

Issue	Discussion Notes	Issue Status																																																													
Housing																																																															
Neighborhood Residential Affordability Payment In Lieu (Stuart, Kritzer)	<p><b>Councilmember Comment</b></p> <p>Councilmembers asked for further background information on the Neighborhood Residential (NR) Affordability Payment In Lieu. Requested the verbal staff explanation be provided in writing. Requested a slide or two for the study session. Interested in how the PIL (and Middle Housing in the NR zone) impacts the City's ability to deliver housing at the affordability levels that were adopted in the Redmond 2050 Comprehensive Plan.</p> <p><b>Staff Comment</b></p> <p><u>Comprehensive Plan Housing Need</u></p> <p>The adopted Redmond 2050 Comprehensive plan identifies the following affordable housing needs:</p> <table><tr><th rowspan="2"></th><th rowspan="2">Total Units</th><th colspan="2">≤30% AMI</th><th>AMI</th><th>AMI</th><th>AMI</th><th>AMI</th><th>AMI</th></tr><tr><th>Non-PSH</th><th>PSH</th><th>&gt;30 - ≤50%</th><th>&gt;50 - ≤80%</th><th>&gt;80 - ≤100%</th><th>&gt;100 - ≤120%</th><th>&gt;120%</th></tr><tr><td>Baseline Housing Supply: 2019</td><td>31,739</td><td>753</td><td>58</td><td>1,404</td><td>2,184</td><td>9,270</td><td>4,839</td><td>13,231</td></tr><tr><td>KC CPP Net New Housing Needed: 2019-2044</td><td>20,000</td><td>7,025</td><td>3,694</td><td>3,870</td><td>2,765</td><td>348</td><td>394</td><td>1,904</td></tr><tr><td>KC CPP Total Future Housing Needed: 2044</td><td>51,739</td><td>7,778</td><td>3,752</td><td>5,274</td><td>4,949</td><td>9,618</td><td>5,233</td><td>15,135</td></tr><tr><td>Extrapolated KC CPP Net New Housing Needed: 2019-2050</td><td>24,800</td><td>8,711</td><td>4,581</td><td>4,799</td><td>3,429</td><td>432</td><td>489</td><td>2,361</td></tr><tr><td>Extrapolated KC CPP Total Future Housing Needed: 2050</td><td>56,539</td><td>9,464</td><td>4,639</td><td>6,203</td><td>5,613</td><td>9,702</td><td>5,328</td><td>15,592</td></tr></table> <p>Of the 24,800 additional housing units needed between 2019 and 2050, <b>73%</b> (18,090 units) are needed to serve households earning 50% of area median income (AMI) or less.</p> <p>Redmond has a strong history of supporting housing by pursuing many “tools” in the housing toolbox. This includes providing flexible zoning, promoting missing middle housing, partnerships, inclusionary zoning, multifamily tax exemptions, minimum densities, incentive programs, impact fee waivers, donations of City lands, and direct monetary contributions. The deeper the level of affordability, the greater the need for direct assistance, such as subsidies or land donations. In Redmond, 50% AMI units are primarily</p>		Total Units	≤30% AMI		AMI	AMI	AMI	AMI	AMI	Non-PSH	PSH	>30 - ≤50%	>50 - ≤80%	>80 - ≤100%	>100 - ≤120%	>120%	Baseline Housing Supply: 2019	31,739	753	58	1,404	2,184	9,270	4,839	13,231	KC CPP Net New Housing Needed: 2019-2044	20,000	7,025	3,694	3,870	2,765	348	394	1,904	KC CPP Total Future Housing Needed: 2044	51,739	7,778	3,752	5,274	4,949	9,618	5,233	15,135	Extrapolated KC CPP Net New Housing Needed: 2019-2050	24,800	8,711	4,581	4,799	3,429	432	489	2,361	Extrapolated KC CPP Total Future Housing Needed: 2050	56,539	9,464	4,639	6,203	5,613	9,702	5,328	15,592	Opened 04/22 Closed 5/13
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created through non-profit housing efforts or through inclusionary zoning in large multifamily/mixed-use efforts.

#### Middle Housing

Middle housing regulations are largely integrated into the new Neighborhood Residential (NR) zoning district. The updated regulations allow a variety of housing types, reduce process barriers, and increase development capacity. Private market partners have communicated to City staff that the market overwhelmingly wants cottages. Cottages provide a similar living experience as conventional detached single family homes. Lots in the NR zone can have up to six dwelling units per lot as a baseline, and up to eight if an on-site cost-controlled affordable housing unit is provided. As such, the City has observed that larger NR lots are redeveloped from containing a single dwelling unit to containing multiple dwelling units. The impact is clear: infill development creating more dwelling units.

