



TOWN OF RIDGEFIELD
Planning and Zoning Department

HOUSING
AFFORDABILITY PLAN

**For Residential Set-Aside Development Projects
Pursuant to Connecticut General Statutes Section 8-30g**

OR

**For Mixed-Income, Mixed-Use, Affordable Housing Projects
Pursuant to Section 5.7 of the Zoning Regulations
(Mixed-Use Overlay Zone)**

OR

**For Multi-Family Housing Developments Proposed within the
Multi-Family Development District (MFDD) pursuant to Section 4.2
of the Zoning Regulations**

Pursuant to authorization of the Planning and Zoning Commission, effective October 15, 2019.

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This Housing Affordability Plan for the Town of Ridgefield has been adopted to provide compliance with the requirements of:

1) Connecticut General Statutes ("C.G.S.") Section 8-30g, subsection (b)(1), which requires affordable housing developers/applicants to submit an Affordability Plan with their applications:

(b)(1) Any person filing an affordable housing application with a commission shall submit, as part of the application, an affordability plan which shall include at least the following:

- (A) Designation of the person, entity or agency that will be responsible, for the duration of any affordability restrictions, for the administration of the affordability plan and its compliance with the income limits and sale price or rental restrictions of this chapter;
- (B) An affirmative fair housing marketing plan governing the sale or rental of all dwelling units;
- (C) A sample calculation of the maximum sales prices or rents of the intended affordable dwelling units;
- (D) A description of the projected sequence in which, within a set-aside development, the affordable dwelling units will be built and offered for occupancy and the general location of such units within the proposed development; and
- (E) Draft zoning regulations, conditions of approval, deeds, restrictive covenants or lease provisions that will govern the affordable dwelling units.

2) Section 5.7 of the Town of Ridgefield Zoning Regulations (Mixed-Use Overlay Zone), which requires that, in accordance with Section 8-30g of the CGS, an affordability plan shall be submitted with the Special Permit application and recorded on the Town of Ridgefield Land Records if the Commission grants approval. The Mixed-Use Overlay Zone (MU) Zone was established in 2018 to encourage socioeconomic diversity, providing low to moderate-income households access to affordable housing through incentivizing new construction or renovation of existing buildings for mixed-income, mixed-use housing development. This overlay zone applies to properties located in the Town's business zones: B-1, B-2, and B-3, and the Neighborhood Business Zone.

3) Section 4.2 of the Town of Ridgefield Zoning Regulations (Multi-Family Development District) provides for multi-family housing so as to help meet the housing needs of the town's present and projected populations; housing choice and opportunities consistent with soil types, terrain and infrastructure capacity; and controls and standards for the establishment and/or development of said uses and structures in keeping with the purpose set forth in the Town's Zoning Regulations.

INTRODUCTION

The Developer/Applicant has requested approval of a residential housing development project which includes a Set-Aside Development under C.G.S. Section 8-30g, or a mixed-income, mixed-use development under Section 7.5 of the Zoning Regulations, or multi-family housing under Section 4.2 of the Zoning Regulations.

Section 8-30g of the C.G.S. requires, in part, that:

- At least 30% of the units in a development project be sold or rented to persons or families of low to moderate income subject to restrictions for at least 40 years;
- For no less than 40 years, a number of dwelling units equal to not less than 15% of all dwelling units in the development shall be sold or rented to persons and families whose income is less than or equal to 60% of the median income and the remainder of the dwelling units conveyed by deeds containing covenants or restrictions shall be sold or rented to persons and families whose income is less than or equal to 80% of the median income; and

Section 5.7 (Mixed-Use Overlay Zone) of the Zoning Regulations requires, in part that:

- A maximum density of 16 residential dwelling units per acre is permitted, when no less than 30% of the dwelling units in the development contain a 40 year deed restriction for units to be rented, sold, or resold to persons and families whose annual income is less than or equal to 80% of the median income, as defined in subsection 8-30g1(10) of the Regulations of Connecticut State Agencies (RCSA) and shall be rented, sold, or resold at an amount equal to or less than the amount determined using the formula for maximum price or maximum monthly housing payment, as stated in section 8-30g-8 of the RCSA. When calculating the required number of residential dwelling units to be set aside as affordable, fractions shall be rounded up to the next whole number.

Section 4.2 (Multi-Family Development District) of the Zoning regulations, requires, in part that:

- At least fifteen (15) percent of the total number of dwelling units are preserved in perpetuity as affordable housing;
- Such affordable housing units shall be forever sold at prices or leased at rents which comply with CGS 8-39a; and
- These affordability requirements shall be covered by covenants and restrictions which shall apply to specific units within the development under the terms prescribed herein and which covenants and restrictions shall meet the approval of the Commission and shall be filed in the office of the Town Clerk.

The Ridgefield Planning and Zoning Commission has thus established a Housing Affordability Plan (Plan) in order to:

- 1) Ensure compliance with the legal requirements of Section 8-30g and Section 5.7;
- 2) Guide developers (as well as standardize the required Affordability Plan), when preparing an Application for a Set-Aside Development under Section 8-30g, or a mixed-income, mixed-use housing development under Section 5.7;
- 3) Provide for consistent, durable, and qualified administration of the Affordable Units for the entire term of the 40-year duration of the affordability restriction applicable to the Affordable Units.

Compliance with an Affordability Plan is required by State law. This Plan is in compliance with C.G.S. Section 8-30g and Regulations of Connecticut State Agencies (RCSA) Section 8-30g-7.

Review and approval, by the Planning and Zoning Commission or its staff, of a Final Housing Affordability Plan, shall be required as a condition of approval by the Ridgefield Planning and Zoning Commission for any development pursuant to Section 8-30g, Section 5.7, or Section 4.2.

PROJECT DESCRIPTION

Name of Development Project: _____

Address/Location: _____

Applicant Name: _____ submits this Housing Affordability Plan (Plan) in conjunction with its application to the Ridgefield Planning and Zoning Department for approval of the above named CGS Section 8-30g residential housing development project, or mixed-income, mixed-use development pursuant to Section 5.7, or multi-family housing development pursuant to Section 4.2 of the Zoning Regulations.

