

NEW HAVEN CITY PLAN COMMISSION ADVISORY REPORT

RE: 18 TOWER LANE, Amendment Section 28-4 of the New Haven Code of Ordinances to provide Real Estate Tax Abatement for Tower One and authorization for Mayor to enter into a tax abatement agreement with the owner of Tower One and a reimbursement agreement with the State of Connecticut in accordance with CGS Sections 8-215 and 8-216 (Corporation Counsel).

REPORT: 1436-15

ADVICE: Approval

BACKGROUND

The New Haven Jewish Community Housing Corporation, a non-profit corporation, owns and operates Tower One at 18 Tower Lane, New Haven. The Board of Aldermen has previously approved an ordinance classifying Tower One as being used solely for housing for low- or moderate-income persons or families in accordance with §8-215 of CGS. Such classification is a pre-requisite to the granting of the tax abatement to the owner of Tower One by the City under §8-215 of CGS and §28-4 of the City of New Haven Code of General Ordinances.

The owner of Tower One and the City previously had entered into a Tax Abatement Agreement on March 13, 1969, as amended, which expired on May 13, 2008, which provided for the abatement of real property taxes due from Tower One to the City subject to partial reimbursement from the State of Connecticut.

The proposed Tax Abatement Agreement between the City and the owner of Tower One provides for PILOT payments to be made to the City in the amount of taxes that would have been due before the tax abatement less the amount of the state reimbursement received by the City.

Therefore, the owner of Tower One requests the Board of Aldermen to add a new section to Chapter 28 of the New Haven Code of Ordinances which abates taxes for the owner in accordance with an Agreement between the owner of Tower One and the City, §8-215 of CGS, and §28-4 of the City of New Haven Code of General Ordinances. The Agreement shall be effective as of July 1, 2009 and shall apply to taxes due and payable in July 2009 and January 2010 and all subsequent tax years, provided that the City will not abate taxes for any period during which it is not reimbursed by the State of Connecticut pursuant to §8-216 of CGS.

PLANNING CONSIDERATIONS

Section 8-215 of CGS states that "any municipality may by ordinance provide for the abatement in part or in whole of real property taxes on any housing provided solely for low or moderate-income persons or families and may by ordinance classify the property on which such housing is situated as property used for housing solely for low or moderate-income persons or families. Such tax abatement 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 such 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."

Section 8-21 (b) of CGS states that "the state, acting by and in the discretion of the Commissioner of Economic and Community Development, may enter into a contract with a municipality and the housing authority of the municipality or with the Connecticut Housing Finance Authority or any subsidiary created by the authority pursuant to section 8-242a or 8-244 to make payments in lieu of taxes to the municipality on land and improvements owned or leased by the housing authority or the Connecticut Housing Finance Authority under the provisions of part II of chapter 128 or under the provisions of sections 8-430 to 8-438, inclusive. On and after July 1, 1997, the time period of the contract may include the remaining years of operation of the project. Such payments shall be made annually in an amount equal to the taxes that would be paid on such property were the property not exempt from taxation, and shall be calculated by multiplying the assessed value of such property, which shall be determined by the tax assessor of such municipality in the manner used by such assessor for assessing the value of other real property, by the applicable tax rate of the municipality."

Section 28-4 (b) of the New Haven Code of Ordinances states that “the Mayor may, with the approval of the Board of Aldermen, enter into contracts for the City with owners of low- and moderate-income housing, granting abatement, in whole or in part, of the taxes on the real estate used for housing.”

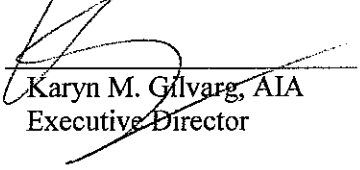
Section 28-4 (d) of the New Haven Code of Ordinances also states that “the Mayor shall, with the approval of the Board of Aldermen, execute on behalf of the City contracts with the State for financial assistance by the State in the form of reimbursement for the tax abatement granted to an owner of low- and moderate- income housing.”

Thus the current proposal is consistent with various sections of the Connecticut General Statutes and the New Haven Code of Ordinances.

ADVICE

The Commission supports the current proposal for tax abatement of Tower One and authorizes the Mayor to enter into a Tax Agreement with Tower One and a reimbursement agreement with the State of Connecticut.

ADOPTED: January 20, 2010
Edward Mattison
Chair

ATTEST: 
Karyn M. Gilvarg, AIA
Executive Director