An abstract graphic on the left side of the page consists of several 3D rectangular blocks of varying heights and colors. The colors include shades of teal, red, orange, and light blue. The blocks are arranged in a way that suggests a bar chart or a data visualization, with some blocks appearing to be stacked or connected. The overall style is modern and geometric.

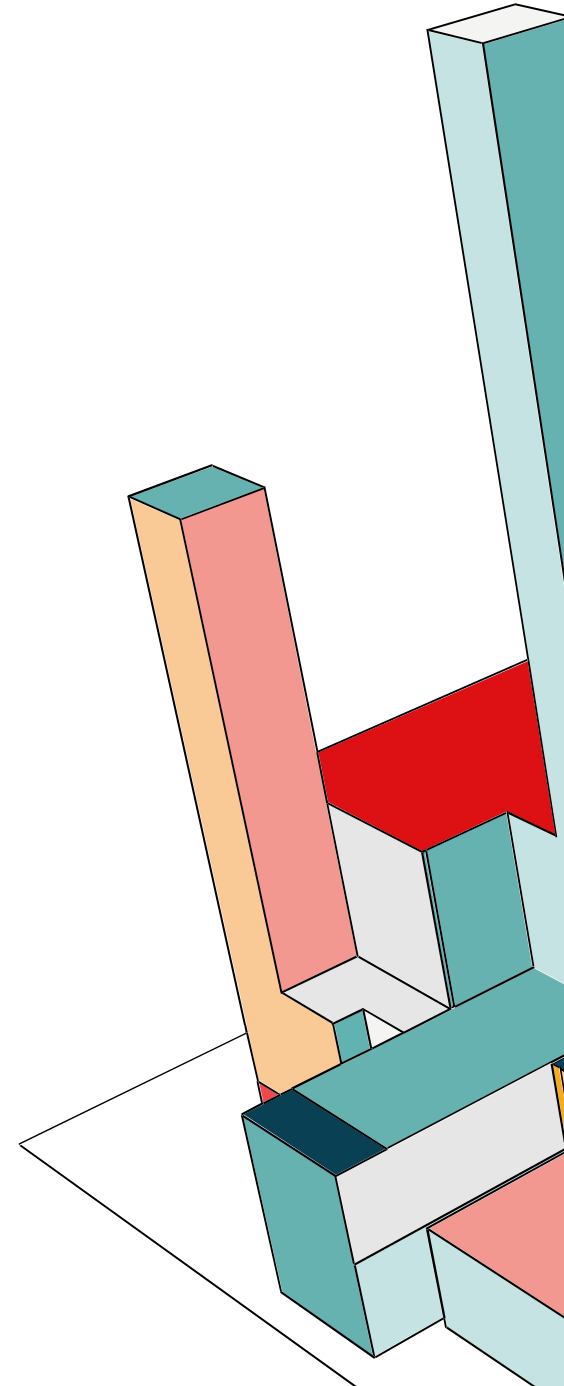
URBAN CENTER HOUSING TAX INCREMENT FINANCING (UCH-TIF) OVERVIEW

OFFICE OF STRATEGIC PLANNING AND COMMUNITY DEVELOPMENT
ECONOMIC DEVELOPMENT

MARCH 2026

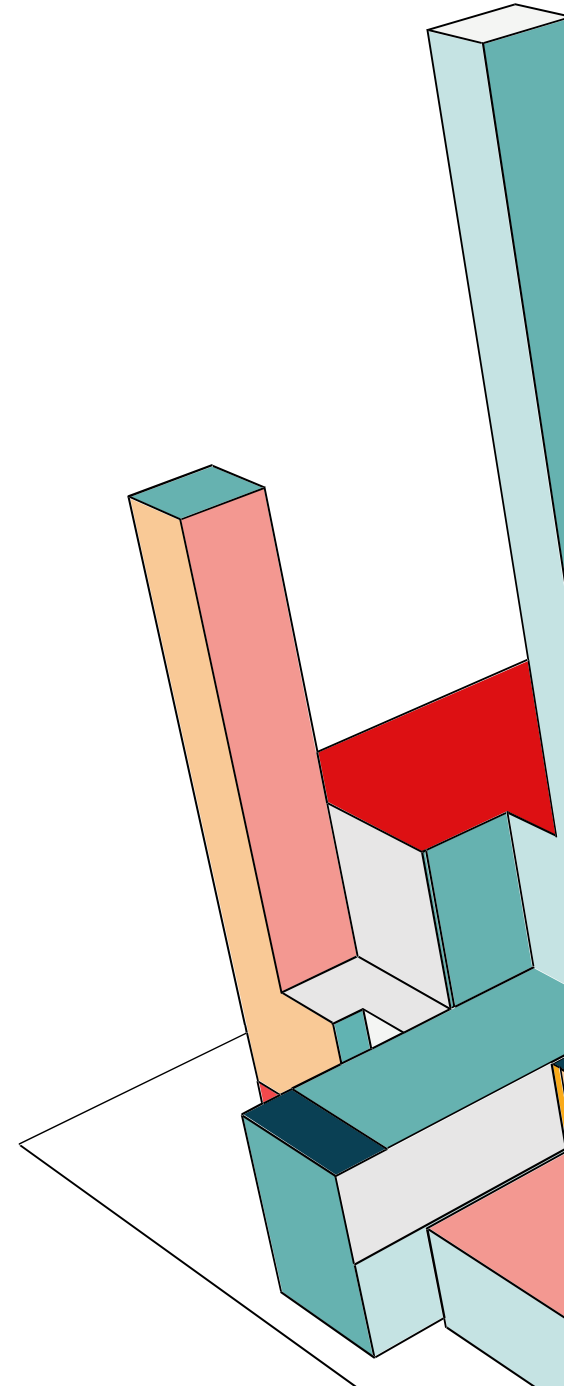
CONTEXT & PURPOSE

- Explore tools to promote housing development in a challenging market environment
- Encourage market action to confront affordability crisis and other issues identified in the 2025 Housing Needs Assessment

