



Toni N. Harp  
Mayor

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



Michael Piscitelli  
Economic Development  
Administrator

August 28, 2019

The Honorable Tyisha Walker-Myers, President  
Board of Alders  
City of New Haven  
165 Church Street, 2<sup>nd</sup> Floor  
New Haven, CT 06510

**RE: RESOLUTION OF THE BOARD OF ALDERS DESIGNATING THE CITY OF NEW HAVEN AS A REHABILITATION AREA AND RENEWING AND AMENDING CRITERIA FOR THE ELIGIBILITY OF REAL PROPERTY FOR ASSESSMENT DEFERRAL AND ADMINISTRATIVE PROCEDURES**

Dear Alder Walker-Myers,

I am pleased to submit to you, for consideration by the Honorable Board of Alders, the attached request to renew and amend the City's "City-Wide" Assessment Deferral program (the "Program") by passing the above-captioned proposed Resolution. Since the City's mandatory five-year sunset provision expires on December 31, 2019, the attached Resolution, if approved, will take effect on January 1, 2020 and extend the Program through December 31, 2024.

Approving the proposed Resolution would preserve a valuable development tool and business incentive to continue to improve the City's housing and commercial building stock and support the growth of its Grand List. The Program is the primary business incentive that the City has available to attract new businesses and is of particular importance given that, by virtue of its being citywide, it extends into areas not covered by the similar Enterprise Zone assessment deferral program, which is limited only to certain parts of New Haven.

By way of additional information concerning the history, purpose, nature, and current operations of the Program, I also attach a copy of the latest Joint Report of the Office Economic Development and Livable City Initiative.

Thank you for your attention to, and consideration of, this matter. Should you have any questions, please do not hesitate to contact me.

Very truly yours,

Michael Piscitelli  
Acting Economic Development Administrator

**Attachments**

cc: E. Armmand, Mayor's Office  
file

RESOLUTION OF THE BOARD OF ALDERS DESIGNATING THE CITY OF NEW  
HAVEN AS A REHABILITATION AREA AND RENEWING AND AMENDING  
CRITERIA FOR THE ELIGIBILITY OF REAL PROPERTY FOR ASSESSMENT  
DEFERRAL AND ADMINISTRATIVE PROCEDURES

WHEREAS, the extensive rehabilitation or development of New Haven properties is critical to the needs of the City of New Haven as a means of improving New Haven's housing stock, increasing employment opportunities, and expanding New Haven's tax base; and

WHEREAS, the significant increases in property tax assessments brought about by extensive rehabilitation or development have been found to discourage this sorely needed investment in the City of New Haven; and

WHEREAS, on August 4, 1975, the Board of Aldermen passed a resolution in accordance with State statute to implement a limited assessment deferral program; and

WHEREAS, on October 5, 1981, the Board of Aldermen repealed and rescinded its resolution of August 4, 1975, and on December 7, 1981, passed a resolution designating the City of New Haven as a rehabilitation area, establishing 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 "Resolution"); and

WHEREAS, the Resolution contained a termination date of January 1, 1985; and

WHEREAS, the Resolution was amended by the Board of Aldermen on December 3, 1984, to extend the termination date to January 1, 1989; and

WHEREAS, the Resolution was amended by the Board of Aldermen on December 19, 1988, to extend the termination date to January 1, 1992; and

WHEREAS, the Resolution expired on January 1, 1992; and

WHEREAS, the Board of Aldermen passed a new resolution similar to the Resolution on October 17, 1994; and

WHEREAS, that resolution expired on January 1, 2000; and

WHEREAS, the Board of Aldermen passed a new resolution similar to the Resolution on October 16, 2000; and

WHEREAS, that resolution expired on January 1, 2005; and

WHEREAS, in 2005, the Board of Aldermen passed a new resolution similar to the 2001 resolution which extended the termination date to January 1, 2010; and

WHEREAS, in 2010, the Board of Aldermen passed a new resolution similar to the 2005 resolution further designating the City of New Haven as a rehabilitation area and establishing criteria for the tax deferral program; and

WHEREAS, in 2014, the Board of Alders passed a new resolution similar to the 2010 resolution which extended the termination date to January 1, 2020; and

WHEREAS, that resolution expires January 1, 2020; and

WHEREAS, renewal of the city-wide assessment deferral program will continue to encourage the rehabilitation of aging or deteriorating structures, to encourage the construction of new housing stock, and to contribute to a stronger tax base.

