

# Incentives for Developers who build single and multifamily housing



# Tax Increment Financing (TIF)

## RSA 162-K

- What is a TIF?
  - Investment in public infrastructure designed to spur private development
- How does it work
  - Careful estimation of potential development
  - Create a physical TIF district
  - Take out bond to build public infrastructure
  - Pay off bond with TIF proceeds

# Use of TIF for Residential Development

- RSA 162-K III. In conformity with the development program, within the district, the municipality may:
- (j) If separately adopted by the city or town by the procedure described in RSA 162-K:1, acquire, construct, reconstruct, improve, alter, extend, operate, maintain or promote residential developments aimed at increasing the available housing stock within the municipality. – August 2022

# Exeter Gateway project



# Community Revitalization Tax Relief Incentive (RSA 79-E)

- Public Benefit – Historic district, downtown, housing
- Enabling Legislation – Legislative body enacts, governing body implements
- Taxable base established once incentive offered
- Length of incentive determined by governing body
- Covenant to protect public benefit

# Residential Property Revitalization Zone RSA 79-E:4-b

I. A city or town may adopt the provisions of this section by vote of its legislative body, according to the procedures described in RSA 79-E:3, to establish tax relief for the owners of a one or 2-family home or an attached multi-family home with not more than 4 units and which is at least 40 years old, who significantly improves the quality, condition, and/or use of an existing residential structure in a designated residential property revitalization zone.

# Housing Opportunity Zone in RSA 79-E

## RSA 79-E:4-c

To be eligible for tax relief under this section, the qualifying structure and property shall be located within the housing opportunity zone established by the municipality. **No less than one-third of the housing units constructed shall be designated for households with an income of 80 percent or less of the area median income** as measured by the United States Department of Housing and Urban Development, or the housing units in a qualifying structure shall be designated for households with incomes as provided in RSA 204-C:57, IV.

# Exeter's Mixed Use Neighborhood Development Districts (MUND)

Pursuant to the Exeter Master Plan, the Town wishes to expand housing diversity in mixed use districts in order to increase the vibrancy of these districts, stimulate the local economy, and provide access to rental and homeownership options that are not possible in other districts.



# Exeter's Mixed Use Neighborhood Development Districts (MUND)

- Purpose is to increase housing, including at least 10% affordable, in mixed-use properties in Exeter's commercial districts
- Use of the MUND offers developers incentives including height, density, parking relief, setback relief
- In 2024, Exeter increased the areas of town in which the MUND applies and will now allow residential uses on ground floors provided the commercial use is in another ground floor in another building on site. Both changes are expected to increase Exeter's housing stock.

# Parking relief in Exeter's MUND (an example of incentives)

- **Minimum Parking Space Requirements**

- For residential use, the minimum number of parking spaces shall be one space per unit regardless of the number of bedrooms.
- For non-residential use, the minimum requirements listed in Section 5.6.6 of the Zoning Ordinance shall be reduced by 50%.

- **Alternatives to Strict Compliance with Minimum Parking Requirements**

- The Planning Board may allow the applicant to provide up to 100% of the minimum parking requirements off-site. The applicant must demonstrate, through the use of maps and/or site plans, that the number of spaces is adequate and access will be safe and convenient.

# MUND Requirements

For home ownership, the initial sales price shall be affordable for a household with an income not more than 80% of the HUD area median income for a family of four as most recently reported by New Hampshire Housing.

For rental property, rental rates shall be affordable to a household with an income not more than 60% of the HUD median area income for a family of three as most recently reported by New Hampshire Housing.

# MUND Requirements

- The inclusionary housing units shall be on-site and shall be **designed and constructed in a manner that makes them fully consistent in form, materials, architectural details, and internal systems with market rate units in the same development.** The inclusionary housing units shall have a mix of bedroom counts that is generally consistent with the development as a whole. The size of the different inclusionary units shall generally be consistent with the market rate units in the overall development, comparing the units by bedroom count.

# MUND Requirements

Inclusionary housing units will be sold or rented at the required level of affordability in perpetuity using a deed restriction that includes a housing agreement. The deed restriction and housing agreement the owner proposes to use shall be submitted to the Planning Board as part of the development application process. Applicants are encouraged to contact the Planning Department for guidance on the development of an acceptable housing agreement.

Thank you, Homeownership Conference attendees!

