

ORDER OF THE BOARD OF ALDERS OF THE CITY OF NEW HAVEN APPROVING THE EXECUTION OF A TAX ABATEMENT AGREEMENT BETWEEN THE CITY OF NEW HAVEN AND RMS 49 PRINCE STREET LLC FOR PROPERTY LOCATED AT 49 PRINCE STREET TO BE USED AS AFFORDABLE HOUSING IN ACCORDANCE WITH CONN. GEN. STAT. SEC. 8-215, CITY OF NEW HAVEN CHARTER, TITLE 1, ARTICLE IV, SECTION 6, AND THE CITY OF NEW HAVEN CODE OF GENERAL ORDINANCES, SECTION 28-4

WHEREAS, RMS 49 Prince Street LLC (the “Applicant”) is the owner of property known as 49 Prince Street (the “Property”) upon which a building that is known as the former Welch Annex School is located (the “Building”); and

WHEREAS, the Applicant intends to renovate the Property and the Building into 30 affordable housing units and related amenities (the “Project”); and

WHEREAS, the Project will be assisted by 4% Low Income Housing Tax Credits, Community Development Block Grant funds from the City of New Haven (the “City”) in the amount of \$500,000, and loans from the Connecticut Housing Finance Authority and the State of Connecticut Department of Housing; and

WHEREAS, in connection with such governmental assistance, restrictions have been placed on the New Haven Land Records limiting occupancy of the residential units to be constructed in the Building to households whose incomes do not exceed 25%, 50% and 60% of the Area Median Income for New Haven, determined by the United States Department of Housing and Urban Development (“HUD”), as restrictions are more particularly described in such restrictions for a minimum of 42 years; and

WHEREAS, the Applicant has applied for a tax abatement for all of the units for 17 Grand List years in the amount of \$749.10 per unit plus a 3% annual increase after the first year of the tax abatement as well as a freeze on the assessment for the Property during the first two years of construction under the City of New Haven’s program for Tax Abatement for Low Income Multi-Family Developments (the “Application”); and

WHEREAS, the Applicant has provided all of the information and materials required by the Board of Alders to make a determination regarding the Applicant’s eligibility for the tax abatement requested; and

WHEREAS, the Board of Alders finds that the tax abatement requested by the Applicant shall be used to (i) reduce rents below the levels which would be achieved in the absence of the abatement and to improve the quality and design of the Project, (ii) effect occupancy of the Building by persons and families of varying income levels and (iii) provide necessary related facilities and services for the Project; and

WHEREAS, the Board of Alders finds that the Project constitutes a full rehabilitation of the Property and the Building; and

WHEREAS, the Board of Alders has the authority to grant the Application for a tax abatement pursuant to Conn. Gen. Stat. Sec. 8-215, the City of New Haven Charter, Title 1, Article IV, Section 6 and the City of New Haven Code of General Ordinances, Section 28-4.

NOW THEREFORE, BE IT ORDERED that the Application for a tax abatement is hereby approved;

AND BE IT FURTHER ORDERED that the City and the Applicant shall enter into a tax abatement agreement (the "Tax Abatement Agreement") which shall provide that the Property and the Building will be entitled to a tax abatement for 17 consecutive Grand List years following a two year freeze of the assessment of the Property and which Tax Abatement Agreement shall further provide that the taxes levied during the abatement period shall be \$749.10 per residential unit, which amount shall be increased by 3% for each year subsequent to the first year of the abatement period.

AND BE IT FURTHER ORDERED that the Tax Abatement Agreement shall also provide that the City will conduct an Annual Compliance Review of the Project regarding its compliance with the affordability requirements of the tax abatement program and related matters and that the Tax Abatement Agreement shall be filed on the land records of the City.

AND BE IT FURTHER ORDERED that the Mayor be and hereby is authorized to execute and delivered on behalf of the City the Tax Abatement Agreement together with such ancillary documents as may be necessary to implement the intent of this Order and the City's program for Tax Abatement for Low Income Multi-Family Developments.