

**REDMOND CITY COUNCIL
RESOLUTION NO. _____**

A RESOLUTION OF THE CITY OF REDMOND, WASHINGTON, UPDATING THE AFFORDABLE HOUSING PAYMENT-IN-LIEU SCHEDULE FOR THE NEIGHBORHOOD RESIDENTIAL ZONE PURSUANT TO CHAPTER 21.20 OF THE REDMOND ZONING CODE AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Redmond adopted Ord. No. 3186 on November 19, 2024, which included mandatory inclusionary zoning provisions for the Neighborhood Residential zone (RZC 21.20.060.A.1); and

WHEREAS, those provisions call for establishing payment-in-lieu amounts, to be published in a schedule and made available to the public; and

WHEREAS, the City calculated payment-in-lieu amounts according to the methodology set forth in RZC 21.20.060.A.1 and adopted Res. No. 1597 on November 19, 2024, which established the payment-in-lieu amounts; and

WHEREAS, economic volatility and construction material costs have increased since the original payment-in-lieu methodology and schedule were adopted in November 2024 that

warranted re-evaluation to ensure that administration as originally drafted would not halt housing construction; and

WHEREAS, the payment-in-lieu will be applied only to net new additional square footage in qualifying developments, inclusive of additions, to support City housing goals; and

WHEREAS, changing three payment-in-lieu rates based on typology categories to one payment-in-lieu blended rate will reduce ambiguity, facilitate customer service, and improve development review timelines; and

WHEREAS, a phase-in period for the payment-in-lieu will allow the housing market to adjust to the new methodology and schedule; and

WHEREAS, the City Council desires to promote efficient community development, market-rate housing, and affordable housing, in the City.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. Affordable Housing Payment-In-Lieu Schedule for Neighborhood Residential Zone Updated. An Affordable Housing Payment-In-Lieu Schedule for the Neighborhood Residential Zone is updated as shown in Exhibit 1, incorporated herein by this

reference as if set forth in full. This Schedule includes a phase-in mechanism based on the calendar year that proportions the amount of the payment-in-lieu obligation. The calendar year proportionate rate of the payment-in-lieu will apply to complete project applications received in the applicable calendar year, so long as the building permit for the project is issued within one year from the date of complete application. Applicants who submitted the full payment-in-lieu obligation before the adoption and effective date of this resolution will be eligible for a retroactive reimbursement, to ensure that the payment-in-lieu is equivalent to the 2025 proportional rate..

Section 2. **Effective date.** This resolution shall become effective on June 28, 2025.

ADOPTED by the Redmond City Council this 17th day of June, 2025.

CITY OF REDMOND

ANGELA BIRNEY, MAYOR

ATTEST:

Cheryl Xanthos, MMC, CITY CLERK

(SEAL)

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY:

DANIEL KENNY, CITY ATTORNEY

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

City of Redmond

Affordable Housing Payment-In-Lieu Schedule for the Neighborhood Residential Zone

Effective June 28, 2025

The table below provides the Affordable Housing Payment-In-Lieu (PIL) rates for applicable developments with seven dwelling units or less in the Neighborhood Residential Zone, as defined in RZC 21.20.060.A.1.b.

Neighborhood Residential Zone Developments with 7 or Fewer Dwelling Units			
Calendar Year	<i>Baseline PIL Rate (Dollars Per Square Foot)</i>	<i>% of PIL to be Calculated</i>	Applicable PIL Rate
2025	\$30	25%	\$7.50
2026	\$30	50%	\$15
2027	\$30	100%	\$30
If 1 on-site cost-controlled affordable housing unit is provided, development is exempt from affordable housing PIL obligation for all units.			

Notes:

- The PIL obligation is mandatory.
- The rates are expressed in dollars per square foot. The total Payment-In-Lieu obligation shall be calculated by multiplying the applicable rate by the net new square footage of the development (square footage as measured by the methodology identified in RZC 21.16.200).
 - Only net new square footage shall be considered for the purposes of calculating the total Payment-In-Lieu obligation.
- Only a portion of the Payment-In-Lieu rate shall be factored for calculating the total obligation, based on calendar year, as identified in the table above.
- The Payment-in-Lieu obligation must be received before the 441 sheetrock nailing inspection can be scheduled.

City of Redmond



Examples:

- An existing detached single-family home of 2,000 square feet applies for a 300 square foot addition (total of 2,300 square feet).
 - $2,300 - 2,000 = 300$
 - The PIL calculation shall only consider the net additional 300 square feet.
- An existing detached single-family home of 1,500 square feet applies for a remodel, with no change in total square feet.
 - The PIL does not consider any square feet, because there are no net additional square feet.
- An existing detached single-family home of 4,000 square feet applies to be demolished and to construct 4 dwelling units of 1,000 square feet each (total of 4,000 square feet).
 - $4,000 - 4,000 = 0$ net additional square feet.
 - The PIL does not consider any square feet, because there are no net additional square feet.
- An existing detached single-family home of 2,500 square feet applies to be demolished and to construct 2 dwelling units of 2,000 square feet each (total of 4,000 square feet).
 - $4,000 - 2,500 = 1,500$ net additional square feet.
 - The PIL calculation shall only consider the net additional 1,500 square feet.