

**NEW HAVEN BOARD OF ALDERS**  
**Tax Abatement Committee Rules Low Income, Multi- Family Developments**

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**TAX ABATEMENT RULES FOR LOW AND MODERATE INCOME HOUSING OF THE  
NEW HAVEN BOARD OF ALDERS**

**Introduction**

Pursuant to Connecticut General Statutes, Chapter 133, Sec. 8-215, and the New Haven Charter, Title 1, Article IX, Sec. 52, the New Haven Board of Alders ("the Board") may abate local property taxes under certain circumstances.

Abatement may be subject to federal, state and/or local laws. Local laws include the City Charter, and ordinances, orders, and resolutions duly enacted and approved in accord with the City Charter. These Rules are adopted by order of the Board of Alders, and have the force of local law. These Rules augment applicable federal, state and other local laws.

This section shall set forth the policies and procedures for the review of abatement requests for developments of, or including, Low and Moderate Income Developments, as hereinafter defined. These policies and procedures define how the Board of Alders shall exercise their discretionary authority with respect to the tax abatement requests.

The disclosure and/or distribution of any information provided herein and pursuant hereto shall be governed in accordance with the Freedom of Information Act, Chapter 14 of the CT General Statutes, Section 1-200, et seq.

**Definitions and Limits of Applicability**

Following are terms used in this section and the definitions given to these terms when used in this section.

- "Low and moderate income housing" shall mean housing, the construction or rehabilitation of which is aided or assisted in any way by any federal or state statute, which housing is subject to regulation or supervision of rents, charges or sale prices and methods of operation by a governmental agency under a regulatory agreement or other instrument which restricts occupancy of such housing to persons or families whose incomes do not exceed 80 % of the Area Median Income (AMI) for New Haven County, as stated by the US Department of Housing and Urban Development (HUD).
- "Owner" shall mean a person or persons, partnership, joint venture or corporation who or which has executed, or will execute, a regulatory agreement or other instrument with a governmental agency, either federal, state or local, which limits occupancy of the low and moderate income housing owned or to be owned by such person or persons, partnership, joint venture or corporation to persons or families whose income do not exceed 80 % of the Area Median Income (AMI) for New Haven County, as stated by the US Department of Housing and Urban Development (HUD).
- "Applicant" shall mean any property Owner(s) requesting a low income tax abatement agreement.
- "Application" shall mean a summary of the information determined necessary to be provided by the Owner for the purpose of evaluating an Owner's request to enter into a contract with the City for a tax abatement for their property(s).

- "Application Fee" shall mean a fee to be paid by the Owner or Agent at the time an Application for a low income tax abatement is made to the City of New Haven Board of Alders.
- "Annual Review Fee" shall mean a fee to be paid by the Owner, annually for the duration of the low income tax abatement agreement for the administrative and accounting costs associated with the management of the agreement.
- "Non-Compliance" shall mean when an Owner fails to meet the contractual requirements set forth in the tax abatement agreement between the City and the Owner as further defined in the low income tax abatement agreement.
- "Multi Family" shall mean a dwelling or dwellings containing more than one unit.
- "Deed Restricted" shall mean a restriction to limit the use of the property to those that are low to moderate income.
- "New construction" shall mean construction of an entirely new structure.
- "Full rehabilitation" shall mean significant extension and/or alterations to an existing structure (value not less than \$15,000 per unit).
- Mixed use shall mean buildings containing two or more of the following; commercial space, low or moderate low income housing units, market priced housing units.

#### **I. Application Process**

1. No request for, or consideration of, an abatement of taxes under this section of the Rules, shall be made unless and until a fully completed Application has been submitted in accordance with the process below.

2. All Applications submitted shall be accompanied by an application fee, payable to the Controller. This fee is found in the New Haven Code of General Ordinances, Article XX: Section 17-201: Permit Licenses and User Fees.

This fee is non-refundable and failure to submit payment shall be a basis to deny the application.

