

# Stimulating Transformative Investment in Gateway Cities February 27, 2019



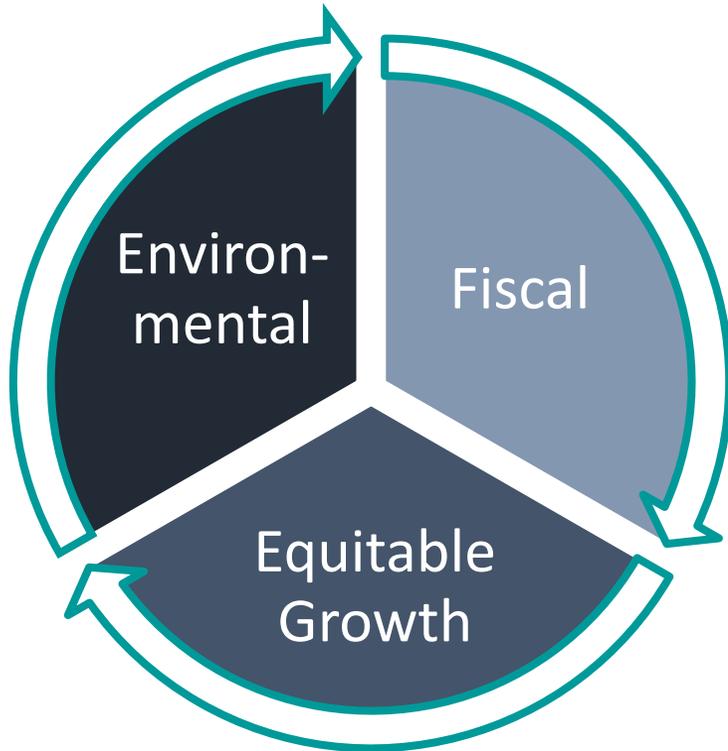
#MassTOD

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# About Transformative TOD



Virtuous Cycle of TTOD  
Benefits for Gateway Cities

## Goal

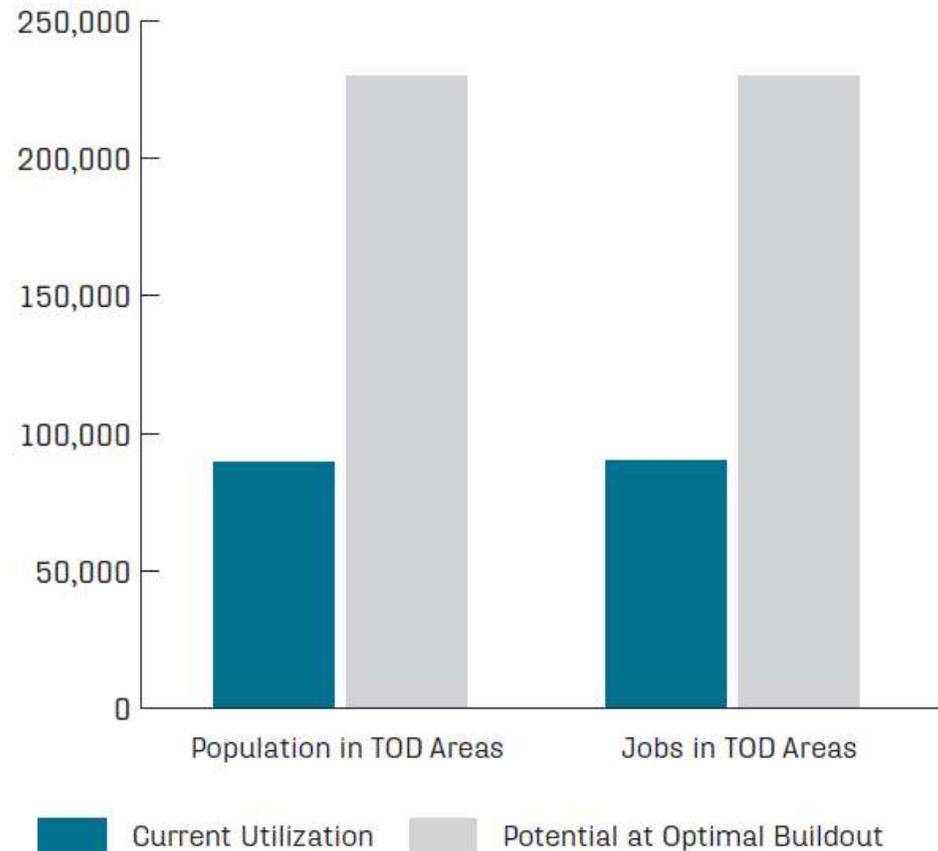
Transit-oriented development in Gateway Cities and adjacent communities along existing and planned rail corridors that transforms the rider and resident experiences

