

City of Mercer Island Community Webinar

GMA Compliance

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March 10, 2026

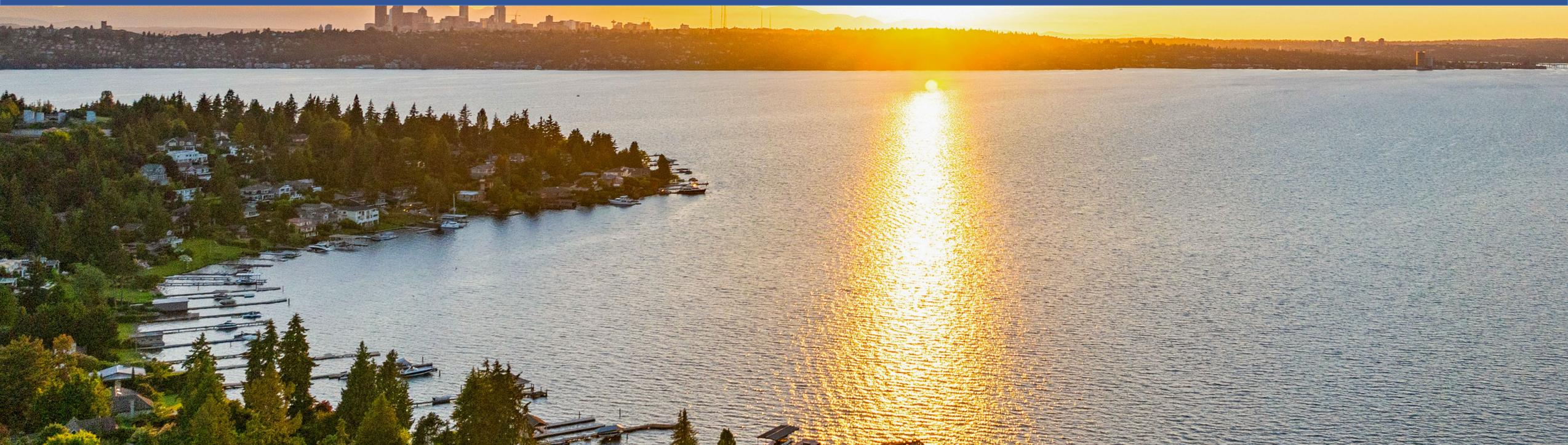


Agenda

1. Background: Growth Management Act and Comprehensive Plan
2. Growth Management Hearings Board Order
3. Mercer Island Compliance Strategy
4. Next Steps / General Schedule



Part 1: BACKGROUND



Growth Management Act

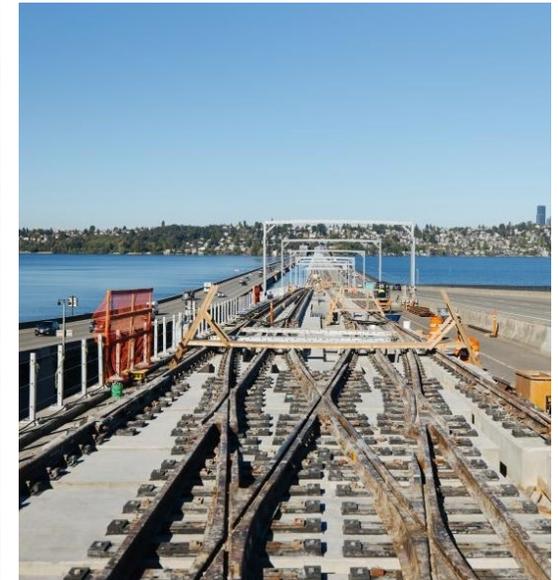
- The GMA is a series of state statutes, initially adopted in 1990, and intended to manage growth and protect critical areas and natural resource lands.
- It requires local jurisdictions to adopt Comprehensive Plans to guide growth and development over a 20-year period.
- Comprehensive Plans must be consistent with the GMA, as well as regional and county wide planning policies.



