

Yale OFFICE OF THE PRESIDENT

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March 6, 2026

The Honorable Justin Elicker
Mayor of the City of New Haven
165 Church Street
New Haven, CT 06510

The Honorable Tyisha Walker-Myers
President, New Haven Board of Alders
165 Church Street
New Haven, CT 06510

Dear Mayor Elicker and President Walker-Myers,

We are proud that Yale and the City of New Haven have worked together for more than three centuries to build a thriving, shared community. As part of that partnership, in 1990, Yale University announced our first voluntary payment to New Haven. It marked a new stage in our university's engagement with the city and the development of a relationship of mutual support.

In the intervening years, the university has steadily increased our voluntary financial contributions to the city. Yale University is proud to help drive New Haven's economy as the city's largest employer and taxpayer, and to contribute to its vibrant city life as a community partner.

We have also steadily increased our direct impact on the community through programs such as the President's Public Service Fellowship, New Haven Promise, and the New Haven Homebuyer Program, among many others. These initiatives are among our university's most fulfilling efforts, and we have prioritized investment in these initiatives even as we encounter our own funding challenges.

The schedule of intended payments outlined below shows how, even as we encounter our own funding challenges, Yale remains steadfast in our priorities, in balancing breakthrough research, rigorous teaching, employee success, the vitality of our campus, and the well-being of our host community.

Monetary Support

In November 2021, Yale University and the City of New Haven announced that Yale would pay the city over \$135,000,000 over six years. These payments were calculated using multiple methods stemming from a variety of prior agreements ranging from 1990 to 2020.

Looking ahead, Yale University will significantly expand on its voluntary payments to the City of New Haven with a new seven-year schedule of increased annual payments. Although the 2021 plan was set to run through Fiscal Year 2027, Yale will not wait to start these enhanced voluntary payments. The higher voluntary payments will start in Fiscal Year 2027 with a payment projected to be \$29,883,427 – more than \$13 million more than the \$16,577,000 projected for FY2027 under the 2021 plan.

The new plan will include a simplified method for calculating voluntary payments, consisting of two components:

- A voluntary lump-sum payment calculated as \$25,545,000 in FY '27 and escalating by 2.5 percent each year until FY '31. After FY '31 the payment will not escalate and will be the same in '32 and '33 as in FY '31.
- A fire services payment calculated as 5.68 percent of the city's operating budget for fire services as agreed in a 1990 agreement between the city and university.

In addition to the ongoing payments calculated per the above, Yale has agreed to make an additional voluntary one-time payment of \$8,000,000 in FY '26.

This new plan is projected to result in voluntary, unrestricted payments to the City of New Haven between now and FY '33 surpassing \$230M. A schedule of projected annual payments is included in Exhibit A. All previous terms, conditions, recourse, and notice provisions of the 1990 agreement and President Levin's 2005 letter and subsequent letters to the city regarding the voluntary payment and the university's tax exemption continue to apply and are incorporated in this letter.

Additionally, Yale recognizes that when it acquires taxable real estate property in the City of New Haven and dedicates it to its tax-exempt purposes, this can have an immediate impact on the city's tax revenues. To help offset this effect, Yale intends to make additional voluntary payments for any properties that Yale takes off the tax rolls in the next six years.

Specifically, for any real estate property in the City of New Haven acquired by Yale and removed from the tax rolls, Yale will voluntarily pay to the city an amount equal to the amount of taxes that otherwise would have been paid for three years, and then pay diminishing amounts for the next nine years according to the schedule provided in Exhibit B.

Yale's voluntary payments equivalent to property taxes will be paid to the city on top of the Payment in Lieu of Taxes (PILOT) payments that the city will receive from the state for the same properties. The state's (PILOT) program provides state funds to cities like New Haven based on the amount of state-owned and tax-exempt non-profit property as well as the net equalized grand list. The state's PILOT payments recognize the importance of cities to the culture and economy of Connecticut, and they serve to diversify the revenue base for municipalities.

Additional Partnership Elements

Housing Development: The university recognizes the affordable housing crisis currently in effect across the State of Connecticut. To contribute to the supply of housing in New Haven, the university will explore participating in the development of new housing units on vacant or underutilized university land.

