



## Urban Center Housing – Tax Increment Financing (UCH-TIF) FACT SHEET

### ***What is the UCH-TIF Program?***

The Urban Center Housing – Tax Increment Financing program is a state program in which the Department of Housing and Community Development (DHCD) authorizes cities and towns to promote housing and commercial development, including affordable housing, in commercial centers through tax increment financing. In order to offer tax increment financing for specific projects, the Town must demonstrate eligibility for both the district and the project through an extensive UCH-TIF Plan that must be certified by DHCD. More information can be found on the DHCD website: <http://www.mass.gov/hed/community/planning/uch-tif.html>

### ***How is UCH-TIF different from other forms of TIF?***

Like other forms of TIF, the UCH-TIF program provides real property tax exemptions on all or part of the increased value (the "Increment") of improved real estate. There is no exemption for the pre-existing tax base, and the Town does not lose any revenue. In this case, such development must be primarily residential and in a commercial center area with a demonstrated need for re-investment.

### ***What is the UCH-TIF Plan?***

The UCH-TIF Plan is the document that establishes the UCH-TIF district and justifies the economic need for public incentives. Key components of the final plan include:

1. Executive Summary
2. Objectives of the UCH-TIF Plan
3. Parcel Descriptions, Coverage and Zoning in the
4. UCH-TIF Zone
5. Specification of Development and Useful Life of Housing
6. Compliance with Zoning
7. Schedule and Cost of Public Construction in the UCH-TIF
8. Affordable Housing Provisions
9. UCH-TIF Agreements

The actual TIF agreements are currently being negotiated and when finalized will become part of the UCH-TIF Plan. The appendices include maps and parcel data as well as information about the proposed projects.

### ***Why do Downtown TOD projects need TIF support?***

The Town's 2015 *Transit Oriented Development Action Plan* identified mixed-use and multifamily development as a viable path to promoting downtown redevelopment. Fundamentally, the plan



calls for a “roofs before retail” strategy, to bring new people and create built-in demand for retail amenities while fostering a vibrant, walkable downtown. In response to the plan, in October 2015 Town Meeting approved Central Business (CB) District zoning changes that allow feasible downtown TOD projects. The zoning changes also included expanding the CB District, to increase the number of land parcels that could support TOD projects.

The plan also studied many of the obstacles to redeveloping a vibrant downtown center. The *Action Plan* determined that downtown Framingham is an unproven market, reflecting uncertainty that can deter potential investors. This reflects the fact that the area has not seen substantial investment in many years. For these reasons, the plan found that “first mover” projects may need financial assistance to overcome obstacles to investment.

Today, developers with national reach are proposing substantial projects within easy walking distance of the commuter rail station. The Town is negotiating UCH-TIF agreements with both developers, to help each overcome obstacles and make transformative investments in our downtown. These projects are proposed at 75 Concord Street (reflecting a 6-parcel aggregation) and 266 Waverly Street.

The UCH-TIF agreements reflect negotiated tax exemptions, to be granted over a number of years. The exemptions are granted only on the property tax increment resulting from the new investment, while the Town continues to collect property taxes based on the property’s pre-investment value. These exemptions reduce project cost and risk, especially during the critical early years of a new project – and encourage investment.

### ***How many more UCH-TIF agreements will the Town undertake?***

The UCH-TIF Plan, which enables TIF agreements for residential and mixed-use projects, is only valid for the designated area—in this case, the downtown Central Business (CB) zone as identified in the plan. There are currently no residential projects in development beyond these two (75 Concord and 266 Waverly).

### ***What is the approval process for UCH-TIF program?***

For UCH-TIF agreements to go forward, the Board of Selectmen must call a Town Meeting to decide the following two issues:

- *Approval of the new UCH-TIF Plan and expanded Zone.* The new Plan will accompany the expanded Zone, allowing the Town to take advantage of program rule changes signed into law last year by Governor Baker.
- *Authorization for the Board of Selectmen to enter into UCH-TIF agreements* with proponents of qualifying projects. Town Meeting will only be asked to consider authorizing specific projects.
- *Final Approval of Plan and Agreements by DHCD.* DHCD must certify the plan and both agreements before they can be finalized.