



Justin Elicker
Mayor

City of New Haven
Office of the Economic Development Administrator
165 Church Street
New Haven, Connecticut 06510



Michael Piscitelli, AICP
Economic Development
Administrator

October 3, 2022

The Honorable Jeanette Morrison
Alder, 22nd Ward
City of New Haven
165 Church Street, 2nd Floor
New Haven, CT 06510

RE: Request for an Order Approving and Amending a Matter Previously Adopted

Dear Alder Morrison:

At its December 2, 2019 meeting, the Board of Alders adopted a Resolution (File Number LM-2019-0564) that designates the City of New Haven as a rehabilitation area, and establishes criteria for the eligibility of real property within the designated rehabilitation area for fixing of assessments during the period of rehabilitation and for deferral of increased assessments attributable to such rehabilitation (the "Assessment Deferral Program Resolution"). You will recall the Resolution was amended earlier this year to address language that (unintentionally) had the effect of preventing certain multifamily housing developers from refinancing.

A new and equally unintentional matter surfaced in light of the City's Land Disposition and Development Agreement for the Ashmun/Canal project. As part of the closing process, the developer wished to take advantage of the Assessment Deferral Program, which is common for new developments. However, because Ashmun/Canal already has a tax benefit through the Low Income and Supportive Housing Tax Agreement ("LISHTA") process for the affordable units, the developer cannot take advantage of Assessment Deferral for the non-affordable components (e.g.- the commercial space and market rate units in the new building). In fact, the current LISHTA and Assessment Deferral programs only work in tandem when the affordable housing units and market-rate housing units are separated into unique buildings or parcels.

Given our collective effort to enhance mixed-income communities in the same building, the City wishes to bring forward Amendment #2 to the Assessment Deferral Program Resolution to account for and encourage the further development of residential buildings with a mix of incomes.

I respectfully request that the Board of Alders include this motion on the agenda for its next scheduled meeting. Thank you for your assistance with this matter. Should you have any questions, please do not hesitate to contact me at 203-946-5891 or Sfontana@newhavenct.gov.

Sincerely,

Stephen Fontana
Deputy Director, Economic Development