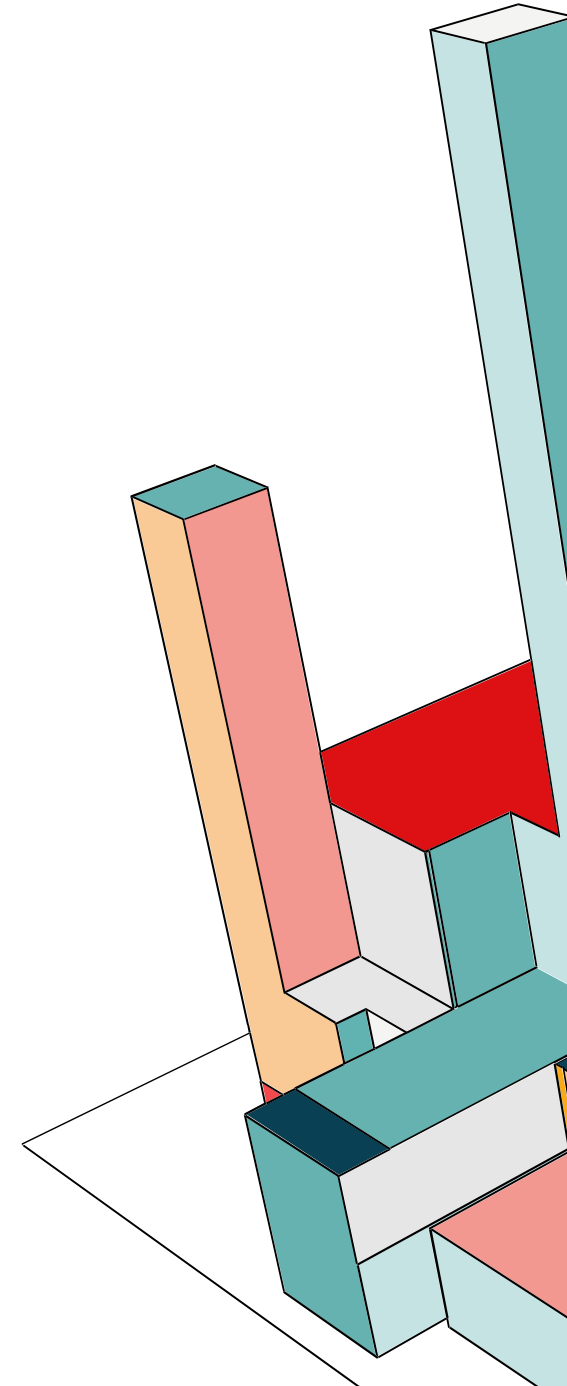
