

AFFORDABILITY PLAN

FOR

THOMPSON COMMONS  
360 THOMPSON AVENUE  
EAST HAVEN, CT

**January 10 , 2024**

Prepared By:  
13 Carlson Place LLC

## **Affordability Plan**

### **INTRODUCTION**

13 Carlson Place, LLC (“Owner”) submits this Affordability Plan (the “Plan”) in conjunction with an affordable housing application for a twenty-unit (20) residential development consisting of eighteen (18) single family attached homes in six “triplex” buildings and two (2) single family attached homes in a single “duplex” building to be known as Thompson Commons. All twenty (20) residential dwellings will be two-bedroom with a one-car garage. The proposed affordable housing development will be situated on approximately 1.05 acres of land in East Haven, Connecticut to be created through the merger of two existing lots owned by the Owner, i.e., 13 Carlson Place, which contains an existing “boat yard” on approximately 0.8 acres, and 360 Thompson Ave., which contains an existing residence on approximately 0.25 acres. The existing improvements on both lots will be removed to permit development of Thompson Commons as a set-aside affordable housing development in accordance with Connecticut General Statutes (“C.G.S.”) 8-30g.

Under this Plan, a minimum of 30 percent of the single family attached homes, i.e., six (6) homes, will meet the criteria for “affordable housing” as defined in C.G.S. §8-30g in effect on the date the affordable housing application is submitted to the East Haven Planning and Zoning Commission. C.G.S. §8-30g requires that 15 percent of the proposed housing units must be affordable for a period of 40 years to households earning 80 percent or less of either the state or area median income, whichever is less, and that 15 percent of the proposed housing units must be affordable to households earning 60 percent or less of either the state or area median income, whichever is less. This Plan confirms the intent of the Owner to satisfy these, and the other applicable requirements, for a set-aside affordable housing development.

## **I. Definitions**

In this Plan, the term "affordable housing unit", or similar, means one of the six (6) single family attached homes within the 20-unit rental community known as Thompson Commons which is subject to long-term restrictions on both the maximum household income of prospective and continuing residents as well as on the maximum rental, sale price, or resale price. The term "Administrator" means the entity charged with the responsibility of administering this Plan and ensuring compliance with §§8-30g-7(a)(1) (A-E) of the Regulations of Connecticut State Agencies. The term "Property Manager" refers to the entity in charge of overall residential services at Thompson Commons.

The Owner's present intent is to develop a rental community where the single family attached houses are leased to individuals and households, however, the Owner reserves the right to create a common interest community pursuant to Connecticut's Common Interest Ownership Act (Chapter 828) or other applicable law. Whenever the phrase "maximum rental price", "rent restricted" or similar phrases are used in this Affordability Plan, such phrases shall also include and mean maximum sale price or resale price or price-restricted, as applicable.

## **II. Entity Responsible For Administration and Compliance Reporting**

The Owner, its successors and assigns, will serve as Plan Administrator for Thompson Commons. As Administrator of the Plan ("Administrator"), Owner will be responsible for compliance with §§8-30g-7(a)(1) (A-E) of the Regulations of Connecticut State Agencies. Any changes in the name or contact information of the Administrator will be conveyed in writing to the Town of East Haven ("Town") or its designee. JHP, an affiliate of the Owner, will serve as Property Manager.

### **III. Construction Quality, Phasing, And Bedroom Type For Affordable Housing Apartments**

A. Quality: The market-rate and affordable single family attached homes will be comparable in exterior appearance, construction quality and features.

B. Phasing: The construction at Thompson Commons will occur in a single phase, and the affordable homes will be built and offered for rent on a concurrent, *pro rata basis* with the market-rate homes.

C. Bedrooms: Thompson Commons will consist of 20 two-bedroom homes, six (6) of which will be affordable housing units. Three (3) of the affordable two-bedroom homes will be rented to households earning 80 percent or less of the applicable median income, and three (3) of the two-bedroom homes will be set aside for households earning 60 percent or less of the applicable median income. Affordable homes will be dispersed throughout the entire community. The Owner initially designates the middle home in each of the six triplex buildings as the affordable housing units since these homes have fewer exterior walls and, therefore, are expected to have lower heating and cooling costs (See Schedule C attached to this plan). Such designation may change over time as provided in Section XIV of this Plan, provided, however, that the overall set aside shall be maintained through adherence to the “next available unit” rule.