NOW, THEREFORE, BE IT RESOLVED that in accordance with section 12-65d et seq, of the Connecticut General Statutes (1958 Rev.) as amended, the Board of Alders of the City of New Haven hereby designates all territory within the City of New Haven as a Rehabilitation Area, and establishes criteria for 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.

#### CRITERIA FOR ELIGIBILITY

##### I. Use

Except as herein expressly stated, there shall be no restrictions on use for properties eligible for assessment fixing and deferral, subject to existing zoning regulations and current planning policy.

##### II. Initial Condition of Property

In order to be eligible for the fixing of assessments and deferral of increased assessments attributable to rehabilitation pursuant to sections 12-65c and 12-65f of the Connecticut General Statutes, a property must fail to comply with one of the following prior to rehabilitation:

A. the State Building Code, as adopted under Section 29-252 of the General Statutes as amended; or

B. the State Fire Safety Code, as adopted under Section 29-292 et. seq. of the General Statutes as amended; or

C. the State Public Health Code and regulations, as adopted under Section 19a-36 of the General Statutes, as amended; or

D. the Housing Code of the City of New Haven, as adopted under Section 47a-52 and Chapter 833a of the General Statutes as amended.

III. Extent and Nature of Improvement

- A. In general, an eligible property is any property with a structure to be rehabilitated, or any proposed new construction of residential rental or cooperative housing, for which the nature and extent of the rehabilitation work or construction:
- (1) Results in an increase in the assessed value of the property of not less than thirty-five percent (35%); and
  - (2) Corrects any and all non-compliance with codes described in Section II, above; and
  - (3) Results in a structure that conforms to the standards and requirements of the Zoning Ordinance of the City of New Haven.
- B. A "Certified Historic Structure" as defined in the Code of Federal Regulations (36 CFR §67) and other such structures as may from time to time be designated by the Historic District Commission as historically significant, shall be eligible, provided that the rehabilitation meets the "Standards of Rehabilitation" as defined in the Code of Federal Regulations (36 CFR §67.2).

IV. Exceptions

The following properties and property owners are not eligible:

- A. Any property receiving abatement or deferral of increases caused by the rehabilitation under any other assessment deferral or tax abatement program.
- B. Occupied residential structures being converted to residential condominiums within five (5) years following the issuance of the first Certificate of Occupancy for a dwelling unit within such rehabilitated residential structures. Notwithstanding the foregoing, a residential structure being converted to residential condominiums shall be eligible if the structure is being converted to a residential condominium with the written approval of all tenants lawfully residing within the structure.
- C. Any property already receiving property tax relief through state subsidies which include payment of local taxes for more than twenty-five percent (25%) of the dwelling units, or payment in lieu of taxes through an Agreement with the City of New Haven.

- D. Any property on which property taxes are delinquent unless such delinquency is cleared before commencement of rehabilitation or construction or the Tax Collector and the Board of Alders have agreed to a schedule for the payment of delinquent taxes.
- E. Any property owner who has a legal or equitable interest in any property in the City of New Haven for which property taxes are delinquent, as verified by the Tax Collector, unless any such delinquency is cleared before the commencement of rehabilitation or construction.

V. Effect of General Revaluation by the City of New Haven

In the event of a general revaluation by the City of New Haven in the year in which such rehabilitation or construction is completed, resulting in any increase in assessment on a property, only that portion of the increase resulting from such rehabilitation or construction shall be deferred; and in the event of a general revaluation in any year after the year in which such rehabilitation or construction is completed, such deferred assessment shall be increased or decreased in proportion to the increase or decrease in the total assessment on such property as a result of such general revaluation.