Shoreline Protection



Economic Development



Transportation

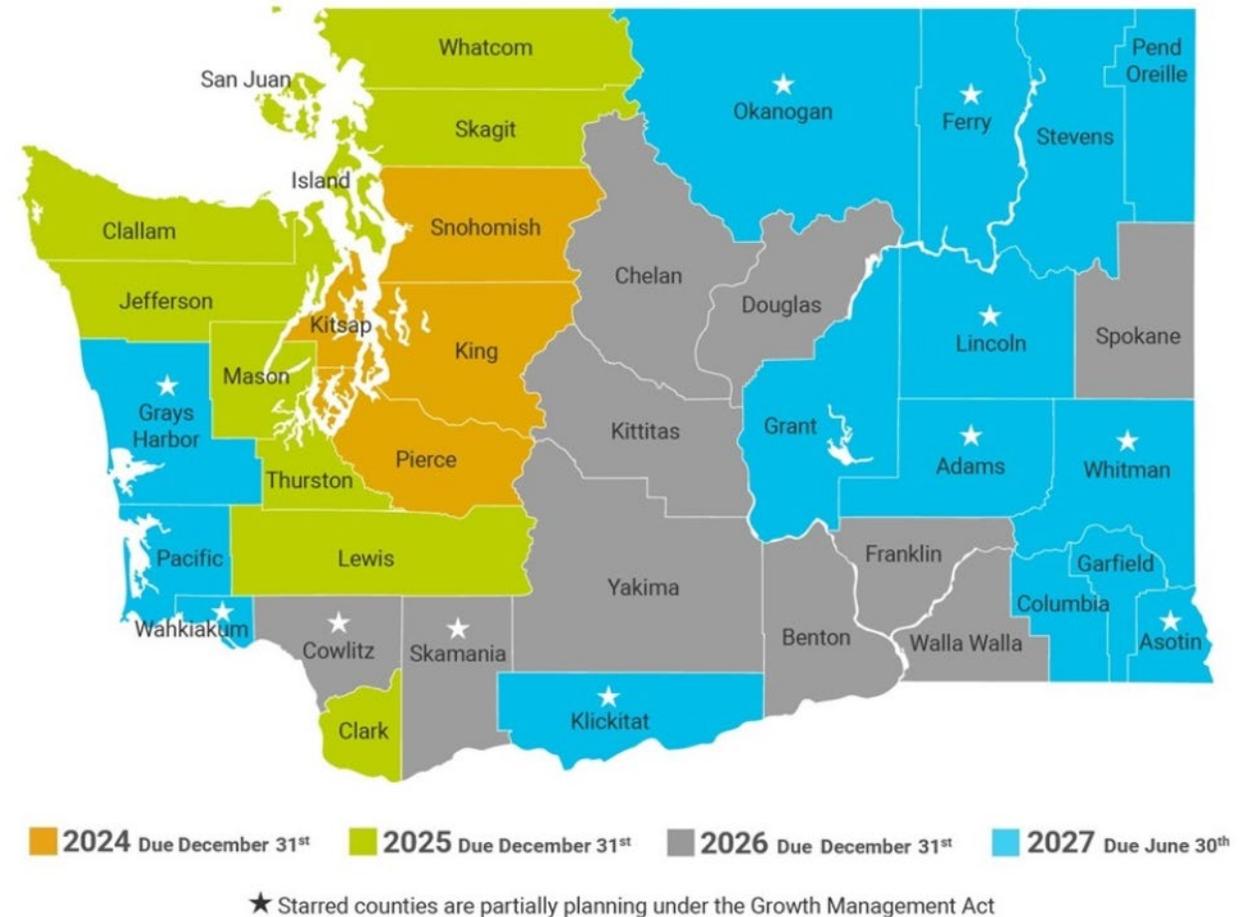
What is a Comprehensive Plan?

