

Current Code Portions

Redmond Zoning Code:

RZC 21.78 Definitions: [Median Income](#) The median income for the Seattle MSA as most recently determined by the Secretary of Housing and Urban Development under Section 8(f)(3) of the United States Housing Act of 1937, as amended or if programs under said Section 8(f)(3) are terminated, median income determined under the method used by the Secretary prior to such termination. In the event that HUD no longer publishes median income figures for the Seattle MSA or King County, the City may use any other method for determining the King County median income, adjusted for household size.

[21.08.170 Site Requirements for Residential Zones](#)

D. **Minimum Required Density.**

1. Purpose. The purpose of minimum required density is to:
 - a. Help establish a consistent and compatible land use pattern in Redmond residential neighborhoods;
 - b. Provide for the efficient use of land;
 - c. Provide for the efficient use of public facilities and services; and
 - d. Reduce public nuisances that often result when undeveloped areas are urbanized.
2. Relationship to Allowed Density. While allowed density places an upper limit on the number of units that may be located on a site, the minimum required density establishes a lower limit. When taken together, the site calculations for allowed density and minimum required density create an upper and lower range that defines the number of units that may be built on a site, exclusive of accessory dwelling units. One important difference between allowed density and minimum required density is that allowed density is calculated using gross site area while minimum required density uses the net buildable area of a site.
3. Requirements. The minimum required number of dwelling units for a site is equal to the site's net buildable area multiplied by the site's allowed or "zoned" density and multiplied again by the minimum required density percentage. The net buildable area calculation is explained below in subsection D.4 of this section. The minimum required density percentage, as well as the allowed density, for each residential zone is shown in the zone use charts in RZC [21.08.020](#) through [21.08.140](#).
4. Net Buildable Area Calculation. Net buildable area, for the purpose of determining the minimum required number of dwelling units for a site, shall be calculated by subtracting areas where building is prohibited or subject to significant restrictions from the gross area of a site. The area remaining after these exclusions from the gross site area represents the net buildable area. The following exclusions from the gross site area, and only these exclusions, may be used in determining net buildable area:

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- a. Critical areas and shoreline areas where development is prohibited or restricted shall be excluded from the net buildable area. These critical areas and shoreline areas shall include: Landslide Hazard Areas; Category I through IV wetlands; Class I through IV streams; floodways; floodplains; critical areas buffers; the area waterward of the line of the ordinary high water mark on Lake Sammamish, regardless of the extent of ownership; lands required to be maintained in open space; and Native Growth Protection Areas.
- b. Surface water retention areas that are dedicated or otherwise held in common shall also be excluded from the net buildable area.
- c. Public rights-of-way, private streets and access corridors, parks and open space that are dedicated or otherwise held in common, and above-ground public facilities shall also be excluded from the net buildable area.
- d. For example, where gross site area equals 87,120 square feet or two acres, the following calculation is made to determine net buildable area:

Calculating Net Buildable Area				
Example:				
Gross Site Area: 87,120 square feet	-	Critical Areas and buffers: 6,100 square feet	-	Public rights-of-way: 15,680 square feet = Net Buildable Area: 65,340 square feet (1.5 acres)

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- e. In order to avoid the expense of technically assessing a site’s net buildable area, a builder/developer may elect to apply the minimum required density percentage to the gross area of the site instead of the net buildable area in order to determine the minimum required number of units.

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- 5. Minimum Required Density Calculation. The formula for determining a site’s minimum required number of dwelling units is shown below.

Calculating Minimum Required Density				
Net buildable area	x	Allowed density	x	Minimum required density percentage = Minimum required number of units
Example: Gross site area = 87,120 square feet (2 acres) Net buildable area = 65,340 square feet (1.5 acres) Allowed density = 6 units per acre Minimum required density percentage = 80 percent				
Net buildable area: 1.5 acres	x	Allowed density: 6 units per acre	x	Minimum required density percentage: 80 percent (0.8) = Minimum required number of units: 7 (rounded down from 7.2)
Required Unit Range for this Example: Maximum number of units allowed, excluding bonuses = 12 See allowed density calculation in RZC 21.08.170.C.3. Minimum required number of units = 7				

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6. Applicability/Exceptions. Minimum required density applies to all new residential development with the following exceptions:
 - a. The construction of any new dwelling unit on an existing lot of record;
 - b. The renovation or conversion of existing dwelling units provided that such a renovation or conversion does not result in a reduction in the number of dwelling units to a number below the minimum required;
 - c. An existing legal lot, with one existing home, being divided into two lots;
 - d. New development where 60 percent or more of the new units provided would be affordable to households earning 50 percent or less of **median income** for the Seattle Metropolitan Statistical Area. See [RZC 21.20](#), *Affordable Housing*.

E. Minimum Average Lot Size.

1. Purpose. The purpose of the average lot size requirement is to:
 - a. Allow for the development of consistent and compatible land use patterns throughout Redmond's residential neighborhoods; and
 - b. Minimize public nuisances that may result from a lack of adequate open space and the overutilization of public facilities.
2. Requirements.
 - a. Explanation. The zone use charts in [RZC 21.08.020](#) through [21.08.140](#) establish the minimum average lot size for each residential zone in Redmond. The average lot size of all lots created through the subdivision or short subdivision process must meet, at a minimum, this average lot size requirement. However, this requirement may be modified under the following circumstances:
 - i. Green Building and Green Infrastructure Program. The owner may participate in the Green Building and Green Infrastructure Incentive Program (see [RZC 21.67](#)), and create a lot or lots which do not meet the minimum average lot size for the underlying zone by meeting all program requirements; or
 - ii. Small Lot Short Plats. The owner of any lot in the Bear Creek, Education Hill, Idylwood, Southeast Redmond, or Overlake Residential Neighborhoods which is at least 200 percent of the required minimum average lot size in the underlying residential zone and which contains an existing detached dwelling unit may short subdivide the lot in order to create a separate fee simple lot which does not meet the minimum average lot size for the underlying zone if the dwelling unit to be constructed on the newly created lot meets all of the following requirements:
 - A. Only one detached dwelling unit shall be allowed on the lot.

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- B. The dwelling unit on the lot shall not exceed 1,000 square feet in total area, excluding any garage area. The dwelling unit and any garage shall not exceed 1,500 square feet in total area. A covenant shall be recorded against the title of the lot prohibiting expansion of the dwelling unit.
 - C. The dwelling unit on the lot must conform to all setback, lot coverage restrictions, and any other standards or regulations required of a detached dwelling unit in a residential zone.
 - D. The maximum height of any portion of the roof, except chimneys or cupolas shall not exceed 25 feet anywhere on the site.
 - E. Two off-street parking places are required. Parking spaces must be paved and may include private attached garages, carports, or other off-street areas reserved for vehicles. No detached garages are allowed.
 - F. The dwelling unit must be affordable to an individual or family that has an annual income that is 120 percent or less of the annual **median income** defined in [RZC 21.20](#), Affordable Housing.
- b. Limitations on Averaging.
- i. No lot shall be created as a result of lot averaging that results in a lot size that is less than 50 percent of the average lot size standard. For example, with an average lot size of 7,000 square feet in an R-4 zone, no single lot in a proposed subdivision in this zone may be sized at less than 3,500 square feet. For short subdivisions where three or fewer lots are created, no lot shall be created that is less than 75 percent of the average lot size standard.
 - ii. Critical areas and their associated buffers and shoreline areas (the area waterward of the line of the ordinary high water mark on Lake Sammamish) shall not be included in the average lot size determination for all residential zones.
 - iii. Nothing in this section shall be construed to allow for an increase in the allowed density as calculated in [RZC 21.08.170.C.3](#) and as shown for all residential zones in the zone use charts in [RZC 21.08.020](#) through [21.08.140](#).
- c. Areas of Lots with Access Corridor. The calculation of lot area shall not include any area of the lot that serves as an access corridor.

[21.08.260 Attached Dwelling Units](#)

6. Affordable Housing Exception. In order to meet the City's objective of providing opportunities for the ownership of affordable family-size housing the following exceptions to the requirements of [RZC 21.20](#), *Affordable Housing*, and some other requirements specifically provided for in this section apply:
- a. Two-unit attached dwelling units where both units are made affordable to households earning 80 percent or less of King County **median income** under the requirements

specifically provided for in this section are allowed as part of a preliminary plat application for residential subdivisions of 10 units or more.

- b. Two-unit attached dwelling units where both units meet the affordability requirements of this section shall not be subject to the density requirements set forth in the zone summary for the residential zone district, or the minimum lot size requirements of subsection C.1 of this section, but shall be subject to the minimum lot size requirements of the underlying zone as set forth in the zone use chart for the residential zone. (See RZC [21.08.020](#) through [21.08.140](#).) A covenant agreement as required by RZC [21.20.040](#) must be recorded for all two-unit attached dwelling units allowed under this section and meeting the affordability requirements of this section.

[21.08.370 Retirement Residences](#)

C. Requirements.

1. Age Restriction. The development shall be restricted to persons age 55 or older and handicapped persons as defined by federal law. At least half the total housing units shall be occupied by persons 55 years of age or older, except for spouses of such residents for whom there is no minimum age requirement.
2. Conversion from a Retirement Residence. No conversion of occupancy to persons other than those specified by subsection C.1 shall be allowed without first complying with the underlying zoning and site requirements.
3. Density. The maximum number of retirement residence units shall not exceed the number permitted by the allowed density of the zone, except as follows:
 - a. In all residential zones which allow retirement residences, the maximum number of retirement residence units shall not exceed the number allowed for that zone in the zone use chart for the zone, together with any density bonus authorized under RZC [21.20.030](#), *Affordable Housing - General Requirements and Incentives*, or RZC [21.20.070](#), *Affordable Senior Housing*, except any facilities developing under subsection C.3.b of this section.
 - b. Retirement residences located in the R-4 through R-6 zones that provide some component of assisted living or skilled nursing care may be allowed an increase in density by up to three times the number of units permitted by the underlying zone provided each of the following conditions exists:
 - i. A minimum of 10 percent of the units are licensed for assisted living or skilled nursing care programs; however, no more than 25 percent of the units may be licensed for skilled nursing care.
 - ii. There is adequate water and sewer capacity to serve the proposed development, together with the water and sewer capacity existing to accommodate the planned growth for the service area(s) in which the property is located.

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- iii. Traffic generated by the retirement residence is not significantly greater than traffic generated in the surrounding residential neighborhoods. In addition, a traffic mitigation plan is required. The plan shall address traffic control, parking management (including the mitigation of overflow parking into the adjoining residential areas), and traffic movement to the arterial street system. In addition to on-site parking requirements, parking in excess of the maximum may be permitted on existing off-site satellite parking lots, subject to City approval of a joint use agreement. Off-site parking in a residential zone shall be limited to lots shared with existing institutional uses, such as schools.
- iv. The project shall comply with all development standards for the zone in which the development is located, including height, setbacks, open space, lot coverage, and impervious surface requirements.
- v. Landscape Requirements. Setback areas located adjacent to the side, street side, and rear property lines shall be landscaped to sufficiently screen the development from surrounding residential uses. Similar landscaping shall also be provided within the front setback areas when needed to screen parking. Where possible, existing mature vegetation shall be retained. The Design Review Board may allow reduced landscaping requirements for projects that exhibit exceptional site and architectural design qualities that reflect nearby neighborhood character. Such projects shall be well integrated with the surrounding neighborhood, including linkages to surrounding uses through pedestrian and vehicular connections. Alternative linkages may be proposed by those facilities where an enclosed facility is mandated by licensing requirements for the type of care offered at the retirement residence, such as Alzheimer's or other dementia care facilities.
- vi. Retirement residence facilities developed under these provisions shall not be entitled to any other senior housing density bonuses, including those described in RZC 21.20.030.D. Affordable Housing or RZC 21.20.070.A. Affordable Senior Housing.
- vii. Availability. A minimum of 25 percent of the new units increased above the underlying zone as a result of this section shall be set-aside for households earning less than 80 percent of the King County **Median Income**, adjusted for household size.
- viii. For existing developments that are expanding under these provisions, the set-aside units may be located either in the existing or new units, but shall be in addition to any set-aside units already provided in the existing facility.
- ix. The operator of the facility shall provide an annual report to the City providing information documenting compliance with the set-aside requirement. Facilities financed under Washington State Housing Finance Commission (WSHFC) programs may submit a copy of the annual report to WSHFC to satisfy this requirement.

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- x. Set-aside units required by these regulations shall be administered according to the same requirements as used by the Washington State Housing Finance Commission (WSHFC) for similar type facilities, regardless of how a retirement residence developed under these provisions is financed.