### **IV. Notice of Initial Rental of Affordable Homes**

Except as provided in Section VIII hereof, the Administrator shall provide notice of the availability of each affordable housing unit. Such notice shall be provided in accordance with the Affirmative Fair Housing Marketing Plan as outlined in Section VI and shall include a description of the available affordable housing unit(s), the eligibility criteria for potential renters, the Maximum Allowable Rent (as hereinafter defined), the availability of

application forms and additional information. All such notices shall comply with the Federal Fair Housing Act, 42 U.S.C. §§ 3601 *et seq.* and all state Fair Housing Statutes and regulations (together, the "Fair Housing Acts").

**V. Resident Eligibility**

Based upon data published by the United States Department of Housing and Urban Development ("HUD"), fifteen percent (15%) of the affordable homes shall be offered for rent to individuals and families whose annual income does not exceed 60% of the applicable median income, and fifteen percent (15%) of the affordable homes shall be offered for rent to individuals and families whose annual income does not exceed 80% of the applicable median income. Resident household income will be adjusted for household size and must be verified prior to first move-in and, thereafter, annually, prior to lease renewal.

**VI. Fair Housing Marketing Plan**

The rental of affordable homes and market-rate homes shall be publicized using state regulations for affirmative fair housing marketing programs as guidelines. 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 East Haven. The Administrator shall also provide such notices to both local and regional housing authorities as identified by the Town. Such notices shall include a description of the available affordable homes, the eligibility criteria for potential renters, the maximum monthly rent (as hereinafter defined), and the availability of application forms and additional information.

Using the above-referenced regulations as guidelines, dissemination of information about available affordable and market rate homes shall include:

A. Analyzing census, Connecticut Department of Economic and Community Development town profiles, and other data to identify underserved groups in the community, e.g. disabled veterans, persons in substandard or transitional housing, racial and ethnic groups least likely to apply based on representation in the Town's population;

B. Announcements/advertisements in local publications and other local media that will reach underserved populations, including newspapers, or radio stations serving East Haven, and other towns in the metropolitan statistical area and regional planning area, and advertisements or flyers likely to be viewed on public transportation;

C. Announcements to social service agencies and other community contacts serving low-income minority families (such as churches, civil rights organizations, the East Haven Housing Authority and other housing authorities in towns represented in the regional planning agency, legal services organizations, etc.);

D. Assistance to applicants in processing applications;

E. Beginning marketing efforts at the time of general marketing of units, and thereafter at reasonable period intervals with respect to re-rentals;

F. Maintain racial and ethnic information for persons on waiting list (if applicable).

All notices shall comply with the Fair Housing Acts.

## **VII. Application Process**

A family or individual seeking to occupy one of the affordable homes ("Applicant") must complete an application to determine eligibility. The application form and process shall comply with the Fair Housing Acts.

If the demand for the initial affordable homes is likely to exceed the number of available affordable units, the Administrator may elect to hold an open enrollment period, during which

period applications will be accepted. Following the open enrollment period, the Administrator may choose to use either a point system or a lottery on a specific date and time to rank and order the list of all Applicants for an affordable home. If chosen, the point system may include points for “Residents” of East Haven as defined in the Connecticut fair housing regulations. Regardless of which system is chosen, the selected methodology will comply with the Fair Housing Acts. Should the Administrator deem an open enrollment period necessary, it will be advertised according to the requirements in the Affirmative Fair Housing Marketing Plan. If there are more Applicants than homes, the names and household information will be maintained on a waiting list.

If the Administrator does not believe that demand will exceed the number of affordable homes available, applications will be accepted on a first come, first serve basis and the affordable homes will be offered to qualified applicant households in the order of receipt of a completed application.