## Recommended Strategies

- Facilitating and coordinating public and private investment in development
- Facilitating and coordinating public investment in transit
- Balancing the responsibilities of the state with those of local communities

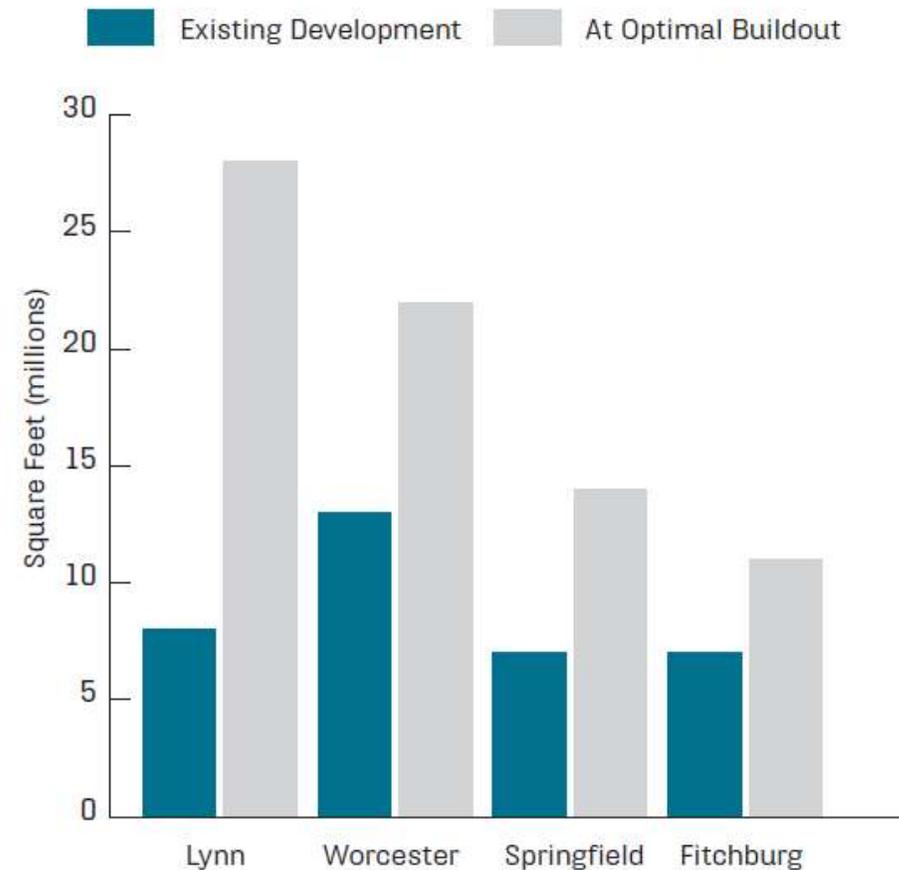
# Promise and Potential of Transformative TOD