While new middle housing products are generally less expensive than conventional single-family homes, they are often listed with sales prices over \$1,000,000, and as such are not affordable to households earning 50% AMI or less.

#### Inclusionary Zoning Background:

The City leverages inclusionary zoning (IZ) to help generate cost-controlled affordable housing units. Different zones/areas of the City have different IZ parameters depending on the unique considerations of that zone/area. The former residential zones that were consolidated into the NR zone were subject to inclusionary zoning requirements before Redmond 2050. Among other changes, IZ in the NR zone created a Payment In Lieu (PIL) mechanism.

Before Redmond 2050	After Redmond 2050
R-1 through R-8 Zones <ul style="list-style-type: none"> <li>• IZ only applied to developments of 10 dwelling units or more.</li> <li>• 10% of dwelling units must be 80% AMI affordable units.</li> <li>• "Fractional" required affordable housing units were rounded up or down.</li> </ul>	Neighborhood Residential Zone <ul style="list-style-type: none"> <li>• IZ applies to all developments, regardless of dwelling unit count.</li> <li>• 12.5% of dwelling units must be 80% AMI affordable units.</li> <li>• "Fractional" required affordable housing units are converted to a Payment In Lieu (PIL), for developments of 7 dwelling units or fewer.</li> </ul>

#### Payment In Lieu Background:

The proposed affordability Payment in Lieu (PIL) requirements for the NR zone use a "fair share" approach. Financial modeling estimates the value of an 80% AMI affordable housing unit and distributes that cost

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	<p>across all dwelling units based on the 12.5% inclusionary zoning (IZ) requirement. This method captures the fractional value of the required affordable unit without rounding up or down, ensuring smaller developments contribute proportionately.</p> <p>Consultants developed a financial tool to complete these calculations. The tool analyzes the cost and revenue assumptions for missing middle housing types across ARCH jurisdictions. It assesses feasibility and estimates each jurisdiction’s capacity to support affordable housing policies. Notably, the tool uses local data. The data used for Redmond’s analysis are Redmond-specific market conditions, not the broader ARCH region. Note that the model assumes developers must meet a 15% profit-on-cost threshold, plus a 4% developer fee.</p> <p>The PIL rate is based on the gap between the cost to build a prototype affordable unit (including land and fees) and the for-sale revenue that unit would generate. This gap is adjusted according to IZ parameters, such as the set-aside percentage and the target AMI levels.</p> <p>A given development’s total PIL obligation is calculated by multiplying the market-rate square footage of all structures on the site by the relevant published rate, expressed in dollars per square foot.</p> <p><u>Affordability PIL Rates, Now and Proposed:</u></p> <p>The initial PIL rates had three categories for three different building structure typologies. The reasoning was that different typologies have different development costs and sales prices. The amendments propose to consolidate those three categories into a single PIL rate to streamline development review.</p>	

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BEFORE

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Table 21.20.060A.1.b.v. Structure Typology Categories for Payments in Lieu

Structure Typology	Examples
Detached	Cottages
Attached (Vertically Aligned or Side-by-Side Orientation)	Townhomes
Attached (Horizontally Aligned or On-Top Orientation)	Stacked Flats

The Administrator has the discretion to review applications and determine which structure typology shall apply to structures on the lot, for the purposes of satisfying the requirements of this section.

AFTER

1

Some building applications in the NR zone do not clearly fit into any of the three current typology categories. Because the different PIL typology categories have different dollar rates, applicants are incentivized to try and get the least expensive category applied to their development. This leads to frequent discussions between applicants and City staff about how to classify these designs. These conversations are especially common for projects with attached accessory dwelling units (ADUs). They take time and effort from both City staff and applicants. The proposed amendments to RZC 21.20 would replace these typology categories with a single PIL rate. This would reduce confusion, align with Redmond 2050 goals, and save time for everyone involved.

