

MEMORANDUM

DATE: December 19, 2022

TO: Eric Holmes, City Manager

FROM: Patrick Quinton, Economic Development Director

CC:

RE: **Multi-Family Housing Limited Property Tax Exemption - Broadstone Apartments**

Purpose

Brief City Council on the Broadstone Apartments (Waterfront Block 19) Multi-Family Housing Limited Property Tax Exemption project prior to the January 9, 2023, public hearing.

Program Background

In 1997, the City of Vancouver adopted a multifamily tax exemption (MFTE) program to stimulate new construction of multi-family housing in specifically designated areas to reduce development pressure on single-family residential neighborhoods, to increase and improve housing opportunities, encourage higher development densities, and support local business opportunities. In 2011, the City amended the MFTE ordinance adding an option to provide income restricted units. To date, the MFTE program has approved 38 projects totaling 3,482 new units and 325 income restricted units.

Current Proposal

The project site is within the Vancouver City Center Vision residential target area in the Vancouver waterfront. The project address is at 1110 W. Columbia Way, Vancouver, WA, 98660 (Tax Lot 986052349). The development is a seven-story apartment building containing 180 units with 183 structured parking spaces. The building design was reviewed and approved by the CCRA on January 20, 2022.

The applicant is requesting the 8-year income-restricted property tax exemption option where 20% of the total units will be restricted to households earning 100% median family income or less. Housing is considered affordable when a household spends less than 30% of their income on housing costs. The current maximum monthly rent affordable to households earning 100% of median income would be \$1,864 for a studio, \$1,966 for a 1-bedroom unit, and \$2,396 for a 2-bedroom unit.

The HUD income limit for a 2-person household earning 100% family median income in the Portland/Vancouver metropolitan statistical area is currently \$85,200.

The proposed building will have studio, 1-bedroom, and 2-bedroom units. Per the applicant, the unit types and rents will be:

Market Units			
Type	Size	Units	Rent
Studio	477	36	\$1,885
1 Bedroom /1 bath	728	88	\$2,184
2 Bedroom / 2 bath	1,139	20	\$3,188

Restricted Units			
Type	Size	Units	Rent
Studio	477	9	\$1,864
1 Bedroom /1 bath	728	22	\$1,966
2 Bedroom / 2 bath	1,139	5	\$2,248

Taxes Generated and Taxes Foregone

The estimated construction cost is \$74 million. Over 20 years (with the exemption), the project is estimated to generate \$17.65 million in taxes benefitting all taxing districts (ports, county, city, etc.) including \$3.27 million specifically generated for the City of Vancouver. Potentially foregone revenue during the exemption is estimated at \$2.7 million for all taxing districts and \$909,000 specifically for Vancouver. The development will still generate construction sales tax revenue and utility tax revenue during the exemption period.

Climate Action Alignment

Although the project does not fall under the City Council interim climate action policy as there is no negotiated development agreement with this project, the applicant noted that the project is seeking a Green Globes building certification. Electric vehicle charging stations will be installed on 10% of the parking stalls with 20% of the stalls having EV infrastructure availability. The apartment units will be all electric. Natural gas will be used for overall building water heating and small communal fire pits. The building air handling units will have high quality air filters. The project roof, paving, and walls will have solar reflective coatings to meet Green Globes standards. Lighting controls will have occupancy shut off sensors to aid in reduction energy use.

Next Steps

- On January 9, 2023, conduct a Public Hearing to consider a resolution for the proposed exemption.

Staff Contact

Patrick Quinton- Economic Development Director- Economic Prosperity and Housing Department

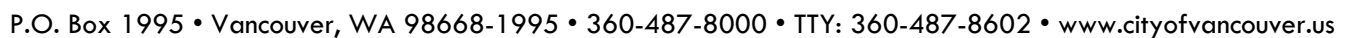
Samantha Whitley- Housing Programs Manager- Economic Prosperity and Housing Department

Bryan Monroe- Associate Planner- Economic Prosperity and Housing Department

Exhibits:

- Site Plan
- Project Renderings

Site Plan



Building Renderings



