing on GMHB Order