**Figure 3-3: Growth in Population and Jobs in TOD Areas at Optimal Buildout, All Gateway Cities**



Source: RKG Associates and Hodge Economic Consulting

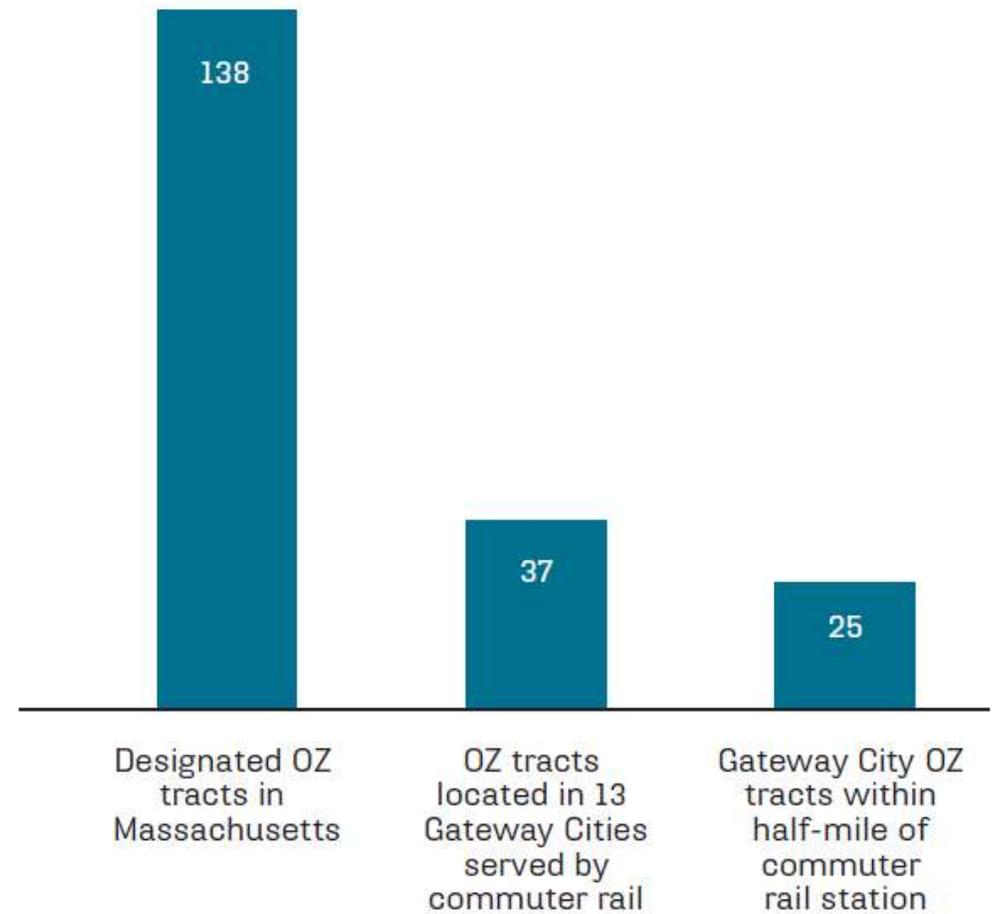
**Figure 3-1: Existing Development vs. Capacity at Optimal Buildout, Case-Study Cities**



# Stimulating TOD with Opportunity Zones (OZ)

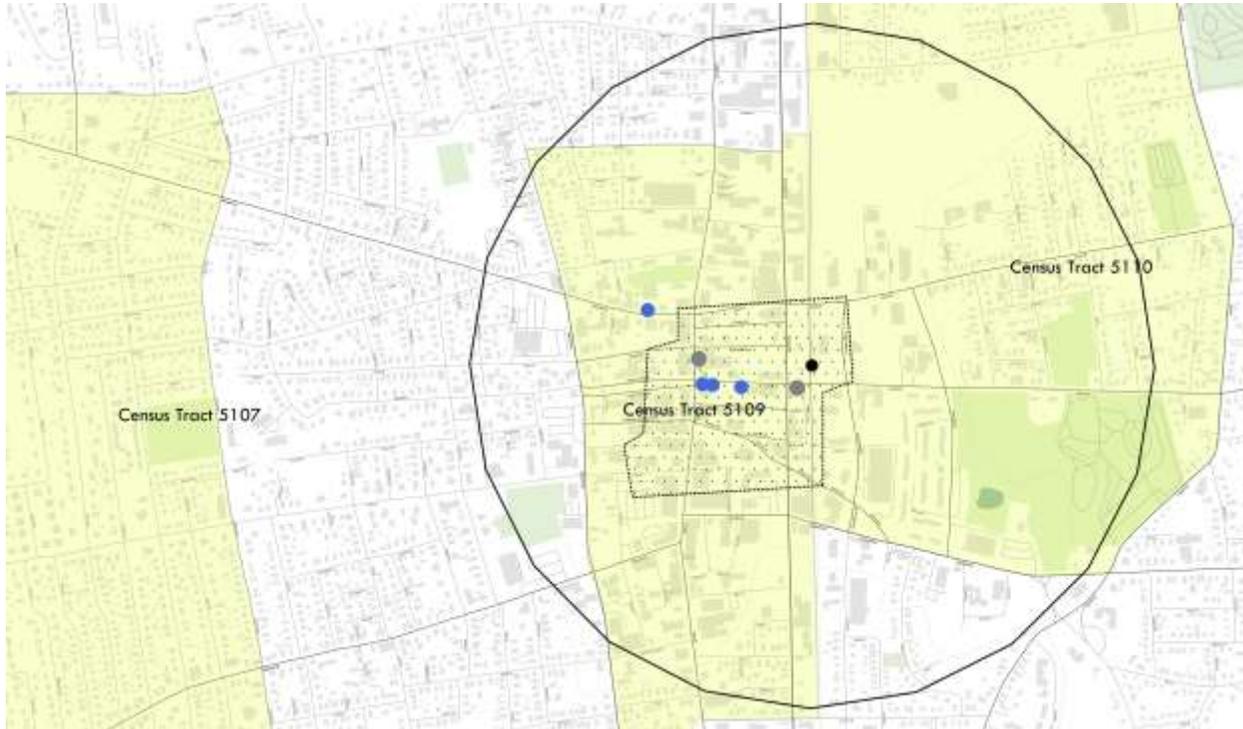
## U.S. Tax Cut and Jobs Act (TCJA, 2017)