VI. Procedures for Obtaining and Execution of Assessment Fixing and Deferral: Residential Properties with fewer than Five (5) Units

An eligible property owner seeking the fixing of the assessment and deferral of increases due to rehabilitation of his or her residential property with fewer than five (5) units shall follow the following procedures:

- A. Prior to filing any application for a building permit (other than any exploratory demolition permits), such eligible property owner shall file an Application with the Livable City Initiative for a preliminary determination of eligibility.
- B. The fixing of assessments and deferral of increased assessments shall be made pursuant to an Agreement entered into between the title holder to such real property and the City of New Haven, upon a determination of eligibility. Such Agreement shall provide that the assessment of a property shall be fixed pursuant to Section 12-65e of the General Statutes during the period of rehabilitation or construction as of the date of the Agreement until occupancy as determined by the issuance of a final Certificate of Occupancy or two (2) years from the date of the Agreement; or the date on which the work is sufficiently complete so the property owner can use it for which it is intended as determined by the Office of Building Inspection and Enforcement, whichever event is earliest. Upon termination of the period of such rehabilitation or construction, any increase in assessment attributable to such rehabilitation or construction shall be deferred for five (5) years, contingent upon the continued use of the property for the purposes specified in the

Agreement providing such property continues to meet the eligibility criteria of this Resolution and provided further such deferral shall be determined as follows: For the first year following completion of such rehabilitation or construction, the entire increase shall be deferred; thereafter twenty percent (20%) of the increase shall be assessed against the property each year until one hundred percent (100%) of such increase has been so assessed.

- C. Upon the execution of the Agreement, the owner shall commence such rehabilitation or construction work not more than one hundred and eighty (180) calendar days from the effective date of the agreement. Failure to commence the work within this time period shall constitute a breach of the Agreement.
- D. The Agreement to fix and defer assessment shall expressly provide that the Agreement shall run with the land for the effective period of the Agreement as described in section VI.C. above and shall remain in effect upon the sale or transfer of the property, and shall inure to the benefit of the purchaser or transferee, provided the use of the property is continued for those purposes for which the deferral was granted.

VII. Procedures for Obtaining and Execution of Assessment Fixing and Deferral: Residential Properties with Five (5) or more Units and Mixed-Use, Commercial, and Industrial Properties

An eligible property owner seeking the fixing of the assessment and deferral of increases due to rehabilitation of his or her residential property with five (5) or more units, or mixed-use, commercial, or industrial property, shall follow the following procedures:

- A. Prior to filing any application for a building permit (other than any exploratory demolition permits), such eligible property owner shall file an Application with the Office of Economic Development for a preliminary determination of eligibility.
- B. The fixing of assessments and deferral of increased assessments shall be made pursuant to an Agreement entered into between the title holder to such real property and the City of New Haven, upon a determination of eligibility. Such Agreement shall provide that the assessment of a property shall be fixed pursuant to Section 12-65e of the General Statutes during the period of rehabilitation or construction as of the date of the Agreement until occupancy as determined by the issuance of a final Certificate of Occupancy or one (1) years from the date of the Agreement; or the date on which the work is sufficiently complete so the property owner can use it for which it is intended as determined by the Office of Building Inspection and Enforcement, whichever event is earliest. Upon termination of the period of such rehabilitation or construction, any increase in assessment attributable to such rehabilitation or construction shall be deferred for five (5) years, provided that

(i) the continued use of the property for the purposes specified in the Agreement, (ii) such property continues to meet the eligibility criteria of this Resolution, (iii) provided that the property owner does not sell, convey, or otherwise transfer any form of equitable interest in the property in excess of fifty percent (50%), in which case the deferral shall terminate immediately and the full value of the increase shall be assessed immediately against the property, and (iv) such deferral shall be determined as follows: For the first year following completion of such rehabilitation or construction, the entire increase shall be deferred; the following year twenty-five percent (25%) of the increase shall be assessed against the property; the following year forty-five percent (45%) of the increase shall be assessed against the property; the following year sixty-five percent (65%) of the increase shall be assessed against the property; the following year eighty-five percent (85%) of the increase shall be assessed against the property; and the following year, and each year thereafter, one hundred percent (100%) of the increase shall be assessed against the property.