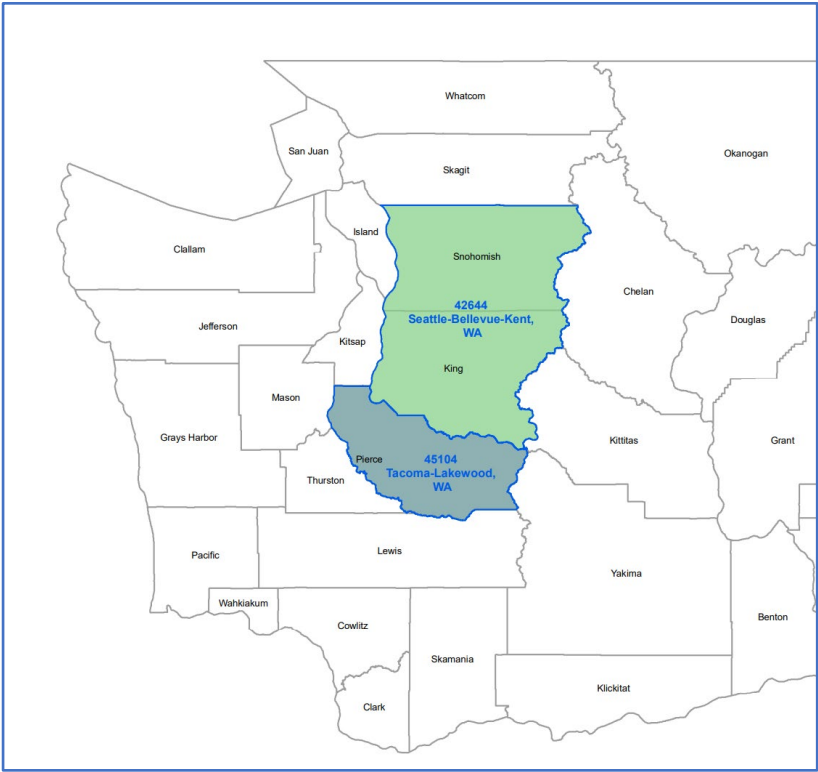
The total PIL funds collected are not expected to be significantly impacted by this change. The new rate is based on current market trends and the range of possible building types allowed in the NR zone.

Connect PIL to Housing Needs:

As discussed earlier, housing units serving households earning 50% AMI or less often require direct assistance. The PIL monies can be leveraged to provide that direct assistance. PIL (among other funding mechanisms) offer a powerful boost to accessing much larger pools of state and federal support, especially through programs like the Low-Income Housing Tax Credit. While it may seem like in-lieu fees would only fund a relatively modest number of cost-controlled affordable housing units on their own, collective pooling and leveraging of the funds can realize relatively greater number of cost-controlled affordable housing units.

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	<p>These types of contributions often help close funding gaps. Even a modest local investment can attract millions in outside funding, especially because of Redmond’s collaborative approach to housing via A Regional Coalition for Housing (ARCH). <b>Historically, every \$1 dollar of member jurisdiction contributions to the ARCH Housing Trust Fund is leveraged into \$15 to \$20 for housing.</b></p> <p>Through the PIL mechanism, there is an opportunity for all development to provide an equitable share towards equitable housing outcomes.</p> <p><u>Update May 13, 2025:</u> <b>Councilmember Comment</b> Councilmembers asked for further information on the United States Department of Housing and Urban Development (HUD) data used for regional Area Median Income (AMI) calculations.</p> <ul style="list-style-type: none"><li>• What HUD data source does ARCH use to determine local AMI and max eligible incomes?</li><li>• What is the geography of that data? King County? Only east king county?</li></ul> <p><b>Staff Comment</b> HUD’s Office of Policy Development and Research (PD&amp;R) produces annual Fair Market Rents and Income Limits data.</p> <ul style="list-style-type: none"><li>• HUD uses Census Bureau American Community Survey (ACS) Data for “Median Family Income” (Table B19113).<ul style="list-style-type: none"><li>◦ “Family” refers to the Census definition of a family, which is a householder with one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The definition of family excludes one-person households and multi-person households of unrelated individuals.</li><li>◦ The Census Bureau produces two types of ACS estimates: the “one-year” data, which represent estimates as of 2023; and the “five-year” data, which represent estimates as of 2019-2023 (but are inflated to 2023 dollars).</li></ul></li><li>• HUD calculates median family incomes for metropolitan areas.<ul style="list-style-type: none"><li>◦ HUD follows the Office of Management and Budget (OMB) definitions of areas.</li></ul></li><li>• Redmond uses data from the “Seattle-Bellevue-Kent” Metropolitan Division, #42644.<ul style="list-style-type: none"><li>◦ This includes <u>all</u> of King County and Snohomish County.</li><li>◦ All jurisdictions in this region have the same published metro median income.<ul style="list-style-type: none"><li>▪ Bellevue, Kent, Skykomish, etc., all have the same published value.</li></ul></li></ul></li></ul>	

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Design Standards

Mass Timber  
and Current  
Economic  
Conditions  
(Forsythe)

**Councilmember Comment**  
Councilmember asked for potential impacts of tariffs and other economic impacts to the importation of timber from Canada and potential mass timber construction in Redmond. Do the proposed design standards provide special consideration of mass timber and other green design?