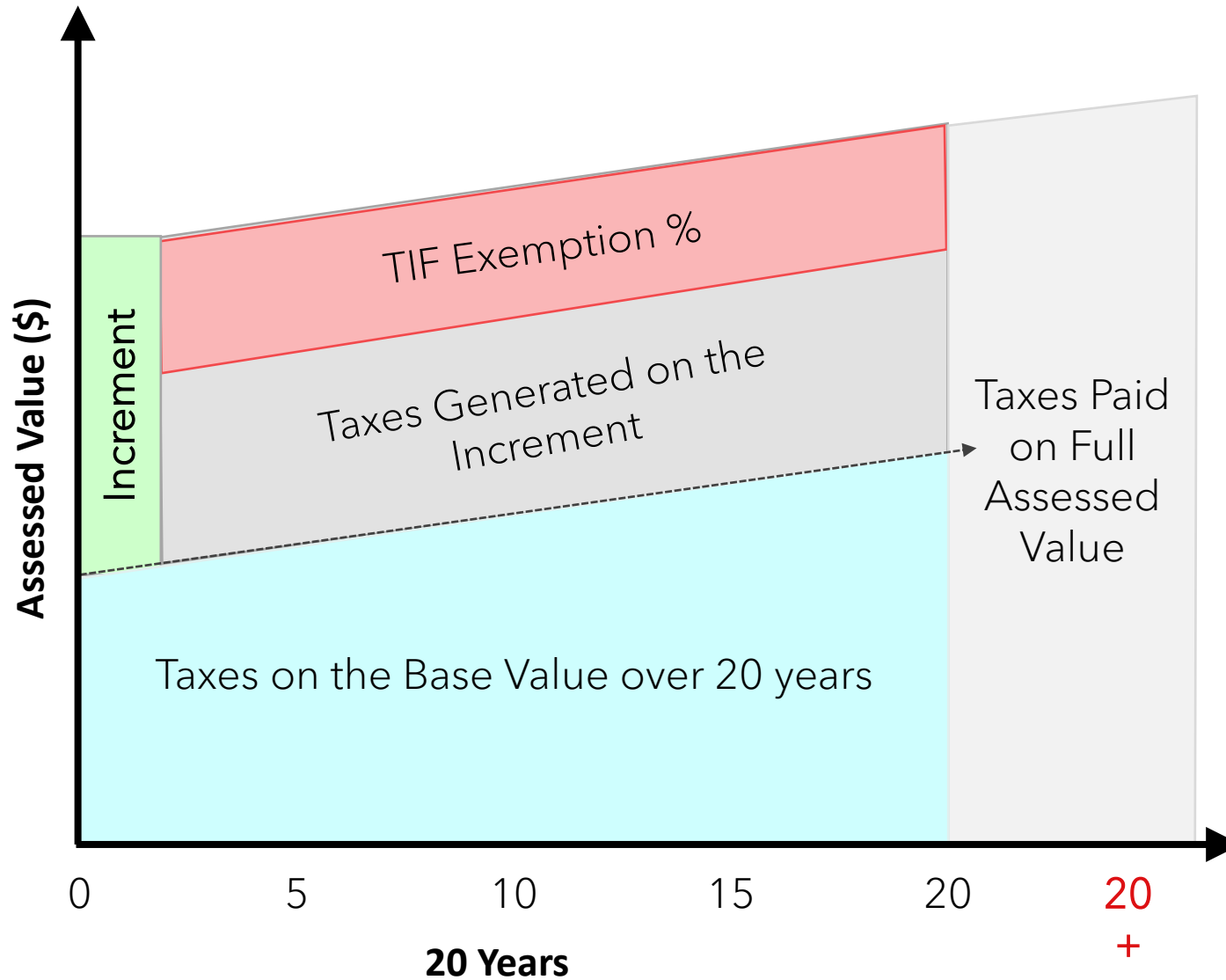