Affordable Housing Details Narrative. This residential housing development project consists of (use a separate sheet if necessary):

- This project proposes that at least 30% of the proposed units will be designated as Affordable Units that will meet the criteria for affordable housing as defined in Section 8-30g, for no less than 40 years. At least 15% of all dwelling units in the development shall be sold or rented to persons and families whose income is less than or equal to 60% of the median income and the remainder of the dwelling units conveyed by deeds containing covenants or restrictions shall be sold or rented to persons and families whose income is less than or equal to 80% of the median income. **(Pursuant to Section 8-30g)**

- This project proposes that at least 30% of the dwelling units in the development contain a 40 year deed restriction for units to be rented, sold, or resold to persons and families whose annual income is less than or equal to 80% of the median income, as defined in subsection 8-30g1(10) of the Regulations of Connecticut State Agencies (RCSA) and shall be rented, sold, or resold at an amount equal to or less than the amount determined using the formula for maximum price or maximum monthly housing payment, as stated in section 8-30g-8 of the RCSA. **(Pursuant to Section 5.7)**

- This project proposes up to eight (8) dwelling units per acre. At least fifteen (15) percent of the total number of units shall be preserved in perpetuity as affordable housing. Such affordable housing units shall be forever sold at prices or leased at rents which comply with CGS 8-39a. These affordability requirements shall be covered by covenants and restrictions which shall apply to specific units within the development under the terms prescribed herein and which covenants and restrictions shall meet the approval of the Commission and shall be filed in the office of the Town Clerk. **(Pursuant to Section 4.2)**

Affordable Units: This project proposes _____ for-sale units and/or _____ rental units for 60% of median households (“Affordable 60-Unit”), and _____ for-sale units and/or _____ rental units for 80% of median households (“Affordable 80-Unit”).

- _____ of the Affordable Units will contain one (1) bedroom;
- _____ of the Affordable Units will contain two (2) bedrooms;
- _____ of the Affordable Units will contain three (3) bedrooms;
- _____ of the Affordable Units will contain four (4) bedrooms or more;

Market-Rate Units: This project proposes _____ comparable Market-Rate Units.

- _____ of the Market-Rate Units will contain one (1) bedroom;
- _____ of the Market-Rate Units will contain two (2) bedrooms;
- _____ of the Market-Rate Units will contain three (3) bedrooms;
- _____ of the Market-Rate Units will contain four (4) bedrooms or more;

DEFINITIONS

"Administrator" - A qualified, durable, and responsible organization, entity, or person acceptable to the Commission responsible for managing, administering, and overseeing elements of this Housing Affordability Plan.

"Affirmative Fair Housing Marketing Plan" – A plan to attract purchasers or tenants of both Market-Rate units and Affordable (price-restricted) units in the development project, members of racial and ethnic groups who reside within the Ridgefield/Danbury and surrounding area, but who are least likely to apply, as defined in section 8-37ee of the Regulations of Connecticut State Agencies, for occupancy within such development.

"Affordable housing development" – A proposed housing development which is “assisted housing” or a “set-aside development.”

"Affordable Unit" – A residential dwelling unit within the development project which will be constructed to the minimum specifications set forth in this Plan and that is subject to long-term price restrictions as set forth in this Plan.

"Affordable-60 Unit" – A residential dwelling unit which is restricted to persons and families earning income less than or equal to sixty percent of the Median Income.

"Affordable-80 Unit" – A residential dwelling unit which is restricted to persons and families earning income less than or equal to 80 percent of the Median Income.

"Applicant" – An individual, family, or household seeking to purchase an Affordable Unit.

"Assisted Housing" – Housing which is receiving, or will receive, financial assistance under any governmental program for the construction or substantial rehabilitation of low and moderate income housing, and any housing occupied by persons receiving rental assistance under chapter 319uu or Section 1437f of Title 42 of the United States Code.

"Commission" – The Planning and Zoning Commission of the Town of Ridgefield.

"Development Project" – Listed name or address of the project.

"Covenant or Restriction" - An enforceable requirement, in the form of a covenant, restriction, or similar mechanism, contained in a deed that is recorded on the Ridgefield Land Records.

"Developer" – Builder and/or original aspirant of the Set-Aside Development, or his/her heirs, successors and/or assigns.

"Eligible Purchaser" – A family or household which:

- is seeking to purchase an Affordable Unit; and
- whose income is less than or equal to sixty percent (60%) of the Median Income as defined herein; or
- whose income is less than or equal to eighty percent (80%) of the Median Income as defined herein.

“Maximum Initial Sale or Resale Price” - The amount computed as the maximum sale price using the procedure specified in Section X.

“Maximum Rental Price” – The amount computed as the maximum rental price using the procedure specified in Schedule X.

"Median Income" - After adjustments for family size, the lesser of:

- The state median income as determined by the United States Department of Housing and Urban Development; or
- The area median income for the Town of Ridgefield, as determined by the United States Department of Housing and Urban Development. The Town of Ridgefield is in the **Danbury, CT HUD Metro FMR Area**.

Data Sources:

State of Connecticut Median Income:

<https://www.huduser.gov/portal/datasets/il/il2019/2019summary>

Town of Ridgefield Median Income:

https://www.huduser.gov/portal/datasets/il/il2019/select_Geography.odn

“Market Rate Unit” - A residential dwelling unit within the development project which will be constructed to the minimum specifications set forth in this Plan and will be sold at fair market value.

“Owner” – The holder of the fee-simple interest in an Affordable Unit or Market-Rate Unit in the development project.

"Restriction" – See “Covenant”.

"Set-Aside Development" - A development in which not less than 30% of the dwelling units will be conveyed by deeds containing covenants or restrictions which shall require that, for at least 40 years after the initial occupation of the proposed development, such dwelling units shall be sold or rented at, or below, prices which will preserve the units as housing for which persons and families pay 30% or less of their annual income, where such income is less than or equal to 80% of the median income.

