

AN ORDINANCE AUTHORIZING TAX ABATEMENT FOR LOW AND MODERATE-INCOME HOUSING

Section 1. Definitions.

As used in this article, the following terms shall have the meanings indicated:

a.) **LOW- OR MODERATE-INCOME HOUSING**

Housing, the construction or rehabilitation of which is financially subsidized, aided or assisted in any way, by federal or state statute, which housing is subject to regulation or supervision of rents, charges or sales prices and methods of operation by a governmental agency pursuant to a written agreement, contract or other written instrument with the Town as prescribed by Section 2 below that restricts occupancy of such housing to persons and/or families whose incomes do not exceed prescribed limits (each, a "housing agreement"), and shall be deemed to include the real property on which such housing is situated.

b.) **OWNER**

A person or persons, partnership, joint venture, limited liability company, trust or corporation who or that has executed a housing agreement with the Town.

Section 2. Contracts for abatement.

The Town Council may, by resolution enacted by majority vote, enter into one or more housing agreements on behalf of the Town with an owner granting abatement, in whole, or in part, of the real property taxes on such housing, provided that each such housing agreement shall require that the owner apply the money equivalent of the taxes abated to one or more of the following specified purposes;

- a.) 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;
- b.) to effect occupancy by persons and families of varying income levels, within limits determined by the Commissioner of Housing by regulation; or
- c.) to provide necessary related facilities or services in such housing.

Such abatement shall be made pursuant to a housing agreement between the Town and the owner of any such low- or moderate-income housing, which housing agreement shall provide the terms of such abatement, that funds equal to the amount of such abatement shall be used for any one or more of the purposes herein stated, and that such abatement shall terminate at any time when such housing is not used solely for low- or moderate-income persons or families.

The amount of such abatement shall be established in each such housing agreement, giving due consideration to the purpose or purposes to which the money equivalent to the taxes so abated is to be applied.

Section 3. Term.

The abatement shall become effective on the date specified in the housing agreement between the Town and the owner of low- or moderate-income housing. The terms of abatement shall become effective and may continue as specified in the housing agreement, provided that such abatement shall terminate at any time when the housing agreement is terminated in accordance with its terms, including without limitation when the property for which tax abatement had been granted is not used solely for low- or moderate-income housing.