

Regional Growth Centers Criteria Report

Issaquah Regional Growth Center



Designation Recommendation

Conditionally redesignate Issaquah as a regional growth center under the Regional Centers Framework. The center supports VISION 2050's goals to create compact, livable places that accommodate significant regional growth, while promoting sustainability and inclusion.

To meet conditions, the city will:

- Demonstrate progress toward meeting housing goals for the center,
- Demonstrate actions have been taken to remove barriers to housing to facilitate market interest,
- Adopt updated growth targets to meet regional criteria, and
- Review the regional center boundary to ensure that pedestrian connectivity is provided throughout the center and to potential station locations. The city will submit documentation of the boundary review for PSRC board approval.

PSRC will review the regional center in 2028 to evaluate whether sufficient progress has been made to demonstrate the center meets regional criteria.

Background



The Issaquah regional growth center is located in the northeast part of the city, bisected by I-90 and SR-900. It is the economic hub of the city with many employers, including the Costco headquarters. The center includes the Issaquah Transit Center that has current bus service provided by King County Metro and Sound Transit.

Evaluation of Regional Growth Centers Requirements

Status Icons:

- ✔ On track
- ⚠ Needs attention
- ⊘ Does not meet criteria
- N/A

Criteria	Status
Center Type	— Urban Growth Center
Existing Density Required: 18 people/acre	✔ The Issaquah Regional Growth Center's current density is 27 people per acre, which meets the criteria.
Planned Target Density Required: 45 people/acre	⚠ The Issaquah Regional Growth Center's planned density in the Central Issaquah Plan is 68 people per acre, which appears to be based on previous citywide growth targets. The plan should be updated to reflect growth that is consistent with the city's current growth targets.

Criteria		Status
Mix of Uses: 15% of planned residential and employment activity	✓	15% of planned growth is expected to be residential.
Size: 200 to 640 acres (larger if served by high-capacity transit)	✓	The Issaquah Regional Growth Center is currently 464 acres.
Transit Access: Existing or planned frequent bus service or high-capacity transit	✓	The center has existing bus service and is planning for light rail to serve the community.
Market Potential: Demonstrated capacity to support growth targets	—	A market study was not required. Since 2010, the center has increased density by 8 people per acre.
Center Subarea Plan	—	The center subarea plan was last certified in 2015. Please see the updated certification report for additional planning recommendations.

Jurisdiction Comments / Additional Context

ATTACHMENTS

- A. Memorandum – City of Issaquah

Regional Growth Centers Criteria Report Issaquah Regional Growth Center City Response

The City of Issaquah values the Central Issaquah center's designation as a Regional Growth Center (RGC) and has actively invested in its development since its designation in 2015. While some RGC policies were revised to increase alignment with PSRC's new RGC framework and Vision 2050 as part of the Issaquah 2044 periodic update, the City is committed to maintaining the RGC designation by addressing the conditions identified in the RGC Criteria Report by PSRC's 2028 review date.

Below are highlights of key actions Issaquah has taken to facilitate development in the RGC in compliance with PSRC's policy framework since 2015.

Condition 1: Demonstrate progress toward meeting housing goals for the center.

City Response: The City has been working diligently to make progress towards meeting housing goals for the center. The City has recently partnered with King County Housing Authority on a project to construct a 364-unit transit oriented development adjacent to Issaquah's transit center. The project is currently in permitting and includes two eight-story apartment buildings, 159 affordable units, six beds for developmentally disabled adults, and a 10,000 square foot City-funded, ground floor Opportunity Center. The city is also in discussions with a developer regarding a commercial to multifamily residential conversion.

Outreach to RGC property-owners and the development community is on-going, especially as the City's Central Issaquah light rail station area planning process kicks-off ahead of the 2041-2044 anticipated start of service.

Condition 2: Demonstrate actions that have been taken to remove barriers to housing to facilitate market interest.

City Response: Prior to adoption of RGC designation, the city adopted a Planned Action EIS for the Regional Growth Center area to streamline environmental review. The City has also implemented impact and permit fee waivers and expedited permit review for affordable housing, and created a Development Bonus Program for Central Issaquah and the RGC that provides additional density in exchange for affordable housing.

