



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 6802
November 4, 2025
Regular Business

AGENDA BILL INFORMATION

TITLE:	AB 6802: Omnibus Ordinance Related to Permanent Regulations for Housing Production and Permit Streamlining (Ordinance No. 25C-27 First Reading)	☐ Discussion Only ☒ Action Needed: ☒ Motion ☐ Ordinance ☐ Resolution
RECOMMENDED ACTION:	Complete a first reading and schedule a second reading of Ordinance 25C-27.	

DEPARTMENT:	Community Planning and Development
STAFF:	Jeff Thomas, CPD Director Adam Zack, Principal Planner
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Ordinance No. 25C-27 Related to Permanent Regulations for Housing Production and Permit Streamlining 2. Planning Commission Recommendation dated October 8, 2025 3. Planning Commission Amendment Matrix
CITY COUNCIL PRIORITY:	n/a

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ n/a

EXECUTIVE SUMMARY

The purpose of this agenda item is to complete a first reading of Ordinance No. 25C-27, omnibus legislation related to permanent regulations for housing production and permit streamlining (Exhibit 1). The Planning Commission held a public hearing on September 24 and October 8. Following the public hearing on October 8, the Planning Commission recommended adoption of the proposed amendments (Exhibit 2).

- In the last few years, the WA Legislature has adopted many bills related to housing production and permit streamlining that require amendments to the Mercer Island City Code (MICC).
- Compliance with the updated State laws, combined with the state-required update to the Comprehensive Plan, required code amendments at a rapid pace.
- To keep pace with the changes in the State law, the City adopted a series of interim ordinances between 2021 and 2025.
- Interim ordinances establish temporary regulations that eventually expire unless they are renewed or replaced by permanent regulations.

- On July 15, 2025, the City Council approved a scope of work for a project to adopt omnibus legislation related to permanent regulations to replace the interim regulations for housing production and permit streamlining ([AB 6735](#)).
- The Planning Commission was briefed on the approved scope of work on July 23, 2025, and the initial draft of code amendments on September 10, 2025.
- The Planning Commission comment period on the draft code amendments was open from August 11 to September 19. All Planning Commission comments were entered into a comment matrix.
- On September 24, 2025, the Planning Commission started a public hearing on the draft code amendments. At that meeting, the Planning Commission addressed the submitted comments in the Comment Matrix as follows:
 - Comments categorized as non-substantive were incorporated into the draft of code amendments with direction for staff to resolve any overlapping or undrafted amendments;
 - Comments categorized as substantive were placed in the Planning Commission parking lot; and
 - Staff was directed to incorporate Comment Log #s 68, 70, and 71 into the draft with additional clarification that the parking variances, cooperative parking, and parking reductions should not apply to parcels in the R-8.4, R-9.6, R-12, and R-15 zones.
- A draft of the code amendments that incorporated the Planning Commission comments was published with [PCB25-18](#) in advance of the continued public hearing on October 8, 2025.
- On October 8, 2025, the Planning Commission continued its public hearing on the proposed amendments and completed its recommendation to the City Council (Exhibit 2).
- The Planning Commission recommendation was incorporated into Ordinance No. 25C-27 (Exhibit 1).
- The amendments to the initial staff draft the Planning Commission has recommended are listed in Exhibit 3.
- After the City Council concludes the first reading of Ordinance No. 25C-27, a second reading and adoption can be scheduled for November 18, 2024.

BACKGROUND

Beginning in 2021, the WA State Legislature enacted a number of bills related to housing production and permit streamlining that required local jurisdictions to amend their development codes to comply. During this period the City was also required to update its Comprehensive Plan to address new housing requirements. To comply with new legislation, meet its comprehensive plan update deadline, and maintain consistency with State law, the City enacted a series of interim ordinances that temporarily amended the MICC. The interim ordinances must be renewed every 6-12 months or replaced by permanent regulations to maintain compliance with State law.

Rather than prepare several code amendments to adopt permanent regulations to replace each interim ordinance related to housing production and permit streamlining individually, the City will adopt one set of amendments to replace them all at once. Omnibus legislation is the most efficient way to adopt permanent regulations because many of the interim ordinances overlap, with more than one ordinance amending the same development code section.

The omnibus legislation will address six compliance topics that relate to housing production and streamlining permit review. On July 23, the Planning Commission was briefed on the topics to be addressed with the omnibus legislation. The omnibus legislation draft attached to the Planning Commission recommendation in Exhibit 2 includes notation following the amended section or subsection to indicate which topic the

amendment would address. The notation has been removed from Ordinance 25C-27 and is included in the Planning Commission recommendation for reference only.