Of the dwelling units conveyed by deeds containing covenants or restrictions, a number of dwelling units equal to not less than 15% of all dwelling units in the development shall be sold or rented to persons and families whose income is less than or equal to 60% of the median income and the remainder of the dwelling units conveyed by deeds containing covenants or restrictions shall be sold or rented to persons and families whose income is less than or equal to 80% of the median income;

HOUSING AFFORDABILITY PLAN

I. Units Designated for Affordable Housing

At least 30% of the units of the development project shall be designated as Affordable Units, as defined by Section 8-30g.

*A site plan and narrative description identifying the location of the Affordable Units (including designation of those Units intended for households earning 60% of median income [Affordable 60-Units] and/or those units intended for households earning 80% of median income [Affordable 80-Units]) and Market Rate Units within the development shall be designated as set forth in **Schedule A** attached hereto. NOTE: The Affordable Units shall be evenly and equitably distributed throughout the development, not concentrated together or concentrated near potentially objectionable amenities, such as elevators, utility rooms, garbage facilities, or bathrooms, etc.*

II. Forty (40) Year Period

The Affordable Units shall be designated as affordable for at least 40 years. The 40-year affordability period shall be calculated separately for each Affordable Unit, and the period shall begin on the date of initial leasing or conveyance of such Affordable Unit from the Applicant or its successors or assigns.

III. Pro-Rata Construction and Dispersion

The Affordable Units shall be built and offered for sale or rental, on a *pro rata* basis as construction proceeds. The Affordable Units may change locations within the development subject to approval by the Planning and Zoning Commission (the "Commission") or its staff to ensure that the Affordable Units are maintained evenly and equitably distributed throughout the development (See **Section I** above and **Section XIV** herein).

The Affordable Units are identified as Unit(s):

*A site plan and narrative description identifying the projected sequence in which the Affordable Units will be built and offered for occupancy, in relationship to the construction of the Market-Rate Units, shall be designated as set forth in **Schedule B** attached hereto, and shall include:*

- A. The construction timing and sequence schedule/plan of the proposed development;*
- B. The location of the Affordable Units and Market-Rate Units (as designated in **Schedule A**) within that sequence; and*
- C. Confirmation that such sequence will result in compliance with the set-aside requirements of Section 8-30g and 8-30g-1 through 8-30g-8, inclusive, of the RCSA, as amended.*

The Town of Ridgefield, acting through its Zoning Enforcement Officer, may withhold issuance of a Certificate of Zoning Compliance for a Market-Rate Unit within this development project until such time as a sufficient number of Certificates of Zoning Compliance for Affordable Units have been issued to maintain the ratio required by this Plan.

IV. Nature of Construction of Affordable Units and Market-Rate Units

Affordable Units shall be comparable in construction quality and size to Market-Rate Units containing the same number of bedrooms, and shall contain the same standard amenities as provided to all other Market-Rate Units of the same size.

*A site plan and narrative description identifying that the Affordable Units will not be readily distinguishable from Market-Rate Units in the development, shall be designated in **Schedule C** attached hereto, and shall describe the general size, type, level of finish (e.g., insulation, windows, doors, trim, floor finishes, cabinet finishes, appliances, HVAC equipment, electrical service, and other elements) of both the Affordable Units and the Market-Rate Units.*

*Identification of any differences between Affordable Units and Market-Rate Units and in terms of size, type, and level of finish including insulation, windows, doors, trim, floor finishes, cabinet finishes, appliances, HVAC equipment, electrical service, and other elements shall also be designated in **Schedule C** attached hereto.*

V. Entity Responsible For Administration and Compliance

The Commission intends to ensure that a qualified, capable, independent, and durable administrator ("Administrator") would be in place for the 40-year duration of the affordability restriction applicable to the Affordable Units as provided in this Agreement.

This Housing Affordability Plan shall be administered by:

The Administrator for the development shall be responsible for the administration of the Affordability Plan for the development for the duration of the affordability restriction, including:

- A. Ensuring that households applying for Affordable Units qualify within applicable maximum income limits;
- B. Assuring the accuracy of sale or resale prices or rents, and providing documentation where necessary to buyers, sellers, lessors, lessees, and financing institutions;
- C. Maintaining minimum percentages in a set-aside development;
- D. Reporting compliance to the municipality; and
- E. Executing the affirmative fair housing marketing plan.

The Administrator shall submit a written status report to the Ridgefield Planning and Zoning Department on compliance with this Plan annually on or before January 31 and on that date every year thereafter until the affordability restriction on all of the Affordable Units expire (the "Annual Report") and shall include at a minimum a certification that the income of the residents of each Affordable Unit does not exceed the income limits specified in this Affordability Plan.

The role of Administrator may be transferred or assigned to another entity, provided that such entity has the experience and qualifications to administer this Plan and provided prior written notice is submitted in writing to the Ridgefield Planning and Zoning Department for review and approval to ensure that the proposed Administrator is qualified, capable, independent, and durable.

*A narrative describing the administration and compliance process, as designated in **Appendix D** attached hereto, including:*

- A. The process that has been used, or will be used, for designating an Administrator for the development or Affordable Units therein. (See **Section VI** below)*
- B. How this Housing Affordability Plan will be administered in the event that the development, or Affordable Units therein, is sold or transferred.*
- C. How the Housing Affordability Plan will be administered for the development in the event that the initially designated Administrator is unable or unwilling to perform those functions.*
- D. How this Housing Affordability Plan will be administered every time there is a resale, including who will pay (buyer or seller or other) for the administrator's services to ensure compliance with this Plan. E.g., the Owner shall pay the Administrator a fee to cover the cost of administering the sale.*

VI. Affirmative Fair Housing Marketing Plan

In the development project, the sale or rental of the Affordable Units and Market-Rate Units shall be publicized, using State regulations for affirmative fair housing marketing programs as guidelines. The purpose of such efforts shall be to apprise residents of municipalities of relatively high concentrations of minority populations of the availability of such units. The Administrator shall have responsibility for compliance with this section.

Notices of initial availability of units shall be provided, at a minimum, by advertising at least two times in a newspaper of general circulation in the Town. The Administrator shall also provide such notices to the Ridgefield Planning and Zoning Commission and/or Department, the Ridgefield Housing Authority, the Ridgefield Affordable Housing Committee, and the Ridgefield Board of Education. Such notices shall include a description of the available Affordable Unit(s), the eligibility criteria for potential purchasers, lessees, or renters, the Maximum Sale Price or Rental Price as applicable (as hereinafter defined), and the availability of application forms and additional information.

