

Clerk of Comm



CITY OF NEW BEDFORD
JONATHAN F. MITCHELL, MAYOR

OFFICE OF THE CITY CLERK
NEW BEDFORD, MA

2022 FEB 17 PM 3:05

CITY CLERK

February 17, 2022

City Council President Ian A. Abreu and
Honorable Members of the City Council
City Hall, 133 William Street
New Bedford, Massachusetts 02740

Re: Housing Development Incentive Zone Expansion

Dear President Abreu and Members of the Council:

As you know, it has been difficult to promote the development of high-quality market-rate rental housing in the city given our market conditions, which has contributed to escalating housing prices. State and federal incentives tend to favor the development of income restricted housing over market rate, and during my time in office, developers have taken advantage of these incentives to create hundreds of income restricted units throughout the city, with many more in the pipeline. While there is a clear need for income restricted housing in overheated real estate markets like Boston, New Bedford needs a more nuanced approach to housing development, one which includes a healthy mix of all types of housing for people of varying income levels.

I propose that the Council adopt the attached Order, which would expand the City's existing Housing Development Incentive Program (HDIP) Zone from the downtown business district to include the entire city. The original New Bedford HDIP Zone was approved by the City Council on March 29, 2013 and approved by the Massachusetts Department of Housing and Community Development on March 17, 2014.

In addition to the Order, enclosed is the HDIP Amendment Proposal, drafted by OHCD Director Patrick Sullivan for submission to DHCD, which explains in detail the rationale for the HDIP Zone expansion. As you know, the incentive mechanisms for the program include a Tax Increment Exemption (TIE), which is similar to a TIF, and DHCD investment credits. As the City Council must approve all proposed TIE Agreements, it will have the authority to approve all HDIP Projects.

I look forward to working with the Council to apply these incentives in the best interest of developing a healthy and diverse rental housing market that attracts and retains individuals and families at many income levels who will help our city grow and thrive for years to come.

Please do not hesitate to contact my office with any questions. Thank you for your consideration.

Sincerely,


Jonathan F. Mitchell
jfm/cw

IN CITY COUNCIL, February 24, 2022

Referred to the Committee on Ordinances – Yeas 10, Nays 0. Dennis W. Farias, City Clerk

a true copy attest:


City Clerk