

CODE

CITY OF REDMOND
ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF REDMOND,
WASHINGTON, AMENDING RMC 3.38, MULTIFAMILY
HOUSING PROPERTY TAX EXEMPTION, RELATING TO
ESTABLISHMENT OF A PILOT PROGRAM FOR THE 12
YEAR EXEMPTION, PROVIDING FOR SEVERABILITY,
AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the City of Redmond adopted a multifamily housing property tax exemption in 2017 (Ord. 2982) as authorized in chapter 84.14 RCW; and

WHEREAS, the City of Redmond adopted a Housing Action Plan in 2021 that calls for the City to review its multifamily property tax exemption program to achieve housing affordability objectives; and

WHEREAS, the 8-year exemption has resulted in 134 affordable units while the 12-year exemption has not been used by a market-rate developer in Redmond; and

WHEREAS, an optional pilot program for the 12-year exemption would allow the City to evaluate the effectiveness of changes to the 12-year exemption on a pilot basis.

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

Section 1. Findings. The recitals set forth above are hereby adopted as the Redmond City Council's findings justifying the actions taken in this ordinance.

Section 2. Amendments to RMC 3.38 Multifamily Housing Property Tax Exemption. A new section, RMC 3.38.200, "Temporary Pilot Program - 12 Year Exemption Required Minimum Affordability Levels", is hereby created to read as follows:

3.38.125 Temporary Pilot Program - 12 Year Exemption Required Minimum Affordability Levels

A. Pilot Program. The Minimum Affordability Levels for the 12-year exemption, identified in Table 3 of this section, shall supersede the 12-year exemption Minimum Affordability Levels identified in Table 1 and Table 2 of this chapter.

B. The value of new housing construction qualifying under this chapter shall be exempt from ad valorem property taxation as follows:

1. In all Residential Targeted Areas.

a. Length of Exemption. For 12 successive years beginning January 1 of the year immediately following the calendar year of issuance of the certificate for rental projects where at least the required minimum number of units are affordable units as specified in Table 3.

b. Table 3: Required Minimum Affordability

Levels. Affordable Rents as indicated:

<u>Table 3: Marymoor, Downtown, and Overlake Village</u>		
<u>Residential Targeted Areas</u>		
<u>Length of Exemption</u>	<u>Number of Units</u>	<u>Affordability Level</u>
<u>12 years</u>	<u>First 10%</u> <u>Second 10%</u>	<u>80% AMI</u> <u>115% AMI</u>

C. Termination. This section shall expire on December 31, 2024.

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 or constitutionality 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. This ordinance and the associated pilot program Redmond Zoning Code regulations shall expire December 31, 2024.

ADOPTED by the Redmond City Council this _____ day of June,
2023.

CITY OF REDMOND

ANGELA BIRNEY, MAYOR

ATTEST:

CHERYL D. XANTHOS, MMC, CITY CLERK

(SEAL)

APPROVED AS TO FORM:

JAMES HANEY, CITY ATTORNEY

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
SIGNED BY THE MAYOR:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NO.