**Staff Comment**

Opened 04/22  
Closed 5/13

Issue	Discussion Notes	Issue Status
	<p>Staff has been working with mass timber industry experts at several different points in the construction stream for a few years now. That includes mass timber suppliers. We have heard from multiple stakeholders that they are excited about the proposed incentives and design standards updates and believe that they may have a broader impact in the region.</p> <p>Recent changes in tariffs have had impacts, but stakeholders are optimistic. One of the suppliers that staff have been working with over the past two years (including but not limited to their participation in our <a href="#">mass timber workshop</a> held last year) was Timberlabs. They are quoted in this article: <a href="#">archpaper.com/2025/04/trump-tariff-building-product-industries-uncertainty-everywhere/</a>.</p> <p>5/13: Staff has continued to meet regularly with mass timber industry representatives and provided an update to Council at the 5/13 meeting on recent conversations:</p> <ul style="list-style-type: none"><li>• The Washington Mass Timber Accelerator is a non-profit organization that provides educational and other resources for those in the mass timber industry and those looking to expand it in Washington. They are adding Redmond codes to their resource library and are excited about what Redmond is doing and the fact that we have both incentives and flexibility in our design standards for mass timber construction. They are considering highlighting our work in a resource brochure they will be published in June.</li><li>• Staff attended a regional AIA mass timber discussion on tariffs and supply chain updates which was attended by manufacturers, designers, and developers. While there is still some uncertainty, most members present at the discussion stated they are doing "business as usual." After tariffs were initially announced the prices of timber did go up temporarily, but they're back down to normal conditions and the trade volume is at expected rates.</li></ul> <p>Most mass timber components, such as CLT, are exempt from tariffs if coming from Canada (coming from Europe already had tariffs). Lumber is listed as an essential item, so is exempt unless something changes.</p> <p>Prices for all construction materials is expected to rise, with no specific disadvantage to mass timber. One steel manufacturer present mentioned that they had released notice of rising prices several months ago, with increases from 2-10% on their products effective in June. All things considered, mass timber is still a bit of struggle to be cost comparable to typical construction methods, but is close and incentives can be very helpful in making that shift into a profitable choice for developers.</p>	

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Awning Requirements and Weather Protection (Forsythe)	<p><b>Councilmember Comment</b></p> <p>4/22: Councilmember requested information on weather protection. Councilmember noted that awnings and overhands have gaps.</p> <p>5/13: Councilmember Forsythe asked how the 80 percent minimum of coverage for awnings along the building face was calculated. RZC 21.58.3640 Weather Protection provides two purpose statements to ensure that the awnings enhance pedestrian safety and comfort:</p> <ol style="list-style-type: none"> <li>1. Establish sheltered walking corridors and entryways, promoting active transportation while reducing reliance on vehicles; and</li> <li>2. Elevating the aesthetic quality of the urban environment while ensuring accessibility for individuals of all abilities.</li> </ol> <p>While the 80 percent minimum allows for flexibility in placement, Alternative Design Compliance would not be permitted for weather protection requirements.</p> <p><b>Staff Comment</b></p> <p>4/22: RZC 21.58.3640 Weather Protection provides the purpose, applicability, and standards for weather protection. Alternative design compliance is not available for this design element, though single-family and middle housing are exempt. The standards, in subsection C, identify a minimum of 80 percent of building frontage at all street frontages to include a form of weather protection such as an awning, canopy, or arcade. The standards also require the protection to be contiguous including between adjoining buildings.</p> <p>Illustrations in RZC 21.58.3640 depict continuous arcade or awning, demonstrating their placement and implementation along a building located in a center.</p> <p>An example of continuous weather protection is in RZC 21.58.0100.C.2 Small Building Option - Minimum Design Standards. In this section, the minimum standard for weather protection is continuous as well as well-blended and contextual with the building. Weather protection is also addressed in RZC 21.58.3800.D Sustainability and Resiliency Features - Design Standards, by including shaded structures or arcades as an option for urban heat island mitigation.</p> <p>5/13: The 80 percent minimum coverage for awnings along the building face allows for a building's utilitarian needs such as service entries that require high vertical clearance.</p>	<p>Opened 04/22</p> <p>Closed 5/13</p>

