

Housing Element Comment Matrix

Comment Categorization Key

Substantive	Comment proposes significant changes to the Housing Work Group (HWG) Draft Housing Element, Planning Commission (PC) should discuss at its next meeting.
Minor	Non-substantive changes that would not significantly change the policy direction of the HWG Draft Housing Element
Challenging	Comment proposes changes to the policy direction of the HWG Draft Housing Element which might conflict with state, regional, or countywide requirements. Staff recommends that the PC either refine or reject the proposed amendment to avoid possible conflicts. Staff will provide additional information during review.
Q	Comment is a question or does not propose specific amendments to the text. Staff responses to these questions are provided following Table 1.

Table 1. Planning Commission Housing Element Comment Matrix.

Log #	Received From	Comment/Question	Categorization
1	Chris Goelz	Add a new 2.5.H along the lines we discussed: "Relief from other building requirements that do not implicate health, safety or comfort."	Substantive
2	Chris Goelz	Amend both 5.2 and 5.3 to change "allow" to "encourage."	Minor
3	Chris Goelz	Amend [Land Use Element consistency amendment for policy] 15.5.B: "Encourage the retention of landscaped areas and the retention and planting of trees."	Minor
4	Chris Goelz	Amend [Land Use Element consistency amendment for policy] 15.5.D: "Encourage new development that is compatible with surrounding neighborhoods." [That's the language from 16.5. I'm a little nervous with the language as is. I don't want it be used to impede middle housing, but I take the point that we don't want to blow up the character of our neighborhoods. I'm certainly open to suggestions.]	Minor
5	Chris Goelz	Amend [Land Use Element consistency amendment for policy] 16.5: remove "on vacant or under-utilized sites." [I'm not sure why we'd limit our encouragement. If someone tears down a house, I'd like to see us encourage the building of a middle housing unit at the site rather than a giant single family home.]	Substantive
6	Michael Murphy	Intro (Housing Element) <ul style="list-style-type: none"> What is the AMI (dollar amount) that Table 1 is referring to? 	Q
7	Michael Murphy	<ul style="list-style-type: none"> Did the HWG consider MF rezones in current SF areas near the light rail station or other areas? If not, why not? 	Q

Log #	Received From	Comment/Question	Categorization
8	Michael Murphy	<ul style="list-style-type: none"> Based on the current lot configurations, very little of the CO zoned property would accommodate MF based on the requirement that it not abut SF zoned property. Was the impact of this limitation considered by staff or the HWG? If so, how? <ul style="list-style-type: none"> “It was moved by Nice; seconded by Weiker to: Add multifamily residential use to the CO zones not directly abutting a parcel in a single-family zone. PASSED: 7-0 FOR” 	Q
9	Michael Murphy	<ul style="list-style-type: none"> P. 2: “The LCA Supplement found that the Comprehensive Plan allows adequate capacity to accommodate its PSH and emergency housing needs.” <ul style="list-style-type: none"> The LCA states at iv, Table 1, n. 4 that “There was no PSH or emergency housing supply in the City in 2019.” The LCA says PSH will be limited to MF areas, but has nothing about how MI might develop its share. Is it simply enough to say MI has MF areas that allow PSH? 	Q
10	Michael Murphy	<ul style="list-style-type: none"> Are we able to identify specific “incentives” are available “to spur development of new income-restricted affordable housing units”? 	Q
11	Michael Murphy	<ul style="list-style-type: none"> Are we able to identify specific design review “streamlining” for “developments with income-restricted affordable units”? 	Q
12	Michael Murphy	Are we able to identify more detail regarding a “fee in lieu” program rather than simply “evaluating” them?	Q
13	Michael Murphy	<p>Goals and Policies</p> <ul style="list-style-type: none"> Housing Policy1.3B (2): “Reduce barriers to new moderate density, multifamily, and mixed-use construction.” Is this applicable only in TC and CO? If so, why? <ul style="list-style-type: none"> See 1.11: “Focus on the Town Center and Commercial-Office zones when increasing multifamily and mixed-use development capacity to accommodate the Mercer Island housing growth target and housing needs” See 1.12: “Consider alternatives for maximizing housing capacity in the Town Center and Commercial-Office zones before analyzing alternatives for increasing multi-family capacity elsewhere. [PSRC-6, CPP-15]” See Land Use Amend. 17.3: “Add multifamily residential and other commercial uses to the Commercial Office zone. This should be accomplished through rezones or changes in zoning regulations that minimize potential adverse impacts to surrounding areas.” 	Q
14	Michael Murphy	If so [comment log #13] limited, how does that policy square with 1.7: “Strive to increase class, race, and age integration by equitably dispersing affordable housing opportunities. ”?	Q

