

CITY OF WATERBURY CODE OF ORDINANCES SECTION 32.16

AS AMENDED OCTOBER 21, 2024

§ 32.16 ABATEMENT OF TAXES FOR LOW AND MODERATE INCOME HOUSING.

(A) *Definitions.* For the purpose of this section, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

LOW AND MODERATE INCOME HOUSING. Housing, the construction or rehabilitation of which is aided or assisted in any way by any federal or state statute and entails financial assistance from the federal or state government, which financial assistance, without limitation, may be in the form of tax credits, reimbursements, or rental assistance contracts, which housing is subject to regulation or supervision of rents, charges or sale prices and methods of operation by a governmental agency under a regulatory agreement or other instrument which restricts occupancy of all or a portion of the housing to persons or families whose incomes do not exceed prescribed limits.

OWNER. A person, partnership, joint venture, limited liability company, or corporation who or which has executed, or will execute, a regulatory agreement or other instrument with a governmental agency, either federal, state or local, which limits occupancy of the low and moderate income housing owned or to be owned by the person, partnership, joint venture, limited liability company, or corporation to persons or families whose incomes do not exceed prescribed limits.

(B) *Contract for abatement.* The Mayor may enter into contracts for the city with owners of low and moderate income housing, granting abatement, in whole or in part, of the taxes on the real estate used for the low and moderate income housing, subject to and dependent upon the terms of divisions (C) and (D) of this section. The amount of the abatement shall be established in each contract, giving due consideration to the purposes to which the money equivalent of the taxes so abated is to be applied. At least sixty percent (60 %) of the housing units located on the property must be restricted to occupancy by low and moderate income persons or families. The abatement shall only apply to the portion of the property that is restricted to occupancy by low and moderate income persons or families. As provided by Conn. Gen. Stat. § 8-215, as amended, each contract shall require that the owner apply the money equivalent of the taxes so abated to one or more of the following specified purposes:

- (1) To reduce rents below the levels which would be achieved in the absence of abatement and to improve the quality and design of such housing;
- (2) To effect occupancy of housing by persons and families of varying income levels, within limits determined by the Connecticut Commissioner of Housing by regulation; and
- (3) To provide necessary related facilities or services in housing.

(C) *Term of abatement.*

(1) The abatement shall become effective on the date specified in the contract between the city and an owner of low and moderate income housing.

(2) The abatement shall terminate at any time when the property for which tax abatement has been granted is not used solely for low and moderate income housing or is not used for the purposes stated in Conn. Gen. Stat. § 8-215, as amended. The abatement authorized herein shall be granted only for low and moderate income housing upon which construction or rehabilitation commenced after July 1, 1967.

(D) *Additional requirements for contracts for abatement.* No contract for abatement may be entered into by the city with any owner of low and moderate income housing unless such contract provides for the following:

(1) A term not to exceed twenty (20) years;

(2) Investment by the owner in improvements to such low and moderate income housing of at least \$3,000,000.00;

(3) No reduction in annual taxes below the amount payable based on the City's most recent property tax assessment prior to the effective date of the abatement agreement; and

(4) Real property taxes to be paid during the term of the contract shall increase each year by the unadjusted annual operating cost adjustment factor ("OCAF") issued by the United States Department of Housing and Urban Development to the state of Connecticut used to calculate annual rent subsidy increases at the subject property under a Housing Assistance Payments Contract, but in no event shall said taxes be decreased as a result of said OCAF.