

TOPICS

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Topic	Discussion Notes
Housing	
1. IZ: step-down provisions (Salahuddin); AMI choices (Forsythe); changes generally (Stuart)	<p><u>Council Discussion</u></p> <ul style="list-style-type: none"> • Would like to know more about the Overlake IZ phasing from 80% area median income (AMI) to greater levels of affordability, why that is recommended, and how that would work. • Would like to understand the final recommendation of AMI %. <p><u>Staff Response</u></p> <p>Step-down provisions: The Planning Commission recommends including step-down provisions as a way of gradually increasing levels of affordability and not surprising the development community. There is precedent for phasing-in affordable housing regulations: the City used phasing both in Downtown and Overlake when inclusionary requirements were adopted.</p> <p>The Commission also considered a phased approach that would be time-based instead of unit-based. The Commission opted for a unit-based approach because a time-based approach would require the City to time the development market.</p> <p>Separately, the Commission is recommending allowing developments in the pipeline to continue using today's regulations as part of amendments to RZC 21.12, Overlake Regulations. The effect of this is that the phase-in for affordable housing will begin with developments that are not yet in the pipeline.</p>

Step-down (or catalyst) incentives are not always included in new incentive or inclusionary programs. When they are, the purpose is to encourage “early adopters” of new zoning.

AMI Choices:

The updated Housing Element, as recommended by the Planning Commission, directs the City to adopt strategies to meet affordable housing needs (see especially policy HO-6). The majority of Redmond’s estimated affordable housing need is for households earning up to 50% AMI. Inclusionary zoning is one tool that can help meet this need. The Planning Commission recommends using inclusionary zoning to target households earning up to 50% AMI because that is where the greatest need exists that inclusionary zoning can help meet.

The Housing Element and Housing Element Technical Appendix contain the following data related to the King County Countywide Planning Policies. The following table shows:

- Redmond’s housing stock as of 2019.
- Estimated affordable housing need through 2044.
- Estimated affordable housing need extrapolated to 2050.

Table TA-2: Housing Now and Estimated Housing Needed by Area Median Income Bracket

		≤30%AMI		AMI	AMI	AMI	AMI	AMI
	Total-Units	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

IZ Changes, generally:

Inclusionary Zoning in Overlake today:

- Mandatory
- Same requirements for ownership units and rental units
- 10% of units at 80% AMI
- Alternative compliance available

	<p>Inclusionary Zoning, Overlake specific changes:</p> <ul style="list-style-type: none"> • Mandatory • Different requirements for ownership units and rental units • Ownership units <ul style="list-style-type: none"> ◦ 12.5% of units at 80% AMI • Rental units <ul style="list-style-type: none"> ◦ 12.5% of units at 50% AMI ◦ Step-down implementation from 80% to 50% AMI • Alternative compliance available
<p>2. Inclusionary zoning – financial model and engagement process (Kritzer)</p>	<p><u>Council Discussion</u></p> <p><u>Staff Response</u></p> <p>Action 1.3 of the City of Redmond’s Housing Action Plan (adopted 2021) directs city efforts to review IZ and MFTE, in concert with zoning changes, to consider options that create deeper affordability and/or more affordable units. The comprehensive plan periodic update, which occurred simultaneously with this analysis, includes zoning changes.</p> <p>The cumulative analysis used to inform these Overlake Mandatory Inclusionary Zoning amendments represents a multiyear effort which involved numerous stakeholders and synthesized numerous distinct analyses. The work for this analysis was conducted by City staff, City consultants, and ARCH. The work was reviewed by for profit developers, nonprofit developers, and interested non-profit organizations. For profit developers especially demonstrated a high interest in participation and have been involved consistently throughout the process.</p> <p>Multiple major sources contributed to this effort:</p> <ul style="list-style-type: none"> • City of Redmond – Overlake Incentives Analysis – Consultants (ECONW) • City of Redmond – Housing Action Plan Implementation (HAPI) – Consultants (CAI) • ARCH – Affordable Housing Analysis (for member jurisdictions, not just Redmond) – Consultants (BAE) <p>Each of these three developments, with distinct consultants, conducted engagement with developers. In addition, the developments all made use of a variety of data to make projections of the ways in which current conditions and housing policies are likely to shape housing production in the future. The market analysis draws on a variety of data sources, including but not limited to the City of Redmond, CoStar, Zillow, Building Journal, CBRE, NCREIF, American Housing</p>

	<p>Survey, comparative jurisdictions, and HUD. Importantly, the different consultants had very similar inputs/outputs for the financial feasibility modeling performed.</p> <p>Analysis Measurements:</p> <p>Analysis of Inclusionary Zoning (IZ) and Multifamily Property Tax Exemption Program (MFTE) impacts uses multiple metrics to gauge financial returns. The two most relevant are Internal Rate of Return (IRR) for ownership developments and Yield On Cost (YoC) for rental developments.</p> <p>The <u>internal rate of return (IRR)</u> is the annual rate of growth that an investment is expected to generate over a certain amount of time. The IRR can be thought of an “average” annual rate of return on the investment costs to develop a development. IRR is presented as a percentage. IRR considers the time-value of money.</p> <ul style="list-style-type: none">• Ownership Units: IRR is calculated over a 33-month period, representing the start of site acquisition through the end of selling the final home.• Rental Units: IRR is calculated over a 15-year holding period, representing the start of site acquisition, through operation of the development for some years, then selling the development. (Note that Yield on Cost is the primary metric to analyze rental developments.) <p>The <u>yield on cost (YoC)</u> represents the first stabilized year of operation returns divided by the total cost of developing the development. In other words, YoC represents the net operating income divided by the cost of investment. The net operating income (NOI) represents income after operating expenses are deducted, but before deducting interest and taxes. YoC is a common metric used by developers and helps provide the order of magnitude changes generated by each set of scenarios in the analysis. YoC represents how much money, once the development has stabilized, is returned as a percentage of the total investment costs.</p> <p>The <u>benefit ratio</u> represents the economic value added to developers divided by the additional costs to developers, from proposed changes to affordable housing regulations. The benefit ratio is a comparison of status quo to proposed changes. A ratio of over 1.0 indicates that the proposed changes offer more benefits than costs to developers. The ARCH analysis estimates the value of the added development capacity and compares that to the cost of different affordable housing parameter scenarios.</p>
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Project flow for IZ/MFTE Review:

