

TAX ABATEMENT AGREEMENT
BETWEEN THE CITY OF STAMFORD AND
OAK PARK 1 LIMITED PARTNERSHIP AND
HOUSING AUTHORITY OF THE CITY OF STAMFORD

This AGREEMENT made this __ day of _____, 2023, (“Agreement”) between THE CITY OF STAMFORD (the "City"), a municipal corporation organized and existing under the laws of the State of Connecticut and located in the County of Fairfield in said State, acting herein by Caroline Simmons, its Mayor, hereunto authorized, and Oak Park 1 Limited Partnership (“the Partnership”), a limited partnership organized and existing under the laws of the State of Connecticut and located at 40 Clinton Avenue, Suite 101, Stamford, Connecticut, 06901, acting herein by Jonathan Gottlieb, President of Oak Park 1 Housing Corporation, General Partner of Oak Park 1 Limited Partnership (owner of the improvements and lessor of the Property as hereinafter defined), and the Housing Authority of the City of Stamford d/b/a Charter Oak Communities (“COC”), (owner of the land) (the Authority”) acting herein by Vincent J. Tufo, CEO, together the “Owners”.

W I T N E S S E T H

WHEREAS, the “Housing Authority of the City of Stamford, d/b/a Charter Oak Communities has ground leased the land located at Ursula Place, Stamford, CT (the "Property"), to the Partnership, which shall construct and own improvements during a 30-year affordability period that shall consist of a sixty-one (61) unit rental housing complex, known as “Oak Park 1” (“OP1”), which Property is as more particularly described in Schedule A hereto and made a part hereof. All sixty-one (61) units shall be restricted to households of low- and moderate-income (the “Below-Market Units”). For purposes of this Agreement, “Property” shall mean the land described in Schedule “A” and the buildings or improvements to be constructed thereon. The Authority shall be the sponsor for this project and shall ensure, by various agreements that the Below-Market Units be used for low- and moderate-income residents in accordance with the terms of this Agreement;

WHEREAS, the Authority has operated the apartment complex known as Oak Park (the “Oak Park Project”) as a low- and moderate-income housing development in accordance with the regulatory restrictions imposed by the State of Connecticut Department of Housing for the Moderate Rental Program, in its role as the previous owner and property manager; and

WHEREAS, the Authority is ground leasing the Property (which consists of a portion of the Oak Park Project) to the Partnership to facilitate the improvement of the Property and ensure its continued availability as an affordable housing resource for current and future low- and moderate-income residents; and

WHEREAS, the Partnership shall use the sixty-one (61) Below-Market Units on the Property for the housing of low- and moderate-income persons or families, which are defined for purposes herein as having annual household incomes at or below 60% of the Area Median

Income in conformance with the Low Income Housing Tax Credit (“LIHTC”) program as administered by the Connecticut Housing Finance Authority (“CHFA”) in accordance with Section 42 of the Internal Revenue Code; and

WHEREAS, the Partnership is funding the rehabilitation of the improvements at the Property in part from loans made from financing or banking institutions and from its own equity contributions and has agreed to operate the Below-Market Units as a low and moderate income rental housing project; and

WHEREAS, under the terms of the loans to be made by (Webster Bank), the first mortgage lender, to the Partnership the loan obligations to (Webster Bank) shall be secured by a first mortgage on the leasehold interest to the improvements on the Property; and

WHEREAS, the City is empowered to grant a real property tax abatement for rental Units used for low- and moderate-income persons or families under Chapter 220 of the Stamford Charter and Code of Ordinances, in accordance with the powers granted by Sections 8-215 of the Connecticut General Statutes, as amended; and

WHEREAS, the Owners are requesting that the City grant their request for an abatement of one hundred percent (100%) of all real property taxes assessed on the sixty-one (61) Below Market Units at the Property, as such taxes may vary from year to year, for the purpose(s) described herein as such abatement is more particularly described in this agreement provided the Owners satisfy the further terms and conditions set forth herein; and