3. The Application and any and all accompanying information shall be first submitted to the Board of Alders. The Board of Alders shall thereafter assign the request to the Tax Abatement Committee and concurrently to the Tax Abatement Review Committee. The Tax Abatement Review Committee will be composed of one representative each from the Tax Abatement Committee, Economic Development, Livable City Initiative, and Finance Department. The Tax Abatement Review Committee will review the request and make a recommendation to the Tax Abatement Committee which will then hold a public hearing on the application, and submit its recommendation to the full Board of Alders for action.

4. The Applicant may, at any time during the process, be required to provide additional information and/or documentation to explain and/or substantiate information included in the Application requested by the Tax Abatement Committee or the Tax Abatement Review Committee. All information and/or documentation requested by the Tax Abatement Committee or the Tax Abatement Review Committee shall be provided within the time frame requested.

#### **II. Tax Abatement Agreements**

All abatements approved by the Board of Alders shall be codified in a Tax Abatement Agreement, completed by City of New Haven Corporation Counsel, and is to be recorded in the land records of the City of New Haven.

1. All Agreements entered into under this section of the Tax Abatement Committee Rules shall include deed restrictions for the percentage of the development designated for low and moderate income. Said designations shall be subject to verification pursuant to the Annual Compliance Review.

2. In accordance with Connecticut General Statute Section 8-215, such tax abatements shall be used for one or more of the following purposes: (1) to reduce rents below the levels which would be achieved in the absence of abatement and to improve the quality and design of such housing; (2) to effect occupancy of such housing by persons and families of varying income levels within limits determined by the Commissioner of Economic and Community Development by regulation, or (3) to provide necessary related facilities or services in such housing.

3. The term of abatement shall extend for the remainder of the grand list year in which the abatement becomes effective and may continue for a period not to exceed fifteen (15) consecutive grand list years thereafter, provided that said Agreement is not terminated.

Notwithstanding the above, in the event the property is a new construction, conversion or full rehabilitation the term of the abatement shall be for a period not to exceed seventeen (17) consecutive grand list years. During the first two (2) years of the Agreement, also referred to as the construction phase, the assessment on the property shall remain fixed. In the third year, the property shall be subject to taxation in accordance with Section II, Part 3 above. Also in the third year, the property owner shall provide income verification for units designated as affordable.

4. In the event an issue arises as to the assessed value of the property wherein the Owner of the property (or his/her/its agent) formally disputes the assessment levied by the City Assessor's Office and/or the Owner files a tax appeal, the assessed value based on the year prior to any said dispute and/or appeal shall be applied and shall be due and payable immediately. Upon a final resolution of any formal dispute and/or tax appeal, any payments or credits due shall be applied. Failure to make any required payments shall be construed as noncompliance with the Tax Abatement Agreement.

5. All Agreements entered into under this section of the Tax Abatement Committee Rules shall provide for an Annual Compliance Review. Said review shall be conducted by the Controller. Any and all documentation required for said review shall include but not limited to the following:

- (i) Most recent property rent roll or forecasted rental projections per unit for following year and identify affordable units;
- (ii) Provide income verification that families earn less than 80% of the Area Median Income; and
- (iii) Previous year's actual operating budget showing actual income and expenses.

Documentation shall be outlined in the Agreement and subject to requests for additional documentation as the need arises, shall be submitted to the Controller, through the Contract Compliance Office, no later than October 15 of each year in which the Agreement is in effect. Any reasonable requests for additional documentation and/or information shall be provided so long as documentation and/or information is provided within 45 days from the day requested. Failure to provide said documentation shall be construed as noncompliance with the Tax Abatement Agreement.

Notwithstanding the above, a request for additional time within which to provide the required documentation/information may be made, in writing, to the Controller. Applicant must comply

with any and all compliance requirements, including but not limited to payment of the annual review fee.

6. All Agreements shall include a provision requiring the payment of an Annual Compliance Fee. This fee is found in the New Haven Code of General Ordinances, Article XX: Section 17-201: Permit Licenses and User Fees and is payable on or before October 15 of each year in which the Agreement is in effect. Failure to submit the Administrative Fee shall be construed as noncompliance of the Tax Abatement Agreement.