For Redmond's IZ and MFTE review process, HAPI consultant work began in earnest in June of 2022 and continued through the summer of 2023. The scope of work included comparative analysis of affordable housing efforts in other jurisdictions, developer stakeholder interviews, and the creation of a financial model. The financial model allows the user to test different IZ and MFTE affordable housing requirements and determine an estimated impact to the financial returns of a development. The initial consultant analysis was substantively completed in June 2023. At this time, stakeholders identified that some areas of the financial model (and thus the analysis conclusions) warranted further review. This review occurred from June 2023 through September 2023. Staff then produced a final HAPI cumulative analysis which reflected the entirety of work done to review IZ and MFTE up to that date.

Redmond staff collaborated with ARCH to synthesize and explore the work of all three consultants. In addition, Redmond staff and ARCH pulled development information for actual case study developments which were recently built in Overlake. These case study developments were analyzed before/after the proposed Overlake amendments. The conclusions of this work were presented to Planning Commission in December 2023.

Staff provided three options for Planning Commission consideration, as shown below.

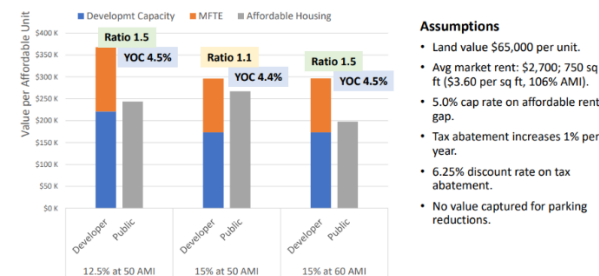


Table RZC 21.20.060.D.1.d	
Number of Total Market Rate Housing Units in Overlake center	Renter-Occupied: Minimum Percent of Affordable Housing Units and AMI Level Requirements
First 200 150 market rate units	12.5% of units at 80% AMI
Second 150 market rate units	12.5% of units at 70% AMI
Third 200 150 market rate units	12.5% of units at 60% AMI
All subsequent units	Base requirements in RZC 21.20 .060.D.1.a

Further development stakeholder input and Planning Commission discussion resulted in the addition of step-down provisions as discussed in issue 1.

3. Multifamily property tax exemption (MFTE) provisions (Stuart)

Council Discussion

Would like to know more about the MFTE program updates proposed and impacts of those changes.

Staff Response

MFTE is a state-authorized property tax exemption program that Redmond uses to incentivize developers to make required moderate-income units affordable to low-income families. The 8-year MFTE program for Redmond has been

	<p>popular with developers: most qualifying developments since MFTE's adoption in June 2017 have chosen to participate in the program. The general design of MFTE is that developers provide deeper levels of affordability in return for time-limited property tax exemptions.</p> <ul style="list-style-type: none"> MFTE is not governed by the Redmond Zoning Code. MFTE is governed by the Redmond Municipal Code <ul style="list-style-type: none"> As such, MFTE amendments are not reviewed by the Planning Commission. Staff included MFTE in discussion with the Commission due to the relationship between MFTE and inclusionary zoning. <table border="1" data-bbox="485 516 1936 748"> <thead> <tr> <th data-bbox="485 516 1024 561">MFTE Now</th><th data-bbox="1024 516 1936 561">MFTE Proposed</th></tr> </thead> <tbody> <tr> <td data-bbox="485 561 1024 748"> <ul style="list-style-type: none"> Voluntary Applicable in Marymoor, Downtown, Overlake 8-year program achieves 50-60% AMI, depending on location </td><td data-bbox="1024 561 1936 748"> <ul style="list-style-type: none"> Voluntary Staff evaluating expanding geographic applicability 8-year program designed to be 1:1 match with IZ requirements (i.e., improves financial feasibility of IZ compliance) Staff evaluating changes to 12-year program to improve affordable housing outcomes </td></tr> </tbody> </table>	MFTE Now	MFTE Proposed	<ul style="list-style-type: none"> Voluntary Applicable in Marymoor, Downtown, Overlake 8-year program achieves 50-60% AMI, depending on location 	<ul style="list-style-type: none"> Voluntary Staff evaluating expanding geographic applicability 8-year program designed to be 1:1 match with IZ requirements (i.e., improves financial feasibility of IZ compliance) Staff evaluating changes to 12-year program to improve affordable housing outcomes
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<p>4. Fee-in-lieu (Stuart)</p>	<p><u>Council Discussion</u> Interest in FIL, generally. What is FIL? What is the current code? What is proposed code?</p> <p><u>Staff Response</u> Fee-in-lieu may, at the Code Administrator's discretion, be used to fulfill inclusionary zoning requirements. Only 3 of the last ~100 developments have used fee-in-lieu. Much of these funds went into the Together Center development.</p> <p>Current alternative compliance methods are located in RZC 21.20.050.</p> <ul style="list-style-type: none"> 21.20.050.A.: Establishes City priority for locating affordable units into market-rate buildings rather than fee-in-lieu alternative compliance. 21.20.050.B <ul style="list-style-type: none"> Fee-in-lieu must achieve a result equal to or better than providing affordable housing on-site. Fee-in-lieu must comply based on providing the same type and tenure of units as the market rate development. 21.20.050.B.1 <ul style="list-style-type: none"> Fee-in-lieu must achieve a result equal to or better than providing affordable housing on-site. Fee-in-lieu prefers locating off-site affordable units in the same neighborhood planning area as the market-rate site. 21.20.050.B.2. <ul style="list-style-type: none"> Fee-in-lieu money can only be used for the subsequent provision of affordable housing units. Payment calculation: 				

