

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 REDMOND  
2050, THE PERIODIC UPDATE OF THE COMPREHENSIVE  
PLAN, PROVIDING FOR SEVERABILITY, AND  
ESTABLISHING AN EFFECTIVE DATE

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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) is a proven tool in Redmond to produce affordable housing;  
and

WHEREAS, the City updated its MFTE program provisions on  
November 19, 2024 (Ord. No. 3187) to align with updated mandatory  
inclusionary provisions found in the Redmond Zoning Code; and

WHEREAS, the City is adopting new zones and development  
regulations to implement the Redmond 2050 Comprehensive Plan on  
June 17, 2025 (Ord. No. ####), concurrent with this ordinance; and

WHEREAS, updates to MFTE program provisions will work  
together with updated development regulations to facilitate the  
construction of affordable housing; and

WHEREAS, on October 12, 2020, the City of Redmond issued determination of significance for Redmond 2050 under the State Environmental Policy Act; and

WHEREAS, the City of Redmond issued a Draft Environmental Impact Statement (EIS) on June 16, 2022, a Supplemental Draft EIS on September 20, 2023, and a Final EIS on December 15, 2023 for Redmond 2050; and

WHEREAS, between April 22, 2025 and June 3, 2025, the City Council received committee briefings, held study sessions, and held a public hearing concerning this proposal; and

WHEREAS, having considered the recommendations and community input, the City Council desires 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.      Amendments to RMC 3.38.050 Residential targeted areas - Criteria - Designation - Rescission.      Section 3.38.050 of RMC 3.38 Multifamily Housing Property Tax Exemption is hereby amended to read as follows:

**3.38.050   Residential   targeted   areas   -   Criteria   -  
Designation - Rescission.**

A. Following notice and public hearing as prescribed in RCW 84.14.040 (now or as hereafter amended), the City Council may designate one or more Residential Targeted Areas, in addition to the areas stated in subsection D of this section, upon a finding by the City Council in its sole discretion that the Residential Targeted Area meets the following criteria:

1. The Residential Targeted Area is within an urban center as defined by Chapter 84.14 RCW or as hereafter amended;

2. The Residential Targeted Area lacks sufficient available, desirable and convenient residential housing, including affordable housing, to meet the needs of the public who would be likely to live in the urban center if the affordable, desirable, attractive and livable residences were available; and

3. Providing additional housing opportunity in the Residential Targeted Area will assist in achieving one or more of the following purposes:

a. Encourage increased multifamily residential opportunities within the City; or

b. Stimulate the construction of new affordable multifamily rental housing.

B. In designating a Residential Targeted Area, the City Council may also consider other factors, including:

1. Whether additional housing in the Residential Targeted Area will attract and maintain an increase in the number of permanent residents;

2. Whether providing additional housing opportunities for low and moderate income households would meet the needs of individuals likely to live in the area if affordable residences were available;

3. Whether an increased permanent residential population in the Residential Targeted Area will help to achieve the planning goals mandated by the Growth Management Act under Chapter 36.70A RCW, as implemented through the City's Comprehensive Plan; or