- 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 Comprehensive Plan is implemented through :
 - ✓ Regulations
 - ✓ Capital investments
 - ✓ Projects and programs



Planning Under GMA

- **Periodic Review:** Most cities and counties in Washington are required to update their comprehensive plan every 10 years.
- It includes planning for updated growth projections, ensuring adequate land capacity is available for projected housing and employment needs.
- Infrastructure planning for transportation, utilities and capital facilities is updated to maintain levels of service.
- Recent updates to GMA also require jurisdictions to plan for and accommodate affordable housing across income levels.



Planning for Affordable Housing

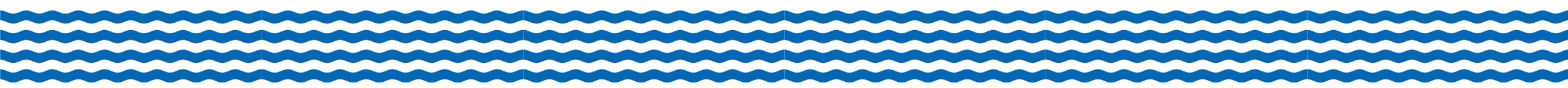
Mercer Island's Affordable Housing Needs (HB 1220)

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

Table Source: King County Ordinance No. 19660

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.



Growth Management Hearings Board (GMHB)

- The GMHB is a state board that hears appeals of comprehensive plans and development regulations related to compliance with GMA.
- GMHB members are appointed by the Governor.
- Challenges to the GMA are heard by a 3-member panel that determines if GMA requirements have been met.



Part 2: GROWTH MANAGEMENT HEARINGS BOARD ORDER



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.



1. Land Capacity

- A land capacity analysis evaluates the possible number of housing units at each housing affordability level given the current zoning, existing conditions, and market factors.
- A supplemental analysis was completed by the City in 2024.
- However, the GMHB Order requires further analysis to disaggregate land capacity by housing affordability level.
- The land capacity analysis will inform the City of the changes to zoning and development regulations that will be necessary to comply with the GMHB Order.

Mercer Island's Affordable Housing Needs

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



2. Adequate Provisions

COMBINATION OF POLICIES, INCENTIVES, CAPACITY TO MEET HOUSING TARGETS.

Per HB 1220, the housing element must “**make adequate provisions for existing and projected needs of all economic segments of the community,**” by:

- Identifying the number of **housing units to fully serve all income brackets now and in the future.**
- Land capacity must be able to **accommodate appropriate housing types** to meet housing needs.
- Document programs and actions to **achieve housing availability.**

**Land Capacity + Adequate Provisions = Total
Housing Need**

Examples:

- Inclusionary zoning
- Fee-in-lieu
- Reduction or waiver of permit fees
- Parking requirements reduction
- Establish a housing fund
- Development bonuses
- Multifamily Tax Exemption
- State grants and partnerships
- Low interest loans

3. 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.

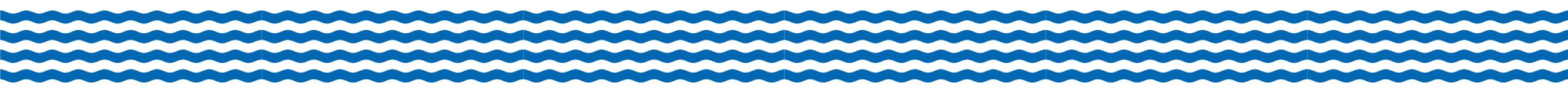


4. Anti-Displacement Measures

UPZONING REQUIRES ANTI-DISPLACEMENT IMPLEMENTATION

- Countywide Planning Policies require cities to adopt policies and strategies that promote equitable development and mitigate displacement risk.
- Anti-displacement measures must be implemented prior to or concurrent with development capacity increases and public capital investments.
- They include regulations to protect tenants such as notification requirements, relocation assistance and right to return policies.

Displacement: The involuntary relocation of residents or businesses due to financial or cultural pressures. Renters, low-income households, and marginalized communities are at greater risk of displacement.