	<ul style="list-style-type: none"> ▪ Includes land costs, development fees. ▪ Payment obligation is established at time of issuance of building permits or preliminary plat approval. <ul style="list-style-type: none"> • 21.20.050.C.2: Intent that alternative compliance affordable units be provided/completed before or at the same time as the on-site market rate housing. <p>The Planning Commission recommends further specifying when fee-in-lieu is appropriate. The proposed amendments to FIL:</p> <ul style="list-style-type: none"> • Further strengthen the City's position that on-site affordable housing is preferred over FIL. • State that FIL requests may only be approved if there is an imminent and viable affordable housing development available to receive the cash payments. • Requires FIL payments to provide better affordable housing outcomes than the baseline on-site affordable housing requirements. <ul style="list-style-type: none"> ○ FIL payments will be valued at the estimated financial cost of providing affordable housing units on-site. The administrator has the authority to consider and require any reasonable method to calculate that amount. ○ The FIL payment must exceed the estimated financial cost of providing affordable housing units on-site by 10%. • Factors to consider when evaluating the "better" affordable housing outcomes include: <ul style="list-style-type: none"> ○ Length of time it takes to produce the affordable units. ○ Location of affordable units and nearby amenities. ○ Quantity of affordable units. ○ Affordability levels (AMI) of affordable units. ○ Satisfying other community needs. ○ Duration of affordability for the units. ○ Equity considerations such as racially disparate housing impacts. ○ Other criteria as determined by the Administrator.
<p>4b. Further discussion on fee-in-lieu and the social value of integrated affordable housing units. (Mayor Birney; CMs Nuevacamina, Stuart)</p> <p>(Topic Posed at 02/13 Meeting)</p>	<p><u>Council Discussion</u></p> <p>Further interest in fee-in-lieu (FIL). City's history of FIL in practice and is FIL getting the most value it can? What is the social value of integrated affordable housing units?</p> <p><u>Staff Response</u></p> <p>RZC 21.20, for some developments, contains affordable housing requirements of on-site affordable units. The City provides other options for developments to fulfill this obligation, through alternative compliance. Fee-in-lieu is one of three alternative compliance options provided for in the code.</p> <p>The City has historically preferred a limited role for FIL. The time value of money means that FIL can lose purchasing power and thus have a diminished impact on affordable housing outcomes. The payment obligation of FIL is established at the time of issuance of a building permit or preliminary plat, but actual affordable unit construction from FIL can lag by</p>

	<p>months or years. The City needs to receive the funds, find a potential affordable housing development (and the associated land), coordinate with the organization in lead of the affordable housing development, and deploy the funds. One of the greatest benefits of mandatory inclusionary zoning is that there is no search for land. The affordable units are integrated into the market rate developments which have already purchased land.</p> <p>The Planning Commission investigated other FIL arrangements. For example, the City of Seattle fee-in-lieu is calibrated such that payment of the fee-in-lieu is less than the monetary value of the difference in rents of onsite affordable units and market rate units. As such, it is a popular option among those developing in Seattle. Between 2019 and 2022, the City of Seattle received \$246.1 million in FIL payments through its Mandatory Housing Affordability (MHA) program while over the same period issuing building permits for 176 affordable homes through MHA. Seattle reports that it invests most MHA proceeds in the year they are received, which would typically result in occupiable affordable homes a few years later. A significant difference in the affordable housing funding environment between Seattle and Redmond is that in Seattle, FIL proceeds can be leveraged with Seattle Housing Levy funds. This additional source of funds gives Seattle more ways to create viable affordable housing developments from FIL proceeds.</p> <p>The social value of integrating affordable housing into market-rate housing includes:</p> <ul style="list-style-type: none"> • Geographic equity and integration of different AMI households across the city. • Social equity that comes from different households interacting and the proximity to amenities, transit, parks, employment, and other factors of a high quality of life. • Affordable units being integrated into market-rate developments near employment and amenities helps reduce independent vehicle miles traveled which benefits the environment and which means household members get to invest more time with their families and loved ones. • Another issue pointed out from community involvement during creation of the Housing Action Plan, and reinforced during creation of the Human Services Strategic Plan, is that some people feel stigmas about their housing that are real, pervasive, and dehumanizing. Integrating these households can help build a stronger sense of community and hopefully ameliorate those stigmas.
	<p><u>Council Discussion</u> Please explain this change.</p> <p><u>Staff Response</u> These regulatory amendments implement state legislation (SHB 1377) adopted in 2019. The legislation authorizes cities to allow additional density for affordable housing developed on property owned or controlled by faith/religious organizations. The affordable housing must be dedicated to households with incomes under 80 percent of area median income (AMI), for at least 50 years.</p> <p>Recommended amendments to implement this legislation include:</p>

