

Town of



Amherst Massachusetts

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## NEWS RELEASE

### Town of Amherst Approves Mixed Use Development in North Amherst

#### First Use of Local Affordable Housing Tax Incentive

*For Immediate Release*

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(February 8, 2017) A mixed-use, mixed-income development received the unanimous approval of the Zoning Board of Appeals and the Select Board on Monday February 6 in two separate actions.

North Square at the Mill District was proposed by Beacon Communities Development LLC, the same company that worked with the Town to purchase Rolling Green Apartments to keep it affordable. The North Square development consists of two new buildings containing 130 residential units - including 20% affordable units at 50% area median income, 22,000 square feet of non-residential space, approximately 304 parking spaces, and site improvements that include a village square, a play area and a dog park for residents. The leased site is approximately 5.3 acres within a 13-acre property owned by W.D. Cowsls on Cowsls Road in North Amherst.



North Square at the Mill District received final approval for a Comprehensive Permit under Chapter 40B of the General Laws from the Zoning Board of Appeals. The Zoning Board of Appeals held seven meetings to review the details of North Square at the Mill District. At its meeting on Tuesday, the Zoning Board approved a Comprehensive Permit under State law that required several important features: the affordable units will be restricted in perpetuity, the site will include a pedestrian path connecting the development to Rt. 63, the buildings will be LEED Silver, the play area will be available to both residents and the public and will include accessible equipment, and many other details of building design, and property management were part of the approved development.

North Square received final approval from the Select Board for an Affordable Housing Tax Incentive created in 2015 by Town Meeting and approved by the State Legislature as a Special Act. Amherst is the first community in the Commonwealth to have a program that forgoes local real estate tax as an incentive to the development of affordable housing.

This was the first use of this tool which was designed to promote the development of affordable housing with minimal impact on the Town’s budget. The Special Act authorizes the Select Board to enter into agreements allow phasing-in of assessed property value over 10 years and is available to developments of residential or mixed-uses with 10 or more dwelling units and in which at least 10 percent of the units are low- or moderate-income housing subject to an affordable housing restriction. In essence, it foregoes tax revenue during the early years of a development as a way to support affordable housing.

North Square will pay \$140,332 in taxes for the residential units and \$70,000 for the commercial space in the first year. The Select Board awarded a first year tax incentive of an estimated \$249,479 which is 64% of the full value of the residential taxes. The tax and the incentive will be increased by about 2.5% each year during the ten-year lifespan of the incentive. It is projected that the total, ten-year value of the Affordable Housing Tax Incentive will be \$2,795,009. During that same period the development will add \$2,356,429 in new tax revenues for the Town from both residential and non-residential space. Currently the site pays about \$10,000 per year in taxes. Peter Graham, President and Tilman Lukas, Principal of MBL Housing and Development of Amherst, assisted the Town in its analysis of the tax incentive and the specifics of the North Square at the Mill District.

Select Board Chair Alisa Brewer said, “We’re so pleased that we’ll be gaining a first-class, mixed-use development in one of our key village centers. This complements existing homes and businesses like Atkins North and Bread and Butter, while contributing to our goals for a walkable and environmentally sensitive community.” She continued, “This is an exciting step forward in providing the kinds of housing our residents need, and sets a high standard for future development aligned with our Master Plan. With the approval of this tax incentive the Town is now a partner in the future success of North Square.”

Dara Kovel, President of Beacon Communities Development LLC said, “Beacon Communities couldn’t be happier about the outcome of approvals from the Amherst ZBA and Select Board approvals. We appreciate the Town’s creative support of affordable housing and are thrilled to be bringing this new, high-quality mixed use, mixed income development to North Amherst.”

