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ORDINANCE AMENDING THE NEW HAVEN CODE OF ORDINANCES FOR THE PURPOSES OF (i) CLASSIFYING THE TOWERS AT TOWER LANE AS A PROPERTY USED FOR HOUSING SOLELY FOR LOW OR MODERATE INCOME PERSONS OR FAMILIES, (ii) PROVIDING AN ABATEMENT OF REAL ESTATE TAXES FOR THE TOWERS AT TOWER LANE AND (iii) AUTHORIZING THE MAYOR TO ENTER INTO A TAX ABATEMENT AGREEMENT WITH THE OWNER OF THE TOWERS AT TOWER LANE IN ACCORDANCE WITH SECTION 8-215 OF THE CONNECTICUT GENERAL STATUTES AND SECTION 28-4 OF THE CODE OF GENERAL ORDINANCES

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WHEREAS, The Towers at Tower Lane (“The Towers”) is an elderly independent and assisted living complex located at 18 Tower Lane, New Haven, Connecticut (the "Property"), which has provided housing and extensive supportive services for very low income, low income and moderate income senior citizens for over fifty (50) years; and

WHEREAS, the Towers consist of two connected buildings known as Tower One and Tower East which collectively contain 328 apartments; and

WHEREAS, seventy-five percent (75%) of the units in the Tower One building are subsidized by the United States Department of Housing and Urban Development (“HUD”) under its Project Based Section 8 program, and 100 percent (100%) of the units in the Tower East building are subsidized under HUD’s Project Based Section 8 program; and

WHEREAS, prior to 2017, the Tower One building and the Tower East building had separate owners, with The New Haven Jewish Community Council Housing Corporation being the owner of the Tower One building and The New Haven Jewish Federation Housing Corporation being the owner of the Tower East building; and

WHEREAS, in 2017, The New Haven Jewish Community Council Housing Corporation and The New Haven Jewish Federation Housing Corporation merged, with The New Haven Jewish Community Council Housing Corporation becoming the successor corporation (the “Owner”); and

WHEREAS, The New Haven Jewish Community Council Housing Corporation and the City previously had entered into a Tax Abatement Agreement with respect to the Tower One building on March 13, 1969, as amended, which expired on May 13, 2008, and which provided

for the abatement of real property taxes due for the Tower One building subject to partial reimbursement from the State of Connecticut; and

WHEREAS, in 2010, the Board of Aldermen of the City of New Haven approved an Ordinance, in accordance with Section 8-215 of the Connecticut General Statutes, which classified the Tower One property as property used for housing solely for low or moderate-income persons or families: and

WHEREAS, in 2010, the Board of Aldermen of the City of New Haven approved an Ordinance in accordance with Section 8-215 of the Connecticut General Statutes, which authorized provided for the abatement of real property taxes due for the Tower One property (the “2010 Tower One Tax Abatement Ordinance”); and

WHEREAS, The New Haven Jewish Community Council Housing Corporation and the City subsequently entered into a tax abatement agreement which will expire on June 30, 2049 and which provided for the abatement of real property taxes due for the Tower One property subject to partial reimbursement from the State of Connecticut and which further provided that the Owner would make a Payment in Lieu of Taxes ("PILOT") to the City of New Haven in the amount of the real property taxes due to the City except for the amount of reimbursement received from the State of Connecticut for the taxes (the “Tower One Tax Abatement Agreement”); and

WHEREAS, since approximately 2012-2013, the City has not received any reimbursement from the State of Connecticut for taxes abated with respect to the Tower One property, and, therefore, the New Haven Jewish Community Council Housing Corporation has been making PILOT payments in the full amount of the real property taxes levied against the Tower One property for the last nine to ten years: and

WHEREAS, on December 31, 1980, the City and the New Haven Jewish Federation Housing Corporation entered into a Tax Abatement Agreement for the Tower East property abating the taxes for such property in an amount that represents the difference between the full amount of taxes which would be due to the City for such property in the absence of a tax abatement and six percent (6%) of the gross rent generated by the Tower East building (the “Tower East Tax Abatement Agreement”); and

WHEREAS, the Tower East Tax Abatement Agreement will expire on March 24, 2023; and

WHEREAS, the Tower East building together with the Tower One building (the latter of which was previously classified as property used for housing solely for low or moderate income persons or families) is property used for housing solely for low or moderate-income persons or families and should be classified as such, which classification is a prerequisite to the City granting a tax abatement for The Towers as a whole; and

WHEREAS, due to increased costs for operations of The Towers coupled with HUD restrictions on the amount of rents that The Towers may collect with respect to the subsidized units, a new and single tax abatement agreement is needed for The Towers, (which operates as one elderly housing development) in order to avoid layoffs of workers and the consequent diminution of services to The Towers' elderly population; and

WHEREAS, the proposed Tax Abatement Agreement between the City and the Owner of the Property, attached hereto, provides that for the January 2023 installment of taxes and for the subsequent 39 tax years, pursuant to Section 28-4 of the Code of Ordinances of the City and Connecticut General Statutes, Section 8-215, the taxes for The Towers property shall be abated such that the taxes owed for The Towers shall be \$350 per rental unit with an annual escalator based upon HUD's allowable annual percentage increase in the rents for the subsidized units ("The Towers at Tower Lane Tax Abatement Agreement") and further that upon execution of the Tax Abatement Agreement by the City and the Owner, the Tower One Tax Abatement Agreement and the Tower East Tax Abatement Agreement shall terminate.

NOW, THEREFORE, BE IT ORDAINED that The Towers at Tower Lane owned and operated by the New Haven Jewish Community Council Housing Corporation, a nonprofit corporation located at 18 Tower Lane in New Haven, is hereby classified as being used for housing solely for low- or moderate-income persons or families in accordance with Section 8-215 of the Connecticut General Statutes.

BE IT FURTHER ORDAINED that property taxes due the City of New Haven on the property known as The Towers at Tower Lane owned and operated by The New Haven Jewish Community Council Housing Corporation, a nonprofit corporation, shall be abated to the amount of \$350 per rental unit with an annual escalator based upon HUD's allowable annual percentage increase in the

rents for the subsidized units for a period of 39 years in accordance with The Towers at Tower Lane Tax Abatement Agreement or an agreement in a form substantially similar thereto pursuant to Section 8-215 of the Connecticut General Statutes and Section 28-4 of the City of New Haven Code of General Ordinances.

BE IT FURTHER ORDAINED that the Tower One Tax Abatement Agreement and the Tower East Tax Abatement Agreement shall be terminated upon execution of The Towers at Tower Lane Tax Abatement Agreement or an agreement in a form substantially similar thereto by the City and The New Haven Jewish Community Council Housing Corporation,

BE IT FURTHER ORDAINED, that the Mayor be authorized, on behalf of the City, to enter into the Towers at Tower Lane Tax Abatement Agreement or an agreement in a form substantially similar thereto with The New Haven Jewish Community Council Housing Corporation.