- C. Upon the execution of the Agreement, the owner shall commence such rehabilitation or construction work not more than one hundred and eighty (180) calendar days from the effective date of the agreement. Failure to commence the work within this time period shall constitute a breach of the Agreement.
- D. The Agreement to fix and defer assessment shall expressly provide that the Agreement shall run with the land for the effective period of the Agreement as described in section VII.C. above, provided the use of the property is continued for those purposes for which the deferral was granted, unless the property owner sells, conveys, or otherwise transfers any form of equitable interest in the subject property in excess of fifty percent (50%), in which case the deferral shall terminate immediately and the full value of the increase shall be assessed immediately against the property.
- E. After the termination of the period of rehabilitation or construction, as described in section VII.B. above, tax revenues derived from five percent (5%) of the increase assessed against the property shall be deposited into a fund established by the City to support affordable housing development until such time as one hundred percent (100%) of the increase shall be assessed against the property, at which time such revenues shall revert to being deposited into the City's General Fund in the usual manner.

#### VIII. Effective Date of This Resolution and Procedure for Pending Applications

This Resolution, passed in accordance with Sections 12-65c through 12-65f of the Connecticut General Statutes (1958 Rev.), as amended, shall take effect January 1, 2020.

IX. Sunset Provision

This Resolution shall terminate and have no further effect as of January 1,2025.

ADMINISTRATIVE PROCEDURES FOR THE PROCESSING OF APPLICATIONS FOR ASSESSMENT DEFERRAL IN ACCORDANCE WITH THE PROVISIONS OF SECTIONS 12-65c THROUGH 12-65f OF THE GENERAL STATUTES (1958 Rev.), AS AMENDED, AND THE PROVISIONS OF THE RESOLUTION DESIGNATING THE CITY OF NEW HAVEN AS A REHABILITATION AREA IN ACCORDANCE WITH STATE STATUTE, ESTABLISHING CRITERIA FOR ELIGIBILITY OF REAL PROPERTY FOR ASSESSMENT DEFERRAL

Section 1. Definitions.

As used herein, the following terms shall have the following meanings:

- A. “Agreement” means an agreement entered into by and among the City of New Haven, acting by and through the Mayor and the Property Owner for fixing the assessment and deferring increases in assessments for properties meeting the requirements of this Ordinance.
- B. “Application” means an application submitted by a Property Owner for a fixing of assessment and deferral of increase in assessments, and containing all information required by Section 3.C. of these procedures.
- C. “Property” means such real property which is subject of an application.
- D. “Property Owner” means the person having a legal title to real property, which is the subject of an Application.
- E. “Rehabilitation” means the improvement or repair of a structure or facilities appurtenant thereto, exclusive of general maintenance or minor repairs.
- F. “Rehabilitation Statute” means Section 12-65c through 12-65f of the Connecticut General Statutes, as the same may hereinafter be amended.
- G. “Resolution” means the Resolution designating the City of New Haven as a Rehabilitation Area, pursuant to Section 12-65 through section 12-65f of the Connecticut General Statutes and establishing criteria for the eligibility of real property for assessment deferral.
- H. “Substantial Completion of Rehabilitation or Construction” means the date on which the work is sufficiently complete such that the Property Owner can occupy or utilize the Property or portion thereof for the use for which it is intended, as determined by the Office of Building Inspection and Enforcement.



Section 2. Procedure for Filing, Review and Approval of Applications.

- A. Applications shall be filed prior to application for a building permit (the “Building Permit”). Thereafter, the Agreement with respect to any approved Application shall be dated and shall commence as of the date of issuance of the Building Permit, and the Base Assessment attributable to the Property shall be determined in accordance with the then current Grand List year.
- B. Application forms, filing procedures, and general information shall be available from the Office of Economic Development, the Livable City Initiative, and other offices as may, from time to time, be designated. The Application forms shall require at least the following information:
- (1) The nature of the Property Owner's legal or beneficial interest in the property which is the subject of the Application;
  - (2) The condition of the structure (if any) as required by the Resolution;
  - (3) One set of preliminary drawings; one set of outline specifications; one copy of an itemized rehabilitation cost estimate;
  - (4) Sworn statement by the Property Owner that: (a) all property taxes assessed against the Property which are due and payable have been paid and that the Property Owner has no legal or equitable interest in any property in the city on which property taxes are delinquent; or (b) all property taxes assessed against the property which are delinquent will be paid prior to the commencement of construction or according to a schedule agreed to by the Tax Collector and approved by the Board of Alders, and any delinquent taxes on New Haven properties in which the Property Owner has a legal or equitable interest will be paid prior to the commencement of construction.
- C. Applications shall be reviewed by the City commencing on the first business day of the month following the date of receipt of a complete application. The review shall be completed with forty-five (45) days. Such review shall evaluate eligibility on the basis of submission date and criteria of eligibility under the Resolution. This review shall be conducted sequentially in the following three stages: first, by the Livable City Initiative (for residential properties) or the Office of Economic Development (for commercial properties); second, by the Office of Building Inspection and Enforcement; and third, by the City Assessor. Approval is needed in all three of these stages for a Property owner to receive an assessment deferral.
- D. Property Owners whose application is rejected shall have fifteen (15) days from the date of the Property Owner’s receipt of written notice from the City of such rejection to appeal the decision to the Tax Abatement Committee. The decision of the Tax Abatement Committee shall be based on an error in fact relating to the eligibility of