	<ul style="list-style-type: none"> • Adding affordable housing as a permitted use on land owned/controlled by faith organizations to the RZC 21.04.030 comprehensive allowed uses chart. • Adding “affordable housing” as an accessory use to the faith-based definitions. • Adding a density bonus in development capacity for affordable housing on land owned/controlled by faith organizations.
6. Changes to neighborhood policies – engagement process (Kritzer)	<p><u>Council Discussion</u> Would like to know more specifics about the referenced updates to policies in the Neighborhoods Element and how those were determined and will be implemented.</p> <p><u>Staff Response</u> Neighborhood plan updates were generally excluded from Redmond 2050. The exception was a review of Neighborhood Element policies for clear conflicts with citywide policy updates as part of the City’s obligation to adopt an internally consistent comprehensive plan. These policies generally represent policies that are:</p> <ul style="list-style-type: none"> • Incompatible with regional/state requirements (middle housing, e.g.), or • Inconsistent with updated policies in other elements, or • Redundant/duplicative/obsolete. <p>Staff engaged with community members using all of the methods identified in Redmond 2050 agenda memos and summarized in quarterly engagement summaries, available at redmond.gov/1495. Staff did not design engagement specific to the limited changes to Neighborhood Element policies. Neighborhood-specific engagement for neighborhood plan updates is planned for after Redmond 2050 is complete.</p>
Overlake and Centers	
7. Centers character and design – see policy CTR-6 (Stuart) <i>Staff response updated for 2/27 study session</i>	<p><u>Council Discussion</u> Would like to have a discussion on character and design policies and look at the big picture and goals.</p> <p><u>Staff Response</u> Staff will be prepared for questions and discussion related to character and design at the study session on February 27. The policy guide for this chapter might be helpful to understand the changes proposed: redmond.gov/DocumentCenter/View/31167/2024_01-24---Memo-Att-A---Centers-Policy-Guide-PDF</p> <p>This Planning Commission recommendation only includes policies under the General Centers and Overlake headers, but there is a design section later in the chapter reviewed with the Community Development and Design Chapter. The focus of the character and design policies is on placemaking and implementing the themes of equity and inclusion, sustainability, and resiliency. Many policies that related to character that had exclusionary outcomes were removed in this update.</p>

	<p>Related resources:</p> <table><tr><th>Background/Engagement</th><th>Policy Considerations</th><th>Policy Drafts</th></tr><tr><td><p>Introduction to Community Design (January 11, 2023 briefing)</p><ul style="list-style-type: none">• Memo• Presentation<p>Visioning/Community Comments</p><ul style="list-style-type: none">• Design Elements (April 2021) Summary• Equity in Our Built Environment Summary (Fall 2021)</td><td><p>Community Character/ Design Policy Considerations (August 10, 2022 Study Session)</p><ul style="list-style-type: none">• Memo• Presentation• Existing Conditions Report<p>Land Use Policy Considerations (October 12, 2022 Study Session)</p><ul style="list-style-type: none">• Memo• Presentation• Existing Conditions Report<p>Centers Policy Considerations (April 13, 2022 Study Session)</p><ul style="list-style-type: none">• Memo</td><td><p>First Draft Policies (September 17, 2023 Study Session)</p><ul style="list-style-type: none">• Memo• Community Design Policies – First Draft (v 1.0)• Presentation<p>Second Draft of Community Development and Design Element (January 24, 2024)</p><ul style="list-style-type: none">• Memo• Draft 2• Presentation</td></tr></table> <p>Community engagement that helped to develop this chapter has occurred over the last few years, but focused engagement on inclusive and welcoming spaces and places has occurred over this fall and winter, through Saturday, February 17. Staff is developing a report summarizing this engagement, which included events at the schools, with staff, several community dinners and lunches, and our postcard engagement. Staff will discuss this topic in depth at a future study session focused on the new Community Development and Design Element.</p>	Background/Engagement	Policy Considerations	Policy Drafts	<p>Introduction to Community Design (January 11, 2023 briefing)</p> <ul style="list-style-type: none">• Memo• Presentation <p>Visioning/Community Comments</p> <ul style="list-style-type: none">• Design Elements (April 2021) Summary• Equity in Our Built Environment Summary (Fall 2021)	<p>Community Character/ Design Policy Considerations (August 10, 2022 Study Session)</p> <ul style="list-style-type: none">• Memo• Presentation• Existing Conditions Report <p>Land Use Policy Considerations (October 12, 2022 Study Session)</p> <ul style="list-style-type: none">• Memo• Presentation• Existing Conditions Report <p>Centers Policy Considerations (April 13, 2022 Study Session)</p> <ul style="list-style-type: none">• Memo	<p>First Draft Policies (September 17, 2023 Study Session)</p> <ul style="list-style-type: none">• Memo• Community Design Policies – First Draft (v 1.0)• Presentation <p>Second Draft of Community Development and Design Element (January 24, 2024)</p> <ul style="list-style-type: none">• Memo• Draft 2• Presentation
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<p>8. Overlake relationship of buildings to street (Stuart)</p> <p><i>Staff response updated for 2/27 study session</i></p>	<p><u>Council Discussion</u> Would like to discuss the relationship of buildings to street (public realm standards).</p> <p><u>Staff Response</u></p> <p>Public Realm Policies Policies that related to the public realm, which cover how the building relates to the sidewalk and the design and use of the space between the front of the building and the back of the curb, can be found in several places. The most relevant for this packet and study session discussion are:</p>						

	<p>FW-CTR-2 Design Metro Growth Centers, Urban Growth Centers, and Countywide Growth Centers to encourage accessible and active mobility for people of all ages and abilities.</p> <p>CTR-10 Design streetscapes to be safe and comfortable for pedestrians, to feature connected bicycle networks for cyclists of all ages and abilities, to be attractive, and to meet the needs of residents with physical and intellectual disabilities.</p> <p>OV-18 Develop and periodically update urban street cross sections for arterial and key local streets in the Overlake Metro Center to guide public investments and private development. Address competing needs for the uses within the right-of-way including bikes, trees, development, utilities, universal design elements, safety, access, transit, and maintenance.</p> <p>Also, there are several public realm policies in the Community Development and Design Element, which will be discussed at a future study session. They are found in the Community Design section, under the following framework policy:</p> <p>FW-CD-3 Public realm and public facility standards encourage active and welcoming community spaces that provide multiple formal and informal opportunities for community gathering spaces.</p> <p>The public realm policies cover:</p> <ul style="list-style-type: none"> • public and publicly accessible private gathering places, • universal design of opens space and plazas, • high-quality, sustainable materials, • connections between spaces, including pedestrian and walkways and bikeways, wayfinding, and more, and • city and neighborhood entryways. <p>Other policies can be found in the Transportation Element. <i>All of these policies are applicable to Overlake but are found in the most relevant section based on applicability.</i></p>
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Code Updates

The existing code has multiple ways to address streets, streetscapes, build-to lines, and setback lines. In some cases, there are several sections of code that need to be referenced to determine if there is a different standard that applies to a specific property. For example, in the OBAT zone, there are three sections of code that need to be reviewed to determine setbacks.

