

Multifamily Tax Exemption – Application

Residential Target Area: Downtown District

Applicant Information

Applicant/Contact: David Copenhaver Phone: 360.907.0062

Address: 610 Esther St, Ste 202 david@cascadiadevelopmentpartners.com

Street Address *E-mail Address*

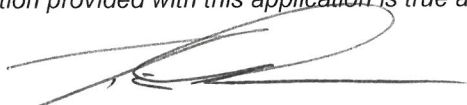
Vancouver WA 98660

City *State* *ZIP Code*

Owner's Name: Hudson East Living, LLC Phone: 360.907.0062

E mail Address: david@cascadiadevelopmentpartners.com

- I authorize the applicant to make this application.
- I grant permission for city staff to conduct site inspections of the property.
- I acknowledge that there is potential tax liability when the project ceases to be eligible for multifamily tax exemptions per CMC Chapter 3.86.
- I affirm that the information provided with this application is true and accurate.

Property Owner Signature:  Date: 5/5/22

Property Information

Property Address: 404 NE 6TH AVE 79150-000

Street Address *County Assessor # / Parcel #*

New Construction or Rehabilitation;
 If rehabilitation, has building been vacant more than 12 months? Yes No

Description of Project

Include the following with application: Site plan; Floor plans; Elevation plans;
 Pedestrian circulation (from site to 4th or 6th Avenues, as applicable);
 Detailed project budget and financing plan; and Detailed operating projection

- | | |
|---|---|
| 1. Gross Floor Area: 72,877 GSF | 2. Number of Residential Units (min. of four): 56 |
| 3. Number of stories: 4 stories, plus sub-grade parking | 4. Height of building: 51 ft. |
| 5. Number of units for rent: <u>56</u>
(For specified number of units, the lease period must exceed 30 days.) | 6. Number of condominium or owner-occupied units: 0 |
| 7. Will any units qualify as affordable to low or moderate income households? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If yes, please describe: Like other affordable programs we have done in Clark County in recent years, we plan to make 20% of our units affordable at 115% Median Income. In these other affordable programs we have participated in, this has resulted in a 12 year tax abatement on all improvements. | |
| 8. Size of outdoor common area (if more than six units):
Approx. 740 SF | 9. Number of off-street parking spaces: 35
Submittal must demonstrate that existing street parking will not be reduced in number or will be offset by an equal or better number of parking spaces made available for public parking. |

CITY OF CAMAS
TAX EXEMPTION
NARRATIVE

HUDSON EAST

A MIXED USE DEVELOPMENT

Applicant and Developer:

Hudson East Living, LLC
C/O Cascadia Development Partners, LLC
610 Esther Street, Suite 202
Vancouver, WA 98660
David Copenhaver
David@CascadiaDevelopmentPartners.com

Legal Counsel:

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**Tax Exemption Narrative For
Hudson East
A Mixed-Use Development**

May 5, 2022

BACKGROUND

Hudson East is a proposed mixed-use development in downtown Camas. The Applicant's proposal includes plans to redevelop a half city block with 56 above grade apartment units, subgrade parking accessible via Cedar Street, and retail spaces on the three surrounding streets. The roof deck and eco-roof area located atop the parking garage, as created by a building recessed area, is designed to bring natural light to levels 2 through 4 which will provide an outdoor space for the residents to enjoy. The project will include landscaping, lighting, utilities, and pedestrian amenities such as wide sidewalks, bike racks and outdoor seating areas. The proposed building includes a variety of architectural features, such as varied color and material palates, large canopy projections on the ground floor, a variety of balconies, and articulated roof lines.

PROJECT LOCATION

The project site is located at 404 NE 6th Avenue on Clark County parcel ID 79150-000. It is owned by Hudson East Living, LLC and totals .46 acres/20,000 square feet. The site is bounded by NE Cedar Street (West), NE 6th Avenue (North), NE Dallas St. (East), with existing commercial properties to the south. The property is located in the NW ¼ of Sec. 11, T1N, R3E.

The surrounding properties are a diverse blend of commercial, retail and residential uses. Adjacent uses include the following:

- North – Brester Dentistry, Camas Acupuncture and a Duplex
- South – Camas Bike and Sport, Camas Auto & Exhaust
- East – Union Hall facilities and associated parking lot
- West – Squeeze & Grind, Naturally Healthy Pet Store

PREVIOUS USE

GeoDesign/NV5 conducted a detailed background analysis as part of their environmental report. Based on their findings and review of historical sources, the project site was developed for religious institutional use by 1912 when the First Christian Church was constructed on the

southwest portion of the project site. In the late 1950’s the education and administrative building was constructed, which is used for Sunday School and other church-related events.

