

Winter Hill Implementation Update - 299 Broadway

Urban Center Housing Tax Increment Financing (UCH-TIF): A New Approach to Affordable Housing Creation



Outline

A. Project Background

B. What is UCH-TIF?

C. Why UCH-TIF?

D. Next Steps for UCH-TIF

E. Important Project Milestones

A.1. Project Background: Project Site



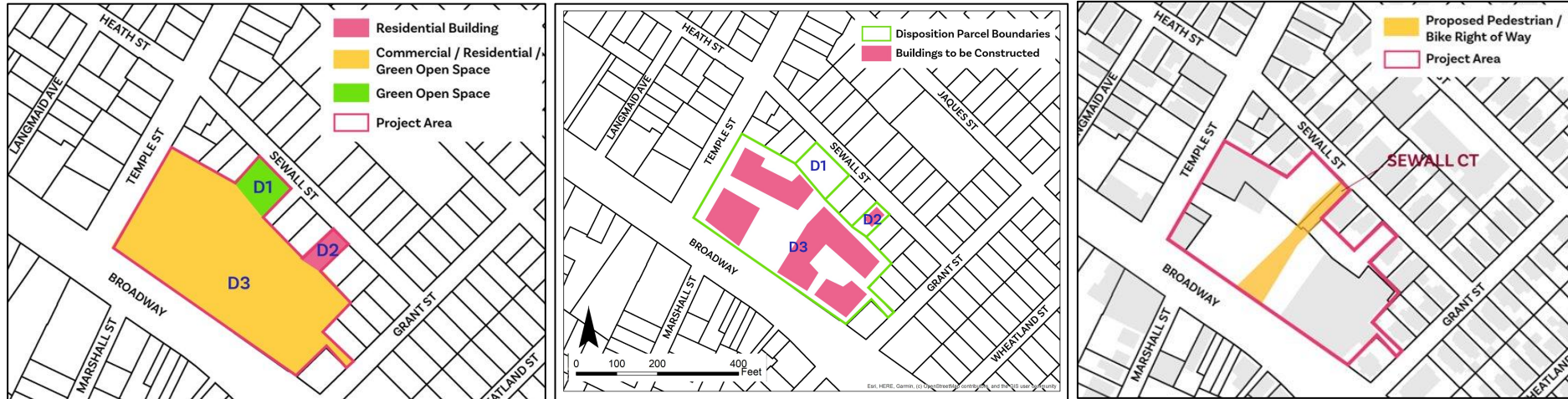
Vacant Since 2007

A.2. Project Background: Winter Hill Neighborhood Plan (2016)



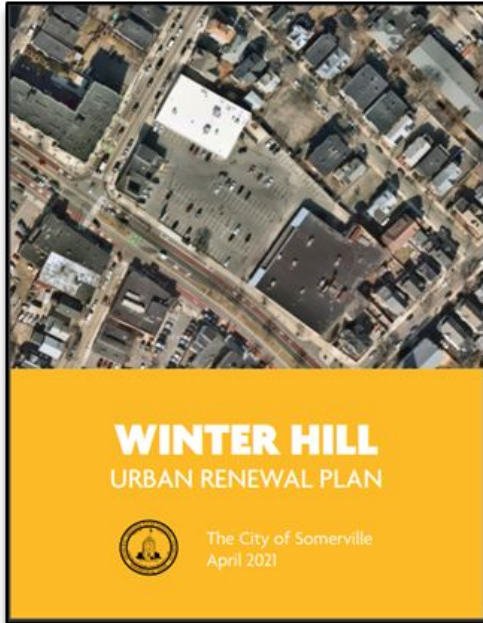
299 Broadway a/k/a Temple Square has been imagined as a redevelopment site with 200+ units of housing, at least 20% of those affordable, and additional green space since the 2016 Winter Hill Neighborhood Plan

A.3. Project Background: Winter Hill Urban Renewal Plan (2020)



2020 Concept Plan for redevelopment of “Temple Square”
from the Winter Hill Urban Renewal Plan carried the same concepts forward with small changes

A.4. Project Background: Developing Partnerships



Spring 2021

- Winter Hill Urban Renewal Plan is approved by City Council
- Property owner for the Star Market grants development option to Mark Development

2021: Moved ahead with fulfilling Community Involvement goals

- 2 preliminary community meetings with Mark Development
- 3 permitting neighborhood meetings with Mark Development
- Setting up a Civic Advisory Committee for ongoing local feedback



A.5. Project Background: Developing Partnerships Continued



Mid-stage environmental study of the site revealed asbestos contamination that prevents underground parking

Financeable options ...