Since 2015, the city has significantly updated regulations and incentives to remove barriers to residential development. Regulatory support includes:

- Adoption and implementation of the Housing Strategy Work Plan a housing action plan;
- Updates of codes to incorporate flexible dimensional standards and reduced open space requirements,
- Adoption of a Multifamily Tax Exemption (MFTE) program that allows 12-year exemptions in w within Central Issaquah, including the RGC;
- Completion of Housing Strategy Work Plan implementation study using Commerce grant funds; and
- Updates of housing policies and codes in accordance with state regulations including STEP housing, middle housing, and removing structured parking requirements.

The city has also made significant strides in direct support to housing through:

- Continued partnership with A Regional Coalition for Housing (ARCH) and contributions to the ARCH Housing Trust Fund;
- Establishment of the city’s Inclusive Housing Investment Pool (IHIP) using funding from the HB 1590 and HB 1460 tax programs and the funding from the city’s Development Bonus Program to leverage capital investments to increase affordable housing investments in Issaquah for households at or below 60% AMI; and
- Establishing a Pioneer Program to spur housing where employment, transit, and other amenities already exist as well as to demonstrate development success for the “first in market” projects.

The City’s 2026 work program includes continued direct support for the ARCH Housing Trust Fund and IHIP, and a City Council funded study focused on identifying regulatory strategies that remove barriers to residential development, including affordable housing.

Condition 3: Adopt updated growth targets to meet regional criteria.

City Response: The City has initiated a 2026 Comprehensive Plan amendment focused on updating RGC growth targets consistent with regional criteria.

Condition 4: Review the regional center boundary to ensure that pedestrian connectivity is provided throughout the center and to potential station locations. The city will submit documentation of the boundary review for PSRC board approval.

City Response: Issaquah is committed to ensuring pedestrian and other connectivity throughout the RGC and to potential locations of the Central Issaquah Link light rail station. In the 2015 Issaquah RGC Certification report, PSRC noted the following “exemplary” transportation policies in the Central Issaquah Plan:

- “...Sidewalks and bicycle facilities already serve much of the Urban Core
- Policies and design standards require sidewalks and streetscape amenities
- The city has plans for two additional crossings over I-90 to better connect the two sides of the center: an urban shared path at Maple Street and a 12th Street...”

The City has proceeded with implementing RGC transportation and pedestrian policies by:

- Codifying RGC street standards, including requirements for new development to provide new active transportation and multi-modal connections. (The TOD project currently in permitting is providing half of a new mid-block connection including pedestrian facilities.),
- Completing the 2025 “I-90 Crossing Study” analyzing multimodal options and identifying a preferred alternative and cost estimate for building the third of four crossings intended to connect the north and south parts of Issaquah’s RGC; the study was also undertaken to help inform the siting process for the Central Issaquah Link station, and
- Funding the 2025-2027 Central Issaquah Station and Alignment Study to help define Issaquah’s locally preferred alternative for where the station should be located (light rail service anticipated 2041-2044), and other projects.

In light of the above, the city will start work to review the RGC boundary after the city’s Station and Alignment Study is completed in 2027, to ensure Issaquah’s preferred Link station location is factored into any potential boundary updates.

A more detailed inventory of the City’s key RGC implementation activities to date and anticipated future actions is attached.