EXHIBIT 3

Log #	Received From	Comment/Question	Categorization
15	Michael Murphy	<ul style="list-style-type: none"> • Housing Policy 2.11 “Evaluate increasing the contribution to the ARCH Housing Trust Fund (HTF) to be at a per-capita rate consistent with other participating/member cities as a key strategy to address PSH, extremely low-, very low-, and low-income housing needs.” <ul style="list-style-type: none"> ◦ Why are we only “evaluating” this? Why not make it a policy? It seems embarrassing that this community contributes less than its share. Was this considered by the HWG? 	Q
16	Chris Goelz	Amend 5.1.D: "Ensure that parking requirements conform with state law and that they do not unnecessarily restrict multifamily housing but rather carefully balance the need for parking with the cost for providing it."	Substantive
17	Adam Ragheb	[Table 1, Note 3] Can we quantify this to make it easier for readers to digest? Example, AMI was \$XXX,XXX per YYY Govt. Agency for year ZZZZ. Per American Community Survey estimates, the AMI was \$116,255 for 2022 or most-current?	Q
18	Adam Ragheb	Several minor changes such as punctuation, order of bullets, or capitalization throughout the HWG draft Housing Element	Minor
19	Adam Ragheb	[Policy 1.2] Move reference to the top of 1.2 so that reader doesn't read through all of them before knowing from where they came	Q
20	Adam Ragheb	[Policy 1.3.B(2)] make this #1 as it is the greenest approach	Minor
21	Adam Ragheb	[Policy 1.4.C] Change to: "Streets that are safe for pedestrians, bicyclists, and vehicle drivers and passengers." I am concerned that this could be misinterpreted to mean sidewalks and bike paths only and specifically; in reality I am sure the intent is to make all streets on MI safe for all that use them.	Substantive
22	Adam Ragheb	[Policy 2.3] Would this attempt to replace regional, state, and federal programs? Very vague and needs to be more specific, otherwise I suggest removing	Q
23	Adam Ragheb	[Policy 2.4] add "where mandated by State law"	Minor
24	Adam Ragheb	[Policy 2.5.D] Could the city please provide some insight into the history of MFTE? I have heard from concerned residents that in the past this had a lot of pushback in the Town Center. I would like to learn more about the historical context here as it relates to MI.	Q

EXHIBIT 3

Log #	Received From	Comment/Question	Categorization
25	Adam Ragheb	[Policy 2.5.E] How can we ensure they will still be safe, suitable, and robustly built if standards are lowered/simplified? This also increases the burden on the City to maintain, update, and ensure consistency between two tiers of requirements. This increases the opportunity for errors in the building standards.	Q
26	Adam Ragheb	<p>[Policy 2.5.G] Suggest removing. As demonstrated before, oftentimes those on smaller incomes need a car as they can't afford to take the extra time away from job and family necessary to take public transit and make connections from the suburbs. Additionally, reduced parking requirements benefits builders but cause problems for residents, especially those who have families or require or are on the threshold of requiring handicapped parking.</p> <p>A compromise suggestion would be to append "within the Town Center zone" to the end.</p>	Substantive
27	Adam Ragheb	[Land Use Element Consistency Amendments, Policy 15.2] Bring most of the text back - revise to "Residential densities in single family areas will generally continue to occur at three to five units per acre, commensurate with historical zoning. However, some adjustments may be made to provide from housing types in certain parts of residential zones, such as accessory dwelling units and additional middle housing types where mandated by law at slightly higher densities as outlined in the Housing Element.	Challenging
28	Adam Ragheb	[Land Use Element Consistency Amendments, Policy 15.3] insert before to "in the vicinity of high-capacity transit as mandated by law"	Challenging
29	Adam Ragheb	[Land Use Element Consistency Amendments, Policy 15.1] Why change this? We've already discussed adding additional stories to Town Center development. This neuters the preservation of neighborhood character goal as the additional mandated density will have to be allowed somewhere which inherently will change the character. Something has to change and its already been deemed to be Town Center.	Substantive
30	Adam Ragheb	[Land Use Element Consistency Amendments, Policy 15.4] Revert text of first two sentences to original and add after "with present uses" "and will be discouraged"	Substantive
31	Adam Ragheb	[Land Use Element Consistency Amendments, Policy 16.1] insert before "on" "where mandated by law"	Minor
32	Adam Ragheb	[Land Use Element Consistency Amendments, Policy 16.6] insert after "housing" "where mandated by law"	Challenging
33	Adam Ragheb	[Land Use Element Consistency Amendments, Policy 17.3] add after "Office zones" "in the immediate vicinity of high-capacity transit stops."	Challenging

