

8.4 - The Carlysle Downtown High-Rise Tax/Fee Waiver

February 15, 2022
City of San Jose

Office of Economic Development
and Cultural Affairs

Nanci Klein, Director

Jerad Ferguson, Housing Catalyst



| Downtown Residential High-Rise Program

- Approved November 2019 by City Council
 - Followed receipt of analysis that demonstrated a typical high-rise residential development in Downtown was not financially feasible.
- Fifty percent (50%) reduction in the Building and Structure Construction Tax (B&S) and the Commercial-Residential-Mobile Home-Park Building Tax (CRMP)
- Reduction to \$0 the Affordable Housing Impact Fee (AHIF) or the Inclusionary Housing Ordinance (IHO) In-Lieu Fee

The Carlyle

- 21-Story located at 51 Notre Dame Street
- 290 market-rate rental units
- 123,479 sq. ft. of office space



SAN JOSE



| Summary of Tax and Fee Waiver

50% Reduction of CRMP & B&S	\$715,427
AHIF	\$3,675,172
Total Value of Tax & AHIF Reduction	\$4,390,599

| Estimated one-time revenue:

- Construction Taxes: \$1,901,825
- Parkland In-Lieu Fees: \$4,234,000
- Commercial Linkage Fee: \$1,481,748
- *School District Development Fees: \$917,993*

Total City one-time revenue:	\$7,617,573
Total one-time revenue:	\$8,535,566

| Estimated recurring annual revenue:

- City Property Tax: \$330,400
- City Utility User Tax: \$186,053
- City Business Tax: \$44,153
- City Sales and Transaction Tax: \$7,603
- *County Property Tax: \$424,800*
- *School District Property Tax: \$1,038,400*

Total City recurring revenue:	\$568,209
Total recurring revenue:	\$2,031,409

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