Part 3: COMPLIANCE STRATEGY



GMA Compliance Strategy

Mercer Island's path to GMA compliance is composed of 6 major steps:

- **Step 1:** Complete Land Capacity Analysis (GMHB Order Issue 1; 75%)
- **Step 2:** Station Area Boundary (GMHB Order Issue 3; 50%)
- **Step 3:** Phase 1 Upzones (GMHB Order Issue 1; Not Started)
- **Step 4:** Adequate Provisions (GMHB Order Issue; Not Started)
- **Step 5:** Anti-Displacement Measures (GMHB Order Issue 4; Not Started)
- **Step 6:** STEP Housing Permanent Regulations (HB 1220; Not Started)

Step 1: Land Capacity Analysis

ISLAND WIDE RESIDENTIAL LAND CAPACITY AT EACH HOUSING AFFORDABILITY LEVEL

The Land Capacity Analysis identified:

- A deficit of 519 units for < 50% AMI low-income households including a 178-unit deficit for permanent supportive housing.
- **Key Finding:** Market rate housing does not provide for < 30% AMI housing.

Income Level	Allocated Housing Need (Units)	Market Rate Housing Capacity (Units)	Mercer Island Capacity Surplus or Deficit (Units)
Extremely Low Income (0-30% AMI PSH)	178	0	(178)
Extremely Low Income (0-30% AMI excl. PSH)	339	0	(335)
Very Low Income (>30-50% AMI)	202	150	(6)
Low Income (>50-80% AMI)	472	919	524
Moderate Income (>80-100% AMI)	0	442	472
High Income (>100-120% AMI)	0	95	110
Very High Income (>120% AMI)	0	356	356
Total	1,191	1,961	942