EXHIBIT 3

Log #	Received From	Comment/Question	Categorization
34	Adam Ragheb	[Land Use Element Consistency Amendments, Policy 17.3] add after "surrounding areas" ", especially single family neighborhoods."	Minor
35	Carolyn Boatsman	HE Policy 1.4, I requested that the policy re: environmental hazards be moved up. I had requested this and I think everyone was ok with it, in HWG. It should say "environmental health" hazards, don't know how the word health is not showing up.	Minor
36	Carolyn Boatsman	In HE Policy 5.1.D, I requested removal of the words "right sized".	Minor
37	Carolyn Boatsman	I think Table 1 should be made more clear. It is titled growth targets and housing needs but it is not clear when examining the table which is a target and which is a housing need. You've got a good column heading for total housing growth target, and one for emergency housing. What is needed is a heading for the rest of it. I suggest Housing Needs by Income Level as a super heading for the rest of the more granular subheadings.	Minor
38	Carolyn Boatsman	[Land Use Element Consistency Amendments Policy] 15.2 Provide for housing types in residential zones, such as accessory dwelling units and additional middle housing types [insert comma] at slightly higher densities as outlined in the Housing Element.	Minor
39	Carolyn Boatsman	[Land Use Element Consistency Amendments Policy] 15.5 I suggest deleting several items: We already have standards to regulate on and off street parking in residential zones. We already have standards to encourage the retention of trees and we require the establishment of landscaped areas with new development. Do we need incentives and anti-displacement measures for the residential zone? I thought that was supposed to be for the affordable housing, not typical residential. The last phrase is the one to keep.	Substantive
40	Carolyn Boatsman	Does housing built using fees in lieu have to be built on Mercer Island, given that our donations to ARCH build housing elsewhere?	Q

Planning Commission Housing Element Questions

The Planning Commission (PC) submitted the following questions regarding the Housing Work Group (HWG) draft Housing Element.

Q1: Log #6 – Michael Murphy

What is the AMI (dollar amount) that [introduction] Table 1 is referring to?

Staff Response

The area median income (AMI) referred to in Table 1 is currently an annual income of \$146,500. King County is the area term in AMI. You can find out more about income and affordable housing on [A Regional Coalition for Housing's \(ARCH\) website](#).

Q2: Log #7 – Michael Murphy

Did the HWG consider MF rezones in current SF areas near the light rail station or other areas? If not, why not?

Staff Response

The HWG did not consider rezoning the single-family areas near the light rail station or other single-family areas because the City Council provided specific direction regarding where to increase development capacity. On [January 16](#), the City Council made two motions that directed the HWG how to increase multifamily and mixed-use development capacity: increase building height in Town Center and allow multifamily development in the Commercial Office (C-O) zone. For reference, the City Council approved the following two motions to provide direction to the HWG:

- It was moved by Reynolds; seconded by Jacobson to: Direct the Housing Work Group to develop a recommended plan for adding required additional capacity in the Town Center but not limited to adding “one floor option” with due consideration of the impact on the Island businesses and a charge to look for options that mitigate the impact to Island businesses. PASSED: 4-3 FOR: 4 (Anderl, Jacobson, Reynolds, and Weinberg) AGAINST: 3 (Nice, Rosenbaum, and Weiker); and
- It was moved by Nice; seconded by Weiker to: Add multifamily residential use to the CO zones not directly abutting a parcel in a single-family zone. PASSED: 7-0 FOR: 7 (Anderl, Jacobson, Nice, Reynolds, Rosenbaum, Weiker, and Weinberg)

Q3: Log #8 – Michael Murphy

Based on the current lot configurations, very little of the CO zoned property would accommodate MF based on the requirement that it not abut SF zoned property. Was the impact of this limitation considered by staff or the HWG? If so, how?

Staff Response

The capacity impact of the proposed limitation will be analyzed as the HWG prepares the development code amendments necessary to implement the City Council's direction. The specific details of the proposed code amendments to implement the

Council direction will influence how much development capacity is added by the code amendment. The Planning Commission will consider the HWG's recommended implementing code amendments and the corresponding capacity change once the HWG has prepared a draft.

Q4: Log #9 – Michael Murphy

[Intro] P. 2: "The LCA Supplement found that the Comprehensive Plan allows adequate capacity to accommodate its PSH and emergency housing needs."