To simplify the code and take advantage of the consolidations underway, as well as improve transparency to the community, a new street-based system forms the basis for many dimensional requirements. This proposal:

- Updates and adopts the Overlake Village South Infrastructure Plan
- Consolidates information into one map and table for ease of use and clarity; and
- Refocuses areas around the light rail stations to be pedestrian and bicycle-oriented design.

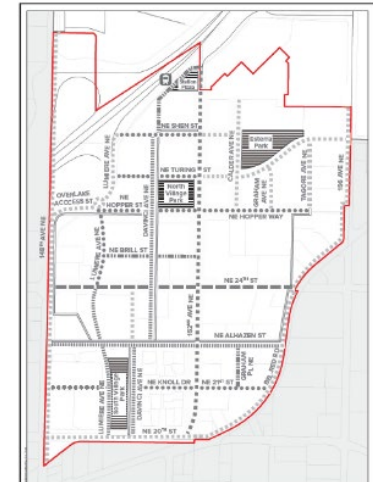


Table 21.12.510.B – Overlake Village Building and Street Relationships

		Street Type					
		Retail (A)	Neighborhood (B)	Access (C)	Shared (D)	NE 24 th St. (E)	Other (F)
Building Placement	Minimum setback (side, rear)	0 feet	0 feet	0 feet	0 feet	0 feet	0 feet
	Front and side facade zone	0-10 feet	0-10 feet	0-15 feet	0-10 feet	0-15 feet	0-15 feet
	Minimum building edge in facade zone	80%	50%	50%	80%	50%	50%
Building Design	Building orientation	Building fronts shall be oriented, in priority order, to: Retail Street, Neighborhood Street, NE 24 th St., Other Street, Access Street, or Shared Street.					
	Ground floor finish level above sidewalk grade	Maximum 6 inches	Residential use: 2 to 5 feet Non-residential use: maximum 6 inches	Residential use: 2 to 5 feet Non-residential use: maximum 6 inches	Non-residential use: maximum 6 inches Non-residential use: maximum 6 inches	Residential use: 2 to 5 feet Non-residential use: maximum 6 inches	Residential use: 2 to 5 feet Non-residential use: maximum 6 inches
	Maximum distance between ground floor non-residential entries	50 feet	50 feet	no standard	50 feet	no standard	no standard
	Minimum ground floor non-residential depth	20 feet	no standard				
	Residential privacy standards	RZC 21.62.020.F.1 applies					
Building Use	Ground floor pedestrian-oriented uses	Required	no standard				
Public Realm	Ground floor residential uses	Prohibited	no standard	no standard	Prohibited	no standard	no standard
	Width from zero-setback building edge to back of curb	26 feet, see RZC Appendix 7	15-25 feet, see RZC Appendix 7	14 feet, see RZC Appendix 7	20 feet, see RZC Appendix 7	21.5 feet, see RZC Appendix 7	12-18 feet, see RZC Appendix 7

The format of the code has been revised to be based on a map and a table. Public realm standards (building to curb) have been matched to activity anticipated on each street.

Additional updates were made to streets, public realm, and streetscape standards as well as parking requirements. In future efforts, standards will be updated to include inclusive/universal design features.

NOTE: Planning and Transportation Planning staff are working together on additional street related updates for Downtown and Marymoor and are looking at ways to potentially modify how the street classification system and the pedestrian/public realm standards can be updated and streamlined to be made more consistent when practical (currently different systems in place for each center).

9. Overlake incentive program (Stuart), including points chart (Forsythe)

Council Discussion

Would like to spend time reviewing the incentive package and understanding the points system.