the applicant, and shall be subject to appeal pursuant to Section 12-65f of the General Statutes.

- E. Property Owners whose application is found to be eligible shall enter into an Agreement with the City of New Haven in accordance with the provisions of the Resolution and the Rehabilitation Statute.

Section 3. Completion of Work, Certification, Recording, and Notice.

Upon completion of the rehabilitation or construction work described in this Agreement, the Office of Building Inspection and Enforcement shall verify the performance of the Agreement by the Property Owner and the Land Records of the City of New Haven, and shall notify the Assessor to re-assess the Property. The Assessor shall give written notice to the Property Owner of the re-assessment and a schedule of the phased-in increases in accordance with the provisions of Section V of the Resolution and Agreement.

Section 4. Reports, Data Collection, and Program Evaluation.

The Mayor of the City shall include in the annual budget submission to the Board of Alders a report containing a list of all Applications under the Program, the status of each such application, the base assessment the forecasted assessment upon completion and the date and duration of each Agreement.

The City shall also maintain a central file of all assessment deferral applications and agreements, which shall include the reason for any rejected Application.

Section 5. Effective Date.

These Administrative Procedures shall be effective as of January 1, 2020.

# ***The “City-Wide” Assessment Deferral Program: An Evaluation***

A Joint Report of the Office of Economic Development and the Livable City Initiative

Prepared for

The Honorable Board of Alders of the City of New Haven

August 28, 2019

## **I. Overview.**

A. History. The Rehabilitation Area property tax assessment deferral program, more commonly referred to as the “City-Wide” Assessment Deferral program, was first authorized by the Board of Aldermen in 1975, and has been in existence in its current form since 1981. The program is an invaluable tool for both the Office of Economic Development and the Livable City Initiative. It has provided an incentive for investment in improving and expanding the housing stock and for improving commercial buildings throughout the city. The program was most recently renewed in late 2014, and is due for renewal by January 1, 2020.

B. Purposes. The program encourages property owners to rehabilitate existing buildings or to construct new buildings for residential rental or cooperative housing purposes by deferring the assessed value of the improvements during the rehabilitation period and then phasing in the taxes on the improvements over a period of five (5) years. While there is no restriction on the use for a rehabilitated building, a “Manufacturing Facility” within the meaning of Connecticut’s state statutes is not eligible for this program (although it is covered under a separate program).

C. Importance of the Program. The City-Wide Assessment Deferral program is a critical development incentive for the city. Despite facing the most difficult economic climate in fifty years, the City recently has experienced one of its largest building booms, with several million square feet of new construction completed or underway over the last several years, and the City-Wide program has been an important component to many of these current projects. While the City-Wide program has been used to attract development Downtown, it has also been true to its name – attracting development throughout the City, improving the city’s neighborhoods, with continued investment in home-ownership expansion in the Dixwell, Newhallville, and Hill neighborhoods.

Further, the City-Wide Assessment Deferral program is the primary business incentive that the City has to attract development, increase employment, and help expand its tax base. The City-Wide Assessment Deferral program is of particular importance in areas not covered by the similar Enterprise Zone Assessment Deferral program, which is limited in its geographic area only to certain parts of the city.