21.14.010 Neighborhood Commercial 1 (NC-1)

C. Regulations Common to All Uses.

Table 21.14.010B Regulations Common to All Uses			
	Regulation	Standard	
Minimum	Lot Frontage (ft)	80	
	Setbacks (ft)		
	Front and Street	15	<p>A. As part of a binding site plan, site plan entitlement, or master planned development, required setbacks may be modified as follows:</p> <ol style="list-style-type: none"> 1. Side setback distances may be modified to permit a zero side setback to accommodate clustering 2. Front setbacks may be modified from private streets and access corridors, provided front setbacks are maintained from all public streets <p>Setbacks for structures abutting residential zones shall not be modified.</p> <p>B. Fences, landscaping, flagpoles, street furniture, transit shelters, and slope stability structures are permitted in setback areas, provided that all other applicable requirements are met; no other structures, and no accessory structures are allowed in setback areas.</p> <p>C. Projections or equipment. Attached or detached mechanical structures or equipment, including but not limited to, electrical equipment boxes, heat pumps, air conditioners, emergency generators, and water pumps are allowed in a street setback. However, mechanical structures or equipment are not allowed in a required setback abutting a residential zone. Where there is no alternative location and the equipment will generate no noise, electrical or utility equipment boxes may be located in a setback abutting a residential zone.</p>
	Side and Rear	10	

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	Landscaping	30 percent	<p>A. Parking lots shall include interior landscaping. All Neighborhood Commercial parking lots shall apply landscaping standards. Parking lots with less than 20 spaces shall apply landscaping standards for 20 to 150 spaces in RZC 21.32.070.B, <i>General Requirements</i>.</p> <p>B. Landscaped areas adjacent to front and side streets and pedestrian plazas shall be Type III, Low-Cover (RZC 21.32.080, <i>Types of Planting</i>).</p> <p>C. A minimum of seven percent of required landscaped areas shall be constructed as a public plaza or courtyard.</p> <p>D. The gross floor area of multi-seasonal, public plazas and courtyards that include a combination of seating, overhead cover from the elements, and heating may be multiplied by 1.50 for calculating required landscaping.</p> <p>E. Up to one-half of the required landscaped area may be at other levels if it is in a publicly accessible and usable common area.</p> <p>F. Required landscaping may include on-site stormwater management facilities such as runoff dispersion areas.</p>
Maximum	Impervious Surface Area	70 percent	
	Height (feet)	35	Maximum height in shoreline areas is 35 feet, except that structures, including bridges that support a regional light rail transit system may be higher than 35 feet but shall be no higher than is reasonably necessary to address the engineering, operational, environmental, and regulatory issues at the location of the structure. (SMP)
	FAR		
	Residential	0.30	

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	Commercial	0.30	<p>A. Residential use FAR is additive to the commercial use FAR. Base floor area ratio, in total, shall not exceed 0.60 FAR.</p> <p>B. Each commercial establishment shall not exceed 3,500 square feet gross floor area, unless otherwise specified.</p> <p>C. Commercial gross floor area may be increased to 5,000 square feet for each commercial establishment that provides and dedicates one or a combination of the following community gathering amenities at a minimum size of 200 square feet:</p> <ol style="list-style-type: none"> 1. Outdoor, multi-seasonal, public plaza or courtyard, RZC 21.60.030, Community Space. 2. Community meeting space. 3. Children's play space. <p>D. RZC 21.20, Affordable Housing, and RZC 21.67, Green Building and Green Infrastructure Incentive Program (GBP), incentives are additive to the residential portion of the development as follows:</p> <ol style="list-style-type: none"> 1. Bonus market-rate residential FAR is permitted as an incentive at a 1:1 ratio for residential FAR provided as affordable housing for a maximum density bonus of an additional 0.03 Residential FAR. For example: each 1,000 square feet of affordable housing at 80 percent or less of the King County median income yields an additional 1,000 square feet of bonus market rate housing, up to a total 0.03 Residential FAR. 2. Green building is calculated based on the point system in RZC 21.67, Green Building and Green Infrastructure Incentive Program (GBP), and is calculated at 0.10 FAR bonus based on the respective technique and incentive. For example: 1-acre site x 0.30 Residential FAR = 13,068 Residential square feet x 0.10 Green FAR = 1,307 square feet
	Site Size (acreage)	1	<p>A. Commercial uses are permitted on sites up to one acre in size.</p> <p>B. Sites of more than one acre shall apply a lot line revision to establish no greater than one acre for the NC-1 zone.</p> <p>C. Critical areas and associated buffers are exempt from the lot line revision requirement. Additional acreage that is designated as a critical area or associated buffer may be retained and shall be designated as preserved.</p>
	Hours of Operation		<p>A. Sunday - No earlier than 7:00 a.m. and no later than 9:00 p.m.</p> <p>B. Monday through Thursday - No earlier than 6:00 a.m. and no later than 9:00 p.m.</p> <p>C. Friday and Saturday - No earlier than 7:00 a.m. and no later than 11:00 p.m.</p>
	Drive-through		Drive-through facilities are prohibited with the exception of drive-up stands.

[21.14.015 Neighborhood Commercial 2 \(NC-2\)](#)

C. Regulations Common to All Uses.

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Table 21.14.015B Regulations Common to All Uses			
	Regulation	Standard	
Minimum	Setbacks (ft)		
	Front and Street	15	<p>A. As part of a binding site plan, site plan entitlement, or master planned development, required setbacks may be modified as follows:</p> <ol style="list-style-type: none"> 1. Side setback distances may be modified to permit a zero side setback to accommodate clustering. 2. Front setbacks may be modified from private streets and access corridors, provided front setbacks are maintained from all public streets <p>Setbacks for structures abutting residential zones shall not be modified.</p> <p>B. Fences, landscaping, flagpoles, street furniture, transit shelters and slope stability structures are permitted in setback areas, provided that all other applicable requirements are met; no other structures, and no accessory structures are allowed in setback areas.</p> <p>C. Projections or equipment. Attached or detached mechanical structures or equipment, including but not limited to, electrical equipment boxes, heat pumps, air conditioners, emergency generators, and water pumps are allowed in a street setback. However, mechanical structures or equipment are not allowed in a required setback abutting a residential zone. Where there is no alternative location and the equipment will generate no noise, electrical or utility equipment boxes may be located in a setback abutting a residential zone.</p>
	Side and Rear	10	
	Landscaping	25 percent	<p>A. Parking lots shall include interior landscaping. All Neighborhood Commercial parking lots shall apply landscaping standards. Parking lots with less than 20 spaces shall apply landscaping standards for 20 to 150 spaces in RZC 21.32.070.B, General Requirements.</p> <p>B. Landscaped areas adjacent to front and side streets and pedestrian plazas shall be Type III, Low Cover (RZC 21.32.080, Types of Planting).</p> <p>C. A minimum of seven percent of required landscaped areas shall be constructed as a public plaza or courtyard.</p> <p>D. The gross floor area of multi-seasonal, public plazas and courtyards that include a combination of seating, overhead cover from the elements, and heating may be multiplied by 1.50 for calculating required landscaping.</p> <p>E. Up to one-half of the required landscaped area may be at other levels if it is in a publicly accessible and usable common area.</p> <p>F. Required landscaping may include on-site stormwater management facilities such as runoff dispersion areas.</p>
Maximum	Impervious Surface Area	70 percent	

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Height (feet)	35	Maximum height in shoreline areas is 35 feet, except that structures, including bridges, that support a regional light rail transit system may be higher than 35 feet but shall be no higher than is reasonably necessary to address the engineering, operational, environmental, and regulatory issues at the location of the structure. (SMP)
FAR		
Commercial	0.30	A. Base floor area ratio, in total, shall not exceed 0.60 FAR. B. Each commercial establishment shall not exceed 5,000 square feet gross floor area, unless otherwise specified.
Residential	0.30	C. A commercial use that provides and dedicates the following may increase their commercial floor area ratio as specified: 1. Community Gathering amenities, a maximum increase of 0.05 FAR, by dedicating a combination of at least two of the following at no less than eight percent of the final gross floor area: a. Outdoor, multi-seasonal, public plaza or courtyard as defined below, refer to landscaping section. b. Community meeting space. c. Children's play space. 2. Open Space, a maximum increase of 0.05 FAR, by dedicating no less than 40 percent of the original lot area as open space. Critical areas apply toward the 40 percent. D. Residential use FAR is additive to the commercial use FAR. E. RZC 21.20, Affordable Housing , and RZC 21.67, Green Building and Green Infrastructure Incentive Program , incentives are additive to the residential portion of the site as follows: 1. Bonus market-rate residential FAR is permitted as an incentive at a 1:1 ratio for residential FAR provided as affordable housing for a maximum density bonus of an additional 0.05 Residential FAR. For example: each 1,000 square feet of affordable housing at 80 percent or less of the King County median income yields an additional 1,000 square feet of bonus market rate housing, up to a total 0.05 Residential FAR. 2. Green building is calculated based on the point system in RZC 21.67, Green Building and Green Infrastructure Incentive Program , and is calculated at 0.05 FAR bonus based on the respective technique and incentive. For example: 3-acre site x 0.30 Residential FAR = 39,204 Residential square feet x 0.05 Green FAR = 1,960 square feet.
Site Size (acreage)	3	A. Commercial uses are permitted on sites of up to three acres in size. B. Sites of more than three acres shall apply a lot line revision to establish no greater than three acres for the NC-2 zone. C. Critical areas and associated buffers are exempt from the lot line revision requirement. Additional acreage that is designated as a critical area or associated buffer may be retained and shall be designated as preserved.

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	Hours of Operation		<p>A. Sunday - No earlier than 5:00 a.m. and no later than 10:00 p.m.</p> <p>B. Monday through Thursday - No earlier than 5:00 a.m. and no later than 10:00 p.m.</p> <p>C. Friday and Saturday - No earlier than 5:00 a.m. and no later than 11:00 p.m.</p> <p>D. Hours of operation may be further limited if residential uses are located in same structure.</p>
	Drive-through		Drive-through facilities are prohibited with the exception of drive-up stands.

[21.20.060 Supplemental Requirements](#)

A. Willows/Rose Hill Neighborhood.

1. As provided for in Comprehensive Plan policy N-WR-E-7, the allowed density shall be seven units per acre for a demonstration project in which at least 20 percent of the total dwelling units are affordable. Other bonuses allowed by the RZC may be used in addition to this bonus.
2. Consistent with Comprehensive Plan policy HO-38, new development in the Northwest Design District shall provide affordable housing as follows:
 - a. At least 10 percent of new dwelling units that are ground-oriented containing exterior ground level access to the outside with one or more shared walls and without any unit located over another unit must be affordable to a household having an annual income of 80 percent of the **median income**, adjusted for household size.
 - b. At least 10 percent of new dwelling units within a multifamily or mixed use structure and which are not ground-oriented, as described above, must be affordable to a household having an annual income of 70 percent of the **median income**, adjusted for household size.
 - c. The provisions of RZC 21.20.030.C, D, E, and H shall not apply in the Northwest Design District.

B. Southeast Redmond Neighborhood.

1. Consistent with policy HO-38 and N-SE-22, properties rezoned from GC or R-12 to R-30 as part of the Southeast Redmond Neighborhood Plan Update (Ord. 2753) shall be required to provide 10% of units in developments of 10 units or more as low-cost affordable housing units. The bonus provisions of RZC 21.20.030.E shall apply.
2. Marymoor Design District.
 - a. MDD3 Zone
 - i. At least 10 percent of the units in new housing developments of 10 units or more must be affordable units.

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- ii. Pursuant to RZC 21.20.030.H, the bonus for required affordable housing is an additional FAR of .09 above the base FAR. No other density bonuses shall be given for affordable housing.
- b. Other Zones in the Marymoor Design District.
 - i. At least 10 percent of the units in new owner-occupied housing developments of 10 units or more must be affordable to a household having an annual income of 70 percent of the **median income**, adjusted for household size.
 - ii. At least 10 percent of the units in the new renter-occupied housing developments of 10 units or more must be low-cost affordable units.
 - iii. The provisions of RZC 21.20.030.C, D, E, and H shall not apply.

C. Education Hill Neighborhood.

1. Consistent with policies HO-38 and N-EH-15, properties rezoned from R-5 to R-18 shall be required to provide 10% of units as affordable housing units if eight or fewer homes are developed. If more than eight homes are developed, 10% of units shall be low-cost affordable units. The bonus provisions of RZC 21.20.030.E shall not apply. (Ord. 2785)

D. Urban Centers.

1. In portions of Overlake where density limits are expressed as a Floor Area Ratio, the bonus above the maximum residential FAR expressed in RZC 21.12, *Overlake Regulations*, is two times the equivalent floor area for each affordable unit provided. The bonus residential floor area may be used to increase **building** height by up to one **story** above the base standards shown in RZC 21.12, *Overlake Regulations*. The bonuses granted under this provision are in addition to any bonuses granted for senior housing under RZC 21.20.070, *Affordable Senior Housing*.
2. Downtown. Development in Downtown will receive a square footage density credit equal to the square footage of the affordable housing units provided on-site, or the square footage of the affordable housing units provided off-site pursuant to RZC 21.20.050, *Alternative Compliance Methods*. This square footage credit can be converted to TDRs pursuant to RZC 21.48.010.G, *Affordable Housing Bonus*. The bonus is subject to the limitations of RZC 21.10.110.B, *Downtown Height Limit Overlay*.

[Affordable Housing Unit](#) Housing reserved for occupancy by eligible households and affordable to households whose annual income does not exceed eighty percent of **median income**, adjusted for household size, and no more than thirty percent of the monthly household income is paid for monthly housing expenses. (Housing expenses for ownership housing include mortgage and mortgage insurance, property taxes, property insurance, and homeowner dues. Housing expenses for rental housing include rent and appropriate utility allowance.)

[Low-Cost Affordable Housing Unit](#)

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Housing reserved for occupancy by eligible households and affordable to households whose annual income does not exceed 50 percent of **Median Income**, adjusted for household size, and no more than 30 percent of the monthly household income is paid for monthly housing expenses. (Housing expenses for ownership housing includes mortgage and mortgage insurance, property taxes, property insurance, and homeowners dues. Housing expenses for rental housing includes rent and appropriate utility allowance.)

[Low-Income and Moderate-Income Housing](#)

Housing affordable under federal standards to households with annual incomes at or below 80 percent of the county **median income**.

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Redmond Municipal Code

[Chapter 3.38 MULTIFAMILY HOUSING PROPERTY TAX EXEMPTION](#)

3.38.010 Purpose.

(A) The purposes of this chapter are:

- (1) To increase the supply of multifamily housing opportunities within the City for low and moderate income households;
- (2) To promote community development and affordable housing in the City within Residential Targeted Areas;
- (3) To encourage additional housing in certain areas to support investment in public transit projects; and
- (4) To accomplish the planning goals required under the Growth Management Act, Chapter [36.70A](#) RCW, as implemented by the city's comprehensive plan.

