



PLANNING COMMISSION CITY OF MERCER ISLAND

PCB 26-03
April 29, 2026
Regular Business

AGENDA BILL INFORMATION

TITLE:	PCB 26-03: Briefing on Station Subarea Plan Goals and Policies	<input checked="" type="checkbox"/> Discussion Only <input type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input type="checkbox"/> Recommendation
RECOMMENDED ACTION:	Receive Report – No Action Necessary	

STAFF:	Adam Zack, Principal Planner
EXHIBITS:	1. Initial Draft Station Subarea Plan Goals and Policies

EXECUTIVE SUMMARY

The purpose of this agenda item is to brief the Planning Commission on the Station Subarea Plan Goals and Policies. Planning Commission comments on the draft goals and policies are due on May 11.

- The City completed a periodic review and update of the Mercer Island Comprehensive Plan, which was adopted by the City Council on November 19, 2024 ([AB 6573](#)).
- The 2024 Comprehensive Plan was appealed to the GMHB on the grounds that the Comprehensive Plan did not adequately plan for and accommodate future affordable housing needs (GMHB case number 25-3-0003). 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 Washington State Growth Management Act (GMA). Specifically, the City must amend its Comprehensive Plan to address the following:
 - Land Capacity: Analyze residential land capacity at each housing affordability level and close any identified gaps.
 - Adequate Provisions: Adopt incentives, mandatory provisions, and planned actions (“aka adequate provisions”) that will increase the supply of affordable housing.
 - Station Subarea Plan: Adopt a subarea plan for the area around the transit station.
 - Anti-Displacement Measures: Adopt anti-displacement measures to address the potential displacement that can occur with changes in zoning.
 - July 31, 2026 Deadline: amendments to comply with the GMHB Order must be adopted by July 31, 2026.
- The City Council has provided directions for addressing compliance with the four issues in the GMHB Order at the following meetings:
 - [January 16, 2026 – AB 6838](#)
 - [February 17, 2026 – AB 6865, AB 6866, and AB 6871](#)
 - [March 17, 2026 – AB 6888 and AB 6894](#)
 - [April 21, 2026 – AB 6909 and AB 6911](#)
- The City is required to adopt a Station Subarea Plan for the area around the Light Rail Station in order to comply with the GMHB Order.
- The draft of Station Subarea Plan goals and policies in Exhibit 1 are the central components of the Station Subarea Plan (Exhibit 1).
- Planning Commission comments on this draft of Station Subarea Plan goals and policies are due by 4:00 PM on May 11.

BACKGROUND

GROWTH MANAGEMENT HEARINGS BOARD FINAL DECISION AND ORDER

Cities and counties in Washington State are required to adopt a comprehensive plan under the Growth Management Act (GMA). The comprehensive plan is a statement of goals and policies that detail how a county or city will manage and accommodate future growth. The goals and policies of the comprehensive plan are implemented through capital investments, development regulations, and programs. The GMA requires cities and counties to periodically review and update their comprehensive plans on a ten-year cycle. Mercer Island most recently completed a periodic review and update of its Comprehensive Plan in 2024 (see [AB 6573](#)).

The 2024 adoption of the Mercer Island Comprehensive Plan periodic review and update was appealed to the Growth Management Hearings Board (GMHB) on the grounds that the Comprehensive Plan did not adequately plan for and accommodate future affordable housing needs (GMHB case number 25-3-0003). On August 1, 2025, the GMHB issued a Final Decision and Order (GMHB Order) and remanded the Comprehensive Plan to the City for revisions due by July 31, 2026.

The Comprehensive Plan adopted in 2024 remains in effect during the remand, but the City must complete work to update the plan and comply with the timeline established by the GMHB Order (RCW 36.70A.300(3)(b)). The compliance timeline is one year from when the GMHB issued its decision; work must be completed by July 31, 2026. Failure to comply with the GMHB Order may result in sanctions against the City (RCW 36.70A.340).

The GMHB Order requires the City to address four issues:

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.

A more in-depth description of the GMHB Order and its implications is provided in [AB 6838](#), which was presented to the City Council on January 16, 2026.

STATION SUBAREA PLAN

The Mercer Island Comprehensive Plan must be consistent with VISION 2050, which is the planning document for the Puget Sound Regional Council. VISION 2050 establishes multicounty planning policies (MPPs) that coordinate growth between jurisdictions. One MPP, MPP-DP-Action-8, requires cities to adopt subarea plans for light rail transit stations. The GMHB Order found that the City must include a station subarea plan in the Comprehensive Plan. The Station Subarea Plan will be adopted in the Comprehensive Plan during the update to resolve part of the GMHB Order.