Using the above-referenced State regulations as guidelines, dissemination of information about available Affordable Units and Market-Rate Units shall include:

- A. Analyzing census, Connecticut Department of Economic and Community Development town profiles, and other data to identify racial and ethnic groups least likely to apply based on representation in Ridgefield's population, including Asian Pacific, Black, Hispanic, and Native American populations;
- B. Announcements/advertisements in publications and other media, including electronic social media, that will reach minority populations, including local newspapers, such as the Ridgefield Press and the NewsTimes;
- C. Announcements to social service agencies and other community contacts serving low-income minority families (such as churches, civil rights organizations, the housing authority and other housing authorities in towns represented in the Western Connecticut Council of Governments ["West COG"], legal services organizations, etc.)
- D. Assistance to minority applicants in processing applications.
- E. Marketing efforts in geographic areas of high minority concentrations within the housing market area, metropolitan statistical area and the WestCOG planning region.
- F. Beginning affirmative marketing efforts prior to general marketing of Affordable Units(s), and repeating again during initial marketing and at 50% completion.

All notices shall comply with the federal Fair Housing Act, 42 U.S.C. §§ 3601 et seq. and the Connecticut Fair Housing Act, C.G.S. §§ 46a-64b, 64c (together, the "Fair Housing Acts").

VII. Purchase and Renter Eligibility

Eligibility of individuals, families, or households to purchase or rent an Affordable Unit in the development project shall be determined by the Administrator in accordance with Section 8-30g, as amended.

VIII. Application Process for Eligibility

An individual, family, or household seeking to purchase or rent one of the Affordable Units ("Applicant") must complete an application to determine eligibility. The application form and process shall comply with the Fair Housing Acts, and include:

- 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 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 12 month period, the Administrator shall not consider this change unless there is a reasonable assurance that the change will in fact occur. The Applicant's income need not be re-verified after the time of initial purchase or rental. 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 on **Schedule E**, attached.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:
1. Review with the Applicant all the information provided on the application.
 2. Explain to the Applicant the requirements for eligibility, verification procedures, and the penalties for supplying false information.
 3. Verify that all sources of family income and family assets have been listed in the application. The term "family" shall be defined by the Zoning Regulations of the Town of Ridgefield.
 4. 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.
 5. Inform the Applicant that an ultimate decision as to eligibility cannot be made until all items on the application have been verified.
 6. Review with the Applicant the process and restrictions regarding re-sale or re-rental.

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

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 issue a pre-certification letter. The letter shall indicate to the Applicant that the Applicant is income eligible and the letter shall request verification of reported income by providing the documentation listed in **Section XI** (and as designated in **Schedule's E and F**) below to the Administrator. This list is not exclusive, however, and the Administrator may require any other verification or documentation as the Administrator deems necessary.

IX. Prioritization of Applicants for Initial Sale or Rental.

If, after publication of the notice of initial availability of units as described in **Section VI** hereof, the number of qualified Applicants exceeds the number of Affordable Unit(s), then the Administrator shall establish a priority waiting list of Applicants based on a first come-first serve basis, subject to the Applicant's income pre-certification eligibility. The Affordable Unit(s) will then be offered according to the Applicant's numerical listing.

X. Maximum Initial Sale Price and Maximum Resale Price; Maximum Rental Price

Calculation of the maximum initial sale price or maximum resale price ("Maximum Sale Price") or Maximum Rental Price for an Affordable Unit, so as to satisfy Section 8-30g, shall utilize the lesser of the area median income (AMI) for the Town of Ridgefield or the statewide median income (SMI) as published by HUD as in effect on the day a purchase and sale agreement is accepted by the owner of the Affordable Unit ("Owner"), or the day a lease has been executed by both lessor and lessee so as to create a tenancy.

A. The Maximum Sale Price for any Affordable Unit that is SOLD or RESOLD within a Set-Aside Development, for the period of affordability restrictions, shall be determined as follows (see worksheet below):

Step 1. Determine the most recently reported *SMI* or the most recently reported *area median income (AMI)* for Ridgefield as published by the United States Department of Housing and Urban Development, and use the lesser of these figures.

Step 2. Adjust median income from Step 1 by family size by assuming that 1.5 persons will occupy each bedroom of an affordable unit, except in the case of a studio or zero-bedroom unit, in which case 1.0 person shall be assumed. Family size adjustment shall be made with reference to the following percentages. The family size adjustment that involves a half person (such as 4.5 persons) shall be calculated by taking the midpoint between the relevant figures above and below the half. For example, the adjustment for a 4.5 person household is 104 percent.

| NUMBER OF BEDROOMS IN UNIT | NUMBER OF PERSONS ASSUMED IN FAMILY | PERCENTAGE ADJUSTMENT |
|---------------------------------------|--|----------------------------------|
| 0 or Studio | 1 | 70% |
| 1 | 2 | 80% |
| 2 | 3 | 90% |
| 3 | 4 | 100% |
| 4 | 5 | 108% |
| 5 | 6 | 116% |

- Step 3.** For an Affordable-80 Unit intended for households earning 80% of the median income or less, calculate 80% of Step 2. For an Affordable-60 Unit intended for households earning 60% of the median income or less, calculate 60% of Step 2.
- Step 4.** Calculate 30% of Step 3, representing that portion of household income deemed to be used for housing costs.
- Step 5.** Divide Step 4 by 12 months to determine the maximum monthly housing payment.
- Step 6.** Determine, by reasonable estimate, monthly housing expenses, including real property taxes; real property insurance; any common interest ownership or similar fee required of all unit purchasers or owners; and all heat and other utility costs (such as water, garbage, electricity, etc., but excluding television, telecommunications, and information technology services).
- Step 7.** Subtract Step 6 from Step 5 to determine the amount available for mortgage principal and interest.
- Step 8.** Using the amount resulting from Step 7, apply a mortgage term and interest rate that is commercially reasonable and available to households likely to apply to purchase such units, in order to determine the financeable amount.
- Step 9.** Calculate down payment, where the maximum allowable down payment used in calculating the maximum sale or resale price of an affordable unit that is sold shall be the lesser of 20% of the total sale price or 20% of the Connecticut Housing Finance Authority (CHFA) maximum sales price limit for a comparably-sized unit in the area, as published by CHFA.
- Step 10.** Add Steps 8 and 9 to determine the base maximum sale price.