(B) Any one or a combination of these purposes may be furthered by the designation of a Residential Targeted Area under this chapter. (Ord. 2892 § 3 (part), 2017).

3.38.020 Authority.

(A) Purpose. This chapter is adopted under the authority of RCW [84.14](#) which provides for special valuations for eligible improvements associated with multifamily housing in designated Residential Targeted Areas to improve residential opportunities including affordable housing. The purpose of this section is to define the responsibilities, rules, procedures, and requirements for the interpretation of this chapter. (Ord. 2892 § 3 (part), 2017).

3.38.030 Definitions.

(A) The following definitions are specific to this chapter and shall have the following meanings:

- “Affordable housing unit” means a dwelling unit as defined in the Redmond Zoning Code that is reserved for occupancy by eligible households and rented at an affordable rent.
- “Affordable rent” means that the annual rent and other required expenses for the unit do not exceed 30 percent of the percentage of the applicable **median income** adjusted for household size designated in RMC [3.38.120](#) for qualifying affordable units.
- “Assessor” means the King County assessor.

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- “Director” means the director of the city’s Department of Planning and Community Development, or his or her authorized designee.
- “Eligible household” means one or more adults and their dependents who, as set forth in the regulatory agreement referenced in RMC [3.38.060\(F\)](#), certify that their household annual income does not exceed the applicable percent of the King County **median income**, adjusted for household size, and who certify that they meet all qualifications for eligibility, including, if applicable, any requirements for recertification on income eligibility.
- “Household annual income” means the aggregate annual income of all persons over 18 years of age residing within the same household for a period of at least four months.
- “King County **median income**” means the **median income** for the Seattle-Bellevue, WA, HUD Metro FMR Area as most recently determined by the Secretary of Housing and Urban Development (the “Secretary”) under Section 8(f)(3) of the United States Housing Act of 1937, as amended. In the event that HUD no longer publishes **median income** figures for King County, the City may use or determine such other method as it may choose to determine the King County **median income**, adjusted for household size.
- “MFTE” means multifamily housing property tax exemption.
- “MFTE contract” means the agreement between the property owner and the City regarding the terms and conditions of the project and eligibility for exemption under this chapter.
- “MFTE covenant” means the agreement that is in a form acceptable to the City Attorney that addresses price restrictions, eligible household qualifications, long-term affordability, and any other applicable topics of the affordable housing units as referenced in RMC [3.38.060](#).
- “Multifamily housing” means a structure per RZC 21.78, Definitions, designed for permanent residential occupancy resulting from new construction.
- “Owner” means the property owner of record.
- “Permanent residential occupancy” means multifamily housing that provides rental occupancy for a period of at least one month, and excludes transient lodging.

- “Project” means the multifamily housing or portion of the multifamily housing that is to receive the tax exemption.
- “Residential targeted area” means an area within an urban center as defined by Chapter [84.14](#) RCW that the City has so designated by the City Council pursuant to this chapter. (Ord. 2892 § 3 (part), 2017).

3.38.040 Director’s authority.

(A) General Authority. The Director of the Department of Planning and Community Development is charged with the administration and enforcement of the provisions of this chapter.

(B) Recording. The Director is authorized to cause to be recorded, or to require the owner to record, in the real property records of the King County Department of Records and Elections, the MFTE covenant with the City required under RMC [3.38.060](#), and such other document(s) as will identify such terms and conditions of eligibility for exemption under this chapter as the Director deems appropriate for recording, including requirements under this chapter relating to affordability of units.

(C) Power to Correct Errors. The Director may amend an administrative decision to correct errors clearly identifiable from the public record. Such a correction does not affect any time limit provided for in this chapter.

(D) Power to Clarify. The Director may clarify a statement in a written administrative decision.

(E) Power to Adopt Procedures. The Director may develop, adopt, and carry out procedures as needed to implement this code.

(F) Power to Modify Fees. The Director is also delegated authority to modify fees for the MFTE application and other related procedures in order to cover the costs incurred by the City and the Assessor in administering this chapter; provided, that the increase shall not exceed the most recently published Consumer Price Index (CPI) – Wage Earners and Clerical Workers for the Seattle-Tacoma area, as published by the U.S. Department of Labor – Bureau of Labor Statistics. If an increase greater than the CPI is necessary to cover the City’s costs, the Director shall submit the increase to the City Council for approval.

(G) Interpretation.

(1) Responsibility. The Director of the City’s Department of Planning and Community Development or his/her designee shall be responsible for interpreting the provisions of this chapter, except where expressly provided otherwise.

(2) Request for Interpretation. Any interested person may apply for an interpretation of this chapter where this chapter, or its application to specific circumstances, is ambiguous, i.e., where this chapter is susceptible to two or more reasonable interpretations. Applications for administrative interpretation of this chapter shall be processed using the same procedures as are set forth for Type I reviews in the Redmond Zoning Code 21.76, Review Procedures, and shall be subject to the same criteria. Interpretations of this chapter shall not be considered land use decisions, however, and shall not be subject to appeal to the superior court under the Land Use Petition Act (“LUPA”). (Ord. 2892 § 3 (part), 2017).

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;

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(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.

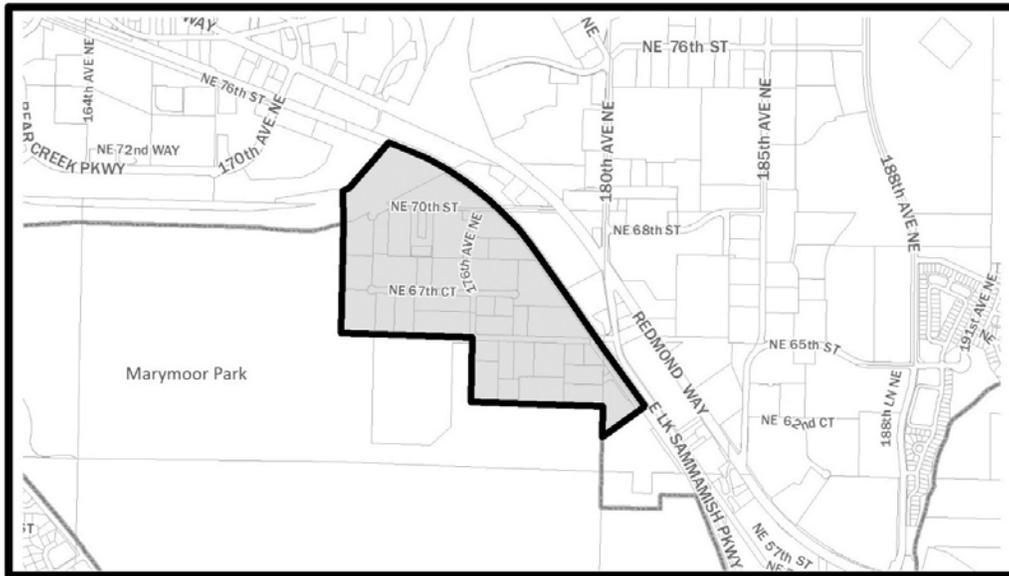
(D) The following areas, as shown in Maps 1 through 3 in this section, meet the criteria of this chapter for Residential Targeted Areas and are designated as such:

(1) Downtown;

(2) Overlake Village; and

(3) Marymoor.

Map 3: Marymoor



Marymoor Residential Targeted Area

(E) If a part of any legal lot is within a residential targeted area as shown in Maps 1 through 3 in this section, then the entire lot shall be deemed to lie within such Residential Targeted Area. (Ord. 2892 § 3 (part), 2017).

3.38.060 Project eligibility.

To be eligible for exemption from property taxation under this chapter, the property shall satisfy all of the following requirements:

- (A) The property must be located in a Residential Targeted Area.
- (B) The project must be construction of new multifamily rental housing consisting within a residential structure or as part of a mixed use development, in which at least 50 percent of the space within such residential structure or mixed use development is intended for permanent residential occupancy.
- (C) A minimum of 10 new dwelling units must be created.
- (D) No application may result in the net loss of existing affordable housing which receives housing assistance through federal low or moderate income housing programs (e.g., HUD Section 8 program).
- (E) Affordable housing shall be provided in the project as described in RMC [3.38.120](#) or through an alternative compliance method as described in RMC [3.38.170](#).

(F) Prior to issuing a certificate of occupancy, a MFTE covenant in a form acceptable to the City Attorney that addresses price restrictions, eligible household qualifications, long-term affordability, and any other applicable topics of the affordable housing units shall be recorded with the King County Department of Records and Elections. This MFTE covenant shall be a covenant running with the land and shall be binding on the assigns, heirs and successors of the owner. Affordable units that are provided under this section shall remain as affordable housing for the life of the project from the date of initial occupancy.

(G) The mix and configuration of housing units (e.g., very small units, studio, one-bedroom, two-bedroom, etc.) used to meet the requirement for affordable units under RMC [3.38.120](#) shall be substantially proportional to the mix and configuration of the total housing units in the project unless otherwise approved by the Director. The exterior materials and design of the affordable housing units must be comparable with the other dwelling units in the development, with similarity in building finishes, rooflines and landscaping. The interior finish and quality of construction of the affordable units shall at a minimum be comparable to entry level rental housing in the City.

(H) The project shall comply with all applicable provisions of the Redmond Zoning Code and the Redmond Municipal Code.

(I) Construction of new multifamily housing must be completed within three years from the date of approval of the application, as described in RMC [3.38.080](#), or within an extension authorized under this chapter. (Ord. 2892 § 3 (part), 2017).

3.38.070 Application procedure and fee.

(A) Application Procedure. The owner of property applying for exemption under this chapter shall submit an application to the Director, on a form established by the Director. The owner shall verify the application by oath or affirmation. The application shall contain such information as the Director may deem necessary or useful, and shall include but not be limited to:

- (1) A brief written description of the project, including phasing if applicable, and preliminary schematic site and floor plans of the multifamily units and the structure(s) in which they are proposed to be located;
- (2) A statement from the owner acknowledging the potential tax liability when the property ceases to be eligible for exemption under this chapter; and
- (3) Information describing how the owner will comply with the affordability requirements in RMC [3.38.120](#).

(B) Fee.

(1) At the time of application under this section, the owner shall pay to the City an initial application fee as established by resolution. In addition, at the time of application under this section, the owner shall pay to the city a fee in an amount necessary to cover the county assessor's administrative costs.

(2) If the Director approves the application pursuant to RMC [3.38.110](#), the City shall forward the fee for the county assessor's administrative costs to the county assessor. If the Director denies the application pursuant to RMC [3.38.110](#)(E), the City shall refund the fee for the assessor's administrative costs to the owner within 30 days of the Director's decision, or in the event the owner appeals the Director's decision, within 30 days of the final decision of any appeal pursuant to the provisions of RMC [3.38.150](#).

(C) Notice of Completeness. The director shall notify the owner within 30 days of the application being filed if the Director determines that an application is not complete and shall identify what additional information is required before the application will be complete. Within 14 days of receiving additional information, the Director shall notify the owner in writing if the Director determines that the application is still not complete, and what additional information is necessary. An application shall be deemed to be complete if the Director does not notify the owner in writing by the deadline in this section that the application is incomplete; however, a determination of completeness does not preclude the Director from requiring additional information during the review process if more information is needed to evaluate the application according to the criteria in this chapter.

(D) Deadline. The deadline for application generally shall be any time before the date the first building permit is issued for the multifamily housing structure. The Director may determine if a project's circumstances warrant allowing flexibility in the timing of application submittal. (Ord. 2892 § 3 (part), 2017).

3.38.080 Application review – Issuance of conditional certificate – Denial – Appeal.

(A) The Director shall approve an application for tax exemption if the Director determines the project meets the eligibility requirements in RMC [3.38.060](#). If the application fails to meet the requirements of RMC [3.38.060](#) the Director must deny the application. If the application is approved, the owner shall enter into a MFTE contract with the City regarding the terms and conditions of the project and eligibility for exemption under this chapter. The Director's approval or denial shall take place within 90 days of the Director's receipt of the completed application. Following execution of the MFTE contract by the owner and the City, the Director shall issue a conditional certificate of acceptance of tax exemption. The conditional certificate shall expire three years from the date of approval unless an extension is granted as provided in this chapter.

(B) If the application is denied, the Director shall state in writing the reasons for the denial and send notice of denial to the owner's last known address within ten calendar days of the denial.

(C) An owner may appeal the Director's denial in accordance with the provisions of RMC [3.38.150](#). (Ord. 2892 § 3 (part), 2017).

3.38.090 Amendment of MFTE contract.

(A) An owner may seek amendment(s) to the MFTE contract between the owner and the City by submitting a request in writing to the Director at any time prior to receiving the final certificate of tax exemption ("final certificate").

(B) The Director shall have authority to approve amendments to the MFTE contract between the owner and the City that are reasonably within the scope and intent of the MFTE contract.

(C) Any owner seeking amendments to the approved MFTE contract shall pay to the City an amendment application fee as established by the resolution.

(D) The date for expiration of the conditional certificate shall not be extended by contract amendment unless all the conditions for extension set forth in RMC [3.38.100](#) are met. (Ord. 2892 § 3 (part), 2017).

3.38.100 Extension of conditional certificate.

(A) The Director may extend the conditional certificate for a period not to exceed 24 consecutive months. The owner shall submit a written request stating the grounds for the extension together with a fee as established by the Director. The Director may grant an extension if the Director determines that:

- (1) The anticipated failure to complete construction within the required time period is due to circumstances beyond the control of the owner;
- (2) The owner has been acting and could reasonably be expected to continue to act in good faith and with due diligence; and
- (3) All the conditions of the original MFTE contract between the owner and the City will be satisfied upon completion of the project. (Ord. 2892 § 3 (part), 2017).