Staff Response

	<p>The Overlake Incentive Program proposal is a new system, based on a menu of options that the applicant can choose from: more points = more incentives. The program is described below, but the Council might find the draft calculator helpful to see how it will be used: redmond.gov/DocumentCenter/View/31578/2024_Feb---Draft-Overlake-Incentive-Calculator.</p> <p>For the past two years staff have been working with stakeholders, boards and commissions, and City leadership to develop the types of incentives and priorities for Overlake. Early this year, a consultant was hired to conduct an analysis based on costs, market feasibility, and other factors. Staff utilized information provided by the consultant and additional information from industry professionals after review of those findings, to finalize a draft proposal.</p> <ul style="list-style-type: none"> • There are five main categories, and applicants must choose at least one item from each category. • Based on community input, the family/child-friendly bonus is within the catalyst category. • There is a custom category to allow for new ideas. <p>City priorities points were assigned based on outcomes from community engagement over the past two years. The draft code will indicate the intent to review options and points from time to time to remain current.</p> <p>Stakeholder feedback: Staff conducted workshops and interviews to review the draft consultant memo and assumptions and received several comments that were helpful to refine the proposal. Developer comments included both a comment that we were underestimating costs from one to several mentioning that the costs were generally in line with what they were seeing in the field at first glance.</p> <p>Staff conducted one-on-one engagement with high-rise and mass timber developers and universal design professionals. The State also provided several comments that helped finalized the proposal for housing for individuals with intellectual or developmental disabilities (IDD housing):</p> <ul style="list-style-type: none"> ○ IDD housing should be 6% to a max of 20% of total dwelling units. The state has integrated housing rules they follow for IDD housing that maximizes at 20%. ○ IDD housing must be registered through and approved by the state - tenancy is managed through their program. ○ IDD units can be either universally designed or ADA accessible units, but must have: <ul style="list-style-type: none"> ▪ at least one accessible/roll in shower in the unit ▪ wide doorway, ▪ reinforcement in the wall/floor/window, add more grabbing bar, etc. <p>Changes from early proposals:</p> <ul style="list-style-type: none"> • Confirmed compatibility with affordable housing consultant work and assumptions.
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	<ul style="list-style-type: none"> • Added and removed a few ideas, added clarity and additional details for others. • Open space and amenities category reorganized to match format of other categories to simplify points calculations. • Pulled-in cost information where available (consultant hired to evaluate costs) <ul style="list-style-type: none"> • used assumptions and similarities where not available, or • left blank and used only City priorities. • Added City priority points. • Easier and less expensive to get to full FAR bonus; time-limited bonus to facilitate market transition. <ul style="list-style-type: none"> • Selected less costly options in each category to determine points, resulting in total cost for 100 points being reduced by half. • Moved some items to “catalyst” category and clarified that this category can be used independently or with main categories for additional flexibility for user who only need a few points to make a project pencil. • Added option for Council approval of other/new ideas. • Max defined as over 200 points, with no FAR maximum and the max building height to 300 feet. • Added child-friendly bonus. <p>Three major things to note:</p> <ul style="list-style-type: none"> • The code is written with an <u>initial</u> incentive where 200 points earns 4.0 FAR. This is a time-limited provision to catalyze mass timber and high-rise development. The intent is that, over time, the package would be adjusted to 100 points = 1.0 FAR bonus. This incentivizes early adopters. • Two major thresholds for the TOD Focus Areas: <ul style="list-style-type: none"> ○ At 100 points, can combine with transfer of development rights (TDR) program. ○ Over 200 points, removes FAR and lifts height to 300 feet. • An option for a customize package for new ideas was added with some process requirements and limitations. <ul style="list-style-type: none"> ○ Major Project / Pilot Project with significant public benefit ○ Approved through Council via a development agreement. ○ Points must match or exceed public benefit of incentive program and not exceed FAR calculations per point. (No customized points system or FAR variables.) ○ City may hire a consultant to evaluate the proposal at cost of the developer
10. Intercultural district (Salahuddin, Kritzer)	<p><u>Council Discussion</u> Would like to discuss what the vision is for this district and the future process for that to occur.</p> <p><u>Staff Response</u></p>

Through community engagement done for Redmond 2050, Redmond community members have expressed a need for better representation of diverse communities in Redmond; preservation of Black, Indigenous, and People of Color (BIPOC) businesses; additional opportunities for new BIPOC business starts, with specific interest in small food-based businesses for immigrants; a place for art and cultural venues and representation; and concern about business displacement in Overlake Village.

Redmond community members have expressed a desire for places in the city to better support different cultures and communities.

- At Redmond Youth Partnership Advisory Committee (RYPAC) meetings, participants expressed that often communities of color feel invisible in Redmond, and that they would like to see them better represented, including better access to culturally relevant stores.
- At the Holi festival and Asian and Pacific Islander festival in 2022, attendees ranked “Cultural Spaces and Events” in the top five of priorities for the City, and at the Cinco de Mayo festival it ranked first.
- BIPOC & Small Business focus groups and interviewees stated that one of the unique characteristics of the Overlake neighborhood is the variety of cuisines from all over the globe. Across the region, in neighborhoods like Bellevue’s Crossroads and Seattle’s Rainier Valley, local governments have partnered with neighborhoods to develop and sustain international character and make these places destinations for visitors from outside the area. Redmond community members mentioned amenities like the Uwajimaya food court and the Global Food Hall in Tukwila.
- Community members also expressed that for Redmond’s different cultural and language communities, people with disabilities, and young people, it is important to sustain a culture that is welcoming and supportive of all people. Redmond residents want to be able to walk in their neighborhoods or visit communal spaces and feel safe, welcome, and supported. Some feel this may be a challenge as Redmond grows.



Intercultural District Intent and Policies

The Intercultural District seeks to honor and celebrate the rich cultural diversity in the area as a key component of the placemaking strategies for the Overlake Village area. Staff researched what other communities are doing with similar areas/goals. The most common approaches include:

- **Neighborhood Plan** to revitalize neighborhood and protect mixed-use development (*Philadelphia, Dallas*)
- **Coded design and use restrictions** into Zoning Code to protect Chinatown/ International District (*Seattle, Portland, Honolulu, San Francisco*)
- **Cultural districts to promote economic development** and/or support small and start-up businesses (*Austin; Washington DC, Honolulu*)

Redmond Concept/Intent	High Level Goals
<ul style="list-style-type: none"> • Overlake Intercultural District • Based on people and businesses, not focusing on architecture / form of the building (historical forms would be ok, but contemporary cultural references are a better fit) • Supporting/celebrating all our cultural diversity, intentionally not choosing one • Based on community input/needs, including extensive community conversations and participation 	<ul style="list-style-type: none"> • Protect BIPOC owned businesses and create places for start-ups • Create visual cues to demonstrate cultural capacity of area • Create relevant cultural gathering spaces and ways to activate those spaces (look at partnerships for ongoing management of District)

The following policies that are related to the establishment of an International District:

Common Centers Policies - Character and Design

Thousands live or work in the centers so it is especially important that they be great places to spend time. Urban character and design attributes are critical to creating great places and universal design considerations are critical to designing an inclusive community.