WHAT IS A SUBAREA PLAN?

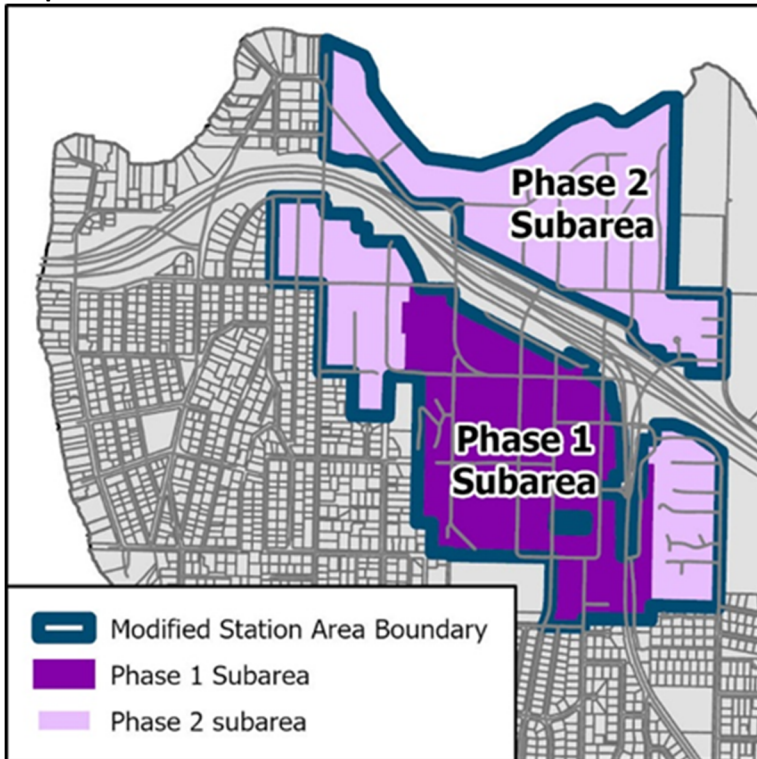
A subarea plan is a set of goals and policies for a defined area in the city. The Station Subarea Plan will be divided into two phases:

Phase 1 – Designate a station area and increase development capacity in the Town Center and adjacent multifamily zones.

Phase 2 – Comply with HB 1491 throughout the station area by the 2029 deadline, following the completion of the project to comply with the Growth Management Hearings Board (GMHB) Order.

The Phase 1 and 2 areas are shown on Map 1.

Map 1. Station Subarea Plan Phases.



House Bill 1491 (Transit-Oriented Development (TOD) Bill)

Compliance with the TOD bill will be pursued in the second phase of the Station Subarea Plan, which is planned to be completed by 2029. TOD Bill compliance will not be included in Phase 1. The planning work related to Phase 2 and compliance with the TOD bill will likely commence in 2027.

In 2025, the WA Legislature adopted House Bill 1491, also referred to as the TOD Bill. The TOD Bill requires cities and counties in Washington to designate station areas around light rail stations. Within the designated station area, cities and counties must allow “transit-oriented development” or (TOD). Cities in King County must comply with the TOD Bill by December 31, 2029. The planning requirements for the TOD Bill are established in RCW 36.70A.840. These requirements will be addressed during Phase 2 of the subarea plan.

GOALS AND POLICIES

Goals and policies are the “what” and “how” of the subarea plan:

- **Goal:** What the plan aims to achieve
- **Policy:** How the City will achieve its goals

Many of the goals and policies in the subarea plan are Town Center polices relocated from the existing Land Use, Housing, and Economic Development elements. The existing goals and policies are shown in ~~strikeout~~/underline format to show the change from the existing language. In general, amendments to the policies have been made to reflect the larger station area rather than just Town Center. The relocated goals

and policies are noted with brackets and bold text i.e., [**Previously LU 6.4**] “LU” indicates the land use element and 6.4 is the policy number. The new goals and policies in the draft do not have any notation.