UCH-TIF PROGRAM SUMMARY

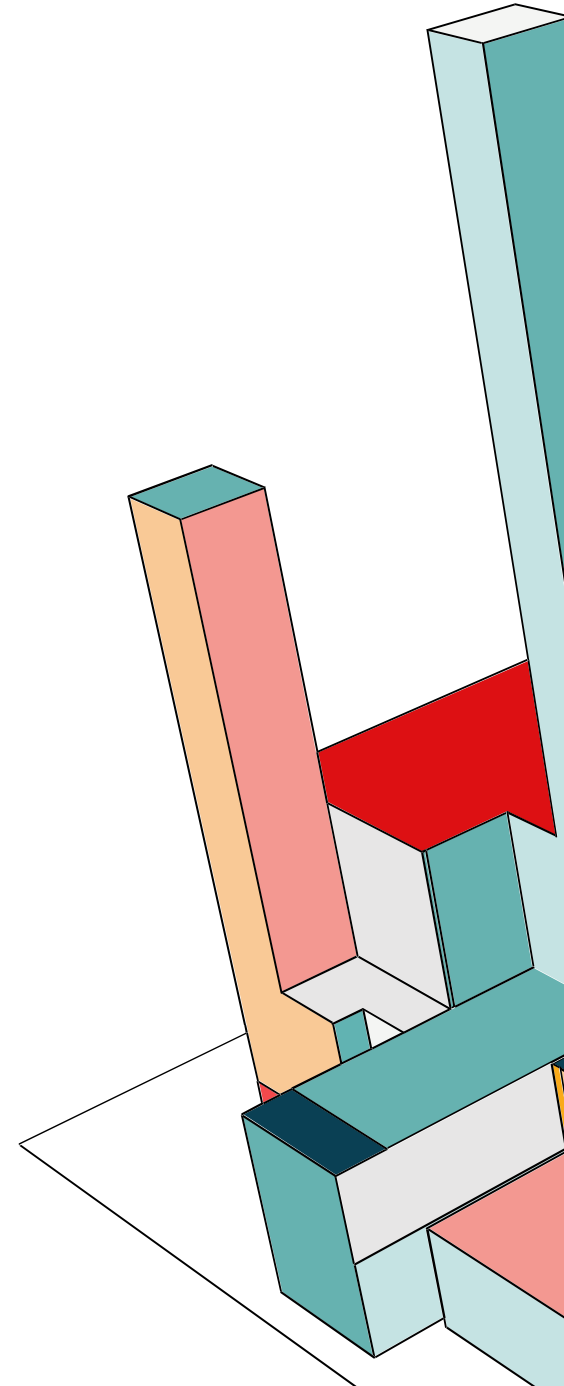
- Financing tool used to promote *housing development* in a primarily commercial area
- Enables real estate tax exemptions on the increased value (increment) of improved property
- Allows *up to 100%* exemption on the increment for *up to 20 years*