WHEREAS, the City’s Tax Abatement Committee has made a recommendation that such request be granted by the City; and

WHEREAS, the City is willing to grant such abatement to the Owners in accordance with the terms and conditions set forth in this Agreement;

NOW THEREFORE, in consideration of the mutual undertaking herein contained and other valuable consideration, the parties hereby agree as follows:

1. Each fiscal year, commencing on July 1st and terminating on June 30th of the immediately following year, the Partnership agrees, warrants and represents that it will pay the City ten percent (10%) of the Partnership’s “Shelter Rent” (defined as rent payments made by tenants less owner-paid utilities) received for the sixty-one (61) Below Market Units at the Property, in exchange for the City’s abatement of one hundred percent (100%) of real property taxes assessed on the sixty-one (61) Below Market Rate Units at the Property provided that the Partnership satisfies all of the further terms and conditions set forth in this Agreement. In the event that the City receives a PILOT Grant from the State of Connecticut for the Property, the parties shall negotiate an amendment to this Agreement establishing the distribution of PILOT funds to the respective parties.

The Corporation further agrees that it, in addition to the aforementioned Shelter Rent payments, it shall pay the City ten percent (10%) of any annual net cash flow received by the Corporation, after payment of deferred developer fees and loan repayments.

2. The term of this Agreement shall be for a period of thirty years commencing on the effective date of this Agreement and terminating thirty years therefrom. The City may, in its discretion, extend the term of this Agreement as provided herein, which discretion shall not be unreasonably withheld provided that the Property is being occupied by low and moderate income housing persons or families.
3. The Owners agree, warrant and represent that monies equal to the amount of such taxes so abated shall be used exclusively for any one or more of the following purposes: to reduce rents below the level which would be achieved in the absence of such abatement, or to improve the quality and design of such housing, or to effect occupancy of such housing by persons and families of varying income levels within limits approved by the City, or to provide necessary related facilities or services in such housing.
4. The tax abatement described herein shall be effective as of the date of final adoption of this Agreement by the City of Stamford (“effective date”) and shall continue thereafter until terminated as provided herein. Further, the annual payments described in paragraph numbered one above shall be paid to the City in the same manner and same timeframes as real property taxes are paid within the City. Any payment that is more than thirty (30) days late shall accrue interest at the same rate and in the same manner as delinquent real property taxes as provided for in Sec. 12-146 of the Connecticut General Statutes, as may be amended from time to time.
5. This Agreement shall terminate immediately upon the occurrence:
 - a. At any time when such Below-Market Units are not used as housing rented solely to low- or moderate-income persons or families in compliance with Section 42 of the Internal revenue Code.
 - b. At any time when the Partnership fails to use the monies described in Section 3 above for the purposes so described in said section.
 - c. In the sole discretion of the City, at any time when the Owners are in breach of this Agreement and has not cured such breach within 60 days (or 30 days in the event of a payment default) after written notice thereof from the City.
 - d. Thirty years from the effective date of this Agreement. Notwithstanding the foregoing, this Agreement may be extended by the City, in its discretion, which shall not be unreasonably withheld, for two (2) additional, successive term(s) of thirty years (30) each, and thereafter one additional eight (8) year period, not to exceed ninety-eight (98) years in total, by notifying the Owners in writing prior to the expiration of each term.
6. Any amount payable by the Partnership in accordance with this Agreement above shall be adjusted on a pro rata basis for any fiscal year during which the tax abatement is in

effect for less than the entirety of such fiscal year, or the tax abatement hereunder is terminated, such that the amount owed will be equal to the product of (a) the per annum amount otherwise due under this Agreement, and (b) the quotient obtained by dividing the number of days during which the tax abatement was operative, by 365.