The site consists of two buildings and an associated parking lot. The church is a three-story, wood-frame structure that encompasses approximately 7,113 square feet. The church was constructed by 1912. The education building is a brick structure that was constructed between 1956 and 1957 and encompasses approximately 4,606 square feet.

REQUEST

The Applicant is proposing a tax exemption for 56 residential units. The tax exemption request applies only to the residential units which are designated for non-owner-occupied apartments. The table below summarizes the project’s basic elements and overall proposal.

Table 1: Use Breakdown Table

Floor	Commercial Retail Service	Parking	Units Per Floor	Studio	1 Bedroom	2 Bedroom
Underground		35 spaces	-	-	-	-
Ground Level Floor	4,458 SF – Retail	17 spaces on street		-	-	-
Ground Level Mezzanine	-	-	5	1	2	2
2 nd Floor	-	-	17 units	2	11	4
3 rd Floor	-	-	17 units	2	11	4
4 th Floor	-	-	17 units	2	11	4
TOTAL:	4,458 SF	52 total	56 units	7 Studios	35 One bedroom	14 Two bedrooms



TAX ABATEMENT CRITERIA

The City's Tax Abatement regulations are provided for in CMC 3.86. CMC 3.86.030 and 3.86.050 establishes the criteria and project eligibility necessary to receive the tax abatement. CMC 3.86.040 provides:

D. Project Eligibility. A proposed project must meet the following requirements for consideration for a property tax exemption:

1. Location. The project must be located within a residential target area, as designated in [Section 3.86.030](#).

The property is located within the Downtown District, which is the one of the target areas identified under 3.86.030 which further the following goals:

- **Encourage increased residential opportunities within the target area**
- **Stimulate the construction of new multifamily housing**

2. Tenant Displacement Prohibited. Property proposed to be rehabilitated must be vacant at least twelve months before submitting an application and fail to comply with one or more standards of the applicable city adopted state or local building or housing codes.

This section does not apply as the Applicant is not seeking to rehabilitate the property and there are no existing residential tenants. The proposal is for demolition of the existing non-residential buildings and construction of a new mixed-use building.

3. Size. The project must include at least four units of multifamily housing within a residential structure or as part of a mixed-use development. A minimum of four new units must be constructed or at least four additional multifamily units must be added to existing occupied multifamily housing. Existing multifamily housing that has been vacant for twelve months or more does not have to provide additional units so long as the project provides at least four units of new, converted, or rehabilitated multifamily housing. More specific sizing requirements may be established for each residential target area.

The project exceeds the size requirements as it proposes 56 residential units and is also part of a mixed-use building.

4. Permanent Residential Housing. At least fifty percent of the space designated for multifamily housing must be provided for permanent residential occupancy, as defined in [Section 3.86.020](#).

100% of the project seeking tax abatement contains permanent residential housing. The only portion of the project not seeking tax abatement is the 4,558 sq ft of

commercial space located on the first floor.

5. Proposed Completion Date. New construction multifamily housing and rehabilitation improvements must be scheduled to be completed within three years from the date of approval of the application.

The Applicant will meet the requirements of the completion date noted above. The current schedule shows a 12 month construction period, date to commence has not yet been determined.

6. Compliance with Guidelines and Standards. The project must be designed to comply with the city's comprehensive plan, building, housing, and zoning codes and any other applicable regulations in effect at the time the application is approved. Rehabilitation and conversion improvements must comply with all applicable housing codes. New construction must comply with the uniform building code. The project must also comply with any other standards and guidelines adopted by the city council for the residential target area in which the project will be developed.

The project is being designed to comply with all applicable regulations. In order to achieve occupancy, the project will have to receive Site Plan approval, Design Review approval, Engineering approval of its civil plans and building permit approval. To obtain these approvals from the City of Camas, the project applicant will have to demonstrate compliance with not only the provisions referenced in VMC 3.86.040, but also all other applicable regulations.

7. Owner Occupancy. Projects within a residential target area that are developed for owner-occupancy shall include an agreement or other guarantee acceptable to the director ensuring that some or all of the units within the project are used for purposes of owner-occupancy.