In addition, the City-Wide program is an invaluable tool for ensuring investment in New Haven. New Haven must be able to compete successfully for investment dollars, and each of the other Connecticut cities in its peer group has similar or equivalent programs. Hartford, for instance, offers extensive Tax Increment Financing incentives, while Hamden offers a tax deferral program for both real estate and business personal property, and other surrounding towns also offer various tax incentives to attract investment. Finally, cities in neighboring states of similar size and standing to New Haven also use tax incentives to aggressively court development investment: Providence, Worcester, and Springfield all offer various lucrative incentives, including tax abatements, Tax Increment Financing, and tax incentives to rehabilitate vacant buildings.

D. Program Evaluation. Pursuant to Section 4 of the Administrative Procedures passed by the Honorable Board of Alders of the City of New Haven as part of the 2014 resolution renewing the City-Wide Assessment Deferral program, the following joint report of the Office of Economic Development and the Livable City Initiative details activity and use of the program from 2015 through 2019.

## **II. Use of the Program.**

A. Recently Phased-In Properties. The City-Wide Assessment Deferral program has been used extensively by larger developments in and around Downtown, as well as for revitalizing housing in the Dixwell, Newhallville, and Hill neighborhoods. Downtown projects include, for example, mixed-use developments at the former Salvation Army site at 301-305 George Street, and the Novella mixed-use project at 1245 Chapel Street. The program currently is being used to support Spinnaker's mixed-use development at Orange and Audubon Streets, as well as AdamAmerica's mixed-use project at 87 Union Street. Both of these sites were previously underutilized, and their redevelopment will have a positive impact on the City's tax base. Exhibit A is a summary of larger projects in the Program and their potential tax impacts.

The program also has been used successfully as a home ownership incentive for residential properties Newhallville, Dixwell and the Hill: the Winchester Lofts project at 275 Winchester Avenue (Newhallville), and the Quality Hyundai project at 115 Peat Meadow Road (Annex), are prime examples of repurposing formerly vacant sites and are nearly fully phased in.

Finally, the Program has actively supported smaller, neighborhood residential projects for private homeowners, as well as for local not-for-profit housing developers such as Neighborhood Housing Services and Habitat for Humanity (See Exhibit B). Once these properties have completed the phase-in period, they will be fully taxable.

B. Future Projects. The Office of Economic Development is currently working with applicants to complete applications for an additional five (5) projects throughout the City. For example, local artist Titus Kaphar has acquired the former Furniture Doctor site at 140 Derby Avenue (West River) and, after performing a minor environmental cleanup, will develop a smaller version there of his soon-to-be-completed NXTHVN project on Henry Street in Newhallville. East River Partners will soon commence construction of a mixed-use project on Chapel Street near State Street. Chapel West’s Wendy Chang is finalizing a plans to upgrade a small, mixed-use building at 1289 Chapel Street.

**III. Financial Information.**

The projects using the City-Wide Assessment Deferral Program shown on Exhibits A and B are a testament to the Program’s incentive to invest in the city. The following data demonstrate the Program’s effectiveness at leveraging investment in the city, and the increased assessed value of the properties after rehabilitation. (Values are the totals for projects on both Exhibits).

Total Pre-Rehabilitation Assessment	\$35,713,570
Post-Rehabilitation Assessment	\$226,331,740
<b>Assessed Value of the Rehabilitation Improvements</b>	<b>\$190,618,170</b>

The following table demonstrates the annual benefit to the tax base of the Program. (Values assume the current 42.98 mill rate.)

Pre-Rehabilitation Taxes	\$1,534,969
Post-Rehabilitation Taxes	\$8,192,768
<b>Tax Base Expansion</b>	<b>(+) \$6,657,799</b>

**IV. Program Improvements.**

A. The Office of Economic Development continues in its efforts to improve the operation of the City-Wide Assessment Deferral program. The Office has collaborated with the City Assessor, Livable City Initiative, and Corporation Counsel for improvements to the Program.

The Office has also met with current developers to gain insight as to how they view the Program, and how proposed modifications to the Program may impact their continued interest in developing in New Haven.

The Office also has marketed the Program to the various Neighborhood Business Districts (i.e., Whalley Avenue Special Services District, Chapel West Special Services District, West River Neighborhood Services, and Westville Village

Renaissance Alliance) to ensure that ALL developments have an opportunity to participate in the Program.