3.38.110 Final certificate – Application – Issuance – Denial and appeal.

(A) Upon completion of construction as provided in the MFTE contract between the owner and the City, and upon issuance of a certificate of occupancy, the owner may request a final certificate of tax exemption. The owner shall file with the Director such information as

the Director may deem necessary or useful to evaluate eligibility for the final certificate, and shall include:

- (1) A statement of expenditures made with respect to each multifamily housing unit, including phasing if applicable, and the total expenditures made with respect to the entire property;
- (2) A description of the completed work and a statement of qualification for the exemption;
- (3) A statement that the work was completed within the required three-year period or any approved extension; and
- (4) Information on the owner's compliance with the affordability requirements in RMC [3.38.120](#).

(B) Within 30 days of receipt of all materials required for a final certificate, the Director shall determine whether the completed work is consistent with the application and MFTE contract and is qualified for limited exemption under RCW [84.14.060](#), and which specific improvements completed meet the requirements of this chapter and the required findings of RCW [84.14.060](#), now or hereafter amended.

(C) If the director determines that the project has been completed in accordance with the MFTE contract between the City and owner, and with subsection A of this section, the City shall file a final certificate of tax exemption with the assessor within 10 days of the expiration of the 30-day period provided under subsection (B) of this section.

(D) The Director is authorized to cause to be recorded, or to require the owner to record, in the real property records of the King County Department of Records and Elections, the contract with the City required under Section (A), and such other document(s) as will identify such terms and conditions of eligibility for exemption under this chapter as the Director deems appropriate for recording, including requirements under this chapter relating to affordability of units.

(E) The Director shall notify the owner in writing that the City will not file a final certificate if the Director determines that the project was not completed within the required three-year period or any approved extension or was not completed in accordance with subsection (B) of this section; or if the Director determines that the owner's property is not otherwise qualified under this chapter; or if the owner and the Director cannot agree on the allocation of the value of the improvements allocated to the exempt portion of new construction and multiuse new construction.

(F) Within 30 days of the date of notice of denial of final certificate, the owner may file a notice of appeal with the City Clerk along with the appeal fee as established by resolution specifying the factual and legal basis for the appeal. The appeal shall be heard by the City’s hearing examiner pursuant to RMC [3.38.150](#). (Ord. 2892 § 3 (part), 2017).

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 as follows:

(1) In the Marymoor Residential Targeted Area.

(a) Length of Exemption. 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 required minimum number of units are affordable units as specified in Table 1.

(b) Table 1: Required Minimum Affordability Levels. Affordable Rents as indicated:

Table 1: Marymoor Residential Targeted Area

Length of Exemption	Number of Units	Affordability Level
8 years	First 10%	50% AMI
12 years	First 10%	60% AMI
	Second 10%	80% AMI

(2) In the Downtown and Overlake Village Residential Targeted Areas.

(a) Length of Exemption. 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 required minimum number of units are affordable units as specified in Table 2.

(b) Table 2. Required Minimum Affordability Levels. Affordable Rents as indicated:

Table 2: Downtown and Overlake Village Residential Targeted Areas

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Length of Exemption	Number of Units	Affordability Level
8 years	First 10%	60% AMI
12 years	First 10%	65% AMI
	Second 10%	85% AMI

(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 King County **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.

(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. (Ord. 2892 § 3 (part), 2017).

3.38.130 Annual certification.

(A) A property that receives a tax exemption under this chapter shall continue to comply with the contract and the requirements of this chapter in order to retain its property tax exemption.

(B) Within 30 days after the first anniversary of the date the City filed the final certificate of tax exemption and each year for the tax exemption period, the property owner shall file a certification with the Director, verified upon oath or affirmation, which shall contain such information as the Director may deem necessary or useful, and shall include the following information:

- (1) A statement of occupancy and vacancy of the multifamily units during the previous year;
- (2) A certification that the property has not changed use since the date of filing of the final certificate of tax exemption, and continues to be in compliance with the MFTE contract with the City and the requirements of this chapter;
- (3) A description of any improvements or changes to the property made after the filing of the final certificate or last declaration, as applicable;
- (4) Information demonstrating the owner's compliance with the affordability requirements of RMC [3.38.120](#);
- (5) The total monthly rent of each unit;
- (6) The income of each household at the time of initial occupancy and their current income;
- (7) The value of the tax exemption for the project; and
- (8) Any additional information requested by the City in regard to the units receiving a tax exemption (pursuant to meeting any reporting requirements under Chapter [84.14](#) RCW). (Ord. 2892 § 3 (part), 2017).

3.38.140 Cancellation of exemption.

(A) The Director may cancel the tax exemption if the property owner breaches any term of the MFTE contract or any part of this chapter. Reasons for cancellation include but are not limited to the following:

- (1) Failure to file the annual certification or filing a defective certification.
- (2) Violation of any applicable zoning requirements, land use regulations, or building and housing code requirements contained in RMC Titles [15](#) and 21. Timely and cooperative resolution of the violation(s) may serve as a mitigating factor in the Director's decision of whether to cancel the exemption.
- (3) Conversion of the multifamily housing to another use. The owner shall notify the Director and the county assessor within no less than 60 days of the intended change

in use. Upon such change in use, the tax exemption shall be canceled pursuant to this section.

(4) Noncompliance with RMC [3.38.120](#) for affordable units. In the event an affordable unit is rented to a household other than an eligible household, or at a rental rate greater than prescribed in the MFTE covenant referenced in RMC [3.38.060](#), the property tax exemption for the property shall be canceled pursuant to this section.

(B) Upon cancellation of the exemption for any reason, the property owner shall be immediately liable for all taxes, interest and penalties pursuant to law. Upon determining that a tax exemption shall be canceled, the Director shall notify the property owner by certified mail, return receipt requested. The property owner may appeal the determination by filing a notice of appeal with the City Clerk along with the appeal fee established by resolution within 30 days of the date of notice of cancellation, specifying the factual and legal basis for the appeal in writing. The appeal shall be heard by the hearing examiner pursuant to RMC [3.38.150](#).

(C) Failure to submit the annual declaration may result in cancellation of the tax exemption pursuant to this section. (Ord. 2892 § 3 (part), 2017).

[3.38.150 Appeals to hearing examiner.](#)

(A) Appeal. An owner aggrieved by the Director's denial of an application, final certification, or cancellation of an exemption under this chapter shall have the right to appeal to the hearing examiner. Any such appeal shall be in writing and shall be filed with the hearing examiner within 30 days of the Director's decision. The appeal shall specify the factual and legal basis on which the Director's decision is alleged to be erroneous. The appeal shall be accompanied by the applicable appeal fee established by resolution of the City Council. Failure to follow the appeal procedures in this section shall preclude the owner's right to appeal.

(B) The hearing examiner's procedures shall apply to hearings under this chapter to the extent they are consistent with the requirements of this chapter and Chapter [84.14](#) RCW. All affected parties may be heard and all competent evidence received by the hearing examiner. The hearing examiner shall give substantial weight to the Director's decision and the burden of overcoming the weight and proving that the Director's decision was not supported by substantial evidence or was clearly erroneous shall be on the appellant. The hearing examiner must affirm, modify, or overturn the decision of the Director based on the evidence received. The decision of the hearing examiner constitutes the final decision of the City. An aggrieved party may appeal the decision of the hearing examiner on a final certificate of exemption or cancellation thereof to superior court under RCW [34.05.510](#)

through [34.05.598](#) if the appeal is properly filed within 30 days of the date of the notification by the City to the appellant of the hearing examiner's decision.

(C) Merger. When an appeal under this chapter is associated with a land use permit application, the appeal will be heard with any appeal on the land use application as required under RZC 21.76.050. Any consolidated appeal will be processed in accordance with RZC 21.76.050(E)(6), provided, that processing the application using such procedures shall not make any decision on an appeal under this chapter a land use decision within the meaning of the Land Use Petition Act and the criteria used to decide any appeal under this chapter shall be the criteria set forth in this section. (Ord. 2892 § 3 (part), 2017).

3.38.160 Annual reporting.

(A) If the City issues tax exemption certificates pursuant to this chapter, the Director shall submit the report required by RCW [84.14.100](#) to the Department of Commerce by December 31st of each year.

(B) Annually, beginning in 2019, the Director or designee shall review the program established by this chapter and provide a report to the City Council describing development activity, types and numbers of units produced and their locations, rent, information regarding the number of low and moderate income households benefiting from the program, and other appropriate factors. These reports may include recommendations on whether any Residential Targeted Areas should be added or removed, feedback from owners who have MFTE contracts with the City and whether affordability limits should be changed in certain areas. The annual report shall be submitted to the City Council no later than March 30th of each year the program is in effect, starting in 2019; each report shall include information for the previous year. (Ord. 2892 § 3 (part), 2017).

3.38.170 Alternative compliance.

(A) While the goal of the multifamily property tax exemption program is to achieve affordable housing on-site, the Director may approve a request for satisfying all or part of the affordable housing requirements with alternative compliance methods proposed by the applicant, if they meet the intent of this section.

(B) The owner may propose one or more alternative compliance methods together with a request for a property tax exemption for a maximum of 8 years. The alternative compliance method may involve provision of affordable housing off-site or cash payment in lieu of providing affordable housing on-site provided the method is consistent with the criteria in (C). Cash payments in lieu of providing the actual housing units will be used only for the subsequent provision of affordable housing units by the City or other housing provider approved by the Director.

(C) Decision Criteria for the Director include and are not limited to the following:

(1) The alternative compliance method will achieve a result better than providing affordable housing on-site.

(2) The proposed off-site location for required affordable housing pursuant to the alternative compliance provision must locate in such a way that it achieves seamless integration of the affordable housing component into the overall project. Property that is immediately proximate to the project site will be considered by the Director as most closely achieving this criteria, though other properties may be considered if it can be demonstrated that the goal of dispersal of affordable housing throughout the City is achieved.

(3) The proposed alternative property for affordable housing units is under site control at the time of approval of the final certificate.

(4) Housing units provided through the alternative compliance method must be based on providing the same type and tenure of units as the units in the project that give rise to the requirement.

(5) In the case of cash payments in lieu of providing affordable housing on-site, the cash payment obligation and timing must be determined by the Director to be satisfactory to support achievement of the alternative compliance method.

(6) No individual property that receives off-site affordable housing units or payment in lieu may have more than 25 percent of its units as affordable housing units, unless the property will be utilizing public funding sources for affordable housing.

(7) The proposed alternative property for affordable housing is planned for completion within three years of approval of the final certificate. The Director may determine if a project's circumstances warrant allowing flexibility in the timing of completion of the affordable units.

(D) Timing. Application for and approval by the Director for alternative compliance must be made no later than the time of initial application for an 8 year multifamily property tax exemption, unless otherwise permitted by the Director.

(E) The MFTE contract between the applicant and the City in a case of alternative compliance shall modify the requirements of RMC [3.38.070](#) through [3.38.160](#) as appropriate to reflect the terms and conditions of the alternative compliance.

(F) Completion of payment of an in lieu fee, provision of affordable units off-site and/or satisfaction of other conditions required pursuant to an alternative compliance approval shall constitute full and complete satisfaction of the requirements of this RMC 3.38.

Following such satisfaction, the applicant shall have no further obligations under this RMC 3.38, except as otherwise set forth in the MFTE contract. (Ord. 2892 § 3 (part), 2017).

3.38.180 Conflicts.

(A) If a conflict exists between the provisions of this chapter or between this chapter and the laws, regulations, codes or rules promulgated by other authority having jurisdiction within the City, the requirement that best advances the purposes set forth in RMC [3.38.010](#) shall be applied, except when constrained by federal or state law, or where specifically provided otherwise in this chapter. (Ord. 2892 § 3 (part), 2017).

3.38.190 Severability.

(A) The provisions of this chapter are severable. If any provision of this chapter or its application to any person or circumstance is held invalid, the remainder of this chapter and its application are not affected and will remain in full force and effect. (Ord. 2892 § 3 (part), 2017).

Recommended Amendments to Code Portions

RZC 21.78 Definitions:

Area Median Income (AMI) (or King County Area Median Income, or Median Income). The median income for the Seattle-Bellevue, WA, HUD Metro Fair Market Rent (FMR) Area as most recently determined by the Secretary of Housing and Urban Development (the “Secretary”) under Section 8(f)(3) of the United States Housing Act of 1937, as amended. In the event that HUD no longer publishes median income figures for King County, the City may use or determine such other method as it may choose to determine the Area Median Income, adjusted for household size. Also referred to as the “King County Area Median Income” and “Median Income”.

King County Area Median Income. See Area Median Income.

Median Income. See Area Median Income. The median income for the Seattle MSA as most recently determined by the Secretary of Housing and Urban Development under Section 8(f)(3) of the United States Housing Act of 1937, as amended or if programs under said Section 8(f)(3) are terminated, median income determined under the method used by the Secretary prior to such termination. In the event that HUD no longer publishes median income figures for the Seattle MSA or King County, the City may use any other method for determining the King County median income, adjusted for household size.

21.08.170 Site Requirements for Residential Zones

E. Minimum Required Density.

1. Purpose. The purpose of minimum required density is to:
 - a. Help establish a consistent and compatible land use pattern in Redmond residential neighborhoods;
 - b. Provide for the efficient use of land;
 - c. Provide for the efficient use of public facilities and services; and
 - d. Reduce public nuisances that often result when undeveloped areas are urbanized.
2. Relationship to Allowed Density. While allowed density places an upper limit on the number of units that may be located on a site, the minimum required density establishes a lower

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limit. When taken together, the site calculations for allowed density and minimum required density create an upper and lower range that defines the number of units that may be built on a site, exclusive of accessory dwelling units. One important difference between allowed density and minimum required density is that allowed density is calculated using gross site area while minimum required density uses the net buildable area of a site.

