DRAFT*

AFFORDABILITY PLAN FOR
ROBERTS VILLAGE
430 MOHEGAN AVENUE PARKWAY &
23B OLD NORWICH ROAD

August 2024

Submitted by:

1721, LLC
to the Town of Waterford
Planning and Zoning Commission

Prepared by:
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* Applicant reserves the right to make further modifications to this Affordability Plan as necessary provided said modifications are compliant with Connecticut General Statutes § 8-30g.

AFFORDABILITY PLAN

1721, LLC ("Developer" and "Applicant''), submits this Affordability Plan in conjunction with the application made by the Applicant to the Town of Waterford Planning and Zoning Commission (the "Commission") for a zoning approval for Roberts Village, the proposed affordable housing development (the "Community") to be located at 430 Mohegan Avenue Parkway and 23B Old Norwich Road, Waterford, Connecticut (the "Property").

This Affordability Plan describes how affordability will be administered and maintained pursuant to Connecticut General Statutes § 8-30g(b)(l) and Regulations of Connecticut State Agencies § 8-30g-7, and in compliance with Connecticut General Statutes § 8-30g ("Section 8-30g"), each as amended to date.

I. <u>Units Designated for Affordable Housing.</u>

Under this Affordability Plan, at least thirty percent (30%) of the units, i.e., 8 units out of a total of 24 units, will meet the criteria for "affordable housing" as defined in Section 8-30g. Section 8-30g requires that for this application, at least fifteen percent (15%) of the units must be affordable for 40 years to those families earning eighty percent (80%) or less of the median income for the Waterford area (the "Norwich-New London, CT MSA" or "MSA") or the State of Connecticut median income, whichever is less, and at least fifteen percent (15%) of the units must be affordable to those families earning sixty percent (60%) or less of either the MSA or the State median income, whichever is less. Each unit subject to either of these affordability restrictions shall be known as an "Affordable Unit." As of the date of this Affordability Plan, the median annual income for the MSA, as published by the United States Department of Housing and Urban Development, is ($107,000), which is less than the statewide median annual income of ($123,300). Therefore, this plan uses the Norwich-New London, CT MSA median income.

Eight (8) of the dwelling units in the Community will be designated as affordable housing units, as defined by Connecticut General Statutes § 8-30g. Four (4) of the units will be affordable for families earning eighty percent (80%) or less of the median income for the MSA or the Connecticut median income, whichever is less. Four (4) of the units will be affordable for families earning fifty percent (60%) or less of the median income for the MSA or the Connecticut median income, whichever is less. The remaining sixteen (16) units shall be unrestricted market rate units. Units #3, #4, #17, #18, #19, #20, #23, and #24 will be designated as the Affordable Units. The Developer, Applicant, Administrator (as defined in Section IV) and their designees, successors or assigns reserve the right to modify the distribution and number of Affordable Units while maintaining the minimum requirements described in the previous paragraph under § 8-30g. It is noted that the Developer intends to organize the Community under the Common Interest Ownership Act and in compliance with Chapter 828 of the Connecticut General Statutes. The Affordable Units shall be initially offered as rental units but may be sold in the future with applicable restrictions.

II. Forty (40) Year Affordability Period.

The number of Affordable Units shall remain constant for forty (40) years. The specific location of each Affordable Unit may vary from time to time within the Property, as determined by the Administrator in accordance with this Affordability Plan, provided that the total number of Affordable Units shall not be decreased. The allotment of Affordable Units may be distributed to the different types of units within the development, however the total percentage and number of Affordable Units will be maintained in accordance with Section I of this Affordability Plan. All of the Affordable Units shall remain affordable in accordance with this Affordability Plan. The forty-year affordability period shall begin upon the issuance of a certificate of occupancy for each Affordable Unit. A restrictive covenant concerning the Affordable Units, in a form acceptable to the Commission, shall be placed on the Waterford Land Records, encumbering the Property and remaining in force regardless of transfer of ownership, which shall include, at a minimum, the language required by Connecticut Agency Regulations § 8-30g-9(a)(l), as set forth in Appendix B to this Affordability Plan. All leases for Affordable Units shall contain provisions ensuring that the Affordable Unit remains in compliance with Section 8-30g and this Affordability Plan.