- Bipartisan federal tax incentive
- State-established Opportunity Zones
- Low-income Census Tract (per NMTC)
- Designation for up to 10 years
- Opportunity Fund: Self-certified vehicle for OZ property investment
- Investments: 90%+ must be equity



Source: Authors' analysis of designated Opportunity Zones.

# Stimulating TOD with Opportunity Zones (OZ)



Brockton



Worcester

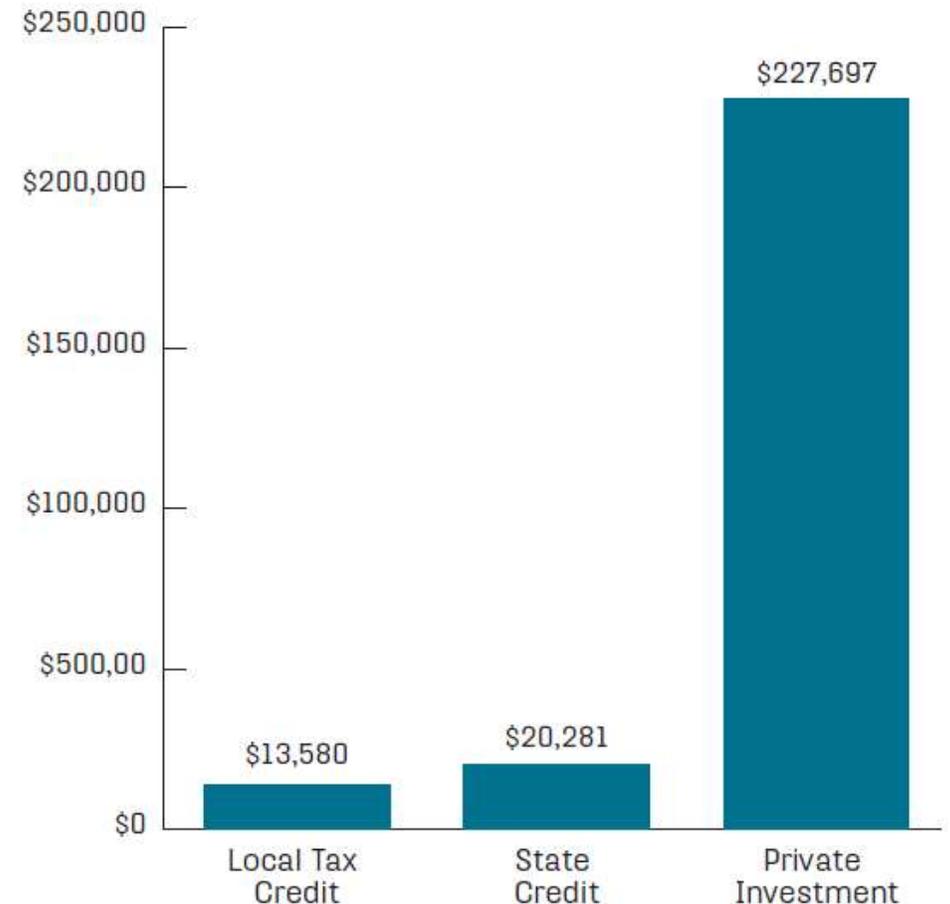
- Proposed Historic Tax Credit project
- Historic Tax Credit project completed in previous two years
- ⊘ TDI District
- OZ census tract