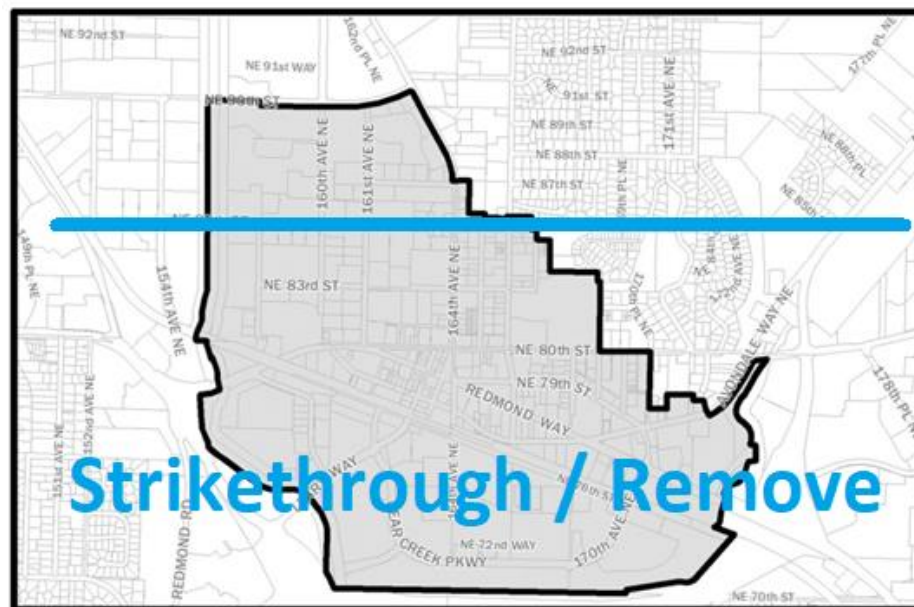
4. Whether encouraging additional housing in the Residential Targeted Area supports plans for significant public investment in public transit or a better jobs and housing balance.

C. The City Council may, by ordinance, in its sole discretion, amend or rescind the designation of a Residential Targeted Area pursuant to the same procedural requirements as set forth in this chapter for the original designation.

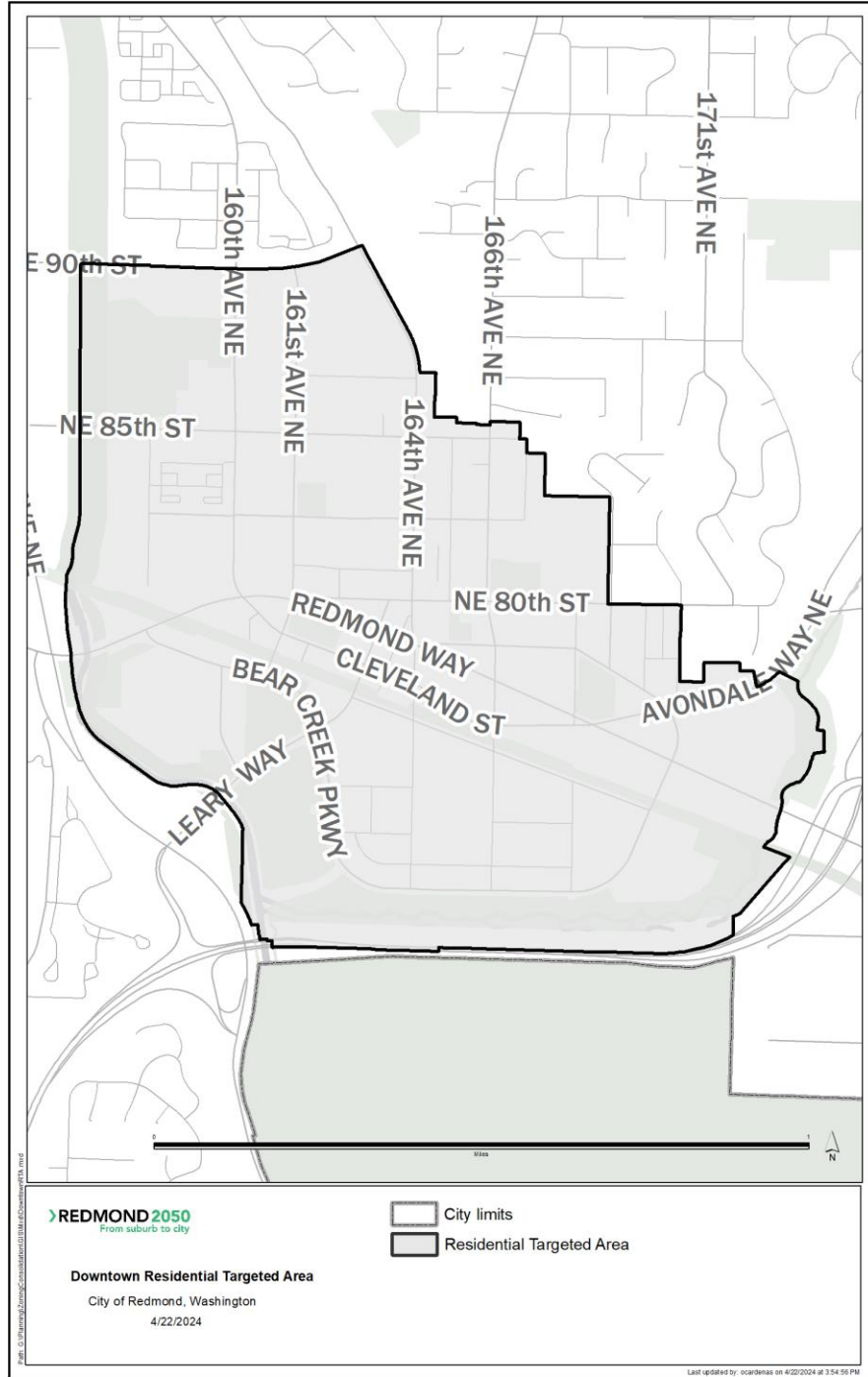
D. The following areas, as shown in Maps 1 through ~~[5]~~**6** in this section, meet the criteria of this chapter for Residential Targeted Areas and are designated as such:

1. Downtown;
2. Overlake [~~VILLAGE~~];
3. Marymoor **Village**;
4. Neighborhood; [~~AND~~]
5. Faith-Based Institutions; **and**
- 6. Mixed-Use.**

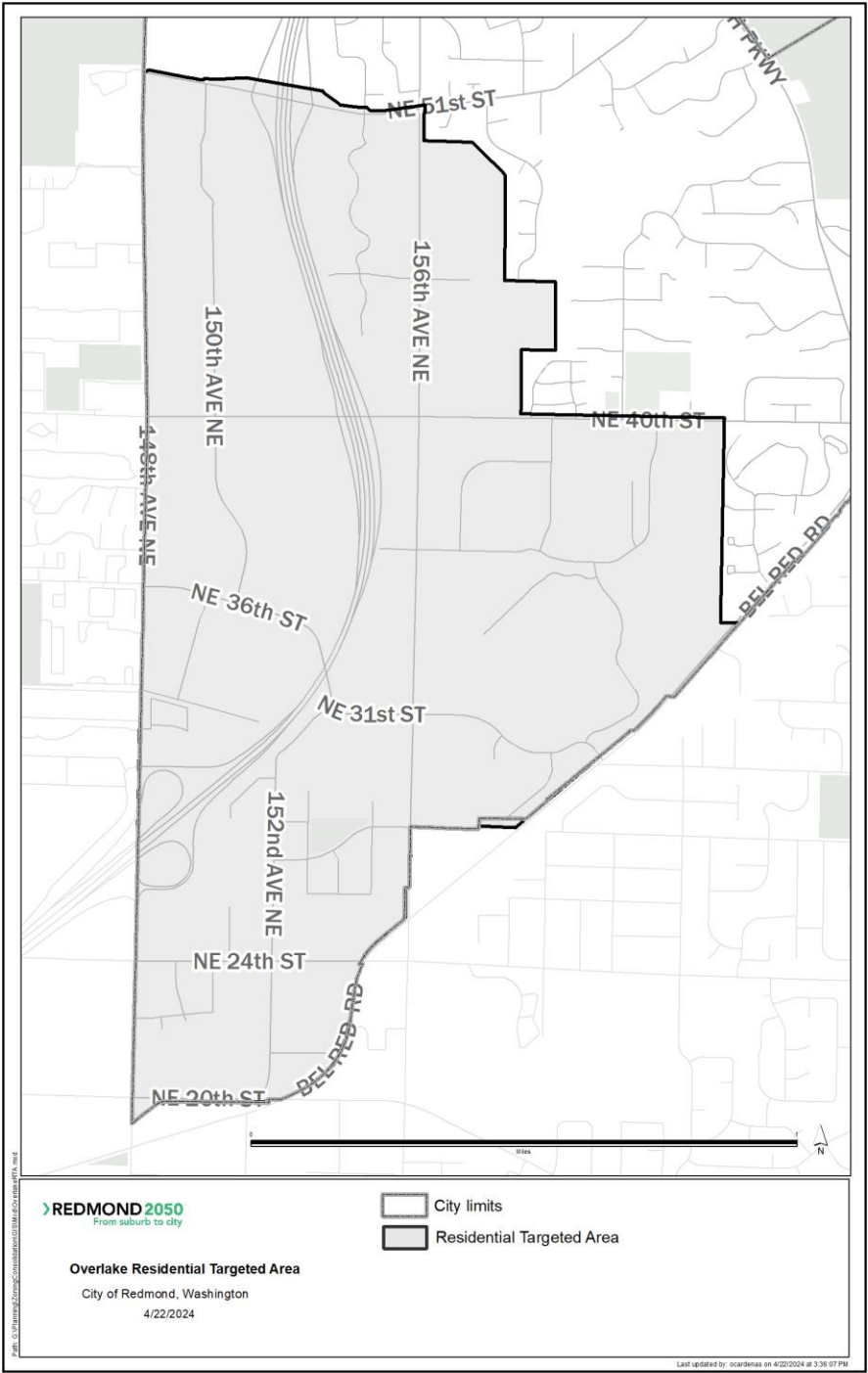
### Map 1: Downtown



Downtown Residential Targeted Area

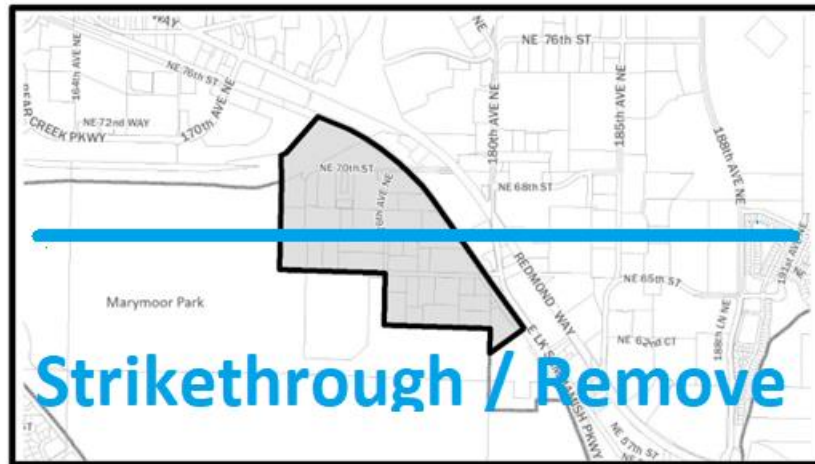


Map 2: Overlake

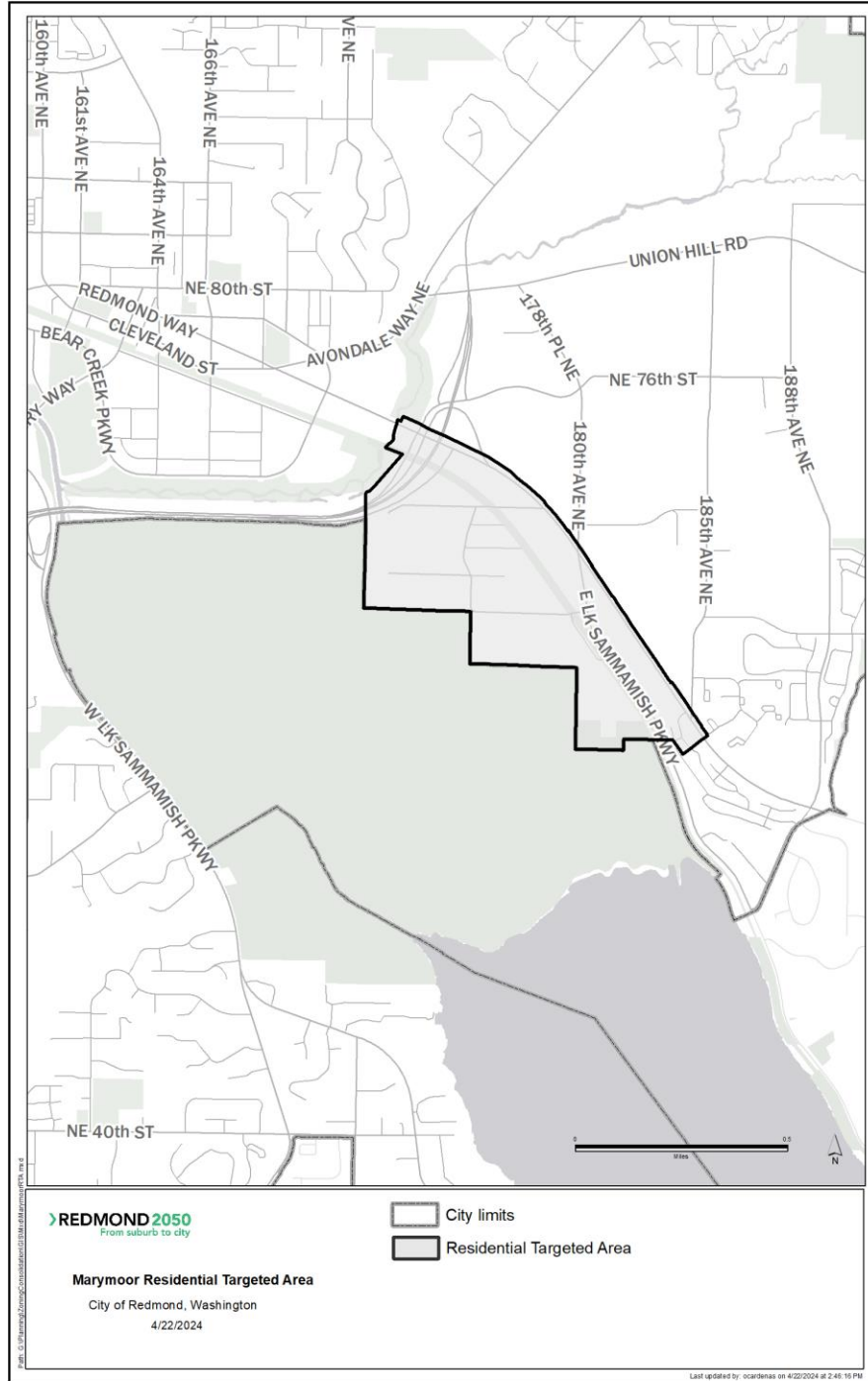