7. The Owners agree, warrant and represent that they shall comply with all applicable federal, state and local laws, rules, regulations, ordinances, charters, statutes, codes, orders, policies and procedures relating to the Property.
8. For so long as this Agreement shall remain in full force and effect, the Partnership agrees (i) to make all financial books and records available to the Tax Abatement Committee and the Board of Representatives of the City or to any person duly, selected, hired or engaged by said Committee and/or Board for the review, inspection, audit and reproduction of any documentation or portion thereof, and (ii) to maintain such books and records in accordance with generally accepted accounting principles. On or before the 30th day of June of every calendar year, the Partnership agrees, warrants and represents that, unless otherwise agreed by the City, it shall provide the City with a comprehensive, annual financial statement, inclusive of the standard HUD form, prepared by an independent, certified public accountant, regarding the Property. The audit shall include a reporting on the accounting of expenditures earmarked for Pilot payments and the social services payments made. The Partnership further agrees, warrants and represents that it shall provide the City on or before May 25th of each calendar year with a certification prepared by said independent certified public accountant that verifies the total amount of Shelter Rent for the sixty-one (61) below-Market Rate Units. In addition, the Partnership will submit to the Tax Abatement Committee, each calendar year, a copy of its Owner's Certification of Continuing Low-Income Housing Tax Credit ("LIHTC") Compliance, which is the form of certification that it has submitted to the CHFA for the purpose of attesting that the occupancy of the Below Market Units has been restricted low- and moderate-income households. The Tax Abatement Committee may, at its discretion, utilize this form of certification in determining that the Partnership is in compliance with this Agreement.
9. In the event this Agreement is terminated as provided herein, all monies due and owing to the City shall be immediately due and payable to the City upon written demand and the abatement of taxes shall terminate on the date calculated in section 5 above.
10. The Tax Abatement Committee may, by majority vote, extend any of the audit report deadlines set forth in this Agreement, if the Partnership reasonably demonstrates the necessity for any such extension(s).
11. This Agreement shall continue in effect throughout its initial term, and any extensions, in the event of sale of the land and/or improvements by the current or subsequent owners so long as the affordability requirements and other provisions of the Agreement are met.
12. Notwithstanding anything contained in this Agreement to the contrary, the rights of the City against the Owners shall be satisfied solely and exclusively out of the assets

consisting of (i) the real property of LT, and (ii) any income or proceeds arising from the operation or sale of LT.

13. The Agreement constitutes the entire contract between the parties hereto, and no oral statements or promises and no understanding not embodied in this writing shall be valid or binding. Any modification of this Agreement shall be in writing and executed with the same formality as this Agreement.
14. This Agreement shall be governed by the laws of the State of Connecticut. It is agreed by the parties that if any party commences suit, action or any other legal proceeding against the other, the venue shall be the Superior Court for the Judicial District of Stamford/Norwalk at Stamford.
15. Any statutory reference contained herein shall include any and all amendments thereto and replacements thereof.
16. Any notice required under this Agreement shall be given to the respective parties as follows:

To the City of Stamford:

Director of Administration
City of Stamford
608 Washington Boulevard
Stamford, CT 06904-2152

With a copy to:

Director of Legal Affairs and Corporation Counsel
City of Stamford
Office of Legal Affairs
608 Washington Boulevard
Stamford, CT 06904-2152

To the Partnership:

Oak Park 1 Limited Partnership
40 Clinton Avenue, Suite 101
Stamford, CT 06901

With a copy to:

(insert name and address of limited partner)

To COC:

Charter Oak Communities
22 Clinton Avenue
Stamford, CT 06901

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IN WITNESS WHEREOF, we have hereunto set our hands and seals the day and year above written.

Signed, Sealed and Delivered
In the Presence of:

CITY OF STAMFORD

By: _____
Caroline Simmons
Its Mayor, Duly Authorized

OAK PARK 1 LIMITED PARTNERSHIP

By: _____
Jonathan Gottlieb
President, Oak Park 1 Housing Corporation,
General Partner of Oak Park 1 Limited
Partnership

HOUSING AUTHORITY OF THE CITY OF
STAMFORD

By: _____
Vincent J. Tufo
Chief Executive Officer

Approved as to Form:

Burt Rosenberg
Burt Rosenberg
Asst. Corporation Counsel