The Applicant is not pursuing any owner-occupied units, so this standard is inapplicable.

8. Affordability. To be eligible for twelve-year tax abatements under this chapter, applicants must commit to renting or selling at least twenty percent of units as affordable housing to low and moderate income households as defined herein. Projects intended exclusively for owner occupancy may meet this standard through housing affordable to moderate-income households.

The Applicant is pursuing the eight-year tax exemption option for market-rate units and there are no owner occupied units, so this standard is inapplicable.

3.86.050 Downtown district: standards and guidelines.

In approving a tax exemption under CMC 3.86.040 and in addition to compliance with the requirements of the underlying zone and design and developments standards under Title 17 and Title 18 of the Camas Municipal Code, the following standards and guidelines shall be applicable within the downtown district, unless the city determines that the proposal would better meet the intent of the exemption under CMC 3.86.040A:

A. Standards.

1. *Size. The project must include at least four new or additional units of multifamily housing located on the second floor or higher in a mixed use building in which the ground floor is dedicated in whole to commercial uses. The building shall include no ground floor residential units.*

The project meets this requirement as the ground floor contains 4,458 SF of retail space fronting 6th Avenue that wraps south along the eastern and western frontages, joined to the walls containing the proposed parking garage. Residential units are not abutting any street frontage at street grade. The lobby entrance for the apartments is centrally located in the middle of the building off 6th Ave., nestled between the retail spaces.

2. *Parking. All multifamily units regardless of the underlying zone shall include off-street parking and as provided in CMC 18.11.130 or alternately as otherwise specified through a development agreement.*

The parking garage is located on the south half of the project with a single vehicular entrance on Cedar Street. In the parking garage, 35 spaces are proposed.

Parking regulations are met by the Applicant utilizing the provisions of CMC 18.11.040.B which states that second stories require 50% of the required parking and additional stories require 25%. The table below breaks down each floor and identifies the reductions allowed outright per CMC 18.11.040.B to meet City of Camas standards.

Table 2: Parking reduction allowed per CMC 18.11.040.B Parking Reduction

Floor	Units Per Floor	Studio	1 Bedroom	2 Bedroom	CMC 18.11.040.B Parking Reduction
Ground Level Floor	0	0	0	0	Retail 4,458 total Retail A=1,508 SF: 1 space per 250 sf = 6 spaces Retail B & C=2,960 SF: 1 space per 300 sf = 10 spaces <i>(No reduction in parking allowed on 1st floor)</i>
Ground Level Mezzanine	5	1 (1 space)	2 (3 spaces)	2 (4 spaces)	8 stalls required based on unit type <i>(No reduction in parking allowed on 1.5 (mezzanine) floor)</i>
2nd Floor	17 units	2 (2 spaces)	11 (16.5 spaces)	4(8 spaces)	26.5 stalls required based on unit type 50% reduction on 2nd floor (50% x 26.5 = 13.25 spaces required)
3rd Floor	17 units	2 (2 spaces)	11 (16.5 spaces)	4 (8 spaces)	53 stalls required based on unit type 75% reduction allowed on 3rd & 4th (25% x 53 =13.25 spaces required)
4th Floor	17 units	2 (2 spaces)	11 (16.5 spaces)	4 (8 spaces)	See above for description
SUMMARY	56 units	7 - Studios	35 - one bedroom units	14 - two bedroom units	35 spaces required for Residential 16 spaces required for Retail 51 Parking Spaces Required

CMC 18.11.010 allows the Applicant to apply on-street parking adjacent to the property toward the minimum parking space requirements of the development. The subject property’s western, northern, and eastern frontages are currently flanked by parallel and angled on-street parking. Following construction of the proposed driveway and required landscaping areas, the Applicant is proposing to utilize the 17 parking spaces adjacent to the development: 5 to the west along Cedar Street, 8 to the north along 6th Avenue, and 4 to the east along Dallas Street. (note – there are 4 existing stalls on Cedar Street. The Applicant believes that with restriping, an additional parallel stall can be added. Please see the site plan for details.)