III. Nature of Construction of Affordable Units.

Affordable Units will be comparable in relative size, fit, finish, materials and amenities to market-rate units, as shown in the building plans that are a part of the site plan approval submittal documents and the specifications set forth in Appendix C to this Affordability Plan.

IV. Administration and Compliance.

This Affordability Plan will be administered by 1721, LLC, or its designees, successors or assigns (“Administrator”), who shall be responsible for:

- Ensuring that households applying for affordable units qualify within applicable maximum income limits;
- Assuring the accuracy of rentals and providing documentation where necessary to lessors, lessees, buyers, sellers and financing institutions;
- Maintaining minimum percentages of Affordable Units in this set-aside development;
- Reporting compliance to the municipality; and
- Executing the affirmative fair housing marketing plan.

1721, LLC, shall commence the role of Administrator following approval of the site development plan. The Administrator shall submit a written status report to the Commission regarding compliance with this plan and the above factors annually. The role of Administrator may be transferred to or assigned to another entity. In the event of any such transfer or assignment, Administrator or its successors and assigns will provide prior written notice to the Town of Waterford Planning & Zoning Commission.

The Administrator shall establish a procedure by which sellers, purchasers, lenders or title insurers may, upon a written request in a timely manner, obtain written certification of compliance with applicable set-aside requirements for Affordable Units, household income, or rental limitations or requirements. In order to assist in any determination that the rental of an Affordable Unit complies with the applicable limitations, any tenant or prospective tenant of such Affordable Unit shall be required by the Administrator to provide documentation of the annual income of the person or family who will occupy the Affordable Unit and of compliance with applicable rental limitations, which documentation shall be available upon request to the zoning enforcement authority of the Town of Waterford.

V. <u>Affirmative Fair Housing Marketing Plan.</u>

The availability of Affordable Units shall be publicized, using the provisions of Connecticut Agency Regulations Section 8-37-ee-1 *et seq.* (particularly Sections 8-37-ee-301 and 302) for affirmative fair housing marketing programs as guidelines. The Administrator shall have the responsibility for compliance with this section. Notices of initial availability of the Affordable Units shall be provided, at a minimum, by advertising at least two times in a newspaper of general circulation in the area ("Notice of Initial Rental"). The Administrator shall also provide such notices to the Town of Waterford Planning & Zoning Commission, the Waterford Town Clerk, and the Waterford Board of Education. Such notices shall include a description of the available Affordable Units, the eligibility criteria for potential tenants, the Maximum Rental (as hereinafter defined), and the availability of application forms and additional information.

Using the above-referenced State regulations as guidelines, collection and dissemination of information about available Affordable Units and market rate units shall include, at a minimum:

- Analyzing census and other data to identify racial and ethnic groups least represented in the population;
- Announcements / advertisements in publications and other media that will reach minority populations;
- Announcements to social service agencies and other community contacts serving low-income minority families in the region (including churches, civil rights organizations, housing authorities, and legal services organization);
- Assistance to minority applicants in processing applications;
- Marketing efforts in geographic areas of high minority concentrations within the housing market area;
- Beginning marketing efforts prior to general marketing of units, and repeating during initial marketing, at 50 percent completion, and thereafter at reasonable intervals with respect to re-rentals; and
- Collection of basic racial and ethnic information for all residents and persons on the wait list for the development.

All notices shall comply with the federal Fair Housing Act, 42 U.S.C. §§ 3601 *et seq.* and Connecticut General Statutes Sections 46a-64b and 64c (collectively, the "Fair Housing Act").

VI. <u>Tenant Eligibility.</u>

Eligibility of families or households to rent Affordable Units shall be determined by the Administrator in accordance with this Affordability Plan, Section 8-30g, and state and federal public housing laws. Not less than fifteen percent (15%) of the dwelling units for rent in the Community shall be rented to persons or families whose income is less than sixty percent (60%) of the area or statewide median income. Not less than fifteen percent (15%) of the dwelling units for rent in the Community shall be rented to persons or families whose income is less than eighty percent (80%) of the area or statewide median income. The area and statewide median income shall be as determined by the Department of Housing and Urban Development ("HUD").