# Stimulating TOD with OZ and HDIP

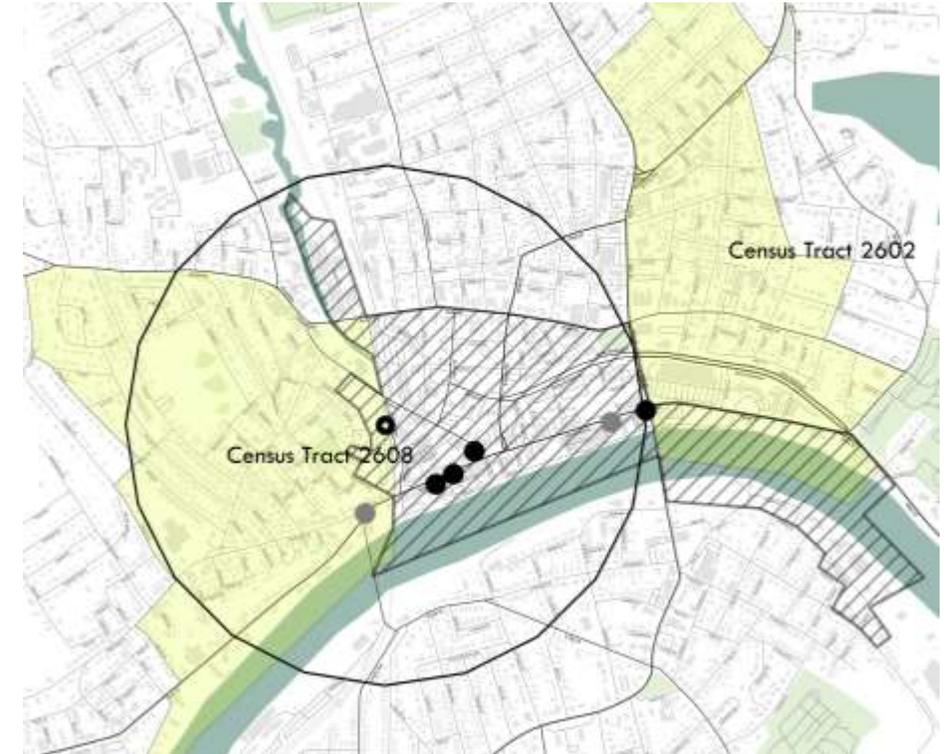
## HDIP (MGL 40V, 2010)

- Market-rate housing in Gateway Cities
  - Local Tax Increment Exemption (10%-100%)
  - State Expenditure Credit (25% of costs)
- Housing Development zone requirement
- Allotment increase in 2016
  - \$10 million annual tax credit cap
  - \$2 million per project cap
- 67% of GWC projects in TOD zones (18)
  - 78% Mixed Use (14)
  - 22% Residential (4)

Figure 3. Investment Per Market-Rate Unit for Completed Projects in TOD Areas, 2016–2018



# Stimulating TOD with OZ and HDIP



Haverhill

- Completed HDIP project
- Proposed HDIP project
- ⊘ TDI District
- ⊘ Designated HDIP zone
- Delineation of half-mile TOD area
- OZ census tract

