



Urban Center Housing – Tax Increment Financing (UCH-TIF) Assembly Square & East Somerville

CITY OF SOMERVILLE - LAND USE COMMITTEE

OSPCD ECONOMIC DEVELOPMENT

6/18/2026

Outline

A. WHAT IS UCH-TIF?

B. PROPOSED ASSEMBLY SQUARE & EAST
SOMERVILLE UCH-TIF

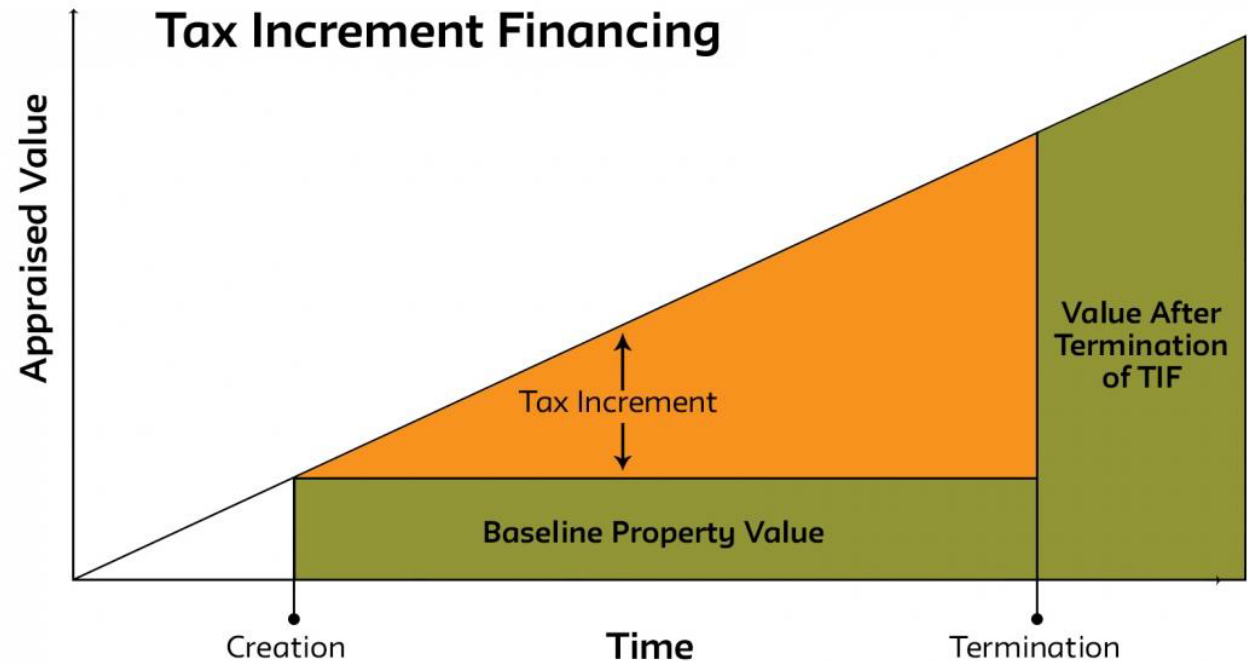
What is UCH-TIF?

UCH-TIF: Urban Center Housing Tax Increment Financing – What is it for?

- An incentive program to spur the development of housing and ground floor commercial space
- A tool to address prolonged commercial vacancy and underutilized land
- A financial mechanism that helps close the gap created by market conditions and accelerate development timeline in which housing is delivered

UCH-TIF: Urban Center Housing Tax Increment Financing – How does it work?

A statutory program operated by the **Massachusetts Executive Office of Housing and Livable Communities (EOHLC)** that authorizes cities and towns to promote housing and commercial development through real estate tax exemptions on all or part of the increased value of improved real estate for up to 20 years.



UCH-TIF State Program Requirements

- The UCH-TIF Zone must be a primarily commercial district
- The Zone must meet designated criteria – e.g., high commercial vacancy rate
- New development must be primarily residential
- New units must satisfy *at minimum* one of the following affordability thresholds
 - 15% at or below 80% AMI; or
 - 25% at or below 110% AMI; or
 - **Meet existing inclusionary zoning requirements**

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And we can do more!