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Deletion of Public Corridors (Forsythe)	<p><b>Councilmember Comment</b> Councilmember requested information on the reason public corridors code is proposed for deletion. Is the content moved? Are there other code provisions that substantively address similar content and community priorities?</p> <p><b>Staff Comment</b> This section of code is currently in the Downtown code as part of the residential privacy standards.</p> <p><b>RZC 21.62.020.F..2, Public Corridors.</b> Public circulation corridors may be located within window-to-window or window-to-wall spacing distances. However, such corridors shall also have a minimum privacy spacing distance from primary and secondary windows as established in the table above.</p> <p>The table that is referenced is still in the code, now as table and Figure 21.58.6010.D, and contains the public corridor standards. This paragraph was deleted as duplicative.</p>	Opened 04/22 Closed 5/13
Elevator Size and Accessibility (Forsythe)	<p><b>Councilmember Comment</b> Councilmember requested information on whether elevator size code deletion conflicts with ADA and accessibility goals.</p> <p>5/13: Councilmembers discussed adequate sizing of elevators as a need for public assembly uses as an equity, livability, and emergency access issues and also makes it more comfortable for everyone in places where large crowds will be normal. Council majority approved reinstating the original language into the incentive checklist.</p> <p><b>Staff Comment</b> The Universal Design Checklist for assembly and public buildings included a line item in the draft that read:</p> <p>All elevators should have sufficient space to accommodate two or more wheelchairs. Where possible, elevators have doorways on both ends to allow people in mobility devices or with strollers to use the elevator without needing to turn around to exit.</p> <p>One of the comments staff received was that the state is considering reducing the minimum size of elevators and proposed removing the first sentence of this line for continued study. This is a part of the</p>	Opened 04/22 Closed 5/13

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	<p>incentive and is not a requirement for all buildings. As an alternative to deletion, staff could re-insert the language at Council's direction.</p> <p>6/3: Staff reinserted the elevator sizing sentence into the checklist.</p>	
ADC for Cultural Districts (Stuart)	<p><b>Councilmember Comment</b> Councilmember requested information on Alternative Design Compliance (ADC) for cultural district developments. Councilmember asked what distinct and unique components are included in the current package and what components are still forthcoming.</p> <p><b>Staff Comment</b> Much of the cultural district work will be done in later phases, including the next phase of the Design Standards that will be kicking off after completion of this package. The draft RZC 21.58 includes references and placeholders that will be in place until this later work is completed.</p> <p>This draft includes several references to cultural diversity, cultural districts, and representation of cultures in buildings to reflect the vision adopted in the Redmond 2050 Comprehensive Plan. It contains:</p> <ul style="list-style-type: none"> <li>• Purpose statements that reference design that reflects different cultures.</li> <li>• Cultural references in the standards for relationship to adjacent properties and relationship to historic and cultural context.</li> <li>• Distinctive street presence standards that include, "Innovative, artistic features representative of the ... cultural district's vision."</li> <li>• Blank wall treatment options that includes, "In cultural districts elements that reflect the cultural diversity of the community are encouraged, such as murals and decorative architectural elements. Such elements used to treat a blank wall may also be utilized for any applicable incentive points..."</li> <li>• In materials and ornamentation, references to history and cultures are included in the purpose statement, included in ornamentation standards, and include a placeholder for future development of Cultural District Contributing Features.</li> </ul> <p>In RZC 21.58.1100 Relationship to Adjacent Properties, the ADC section references cultural districts:</p> <p>E. Alternative design compliance may be allowed if the alternative meets or exceeds the purpose of design relationship to adjacent properties. <i>Developments within cultural districts and iconic buildings in centers intended as landmark placemaking buildings</i> may utilize the alternative design compliance for requirements for coordinating building design elements with surrounding properties.</p>	Opened 04/22 Closed 5/13

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	<p>The second sentence was added after Planning Commission discussion expressed a desire to make it clear that new ideas that are not reflected in our existing building patterns are allowed. The Commission wants to make sure that developers and designers don't dismiss creative designs from a concern that they might not be allowed since they would introduce something new to the community.</p>	