

Issue	Discussion Notes	Issue Status																																																													
Housing																																																															
Neighborhood Residential Affordability Payment In Lieu (Stuart, Kritzer)	<p>Councilmember Comment</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>Staff Comment</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>>30 - ≤50%</th><th>>50 - ≤80%</th><th>>80 - ≤100%</th><th>>100 - ≤120%</th><th>>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, 73% (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
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Issue	Discussion Notes	Issue Status
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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
<p>R-1 through R-8 Zones</p> <ul style="list-style-type: none">• IZ only applied to developments of 10 dwelling units or more.• 10% of dwelling units must be 80% AMI affordable units.• "Fractional" required affordable housing units were rounded up or down.	<p>Neighborhood Residential Zone</p> <ul style="list-style-type: none">• IZ applies to all developments, regardless of dwelling unit count.• 12.5% of dwelling units must be 80% AMI affordable units.• "Fractional" required affordable housing units are converted to a Payment In Lieu (PIL), for developments of 7 dwelling units or fewer.

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

Issue	Discussion Notes	Issue Status
	<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>	

Issue	Discussion Notes	Issue Status
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BEFORE

AFTER

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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.

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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.

Issue	Discussion Notes	Issue Status
	<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). Historically, every \$1 dollar of member jurisdiction contributions to the ARCH Housing Trust Fund is leveraged into \$15 to \$20 for housing.</p> <p>Through the PIL mechanism, there is an opportunity for all development to provide an equitable share towards equitable housing outcomes.</p>	
Design Standards		
Mass Timber and Current Economic Conditions (Forsythe)	<p>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?</p> <p>Staff Comment 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 mass timber workshop held last year) was Timberlabs. They are quoted in this article: archpaper.com/2025/04/trump-tariff-building-product-industries-uncertainty-everywhere/.</p>	Opened 04/22
Awning Requirements and Weather Protection (Forsythe)	<p>Councilmember Comment Councilmember requested information on weather protection. Councilmember noted that awnings and overhands have gaps.</p> <p>Staff Comment 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,</p>	Opened 04/22

Issue	Discussion Notes	Issue Status
	<p>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>	
Deletion of Public Corridors (Forsythe)	<p>Councilmember Comment 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>Staff Comment This section of code is currently in the Downtown code as part of the residential privacy standards.</p> <p>RZC 21.62.020.F..2, Public Corridors. 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
Elevator Size and Accessibility (Forsythe)	<p>Councilmember Comment Councilmember requested information on whether elevator size code deletion conflicts with ADA and accessibility goals.</p> <p>Staff Comment The Universal Design Checklist for assembly and public buildings included a line item in the draft that read:</p>	Opened 04/22

Issue	Discussion Notes	Issue Status
	<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 this line item for continued study. This is a part of the 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>	
ADC for Cultural Districts (Stuart)	<p>Councilmember Comment</p> <p>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>Staff Comment</p> <p>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">• Purpose statements that reference design that reflects different cultures.• Cultural references in the standards for relationship to adjacent properties and relationship to historic and cultural context.• Distinctive street presence standards that include, "Innovative, artistic features representative of the ... cultural district's vision."• 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..."• 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. <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</i></p>	Opened 04/22

Issue	Discussion Notes	Issue Status
	<p><i>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> <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>	