Maximum Sale Price Worksheet

| | | | |
|----------------|---|----------|---|
| Step 1. | Most recently reported Connecticut STATE median income as published by HUD: www.huduser.org/datasets/il.html | \$ _____ | 1 |
| | Most recently reported median income for Ridgefield (Danbury, CT HUD Metro FMR Area), as published by HUD: https://www.huduser.gov/portal/datasets/il/il2019/2019summary.odn | \$ _____ | 2 |
| | Insert the <u>lesser</u> of Line 1 or Line 2 | \$ _____ | 3 |
| Step 2. | Adjustment for family size based on following table (circle unit size below). The family size adjustment that involves a half person (such as 4.5 persons) shall be calculated by taking the midpoint between the relevant figures above and below the half. For example, the adjustment for a 4.5 person household is 104 percent. | | 4 |
| | Multiply Line 3 by Line 4 | \$ _____ | 5 |

| NUMBER OF BEDROOMS IN UNIT | NUMBER OF PERSONS ASSUMED IN FAMILY | ADJUSTMENT |
|-------------------------------|--|------------|
| 0 or Studio | 1 | 0.70 |
| 1 | 2 | 0.80 |
| 2 | 3 | 0.90 |
| 3 | 4 | 1.00 |
| 4 | 5 | 1.08 |
| 5 | 6 | 1.16 |

| | | | |
|----------------|--|-------|----|
| Step 3. | Declare level of price restriction for specific unit Insert 0.80 if for households earning 80% of median income or less Insert 0.60 if for households earning 60% of median income or less | | 6 |
| | Multiply Line 5 by Line 6 | \$ | 7 |
| Step 4. | Multiply Line 7 by 0.30 to calculate income available for housing costs | \$ | 8 |
| Step 5. | Divide Line 8 by 12 to calculate the maximum monthly housing payment | \$ | 9 |
| Step 6. | Declare estimated monthly non-mortgage housing expenses: | | |
| | Monthly real property taxes | \$ | 10 |
| | Monthly real property insurance | \$ | 11 |
| | Monthly common interest ownership or similar fees required of all unit purchasers or owners | \$ | 12 |
| | Monthly heating costs (actual or by reasonable estimate) | \$ | 13 |
| | Other monthly utility costs (actual or by reasonable estimate), including electricity, oil, natural gas, or other energy costs, cooling, hot water, utility service charges, etc., but excluding television, telecommunications, and information technology services. | \$ | 14 |
| | Add Lines 10 through 14 | \$ | 15 |
| Step 7. | Subtract Line 15 from Line 9 to determine the amount available for mortgage principal and interest. | \$ | 16 |
| Step 8. | Apply an interest rate that is commercially reasonable and available to households likely to apply to purchase such unit, in order to determine the financeable amount | % | 17 |
| | Apply a mortgage term that is commercially reasonable and available to households likely to apply to purchase such unit, in order to determine the financeable amount | years | 18 |
| | Determine the financeable amount of a mortgage based upon the monthly payment from Line 16 with the mortgage terms in Lines 17 and 18 | \$ | 19 |
| Step 9. | Calculate 20% of the total sales price | \$ | 20 |
| | Calculate 20% of the Connecticut Housing Finance Authority (CHFA) maximum sales price limit for a comparably-sized unit in the area, as published by CHFA. (https://www.chfa.org/) | \$ | 21 |
| | Insert the <u>lower</u> of Line 20 or Line 21 as the maximum allowable | \$ | 22 |

down payment

| | |
|--|--|
| | |
|--|--|

Step 10. Add Line 19 to Line 22 to determine the base maximum sale or resale price.

| | |
|----|----|
| \$ | 23 |
|----|----|

Prepared By (Owner or Rental Manager):

Approved By (Administrator):

Signature _____ Date _____

Signature _____ Date _____

Name: _____

Name: _____

Address: _____

Address: _____

Phone & _____
Email: _____

Phone & _____
Email: _____

B. The maximum monthly rental price for any Affordable Unit that is RENTED within a Set-Aside Development, for the period of affordability restrictions, shall be determined as follows (see Worksheet below):

- Step 1.** Determine the most recently reported state median income or median income for the Ridgefield area as published by the United States Department of Housing and Urban Development, and use the lesser of these figures.
- Step 2.** Adjust median income from Step 1 by family size by assuming that 1.5 persons will occupy each bedroom of an affordable unit, except in the case of a studio or zero-bedroom unit, in which case 1.0 person shall be assumed. Family size adjustment shall be made with reference to the following percentages. The family size adjustment that involves a half person (such as 4.5 persons) shall be calculated by taking the midpoint between the relevant figures above and below the half. For example, the adjustment for a 4.5 person household is 104%.

| NUMBER OF BEDROOMS IN UNIT | NUMBER OF PERSONS ASSUMED IN FAMILY | PERCENTAGE ADJUSTMENT |
|---------------------------------------|--|----------------------------------|
| 0 or Studio | 1 | 70% |
| 1 | 2 | 80% |
| 2 | 3 | 90% |
| 3 | 4 | 100% |
| 4 | 5 | 108% |
| 5 | 6 | 116% |

- Step 3.** For a household earning 80% of the median income or less, calculate 80% of Step 2. For a household earning 60% of the median income or less, calculate 60% of Step 2.
- Step 4.** Calculate 30% of Step 3, representing that portion of household income deemed to be used for housing costs.
- Step 5.** Divide Step 4 by 12 months to determine the maximum monthly housing payment.
- Step 6.** Determine the fair market rent for a unit with the same number of bedrooms in the area as published by the U. S. Department of Housing and Urban Development.
- Step 7.** For a Unit required to be rented to a household earning 80% or less of the median income, multiply the U. S. Department of Housing and Urban Development fair market rent as determined in Step 6 by 120%. For a unit required to be rented to a household earning 60% or less of the median income, the U. S. Department of Housing and Urban Development fair market rent shall be used, instead of 120%.
- Step 8.** The maximum monthly housing payment for occupants of the subject rental unit shall be the lesser of the calculations in Steps 5 and 7.
- Step 9.** Determine monthly expenses for which the tenant is directly responsible, such as heat, water, electricity, garbage, and any other utility costs, excluding television, telecommunications, and information technology services, but including any other periodic fees for which the tenant is directly responsible, such as common charges in the case of a common interest ownership community.
- Step 10.** Deduct the estimate of tenant-paid utilities and fees determined in Step 9 from the maximum monthly housing payment in Step 8, which will result in the maximum amount that the developer/owner may charge for this rental unit as the monthly contract rent.