Table 3: Parking Provided

Perimeter Parking Spaces	Standard Onsite Parking Spaces	Parking Provided
17 spaces	35 spaces	52 spaces

3. *Building Height. Maximum of forty-five feet and three stories.*

The height of the building is proposed to be 51 feet, which will slightly exceed 45 feet but complies with the underlying zoning. The building is proposed to be four stories over a partial basement, which also complies with the underlying zoning. The additional height would better meet the intent of the exemption under CMC 3.86.040.A as discussed below:

3.86.040 - *Tax exemptions for multifamily housing in residential target areas.*

A. *Intent. Limited eight- or twelve-year exemption from ad valorem property taxation for multifamily housing in urban centers are intended to:*

1. *Encourage increased residential opportunities within urban centers designated by the city council as residential target areas;*

The proposed site is within an urban center designated by city council as a residential target area, and a slightly increased height from 45 feet to 51 feet will encourage increased residential opportunities by allowing for an additional floor of multifamily residential uses in the building. The project would not be economically feasible without this additional floor of residential uses. Approval of the increased height meets the intent under this standard because it will provide increased residential opportunities in an urban center designated as a targeted residential area.

2. *Stimulate new construction or rehabilitation of existing vacant and underutilized buildings for multifamily housing in residential target areas to increase and improve housing opportunities;*

The proposed project is new construction that will increase and improve housing opportunities in a residential target area, and the additional height and floor of residential uses are needed to make the project economically feasible. Since the additional height is entirely devoted to residential uses, the increased height better meets the intent of increasing and improving residential opportunities under this section.

3. *Assist in directing future population growth to designated urban centers, thereby reducing development pressure on single-family residential neighborhoods;*

Allowing the increased height and allowing one additional floor of residential uses will assist in directing future population growth to this new multifamily residential project located in downtown Camas in a residential target area.

4. *Achieve development densities which are more conducive to transit use in designated urban centers;*

Higher densities are more conducive to transit use in designated urban centers. The slight additional height and one additional floor of residential uses will allow higher densities in an urban center that will be more conducive to transit use.

5. *Encourage new construction or rehabilitation of owner-occupied multifamily housing where identified as desirable; and*

This project is not owner occupied, but additional height and an additional floor of multifamily residential uses will not have any adverse effect on other projects that may provide owner occupied housing.

6. *Encourage affordable housing.*

The project is not a designated “affordable housing” project but increasing the supply of housing in the downtown area will help decrease market pressure on rental rates, and the additional height and one additional floor of residential uses are needed to make the project economically feasible.

Based on the above analysis, the proposed increase in height from 45 feet to 51 feet to allow one additional floor of residential uses better meets the overall intent of the exemption under CMC 3.86.040.A.

4. *Where the project includes six or more multifamily units, an outdoor commons consisting of a minimum two hundred square feet shall be provided and include seating and tables for a minimum twelve people. This requirement may be incorporated into seating or dining areas for commercial uses on the ground floor, through common balconies or rooftop improvements.*

The Applicant exceeds these provisions by offering a variety of spaces distributed throughout the project. An outdoor deck containing 760 SF is centrally located adjacent to the residential community room which is designed to serve multiple purposes. On a given day, residents could host a barbeque, converse by the fire, or relax under the café lights on the deck.

The retail façade along 6th will provide full height glazing to activate the building, the downtown core and will provide places to sit, dine and relax, inside the retail space and on the sidewalk.

As demonstrated above, seating opportunities will be provided throughout the building in the following forms: deck, community room, lobby, retail spaces and along the street front.

B. Guidelines.

1. *Connectivity. The project must demonstrate that pedestrian circulation from the project site to Northeast Fourth Avenue within the district is enhanced or improved.*

The Project provides for an expanded pedestrian space on all street frontages along with sidewalk and landscaping. Consistent with downtown Camas’s pedestrian-friendly streets and merchants, the Applicant is proposing to continue the enhanced walkability by providing pedestrian circulation comprised of these wide walkways that connect the site to the existing street network. This circulation system will encourage people to walk, ride a bicycle, or use transit.