# Stimulating TOD with OZ, 40R, and 43D

## MGL 40R Smart Growth Zoning

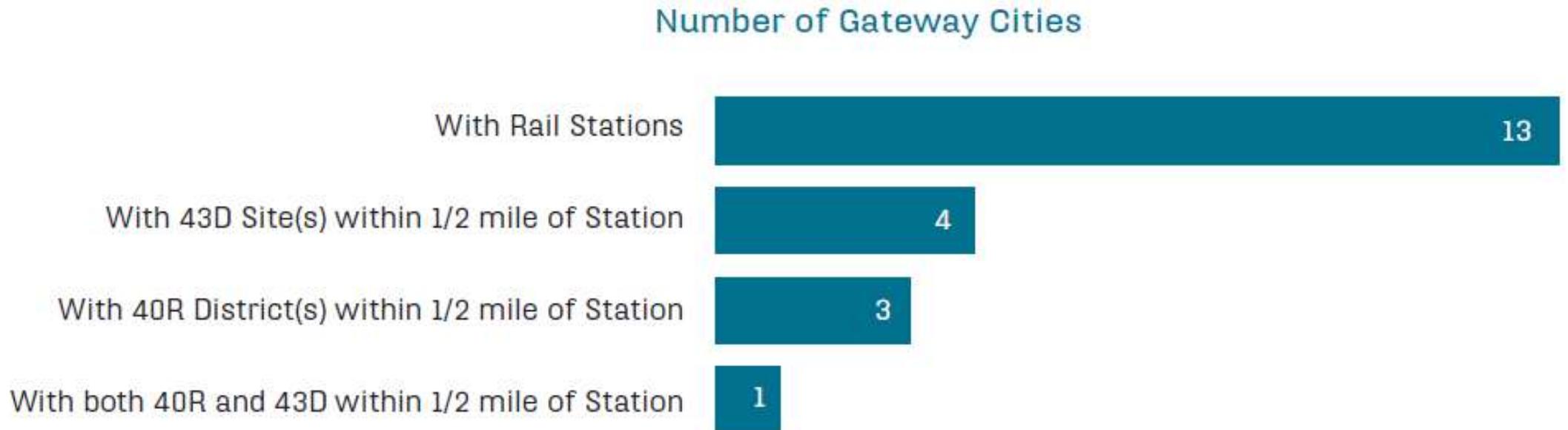
- Zoning overlay districts
- 20% project/district affordability requirement (80% AMI)
- TOD = eligible location
- As-of-right permitting
- 120-day decision limit

## MGL 43D Expedited Permitting

- Priority development sites
- 50,000 sf minimum
- Single contact for permitting
- Transit proximity encouraged
- Opportunity in TOD for large parcels & scattered sites

# Stimulating TOD with OZ, 40R, and 43D

Figure 1: Gateway Cities with 40R and 43D Designations



# Stimulating TOD with OZ, 40R, and 43D



Lowell

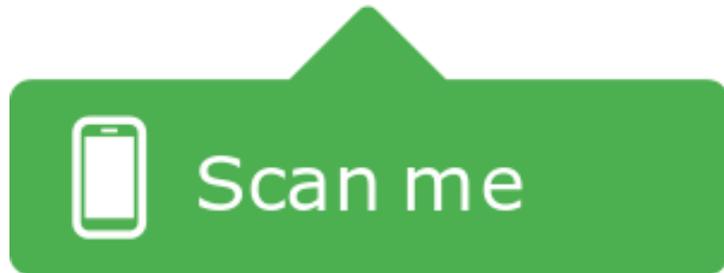


Lawrence (Proposed 40R District)

## Legend

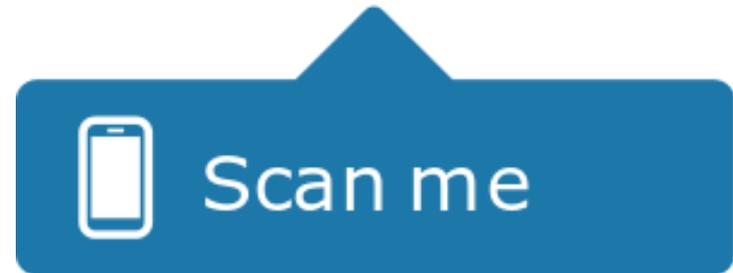
- Commuter Rail Station
- Half-Mile Radius from Station
- Opportunity Zone
- 40R Districts
- 43D Sites

## TTOD Reports #1-3



<https://massinc.org/research/transportation/>

## MA OZ Overview (LISC)



<http://tinyurl.com/LISC-OZoverview>