Maximum RENTAL Price Calculation

| | | | |
|----------------|---|----|---|
| Step 1. | Most recently reported STATE median income as published by HUD (www.huduser.org/datasets/il.html) | \$ | 1 |
| | Most recently reported median income for Ridgefield (Danbury, CT HUD Metro FMR Area), as published by HUD (www.huduser.org/datasets/il.html) | \$ | 2 |
| | Insert the <u>lower</u> of Line 1 or Line 2 | \$ | 3 |
| Step 2. | Adjustment for family size based on following table. The family size adjustment that involves a half person (such as 4.5 persons) shall be calculated by taking the midpoint between the relevant figures above and below the half. For example, the adjustment for a 4.5 person household is 104% (circle unit size below) | | 4 |
| | Multiply Line 3 by Line 4 | \$ | 5 |

| NUMBER OF BEDROOMS IN UNIT | NUMBER OF PERSONS ASSUMED IN FAMILY | ADJUSTMENT |
|-------------------------------|--|------------|
| 0 or Studio | 1 | 0.70 |
| 1 | 2 | 0.80 |
| 2 | 3 | 0.90 |
| 3 | 4 | 1.00 |
| 4 | 5 | 1.08 |
| 5 | 6 | 1.16 |

*The family size adjustment that involves a half person (such as 4.5 persons) shall be calculated by taking the midpoint between the relevant figures above and below the half. For example, the adjustment factor for a 4.5 person household is 1.04.

| | | | |
|----------------|---|----|----|
| Step 3. | Declare level of price restriction for specific unit Insert 0.80 if for households earning 80% of median income or less Insert 0.60 if for households earning 60% of median income or less | | 6 |
| | Multiply Line 5 by Line 6 | \$ | 7 |
| Step 4. | Multiply Line 7 by 0.30 to calculate income available for housing costs | \$ | 8 |
| Step 5. | Divide Line 8 by 12 to calculate the maximum monthly housing payment | \$ | 9 |
| Step 6. | Declare the fair market rent for a unit with the same number of bedrooms in the New Haven-Meriden PMSA as published by HUD (www.huduser.org/datasets/fmr.html) | \$ | 10 |
| Step 7. | If Line 6 is 0.80, insert 1.20 If Line 6 is 0.60, use U.S. Dept. of HUD fair market rent | | 11 |
| | Multiply Line 10 by Line 11 | \$ | 12 |

| | | | | |
|-----------------|---|-----|------------------|----|
| Step 8. | Insert the <u>lower</u> of Line 9 or Line 12 as the maximum monthly housing payment | \$ | | 13 |
| Step 9. | Declare monthly expenses for which the tenant is directly responsible: | | | |
| | Monthly heat costs (actual or by reasonable estimate) | \$ | | 14 |
| | Monthly utility costs (actual or by reasonable estimate) , including electricity, oil, natural gas, or other energy costs, cooling, hot water, utility service charges, etc., excluding television, telecommunications, and information technology services | \$ | | 15 |
| | Common charges in the case of a common interest ownership community | \$ | | 16 |
| | Any other periodic fees broken down per month | \$ | | 17 |
| | Add Lines 14 through 17 | \$ | | 18 |
| Step 10. | Deduct Line 18 from Line 13 to determine the base maximum amount that shall be charged for the rental unit as the monthly contract rent. | \$ | | 19 |
| | Is the person renting the unit receiving governmental rental assistance? | Yes | Go to Line 22 | 20 |
| | | No | Go to Step 11 | 21 |
| | Will the monthly contract rent from Line 19 exceed the maximum percentage-of-income-for- housing limitation, if any, imposed by such governmental assistance? | Yes | Go to Line 24 | 22 |
| | | No | Go to Step 11 | 23 |
| | Declare the maximum percentage-of-income-for- housing limitation, if any, imposed by such governmental assistance | \$ | | 24 |
| Step 11. | Insert Line 24 if completed, otherwise insert line 19 as the maximum monthly housing payment. | \$ | | 25 |

Prepared By (Owner or Rental Manager):

Approved By (Administrator):

Signature Date

Signature Date

Name: _____

Name: _____

Address: _____

Address: _____

Phone &
Email: _____

Phone &
Email: _____

XI. Sample Income Eligibility Statement (to be completed, or similar, by Purchaser or Renter and Verified by Administrator)

| | | | |
|----------------|---|----|---|
| Step 1. | Most recently reported STATE median income as published by HUD https://www.huduser.gov/portal/datasets/il/il2019/select_Geography.odn | \$ | 1 |
| Step 2. | Most recently reported area median income for Ridgefield (Danbury, CT HUD Metro FMR Area), as published by HUD https://www.huduser.gov/portal/datasets/il/il2019/2019summary.odn | \$ | 2 |
| Step 3. | Insert the <u>lower</u> of Line 1 or Line 2 | \$ | 3 |
| Step 4. | Identify the number of persons in the household of the potential Purchaser or Renter | | 4 |
| Step 5. | Income adjustment factor for household size based on following table (circle household size below) | | 5 |
| | Multiply Line 3 by Line 5 | \$ | 6 |

| NUMBER OF PERSONS IN HOUSEHOLD | ADJUSTMENT FACTOR |
|-----------------------------------|----------------------|
| 1 | 0.70 |
| 2 | 0.80 |
| 3 | 0.90 |
| 4 | 1.00 |
| 5 | 1.08 |
| 6 | 1.16 |

| | | | |
|----------------|--|----|----|
| Step 6. | Declare the level of price restriction for the specific unit Insert 0.80 if for households earning 80% of median income or less Insert 0.60 if for households earning 60% of median income or less | | 7 |
| Step 7. | Multiply Line 6 by Line 7 as the maximum income limit for the specific unit | \$ | 8 |
| Step 8. | Insert the income limit from Line 8 | \$ | 9 |
| Step 9. | Declare the Total Gross Annual Income of the Purchaser or Renter | \$ | 10 |

