



Memorandum

Date: 2/27/2024
Meeting of: City Council Study Session

File No. SS 24-005
Type: Study Session

TO: Members of the City Council
FROM: Mayor Angela Birney
DEPARTMENT DIRECTOR CONTACT(S):

Planning and Community Development	Carol Helland	425-556-2107
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DEPARTMENT STAFF:

Planning and Community Development	Seraphie Allen	Deputy Director
Planning and Community Development	Jeff Churchill	Long Range Planning Manager
Planning and Community Development	Kim Dietz	Principal Planner
Planning and Community Development	Becky Frey	Principal Planner
Planning and Community Development	Lauren Alpert	Senior Planner
Planning and Community Development	Ian Lefcourte	Senior Planner
Executive	Jenny Lybeck	Sustainability Program Manager

TITLE:

Redmond 2050: Planning Commission Recommendation for Housing and Overlake

OVERVIEW STATEMENT:

Staff recommends that the City Council prepare to discuss issues related to Overlake, green building, and the Redmond Zoning Code Rewrite identified by Councilmembers at or following the Feb. 6 business meeting. Time permitting, staff will also be prepared to continue discussion related to housing.

On Jan. 24, 2024, the Planning Commission recommended approval of updates to the Housing Element, Housing Technical Appendix, housing-related regulations, Centers Element (for general policies and Overlake policies), and Overlake-related regulations. Staff introduced the Commission's recommendation at the Council's Feb. 6 business meeting.

The Planning Commission reports, exhibits, and appendices for these topics were provided in the Council's Feb. 6 packet beginning on page 51 and are also available at [redmond.gov/DocumentCenter/Index/125](https://www.redmond.gov/DocumentCenter/Index/125) <<https://www.redmond.gov/DocumentCenter/Index/125>>.

The Incentive Program calculator is online at redmond.gov/DocumentCenter/View/31578/ <https://redmond.gov/DocumentCenter/View/31578/2024_Feb---Draft-Overlake-Incentive-Calculator>.

☒ **Additional Background Information/Description of Proposal Attached**

REQUESTED ACTION:

☐ Receive Information ☒ Provide Direction ☐ Approve

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
Policy PI-15 calls for periodic Comprehensive Plan reviews.
- **Required:**
The Growth Management Act requires that Washington cities and counties review and, if needed, revise their comprehensive plans and development regulations every ten years. For King County cities the periodic review must be completed by December 31, 2024.
- **Council Request:**
The City Council requested quarterly reports on project milestones, staff progress, and public involvement.
- **Other Key Facts:**
N/A

OUTCOMES:

Updating the Redmond Comprehensive Plan will ensure that the Plan is consistent with state law and regional policy direction; advances equity and inclusion, sustainability, and resiliency; and that Redmond is prepared for growth expected through the year 2050.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
 - Housing Regulations
 - Q2 2020 - Q1 2021: Housing Action Plan (HAP).
 - Community input and consultant expertise informed direction of regulatory amendments.
 - Methods included focus groups, interviews, and questionnaires.
 - Q3 2022 - Q3 2023: Housing Action Plan Implementation (HAPI).
 - Consultants interviewed developers, financial lenders, and other jurisdictions in support of evaluating inclusionary zoning and multifamily property tax exemption (MFTE) programs.
 - Q4 2022 - Q3 2023: Middle Housing and Racially Disparate Impacts.
 - Consultants collaborated with ARCH to hold small group meetings, focus groups, interviews, and workshops with community-based organizations.
 - Q1 2023 - Q2 2023: affordable housing parking regulations. Numerous group workshops involving developers, non-profit housing providers, ARCH, and Futurewise, on calibration of draft regulations related to allocation of parking stalls to affordable housing units.
 - Overlake Regulations
 - Q4 2020 - Q4 2021: visioning and policy community engagement.
 - 2021: existing conditions and needs identification.
 - Consultant conducted broad community engagement activities.