7. No later than December 15 of each year in which the Agreement is in effect, the Controller shall provide to the Board of Alders an approved summary report, signed by the Controller, following the Annual Compliance Review. Said compliance review shall include but is not limited to: a review of financial reports; all documentation necessary to confirm the low to moderate income units; the occupancy status of the development as a whole including the number of occupied low to moderate income units; and confirmation of compliance with any and all applicable state and local statutes and ordinances (ie: Residential Licensing Ordinance). As part of this review that Controller shall communicate to the Board of Alders any Agreements that are not in compliance. Upon review of the summary report as provided by the Controller, the Board of Alders shall make a finding that said development is either (1) in compliance with all the terms and conditions of the Agreement or (2) that said development is not in compliance with the Agreement at which time the Board of Alders shall refer the matter to the Tax Abatement Committee for further review and orders which may include, but are not limited to, the imposition of penalties as authorized under CT General Statute Chapter 133, Sec. 8-215, suspension and/or termination of the Agreement.

It shall be the responsibility of the Controller to request or send non-compliance notices to any Owner who fails to comply with the Annual Compliance Review section of these Rules and the Agreement. Failure of the Controller to receive any information as required for the Annual Compliance Review shall be duly reported to the Board of Alders for further action.

### **III. Disqualification/Rejection**

1. Applicant's can be disqualified and/or rejected by the Board of Alders and will be notified in writing. The letter will detail the reason for rejection/disqualification and will allow for the applicant to request an appeal of the rejection/disqualification. The applicant must provide additional documentation with the appeal within 30 days of the rejection/disqualification letter to the Board of Alders, showing where the reason for rejection/disqualification is incorrect. This appeal will be assigned to the Tax Abatement Committee who will review the appeal and make a recommendation to the Board of Alders.

The Controller will keep materials on file for at least three years. Information shall include initial application, rejection notice, applicant response, as well as any other correspondence, and verification information.



**CITY OF NEW HAVEN APPLICATION FOR TAX ABATEMENT  
FOR LOW INCOME, MULTI-FAMILY RESIDENTIAL DEVELOPMENTS**

**I. APPLICANT INFORMATION**

A. APPLICATION DATE: \_\_\_\_\_

B. APPLICANT NAME: \_\_\_\_\_

C. IF DIFFERENT, OWNER'S NAME: \_\_\_\_\_

D. PROJECT NAME: \_\_\_\_\_

E. PROJECT ADDRESS(S): \_\_\_\_\_

**F. KEY CONTACT INFORMATION:**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Email: \_\_\_\_\_

**II. APPLICATION SUMMARY**

**A. Project Type:**

- Renovation of Existing Structure
- New Construction
- Conversion of existing commercial, industrial or mixed income property
- Existing multi-family dwelling(s)

B. Total Number of Units: \_\_\_\_\_ Total Number of Buildings: \_\_\_\_\_

C. Total Number of Affordable Units: \_\_\_\_\_

- D. Percentage of Affordable Units: \_\_\_\_\_
- E. Will Affordable Units be subsidized with federal or state or local rent subsidies, i.e. Project Based Section 8, RAP, etc.? \_\_\_\_\_ Yes \_\_\_\_\_ No  
If yes, provide documentation in Exhibit 12.
- F. Description of the Property for which the tax exemption is sought, identified by metes and bounds, tax map block and lots and corresponding street address, including a surveyor plotting from the tax map;
- G. A copy of the deed or lease as applicable. If the Property is not owned or leased at the time of application, the applicant shall provide a copy of the contract to purchase or the proposed form of lease.