2. *Parking. Demonstration that existing street parking will not be reduced in number or will be offset by an equal or better number of parking spaces made available for public parking.*

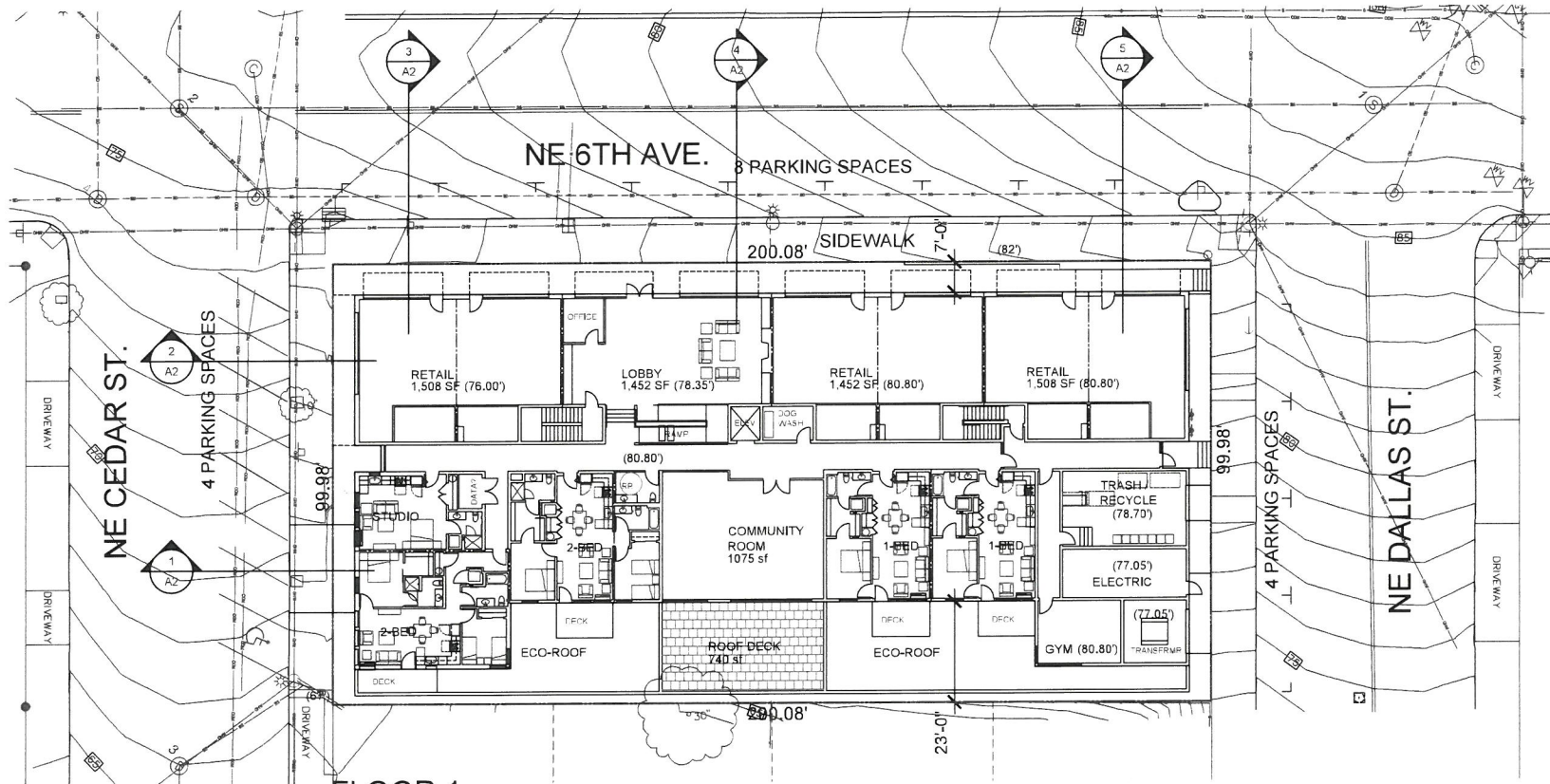
The Applicant will restripe the on-street parking adjacent to the site to maintain or exceed the quantity of public parking spaces available as of the time of this application.

CONCLUSION

Hudson East provides a development that complements and blends with the eclectic nature of the downtown Camas area while adding new housing opportunities to the growing City. The project redevelops an underutilized site with uses and scale appropriate for the area. The pedestrian-friendly nature of the site will allow residents and nearby existing uses and users, to be functionally integrated with the surrounding area.