VII. Application Process.

A family or household seeking to rent an Affordable Unit ("Applicant") must complete an application to determine eligibility. The application form and process shall comply with the Fair Housing Act and state and federal housing discrimination laws.

A. Application Form.

The application form shall be provided by the Administrator and shall include an income certification form. In general, income for purposes of determining an Applicant's qualification shall include the Applicant family's total anticipated income from all sources for the twelve (12) month period following the date the application is submitted ("Application Date"). If the Applicant's financial disclosures indicate that the Applicant may experience a significant change in the Applicant's future income during the twelve (12) month period, the Administrator shall not consider this change unless there is a reasonable assurance that the change will in fact occur or if otherwise required by CHFA.

The Applicant's income will be re-verified on an annual basis. In determining what is and is not to be included in the definition of family annual income, the Administrator shall use the criteria set forth by HUD and listed in Appendix D, attached hereto.[1]

B. Applicant Interview.

The Administrator shall interview an Applicant upon submission of the completed application. Specifically, the Administrator shall, during the interview, undertake the following:

- Review with the Applicant all the information provided on the application.
- Explain to the Applicant the requirements for eligibility, verification procedures, and the penalties for supplying false information.
- Verify that all sources of family income and family assets have been listed in the application. Make clear that the term "family" includes a household consisting of one or more persons and all individuals who are to occupy the home, and that no relationship by blood or marriage is required.
- Request the Applicant to sign the necessary release forms to be used in verifying income. Inform the Applicant of what verification and documentation must be provided before the application is deemed complete.

[1]See 24 C.F.R.§ 5.609. Federal regulations are subject to change, and it is the intent of this Affordability Plan to use as guidelines HUD regulations with respect to income certification, as such regulations may be amended from time to time.

- Inform the Applicant that a decision as to eligibility cannot be made until all items on the application have been verified.

C. Verification of Applicant's Income.

Where it is evident from the income certification form provided by the Applicant that the Applicant is not eligible, additional verification procedures shall not be necessary. However, if the Applicant appears to be eligible, the Administrator shall require verification of the Applicant's reported income.

If applicable, the Applicant shall provide to the Administrator the documentation listed in Appendix E attached hereto. This list is not exclusive, and the Administrator may require any other verification or documentation as the Administrator deems necessary.

VIII. Prioritization of Applicants for Initial Occupancy.

If, after publication of the Notice of Initial Rental as described in Section VI above, the number of qualified Applicants exceeds the number of Affordable Units, the Administrator shall establish a priority list of applicants based on a "first come, first served" basis, subject to the applicant's income pre-certification eligibility. The Affordable Units will then be offered according to the applicant's numerical listing.

IX. Maximum Monthly Rental Payment.

The Maximum Monthly Rental Payment (the "Maximum Rental") shall be calculated using the methodology provided by the State of Connecticut Department of Housing.

X. Principal Residence.

Affordable Units shall be occupied only as each tenant's principal residence. Subleasing and assignments of leases by tenants shall be prohibited.

XI. Requirement to Maintain Condition.

All tenants of the Affordable Units are required to maintain their units. The tenants shall not destroy, damage or impair the unit, allow the unit to deteriorate, or commit waste on the unit. When the Affordable Unit is offered again for rental, the Administrator shall cause the home to be inspected.

XII. Enforcement.

A violation of this Affordability Plan shall not result in a forfeiture of title, but the Town of Waterford Planning & Zoning Commission, or its designated agent, shall otherwise retain all enforcement powers granted by the General Statutes, including Section 8-12, which powers include, but are not limited to, the authority, at any reasonable time, to inspect the property and to examine the books and records of the Administrator to determine compliance of Affordable Units with this Affordability Plan and applicable State and Town regulations.

XIII. Occupancy Restrictions

The Occupancy Restrictions contained in Appendix G shall be included in each lease of an Affordable Unit during the forty (40) year period in which the affordability program is in place to provide notice of the affordability restrictions. Unless otherwise required by law, the restrictions contained in this Affordability Plan shall take priority over all mortgage financing provided to the Developer and/or its successors and assigns and any such mortgage utilized to finance the Property shall be strictly subordinate to the terms of the occupancy restrictions contained in Appendices B and G of this Affordability Plan. No foreclosure of any such mortgage shall terminate the occupancy restrictions contained in said Appendices B and G.