B. The Office proposes to enhance the Program both in ways that it believes will not impact negatively the Program's benefits to developers and other real property owners, and in ways that will bring in more tax dollars sooner and provide funds to support the City's Affordable Housing Initiatives:

- **Shorten the construction period from two (2) years to one (1) year.** Most projects involving residential housing receive partial Certificates of Occupancy as units are completed. The Office proposes now to use the sooner of the date of issuance of any Certificate of Occupancy or two (2) years as the trigger date to signify completion. The State Statute that authorizes the Program requires an additional year at Base Assessment following the issuance of a Certificate of Occupancy, so a maximum of two (2) years (instead of the current three years) will accelerate the phase-in of the Improvement Value.
- **Eliminate the transfer of the Deferral benefit to future owners** by cancelling any Deferral (and returning to full Market Value) if the property changes ownership and/or control at any time during the Deferral period.
- **Increase the current phase-in annual percentages to support affordable housing development.** Currently, the phase-in percentages, following the construction period, are: 20% (Year 1); 40% (Year 2); 60% (Year 3); 80% (Year 4); 100% (Year 5). The Office proposes to increase the percentages by 5% (i.e., 25%; 45%; 65%; 85%; 100% respectively), with the additional amounts generated by that 5% increase to go toward an Affordable Housing Fund operated by the City. These revised phase-in percentages will apply ONLY to residential/mixed-use properties that contain five (5) or more residential units and all eligible commercial/industrial projects; the current phase-in percentages will continue to apply to smaller, one-to-four family residential/mixed-use properties.

Management and staff of the Office of Economic Development (including the Office of Business Development and Livable City Initiative) consider City-Wide Assessment Deferral a valuable Program that encourages development and positively impacts the City's tax base. We strongly believe that the building boom in New Haven over the past decade would not have been as robust were it not for this Program. The Program is easy to understand and administer, eliminates the need for negotiations on a project-by-project basis, and levels the playing field for all developers, large and small alike.

August 28, 2019

Exhibit A

<b>COMPLETED ASSESSMENT DEFERRAL PROJECTS (CY 2014-2018)</b>						
<b>PROJECT ADDRESS</b>	<b>PROJECT NAME</b>	<b>EFFECTIVE DATE OF CONTRACT</b>	<b>PRE-CONSTRUCTION VALUE</b>	<b>DEVELOPER COST (PER A.D. APPLICATION)</b>	<b>ASSESSED VALUE AS COMPLETE</b>	<b>GRAND LIST IMPACT</b>
115 Peat Meadow Road	Brandfon Hyundai (f/k/a Quality Hyundai)	May 27, 2013	1,473,920	2,190,551	2,460,570	986,650
275 Winchester Avenue	Winchester Lofts	October 15, 2013	658,280	36,212,763	15,424,500	14,766,220
100 College Street (EZ)	Alexion Building	December 31, 2013	3,252,270	176,688,000	26,006,050	22,753,780
91 Church Street	91 Church Street, LLC	September 19, 2014	304,193	944,870	1,138,550	834,357
205 Church Street	The Union	June 12, 2014	11,517,310	18,523,051	15,622,810	4,105,500
102 Wheeler Street	Wheeler Enterprises, LLC	October 29, 2014	438,200	2,619,650	1,862,420	1,424,220
1245 Chapel Street	The Novella	November 20, 2014	314,860	11,780,000	10,760,190	10,445,330
200 College Street	Crown & College CenterPlace	December 15, 2014	1,826,720	15,431,014	10,034,590	8,207,870
260 Crown Street	Metro 260	April 25, 2016	701,260	2,054,655	1,417,150	715,890
1040 State Street	The Corsair	October 3, 2015	640,937	33,547,723	15,720,950	15,080,013
35-39 Church Street	The Washington Building	April 26, 2016	791,630	6,955,165	2,406,530	1,614,900
249 Legion Avenue	Route 34 Phase I, LLC	January 26, 2016	478,520	6,795,405	34,250,030	33,771,510
274-278 Crown Street	Metro 303	April 25, 2016	701,260	2,054,655	1,230,040	528,780
301-305 George Street	Metro 303	June 27, 2016	1,197,070	14,426,052	4,039,420	2,842,350
470 James Street (EZ)	The District	June 30, 2016	1,446,340	11,404,969	5,169,430	3,723,090
9 High Street	323 George Street, LLC	November 8, 2017	764,540	8,500,000	9,805,600	9,041,060
15 High Street	323 George Street, LLC	December 21, 2017	515,130	360,000	606,690	91,560
22 Gold Street	RMS Gold Street, LLC	January 26, 2018	989,450	11,270,000	10,443,020	9,453,570
367 Orange Street	367 Orange Street, LLC/Lofts at Audubon Square	February 26, 2018	721,490	32,350,000	34,866,580	34,145,090
1151 Chapel Street	The Graduate (f/k/a The Duncan)	February 9, 2018	2,022,720	12,708,033	11,308,780	9,286,060
703 Whitney Avenue	703 Whitney, LLC	August 2, 2018	1,134,210	8,344,016	3,708,530	2,574,320
76 Blatchley Avenue (EZ)	Triffin Building/Fair Haven Furniture	May 8, 2017	333,830	179,379	652,750	318,920
169 Henry Street (EZ)	169 Henry Street, LLC/Titus Kaphar	March 18, 2018	369,320	5,982,000	2,074,660	1,705,340
190 River Street (EZ)	Bigelow Square, LLC	October 4, 2018	47,600	805,000	246,400	198,800
281 Chapel Street	281 Chapel Street, LLC/Ralph Mauro	February 21, 2017	397,880	138,167	509,880	112,000
335 East Street	Stimson Realty/Bender Plumbing	December 27, 2016	514,430	1,449,500	725,720	211,290
620 Grand Avenue	620 Grand Avenue, LLC	July 5, 2018	429,730	1,324,000	759,080	329,350
<b>TOTALS</b>			<b>33,983,100</b>	<b>425,038,618</b>	<b>223,250,920</b>	<b>189,267,820</b>
<b>PENDING ASSESSMENT DEFERRAL PROJECTS (Preliminary Applications Received, Other Info to Determine Values Pending)</b>						
87 Union Street	44 Olive Street Ltd. Partnership					
216 Congress Avenue	216 Congress Avenue, LLC					
224-246 Lafayette Street	RMS Lafayette Street, LLC					
742 Chapel Street	Chapel & State, LLC					
754 Chapel Street	Bassett Building, LLC					