3. Requirements. The minimum required number of dwelling units for a site is equal to the site’s net buildable area multiplied by the site’s allowed or “zoned” density and multiplied again by the minimum required density percentage. The net buildable area calculation is explained below in subsection D.4 of this section. The minimum required density percentage, as well as the allowed density, for each residential zone is shown in the zone use charts in RZC 21.08.020 through 21.08.140.
4. Net Buildable Area Calculation. Net buildable area, for the purpose of determining the minimum required number of dwelling units for a site, shall be calculated by subtracting areas where building is prohibited or subject to significant restrictions from the gross area of a site. The area remaining after these exclusions from the gross site area represents the net buildable area. The following exclusions from the gross site area, and only these exclusions, may be used in determining net buildable area:
 - a. Critical areas and shoreline areas where development is prohibited or restricted shall be excluded from the net buildable area. These critical areas and shoreline areas shall include: Landslide Hazard Areas; Category I through IV wetlands; Class I through IV streams; floodways; floodplains; critical areas buffers; the area waterward of the line of the ordinary high water mark on Lake Sammamish, regardless of the extent of ownership; lands required to be maintained in open space; and Native Growth Protection Areas.
 - b. Surface water retention areas that are dedicated or otherwise held in common shall also be excluded from the net buildable area.
 - c. Public rights-of-way, private streets and access corridors, parks and open space that are dedicated or otherwise held in common, and above-ground public facilities shall also be excluded from the net buildable area.
 - d. For example, where gross site area equals 87,120 square feet or two acres, the following calculation is made to determine net buildable area:

Calculating Net Buildable Area				
Example:				
Gross Site Area: 87,120 square feet	–	Critical Areas and buffers: 6,100 square feet	–	Public rights-of-way: 15,680 square feet = Net Buildable Area: 65,340 square feet (1.5 acres)

F.

1.

Refinement to RZC/RMC Terminology – Area Median Income

- e. In order to avoid the expense of technically assessing a site’s net buildable area, a builder/developer may elect to apply the minimum required density percentage to the gross area of the site instead of the net buildable area in order to determine the minimum required number of units.

F.

- 5. Minimum Required Density Calculation. The formula for determining a site’s minimum required number of dwelling units is shown below.

Calculating Minimum Required Density						
Net buildable area	x	Allowed density	x	Minimum required density percentage	=	Minimum required number of units
Example: Gross site area = 87,120 square feet (2 acres) Net buildable area = 65,340 square feet (1.5 acres) Allowed density = 6 units per acre Minimum required density percentage = 80 percent						
Net buildable area: 1.5 acres	x	Allowed density: 6 units per acre	x	Minimum required density percentage: 80 percent (0.8)	=	Minimum required number of units: 7 (rounded down from 7.2)
Required Unit Range for this Example: Maximum number of units allowed, excluding bonuses = 12 See allowed density calculation in RZC 21.08.170.C.3. Minimum required number of units = 7						

- 7. Applicability/Exceptions. Minimum required density applies to all new residential development with the following exceptions:
 - a. The construction of any new dwelling unit on an existing lot of record;
 - b. The renovation or conversion of existing dwelling units provided that such a renovation or conversion does not result in a reduction in the number of dwelling units to a number below the minimum required;
 - c. An existing legal lot, with one existing home, being divided into two lots;
 - d. New development where 60 percent or more of the new units provided would be affordable to households earning 50 percent or less of **area median income** ~~for the Seattle Metropolitan Statistical Area. See RZC 21.20, Affordable Housing.~~

F. **Minimum Average Lot Size.**

- 1. Purpose. The purpose of the average lot size requirement is to:
 - a. Allow for the development of consistent and compatible land use patterns throughout Redmond’s residential neighborhoods; and
 - b. Minimize public nuisances that may result from a lack of adequate open space and the overutilization of public facilities.
- 2. Requirements.

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- a. Explanation. The zone use charts in RZC 21.08.020 through 21.08.140 establish the minimum average lot size for each residential zone in Redmond. The average lot size of all lots created through the subdivision or short subdivision process must meet, at a minimum, this average lot size requirement. However, this requirement may be modified under the following circumstances:
 - i. Green Building and Green Infrastructure Program. The owner may participate in the Green Building and Green Infrastructure Incentive Program (see RZC 21.67), and create a lot or lots which do not meet the minimum average lot size for the underlying zone by meeting all program requirements; or
 - ii. Small Lot Short Plats. The owner of any lot in the Bear Creek, Education Hill, Idylwood, Southeast Redmond, or Overlake Residential Neighborhoods which is at least 200 percent of the required minimum average lot size in the underlying residential zone and which contains an existing detached dwelling unit may short subdivide the lot in order to create a separate fee simple lot which does not meet the minimum average lot size for the underlying zone if the dwelling unit to be constructed on the newly created lot meets all of the following requirements:
 - A. Only one detached dwelling unit shall be allowed on the lot.
 - B. The dwelling unit on the lot shall not exceed 1,000 square feet in total area, excluding any garage area. The dwelling unit and any garage shall not exceed 1,500 square feet in total area. A covenant shall be recorded against the title of the lot prohibiting expansion of the dwelling unit.
 - C. The dwelling unit on the lot must conform to all setback, lot coverage restrictions, and any other standards or regulations required of a detached dwelling unit in a residential zone.
 - D. The maximum height of any portion of the roof, except chimneys or cupolas shall not exceed 25 feet anywhere on the site.
 - E. Two off-street parking places are required. Parking spaces must be paved and may include private attached garages, carports, or other off-street areas reserved for vehicles. No detached garages are allowed.
 - F. The dwelling unit must be affordable to an individual or family that has an annual income that is 120 percent or less of the ~~annual~~ **area median income** defined in RZC 21.20 Affordable Housing.
- b. Limitations on Averaging.
 - i. No lot shall be created as a result of lot averaging that results in a lot size that is less than 50 percent of the average lot size standard. For example, with an average lot size of 7,000 square feet in an R-4 zone, no single lot in a proposed subdivision in this zone may be sized at less than 3,500 square feet. For short subdivisions where three or

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fewer lots are created, no lot shall be created that is less than 75 percent of the average lot size standard.

- ii. Critical areas and their associated buffers and shoreline areas (the area waterward of the line of the ordinary high water mark on Lake Sammamish) shall not be included in the average lot size determination for all residential zones.
 - iii. Nothing in this section shall be construed to allow for an increase in the allowed density as calculated in RZC 21.08.170.C.3 and as shown for all residential zones in the zone use charts in RZC 21.08.020 through 21.08.140.
- c. Areas of Lots with Access Corridor. The calculation of lot area shall not include any area of the lot that serves as an access corridor.

21.08.260 Attached Dwelling Units

7. Affordable Housing Exception. In order to meet the City's objective of providing opportunities for the ownership of affordable family-size housing the following exceptions to the requirements of RZC 21.20, *Affordable Housing*, and some other requirements specifically provided for in this section apply:
- a. Two-unit attached dwelling units where both units are made affordable to households earning 80 percent or less of ~~King County area~~ **median income** under the requirements specifically provided for in this section are allowed as part of a preliminary plat application for residential subdivisions of 10 units or more.
 - b. Two-unit attached dwelling units where both units meet the affordability requirements of this section shall not be subject to the density requirements set forth in the zone summary for the residential zone district, or the minimum lot size requirements of subsection C.1 of this section, but shall be subject to the minimum lot size requirements of the underlying zone as set forth in the zone use chart for the residential zone. (See RZC 21.08.020 through 21.08.140.) A covenant agreement as required by RZC 21.20.040 must be recorded for all two-unit attached dwelling units allowed under this section and meeting the affordability requirements of this section.

21.08.370 Retirement Residences

D. Requirements.

1. Age Restriction. The development shall be restricted to persons age 55 or older and handicapped persons as defined by federal law. At least half the total housing units shall be occupied by persons 55 years of age or older, except for spouses of such residents for whom there is no minimum age requirement.

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2. Conversion from a Retirement Residence. No conversion of occupancy to persons other than those specified by subsection C.1 shall be allowed without first complying with the underlying zoning and site requirements.
3. Density. The maximum number of retirement residence units shall not exceed the number permitted by the allowed density of the zone, except as follows:
 - a. In all residential zones which allow retirement residences, the maximum number of retirement residence units shall not exceed the number allowed for that zone in the zone use chart for the zone, together with any density bonus authorized under RZC 21.20.030, *Affordable Housing - General Requirements and Incentives*, or RZC 21.20.070, *Affordable Senior Housing*, except any facilities developing under subsection C.3.b of this section.
 - b. Retirement residences located in the R-4 through R-6 zones that provide some component of assisted living or skilled nursing care may be allowed an increase in density by up to three times the number of units permitted by the underlying zone provided each of the following conditions exists:
 - i. A minimum of 10 percent of the units are licensed for assisted living or skilled nursing care programs; however, no more than 25 percent of the units may be licensed for skilled nursing care.
 - ii. There is adequate water and sewer capacity to serve the proposed development, together with the water and sewer capacity existing to accommodate the planned growth for the service area(s) in which the property is located.
 - iii. Traffic generated by the retirement residence is not significantly greater than traffic generated in the surrounding residential neighborhoods. In addition, a traffic mitigation plan is required. The plan shall address traffic control, parking management (including the mitigation of overflow parking into the adjoining residential areas), and traffic movement to the arterial street system. In addition to on-site parking requirements, parking in excess of the maximum may be permitted on existing off-site satellite parking lots, subject to City approval of a joint use agreement. Off-site parking in a residential zone shall be limited to lots shared with existing institutional uses, such as schools.
 - iv. The project shall comply with all development standards for the zone in which the development is located, including height, setbacks, open space, lot coverage, and impervious surface requirements.
 - v. Landscape Requirements. Setback areas located adjacent to the side, street side, and rear property lines shall be landscaped to sufficiently screen the development from surrounding residential uses. Similar landscaping shall also be provided within the front setback areas when needed to screen parking. Where possible, existing mature vegetation shall be retained. The Design Review Board may allow reduced landscaping requirements for projects that exhibit exceptional site and architectural

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design qualities that reflect nearby neighborhood character. Such projects shall be well integrated with the surrounding neighborhood, including linkages to surrounding uses through pedestrian and vehicular connections. Alternative linkages may be proposed by those facilities where an enclosed facility is mandated by licensing requirements for the type of care offered at the retirement residence, such as Alzheimer’s or other dementia care facilities.

- vi. Retirement residence facilities developed under these provisions shall not be entitled to any other senior housing density bonuses, including those described in RZC 21.20.030.D. Affordable Housing or RZC 21.20.070.A. Affordable Senior Housing.
- vii. Availability. A minimum of 25 percent of the new units increased above the underlying zone as a result of this section shall be set-aside for households earning less than 80 percent of the **King County area Median Income**, adjusted for household size.
- viii. For existing developments that are expanding under these provisions, the set-aside units may be located either in the existing or new units, but shall be in addition to any set-aside units already provided in the existing facility.
- ix. The operator of the facility shall provide an annual report to the City providing information documenting compliance with the set-aside requirement. Facilities financed under Washington State Housing Finance Commission (WSHFC) programs may submit a copy of the annual report to WSHFC to satisfy this requirement.
- x. Set-aside units required by these regulations shall be administered according to the same requirements as used by the Washington State Housing Finance Commission (WSHFC) for similar type facilities, regardless of how a retirement residence developed under these provisions is financed.

[21.14.010 Neighborhood Commercial 1 \(NC-1\)](#)

D. Regulations Common to All Uses.

Table 21.14.010B Regulations Common to All Uses			
	Regulation	Standard	
Minimum	Lot Frontage (ft)	80	
	Setbacks (ft)		
	Front and Street	15	

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	Side and Rear	10	<p>D. As part of a binding site plan, site plan entitlement, or master planned development, required setbacks may be modified as follows:</p> <ol style="list-style-type: none"> 1. Side setback distances may be modified to permit a zero side setback to accommodate clustering 2. Front setbacks may be modified from private streets and access corridors, provided front setbacks are maintained from all public streets <p>Setbacks for structures abutting residential zones shall not be modified.</p> <p>E. Fences, landscaping, flagpoles, street furniture, transit shelters, and slope stability structures are permitted in setback areas, provided that all other applicable requirements are met; no other structures, and no accessory structures are allowed in setback areas.</p> <p>F. Projections or equipment. Attached or detached mechanical structures or equipment, including but not limited to, electrical equipment boxes, heat pumps, air conditioners, emergency generators, and water pumps are allowed in a street setback. However, mechanical structures or equipment are not allowed in a required setback abutting a residential zone. Where there is no alternative location and the equipment will generate no noise, electrical or utility equipment boxes may be located in a setback abutting a residential zone.</p>
	Landscaping	30 percent	<p>G. Parking lots shall include interior landscaping. All Neighborhood Commercial parking lots shall apply landscaping standards. Parking lots with less than 20 spaces shall apply landscaping standards for 20 to 150 spaces in RZC 21.32.070.B, General Requirements.</p> <p>H. Landscaped areas adjacent to front and side streets and pedestrian plazas shall be Type III, Low-Cover (RZC 21.32.080, Types of Planting).</p> <p>I. A minimum of seven percent of required landscaped areas shall be constructed as a public plaza or courtyard.</p> <p>J. The gross floor area of multi-seasonal, public plazas and courtyards that include a combination of seating, overhead cover from the elements, and heating may be multiplied by 1.50 for calculating required landscaping.</p> <p>K. Up to one-half of the required landscaped area may be at other levels if it is in a publicly accessible and usable common area.</p> <p>L. Required landscaping may include on-site stormwater management facilities such as runoff dispersion areas.</p>
Maximum	Impervious Surface Area	70 percent	
	Height (feet)	35	Maximum height in shoreline areas is 35 feet, except that structures, including bridges that support a regional light rail transit system may be higher than 35 feet but shall be no higher than is reasonably necessary to address the engineering, operational, environmental, and regulatory issues at the location of the structure. (SMP)
	FAR		
	Residential	0.30	

