

NEW HAVEN CITY PLAN COMMISSION ADVISORY REPORT

RE: ASSESSMENT DEFERRAL PROGRAM, Designation of the City of New Haven as a Rehabilitation Area and establishing criteria for Administrative Procedures Program Renewal (Economic Development Administrator).

REPORT: 1432-11

ADVICE: Approval

BACKGROUND

Kelly Murphy, Economic Development Administrator, has requested that the Board of Aldermen reauthorize the Citywide Assessment Deferral Program which must be renewed every five years. First authorized in 1975 as a limited program, the program was rescinded in 1981 to make the entire City a rehabilitation area, establishing criteria for the eligibility of real property for fixing of assessments during the rehabilitation period and for deferral of increased assessments attributable to such rehabilitation. The program has been renewed with similar resolutions in interim five year increments and is again up for renewal as the last one was in 2005. The renewal is proposed to take effect on January 1, 2010.

PLANNING CONSIDERATIONS

As a matter of public policy the City seeks to encourage the fullest use of real property within its boundaries. To encourage rehabilitation of existing residential and commercial building stock and to encourage the construction of new structures, the City has established two assessment deferral programs which defer a portion of the property taxes on improvements for property owners engaging in the rehab or construction of certain eligible properties. The first is a perpetual program which is only for properties within Enterprise Zones, thus limited in geographic area; the second program is for eligible properties citywide.

To be eligible for the assessment fixing and deferral program, properties must fail to comply with the State Building Code, Fire Safety Code, Public Health Code or the Housing Code of the City, where the result of an increase in the assessed value of the property is not less than 35% and where all code issues are corrected. There are exceptions to the eligibility requirements.

The citywide assessment deferral program is critical to attracting investment in the City and is one of the few business incentives that the City has available to investors. As stated in the submittal letter there are 22 current projects which utilize the assessment deferral program representing approximately \$203 million in direct investment and which will result in an increase of \$6.8 million in annual tax revenue when fully phased in.

ADVICE

The Commission believes the Citywide Assessment Deferral Program is in the best interest of the City of New Haven and hereby advises approval of the City's designation as a rehabilitation area and that criteria for eligibility and administrative procedures be established for the period January 1, 2010 to 2015.

ADOPTED: September 16, 2009
Edward Mattison
Chair

ATTEST: 
Karyn M. Gilvarg, AIA
Executive Director