A. Affordable Housing Questionnaire: If an open enrollment and lottery process is *not* held, all Applicants must first complete an initial questionnaire, provided by the Administrator, which asks for basic household information and a self-reported household income amount. Where it is evident that the Applicant is not eligible, additional verification procedures shall not be necessary. However, if the Applicant appears to be eligible, the Administrator shall ask the Applicant to complete a full application and will issue a pre-certification letter when an apartment is available. The letter shall indicate to the Applicant and the developer, or its designee, that the Applicant is income eligible, subject to verification of the information provided in the application. The letter will also notify the Applicant that he or she will have 7 days to submit all required documentation, as allowed by the Applicant’s

scheduled occupancy date.

B. Application Form: The application form shall be provided by the Administrator to all pre-approved Applicants or to all Applicants in the open enrollment process, if applicable. In general, income for the purposes of determining an Applicant's qualification shall include the Applicant's total anticipated family 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 possible change unless it is reasonably probable that the change will, in fact, occur. 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 A, attached hereto.

C. Applicant Interview: The Administrator shall interview an Applicant upon submission of a completed application. During the interview, the Administrator shall 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. The Applicant shall provide the Administrator with the applicable documentation listed on Schedule B, attached hereto. This list is not exclusive, and the Administrator may require any other verification or documentation the Administrator deems necessary or appropriate.
3. Verify that all sources of family income and family assets have been listed in the application.



4. Request the Applicant to sign the necessary release forms to be used in verifying income with a third party if necessary. Inform the Applicant of what verification and documentation must be provided before the application is deemed complete.

5. Inform the Applicant that a certified 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-rental.

### **VIII. Prioritization Of Applicants in Initial Leasing**

No preferences shall be awarded to applicants after the initial round of availability or during any subsequent leasing of affordable homes.

### **IX. Minimum Lease Term**

All leases for affordable homes shall be for a minimum of one year.

### **X. Monthly Payment**

Calculation of the maximum monthly payment for an affordable home that is rented shall comply with §§8-30g-1 *et seq.* of the Regulations of Connecticut State Agencies. After calculation of affordable rents for households earning 60% and 80% of the applicable state or area median income, the results will be compared to the applicable Fair Market Rents and the lower of the two will be applied. Calculation of the maximum allowable rent for affordable housing units shall be determined as follows:

Step 1. Determine statewide median income and area median income as published by the U.S. Department of Housing and Urban Development (“HUD”) for the New Haven - Meriden CT HUD Metro FMR Area (which East Haven is part of) and use the lesser of those two amounts.

Step 2. Adjust the median income identified in 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, in which case 1.0 person shall be assumed.

Step 3. Calculate eighty percent (80%) of Step 2 for the moderate-income apartments and sixty percent (60%) of Step 2 for the low-income apartments.

Step 4. Calculate thirty percent (30%) of Step 3, representing that portion of household income deemed to be available for housing costs.

Step 5. Divide the answer obtained in Step 4 by twelve (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 New Haven - Meriden CT HUD Metro FMR Area as published by HUD.

Step 7. Multiply the HUD Fair Market Rent as determined in Step 6 by one hundred twenty percent (120%) for the 80% affordable homes and 100% for the 60% affordable homes.

Step 8. The maximum monthly housing payment for an individual or family occupant of the subject affordable housing unit shall be the lesser of the calculations in Steps 5 and 7.

Step 9. Estimate a reasonable monthly utility allowance (“UA”) for allowable utilities for which the tenant is directly responsible.

Step 10. Deduct the Step 9 allowance from the maximum monthly housing payment in Step 8. The result is the maximum monthly contract rent.

Rents will be updated annually by the Administrator using the steps described above. A reasonable monthly utility allowance shall be determined based upon unit size; i.e., two bedroom units.

A sample maximum allowable rent calculation for an affordable two bedroom home at Thomson Commons based upon current median income data is as follows:

**2023 State Median Income (“SMI”):** \$119,500

**2023 Area Median Income for East Haven (“AMI”):** \$111,900

Because it is lower, the AMI will be utilized.

