

Downtown Residential High-Rise Program

City Council Meeting
November 15, 2022
Item 8.1

Jerad Ferguson, Housing Catalyst, Office of Economic Development and Cultural Affairs

Nanci Klein, Director, Office of Economic Development and Cultural Affairs

Jacky Morales-Ferrand, Director, Housing Department

Rachel VanderVeen, Deputy Director, Housing Department

Rosalynn Hughey, Deputy City Manager

Current Downtown High-Rise Residential Program

Inclusionary Housing Ordinance (IHO)

Reduction to \$0 in-lieu if completed by June 30, 2025 (see table)

Construction Taxes

(Commercial-Residential-Mobilehome Park Construction Tax and Building and Structure Construction Tax)

50% reduction and deferral of payment if completed by June 30, 2025

Building Permit by	IHO In-Lieu Fee
June 30, 2021	\$0/SF
June 30, 2022	\$0/SF
June 30, 2023	\$0/SF
June 30, 2024	\$13/SF
June 30, 2025	\$23/SF

Certificate of Occupancy for 80% of dwelling units must be obtained on or by June 30, 2025

Feasibility Analysis

- Three high-rise scenarios analyzed in Cost of Development Report:
 - 1) No tax and fee waiver
 - 2) Current tax and fee waiver
 - 3) Including 5% of units at 100% AMI (moderate income)
- All scenarios were found to be infeasible – no waiver scenario increases feasibility gap by \$63,000 per unit
 - Total unit costs increase by 7%
- Analysis shows hypothetical example of development – specific projects may have unique circumstances that would allow them to move forward in the current environment

Why Extend the Program?

Pipeline Projects			
Developer	Project Name	Address	Units
Acuity Realty	The Carlisle	51 Notre Dame Ave	290
Scape	Scape	600 South 1st Street	336
Urban Catalyst	The Mark	459 South 4th St	222
Urban Catalyst	Echo/Icon	147 E Santa Clara Street	415
Urban Community	420 South 2nd	420 South 2nd St	254
Urban Community	420 South 3rd	420 South 3rd St	152
Westbank	Fountain Alley/Energy Hub	35 South 2nd St	194
Westbank	Project Bo Town	409 S 2nd St	520
			2,383

Staff Recommendation

Timeline	Building Permit by	Certificate of Occupancy by	Inclusionary Requirement	Geographic Limitations	Construction Taxes
Current	June 30, 2023	June 30, 2025	\$0 in-lieu fee	Downtown Core / Downtown Planned Growth Area	50% reduction
<i>Phase 1</i>	June 30, 2025	June 30, 2029	\$0 in-lieu fee	Downtown Planned Growth Area	50% reduction
<i>Phase 2</i>	July 1, 2025 - June 30, 2029	June 30, 2033	5% of units at 100% AMI	Downtown Planned Growth Area	50% reduction

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