- The LCA states at iv, Table 1, n. 4 that "There was no PSH or emergency housing supply in the City in 2019." The LCA says PSH will be limited to MF areas, but has nothing about how MI might develop its share. Is it simply enough to say MI has MF areas that allow PSH?

Staff Response

Capacity for permanent supportive housing (PSH) is provided by the higher density multifamily and mixed-use zones. The concept is that extremely low-income households (households earning less than 30% of the AMI, both PSH and non-PSH) will require higher density zoning combined with subsidies and incentives to offset the cost of providing those units. So, provided there is adequate capacity for all 517 extremely low-income units and the City takes steps to help overcome the cost barriers for these units, it is planning to accommodate the extremely low-income housing needs.

The Housing Element describes the steps the City will take to address funding barriers. A general description of the strategies the City will use are provided in Table 2 of the Housing Element Introduction. More detailed strategies are included in the policies under Goal 2. The general policy direction in the Housing Element will be made more specific during the implementation of those policies.

An example of addressing cost barriers is proposed Policy 2.6, which states "Evaluate potential revenue sources to fund a local affordable housing fund." When the City undertakes the evaluation to implement this policy, it will develop a list of specific revenue sources available for a local affordable housing fund. At that point, the City Council can decide whether to establish that fund and which funding sources it would like to use for the fund. Through the policy and implementation, the City would be addressing a cost barrier to production of affordable units. This becomes more specific to extremely low-income housing and PSH when Policy 2.6 is combined with Policy 2.8, which states "Prioritize the use of local and regional resources for income-restricted housing, particularly for extremely low-income households, populations with special needs, and others with disproportionately greater housing needs." As the City examines the funding sources to implement Policy 2.6, the local housing fund would prioritize extremely low-income housing PSH to implement Policy 2.8.

Q5: Log #10 – Michael Murphy

Are we able to identify specific "incentives" are available "to spur development of new income-restricted affordable housing units"?

Staff Response

The specific incentives proposed in the HWG draft Housing Element can be found in draft Policy 2.5 (HWG Draft, Page 11, line 30). Those incentives are:

- 2.5.A Affordable housing **incentives that require units at varying income levels to be incorporated into new construction** to address the Mercer Island housing growth target and housing needs for households earning less than the area median income (AMI). Affordable housing **unit requirements should be set at levels to yield more lower-income units as the benefit of the incentive increases.**
- 2.5.B **Height bonuses** concurrent with any increase in development capacity to address Mercer Island’s affordable housing needs;
- 2.5.C Incentives for the development of housing units affordable to extremely low-, very low-, low-, and moderate-income households;
- 2.5.D A **Multifamily Tax Exemption (MFTE)** linked to substantial additional affordability requirements.
- 2.5.E **Reduced design review processes and simplified standards** for developments with affordable units.
- 2.5.F **Reduced or waived permit fees** for developments with affordable units.
- 2.5.G **Reduced parking requirements for income-restricted units.** [emphasis added]

These were the preferred incentives the HWG identified through its review process, including the HWG survey discussed at the last PC meeting.

Q6: Log #11 – Michael Murphy

Are we able to identify specific design review “streamlining” for “developments with income-restricted affordable units”?

Staff Response

Currently, multifamily and mixed-use housing requires design review with the Design Commission. This is a permitting process that is in addition to additional building and land use review. Because of the structure of the design standards and discretion afforded to the Design Commission in Chapters 19.11 and 19.12 Mercer Island City Code (MICC), the design review process can add significant review time to permitting buildings that are likely to include affordable units. When implementing Policy 2.5.E, the City would review the points in the design review process that cause delays and consider which of these friction points can be reduced or waived for buildings that will have affordable housing units.

Also of note: in 2023, the WA State Legislature passed [Engrossed Substitute House Bill \(ESHB\) 1293](#). This bill sets limits on the kind of design review standards cities may adopt. Under ESHB 1293, cities and counties can only adopt clear and objective development regulations governing the exterior design of new development. The bill defines clear and objective development regulations as follows:

“(a) Must include one or more ascertainable guideline, standard, or criterion by which an applicant can determine whether a given building design is permissible under that development regulation; and

(b) May not result in a reduction in density, height, bulk, or scale below the generally applicable development regulations for a development proposal in the applicable zone.”

Cities must comply with ESHB 1293 by June 30, 2025. Compliance with ESHB 1293 will coincide with Mercer Island’s first stages of implementing the Housing Element and should provide opportunities to complete an implementation action at the same time the City complies with changes to the state law.

Q7: Log #12 – Michael Murphy

Are we able to identify more detail regarding a “fee in lieu” program rather than simply “evaluating” them?