**80% AMI**

<b># of Bedrooms:</b>	<b>2</b>
<b>80% AMI</b>	\$80,568
<b>Max/Year (30%)</b>	\$24,170
<b>Maximum Monthly Payment</b>	\$2,014
<b>120% FMR Comparison</b>	\$1,955

**60% AMI**

<b># of Bedrooms:</b>	<b>2</b>
<b>60% AMI</b>	\$60,426
<b>Max/Year</b>	\$18,128
<b>Maximum Monthly Payment</b>	\$1,511
<b>100% FMR Comparison</b>	\$1,629

For those earning no more than 80% of AMI, the rent based upon the AMI is greater than the applicable Fair Market Rent (“FMR”), and, therefore, the FMR is used to calculate the maximum monthly housing payment for an (80%) affordable home; i.e. \$1,955. The opposite is true in the case of those earning no more than 60% of AMI, i.e., the rent based upon the AMI is less than the FMR, and, therefore, the rent based upon 60% of the AMI is used to calculate the maximum monthly housing payment for an (60%) affordable home; i.e. \$1,511.

An estimated utility allowance is then deducted from the maximum monthly housing payment to arrive at a monthly contract rent:

<b>Program</b>	<b>80% 2 bed</b>	<b>60% 2 bed</b>
<b>Maximum Monthly Payment</b>	\$1,955	\$1,511
<b>UA (estimate)</b>	\$186	\$186
<b>Maximum Monthly Rent</b>	\$1,769	\$1,325

#### **XI. No Subletting Of Affordable Housing Units**

The affordable home must be the principal residence of the resident. In addition, subletting of an affordable home is prohibited.

#### **XII. Qualified Project Period**

The 40-year affordability period for each rent-restricted home in an affordable housing development shall begin on the initial date of occupancy of the building in which the affordable home is located. The 40-year period shall be calculated separately for each rent-restricted home.

A deed restriction substantially as set forth in C.G.S. §8-30g-9(a)(1) shall be filed on the East Haven Land Records.

### **XIII. Renewal Process**

1. A recertification notice is sent to the residents of the affordable homes starting 120-90 days prior to the lease expiration date. This initial notice requests an “in-person meeting” with the resident so that the Administrator can review supporting documents to verify that the household annual income does not exceed the maximum income limit. This notification explicitly states that the resident’s rent may increase to market rent upon renewal if the household no longer qualifies based on the requirements for the affordable program or if the resident fails to respond in a timely manner.

2. Second and third renewal notices are sent approximately 60 and 30 days prior to lease expiration date if the resident fails to fully respond to earlier recertification requests. Second and third renewal notices explicitly state that affordable benefits may be jeopardized in cases of non-response.

3. Upon completion of the recertification, the resident must sign the household income verification form. If the resident household re-qualifies for an affordable home, the resident is offered a new 12-month lease to sign. If the resident household no longer qualifies for the affordable program, the household will have the option of either paying market rent at the end of their lease term or vacating the unit.

4. If the resident household fails to provide required documents for income recertification, they are deemed no longer eligible and will have the option of either paying market rent at the end of their lease term or vacating the unit.

5. If an affordable home is changed to a market rate home due to

ineligibility as described in 3 and 4, above, the Administrator shall designate the next available comparable market rate home as an affordable home.

#### **XIV. Change of Income Or Qualifying Status**

In the event that the resident of an affordable housing unit exceeds then applicable income limitations at the time of recertification, such resident, shall have the option to vacate the apartment within the shorter of 90 days or the end of the lease term or to sign a market-rate lease for the apartment. If the latter option is selected, then the next available comparable market rate home will be designated as an affordable home in order to maintain the appropriate allocation between market rate and affordable homes at Thomson Commons.

#### **XV. Compliance Reporting**

No later than January 31 of each year, beginning the first calendar year after the initial occupancy of the last affordable home to be rented, the Administrator shall prepare and file with the Town, or its designee, a report, containing a list of the affordable homes, a list of the incomes of all residents of affordable homes, and a certification by the Administrator of compliance with the regulations and rules applicable to affordable residential units. The Town or its designee shall review the information and certify that the project complies. A violation of the regulations or rules shall not result in a forfeiture or reversion of title. In enforcing the regulations, the Town Planning and Zoning Commission retains, and may exercise, all enforcement powers granted to it by the Connecticut General Statutes, including §8-30g, which powers include the authority, at any reasonable time, to inspect the property and to examine the books and records of the Administrator to determine compliance of the development or individual homes with the regulations and rules for an affordable housing development.