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	Commercial	0.30	<p>E. Residential use FAR is additive to the commercial use FAR. Base floor area ratio, in total, shall not exceed 0.60 FAR.</p> <p>F. Each commercial establishment shall not exceed 3,500 square feet gross floor area, unless otherwise specified.</p> <p>G. Commercial gross floor area may be increased to 5,000 square feet for each commercial establishment that provides and dedicates one or a combination of the following community gathering amenities at a minimum size of 200 square feet:</p> <ol style="list-style-type: none"> 1. Outdoor, multi-seasonal, public plaza or courtyard, RZC 21.60.030, Community Space. 2. Community meeting space. 3. Children's play space. <p>H. RZC 21.20, Affordable Housing, and RZC 21.67, Green Building and Green Infrastructure Incentive Program (GBP), incentives are additive to the residential portion of the development as follows:</p> <ol style="list-style-type: none"> 1. Bonus market-rate residential FAR is permitted as an incentive at a 1:1 ratio for residential FAR provided as affordable housing for a maximum density bonus of an additional 0.03 Residential FAR. For example: each 1,000 square feet of affordable housing at 80 percent or less of the King County area median income yields an additional 1,000 square feet of bonus market rate housing, up to a total 0.03 Residential FAR. 2. Green building is calculated based on the point system in RZC 21.67, Green Building and Green Infrastructure Incentive Program (GBP), and is calculated at 0.10 FAR bonus based on the respective technique and incentive. For example: 1-acre site x 0.30 Residential FAR = 13,068 Residential square feet x 0.10 Green FAR = 1,307 square feet
	Site Size (acreage)	1	<p>D. Commercial uses are permitted on sites up to one acre in size.</p> <p>E. Sites of more than one acre shall apply a lot line revision to establish no greater than one acre for the NC-1 zone.</p> <p>F. Critical areas and associated buffers are exempt from the lot line revision requirement. Additional acreage that is designated as a critical area or associated buffer may be retained and shall be designated as preserved.</p>
	Hours of Operation		<p>D. Sunday - No earlier than 7:00 a.m. and no later than 9:00 p.m.</p> <p>E. Monday through Thursday - No earlier than 6:00 a.m. and no later than 9:00 p.m.</p> <p>F. Friday and Saturday - No earlier than 7:00 a.m. and no later than 11:00 p.m.</p>
	Drive-through		<p>Drive-through facilities are prohibited with the exception of drive-up stands.</p>

[21.14.015 Neighborhood Commercial 2 \(NC-2\)](#)

D. Regulations Common to All Uses.

Refinement to RZC/RMC Terminology – Area Median Income

Table 21.14.015B Regulations Common to All Uses			
	Regulation	Standard	
Minimum	Setbacks (ft)		
	Front and Street	15	<p>B. As part of a binding site plan, site plan entitlement, or master planned development, required setbacks may be modified as follows:</p> <ol style="list-style-type: none"> 1. Side setback distances may be modified to permit a zero side setback to accommodate clustering. 2. Front setbacks may be modified from private streets and access corridors, provided front setbacks are maintained from all public streets <p>Setbacks for structures abutting residential zones shall not be modified.</p> <p>D. Fences, landscaping, flagpoles, street furniture, transit shelters and slope stability structures are permitted in setback areas, provided that all other applicable requirements are met; no other structures, and no accessory structures are allowed in setback areas.</p> <p>E. Projections or equipment. Attached or detached mechanical structures or equipment, including but not limited to, electrical equipment boxes, heat pumps, air conditioners, emergency generators, and water pumps are allowed in a street setback. However, mechanical structures or equipment are not allowed in a required setback abutting a residential zone. Where there is no alternative location and the equipment will generate no noise, electrical or utility equipment boxes may be located in a setback abutting a residential zone.</p>
	Side and Rear	10	
	Landscaping	25 percent	<p>G. Parking lots shall include interior landscaping. All Neighborhood Commercial parking lots shall apply landscaping standards. Parking lots with less than 20 spaces shall apply landscaping standards for 20 to 150 spaces in RZC 21.32.070.B, General Requirements.</p> <p>H. Landscaped areas adjacent to front and side streets and pedestrian plazas shall be Type III, Low Cover (RZC 21.32.080, Types of Planting).</p> <p>I. A minimum of seven percent of required landscaped areas shall be constructed as a public plaza or courtyard.</p> <p>J. The gross floor area of multi-seasonal, public plazas and courtyards that include a combination of seating, overhead cover from the elements, and heating may be multiplied by 1.50 for calculating required landscaping.</p> <p>K. Up to one-half of the required landscaped area may be at other levels if it is in a publicly accessible and usable common area.</p> <p>L. Required landscaping may include on-site stormwater management facilities such as runoff dispersion areas.</p>
Maximum	Impervious Surface Area	70 percent	

Refinement to RZC/RMC Terminology – Area Median Income

Height (feet)	35	Maximum height in shoreline areas is 35 feet, except that structures, including bridges, that support a regional light rail transit system may be higher than 35 feet but shall be no higher than is reasonably necessary to address the engineering, operational, environmental, and regulatory issues at the location of the structure. (SMP)
FAR		
Commercial	0.30	F. Base floor area ratio, in total, shall not exceed 0.60 FAR. G. Each commercial establishment shall not exceed 5,000 square feet gross floor area, unless otherwise specified.
Residential	0.30	H. A commercial use that provides and dedicates the following may increase their commercial floor area ratio as specified: 1. Community Gathering amenities, a maximum increase of 0.05 FAR, by dedicating a combination of at least two of the following at no less than eight percent of the final gross floor area: a. Outdoor, multi-seasonal, public plaza or courtyard as defined below, refer to landscaping section. b. Community meeting space. c. Children's play space. 2. Open Space, a maximum increase of 0.05 FAR, by dedicating no less than 40 percent of the original lot area as open space. Critical areas apply toward the 40 percent. I. Residential use FAR is additive to the commercial use FAR. J. RZC 21.20, Affordable Housing , and RZC 21.67, Green Building and Green Infrastructure Incentive Program , incentives are additive to the residential portion of the site as follows: 1. Bonus market-rate residential FAR is permitted as an incentive at a 1:1 ratio for residential FAR provided as affordable housing for a maximum density bonus of an additional 0.05 Residential FAR. For example: each 1,000 square feet of affordable housing at 80 percent or less of the King County area median income yields an additional 1,000 square feet of bonus market rate housing, up to a total 0.05 Residential FAR. 2. Green building is calculated based on the point system in RZC 21.67, Green Building and Green Infrastructure Incentive Program , and is calculated at 0.05 FAR bonus based on the respective technique and incentive. For example: 3-acre site x 0.30 Residential FAR = 39,204 Residential square feet x 0.05 Green FAR = 1,960 square feet.
Site Size (acreage)	3	D. Commercial uses are permitted on sites of up to three acres in size. E. Sites of more than three acres shall apply a lot line revision to establish no greater than three acres for the NC-2 zone. F. Critical areas and associated buffers are exempt from the lot line revision requirement. Additional acreage that is designated as a critical area or associated buffer may be retained and shall be designated as preserved.

Refinement to RZC/RMC Terminology – Area Median Income

	Hours of Operation		<p>E. Sunday - No earlier than 5:00 a.m. and no later than 10:00 p.m.</p> <p>F. Monday through Thursday - No earlier than 5:00 a.m. and no later than 10:00 p.m.</p> <p>G. Friday and Saturday - No earlier than 5:00 a.m. and no later than 11:00 p.m.</p> <p>H. Hours of operation may be further limited if residential uses are located in same structure.</p>
	Drive-through		Drive-through facilities are prohibited with the exception of drive-up stands.

[21.20.060 Supplemental Requirements](#)

E. Willows/Rose Hill Neighborhood.

1. As provided for in Comprehensive Plan policy N-WR-E-7, the allowed density shall be seven units per acre for a demonstration project in which at least 20 percent of the total dwelling units are affordable. Other bonuses allowed by the RZC may be used in addition to this bonus.
2. Consistent with Comprehensive Plan policy HO-38, new development in the Northwest Design District shall provide affordable housing as follows:
 - a. At least 10 percent of new dwelling units that are ground-oriented containing exterior ground level access to the outside with one or more shared walls and without any unit located over another unit must be affordable to a household having an annual income of 80 percent of the **area median income**, adjusted for household size.
 - b. At least 10 percent of new dwelling units within a multifamily or mixed use structure and which are not ground-oriented, as described above, must be affordable to a household having an annual income of 70 percent of the **area median income**, adjusted for household size.
 - c. The provisions of RZC 21.20.030.C, D, E, and H shall not apply in the Northwest Design District.

F. Southeast Redmond Neighborhood.

1. Consistent with policy HO-38 and N-SE-22, properties rezoned from GC or R-12 to R-30 as part of the Southeast Redmond Neighborhood Plan Update (Ord. 2753) shall be required to provide 10% of units in developments of 10 units or more as low-cost affordable housing units. The bonus provisions of RZC 21.20.030.E shall apply.
2. Marymoor Design District.
 - a. MDD3 Zone
 - i. At least 10 percent of the units in new housing developments of 10 units or more must be affordable units.

Refinement to RZC/RMC Terminology – Area Median Income

- ii. Pursuant to RZC 21.20.030.H, the bonus for required affordable housing is an additional FAR of .09 above the base FAR. No other density bonuses shall be given for affordable housing.
- b. Other Zones in the Marymoor Design District.
 - i. At least 10 percent of the units in new owner-occupied housing developments of 10 units or more must be affordable to a household having an annual income of 70 percent of the **area median income**, adjusted for household size.
 - ii. At least 10 percent of the units in the new renter-occupied housing developments of 10 units or more must be low-cost affordable units.
 - iii. The provisions of RZC 21.20.030.C, D, E, and H shall not apply.

G. Education Hill Neighborhood.

1. Consistent with policies HO-38 and N-EH-15, properties rezoned from R-5 to R-18 shall be required to provide 10% of units as affordable housing units if eight or fewer homes are developed. If more than eight homes are developed, 10% of units shall be low-cost affordable units. The bonus provisions of RZC 21.20.030.E shall not apply. (Ord. 2785)

H. Urban Centers.

1. In portions of Overlake where density limits are expressed as a Floor Area Ratio, the bonus above the maximum residential FAR expressed in RZC 21.12, *Overlake Regulations*, is two times the equivalent floor area for each affordable unit provided. The bonus residential floor area may be used to increase **building** height by up to one **story** above the base standards shown in RZC 21.12, *Overlake Regulations*. The bonuses granted under this provision are in addition to any bonuses granted for senior housing under RZC 21.20.070, *Affordable Senior Housing*.
2. Downtown. Development in Downtown will receive a square footage density credit equal to the square footage of the affordable housing units provided on-site, or the square footage of the affordable housing units provided off-site pursuant to RZC 21.20.050, *Alternative Compliance Methods*. This square footage credit can be converted to TDRs pursuant to RZC 21.48.010.G, *Affordable Housing Bonus*. The bonus is subject to the limitations of RZC 21.10.110.B, *Downtown Height Limit Overlay*.

[Affordable Housing Unit](#) Housing reserved for occupancy by eligible households and affordable to households whose annual income does not exceed eighty percent of **area median income**, adjusted for household size, and no more than thirty percent of the monthly household income is paid for monthly housing expenses. (Housing expenses for ownership housing include mortgage and mortgage insurance, property taxes, property insurance, and homeowner dues. Housing expenses for rental housing include rent and appropriate utility allowance.)

[Low-Cost Affordable Housing Unit](#)

Refinement to RZC/RMC Terminology – Area Median Income

Housing reserved for occupancy by eligible households and affordable to households whose annual income does not exceed 50 percent of ~~area median income~~, adjusted for household size, and no more than 30 percent of the monthly household income is paid for monthly housing expenses. (Housing expenses for ownership housing includes mortgage and mortgage insurance, property taxes, property insurance, and homeowners dues. Housing expenses for rental housing includes rent and appropriate utility allowance.)

Low-Income and Moderate-Income Housing

Housing affordable under federal standards to households with annual incomes at or below 80 percent of the ~~county area~~ ~~median income~~.

Refinement to RZC/RMC Terminology – Area Median Income

Redmond Municipal Code

[Chapter 3.38 MULTIFAMILY HOUSING PROPERTY TAX EXEMPTION](#)

3.38.010 Purpose.

(A) The purposes of this chapter are:

- (1) To increase the supply of multifamily housing opportunities within the City for low and moderate income households;
- (2) To promote community development and affordable housing in the City within Residential Targeted Areas;
- (3) To encourage additional housing in certain areas to support investment in public transit projects; and
- (4) To accomplish the planning goals required under the Growth Management Act, Chapter [36.70A](#) RCW, as implemented by the city's comprehensive plan.

(B) Any one or a combination of these purposes may be furthered by the designation of a Residential Targeted Area under this chapter. (Ord. 2892 § 3 (part), 2017).

3.38.020 Authority.

(A) Purpose. This chapter is adopted under the authority of RCW [84.14](#) which provides for special valuations for eligible improvements associated with multifamily housing in designated Residential Targeted Areas to improve residential opportunities including affordable housing. The purpose of this section is to define the responsibilities, rules, procedures, and requirements for the interpretation of this chapter. (Ord. 2892 § 3 (part), 2017).

3.38.030 Definitions.

(A) The following definitions are specific to this chapter and shall have the following meanings:

- “Affordable housing unit” means a dwelling unit as defined in the Redmond Zoning Code that is reserved for occupancy by eligible households and rented at an affordable rent.
- “Affordable rent” means that the annual rent and other required expenses for the unit do not exceed 30 percent of the percentage of the applicable **area median income** adjusted for household size designated in RMC [3.38.120](#) for qualifying affordable units.
- “Assessor” means the King County assessor.