Step 2: 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

****Accepting public feedback on the proposed Station Area Boundary through March 13****



Preliminary Modified Station Area Boundary

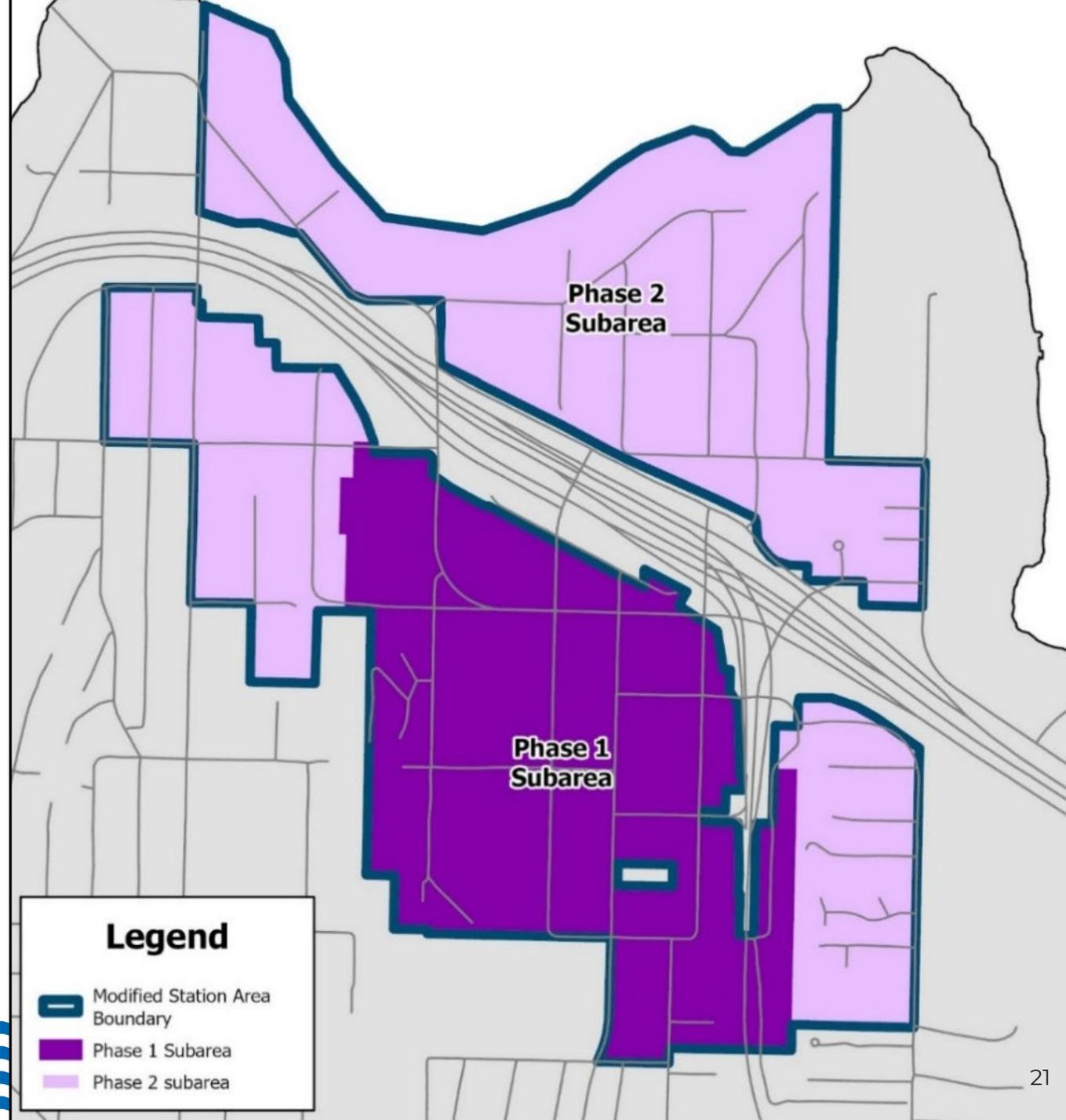
Step 3: Phase 1 Upzones

Phase 1 (by July 31, 2026):

- Establish phase 1 subarea.
- Apply required upzones to create additional development capacity.

Phase 2 (by December 31, 2029):

- Comply with other TOD (HB 1491) requirements.



Step 4: Adequate Provisions

1. Phase 1: Upzone Town Center to 8 Stories and adjacent surrounding MF-2 Zone 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-2 zone units to be affordable (from 30% to 80% AMI).

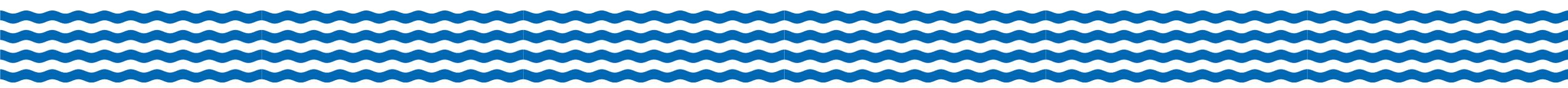
3. Fee In-Lieu

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

Step 5: Anti-Displacement Measures

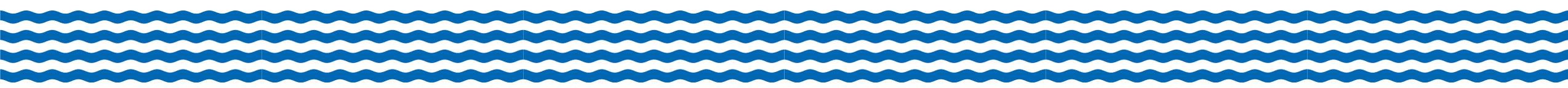
IMPLEMENT ANTI-DISPLACEMENT MEASURES FROM THE HOUSING ELEMENT

- Seek partnerships to catalog naturally occurring affordable housing (Policy 4.1)
- Adopt tenant protections such as advance notice of rent increase, relocation assistance, and right of first refusal (Policy 4.2)
- Adopt requirement for rezone applications to submit displacement risk evaluation and mitigation strategy (Policy 4.3)
- Adopt requirement that rezones that affect land capacity must be accompanied by findings that displacement risk has been adequately reduced or mitigated (Policy 4.4)



Step 6: STEP Housing

- STEP Housing includes shelters, transitional housing, emergency housing and permanent supportive housing.
- HB 1220 includes requirements to permit STEP Housing in certain zones.
- Mercer Island has had interim regulations in place to comply with STEP Housing since 2021.
- Need to adopt permanent regulations.
- Efficiency in combining this amendment with GMHB compliance work.