XIV. Lease Restrictions.

All Tenants of Affordable Units shall be subject to the lease restrictions set forth in Appendix G of this Affordability Plan.

XV. Binding effect

This Affordability Plan shall be binding upon Developer, Administrator and their successors and assigns.

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APPENDIX A
SITE PLAN

TO BE INSERTED UPON APPROVAL

APPENDIX B
RESTRICTIVE COVENANT PROVISIONS

Per Conn. Agency Regs. Section 8-30g-9 (a)(1),
a restrictive covenant shall be placed on the land records
encumbering the subject property and shall contain a term of at least forty (40) years,
containing, at a minimum, substantially the following language:

This development is a set-aside housing development as defined in section 8-30g of the Connecticut General Statutes and in accordance with the applicable regulations for state agencies that were in effect on the date of the original application for initial local approval, ____________, 2024, containing affordable housing dwelling units, and is therefore subject to limitations on the maximum annual income of the household that may rent the designated affordable housing dwelling units, and on the maximum rental that may be charged for such affordable housing dwelling units. These limitations shall be strictly enforced and may be enforced by the zoning enforcement authority of the Town of Waterford against the record owner of the development or the person identified in the affordability plan as responsible for the administration of these limitations.

For the duration of this covenant or restriction, no less than fifteen percent (15%) of the dwelling units in this development shall be rented to persons and families whose annual income is less than eighty percent (80%) of the median income as defined in subsection 8-30g-1(10) of the Regulations of Connecticut State Agencies, and such units may be rented only at a rental equal to or less than the rental determined using the formula for maximum monthly rental amount permitted by the State of Connecticut Department of Housing. In addition, no less than fifteen percent (15%) of the dwelling units shall be rented to persons and families whose annual income is less than sixty percent (60%) of the median income as defined in subsection 8-30g-1(10) of the Regulations of Connecticut State Agencies, and such units may be rented only at a rental equal to or less than the rental determined using the formula for maximum monthly rental amount permitted by State of Connecticut Department of Housing.

APPENDIX C
HOUSING UNIT SPECIFICATIONS

General
Window treatment - vinyl mini blinds at all windows
Data/ coax outlets - one per bedroom, one per living room
Shelving - single rod and wire shelving at all closets

Living room
Floors - Luxury Vinyl Plank
Base - square stock pine painted
Walls - Painted drywall
Ceiling - Painted drywall
Lighting - switched outlet

Kitchen
Floors - Luxury Vinyl Plank
Base - square stock pine painted
Walls - Painted drywall
Ceiling - Painted drywall
Cabinets - Advanta, Newbury or similar
Counters - Plastic laminate, Formica (at minimum)
Backsplash - plastic laminate
Lighting - recessed LED, pendant lights
Appliances - stainless steel, range, refrigerator with ice maker, microwave, dishwasher

Bathroom
Floors - Sheet Vinyl
Base- square stock pine painted
Walls - Painted drywall
Ceiling - Painted drywall
Cabinets - Advanta, Newbury or similar
Counters - Cultured marble
Backsplash - integral
Tub/ Shower/ Surround - Fiberglass tub or shower base with fiberglass or tile surround
Doors - pre-hung split jamb wood frame with hollow core 2 or 6 panel Masonite doors
Lighting - recessed LED, wall mounted at mirror
Toilet Accessories - towel bar, towel ring, toilet paper holder, shower curtain rod, mirror

Bedroom
Floors - Luxury Vinyl Plank
Base- square stock pine painted
Walls - Painted drywall
Ceiling - Painted drywall
Doors - pre-hung split jamb wood frame with hollow core 2 or 6 panel Masonite doors
Lighting - switched outlet, surface mount ceiling fixture at walk in closets

ESTIMATED UNIT SIZE AND FEATURES

Duplex – 3 Bedroom
Approximately 1,320 square feet
2 1/2 Bath

Single Family - 3 Bedroom
Approximately 1,187 square feet
2 Bath

Single Family - 3 Bedroom
Approximately 1,518 square feet
2 1/2 Bath

Single Family - 4 Bedroom
Approximately 2,160 square feet
2 1/2 Bath

Affordable Units will:

- Include Duplex 3 bedroom units;
- meet the minimum specifications above;
- be comparable in size, quality and appearance to market-rate units; and
- may be dispersed throughout the Community.