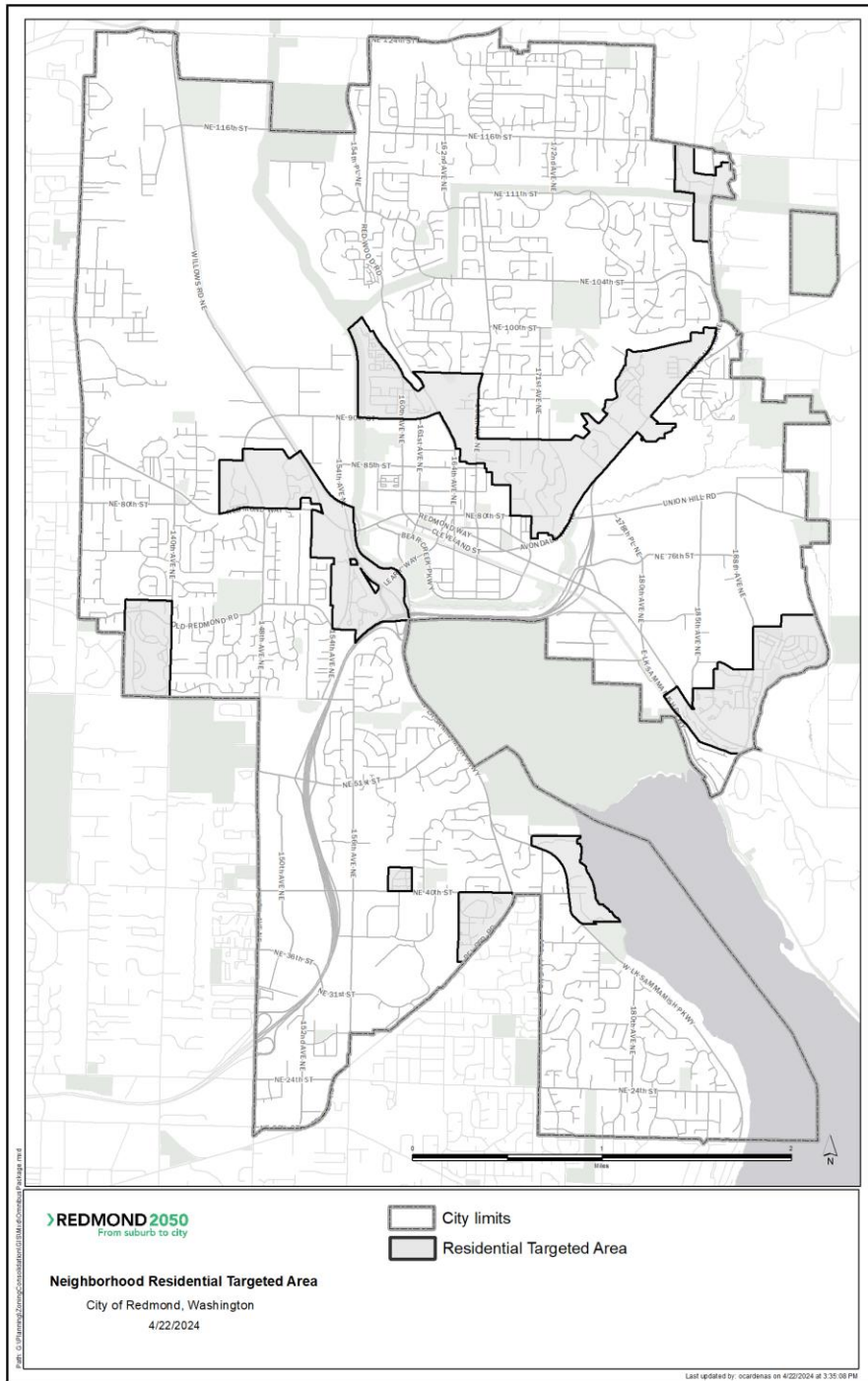
### Map 3: Marymoor Village



Marymoor Residential Targeted Area

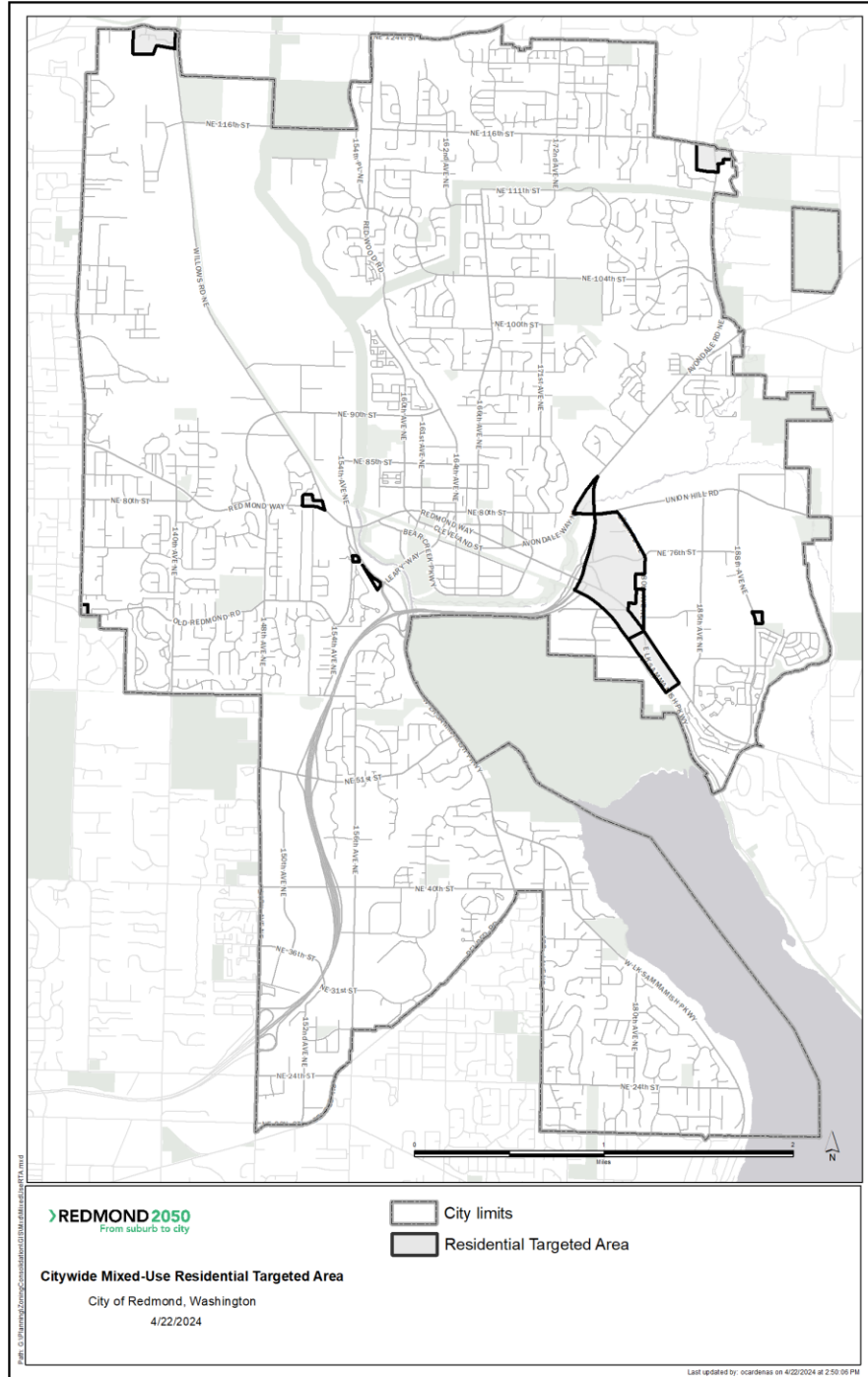


### Map 4: Neighborhood



### Map 5: Faith-Based Institutions





E. If a part of any legal lot is within a residential targeted area as shown in Maps 1 through [5]6 in this section,

then the entire lot shall be deemed to lie within such Residential Targeted Area.

Section 3. Amendments to RMC 3.38.120 Exemption - Duration - Affordability requirements - Limits. Section 3.38.120 of RMC 3.38 Multifamily Housing Property Tax Exemption is hereby amended to read as follows:

**3.38.120 Exemption - Duration - Affordability requirements - Limits.**

A. The value of new housing construction qualifying under this chapter shall be exempt from ad valorem property taxation for eight or 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 minimum number of units are established as affordable units, as specified in the following tables for Residential Targeted Areas (RTA):

Downtown RTA		
Required Minimum Affordability Levels		
Length of Exemption	Number of Units	Affordability Level
8 years	First 10%	60% AMI

Downtown RTA		
Required Minimum Affordability Levels		
Length of Exemption	Number of Units	Affordability Level
12 years	First 10%	50% AMI
	Second 10%	80% AMI