Indicate source of information on Total Gross Annual Income and

attach a copy to this form:

- 1040EZ (line 4 - Adjusted Gross Income)
- 1040A (line 15 - Total Income)
- 1040 (line 22 - Total Income)
- Other (Specify: _____)

Step 10. If Line 10 is greater than Line 9, circle Line 11

The potential Purchaser or Renter is not eligible for the specific unit since the Total Gross Annual Income exceeds the income limit for that unit **Not Eligible** 11

If Line 10 is lower than Line 9, circle Line 12

The potential Purchaser or Renter is eligible for the specific unit since the Total Gross Annual Income does not exceed the income limit for that unit **Eligible** 12

I / we certify that the statements made in this Income Eligibility Statement are true and complete to the best of my / our knowledge and belief. I / we understand that false statements or information are punishable under State law.

Prepared By (Purchaser or Renter):

Approved By (Administrator):

Signature Date

Signature Date

Name: _____

Name: _____

Address: _____

Address: _____

Phone & email: _____

Phone & email: _____

Note: Income information (such as a copy of a tax return) shall be provided to and retained by the Administrator. Such information shall be available for inspection by, but shall not be provided to, the Town of Ridgefield.

XII. Change of Income or Qualifying Status of Resident for Rental

In the event that a Tenant's income changes so as to exceed the qualifying maximum income, or if the Tenant otherwise becomes disqualified, such Tenant must provide notice to the Administrator within seven (7) days of the disqualification. When a resident becomes disqualified, the Administrator shall require the Tenant to vacate the Affordable Unit within 60 days. The Administrator may offer a Market-Rate Unit to such Tenant subject to availability. If the development/unit does not comply with the covenants and deed restrictions required, the developer, owner, or manager shall rent the next available units to persons and families whose incomes satisfy the requirements of the covenants and deed restrictions until the development/unit is in compliance. The Commission may inspect the income statements of the tenants of the restricted units upon which the developer, owner, or manager bases the certification.

XIII. Conversions of Affordable Units from Sale to Rental and Vice Versa

In the event that one or more of the Affordable Units are proposed to be converted from Sale to Rental or vice versa, the Administrator at that time shall submit an amendment to the Affordability Plan with the Commission or its staff. An amended Affordability Plan shall identify the Maximum Sale Price or Maximum Rental Price based upon **Section X** above pursuant to Section 8-30g in effect at that time. Any Sale or Rental of the Affordable Units, upon conversion, shall be in accordance with this Plan, including the procedures outlined in **Sections VII, VIII, and IX**. And Resale must be in accordance with Section XIV below.

XIV. Deed Restrictions - For Sale or Rental Units

The Deed Restrictions contained in **Schedule G** and **H** shall be included in any deed associated with a Set-Aside Development during the 40-year period in which the affordability program is in place to provide notice of the affordability restrictions and to bind future Owners, and Tenants of the rental units, in the event that either sale units are converted to rental units or that rental units are converted to sale units during the affordability period.

XV. Resale of Affordable Units

An Owner may sell or lease an Affordable Unit(s) at any time, provided that the Owner complies with the restrictions concerning said sale as set forth in this Affordability Plan, as may be amended, and in the deed restrictions attached hereto as **Schedule G** and **H**.

If the Owner wishes to sell, the Owner shall notify the Administrator in writing. The Owner shall pay the Administrator a fee to cover the cost of administering the sale. The Administrator shall then work with the Owner to calculate a Maximum Sale Price. The Administrator shall publish *notice of availability of the unit(s)* in the same manner as was followed for the initial sale, as set forth in **Section VI** herein. The Administrator shall not review the eligibility of potential purchasers or lessees until such proof is submitted. The Administrator shall bring any purchase offers received to the attention of the Owner.

The Owner may hire a real estate broker or otherwise individually solicit offers, independent of the Administrator's action, from potential purchasers.

The Owner shall inform any potential purchaser of the affordability restrictions before any purchase and sale agreement is executed by furnishing the potential purchaser with a copy of this Affordability Plan. The purchase and sale agreement shall contain a provision to the effect that

the sale is contingent upon a determination by the Administrator that the potential purchaser meets the eligibility criteria set forth in this Plan.

Once the Owner and potential purchaser execute the purchase and sale agreement, the potential purchaser shall immediately notify the Administrator in writing. The Administrator shall have thirty (30) days from such notice to determine the eligibility of the potential purchaser in accordance with the application process set forth in Section IX above. The Administrator shall notify the Owner and the potential purchaser of its determination of eligibility in writing within said thirty (30) day period. If the Administrator determines that the potential purchaser is not eligible, the purchase and sale agreement shall be void, and the Owner may solicit other potential purchasers. If the Administrator determines that the potential purchaser is eligible, the Administrator shall provide the potential purchaser and the Owner with a signed certification, executed in recordable form, to the effect that the sale of the particular unit(s) has complied with the provisions of this Affordability Plan. The Owner shall bear the cost of recording the certification.

XVI. Enforcement.

A violation of this Plan or the Deed Restrictions shall not result in a forfeiture of title, but the Commission or its designated agent shall otherwise retain all enforcement powers granted by the Connecticut General Statutes, including § 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(s) with the affordable housing regulations.

XVII. Binding Effect.

This Plan shall be binding on the successors and assigns of the Declarant.

XVIII. Designation of Municipal Agent

The Planning and Zoning Department of the Town of Ridgefield shall be the agent of cognizance relative to compliance associated with the implementation of the Plan by the Administrator.