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- “Director” means the director of the city’s Department of Planning and Community Development, or his or her authorized designee.
- “Eligible household” means one or more adults and their dependents who, as set forth in the regulatory agreement referenced in RMC [3.38.060\(F\)](#), certify that their household annual income does not exceed the applicable percent of the [KING COUNTY] **area median income**, adjusted for household size, and who certify that they meet all qualifications for eligibility, including, if applicable, any requirements for recertification on income eligibility.
- “Household annual income” means the aggregate annual income of all persons over 18 years of age residing within the same household for a period of at least four months.
- “[KING COUNTY] **Area median income**” means the **median income** for the Seattle-Bellevue, WA, HUD Metro **Fair Market Rent (FMR)** Area as most recently determined by the Secretary of Housing and Urban Development (the “Secretary”) under Section 8(f)(3) of the United States Housing Act of 1937, as amended. In the event that HUD no longer publishes **median income** figures for King County, the City may use or determine such other method as it may choose to determine the [KING COUNTY] **area median income**, adjusted for household size. **Also referred to as the “King County Area Median Income” and “Median Income”.**
- “MFTE” means multifamily housing property tax exemption.
- “MFTE contract” means the agreement between the property owner and the City regarding the terms and conditions of the project and eligibility for exemption under this chapter.
- “MFTE covenant” means the agreement that is in a form acceptable to the City Attorney that addresses price restrictions, eligible household qualifications, long-term affordability, and any other applicable topics of the affordable housing units as referenced in RMC [3.38.060](#).
- “Multifamily housing” means a structure per RZC 21.78, Definitions, designed for permanent residential occupancy resulting from new construction.
- “Owner” means the property owner of record.
- “Permanent residential occupancy” means multifamily housing that provides rental occupancy for a period of at least one month, and excludes transient lodging.

Refinement to RZC/RMC Terminology – Area Median Income

- “Project” means the multifamily housing or portion of the multifamily housing that is to receive the tax exemption.
- “Residential targeted area” means an area within an urban center as defined by Chapter [84.14](#) RCW that the City has so designated by the City Council pursuant to this chapter. (Ord. 2892 § 3 (part), 2017).

3.38.040 Director’s authority.

(A) General Authority. The Director of the Department of Planning and Community Development is charged with the administration and enforcement of the provisions of this chapter.

(B) Recording. The Director is authorized to cause to be recorded, or to require the owner to record, in the real property records of the King County Department of Records and Elections, the MFTE covenant with the City required under RMC [3.38.060](#), and such other document(s) as will identify such terms and conditions of eligibility for exemption under this chapter as the Director deems appropriate for recording, including requirements under this chapter relating to affordability of units.

(C) Power to Correct Errors. The Director may amend an administrative decision to correct errors clearly identifiable from the public record. Such a correction does not affect any time limit provided for in this chapter.

(D) Power to Clarify. The Director may clarify a statement in a written administrative decision.

(E) Power to Adopt Procedures. The Director may develop, adopt, and carry out procedures as needed to implement this code.

(F) Power to Modify Fees. The Director is also delegated authority to modify fees for the MFTE application and other related procedures in order to cover the costs incurred by the City and the Assessor in administering this chapter; provided, that the increase shall not exceed the most recently published Consumer Price Index (CPI) – Wage Earners and Clerical Workers for the Seattle-Tacoma area, as published by the U.S. Department of Labor – Bureau of Labor Statistics. If an increase greater than the CPI is necessary to cover the City’s costs, the Director shall submit the increase to the City Council for approval.

(G) Interpretation.

(1) Responsibility. The Director of the City’s Department of Planning and Community Development or his/her designee shall be responsible for interpreting the provisions of this chapter, except where expressly provided otherwise.

(2) Request for Interpretation. Any interested person may apply for an interpretation of this chapter where this chapter, or its application to specific circumstances, is ambiguous, i.e., where this chapter is susceptible to two or more reasonable interpretations. Applications for administrative interpretation of this chapter shall be processed using the same procedures as are set forth for Type I reviews in the Redmond Zoning Code 21.76, Review Procedures, and shall be subject to the same criteria. Interpretations of this chapter shall not be considered land use decisions, however, and shall not be subject to appeal to the superior court under the Land Use Petition Act (“LUPA”). (Ord. 2892 § 3 (part), 2017).

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.

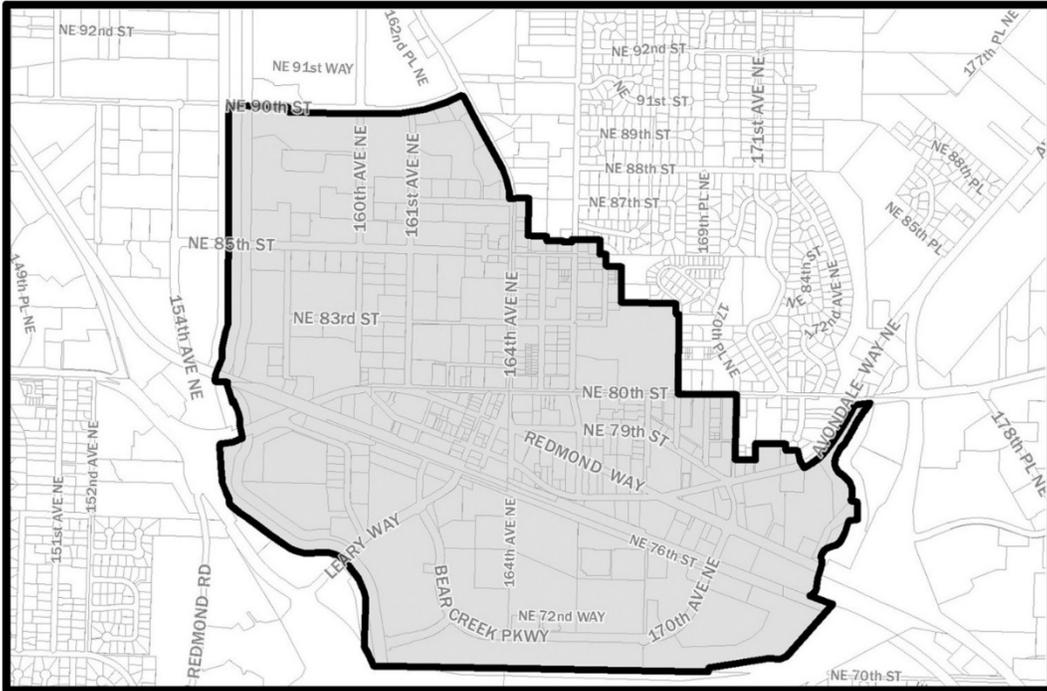
(D) The following areas, as shown in Maps 1 through 3 in this section, meet the criteria of this chapter for Residential Targeted Areas and are designated as such:

(1) Downtown;

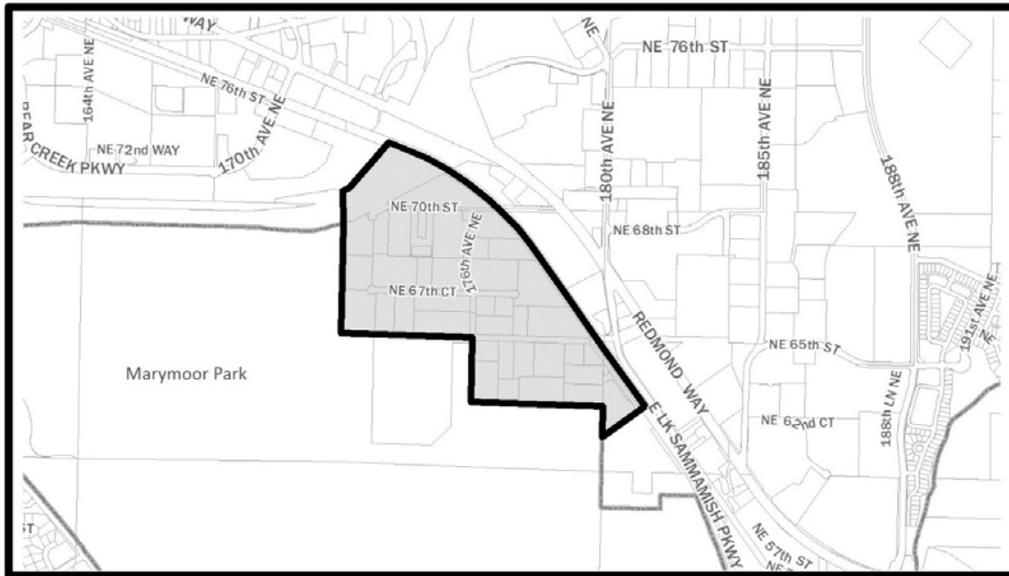
(2) Overlake Village; and

(3) Marymoor.

Map 1: Downtown



Map 3: Marymoor



Marymoor Residential Targeted Area

(E) If a part of any legal lot is within a residential targeted area as shown in Maps 1 through 3 in this section, then the entire lot shall be deemed to lie within such Residential Targeted Area. (Ord. 2892 § 3 (part), 2017).

3.38.060 Project eligibility.

To be eligible for exemption from property taxation under this chapter, the property shall satisfy all of the following requirements:

- (A) The property must be located in a Residential Targeted Area.
- (B) The project must be construction of new multifamily rental housing consisting within a residential structure or as part of a mixed use development, in which at least 50 percent of the space within such residential structure or mixed use development is intended for permanent residential occupancy.
- (C) A minimum of 10 new dwelling units must be created.
- (D) No application may result in the net loss of existing affordable housing which receives housing assistance through federal low or moderate income housing programs (e.g., HUD Section 8 program).
- (E) Affordable housing shall be provided in the project as described in RMC [3.38.120](#) or through an alternative compliance method as described in RMC [3.38.170](#).

(F) Prior to issuing a certificate of occupancy, a MFTE covenant in a form acceptable to the City Attorney that addresses price restrictions, eligible household qualifications, long-term affordability, and any other applicable topics of the affordable housing units shall be recorded with the King County Department of Records and Elections. This MFTE covenant shall be a covenant running with the land and shall be binding on the assigns, heirs and successors of the owner. Affordable units that are provided under this section shall remain as affordable housing for the life of the project from the date of initial occupancy.

(G) The mix and configuration of housing units (e.g., very small units, studio, one-bedroom, two-bedroom, etc.) used to meet the requirement for affordable units under RMC [3.38.120](#) shall be substantially proportional to the mix and configuration of the total housing units in the project unless otherwise approved by the Director. The exterior materials and design of the affordable housing units must be comparable with the other dwelling units in the development, with similarity in building finishes, rooflines and landscaping. The interior finish and quality of construction of the affordable units shall at a minimum be comparable to entry level rental housing in the City.

(H) The project shall comply with all applicable provisions of the Redmond Zoning Code and the Redmond Municipal Code.

(I) Construction of new multifamily housing must be completed within three years from the date of approval of the application, as described in RMC [3.38.080](#), or within an extension authorized under this chapter. (Ord. 2892 § 3 (part), 2017).

3.38.070 Application procedure and fee.

(A) Application Procedure. The owner of property applying for exemption under this chapter shall submit an application to the Director, on a form established by the Director. The owner shall verify the application by oath or affirmation. The application shall contain such information as the Director may deem necessary or useful, and shall include but not be limited to:

- (1) A brief written description of the project, including phasing if applicable, and preliminary schematic site and floor plans of the multifamily units and the structure(s) in which they are proposed to be located;
- (2) A statement from the owner acknowledging the potential tax liability when the property ceases to be eligible for exemption under this chapter; and
- (3) Information describing how the owner will comply with the affordability requirements in RMC [3.38.120](#).

(B) Fee.

(1) At the time of application under this section, the owner shall pay to the City an initial application fee as established by resolution. In addition, at the time of application under this section, the owner shall pay to the city a fee in an amount necessary to cover the county assessor's administrative costs.

(2) If the Director approves the application pursuant to RMC [3.38.110](#), the City shall forward the fee for the county assessor's administrative costs to the county assessor. If the Director denies the application pursuant to RMC [3.38.110](#)(E), the City shall refund the fee for the assessor's administrative costs to the owner within 30 days of the Director's decision, or in the event the owner appeals the Director's decision, within 30 days of the final decision of any appeal pursuant to the provisions of RMC [3.38.150](#).

(C) Notice of Completeness. The director shall notify the owner within 30 days of the application being filed if the Director determines that an application is not complete and shall identify what additional information is required before the application will be complete. Within 14 days of receiving additional information, the Director shall notify the owner in writing if the Director determines that the application is still not complete, and what additional information is necessary. An application shall be deemed to be complete if the Director does not notify the owner in writing by the deadline in this section that the application is incomplete; however, a determination of completeness does not preclude the Director from requiring additional information during the review process if more information is needed to evaluate the application according to the criteria in this chapter.

(D) Deadline. The deadline for application generally shall be any time before the date the first building permit is issued for the multifamily housing structure. The Director may determine if a project's circumstances warrant allowing flexibility in the timing of application submittal. (Ord. 2892 § 3 (part), 2017).

3.38.080 Application review – Issuance of conditional certificate – Denial – Appeal.

(A) The Director shall approve an application for tax exemption if the Director determines the project meets the eligibility requirements in RMC [3.38.060](#). If the application fails to meet the requirements of RMC [3.38.060](#) the Director must deny the application. If the application is approved, the owner shall enter into a MFTE contract with the City regarding the terms and conditions of the project and eligibility for exemption under this chapter. The Director's approval or denial shall take place within 90 days of the Director's receipt of the completed application. Following execution of the MFTE contract by the owner and the City, the Director shall issue a conditional certificate of acceptance of tax exemption. The conditional certificate shall expire three years from the date of approval unless an extension is granted as provided in this chapter.