- Staff conducted multiple events and workshops.
 - Focus groups included small business, BIPOC and disability stakeholder focus groups.
 - 2021-2022: Overlake and Centers policies development and engagement.
 - 2022-2023: Regulations drafted with stakeholder input, including testing phase.
 - Q3 2023 - Q1 2024: public hearings and further refinement.
 - Q1 2024: final testing phase
- Redmond Zoning Code Rewrite Items in Overlake Regulations Package
 - Methods included three phases of outreach to project stakeholders to seek preliminary review and feedback on draft amendments to development regulations. Staff facilitated a combination of direct email, Let's Connect tools, the City's website, and virtual and in-person open house events with office hours:
 - Conceptual amendments to the code;
 - Draft proposed amendments to the code; and
 - Final draft proposed amendments and SEPA determination comment period
 - Three phases of community involvement using direct email and City e-news included:
 - Initial awareness of the project's scope of work;
 - Draft proposed amendments to code; and
 - Final draft proposed amendments, SEPA determination comment period.
 - Plans, Policies, and Regulations, a monthly City e-news, provided frequent information at regular intervals to interested parties and allowed for self-managed participation in the distribution channel.
 - Staff also provided presentations to interest groups and contributed to the City's YouTube channel.
 - The methods above allowed staff to confirm feedback from stakeholders by refining early drafts of work and seeking follow-up review. This progressive method of proactive and frequent outreach ensured that the resulting recommendations met interests and addressed concerns expressed by stakeholders, the community, and staff.
- **Outreach Methods and Results:**

Redmond 2050 outreach methods have included:

 - Redmond 2050 Website
 - Digital City Hall Lobby
 - Let's Connect questionnaires, idea boards, and other tools
 - Press releases and Social media
 - Short videos and posting of recordings of workshops
 - Yard signs and Posters
 - Utility Bill inserts
 - Email newsletters to multiple City lists
 - Emails to partner organizations
 - Hiring of Eastside for All for intensive, focused community engagement
 - Stakeholder input and Focus group meetings
 - Boards & Commissions meetings
 - Hybrid and remote workshops and interviews
 - Tabling at community events
 - Pop-up events in community spaces and workplaces
 - Translation of selected materials
 - Community Advisory Committee input
 - Technical Advisory Committee input

- Planning Commission public hearings
- Mailed property owner notifications

Quarterly engagement summaries are available at [redmond.gov/1495](http://www.redmond.gov/1495) <<http://www.redmond.gov/1495>>.

- **Feedback Summary:**

- Housing Regulations:
 - Topic: Affordable Housing on Religious Lands and Associated Density Bonus.
 - Received positive feedback from for profit-developers, faith organizations, non-profit developers, ARCH, and non-profit advocacy groups. Minor changes were suggested by some stakeholders and were largely integrated by staff.
 - There is an interest of stakeholders and Planning Commission for staff to further explore opportunities to add affordable housing density bonuses to other types of land rather than just religious lands, such as public lands or non-profit lands.
 - Topic: Inclusionary Zoning Changes for Overlake.
 - Consensus that starting a new podium development is financially infeasible in current economic conditions of the greater U.S. economy.
 - Disagreement on impacts of revising inclusionary zoning requirements.
 - One view was that changes would delay future housing development in Overlake and be detrimental to overall affordability.
 - Another view was that the recommended changes to inclusionary zoning were supported by analysis and needed to help facilitate provision of additional affordable housing units.
 - Interest from stakeholders in staff further exploring revisions and opportunities for the 12-year Multifamily Property Tax Exemption program.
 - Note: MFTE is codified in the Redmond Municipal Code, not the zoning code. As such, MFTE amendments do not go to PC for authorization, but often MFTE is discussed at PC because the MFTE program is intertwined with the inclusionary zoning code.
 - Interest in a graceful transition from current requirements to new requirements.
- Overlake Regulations
 - Major changes, so a lot of excitement but also some concern since new regulations can add uncertainty.
 - Simplification of code and zoning is much appreciated.
 - Part 1 items generated few comments.
 - 21.04 General Provisions (includes some housing related updates)
 - 21.05 Special Districts (new)
 - 21.22 Public Art (new)
 - 21.28 High-Capacity Transit Corridor Preservation (repeal)
 - 21.45 Solid Waste (new)
 - 21.50 Transition Overlay Areas
 - 21.76.070.P, Land Use Actions and Decision Criteria (Master Planned Developments)
 - 21.78 Definitions (includes housing and RZCRW definitions)
 - Development Regulations and Design Standards (21.12, 21.58, 21.60, 21.62)
 - Major changes, so much discussion and revisions based on testing phases and specific stakeholder feedback.
 - Discussion around Master Planning / phasing requirement updates - to ensure area is not underdeveloped. Sets threshold for requiring phasing and plan that shows how