Option 1

Build above ground parking garage

Option 2

Build a highrise

Option 3

Build more affordable housing



BEACON
communities

Spring 2022 - Mark Development brings in Beacon Communities, a specialist in affordable housing development as a project partner

A.6. Project Background: Current Site Plan



**2022 Site Plan
submitted to the ZBA
maintains key site
layout goals**

- ❖ 288 Units
- ❖ 132 Affordable Units
 - 17 units @ 80% AMI
 - 99 units @ 60% AMI
 - 16 units @ 30% AMI
- ❖ Community green space
- ❖ Pedestrian right-of-way through center

A.7. Project Background: Evolution of Project Proposals

Original Mark Development Proposal



\$22.8M Acquisition



~ 300 Units



~ 20% Affordable



0.5 spaces/unit

\$18M Deficit



Revised Mark/Beacon Proposal



\$22.8M Acquisition



~ 300 Units



~ 40% Affordable



0.0 spaces/unit

No Deficit



Current Submitted Proposal



\$22.8M Acquisition



~ 300 Units



~ 50% Affordable



0.0 spaces/unit

\$13M - \$20M Deficit

A.8. Project Background: Current Financial Gap

Estimated Cost Escalation



Rising Construction Costs &
Increased Interest Rates:

\$9M - \$16M



Costs Associated with
Increased Affordability:

\$4M

Total Estimated Deficit:

\$13M - \$ 20M

BUSINESS

Skyrocketing Construction Costs Threatening Full Recovery

FB

Chip Merlin Forbes Books Author
Forbes Books AUTHOR POST | Paid Program

Apr 19, 2022, 12:10pm EDT



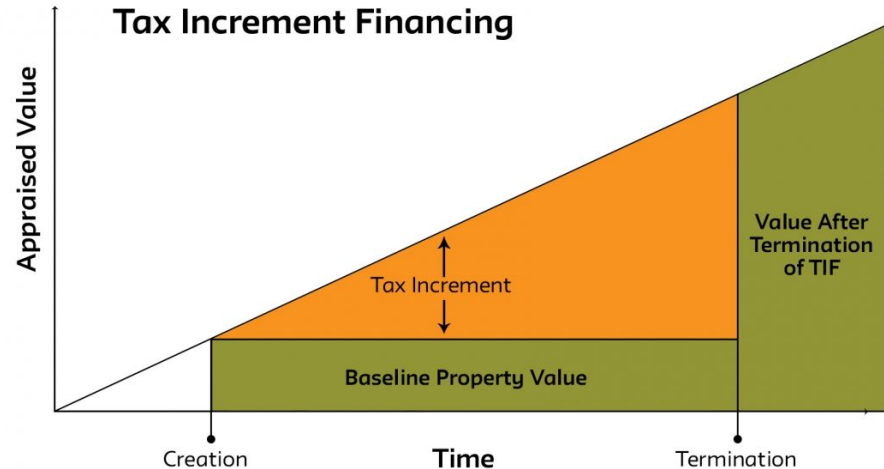
GETTY

B. What is UCH-TIF?

A statutory program operated by the Department of Housing & Community Development (DHCD) 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 Requires:

- The area of benefits to be a primarily commercial district
- New development to be primarily residential
- New units to satisfy certain affordability thresholds
 - 15% at or below 80% AMI; or
 - 25% at or below 110% AMI; or
 - Meet existing inclusionary zoning requirements