APPENDIX D
DEFINITION AND ELEMENTS OF ANNUAL FAMILY INCOME

1. Annual income shall be calculated in accordance with 24 C.F.R. § 5.609 and, consequently, includes, but is not limited to:

   a) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;

   b) The net income from operations of a business or profession, before any capital expenditures but including any allowance for depreciation expense;

   c) Interest, dividends, and other net income of any kind from real or personal property;

   d) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts;

   e) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay;

   f) Welfare assistance payments.

      i) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments:

         (1) Qualify as assistance under the TANF program definition at 45 CFR 260.31; and

         (2) Are not otherwise excluded under section 2 of this appendix.

      ii) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

         (1) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

         (2) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

g) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;

h) All regular pay, special pay and allowances of a member of the Armed Forces.

i) For section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition and any other required fees and charges, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or from an institution of higher education, shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, "financial assistance" does not include loan proceeds for the purpose of determining income.

2. Annual income does not include the following:

a) Income from employment of children (including foster children) under the age of 18 years;

b) Payments received for the care of foster children or foster adults;

c) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;

d) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;

e) Income of a live-in aide;

f) Subject to paragraph (1)(i), the full amount of student financial assistance paid directly to the student or to the educational institution;

g) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

h) Amounts received under training programs funded by HUD;

i) Temporary, nonrecurring or sporadic income (including gifts).

3. As established and as may be amended by HUD, net family assets for purposes of imputing annual income include the following:

a) Cash held in savings and checking accounts, safety deposit boxes, etc.;

b) The cash value of a trust for which any household member has an interest;

c) The current market value, less any outstanding loan balances, of any rental property or other capital investment;

d) The current market value of all stocks, bonds, treasury bills, certificates of deposit and money market funds;

e) The current value of any individual retirement, 401k or Keogh account;

f) The cash value of a retirement or pension fund which the family member can withdraw without terminating employment or retiring;

g) The cash value of life insurance policies available before death;

h) Any lump-sum receipts not otherwise included in income (i.e., inheritances, capital gains, one-time lottery winnings, and settlement on insurance claims);

i) The current market value of any personal property held for investment (i.e., gems, jewelry, coin collections, antique cars);

j) The interest income on any mortgage or deed of trust; and

k) Assets disposed of within two (2) years before the Application Date, but only to the extent consideration received was less than the fair market value of the asset at the time it was sold.

4. Net family assets do not include the following:

a) Necessary personal property (clothing, furniture, cars, jewelry not held as an investment, etc.);

b) Vehicles equipped for handicapped individuals;

c) Interests in Indian trust land;

d) Term life insurance policies without cash value prior to death;

e) Assets which are part of an active business, not including rental properties unless such properties are the family member's main occupation; and

f) Assets that are not accessible to the Applicant and provide no income to the Applicant.

APPENDIX E
DOCUMENTATION OF INCOME

The following documents shall be provided, where applicable, to the Administrator to determine income eligibility:

1. Employment Income.

Verification forms must request the employer to specify the frequency of pay, the effective date of the last pay increase, and the probability and effective date of any increase during the next twelve (12) months. Acceptable forms of verification (of which at least one must be included in the Applicant's file) include:

a) An employment verification form completed by the employer.

b) Check stubs or earnings statement showing Applicant's gross pay per pay period and frequency of pay.

c) W-2 forms if the Applicant has had the same job for at least two years and pay increases can be accurately projected.

d) Notarized statements, affidavits or income tax returns signed by the Applicant describing self-employment and amount of income, or income from tips and other gratuities.

2. Social Security, Pensions, Supplementary Security Income. Disability Income.

a) Benefit verification form completed by agency providing the benefits.

b) Award or benefit notification letters prepared and signed by the authorizing agency. (Since checks or bank deposit slips show only net amounts remaining after deducting SSI or Medicare, they may be used only when award letter cannot be obtained.)

c) If a local Social Security Administration (SSA) office refuses to provide written verification, the Administrator should meet with the SSA office supervisor. If the supervisor refuses to complete the verification forms in a timely manner, the Administrator may accept a check or automatic deposit slip as interim verification of Social Security or SSI benefits as long as any Medicare or state health insurance withholdings are included in the annual income.