Central Issaquah Regional Growth Center: Key City Implementation Activities

Note: Central Issaquah RGC designated in 2015

PSRC Conditions for RGC Redesignation	2015-2025: Key City RGC Implementation Activities to Date	2026-2028*: Current and Future RGC Implementation Actions (*next PSRC monitoring date for conditional status is 2028)
Demonstrate progress toward meeting housing goals for the center	<p>DEVELOPMENT PIPELINE See column to right and the list of actions the City has taken in the rows below.</p> <p>PLANNING SUPPORT</p> <ul style="list-style-type: none"> - 2017: City funded, adopted, and implemented its Housing Strategy Work Plan - 2023: City funded Inclusionary Zoning & Housing Diversity Report <p>REGULATORY SUPPORT</p> <ul style="list-style-type: none"> - See row below <p>DIRECT SUPPORT</p> <ul style="list-style-type: none"> - See row below 	<p>DEVELOPMENT PIPELINE</p> <p>Trailhead TOD Project (in permitting): 364 units</p> <ul style="list-style-type: none"> - City partnering with King County Housing Authority to build mixed use, mixed income, project adjacent to Issaquah Transit Station including facilitating KCHA purchase of site - Two 8-story apartment buildings with total of 364 units (110+ units affordable units in KCHA-operated building) and space funded by the City ...opportunity center. <p>Potential Conversion of Commercial to Multifamily</p> <p>RGC ECONOMIC/MARKET NEWS</p> <ul style="list-style-type: none"> - November 2025: 18-building, 398 unit Anthology Apartment complex located immediately west of RGC boundary sold for \$192 million. Per CoStar News "...latest sign of rebounding investor confidence in region..."
Demonstrate actions have been taken to remove barriers to housing to facilitate market interest	<p>REGULATORY SUPPORT</p> <ul style="list-style-type: none"> - Flexible dimensional standards and reduced open space requirements - MFTE (12 year) in south RGC target area, 8 years as part of Central Issaquah Pioneer Program for up to two residential - Codification of state regulations such as middle housing, STEP housing, and removal of required structured parking in multifamily residential uses. <p>DIRECT SUPPORT</p> <ul style="list-style-type: none"> - 2023: Inclusive Housing Investment Pool (IHIP): Issaquah-sponsored housing fund created to increase affordable housing, especially near transit. \$2 million available in 2024 round - ARCH Housing Trust Fund: As ARCH member, City contributed funding - Sales and use tax for affordable and supportive housing - City-owned surplus land disposition ordinance prioritizing affordable housing 	<p>REGULATORY SUPPORT</p> <ul style="list-style-type: none"> - See column to left - Code amendment process underway focused on removing development barriers - Implement recommendations from the 2023 Inclusionary Zoning & Housing Diversity Report <p>DIRECT SUPPORT</p> <ul style="list-style-type: none"> - See column to left <p>PLANNING SUPPORT</p> <ul style="list-style-type: none"> - City funding allocated for study on removing residential development barriers
Adopt updated growth targets to meet regional criteria, and	<p>PLANNING SUPPORT</p> <ul style="list-style-type: none"> - 2018 Central Issaquah Subarea Plan Update: Update streamlined and clarified design policies (RGC is portion of Central Issaquah subarea; all RGC policies located within CI Subarea Plan) 	<p>PLANNING SUPPORT</p> <ul style="list-style-type: none"> - City has initiated a Comprehensive Plan amendment to update RGC targets to meet regional criteria and align with targets Issaquah adopted as part of 2044 periodic update.
Review the regional center boundary to ensure that	<p>PSRC 2015 RGC Certification Report: Identified "exemplary" Transportation provisions in Central Issaquah Plan policies for RGC:</p>	<p>PLANNING SUPPORT</p>

PSRC Conditions for RGC Redesignation	2015-2025: Key City RGC Implementation Activities to Date	2026-2028*: Current and Future RGC Implementation Actions (*next PSRC monitoring date for conditional status is 2028)
<p>pedestrian connectivity is provided throughout the center and to potential station locations. The city will submit documentation of the boundary review for PSRC board approval.</p>	<p>---“...Sidewalks and bicycle facilities already serve much of the Urban Core ---Policies and design standards require sidewalks and streetscape amenities ---The city has plans for two additional crossings over I-90 to better connect the two sides of the center: an urban shared path at Maple Street and a 12th Street overcrossing. An urban shared path already exists on SR 900...”</p> <p>PLANNING SUPPORT</p> <ul style="list-style-type: none"> - 2023-2025: Approximately \$1 million of City funding allocated to <u>I-90 Crossing Study</u>; analyzed multi-modal crossing options to connect north and south sides of RGC; connection at 11th Ave preferred <p>REGULATORY SUPPORT</p> <ul style="list-style-type: none"> - 2023: Street standards, including requirements for new development to provide new active transportation and multimodal connections, codified within IMC Title 12 <p>CENTRAL ISSAQUAH LINK LIGHT RAIL STATION (SOUND TRANSIT)</p> <ul style="list-style-type: none"> - 2016: Central Issaquah Station included in Sound Transit 3 Levy ---Program includes, station, parking structure and pedestrian crossing over I-90 - 2025: Central Issaquah Station Area Vision and Guiding Principles adopted 	<ul style="list-style-type: none"> - 2025-2027 City funding Central Issaquah Station and Alignment Study to help define Issaquah’s locally preferred alternative for where the station should be located (light rail service anticipated 2041-2044)