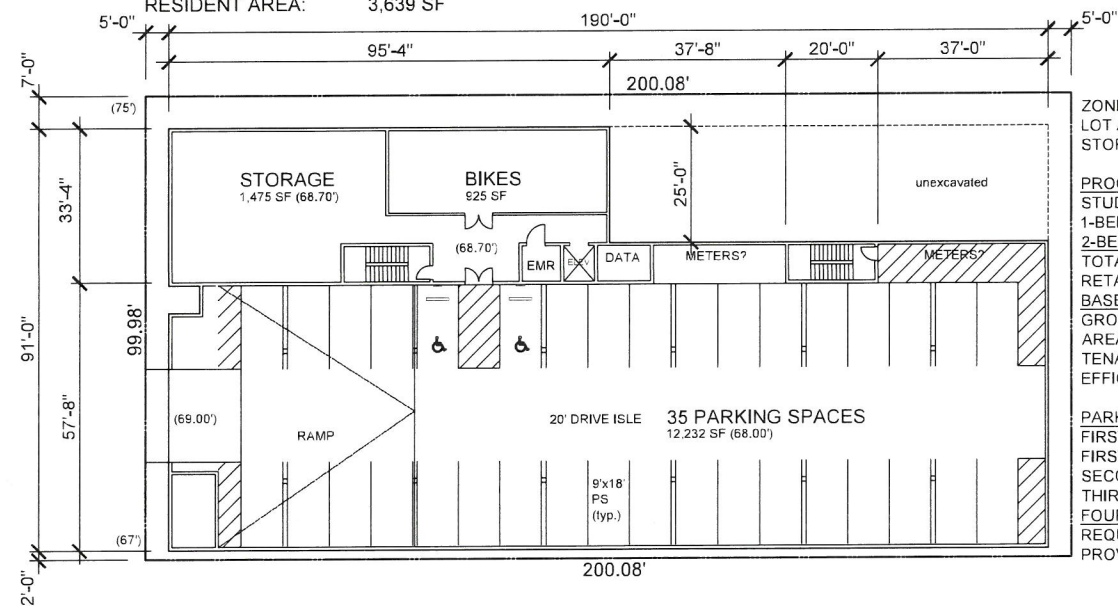
The multi-family property tax exemption program is designed to provide incentives for new, private, multi-family developments in targeted areas in the City of Camas, specifically downtown. This program is a primary tool to encourage re-establishment of a residential presence to the downtown core, which has been recognized as a foundational element of the revitalization of downtown. This project, like many others, would likely not occur without the requested tax exemption.