TAX INCREMENT FINANCING STRUCTURE

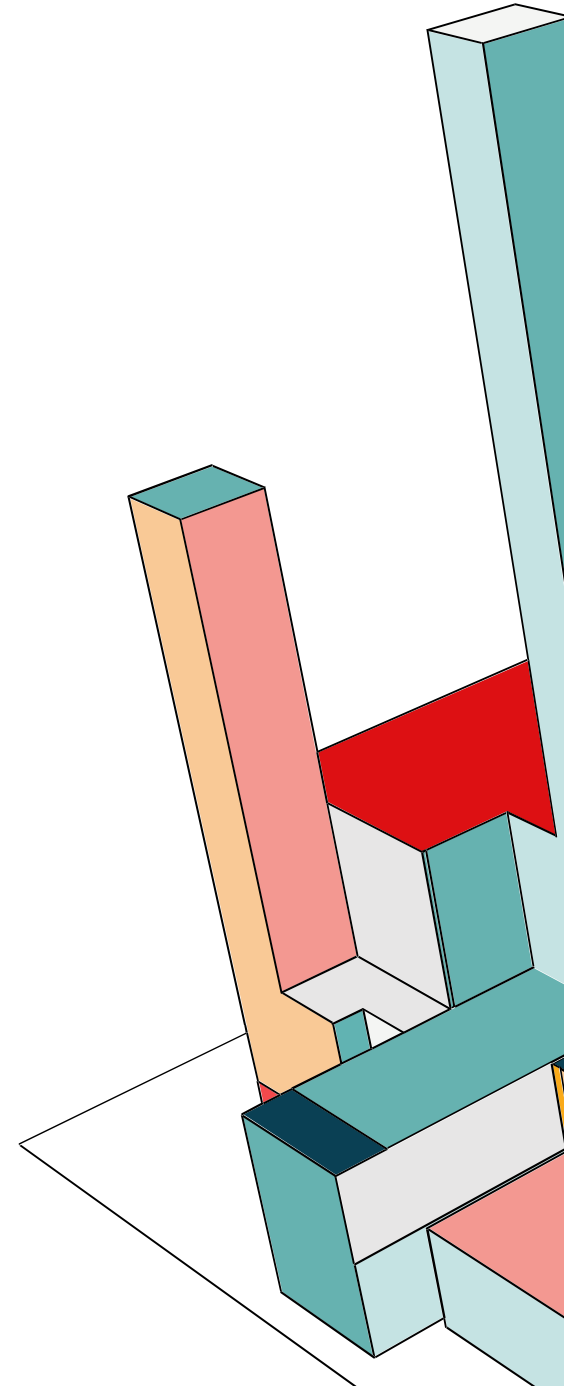


WINTER HILL UCH-TIF ZONE (299 BROADWAY)



WINTER HILL UCH-TIF ZONE (299 BROADWAY)

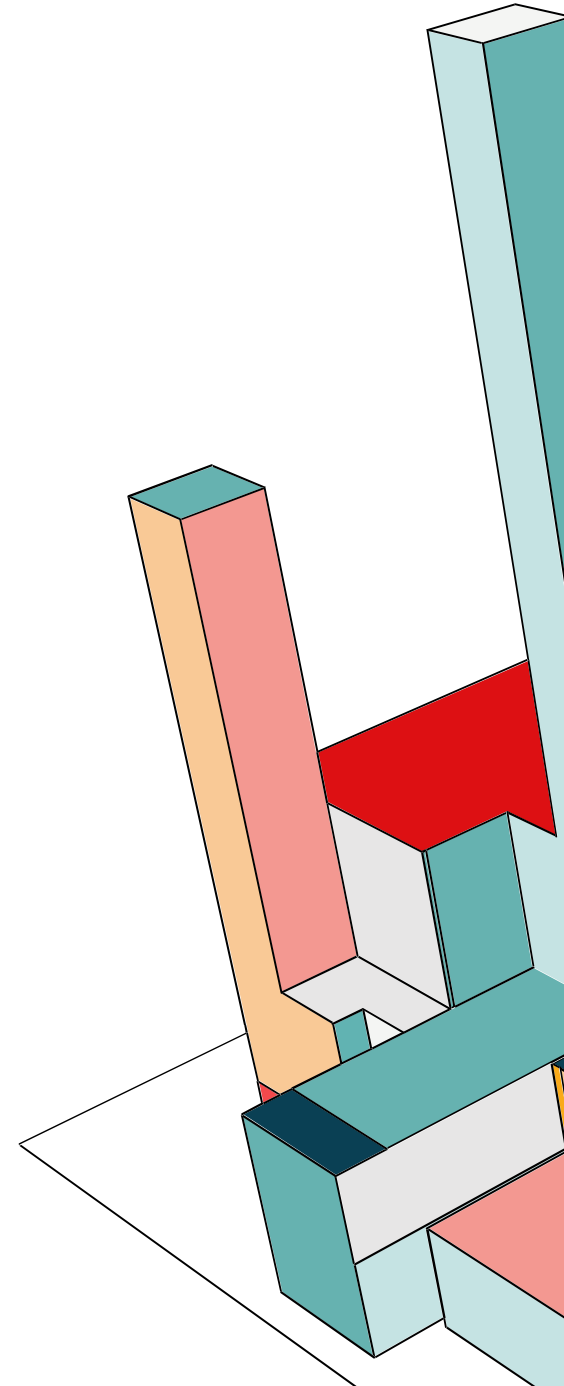
- First time using this tool in Somerville
- Provided full exemption on the 20-year period which enabled the project to move forward
- Delivered heightened levels of affordability in a difficult real estate market
- 136 of the 319 units are income restricted



