

Multifamily Tax Exemption - Bennett Apartments



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Vancouver City Council
Public Hearing

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Presentation Overview

- Multifamily Tax Exemption (MFTE) Program overview
- Proposed project for 8-year property tax exemption at 100% Area Median Income for 20% of the total units.
- Next steps and timeline

MFTE Program

- Purpose and benefits
 - Incentivize higher density residential development in designated urban centers
 - Supports more efficient delivery of services and use of infrastructure
 - More efficient community footprint – climate impacts
 - More vibrant community, stronger commercial districts and stronger tax base over time
 - Generational Return on Investment (50 + years)
- Program management
 - Annual monitoring & rent level verification

Exemption Options

	8 years	• Market-rate properties with approved Development Agreement
	8 years	• Properties with 20% of units for tenants earning up to 100% AMI
	10 years	• Properties with 20% of units for tenants earning up to 80% AMI
	12 years	• Properties with 20% of units for tenants earning up to 60% AMI

MFTE Project Pipeline

Multifamily Tax Exemption Program Summary				
	Completed	In Construction	In Permitting	Total
Projects Approved				
VCCV	15	6	7	28
Fourth Plain	3	0	0	3
Total				31
Total Units				
VCCV	1194	624	874	2,692
Fourth Plain	248	0	0	248
Total				2,940
Affordable Units				
VCCV	286	84	55	425
Fourth Plain	43	8	0	51
Total				476

Does not include four VCCV projects that completed their exemption period.

Bennett Mixed Use

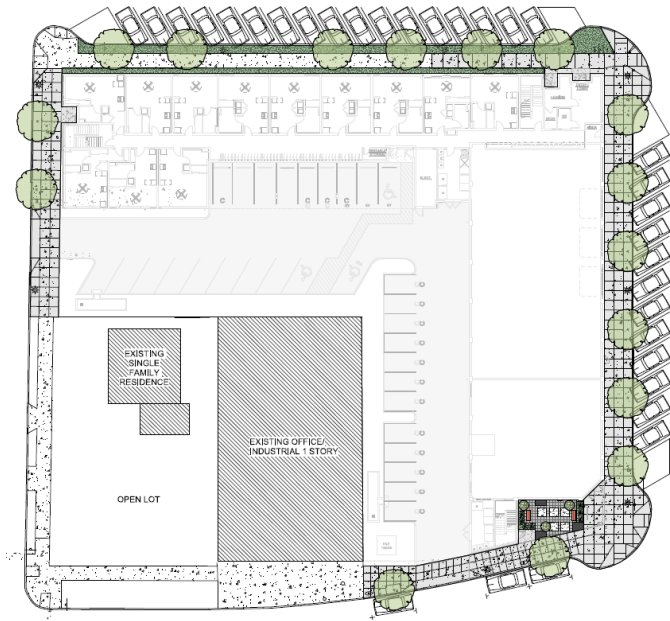
Developer: Hurley Development LLC

Project location: Washington Street and W 17th Street

Requested exemption: 8-year exemption with 20% of units affordable at 100% AMI



Bennett Mixed Use



Bennett Mixed Use Overview-

- 3-story Mixed Use
- 52,985 total sq. ft.
- 7,694 Commercial sq. ft.
- 74 units (15 rent restricted)
- Studio, 1-BD, and 2-BD units
- 33 Parking Spaces*
- Applicant working with existing building tenants on relocation plan.

* Per zoning code allowance



Bennett Mixed Use Overview- Parking Reductions

The review of required development parking is administered by the planning department as part of the site plan permit review process.

74 dwelling units requires 74 parking spaces. Commercial uses require 6 spaces.

Parking reductions allowed per zoning code:

- Transit Overlay 25% reduction- 18.5 stalls
- Expansion of existing building 10% reduction -7.4 stalls
- Parking study by licensed engineer 10% reduction- 7.4 stalls
- Providing bicycle parking and preferred building orientation 10% reduction - 7.4 stalls
- Commercial parking may use on street parking- 6 stalls
- Total stall reduction by zoning code allowance is 47 stalls (46.7)

$80 - 47 = 33$ required parking spaces

Bennett Mixed Use- Unit Mix and Monthly Rent-

Type	Units	Rent
Studio	48	\$1,299
Loft/Studio	20	\$1, 499
1 Bed +/- 1 Ba	4	\$1, 599
2 Bed / 2 Ba	2	\$1, 999

- Applicant provided data
- 15 income restricted units

- A 1-person household at 100% area median is \$64,500 with a maximum housing cost (including utilities) of \$1,613.
- A 2-person household at 100% area median is \$73,700 with a maximum housing cost (including utilities) of \$1,843.
- A 4-person household at 100% area median is \$92,100 with a maximum housing cost (including utilities) of \$2,303.
- Final rent calculation will be done upon completion. HUD releases a revised area median income every year.

Bennett Apartments Tax Summary-

If exemption granted and project developed:	Total – all taxing districts	City of Vancouver
Net Present value of future tax revenue** (20 year)	\$2,111,000	\$682,000
Net present value of “foregone” tax revenue (during exemption period)	(\$613,000)	(\$153,000)
Net Present Value Benefit	\$1,498,000	\$529,000

**Estimated discounted present value of construction sales tax, utility tax and property tax over 20 years
Estimated Developer tax savings during exemption period \$733,000
Estimated 2020 taxes for these parcels is \$15,193, of which \$3,026 is allocated to the City of Vancouver

City Center Redevelopment Authority

- The CCRA reviewed the building design on February 18, 2021

Council Action Requested

- Approve resolution and agreement allowing applicant to proceed with the tax exemption process.

Questions

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