CTR-6	Maintain and periodically update Develop design standards that ensure a distinct character for each center and accommodate a variety of urban building types and forms (block/site/neighborhood).
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- Overlake shall emphasize contemporary design form and features while also drawing on the rich multi-cultural composition of our community.
- Downtown shall emphasize Pacific-Northwest design features with a focus on materials and native landscaping that reflect that aesthetic.
- Marymoor is eclectic and emphasizes natural materials, inclusive design, and the importance of the area to local tribes.

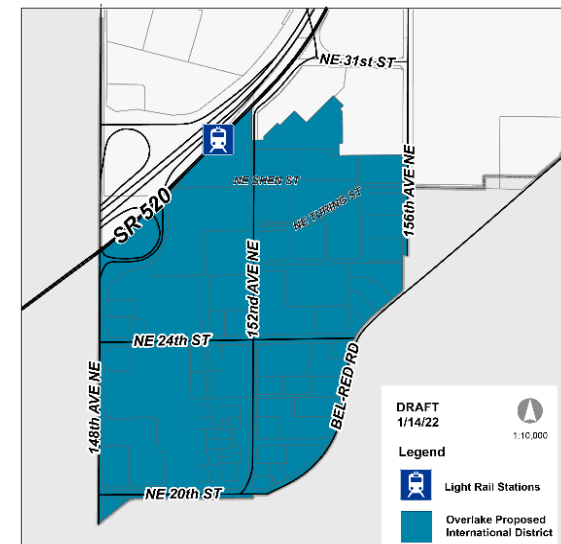
Overlake Policies - Character and Design

Overlake Village has its own unique character within the Overlake Neighborhood. This character reflects not only nearby high-tech businesses, but also the many international businesses that have located here. The policy below is designed to ensure that new developments in Overlake Village reflect the vision of the area as an urban, mixed-use neighborhood that provides a comfortable pedestrian and residential environment and yet is unique to the area.

OV-11 Establish a unique image related to the concentration of diverse ethnic businesses throughout the Overlake International District area (see map).

- Developments honor and acknowledge the rich multicultural community in Overlake and display this identity through site design, buildings design, and streetscape improvements.
- Locally relevant cultural references are integrated through thoughtful consideration in the selection of building materials and details, artwork, signage, and open space and recreation design.

Redmond is the home to many cultures and nationalities; this district would be inclusive of all of them, reflecting the inclusivity Redmond strives to foster. Debby Lacy from Eastside For All suggested the Term intercultural during our community engagement on this topic. Options explored included:



MAP OV-2. Overlake International District

This neighborhood is also home to a number of international businesses, such as the well-loved Mayuri bakery. Many of these businesses are at risk of displacement with redevelopment.

IMPLEMENTATION OPTIONS



There are several ways that this plan could be carried out to create a useful and culturally relevant intercultural district. Some of the essential neighborhood characteristics, such as ensuring adequate affordable housing, are already included in other updates to the Redmond zoning code.

The proposed code revisions include incentives for contributing features:

- Public art (mural, installation, etc.) that is representative of the diversity of Redmond
- Architectural details or elements in prominent location (entryway, etc.)
- Cultural facility (art studio, etc.)
- Multi-lingual signage

Staff is working with the Arts and Culture Commission, Economic Development staff, and OneRedmond to explore additional ways to further this district in the future. A new section is proposed to be added to the Redmond Zoning Code as part of the Overlake code package to establish the ability to create cultural districts and create the Overlake Intercultural District (RZC 21.04). The Arts and Culture Commission will serve as an advisory body for revisions to the items that qualify as a contributing feature for incentive purposes and future implementation measures.

Partnerships. The City will not be able to create and maintain a successful Intercultural District alone and will need to work with stakeholders throughout the process of creating and maintaining this neighborhood to ensure its success. Some important partnerships will include:

	<ul style="list-style-type: none"> Reaching out to cultural advocacy groups across the Eastside, including the Seattle Chinatown-International District Business Improvement Area non-profit group Partnering with Arts and Culture Commission for feedback and ideas on how to bring cultural elements into the space. Continued work with focus groups, such as the BIPOC business owners group, that have been formed during the Redmond 2050 project, and targeted outreach to Redmond's diverse population
11. Demonstrations of Bellevue's plans for Overlake (Stuart) <i>Staff response updated for 2/27 study session</i>	<p><u>Council Discussion</u> Would like to know more about what Bellevue's plans are for that area and how their plans relate to our Overlake updates.</p> <p><u>Staff Response</u> Bellevue just released their Final EIS for their comprehensive plan update. Planning staff will review and if possible meet with Bellevue staff to be able to better understand the most current information on their plans for the Overlake area and share that information with Council. Planning staff has reached out to Bellevue staff to set up a meeting and will provide Council with an emailed update afterwards.</p>
12. Metro center boundary expansion impacts (Kritzer) <i>Staff response updated for 2/27 study session (minor)</i>	<p><u>Council Discussion</u> Would like to learn more about the Metro Center boundary decision factors and the impacts of the boundary revision.</p> <p><u>Staff Response</u> In preparation for, and in parallel to, VISION 2050, in 2018 PSRC updated the Centers typologies and requirements and reclassified many centers, including Overlake. The old Urban Centers category was split into two, with the larger urban centers moved into a new category - Metro Center. Since Overlake qualifies as a Metro Center under today's activity levels, Overlake was reclassified as a Metro Center. There are a few things, however, where the existing center wasn't a great fit and the boundary was one of those areas. Staff initiated a boundary revision as part of 2050 that focused around, but was not limited to;</p> <ul style="list-style-type: none"> Primary goal: capture the TOD walkshed and the bulk of the office development within the center. Primary benefit: eligibility for regional, state, and federal funding, especially transportation related grants. <p>To develop the new boundary proposal, a series of criteria was developed to guide decisions. That initial organizing criteria included:</p> <ul style="list-style-type: none"> Must meet PSRC Metro Center criteria or be able to explain clearly why deviating. The proposed boundary is larger than the PSRC guidelines, so we will need provide justification for our request in the certification process.