Proposed Assembly Square & East Somerville UCH-TIF

Documents Submitted for Approval

Zone – the area in which properties can potentially receive tax increment financing

Plan – describes the goals for applying this financing tool to this area

Form of Agreement – a template agreement that could be used to start discussion on any property in the Zone

ASSEMBLY SQUARE & EAST SOMERVILLE
UCH-TIF ZONE AND PLAN

Submitted to EOHL: [Date, Year]

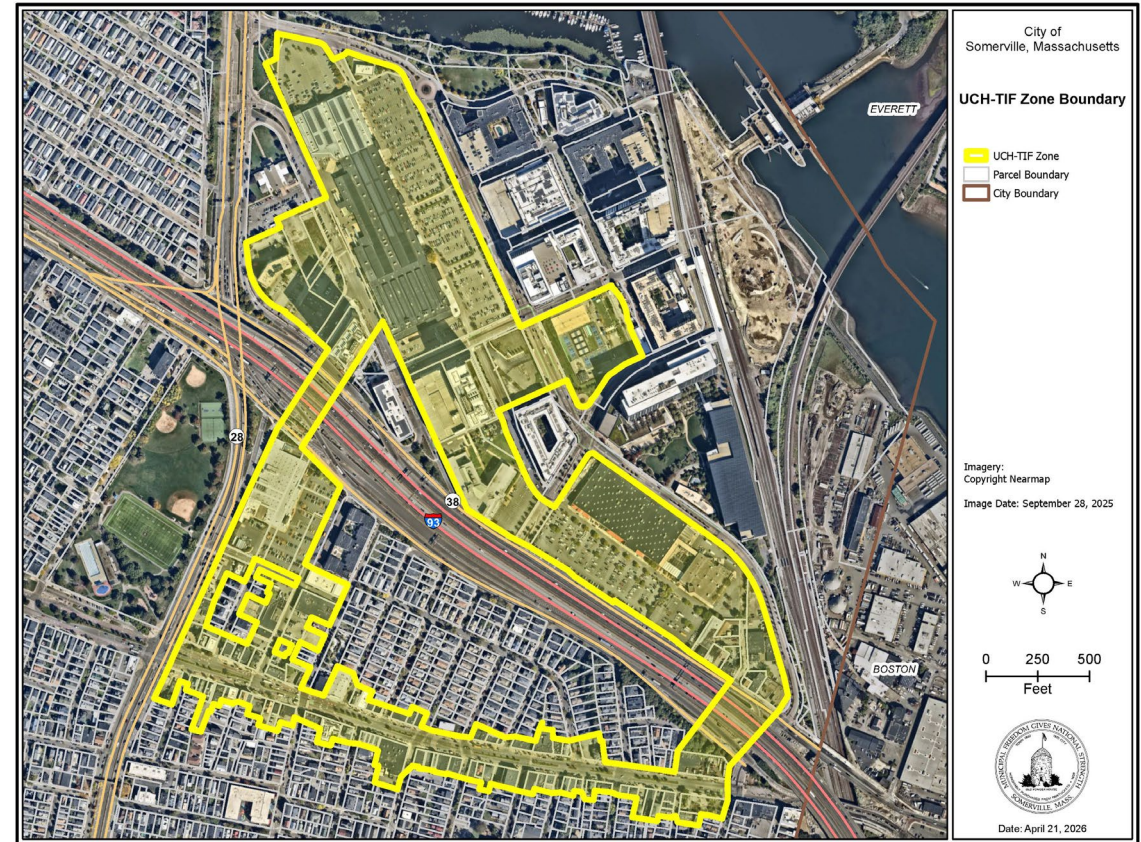


City of Somerville, Massachusetts
Mayor's Office of Strategic Planning and Community Development
Mayor Jacob D. Wilson