3. Unemployment Compensation.

a) Verification form completed by the unemployment compensation agency.

b) Records from unemployment office stating payment dates and amounts.

4. Government Assistance.

   a) All Government Assistance Programs. Agency's written statements as to type and amount of assistance Applicant is now receiving, and any changes in assistance expected during the next twelve (12) months.

   b) Additional Information for "As-paid" Programs: Agency's written schedule or statement that describes how the "as-paid" system works, the maximum amount the Applicant may receive for shelter and utilities and, if applicable, any factors used to ratably reduce the Applicant's grant.

5. Alimony or Child Support Payments.

   a) Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules.

   b) A letter from the person paying the support.

   c) Copy of latest check. The date, amount, and number of the check must be documented.

   d) Applicant's notarized statement or affidavit of amount received or that support payments are not being received and the likelihood of support payments being received in the future.

6. Earned Income Tax Credit.

   a) For credits applied in one lump sum against tax liability, use income tax return (IRS Form 1040 or 1040A).

   b) For credits applied through regular salary paychecks, use IRS Form W-5 (Earned Income Credit Advance Payment Certificate).

7. Net Income from a Business.

The following documents show income for the prior years. The Administrator must consult with the Applicant and use this data to estimate income for the next twelve (12) months.

a) IRS Tax Return, Form 1040, including any:
   Schedule C (Small Business)
   Schedule E (Rental Property Income)
   Schedule F (Farm Income)

b) An accountant's calculation of depreciation expense, computed using straight-line depreciation rules. (Required when accelerated depreciation was used on the tax return or financial statement.)

c) Audited or unaudited financial statement(s) of the business.

d) A copy of a recent loan application listing income derived from the business during the previous twelve (12) months.

e) Applicant's notarized statement or affidavit as to net income realized from the business during previous years.

8. Recurring Gifts.

   a) Notarized statement or affidavit signed by the person providing the gifts. Must give the purpose, dates and value of gifts.

   b) Applicant's notarized statement or affidavit that provides the information above.

9. Scholarships, Grants, and Veterans Administration Benefits for Education.

   a) Benefactor's written confirmation of amount of assistance, and educational institution's written confirmation of expected cost of the student's tuition, fees, books and equipment for the next twelve (12) months. To the extent the amount of assistance received is less than or equal to actual educational costs, the assistance payments will be excluded from the Applicant's gross income. Any excess will be included in income.

   b) Copies of latest benefit checks, if benefits are paid directly to student. Copies of canceled check or receipts for tuition, fees, books, and equipment, if such income and expenses are not expected to change for the next twelve (12) months.

   c) Lease and receipts or bills for rent and utility costs paid by students living away from home.

10. Family Assets Currently Held.

For non-liquid assets, collect enough information to determine the current cash value (i.e., the net amount the Applicant would receive if the asset were converted to cash).

   a) Verification forms, letters, or documents from a financial institution, broker, etc.

   b) Passbooks, checking account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker.

   c) Quotes from a stock broker or realty agent as to net amount Applicant would receive if Applicant liquidated securities or real estate.

d) Real estate tax statements if tax authority uses approximate market value.
e) Copies of closing documents showing the purchase price, the distribution of the sales proceeds and the net amount to the Applicant.

f) Appraisals of personal property held as an investment.

g) Applicant's notarized statements or signed affidavits describing assets or verifying the amount of cash held at the Applicant's home or in safe deposit boxes.

11. Assets Disposed of for Less Than Fair Market Value ("FMV") During Two Years Preceding Application Date.

a) Applicant's certification as to whether he or she has disposed of assets for less than FMV during the two (2) years preceding the Application Date.

b) If the Applicant states that he or she did dispose of assets for less than FMV, then a written statement by the Applicant must include the following:

i. A list of all assets disposed of for less than FMV;

ii. The date the Applicant disposed of the assets;

iii. The amount the Applicant received; and

iv. The market value of the asset(s) at the time of disposition.