Affordable Housing Summary

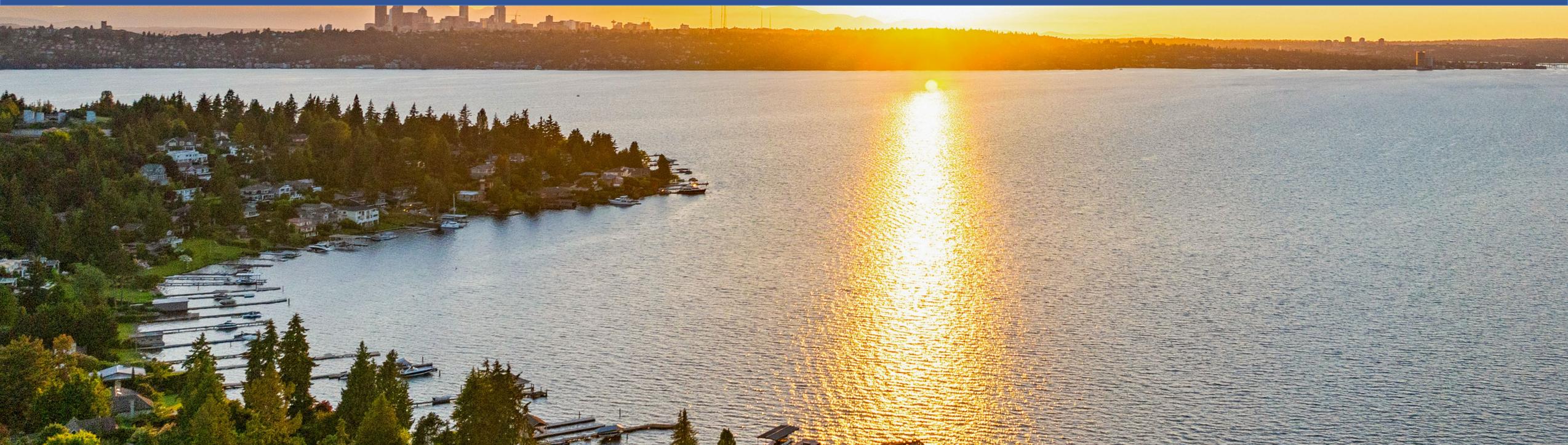
The City faces significant financial challenges to affordable housing:

- The total cost to build 510 units of affordable housing (< 30% AMI) is estimated at \$264.7 m and \$311.4 m (does not include infrastructure costs). Today, this cost is completely unfunded.

Phase 1 by the numbers:

- Implementing the TC and adjacent MF-2 upzones reduces the number of units requiring adequate provisions from 519 to 510 and provides \$30.7 m of fee in-lieu funds to support (with leveraging) direct delivery of 170 to 200 of these remaining units (< 30% AMI).
- However, Mercer Island will still have to plan for the remaining gap of 300 to 340 units (< 30% AMI) at an estimated cost of \$161.6 m to \$208.6 (again, does not include infrastructure costs).

Part 4: NEXT STEPS



Tentative Project Schedule

- **March 13:** Public feedback on Station Subarea boundary due.
- **March / April:** City Council work sessions for further direction on station area planning, adequate provisions, and anti-displacement measures.
- **April - June:** Planning Commission review, public hearing(s) and recommendation on draft Comprehensive Plan and development code amendments.
- **Early Summer:** City Council review and adoption.
- **July 31:** GMA Compliance due date.
- **September 15:** GMHB Compliance Hearing.

Thank You!

More information and submit public comments at:
letstalk.mercergov.org/comprehensive-plan-gma-compliance