UCH-TIF STEPS

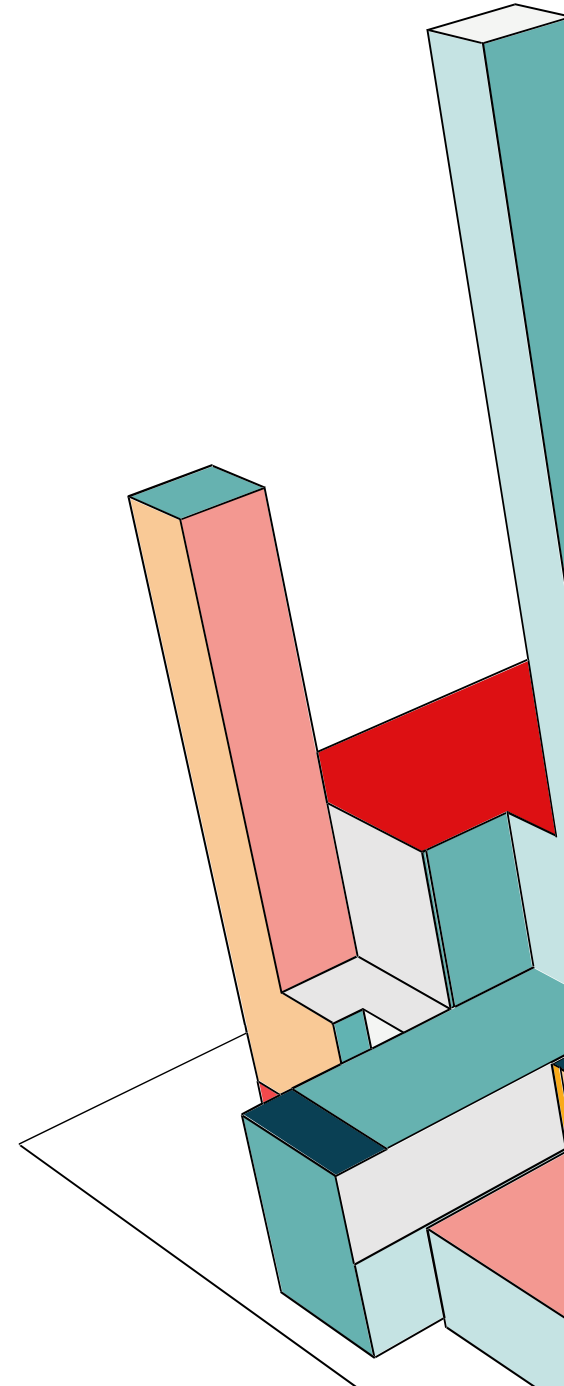
OSPCD Staff are exploring potential Zones where UCH-TIF could assist in stalled housing projects and encourage future housing on vacant and underutilized sites

- Identify Zone, Plan & Form of Agreement
- Public hearing & Council vote to approve
- Any UCH-TIF agreements are negotiated per project