<u>Overlake RTA</u>		
<u>Required Minimum Affordability Levels</u>		
<u>Length of Exemption</u>	<u>Number of Units</u>	<u>Affordability Level</u>
<u>8 years</u>	<u>First 12.5%</u>	<u>50% AMI</u>
<u>12 years</u>	<u>Reserved</u>	<u>Reserved</u>
	<u>Reserved</u>	<u>Reserved</u>

Marymoor <b><u>Village</u></b> RTA		
Required Minimum Affordability Levels		
Length of Exemption	Number of Units	Affordability Level
8 years	First [ <del>10%</del> ] <b><u>15%</u></b>	50% AMI
12 years	[ <del>FIRST 10%</del> ] <b><u>Reserved</u></b>	[ <del>60% AMI</del> ] <b><u>Reserved</u></b>
	[ <del>SECOND 10%</del> ] <b><u>Reserved</u></b>	[ <del>80% AM</del> ] <b><u>Reserved</u></b>

Neighborhood RTA		
Required Minimum Affordability Levels		
Length of Exemption	Number of Units	Affordability Level
8 years	First 10%	50% AMI
12 years	<i>Reserved</i>	<i>Reserved</i>
	<i>Reserved</i>	<i>Reserved</i>



[OVERLAKE RTA]		
[REQUIRED MINIMUM AFFORDABILITY LEVELS]		
[LENGTH OF EXEMPTION]	[NUMBER OF UNITS]	[AFFORDABILITY LEVEL]
[8 YEARS]	[FIRST 12.5%]	[50% AMI]
[12 YEARS]	[RESERVED]	[RESERVED]
	[RESERVED]	[RESERVED]

<u>Faith-Based Institutions RTA</u>		
<u>Required Minimum Affordability Levels</u>		
<u>Length of Exemption</u>	<u>Number of Units</u>	<u>Affordability Level</u>
<u>8 years</u>	<u>First 10%</u>	<u>80% AMI</u>
<u>12 years</u>	<u>Reserved</u>	<u>Reserved</u>
	<u>Reserved</u>	<u>Reserved</u>

<u>Mixed-Use RTA</u>		
<u>Required Minimum Affordability Levels</u>		
<u>Length of Exemption</u>	<u>Number of Units</u>	<u>Affordability Level</u>
<u>8 years</u>	<u>First 15%</u>	<u>50% AMI</u>
<u>12 years</u>	<u>Reserved</u>	<u>Reserved</u>
	<u>Reserved</u>	<u>Reserved</u>

B. For any affordable units required in this section, the following shall apply:

1. Affordable units shall have affordable rents as defined in RMC 3.38.030. The mix and configuration of affordable units (e.g., very small units, studio, one-bedroom, two bedroom, etc.) at each affordability level shall be substantially proportional to the mix and configuration of the total housing units in the project unless otherwise approved by the Director.

2. Affordable units will be reserved for occupancy by eligible households who certify that their household annual income does not exceed the applicable percent of the area median income; and who certify that they meet all qualifications for eligibility, including any requirements

for recertification on income eligibility as set forth in the MFTE covenant referenced in RMC 3.38.060.F.

3. The location of the affordable housing units shall be approved by the Director, with the intent that they generally be intermingled with all other dwelling units in the development.

4. If the percentage of affordable units in the project required is a fraction, then the number of required affordable units shall be rounded up to the next whole number (units) if the fraction of the whole number is at least 0.50.

5. Parking for Renter-Occupied Housing. For any affordable units required in this section, the parking requirements of RZC 21.20.060 shall apply.

C. 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 4.      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 5.      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 17th day of June,  
2025.

CITY OF REDMOND

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ANGELA BIRNEY, MAYOR

ATTEST:

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CHERYL XANTHOS, MMC, CITY CLERK

(SEAL)

APPROVED AS TO FORM:

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DANIEL KENNY, CITY ATTORNEY

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