	<p>The City is updating its Green Building Incentive Program (RZC 21.67) to align with the ESAP and modernize the program. Key elements of the proposed Green Building Incentive Program include:</p> <ul style="list-style-type: none"> • 100% voluntary (consistent with the current program). • Reorients towards outcomes rather than specific certification programs • Applicable to multifamily and commercial projects. • Requires all electric buildings. • Aligns with the Washington Clean Building Performance Standard, which creates energy performance requirements for existing buildings 20,000 SF and above. Alignment with the CBPS promotes higher long term compliance with the state law and leverages a widely used standard defined and managed by the state. • Creates flexibility for developers to select the additional techniques most relevant to their project (solar, EV charging stations, energy storage, water conservation, tree preservation, etc.). • Provides land use incentives identified by the underlying zoning district.
Code Rewrite	
14. Solid waste: how will the City's vision of increased waste diversion rates be managed? (Stuart)	<p><u>Council Discussion</u></p> <p><u>Staff Response</u> New code requiring developers to plan for, design, and build adequate space for collection of solid waste, recycling and organics within each building will ensure space is large enough to allow for effective diversion. In addition, the City will continue to conduct proactive outreach to multifamily property managers and residents to affect permanent behavior change for residents living within multifamily properties in Redmond.</p>
15. Live-work: (Kritzer)	<p><u>Council Discussion</u></p> <p><u>Staff Response</u> Live-work units, offering a combination of living and working floor area within one dwelling unit, are one of several types of housing that support the city's variety of housing types. In addition, live-work units allow for small forms of brick-and-mortar commercial in places where people can easily access goods and services near their home and place of employment. The live-work unit is owned or rented by one party in comparison to leased commercial spaces within mixed-use buildings. This type of housing is supported, encouraged, or required along street frontages where an active pedestrian environment is envisioned by city policy.</p> <ul style="list-style-type: none"> ○ The first live-work units in Redmond were developed in the Sammamish Trail zoning district. These are located along 160th Avenue NE and NE 83rd Street. ○ Design standards for downtown zoning districts such as Sammamish Trail, Anderson Park, and Town Square (RZC 21.62.020.H Downtown Design Standards) encourage retail uses at the ground floor to support pedestrian activity.

	<ul style="list-style-type: none"> More recently, the establishment of Marymoor Village also identified requirements for pedestrian-oriented uses along several streets anticipated to provide neighborhood connections to the Marymoor Light Rail station (RZC 21.13.140 MDD Building Placement and Form). Some of these units also allow future conversions from residential uses to nonresidential uses, offering flexibility to the occupant for the initial use of the dwelling unit. <p>The current series of recommended amendments to provide clarity and to include standards for live-work units to be included in new development, where applicable in centers for street and pedestrian activation.</p> <ul style="list-style-type: none"> The standards are consistent with the Building Code regarding separation of uses for safety. Live-work units are counted for inclusion of affordable housing and supported by the Multifamily Housing Property Tax Exemption. Design standards ensure the use of elements to create visual interest at entryways to the work portion of individual live-work units, thereby distinguishing these from ground-floor residential units.
<h2>Other</h2>	
<p>16. Existing development agreements – what happens when code is updated? (Fields)</p>	<p><u>Council Discussion</u></p> <p><u>Staff Response</u></p> <p>Development agreements, authorized in RCW 36.70B.170, are contracts between the City and a property owner. The terms of each development agreement (DA) dictate what happens when zoning provisions are updated during the term of the DA. Common provisions include:</p> <ul style="list-style-type: none"> <u>Vesting</u>: many DA's vest development on the subject property to development regulations in place at the time the agreement is executed. Thus, when zoning provisions are updated, the updates do not apply to the property covered by the DA. There are exceptions to this, for example, DA's do not vest development to non-land use regulations (such as building codes, impact fees, etc.). <u>Asking City to apply newer standards</u>: some DA's allow the owner of the subject property to ask the City to apply land use regulations adopted since the execution of the DA. In this case, a new regulation would apply if an owner requested it and the City agreed. <u>Expiration</u>. DA's contain expiration dates. If a land use regulation is applied after a DA expires, the new regulation applies as it would to any other property. <u>Affordable Housing Units</u>. Affordable units are bound by covenants which run with the land. As such, existing affordable housing units do <u>not</u> change when new regulations are adopted. <p>Two related questions are:</p> <ol style="list-style-type: none"> <i>What happens to developed property when new land use regulations are adopted?</i>

	<p>New land use regulations are applied when a property owner seeks to redevelop land. Until that time, the structure, site, or use may be considered legally non-conforming if there is a conflict between the site/use/structure and the newly-adopted land use regulation.</p> <p>2. <i>What happens to projects in the pipeline when new land use regulations are adopted?</i> Redmond adopts Washington state statutory vesting rules. A project is vested to land use regulations when the applicant files either 1) a complete subdivision application, or 2) a complete building permit application. Depending on a project's complexity, these milestones may be many months into the design process. In recognition of that, the proposed RZC amendments for mandatory inclusionary zoning include step-down provisions so that they become effective gradually. The proposed RZC amendments for Overlake contain provisions to 1) allow projects in the pipeline to continue using existing regulations until they are complete, provided they continue to make diligent progress, and 2) allow property owners to make interim improvements to their site as long as those interim improvements are headed in the direction of meeting new code requirements.</p>
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