Submitted to:
The Commonwealth of Massachusetts
Executive Office of Housing and Livable Communities
Under M.G.L. c.40 § 60
as an "UCH-TIF Zone and Plan"

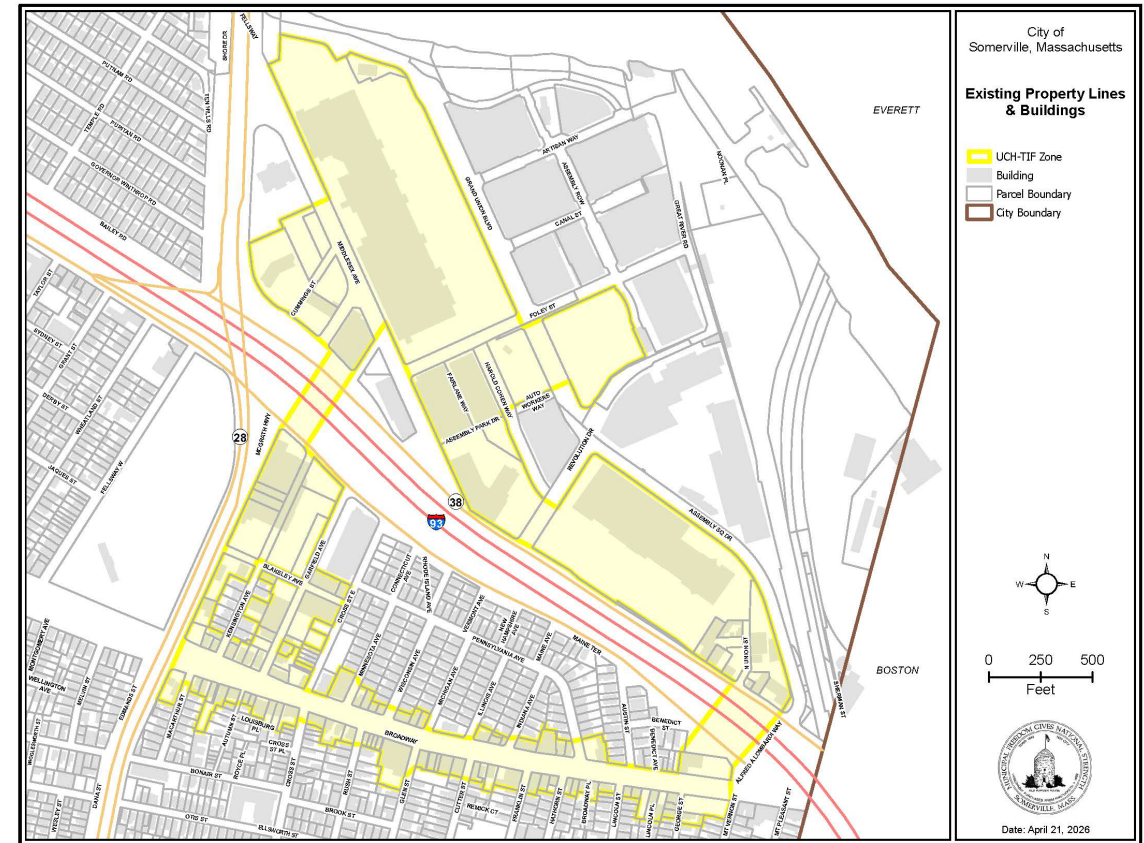
Assembly Square & East Somerville Zone

- 116 parcels and ~3 million square feet
- Two neighborhoods physically divided by interstate highway infrastructure
- Over half of the identified zone consists of vacant lots and other paved areas like surface parking



