

CODE

REDMOND CITY COUNCIL

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF REDMOND,
WASHINGTON, AMENDING CHAPTER 3.38 OF THE
REDMOND MUNICIPAL CODE TO IMPLEMENT 12-YEAR
EXEMPTION EXTENSION OPTIONS, PROVIDING FOR
SEVERABILITY, AND ESTABLISHING AN EFFECTIVE
DATE.

WHEREAS, the City adopted the Redmond 2050 Comprehensive
Plan on November 19, 2024 (Ord. No. 3181), including an updated
Housing Element; and

WHEREAS, the Multifamily Housing Property Tax Exemption
(MFTE) authorized in chapter 84.14 Revised Code of Washington (RCW)
is a proven tool in Redmond to produce affordable housing; and,

WHEREAS, RCW 84.14.020 authorizes local jurisdictions to
offer 12-year extensions to property tax exemptions where certain
affordability requirements are met; and

WHEREAS, updates to MFTE program provisions will offer opportunities to support the construction of market-rate and affordable housing; and,

WHEREAS, having considered the recommendations and community input, the City Council desires to amend RMC Chapter 3.38 concerning the MFTE program.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. **Classification.** This is a code ordinance.

Section 2. **New Section Added to RMC 3.38.** RMC 3.38.122 is added and reads as follows:

3.38.122 12-Year Extensions to Exemptions - Affordability requirements - Limits.

A. A project with an initial eight- or 12-year tax exemption approved pursuant to RMC 3.38.120 may be granted a 12-year exemption extension under RCW 84.14.020(6) when:

1. The project is within 18 months of the original exemption expiration.
2. The project meets or exceeds the requirements of RMC 3.38.122.B for the applicable residential targeted area (RTA).

B. For the property to qualify for an extension under this subsection, the project must satisfy the following criteria:

<u>Overlake RTA</u>	
<u>Required Minimum Affordability Levels</u>	
<u>12-Year Extension</u>	
Number of Units	Affordability Level
First 15%	50% AMI
Second 5%	70% AMI

<u>Marymoor RTA</u>	
<u>Required Minimum Affordability Levels</u>	
<u>12-Year Extension</u>	
Number of Units	Affordability Level
First 20%	50% AMI

<u>Mixed-Use RTA</u>	
<u>Required Minimum Affordability Levels</u>	
<u>12-Year Extension</u>	
Number of Units	Affordability Level

First 20%	50% AMI
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RTA's not listed in RMC 3.38.122.B do not offer 12-year extensions.

C. For any affordable units required in this section, the provisions of RMC 3.38.120.B shall apply.

D. The exemption does not apply to the value of land or to the value of improvements not qualifying under this chapter, to increases in assessed valuation of land and nonqualifying improvements, or to increases made by lawful order of the King County Board of Equalization, Washington State Department of Revenue, State Board of Tax Appeals, or King County, to a class of property throughout the county or a specific area of the county to achieve uniformity of assessment or appraisal as required by law.

Section 3. **New Section Added to RMC 3.38.** RMC 3.38.124

is added and reads as follows:

3.38.124 Relocation Assistance.

A. At the end of both the 10th and 11th years of a 12-year exemption or 12-year exemption extension, applicants must provide tenants of rent-restricted units with notification of intent to provide the tenant with rental relocation assistance as provided in RMC 3.38.124.B.

B. Except as provided in RMC 3.38.122.C, at the expiration of the exemption the applicant must provide tenant relocation assistance in an amount equal to one month's rent to a qualified tenant within the final month of the qualified tenant's lease. To be eligible for tenant relocation assistance under this subsection, the tenant must occupy an income-restricted unit at the time the exemption expires and must qualify as a household earning up to 80% area median income at the time relocation assistance is sought.

C. If affordability requirements remain in place for the unit after the expiration of the exemption, relocation assistance in an amount equal to one month's rent must be provided to a qualified tenant within the final month of a qualified tenant's lease who occupies an income-restricted unit at the time those additional affordability requirements cease to apply to the unit.

Section 3. **Severability.** If any section, sentence, clause, or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity of any other section, sentence, clause, or phrase of this ordinance.

Section 4. **Effective date.** This ordinance shall become effective five days after its publication, or publication of a summary thereof, in the city's official newspaper, or as otherwise provided by law.

ADOPTED by the Redmond City Council this ____ day of _____,
2026.

CITY OF REDMOND

ANGELA BIRNEY, MAYOR

ATTEST:

Cheryl Xanthos, MMC, CITY CLERK (SEAL)

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY:

REBECCA MUELLER, CITY ATTORNEY

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:

SIGNED BY THE MAYOR:

PUBLISHED:

EFFECTIVE DATE:

ORDINANCE NO.

DRAFT