Staff Response

As currently drafted, Policy 2.7 states, “Evaluate a fee-in-lieu program whereby payments to the local affordable housing fund can be made as an alternative to constructing required income-restricted housing.” More detail of the fee-in-lieu would be identified when this policy is implemented. Allowing the City to find the options available at the time of implementation and determine the preferred approach. This would likely dovetail with implementation of other policies in the Housing Element such as Policy 2.9, which directs consideration of inclusionary zoning that would require a minimum number of affordable housing units for some types of development.

The City of Kenmore WA provides an example of a fee-in-lieu of housing program. In Chapter 18.77 Kenmore Municipal Code (KMC), Kenmore sets affordability requirements by zone. To add flexibility to compliance with the affordability requirements, in [KMC 18.77.045\(D\)](#), developers are given the option to pay a fee rather than develop the affordable units. This code section establishes how the fee is calculated, the process for collecting the fee, and prioritizes areas where the fee must be spent. When implementing Policy 2.7, the City can consider this process and those deployed by other cities.

Q8: Log #13 – Michael Murphy

Housing Policy 1.3B (2): “Reduce barriers to new moderate density, multifamily, and mixed-use construction.” Is this applicable only in TC and CO? If so, why?

- See 1.11: “Focus on the Town Center and Commercial-Office zones when increasing multifamily and mixed-use development capacity to accommodate the Mercer Island housing growth target and housing needs”
- See 1.12: “Consider alternatives for maximizing housing capacity in the Town Center and Commercial-Office zones before analyzing alternatives for increasing multi-family capacity elsewhere. [PSRC-6, CPP-15]”

- See Land Use Amend. 17.3: “Add multifamily residential and other commercial uses to the Commercial Office zone. This should be accomplished through rezones or changes in zoning regulations that minimize potential adverse impacts to surrounding areas.”

Staff Response

Draft Policy 1.3.B.3 states, “Reduce barriers to new moderate density, multifamily, and mixed-use construction.” This proposed policy is listing one of the general approaches to accommodating housing needs for moderate, low-, and very low-income households. More detailed policy direction for reducing those barriers is articulated in the later policies of the draft Housing Element. The reduction of barriers is not limited to Town Center (TC) and Commercial Office (CO) zones. Policy 1.3.B(3) is stating that the City will reduce barriers to all three types of housing, which would also include development in multifamily zones (see proposed Policy 5.1 for an example) and other zones where moderate density, multifamily, and mixed-use residential uses are allowed.

Q9: Log #14 – Michael Murphy

If so [comment log #13] limited, how does that policy square with 1.7: “Strive to increase class, race, and age integration by **equitably dispersing affordable housing opportunities.**”?

Staff Response

As discussed above, Policy 1.3.B.3 would not limit barrier reduction to TC and CO zones. Instead, the policy directs barrier reductions throughout the City where moderate density (middle housing), multifamily, and mixed-use residential development is allowed. This is expected to include most, if not all residential zones once the City has complied with statewide requirements following the Comprehensive Plan periodic review.

Q10: Log #15 – Michael Murphy

Housing Policy 2.11 “Evaluate increasing the contribution to the ARCH Housing Trust Fund (HTF) to be at a per-capita rate consistent with other participating/member cities as a key strategy to address PSH, extremely low-, very low-, and low-income housing needs.”

- Why are we only “evaluating” this? Why not make it a policy? It seems embarrassing that this community contributes less than its share. Was this considered by the HWG?

Staff Response

Policy 2.11 directs an evaluation because the City needs to consider where those funds will come from. Currently, the City’s contributions to A Regional Coalition for Housing (ARCH) are drawn from the general fund. The HWG considered this proposed policy, arriving at the proposed language.

Q11: Log #40 – Carolyn Boatsman

Does housing built using fees in lieu have to be built on Mercer Island, given that our donations to ARCH build housing elsewhere?

Staff Response

When the City evaluates a fee in lieu of affordable housing program as directed by Policy 2.7, the exact parameters of where those funds are allowed to be spent can be considered. Fee in lieu dollars would not necessarily be earmarked for contributions to ARCH. Revenue collected through the fee in lieu program would likely be added to a citywide housing fund that would have specific requirements for where/how the funds may be spent, subject to applicable state law. The City Council would be able to establish a process to determine what the revenue would fund. Part of the evaluation would be to prepare alternatives for the City Council to consider, including where and how it would like to direct funding for project construction.

In the Kenmore example discussed earlier in this document, their fee in lieu of affordable housing code established a list of how locations for projects should be prioritized. The exact parameters of where and how the City would spend fee in lieu dollars would be determined by the City Council if it decides to pursue the option.