(B) If the application is denied, the Director shall state in writing the reasons for the denial and send notice of denial to the owner's last known address within ten calendar days of the denial.

(C) An owner may appeal the Director's denial in accordance with the provisions of RMC [3.38.150](#). (Ord. 2892 § 3 (part), 2017).

3.38.090 Amendment of MFTE contract.

(A) An owner may seek amendment(s) to the MFTE contract between the owner and the City by submitting a request in writing to the Director at any time prior to receiving the final certificate of tax exemption ("final certificate").

(B) The Director shall have authority to approve amendments to the MFTE contract between the owner and the City that are reasonably within the scope and intent of the MFTE contract.

(C) Any owner seeking amendments to the approved MFTE contract shall pay to the City an amendment application fee as established by the resolution.

(D) The date for expiration of the conditional certificate shall not be extended by contract amendment unless all the conditions for extension set forth in RMC [3.38.100](#) are met. (Ord. 2892 § 3 (part), 2017).

3.38.100 Extension of conditional certificate.

(A) The Director may extend the conditional certificate for a period not to exceed 24 consecutive months. The owner shall submit a written request stating the grounds for the extension together with a fee as established by the Director. The Director may grant an extension if the Director determines that:

- (1) The anticipated failure to complete construction within the required time period is due to circumstances beyond the control of the owner;
- (2) The owner has been acting and could reasonably be expected to continue to act in good faith and with due diligence; and
- (3) All the conditions of the original MFTE contract between the owner and the City will be satisfied upon completion of the project. (Ord. 2892 § 3 (part), 2017).

3.38.110 Final certificate – Application – Issuance – Denial and appeal.

(A) Upon completion of construction as provided in the MFTE contract between the owner and the City, and upon issuance of a certificate of occupancy, the owner may request a final certificate of tax exemption. The owner shall file with the Director such information as

the Director may deem necessary or useful to evaluate eligibility for the final certificate, and shall include:

- (1) A statement of expenditures made with respect to each multifamily housing unit, including phasing if applicable, and the total expenditures made with respect to the entire property;
- (2) A description of the completed work and a statement of qualification for the exemption;
- (3) A statement that the work was completed within the required three-year period or any approved extension; and
- (4) Information on the owner's compliance with the affordability requirements in RMC [3.38.120](#).

(B) Within 30 days of receipt of all materials required for a final certificate, the Director shall determine whether the completed work is consistent with the application and MFTE contract and is qualified for limited exemption under RCW [84.14.060](#), and which specific improvements completed meet the requirements of this chapter and the required findings of RCW [84.14.060](#), now or hereafter amended.

(C) If the director determines that the project has been completed in accordance with the MFTE contract between the City and owner, and with subsection A of this section, the City shall file a final certificate of tax exemption with the assessor within 10 days of the expiration of the 30-day period provided under subsection (B) of this section.

(D) The Director is authorized to cause to be recorded, or to require the owner to record, in the real property records of the King County Department of Records and Elections, the contract with the City required under Section (A), and such other document(s) as will identify such terms and conditions of eligibility for exemption under this chapter as the Director deems appropriate for recording, including requirements under this chapter relating to affordability of units.

(E) The Director shall notify the owner in writing that the City will not file a final certificate if the Director determines that the project was not completed within the required three-year period or any approved extension or was not completed in accordance with subsection (B) of this section; or if the Director determines that the owner's property is not otherwise qualified under this chapter; or if the owner and the Director cannot agree on the allocation of the value of the improvements allocated to the exempt portion of new construction and multiuse new construction.

(F) Within 30 days of the date of notice of denial of final certificate, the owner may file a notice of appeal with the City Clerk along with the appeal fee as established by resolution specifying the factual and legal basis for the appeal. The appeal shall be heard by the City’s hearing examiner pursuant to RMC [3.38.150](#). (Ord. 2892 § 3 (part), 2017).

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 as follows:

(1) In the Marymoor Residential Targeted Area.

(a) Length of Exemption. 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 required minimum number of units are affordable units as specified in Table 1.

(b) Table 1: Required Minimum Affordability Levels. Affordable Rents as indicated:

Table 1: Marymoor Residential Targeted Area

Length of Exemption	Number of Units	Affordability Level
8 years	First 10%	50% AMI
12 years	First 10%	60% AMI
	Second 10%	80% AMI

(2) In the Downtown and Overlake Village Residential Targeted Areas.

(a) Length of Exemption. 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 required minimum number of units are affordable units as specified in Table 2.

(b) Table 2. Required Minimum Affordability Levels. Affordable Rents as indicated:

Table 2: Downtown and Overlake Village Residential Targeted Areas

Refinement to RZC/RMC Terminology – Area Median Income

Length of Exemption	Number of Units	Affordability Level
8 years	First 10%	60% AMI
12 years	First 10%	65% AMI
	Second 10%	85% AMI

(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 ~~[KING COUNTY]~~ **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.

(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. (Ord. 2892 § 3 (part), 2017).

3.38.130 Annual certification.

(A) A property that receives a tax exemption under this chapter shall continue to comply with the contract and the requirements of this chapter in order to retain its property tax exemption.

(B) Within 30 days after the first anniversary of the date the City filed the final certificate of tax exemption and each year for the tax exemption period, the property owner shall file a certification with the Director, verified upon oath or affirmation, which shall contain such information as the Director may deem necessary or useful, and shall include the following information:

- (1) A statement of occupancy and vacancy of the multifamily units during the previous year;
- (2) A certification that the property has not changed use since the date of filing of the final certificate of tax exemption, and continues to be in compliance with the MFTE contract with the City and the requirements of this chapter;
- (3) A description of any improvements or changes to the property made after the filing of the final certificate or last declaration, as applicable;
- (4) Information demonstrating the owner's compliance with the affordability requirements of RMC [3.38.120](#);
- (5) The total monthly rent of each unit;
- (6) The income of each household at the time of initial occupancy and their current income;
- (7) The value of the tax exemption for the project; and
- (8) Any additional information requested by the City in regard to the units receiving a tax exemption (pursuant to meeting any reporting requirements under Chapter [84.14](#) RCW). (Ord. 2892 § 3 (part), 2017).

3.38.140 Cancellation of exemption.

(A) The Director may cancel the tax exemption if the property owner breaches any term of the MFTE contract or any part of this chapter. Reasons for cancellation include but are not limited to the following:

- (1) Failure to file the annual certification or filing a defective certification.
- (2) Violation of any applicable zoning requirements, land use regulations, or building and housing code requirements contained in RMC Titles [15](#) and 21. Timely and cooperative resolution of the violation(s) may serve as a mitigating factor in the Director's decision of whether to cancel the exemption.
- (3) Conversion of the multifamily housing to another use. The owner shall notify the Director and the county assessor within no less than 60 days of the intended change

in use. Upon such change in use, the tax exemption shall be canceled pursuant to this section.

(4) Noncompliance with RMC [3.38.120](#) for affordable units. In the event an affordable unit is rented to a household other than an eligible household, or at a rental rate greater than prescribed in the MFTE covenant referenced in RMC [3.38.060](#), the property tax exemption for the property shall be canceled pursuant to this section.

(B) Upon cancellation of the exemption for any reason, the property owner shall be immediately liable for all taxes, interest and penalties pursuant to law. Upon determining that a tax exemption shall be canceled, the Director shall notify the property owner by certified mail, return receipt requested. The property owner may appeal the determination by filing a notice of appeal with the City Clerk along with the appeal fee established by resolution within 30 days of the date of notice of cancellation, specifying the factual and legal basis for the appeal in writing. The appeal shall be heard by the hearing examiner pursuant to RMC [3.38.150](#).

(C) Failure to submit the annual declaration may result in cancellation of the tax exemption pursuant to this section. (Ord. 2892 § 3 (part), 2017).

3.38.150 Appeals to hearing examiner.

(A) Appeal. An owner aggrieved by the Director's denial of an application, final certification, or cancellation of an exemption under this chapter shall have the right to appeal to the hearing examiner. Any such appeal shall be in writing and shall be filed with the hearing examiner within 30 days of the Director's decision. The appeal shall specify the factual and legal basis on which the Director's decision is alleged to be erroneous. The appeal shall be accompanied by the applicable appeal fee established by resolution of the City Council. Failure to follow the appeal procedures in this section shall preclude the owner's right to appeal.

(B) The hearing examiner's procedures shall apply to hearings under this chapter to the extent they are consistent with the requirements of this chapter and Chapter [84.14](#) RCW. All affected parties may be heard and all competent evidence received by the hearing examiner. The hearing examiner shall give substantial weight to the Director's decision and the burden of overcoming the weight and proving that the Director's decision was not supported by substantial evidence or was clearly erroneous shall be on the appellant. The hearing examiner must affirm, modify, or overturn the decision of the Director based on the evidence received. The decision of the hearing examiner constitutes the final decision of the City. An aggrieved party may appeal the decision of the hearing examiner on a final certificate of exemption or cancellation thereof to superior court under RCW [34.05.510](#)

through [34.05.598](#) if the appeal is properly filed within 30 days of the date of the notification by the City to the appellant of the hearing examiner's decision.

(C) Merger. When an appeal under this chapter is associated with a land use permit application, the appeal will be heard with any appeal on the land use application as required under RZC 21.76.050. Any consolidated appeal will be processed in accordance with RZC 21.76.050(E)(6), provided, that processing the application using such procedures shall not make any decision on an appeal under this chapter a land use decision within the meaning of the Land Use Petition Act and the criteria used to decide any appeal under this chapter shall be the criteria set forth in this section. (Ord. 2892 § 3 (part), 2017).

3.38.160 Annual reporting.

(A) If the City issues tax exemption certificates pursuant to this chapter, the Director shall submit the report required by RCW [84.14.100](#) to the Department of Commerce by December 31st of each year.

(B) Annually, beginning in 2019, the Director or designee shall review the program established by this chapter and provide a report to the City Council describing development activity, types and numbers of units produced and their locations, rent, information regarding the number of low and moderate income households benefiting from the program, and other appropriate factors. These reports may include recommendations on whether any Residential Targeted Areas should be added or removed, feedback from owners who have MFTE contracts with the City and whether affordability limits should be changed in certain areas. The annual report shall be submitted to the City Council no later than March 30th of each year the program is in effect, starting in 2019; each report shall include information for the previous year. (Ord. 2892 § 3 (part), 2017).

3.38.170 Alternative compliance.

(A) While the goal of the multifamily property tax exemption program is to achieve affordable housing on-site, the Director may approve a request for satisfying all or part of the affordable housing requirements with alternative compliance methods proposed by the applicant, if they meet the intent of this section.

(B) The owner may propose one or more alternative compliance methods together with a request for a property tax exemption for a maximum of 8 years. The alternative compliance method may involve provision of affordable housing off-site or cash payment in lieu of providing affordable housing on-site provided the method is consistent with the criteria in (C). Cash payments in lieu of providing the actual housing units will be used only for the subsequent provision of affordable housing units by the City or other housing provider approved by the Director.

(C) Decision Criteria for the Director include and are not limited to the following:

- (1) The alternative compliance method will achieve a result better than providing affordable housing on-site.
- (2) The proposed off-site location for required affordable housing pursuant to the alternative compliance provision must locate in such a way that it achieves seamless integration of the affordable housing component into the overall project. Property that is immediately proximate to the project site will be considered by the Director as most closely achieving this criteria, though other properties may be considered if it can be demonstrated that the goal of dispersal of affordable housing throughout the City is achieved.
- (3) The proposed alternative property for affordable housing units is under site control at the time of approval of the final certificate.
- (4) Housing units provided through the alternative compliance method must be based on providing the same type and tenure of units as the units in the project that give rise to the requirement.
- (5) In the case of cash payments in lieu of providing affordable housing on-site, the cash payment obligation and timing must be determined by the Director to be satisfactory to support achievement of the alternative compliance method.
- (6) No individual property that receives off-site affordable housing units or payment in lieu may have more than 25 percent of its units as affordable housing units, unless the property will be utilizing public funding sources for affordable housing.
- (7) The proposed alternative property for affordable housing is planned for completion within three years of approval of the final certificate. The Director may determine if a project's circumstances warrant allowing flexibility in the timing of completion of the affordable units.

(D) Timing. Application for and approval by the Director for alternative compliance must be made no later than the time of initial application for an 8 year multifamily property tax exemption, unless otherwise permitted by the Director.

(E) The MFTE contract between the applicant and the City in a case of alternative compliance shall modify the requirements of RMC [3.38.070](#) through [3.38.160](#) as appropriate to reflect the terms and conditions of the alternative compliance.

(F) Completion of payment of an in lieu fee, provision of affordable units off-site and/or satisfaction of other conditions required pursuant to an alternative compliance approval shall constitute full and complete satisfaction of the requirements of this RMC 3.38.

Following such satisfaction, the applicant shall have no further obligations under this RMC 3.38, except as otherwise set forth in the MFTE contract. (Ord. 2892 § 3 (part), 2017).

3.38.180 Conflicts.

(A) If a conflict exists between the provisions of this chapter or between this chapter and the laws, regulations, codes or rules promulgated by other authority having jurisdiction within the City, the requirement that best advances the purposes set forth in RMC [3.38.010](#) shall be applied, except when constrained by federal or state law, or where specifically provided otherwise in this chapter. (Ord. 2892 § 3 (part), 2017).

3.38.190 Severability.

(A) The provisions of this chapter are severable. If any provision of this chapter or its application to any person or circumstance is held invalid, the remainder of this chapter and its application are not affected and will remain in full force and effect. (Ord. 2892 § 3 (part), 2017).