## Exhibit B

PROJECT ADDRESS	PROJECT NAME	EFFECTIVE DATE OF CONTRACT	PRE-CONSTRUCTION VALUE (\$)	DEVELOPER Cost \$ (PER A.D. APPLICATION)	ASSESSED VALUE AS COMPLETE (\$)	GRAND LIST IMPACT (\$)
29 Clinton Avenue	Sarah Miller & Lee Cruz	1/8/2016	123,550	58,099	190,890	67,340
201 Pine Street	Art Builders, LLC	4/1/2016	51,310	81,150	109,410	58,100
154 Alston Avenue	Shel Swanson	4/24/2016	177,240.00	102,000	237,000	59,760
679 Winchester Avenue	679 Winchester Avenue, LLC	8/6/2016	96,810	105,867	154,280	57,470
13 Rock Creek Road	Habitat for Humanity	2/7/2017	31,010	74,330	118,510	87,500
847 State Street	Church on State, LLC	4/18/2017	589,120	640,000	1,075,480	486,360
116 Carmel Street	Neighborhood Housing Services	8/10/2017	24,500	175,000	101,150	76,650
112 Carmel Street	Neighborhood Housing Services	9/20/2017	33,600	168,000	103,740	70,140
753 Winchester Avenue	Neighborhood Housing Services	2/8/2018	49,000	230,300	125,440	76,440
387 Lenox Street	Habitat for Humanity	2/12/2018	74,760	74,330	123,970	49,210
43 Lawrence Street	Jackie Carleton McFadyen	5/8/2018	154,140	63,500	198,310	44,170
92 Clark Street	James & Robin Kalfaian	9/17/2018	295,190	144,000	394,100	98,910
93 Hillside Avenue	Scott & Lisa Santoroski	10/17/2018	30,240	126,000	148,540	118,300
<b>Totals</b>			<b>1,730,470</b>	<b>2,042,576</b>	<b>3,080,820</b>	<b>1,350,350</b>