Assembly Square & East Somerville Zone

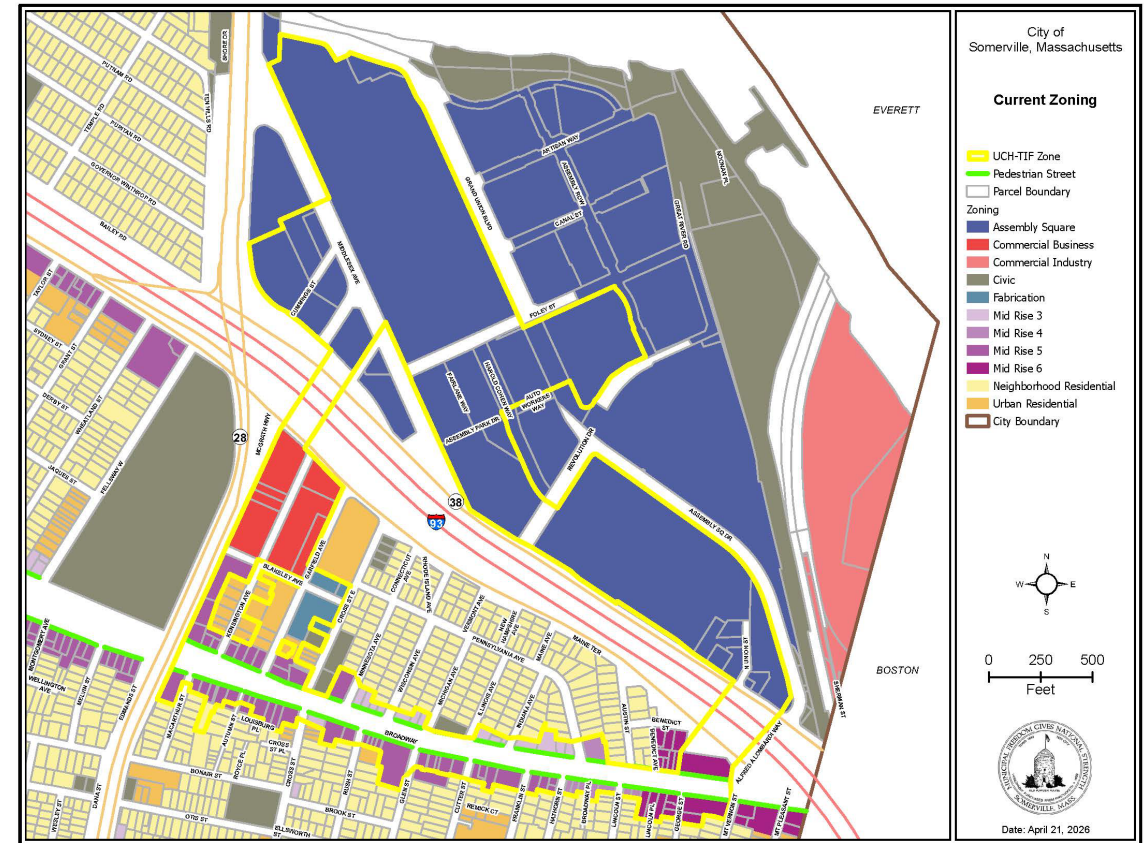
- 85% is commercial use
- 59% of leasable commercial space is vacant
 - 15% is classic commercial vacancy such as Circuit City and Patsy's Pastry Shop
 - 44% is more recently built untenanted lab and office space
- 10% is vacant lots



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Assembly Square & East Somerville Zone

- Properties are all zoned for mixed-use development
- Large segments of the UCH-TIF Zone are zoned as Mid Rise 3-6 and Assembly Square Mixed Use
- Focuses on Enhance and Transform areas identified in SomerVision



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Goals for this UCH-TIF Zone

- Encourage housing production that increases total housing supply, expands affordable options, and mitigates displacement pressures
- Revitalize vacant lots and underperforming commercial properties
- Improve connectivity and access to public and civic spaces across neighborhoods



Assembly Square & East Somerville UCH-TIF

Next Steps:

- Public Hearing – Land Use Committee 6/18/2026
- City Council Approval of Zone, Plan, Form of Agreement
- EOHLC Final Review & Approval

Future Project Approval

Any future project seeking an UCH-TIF agreement MUST:

- Allow 3rd party review of the project financials to ensure accuracy and the need for UCH-TIF subsidy to launch the project
- Negotiate a compliant agreement with staff
- Gain City Council and EOHLC approval of that agreement



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Thank You!