XIV. Designations of Covenants and Restrictions

Provide a *Declaration of Affordable Housing Unit Restriction* for the affordable housing development with covenants or restrictions. The Declaration:

1. Shall be filed on the land records prior to commencement of development and the Declaration shall clearly identify the Affordable Units or, in the case of an affordable housing subdivision, the lots with specific street address, and if units or lots are re-designated in accordance with **Section III** herein, then a revised Declaration must be submitted for review by the Planning and Zoning Department and recorded in the land records, and
2. Shall provide that the Affordable Units shall, during the term of the affordability period, be offered for sale, resale or continuing rental:
 - a. to households whose annual income does not exceed the appropriate income limit for the particular price-restricted unit in the set-aside development (*see definition in the Ridgefield Zoning Regulations*); or
 - b. to a non-profit agency, a municipal agency, or other organization which shall offer the Affordable Units to qualified persons and families; and

3. Shall provide that the Affordable Units shall, at time of initial occupancy by each new household during the term of the affordability period:
 - a. be occupied by households whose annual income does not exceed the appropriate income limit for the particular Affordable Unit in the set-aside development; and
 - b. be sold at, or below, a price as provided in **Section X** of this Plan; or be rented at, or below, a price as provided in **Section X** of these Housing Affordability Plan requirements, and
4. Shall run with the land and be binding on each subsequent owner of the property containing the Affordable Unit(s), except that such covenants or restrictions shall not be required to exceed 40 years after the initial occupation of each such Affordable Unit, and
5. Shall not be modified or amended in any way without the written consent of the Planning and Zoning Commission and/or Staff; and
6. Shall provide that the covenants and restrictions shall not be subordinated to any other encumbrance except mortgage financing by:
 - a. the U. S. Department of Housing and Urban Development,
 - b. the Connecticut Housing Finance Authority,
 - c. the U.S. Veterans Administration, or
 - d. other mortgage lender when the applicant has demonstrated to the satisfaction of the Commission that the mortgage lender shall:
 - i. Retain the Affordable Units during the term of the affordability period, or
 - ii. Provide the Town of Ridgefield with a right of first refusal to acquire the Affordable Unit(s) in the event that the title to the mortgage is transferred or assigned by foreclosure or deed-in-lieu of foreclosure, or
 - iii. Make other arrangements acceptable to the Planning and Zoning Commission where the Affordable Units shall be retained during the term of the price restrictions.

XV. Additional Requirements

1. Unless modified by the Commission, the Housing Affordability Plan shall provide that, for one (1) of every three (3) Affordable Units which becomes available for initial sale or rental, preference shall be given to Applicants who are otherwise qualified and are Town of Ridgefield municipal employees, Board of Education employees, or residents of the town.
2. All Residents are required to maintain their homes. The Resident shall not destroy damage or impair the home, allow the home to deteriorate, or commit waste on the home. When an Affordable Unit is offered for re-sale, the Administrator may cause the home to be inspected.
3. The Housing Affordability Plan shall provide any additional material that will govern the Affordable Units or as required by the Planning and Zoning Commission.

Prepared By (Owner or Rental Manager):

Approved By (Administrator):

Signature _____ Date _____

Signature _____ Date _____

Name: _____

Name: _____

Address: _____

Address: _____

Phone _____

Phone _____

& _____

& _____

Email: _____

Email: _____

List of Schedules to be Submitted:

**Schedule A
Units Designated for Affordable Housing**

**Schedule B
Pro Rata Construction and Dispersion. Sequence of Construction**

**Schedule C
Nature of Construction of Affordable Units and Market-Rate Units**

**Schedule D
Administration**

Schedule E

Definition and Elements of Annual Family Income

1. Annual income shall be calculated with reference to 24 C.F.R. § 5.609, and includes, but is not limited to, the following:

a. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips, 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 payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, or other similar types of periodic payments;

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

f. Welfare assistance. If the welfare assistance payments include 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 to be included as income consists of the following:

(i) The amount of the allowance exclusive of the amounts designated for shelter or utilities, plus

(ii) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities;

g. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing with the Applicant (e.g. periodic gifts from family members, churches, or other sponsored group, even if the gifts are designated as rental or other assistance);

h. All regular pay, special pay and allowances of a member of the armed forces;

i. Any assets not earning a verifiable income shall have an imputed interest income using a current average annual savings interest rate.

2. Excluded from the definition of family annual income are the following:

a. Income from employment of children under the age of 18;

- b. Payments received for the care of foster children;
- c. Lump-sum additions to family assets, such as inheritances, insurance payments, capital gains and settlement for personal or property losses;
- d. Amounts received that are specifically for, or in reimbursement of, the cost of medical expense for any family member;
- e. Amounts of educational scholarships paid directly to the student or to the educational institution, and amounts paid by the government to a veteran in connection with education costs;
- f. Amounts received under training programs funded by HUD;
- g. Food stamps; and
- h. Temporary, nonrecurring or sporadic income (including gifts that are not regular or periodic).

3. 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 current market 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. Any lump-sum receipts not otherwise included in income (i.e., inheritances, capital gains, one-time lottery winnings, and settlement on insurance claims);
- h. The current market value of any personal property held for investment (i.e., gems, jewelry, coin collections); and
- i. 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, etc.);
- b. Vehicles equipped for handicapped individuals;
- c. Life insurance policies;
- d. Assets which are part of an active business, not including rental properties; and
- e. Assets that are not accessible to the Applicant and provide no income to the Applicant.

Schedule F 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 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. Net Income from a Business. The following documents show income for the prior years. The Administrator must consult with Applicant and use this data to estimate income for the next twelve (12) months.

a. IRS Tax Return, Form 1040, including any:

(i) Schedule C (Small Business);

(ii) Schedule B (Rental Property Income); or

(iii) 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.

7. Recurring Gifts.

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

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

8. 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 checks 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.

9. 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 selling price, the distribution of the sales proceeds and the net amount to the borrower.

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.

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

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

b. If the Applicant states that it 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 Applicant disposed of the assets;
- (iii) The amount the Applicant received; and
- (iv) The market value to the asset(s) at the time of disposition.

11. 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.

12. 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 Applicant's affidavit as to net income realized.

13. Full-Time Student Status.

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.

Schedule G
Deed Restriction for Sale Units

Schedule H
Deed Restriction for Rental Units