Most of the new goals and policies in the draft focus on how the City will approach Phase 2 of the subarea plan. These policies include direction regarding:

- Conducting public outreach (Land Use Goal 1 policies)
- Direction to undertake an empirical parking study during Phase 2 (Land Use Policy 4.1)
- Planning to identify for surplus public property for potential affordable housing developments (Housing 1.1)

The Station Subarea Plan goals and policies include a table listing implementation actions. The implementation actions are things directed by the policies that the City will need to complete during Phase 2. The implementation action table provides a snapshot of the work that will follow adoption of the Station Subarea Plan in 2027 through 2029, when Phase 2 is planned to be completed.

OTHER COMPONENTS OF THE SUBAREA PLAN

The Planning Commission will be briefed on the other components of the Station Subarea Plan at its next meeting on May 6. The other components of the subarea plan are introductory text and maps that define the station area, describe current conditions, and establish the planning context for the subarea.

There will be updates to the transportation, capital facility, and utility goals and policies proposed later in the process based on results of capacity studies. These goals and policies will be drafted concurrently with amendments to the Transportation, Capital Facilities, and Utilities elements of the Comprehensive Plan. City staff is working with consultants to evaluate how Phase 1 of the Station Subarea Plan will impact the levels of service for infrastructure and capital facilities. That level of service analysis will be incorporated into the Comprehensive Plan elements, and a briefing is planned for May 27.

ISSUE/DISCUSSION

City staff will walk the Planning Commission through the draft goals and policies during the briefing. The Planning Commission will have the opportunity to ask questions about the draft. The purpose of the briefing is to prepare the commissioners to provide comments by the comment deadline on May 11.

The Planning Commission comments on the draft Station Subarea Plan are due May 11. Please send your comments to Adam Zack, Principal Planner by 4:00 PM on Monday, May 11 (Adam.Zack@MercerIsland.gov). Comments received by the deadline will be entered into a comment matrix and provided to the Planning Commission by their next meeting on May 13. The Planning Commission will review the comment matrix and decide which amendments to recommend, if any, during their public hearing on June 3, 2026.

BACKGROUND MATERIALS & REFERENCES

Background materials are provided on the [City’s Let’s Talk page](#) Summary of previous agenda materials:

January 16, 2026

- [AB 6838](#): Compliance with [Growth Management Hearings Board Final Decision and Order](#) related to the City of Mercer Island Periodic Update to the Comprehensive Plan Overview of City Council Planning Session.

February 17, 2026

- [AB 6865](#): Compliance with Growth Management Hearings Board Final Decision and Order Related to the City of Mercer Island Periodic Update to the Comprehensive Plan

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- [AB 6866](#): GMA Compliance Public Engagement Plan
 - [AB 6871](#): Legislative Review Alternatives to Help City Meet GMHB Order Compliance Deadline (Ordinance No. 26C-03 First Reading)

March 3, 2026

- [AB 6893](#): Compliance with Growth Management Hearings Board Order – Follow-Up Discussion on Financing Affordable Housing
- [AB 6890](#): Legislative Review Alternatives to Help City Meet GMHB Order Compliance Deadline (Ordinance No. 26C-03 Second Reading)

March 17, 2026

- [AB 6888](#): Final Approval of the Modified Station Subarea Boundary
- [AB 6894](#): Update on the Growth Management Hearings Board Order – GMA Compliance Work Plan

April 21, 2026

- [AB 6909](#): GMA Compliance – Policy Direction on Development Code Amendments
- [AB 6911](#): GMA Compliance – Legislative Review Process

NEXT STEPS

Comments on the Station Subarea Plan Goals and Policies are due the end of the day on May 11, 2026.

May 6 – Planning Commission briefing on Station Subarea Plan and Comprehensive Plan Elements: Land Use, Housing, and Economic Development

May 11 – Planning Commission comments on the Station Subarea Plan, Land Use Element, Housing Element, and Economic Development Element are due

May 13 – Planning Commission briefing on development code amendments: land capacity zoning changes.

May 18 – Planning Commission comments on the land capacity zoning change development code amendments are due.

May 20 – Planning Commission briefing on development code amendments: inclusionary zoning and fee in lieu of affordable housing.

May 26 – Planning Commission comments on the inclusionary zoning and fee in lieu development code amendments are due.

May 27 – Planning Commission briefing on Comprehensive Plan Elements: Transportation, Capital Facilities, and Utilities.

June 1 – Planning Commission comments on the Transportation, Capital Facilities, and Utilities elements are due.

June 3 – Planning Commission public hearing – to be continued to June 10

June 10 – Planning Commission public hearing and recommendation

June 16 – Planning Commission recommendation is delivered to the City Council.

RECOMMENDED ACTION

Receive Report. No action necessary.