- more can be added in future if application shows proposal that is less than what we see as typical development in Overlake today. Added incremental development provisions to address concerns about flexibility while still ensuring that we can meet growth targets.
- Significant discussion on first floor building heights. Testing phase and stakeholder feedback resulted in a lower proposed ceiling height and extensive flexibility through footnotes in table 21.12.500.
 - Extensive feedback on incentive program resulted in some adjustments to categories, specific incentive items, points and bonuses earned. This included working with OneRedmond on the small business and anti-displacement items and the Northwest Universal Design Council for the inclusive design category.
 - Stakeholder interviews with developers currently developing towers and/or mass timber developments resulted in changes to the design guidelines to ensure the regulations work well with building materials and building codes and support mass timber construction needs.
 - Added section on transitions to new standards to address developer concerns for projects currently in the review cycle and for property owners who want to make some updates but cannot afford a major redevelopment in the current market conditions. Allows projects in the review cycle to choose if they want to stay under current regulations (with an expiration date and other criteria) or move to new standards. Adds flexibility for incremental redevelopment.
- Green Building program updates. Feedback was given on various aspects of the green building program, including feedback on estimated costs, priorities, and specific programmatic requirements.
 - Keep it voluntary.
 - Maintain flexibility in options and scale of impacts (matching the points-based menu of options to Overlake incentives structure): the more you do, more points you earn towards a bonus.
 - Focus on outcomes and not specific ways to achieve them.
 - Easy to understand, work on implementing new structure and new focus areas and then expand over time.
 - Add water conservation, embodied carbon goals/incentives.
 - Be mindful of impacts of 2021 Energy Code Update.
 - Align with state and regional goals.

BUDGET IMPACT:

Total Cost:

\$4,616,401 is the total value of the Community and Economic Development budget offer. This budget offer includes staff and consultant resources necessary to complete Redmond 2050.

Approved in current biennial budget: ☒ **Yes** ☐ **No** ☐ **N/A**

Budget Offer Number:

0000040

Budget Priority:

Vibrant and Connected

Other budget impacts or additional costs: ☐ Yes ☐ No ☒ N/A

If yes, explain:

N/A

Funding source(s):

General Fund, Washington State Department of Commerce grants

Budget/Funding Constraints:

Two Commerce grants supported updates to the Housing Element

☐ **Additional budget details attached**

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
10/6/2020	Business Meeting	Approve
11/17/2020	Business Meeting	Receive Information
3/16/2021	Business Meeting	Receive Information
3/23/2021	Study Session	Provide Direction
6/15/2021	Business Meeting	Receive Information
6/22/2021	Study Session	Provide Direction
9/21/2021	Business Meeting	Receive Information
9/28/2021	Study Session	Provide Direction
11/16/2021	Business Meeting	Receive Information
11/23/2021	Study Session	Provide Direction
2/15/2022	Business Meeting	Receive Information
5/3/2022	Business Meeting	Receive Information
5/10/2022	Study Session	Provide Direction
6/7/2022	Committee of the Whole - Planning and Public Works	Receive Information
7/19/2022	Business Meeting	Receive Information
7/26/2022	Study Session	Provide Direction
8/9/2022	Study Session	Provide Direction
10/4/2022	Business Meeting	Receive Information
10/11/2022	Study Session	Provide Direction
1/17/2023	Business Meeting	Receive Information
1/24/2023	Study Session	Provide Direction
3/7/2023	Business Meeting	Receive Information

3/14/2023	Study Session	Provide Direction
7/18/2023	Business Meeting	Receive Information
9/5/2023	Business Meeting	Receive Information
9/12/2023	Study Session	Provide Direction
9/26/2023	Study Session	Provide Direction
10/3/2023	Business Meeting	Receive Information
10/10/2023	Study Session	Provide Direction
11/28/2023	Study Session	Provide Direction
1/9/2024	Study Session	Provide Direction
1/23/2024	Study Session	Provide Direction
2/6/2024	Business Meeting	Receive Information
2/13/2024	Study Session	Provide Direction

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
3/5/2024	Business Meeting	Receive Information
3/12/2024	Study Session	Provide Direction

Time Constraints:

The Comprehensive Plan periodic update must be complete by Dec. 31, 2024.

ANTICIPATED RESULT IF NOT APPROVED:

Staff is not requesting action at this time.

ATTACHMENTS:

Attachment A: Council Discussion Topics (updated for 2/27)

Attachment B: Presentation Slides