

Commercial Conversion Tax Credit Initiative (CCTCI)

Overview: Established by EOHLC through the Affordable Homes Act, CCTCI is intended to support the repurposing of commercial buildings as residential and/or mixed-use properties.

Current Credit Authority: \$10 million in CY 2025, to be awarded through one competition.

Eligible Sponsors: For-profit and non-profit developers

Eligible Projects: Projects first must be certified as Qualified Conversion Projects to be eligible for CCTCI awards. EOHLC intends to give preference to adaptive re-use and rehabilitation projects. Demo/new construction projects will be considered on a case-by-case basis.

Eligible Locations: Any municipality in Massachusetts; however, EOHLC intends to give preference to communities that received commercial conversion technical assistance from MassHousing in 2024 and 2025. Projects located in these communities may receive preference if and only if the (1) projects have been identified by the MassHousing consultants as eligible candidates for residential conversion and (2) the projects meet all of the requirements of the CCTCI guidelines and NOFA.

These communities include Fitchburg, Gardner, Holyoke, Maynard, New Bedford, Northampton, Pittsfield, Revere, Springfield, Spencer, and Worcester.

Please note that projects located in communities other than the communities listed above may also be considered under this initiative.

Preferences for 2025: HLC will give preference to larger-scale projects: 50 units or more. As noted, HLC will give preference to MassHousing technical assistance projects. HLC also will give preference to highly ready projects in its decisions on CCTCI.

Funding Limits: \$2.5-\$3 million per project, depending in part on project size.

Required Municipal Approvals: Sign-off by chief elected official

Municipal Contributions: Strongly encouraged

Affordability: Encouraged but not mandatory. By statute, at least 80% of units in CCTCI conversion must be market rate.

Eligible Development Costs: Expenditures directly related to the construction or substantial rehabilitation of a qualified conversion project, excluding acquisition costs. By statute, no more than 10% of such costs may be eligible for credits. However, given the annual CCTCI authority, HLC may elect to limit an award to a given project to an amount less than 10% of eligible costs.

Project Readiness: Zoning must be in place. HLC also will evaluate other measures of readiness, as identified in the CCTCI NOFA of 2025

CCTCI and HDIP: Certain HDIP projects with existing awards may be eligible for CCTCI consideration. Interested parties should contact HLC for additional information.