12. Savings Account Interest Income and Dividends.

a) Account statements, passbooks, certificates of deposit, etc., if they show enough information and are signed by the financial institution.

b) Broker's quarterly statements showing value of stocks or bonds and the earnings credited the Applicant.

c) If an IRS Form 1099 is accepted from the financial institution for prior year earnings, the Administrator must adjust the information to project earnings expected for the next twelve (12) months.

13. Rental Income from Property Owned by Applicant.

The following, adjusted for changes expected during the next twelve (12) months, may be used:

a) IRS Form 1040 with Schedule E (Rental Income).

b) Copies of latest rent checks, leases, or utility bills.

c) Documentation of Applicant’s income and expenses in renting the property (tax statements, insurance premiums, receipts for reasonable maintenance and utilities, bank statements or amortization schedule showing monthly interest expense).

d) Lessee’s written statement identifying monthly payments due the Applicant and the Applicant’s affidavit as to net income realized.

14. <u>Full-Time Student Status.</u>

a) Written verification from the registrar’s office or appropriate school official.

b) School records indicating enrollment for sufficient number of credits to be considered a full-time student by the school.

APPENDIX F
SAMPLE MAXIMUM RENT CALCULATIONS
(*subject to change)*

Calculation of the maximum initial rental price ("Maximum Rental Price") for an Affordable unit, so as to satisfy Connecticut General Statutes §8-30g, shall utilize the lesser of the area median income for the Town of Waterford or the statewide median income as published by the State of Connecticut Department of Housing, as promulgated by HUD, as in effect on the day a lease is signed by lessee of an Affordable Unit. Such income shall be adjusted for household size assuming occupancy by 1.5 persons per bedroom and using adjustment formula adopted by state regulations. The Maximum Rental Price shall be calculated as follows:

DUPLEX THREE BEDROOM UNIT EARNING LESS THAN 80% AMI	Sample Computations Based on FY 2024 HUD Data
1) Determine lower of relevant year (2024) area median income for Norwich-New London HMFA ($107,000) or statewide median income adjusted for family size (family of 4)	$107,000
2) Determine adjusted income for household of 4.5 persons by calculating 104% of item 1	$111,280
3) Calculate 80% of item 2	$89,024
4) Calculate 30% of item 3 representing the maximum portion of a family's income that may be used for housing	$26,707
5) Divide item 4 by twelve (12) to determine the maximum monthly outlay	$2,226
6) Compare HUD 2024 Fair Market Rents for Norwich-New London HMFA ($2,030) times 120%	$2,436
7) Use the lesser of the calculated maximum monthly expense (item 5) and HUD fair market rent (item 6)	$2,226
8) Determine the reasonable estimate monthly expenses for heat and utility costs, excluding telephone and cable television but including any fee required for all tenants	$648
9) Subtract reasonable monthly expenses (item 8) from maximum housing expense (item 7) to determine maximum available for rent	$1,578

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DUPLEX THREE BEDROOM UNIT EARNING LESS THAN 60% AMI	Sample Computations Based on FY 2024 HUD Data
1) Determine lower of relevant year (2024) area median income for Norwich-New London HMFA ($107,000) or statewide median income adjusted for family size (family of 4)	$107,000
2) Determine adjusted income for household of 4.5 persons by calculating 104% of item 1	$111,280
3) Calculate 60% of item 2	$66,768
4) Calculate 30% of item 3 representing the maximum portion of a family's income that may be used for housing	$20,030
5) Divide item 4 by twelve (12) to determine the maximum monthly outlay	$1,669
6) Compare HUD 2024 Fair Market Rents for Norwich-New London HMFA ($2,030) times 120%	$2,436
7) Use the lesser of the calculated maximum monthly expense (item 5) and HUD fair market rent (item 6)	$1,669
8) Determine the reasonable estimate monthly expenses for heat and utility costs, excluding telephone and cable television but including any fee required for all tenants	$648
9) Subtract reasonable monthly expenses (item 8) from maximum housing expense (item 7) to determine maximum available for rent	$1,021

APPENDIX G
RENTAL AGREEMENT RESTRICTIONS
(subject to revision)

To be Inserted in All Rental Agreements for Units:

"This development is a community which has been approved pursuant to Connecticut General Statutes §8-30g. This community contains both market rate units as well as units which have been determined to be "Affordable" for residents at or below sixty percent (60%) of the lower of the area or statewide median income and residents whose income is at or below sixty percent (80%) of the lower of the area or statewide median income. The density of development has been determined pursuant to Connecticut General Statutes §8-30g and exceeds that otherwise allowed under the Waterford Zoning Regulations."