Omnibus Legislation Project History to Date

- July 15, 2025 – City Council approved scope of work and schedule
- July 23, 2025 – PC briefed on scope of work, schedule, and compliance topics to be addressed
- August 11, 2025 – First draft of omnibus legislation publicly available, Public and PC comment periods begins
- September 10, 2025 – PC briefing on first draft of omnibus legislation
- September 19, 2025 – PC comment period closes, public comment period still open
- September 24, 2025 – PC public hearing begins, PC comments from the comment matrix were resolved
- October 8, 2025 – PC public hearing continues, PC arrives at a recommendation

The Planning Commission (PC) comment period was open from August 11 to September 19, 2025. All PC comments were entered into a comment matrix that was provided to the PC prior to their public hearing on September 24, 2025. Minor and substantive amendments proposed by the PC were resolved on September 24, 2025. All of the substantive amendments except for three were not added to the draft. A draft of the proposed amendments that incorporated the PC input was published with [PCB25-18](#) in advance of the continued public hearing on October 8, 2025. The PC completed its public hearing on the proposed amendments and recommended adoption of those amendments on October 8, 2025 (Exhibit 2). The PC amendments have been incorporated into the draft development code amendments in Ordinance No. 25C-17 (Exhibit 1).

ISSUE/DISCUSSION

Adoption of the omnibus legislation will address the interim ordinances and statewide legislation listed in Table 2. Permanently addressing these topics now will maintain compliance with State law and reduce staff time that would be dedicated to renewing interim ordinances individually.

Table 2. Topics to be Addressed by the Omnibus Ordinance.

Topic (Notation)	Description	MICC Chapters Affected	RCW Reference	Interim Ordinance #
Senate Bill 6015 (SB 6015)	Residential parking requirements	19.02, 19.03, 19.11, 19.12	36.70A.622	25C-08
House Bill 1293 (HB 1293)	Clear and objective design standards	19.03, 19.06, 19.11, 19.12, 19.15, 19.16	36.70A.630	25C-11
Senate Bill 5290 (SB 5290)	Permit review timelines	19.15	36.70B.080	24C-17
House Bill 1998 (HB 1998)	Co-Living Housing	19.06, 19.11, 19.16	36.70A.535	N/A
Design Commission (DC)	Remove references to Design Commission review ¹	19.01, 19.02, 19.03, 19.04, 19.05, 19.06, 19.10, 19.11,	N/A	25C-14 ²

		19.12, 19.15, 19.16, App. C		
Comprehensive Plan Implementation (Comp Plan)	In 2024, the City Council updated the Comprehensive Plan and made implementing amendments to the Town Center development code.	19.11	36.70A.130	24C-18

Notes:

1. In 2025, the City Council dissolved the Design Commission and reassigned design review to the Hearing Examiner. Though no further code amendments are required to implement that action, minor code amendments to remove reference to the DC will ensure the code remains consistent as the design standards are amended to address HB 1293.
2. Ordinance 25C-14 was a permanent amendment to reassign design review to the Hearing Examiner and dissolve the Design Commission concurrent with the adoption of Ordinance No. 25C-11. While additional amendments to assign design review to the Hearing Examiner are not required, there are references to the design commission throughout Title 19 of the MICC that can be removed. Amending or removing these references will clarify for applicants and other code uses who is the official responsible for review.

PLANNING COMMISSION RECOMMENDED AMENDMENTS AND COMMENT MATRIX

The Planning Commission recommended amendments are listed in Exhibit 3 and categorized as follows:

- Comments categorized as minor were incorporated into the draft of code amendments with direction for staff to resolve any overlapping or undrafted amendments; and
- Substantive amendments #38, 39, and 40 were incorporated into the draft with additional clarification that the parking variances, cooperative parking, and parking reductions should not apply to parcels in the R-8.4, R-9.6, R-12, and R-15 zones.
 - Log #38 amended MICC 19.03.020(B)(4)
 - Log #39 amended MICC 19.04.040(B)(9)
 - Log #40 amended MICC 19.04.040(E)

Minor Comments

The minor amendments generally do not change the policy direction in the development code but rather clarify or correct the proposed amendments. Because they did not alter the policy direction or otherwise change the standards, they were incorporated into the draft of amendments the PC eventually recommended.