FLOOR 1

RESIDENT AREA: 3,639 SF



BASEMENT

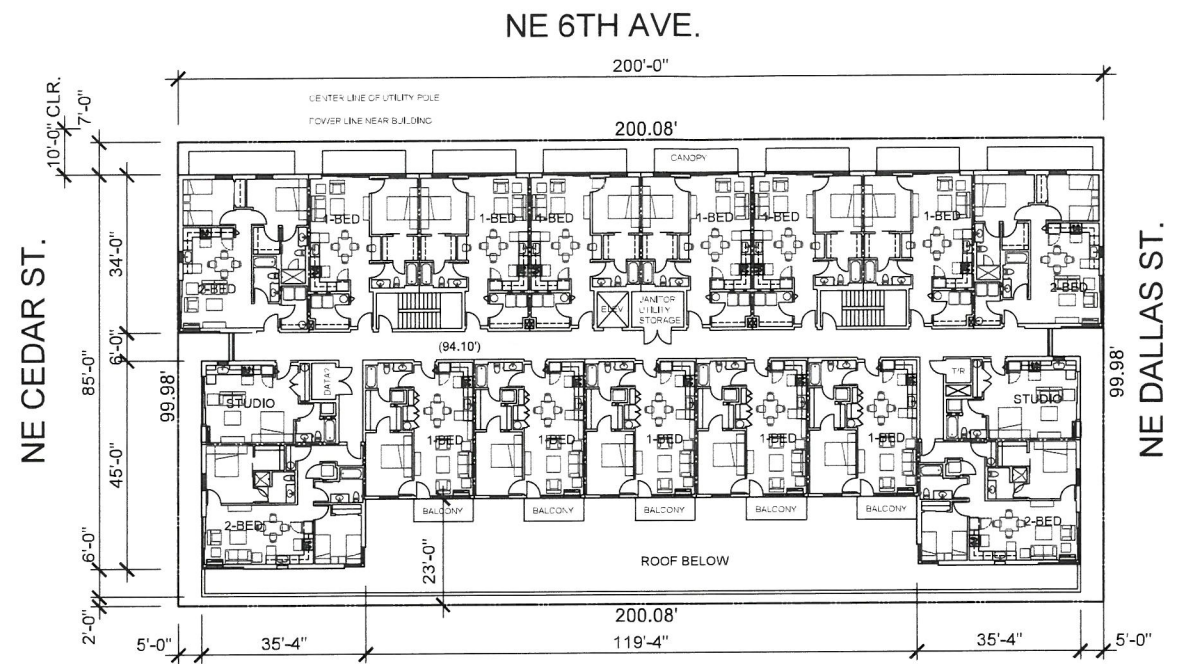
ZONE: DC (DOWNTOWN COMMERCIAL)
 LOT AREA: 20,000 SF
 STORIES: 4 + BASEMENT

PROGRAM

STUDIOS:	(7)	526 - 544 SF	11%
1-BED:	(35)	620 - 730 SF	66%
2-BED:	(14)	839 - 968 SF	23%
TOTAL UNITS:	(56)	41,421 SF	
RETAIL:		4,468 SF	
BASEMENT:		14,923 SF	
GROSS AREA:		72,877 GSF	
AREA (1-4):		57,954 SF	
TENANT AREA:		45,889 SF	
EFFICIENCY:		79.18%	

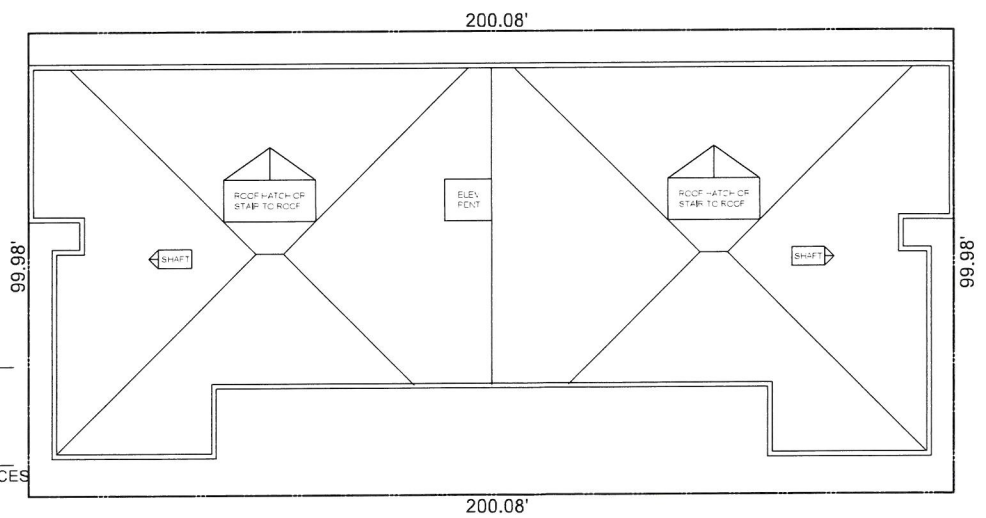
PARKING

FIRST FLOOR:	RETAIL (1/250 SF)	17.87 PS
FIRST FLOOR:	(1) STUDIO, (2) 1-BED, (2) 2-BED	8 PS (100%)
SECOND FLOOR:	(2) STUDIOS, (11) 1-BED, (4) 2-BED	13.25 PS (50%)
THIRD FLOOR:	(2) STUDIOS, (11) 1-BED, (4) 2-BED	6.625 PS (25%)
FOURTH FLOOR:	(2) STUDIOS, (11) 1-BED, (4) 2-BED	6.625 PS (25%)
REQUIRED:		52.37 (52) SPACES
PROVIDED:		51 SPACES



FLOORS 2-4

AREA PER FLOOR: 14,568 SF
 RESIDENT AREA: 12,733 SF



ROOF



S|E|A

SCOTT EDWARDS ARCHITECTURE LLP
 2525 E. Burnside St., Portland, OR 97214
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REVISION:



DATE:
 1/18/2022

DRAWING:
 HOUSING OVER COMMERCIAL
 FLOOR PLANS

PROJECT:
 HUDSON EAST APARTMENTS
 CAMAS, WASHINGTON

PAGE NO.
 A1

BASE SHEET:



NORTH ELEVATION



WEST ELEVATION



SOUTH ELEVATION



EAST ELEVATION



Hudson East Apartments

404 NE 6th Avenue
Camas, WA 98607

10.15.21 | Project # 21012

SW ELEVATION