To be Inserted in All Affordable Unit Leases

The language below shall be inserted in each lease of an Affordable Unit for the duration of the forty (40) year monthly maximum rental amount restriction period.

"The property conveyed hereby is an "affordable housing" unit subject to the requirements of Connecticut General Statutes Section 8-30g. Said dwelling unit is subject to the following restrictions (the "Restrictions"):"

To be Inserted in All Leases for a Sixty Percent (60%) Median Income Dwelling Unit:

"1. This dwelling unit is an affordable housing dwelling unit within a set-aside housing development as defined in Section 8-30g of the Connecticut General Statutes and in accordance with the applicable regulations for state agencies that were in effect upon the date of the original application for the initial local approval, _____________, 2024, and is therefore subject to a limitation, at the date of commencement of the rental agreement, on the maximum annual income of the household that may lease the unit. These limitations shall be strictly enforced, and may be enforced by the person identified in the Affordability Plan as responsible for the administration of these limitations or the zoning enforcement authority of the Town of Waterford. For the duration of this covenant or restriction, this dwelling unit shall be leased to a person or family whose annual income does not exceed SIXTY PERCENT (60%) of 'median income' as defined in subsection 8-30g-1(10) of the Regulations of Connecticut State Agencies, applicable to this unit as specified in an Affordability Plan as on file with the Town of Waterford Planning and Zoning Commission."

To be Inserted in All Leases for a Eighty Percent (80%) Median Income Dwelling Unit:

"1. This dwelling unit is an affordable housing dwelling unit within a set-aside housing development as defined in Section 8-30g of the Connecticut General Statutes and in accordance with the applicable regulations for state agencies that were in effect upon the date of the original application for the initial local approval, _____________, 2024, and is therefore subject to a limitation, at the date of commencement of the rental agreement, on the maximum annual income of the household that may lease the unit. These limitations shall be strictly enforced, and may be enforced by the person identified in the Affordability Plan as responsible for the administration of these limitations or the zoning enforcement authority of the Town of Waterford. For the duration of this covenant or restriction, this dwelling unit shall be leased to a person or family whose annual income does not exceed EIGHTY PERCENT (80%) of 'median income' as defined in subsection 8-30g-1(10) of the Regulations of Connecticut State Agencies, applicable to this unit as specified in an Affordability Plan as on file with the Town of Waterford Planning and Zoning Commission."

To be Inserted in All Affordable Unit Leases:

"2. Any Tenant of an Affordable Unit shall occupy the Affordable Unit as such Tenant's principal place of residence.

"3. Tenant shall properly maintain the Affordable Unit. Tenant shall not destroy, damage or impair the Affordable Unit, allow the Affordable Unit to deteriorate, or commit waste in the Affordable Unit. When an Affordable Unit is offered for re-letting, the Administrator shall cause the property to be inspected.

"4. The Owner shall maintain the Premises and Common Areas in a good state of repair. The Owner shall not destroy, damage or impair the Common Areas of the development nor allow the property to deteriorate or commit waste on the property."

"5. The plan for this Community was approved by agencies of the Town of Waterford based in part on the condition that a defined percentage of the dwelling units in the Community would be preserved as Affordable Units. The Restrictions are required by law to be strictly enforced.

"6. A violation of the Restrictions contained in the Affordability Plan shall not result in a forfeiture of title, but the Waterford Planning and Zoning Commission or its designated agent shall otherwise retain all enforcement powers granted by the Connecticut General Statutes, including Section 8-12, which powers include, but are not limited to, the authority, at reasonable times, to inspect said property and to examine the books and records of the Administrator to determine compliance of the property with the affordable housing regulations, and all terms of the Affordability Plan, including without limitation, Article V."