



HOUSING DEVELOPMENT INCENTIVE PROGRAM TAX INCREMENT EXEMPTION (TIE)

The Town of Barnstable is accepting application for Tax Increment Exemption Agreements

The Town of Barnstable seeks to enter into Tax Increment Exemption Agreements with Residential Developers to support investment of market rate residential projects that contribute to meeting the housing goals of the community by increasing residential growth, expanding diversity of housing stock and supporting economic development in the Downtown Hyannis Growth Incentive Zone. The Downtown Hyannis GIZ is uniquely positioned for additional housing development as it is the economic center of the Town and region however it is seeking a greater jobs-housing balance.

A Tax Increment Exemption Agreement (TIE) is a locally negotiated real estate property tax increment exemption between the Developer and Municipality of not less than 10% and not more than 100% of the increment on market rate residential units in a Certified Housing Development (HD) project for a period of not less than 5 years and not more than 20 years in accordance with Massachusetts Housing Development Incentive Program.


The Massachusetts Housing Development Incentive Program (M.G.L. Chapter 40V) is intended to spur residential growth, expand diversity of housing stock, support economic development and promote neighborhood stabilization in Gateway municipalities. The HDIP provides a residential developer the opportunity to access two incentives:


- a) a locally negotiated tax increment exemption (TIE); and
- b) State tax credit for qualified project expenses (QPE's)

Housing Development Incentive Program Requires:

- Project is locating in HD Zone (see map)
- Project consists of at least 80% market rate units
- Contains 2 or more units
- Housing units will be occupied as primary residence
- New construction or major rehabilitation
- Development is on one or more contiguous parcels

HDIP State Tax Credits will only be awarded to projects with DHCD approved Local Tax Increment Exemption Agreements. All Projects, including those only applying for a TIE, must be approved as a "Certified" project by DHCD.





To apply for a TIE Agreement with the Town of Barnstable, the Applicant will submit:

1. **Letter of Intent.** Submit a letter of intent to the Town Manager (Attachment 1 – Sample Letter of Intent)
2. **Town of Barnstable Full Application.** Submit an application and all supporting materials. (Shall include draft TIE Agreement.)

Once TIE has been granted (positive vote of Town Council), Applicant must seek DHCD approval:

3. **DHCD Preliminary Certification:** Submit the State’s Preliminary Certification Application.
4. **DHCD Application for Conditional Certification:** submit Conditional Certification application to the State.

Once a Town of Barnstable application has been submitted:

1. **Application Review.** Town staff from the Finance, Assessing, Legal and Planning & Development Department staff shall review application materials and forward a summary report to the Tax Incentive Committee, a subcommittee of the Town Council.
2. **Tax Incentive Committee.** TIE Agreements are negotiated with the Tax Incentive Committee, a three-member subcommittee of the Town Council. The Tax Incentive Committee reviews applications and makes recommendations for any Town Council action.
3. **Town Council Action.** The draft agreement will be considered and voted on by the full Council at a regularly scheduled Town Council meeting.
4. **Agreement.** Any changes to draft TIE as a result of Town Council action will be incorporated into TIE Agreement in coordination with the applicant and Town Attorney.
5. **DHCD Action.** Town Council forwards finalized TIE Agreement to the Dept. of Housing and Community development for their review and action.

A finalized TIE Agreement will go into effect:

- Upon approval by Dept. of Housing and Community Development of the TIE
 - A DHCD Final Certificate for the Project has been issued
 - As of the first fiscal year subsequent to the completion of new construction (80% of units sold or leased).
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