**III. PROJECT SUMMARY**

- A. Statement of the nature of the proposed project: low and moderate income housing, market rate residential, commercial, industrial, etc., and whether the Property is to be owned or leased.
- B. Proposed term or duration of the tax exemption is \_\_\_\_\_ 15 years or \_\_\_\_\_ 17 years (per Sec. II: Tax Abatement Agreements, Para. 3).
- C. A detailed description of the improvements to be made to the Property, including approved site plans and, if appropriate, architectural drawings;
- D. Estimate of the total cost of the project, including an estimate of construction costs, certified by a qualified architect, engineer, general contractor, or 3<sup>rd</sup> party construction estimator;
- E. Fiscal plan outlining the schedule of annual gross revenue or gross shelter rents, the estimated expenditures for operation and maintenance, interest, amortization of debt and all reserves.
- F. A construction schedule indicating a certain commencement date which must occur no later than one (1) years from the date of the application.
- G. Copies of all government approvals such as zoning, city plan, etc. granting the Project final site plan approval;
- H. Disclosure statements as to all parties, including principals, partners, parent and subsidiary companies, having any interest in the Property or the Project or any other Financial Agreements then in force and effect in which any of such parties have any interest;
- I. If new construction, conversion or significant renovation project, the Developer's good faith estimate of the number and type of temporary jobs to be created by the Project during construction and the number and type of permanent jobs to be created by the Project within one year after construction is completed.

- J. The Applicant for new construction, conversion or significant renovations projects shall also set forth the proposed Project Employment Plan of the Developer and a certification by the Developer that such plan complies with the City's employment policies;
- K. Certification by the Developer that he/she confirms the accuracy of all information contained in the application and that the information is true and correct to the best of the Developer's knowledge. The certification shall contain the original signature of the Developer notarized or witnessed. In the case of a corporation, the Developer shall submit a notarized corporate resolution, with the seal of the corporation and the signature of the Secretary of the corporation, authorizing the signatory to bind the corporation or similar bona fide evidence of authorization. In the case of a partnership the Developer shall submit a copy of the partnership agreement, certified to be a full force and effect, authorizing the signatory to bind the partnership. In the case of a limited liability corporation or any other lawful business organization, the Developer shall submit other similar bona fide evidence of the signatory's authority; and
- L. Payment in full of the applicable application fee payable to the Controller. This fee is found in the New Haven Code of General Ordinances, Article XX: Section 17-201: Permit Licenses and User Fees.

#### **IV. REQUIRED DOCUMENTATION**

- A. Unless otherwise provided by the Applicant in response to previous requests for information in the application, the Applicant shall provide the City with the following information as part of request for a Tax Abatement. Additional information may be requested as deemed necessary by the Board of Alderman or the City for part of their review of the applicants request for tax abatement.
  - 6 copies of application and all required documentation with tabs labeled with appropriate Exhibit identified.
  - Exhibit 1: Project Summary Response.
  - Exhibit 2: Organizational Documents including Certificate of Incorporation, Articles of Incorporation, etc.
  - Exhibit 3: Certificate of Good Standing.
  - Exhibit 4: Evidence of site control by the applicant (Deed, Option/Purchase Sale Agreement) if Applicant does not yet have ownership of the property.
  - Exhibit 5: Copy of recorded Affordable or Restrictive Covenants, if applicable.
  - Exhibit 6: Evidence that Property and all real estate owned by principal(s) are current on New Haven taxes.
  - Exhibit 7: Development budget for new construction, conversion and significant renovations projects to include all sources, method and amount of money to be subscribed through public or private capital, to fund the construction of the Project, including the amount of stock or other securities to be issued therefore, or the extent of capital invested and the proprietary or

ownership interest obtained in consideration therefore. Documentation of all commitment letters is required.

- ❑ Exhibit 8: Three (3) year proforma assumptions for the development.
- ❑ Exhibit 9: If the applicant is requesting an abatement for a scattered site multifamily rental, than the Applicant must provide proforma, budget and tax information for each property that is requesting an abatement form and provide the Board of Alders and the City with a consolidated set of budget, proforma and financial information for the properties for which the abatements are being requested.
- ❑ Exhibit 10: Corporate resolution authorizing the Development to enter into a tax abatement agreement with the City of New Haven.
- ❑ Exhibit 11: Attach, any and all, letters of support.
- ❑ Exhibit 12: Documentation of any rental subsidies, if applicable.



# LOW INCOME TAX ABATEMENT – PROPOSED MODIFICATION PROCESS