Formalized Collaboration: Sharing of best practices between Yale and New Haven is beneficial to both institutions and more important than ever in the face of financial uncertainty. The city and university will establish working groups among senior officials to share best practices in the fields of information technology, economic development and long-term planning, among others.

Combating Food Insecurity: As community members continue to confront food insecurity, the university will work with local nonprofit organizations with expertise in feeding our community. The university intends to make investments in infrastructure and capacity building to help the ecosystem of organizations providing food to New Haven residents.

Pedestrian Spaces: To beautify our city, enhance pedestrian mobility, and increase community connectivity, the city and university will work together to convert specific streets to pedestrian/community spaces on both a permanent and seasonal basis. Likely candidates for consideration include High Street between Chapel Street and Elm Street and Cedar Street between York Street and Congress Avenue.

Community Grants: Recognizing the unique position of New Haven's non-profit organizations to understand challenges facing our community, Yale will create a new fund for targeted, strategic donations to community non-profits. This fund will be awarded over three years and will call for proposals from local organizations for transformative, sustainable community projects.

New Haven Promise and Pathways: Recognizing the central role that education plays in the strength of our city, Yale remains committed to its decades-long institutional partnership with New Haven Public Schools. Yale Pathways and New Haven Promise are two of many programs that expand access to Yale resources for local students. Through Yale Pathways, students come to our campus to learn from Yale scholars and practitioners. New Haven Promise funds significant portions of in-state college tuition for eligible New Haven Public School students. Together these programs reflect Yale's dedication to college access and long-term success for New Haven youth.

Yale Teaching Fellowship: Yale is committed to the recruitment, training, and retention of high-quality educators for the students of New Haven. The university has partnered with New Haven Public Schools (NHPS), Southern Connecticut State University, and New Haven Promise to develop a fully funded teaching fellowship that provides certification, a master's degree, and a

living stipend to educators who commit to at least three years of service in NHPS. This is a \$10 million investment that will place up to 100 teachers in the district's highest-need content areas.

Center for Inclusive Growth: The university and city remain steadfast in their support for the Center for Inclusive Growth and its work with the community. Previously, the university announced that it planned to deploy \$5M to the work of the center. The university plans to continue this funding goal over the period of this new voluntary payment plan.

Yale and New Haven have worked together for more than three centuries to build this shared community. We hope that collaboration will endure for another three centuries. Our university looks forward to more continuity—the continuity of our partnership and the continuity of Yale’s work with New Haven’s flourishing.

Sincerely,

A handwritten signature in black ink, appearing to read "Maurie McInnis". The signature is fluid and cursive, with the first name "Maurie" being more prominent and the last name "McInnis" following in a similar style.

Maurie McInnis
President
Professor of the History of Art

Exhibit A

<u>Fiscal Year</u>	<u>Estimated Fire Services Per 1990 Agreement</u>	<u>Total Non-Fire Services Payment</u>	<u>Total Payment Excluding Voluntary Real Estate Taxes</u>
2027	\$4,338,427	\$25,545,000	\$29,883,427
2028	\$4,504,107	\$26,183,625	\$30,687,732
2029	\$4,676,114	\$26,838,216	\$31,514,330
2030	\$4,854,690	\$27,509,171	\$32,363,861
2031	\$5,040,085	\$28,196,900	\$33,236,986
2032	\$5,232,561	\$28,196,900	\$33,429,461
2033	\$5,432,387	\$28,196,900	\$33,629,287
Total Voluntary Payment Commitment for Fiscal Years 2027 - 2033			\$224,745,085
One-Time Voluntary Payment to be Paid in Fiscal Year 2026			\$8,000,000
Total Voluntary Payment Commitment Announced March, 2026			\$232,745,085

Exhibit B

Schedule for voluntary property tax payments for newly tax-exempt properties

Year beginning with first voluntary payment following conversion in use to tax-exempt purpose	Voluntary payment is equal to property tax amount at time of conversion times this percentage
1	100%
2	100%
3	100%
4	90%
5	80%
6	70%
7	60%
8	50%
9	40%
10	30%
11	20%
12	10%
13 and subsequent years	0%