C. Why UCH-TIF?

- A financing tool to help close the gap in affordable projects struggling to get underway due to rising interest rates and escalated construction costs
- An opportunity to redevelop the decadent Temple Square site; and
 - Meet the goals of the Winter Hill Neighborhood Plan and Urban Renewal Plan
 - Restore Winter Hill as a main street destination
 - Create significant affordable housing opportunities and new jobs
 - Increase future tax revenue



D. Next Steps for UCH-TIF

1. Designate an UCH-TIF Zone
2. Develop an UCH-TIF Plan and Form of an UCH-TIF Agreement
3. Hold a public hearing and take comment on the proposed UCH-TIF Plan, Zone, and Form of Agreement
4. Review and approval of UCH-TIF Zone, Plan, Form of Agreement, and any negotiated Agreements by City Council
5. Execute any negotiated Agreements
6. Submission of the UCH-TIF Plan, Zone, Form of Agreement, and any executed agreements to DHCD



E. Important Project Milestones

January 2023

- Beacon Communities submits tax credit application to DHCD

February 2023

- Public hearings & review of UCH-TIF application by City Council

March 2023

- UCH-TIF Application submitted to DHCD
- Permitting finalized by ZBA

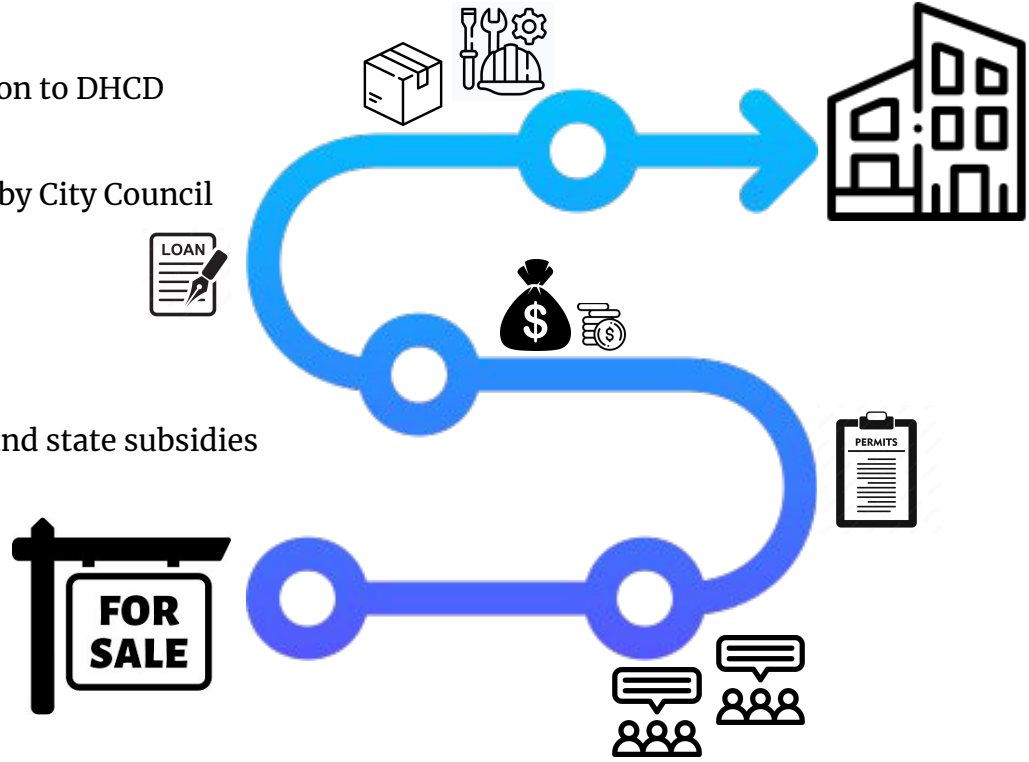
Summer 2023*

- DHCD awards Low Income Housing Tax Credits and state subsidies

Winter 2023

- Financing closing & construction start
- Walgreens move start

* Awards are subject to DHCD and Developers may need to re-apply for state subsidy sources



Questions?