Substantive Amendments

Substantive amendments were PC-proposed amendments that suggested changes to the code that would alter the substance of an existing code provision or add a new code requirement that does not currently exist. Because of the breadth of amendments in the omnibus legislation and the timeline established by the City Council approved scope of work, staff recommended against the addition of substantive comments to the omnibus legislation. The PC recommendation incorporated three substantive amendments (Exhibit 3, Log #s 38, 39, 40).

Substantive Amendments Log #s 38, 39, and 40

The PC recommended three amendments to parking standards in addition to those proposed by staff. These three amendments are local choices and not required to comply with the State law. All three PC amendments related to variable parking standards in the MF, C-O, PBZ and B zones. The existing development code in the

amended sections allows for parking minimums in these zones to be reduced or shared between lots in some cases.

PC Amendment Log #38 proposed amendments to MICC 19.03.020(B)(4) to limit parking variances granted to development in the multifamily zones so that they could not be applied on an adjacent lot in a single-family zone. The initial staff-proposed amendment would strike the reference to the design commission in this section. The PC amendment was to add the underlined text to MICC 19.03.020(B)(4):

Notwithstanding any of the minimum parking requirements set out in this subsection, the code official may grant variances from the minimum parking requirements with the approval of the city engineer provided the parking reduction is not applied on a parcel in the R-8.4, R-9.6, R-12, and R-15 zones and the design commission for projects reviewable by the design commission.

PC Amendment Log #39 proposed a similar amendment to MICC 19.04.040(B)(9). The original staff proposed amendment to this section was to (1) strike the reference to the design commission in this section and (2) to make the standard clear and objective by requiring parking variance decisions to be based on a parking study. The PC amendment would limit the parking variance so that it could not be applied on an adjacent single-family zoned parcel. The amendment to MICC 19.04.040(B)(9) from PC Comment Log #70 is highlighted in yellow below, all other amendments are from the original staff proposal.

Variances. Notwithstanding any of the minimum parking requirements set out in subsection C of this section, the code official may grant variances from the minimum parking requirements with the approval of the city engineer ~~and the design commission for projects reviewable by the design commission~~ based on review of detailed information provided by the applicant that includes a description of the physical structure(s), identification of potential uses, and analysis of parking demand provided the parking variance is not applied on a parcel in the R-8.4, R-9.6, R-12, and R-15 zones.

PC Amendment Log #40 also relates to parking and would amend MICC 19.04.040(E) to require that cooperative parking cannot be applied to a single-family zoned parcel. The amendment to MICC 19.04.040(E) from PC Comment Log #71 is highlighted in yellow below, all other amendments are from the original staff proposal.

Cooperative parking. Cooperative parking between two or more adjoining property owners is allowed; ~~provided, the code official. The hearing examiner, with approval from the design commission and city engineer,~~ may reduce the total required spaces by 25 percent of the total combined required spaces ~~when the applicant has demonstrated~~ provided that no adverse impact will occur due to the reduced number of stalls based on review of detailed information provided by the applicant that includes a description of the physical structure(s), identification of potential uses, and analysis of parking demand and the cooperative parking is not applied on a parcel in the R-8.4, R-9.6, R-12, and R-15 zones.

ACCEPTING THE PLANNING COMMISSION RECOMMENDATIONS

The City Council can accept the PC recommendations either in whole or in part. Accepting the minor PC-recommended amendments listed in Exhibit 3 would adhere to the minimum necessary to comply with State law and replace the interim regulations. The PC also recommended three substantive amendments that are not necessary to comply with State law (Exhibit 3, Log #s 38, 39, 40).

Motion to Accept Only the Minor Amendments

Move to accept the Planning Commission recommended Minor amendments and return to the staff recommended draft for substantive amendments listed in AB6802 Exhibit 3.

Motion to Accept Both Minor and Substantive Amendments

Move to accept the Planning Commission recommended amendments from AB6802 Exhibit 3

NEXT STEPS

Second reading and adoption is planned for November 18, or as soon as otherwise feasible. Ordinance No. 25C-27 will become effective on December 31, 2025.

RECOMMENDED ACTION

1. Move to schedule Ordinance No. 25C-27 for second reading.
2. Move to accept the Planning Commission recommended Minor amendments and return to the staff recommended draft for substantive amendments listed in AB 6802 Exhibit 3.

OR

2. Move to accept the Planning Commission recommended amendments from AB 6802 Exhibit 3.