



HOUSING DEPARTMENT

APPROVAL OF A MULTIFAMILY HOUSING INCENTIVE PROGRAM RESIDENTIAL TAX AND FEE WAIVER FOR THE AQUINO AT 498 WEST SAN CARLOS STREET

May 13, 2025
City Council

Item 8.2

Erik L. Soliván
Housing Director

Banu San
Deputy Director

Multifamily Housing Incentive Program (MHIP)

- City Council approved MHIP on December 10, 2024.
- Reduction of the Inclusionary Housing Ordinance in-lieu fee to \$0 for approved multifamily housing developments that include at least 5% of units on-site at up to 100% area median income, for developments listed in the MHIP memorandum, which was previously granted only for high-rises located in the downtown area.
 - Phase I expires December 31, 2025
 - 50% reduction in the Building and Structure Construction Tax (B&S) and the Commercial-Residential-Mobile Home-Park Building Tax (CRMP)
 - Phase II starts January 1, 2026
 - 25% reduction in the B&S Tax

The Aquino at 498 West San Carlos Street



- **Developed by Urban Catalyst**
- **8-story high-rise located at 498 West San Carlos Street**
- **278 market-rate rental units**
 - **Current rents meet 110% area median income levels**
- **14 restricted affordable units at 100% area median income**

Proposed Tax and Fee Waiver

Inclusionary Housing In-Lieu Fee	\$3,440,920.24
50% Reduction of CRMP & B&S Construction Taxes on the residential portion of the building	\$630,352.50
Total Fee Waiver and Reduction	\$4,071,272.74

MHIP Progress

Development	Number of Units
905 North Capitol Avenue	328
498 West San Carlos Street	264
Total	623



HOUSING DEPARTMENT

APPROVAL OF A MULTIFAMILY HOUSING INCENTIVE PROGRAM RESIDENTIAL TAX AND FEE WAIVER FOR THE AQUINO AT 498 WEST SAN CARLOS STREET

May 13, 2025
City Council

Item 8.2

Erik L. Soliván
Housing Director

Banu San
Deputy Director