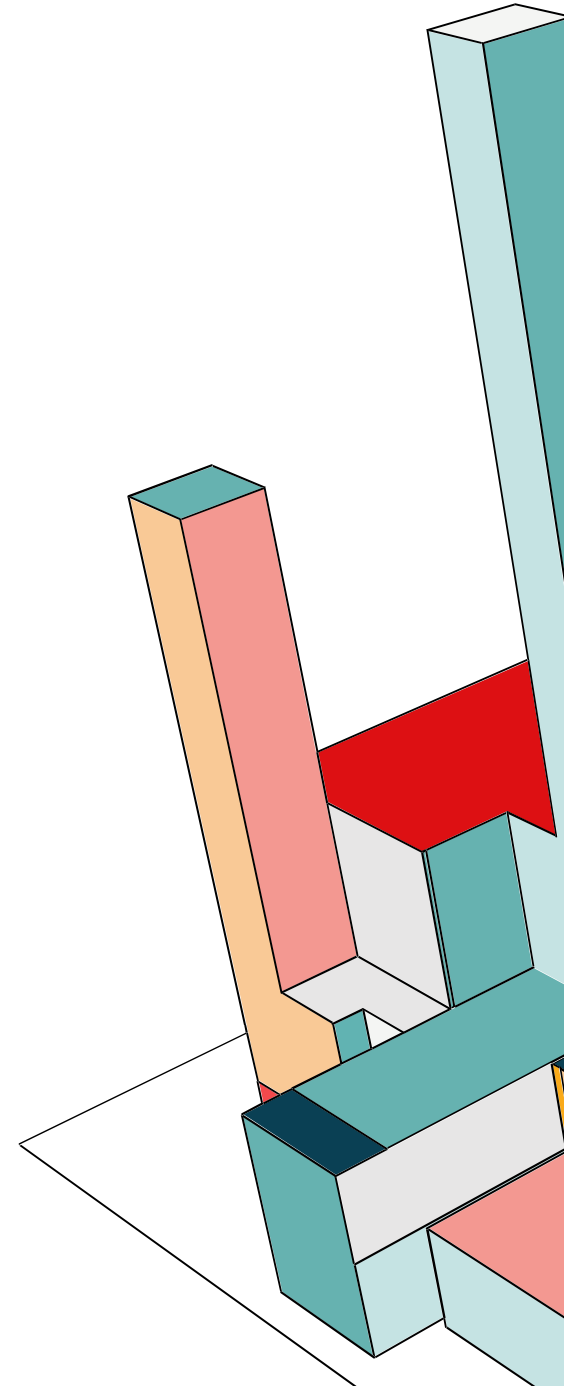
ZONE QUALIFICATIONS

- Zone must be a primarily commercial area
- Must meet certain conditions e.g. heightened commercial vacancy rate, unemployment rates, income levels, or conditions of sub-standard, decadent, or blighted open area
- First area we've been analyzing is Assembly Square and portions of East Somerville connecting into Assembly Square where there are multiple stalled housing projects

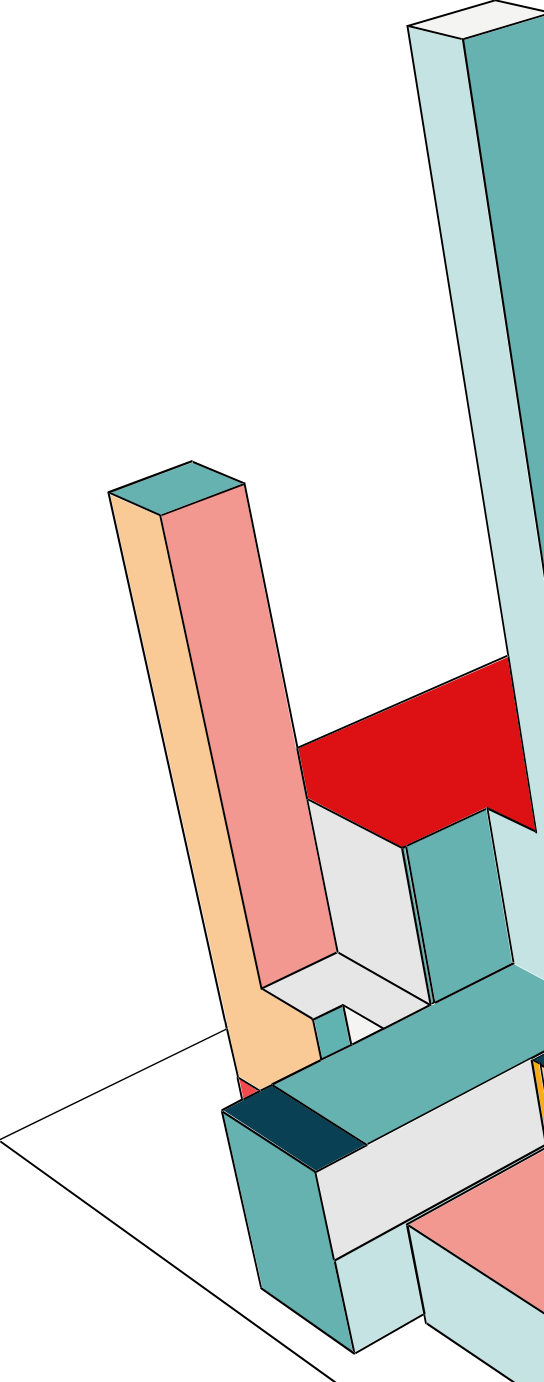


PROJECT QUALIFICATIONS

- Projects must primarily deliver housing in order to qualify for an UCH-TIF
- Unit mix must satisfy a minimum affordability threshold - one of the following:
 - 15% affordable to households at/below 80% AMI
 - 25% affordable to households at/below 110% AMI
 - Satisfy existing Inclusionary Zoning ordinance



THANK YOU.



COMPONENTS OF UCH-TIF PACKAGE

Zone → A defined, primarily commercial area that meets specific economic indicators, such as commercial vacancy, unemployment rates and income, other distress, etc.

Plan → The document that provides context and plans for the area and describes the need and justification for an UCH-TIF. Specific projects are not required at this point.

Form of Agreement → Describes requirements that any potential projects within the Zone must adhere to.