**SCHEDULE A**  
**DEFINITIONS 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 service;
  - b. The net income from operations of a business or profession, before any capital expenditure 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, insurances policies, retirement funds, pensions, disability or death benefits, or other similar types of periodic payments;
  - e. Payments in lieu of earnings, such as employment and disability compensation, worker's compensation and severance pay;
  - f. Welfare assistance. If the welfare assistance payments include an amount superficially 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 allowance, 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 and allowances of a member of the Armed Forces (except as provided in paragraph (2)(i) of this section).

- 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 institutions, and amounts paid by the government to a veteran in connection with education costs;
  - f. Amounts received under training programs funded by HUD;
  - g. Supplemental Nutrition Assistance Program (SNAP)
  - h. Temporary, nonrecurring or sporadic income (including gifts that are not regular or periodic); and
  - i. The special pay to a family member serving in the Armed forces who is exposed to hostile fire.
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, individual retirement, 401K or Keogh account and/or life insurance policies, less penalties for withdrawing these funds;
  - e. The cash value of a retirement or pension fund which the family member can withdraw without terminating employment or retiring;
  - f. Any lump-sum receipts not otherwise included in income (i.e., inheritances, capital gains, one-time lottery winnings, and settlement on insurances claims);



- g. The current market value of any personal property held for investment (i.e., gems, jewelry, coin collection); and
  - h. 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. Assets which are part of an active business, not including rental properties; and
  - d. Assets that are not accessible to the Applicant and provide no income to the Applicant.

## **SCHEDULE B**

### **DOCUMENTATION OF INCOME**

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

#### **A. 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 12 months. Acceptable forms of verification (of which at least one must be included in the Applicant file include):

- 1) An employment verification form completed by the employer.
- 2) Check stubs or earnings statement showing Applicant's gross pay per pay period and frequency of pay.
- 3) W-2 forms if the Applicant has had the same job for at least 2 years and pay increase can be accurately projected.
- 4) 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.

#### **B. Social Security, Pensions, Supplementary Security Income, Disability Income**

- 1) Benefit verification form completed by agency providing the benefits.
- 2) 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. Unemployment Compensation**

- 1) Verification form completed by the unemployment compensation agency.
- 2) Records from unemployment office stating payment dates and amounts.

#### **D. Government Assistance**

- 1) 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 12 months.
- 2) Additional Information for "As-Paid" Programs: Agency's written schedules 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 and Applicant's grant.

E. Alimony Or Child Support Payments

- 1.) Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules.
- 2.) A letter from the person paying the support.
- 3.) Copy of latest check. The date, amount, and number of the check must be documented.
- 4.) 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.

F. 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 for the next 12 months.

- i. IRS Tax Return, Form 1040, including any:
  1. Schedule C (Small Business);
  2. Schedule E (Rental Property Income); and
  3. Schedule F (Farm Income)
- ii. 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).
- iii. Audited or unaudited financial statement(s) of the business.
- iv. A copy of a recent loan applicant listing income derived from the business during the previous 12 months.
  - a. Applicant's notarized statement or affidavit as to net income realized from the business during previous years.

G. Recurring Gifts

- 1) Notarized statement or affidavit signed by the person providing the assistance. Must give the purpose, dates and values of gifts.
- 2) Applicant's notarized statement or affidavit that provides the information above.

H. Scholarships, Grants, And Veterans Administration Benefits For Education

1. 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 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.
2. Copies of latest benefits 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 12 months.
3. Lease and receipts or bills for rent and utility costs paid by students living away from home.

I. 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).

1. Verification forms, letters, or documents from a financial institution, broker, etc.
2. Passbooks, checking account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker.
3. Quotes from a stock broker or realty agent as to net amount Applicant would receive if Applicant liquidated securities or real estate.
4. Real estate tax statements if tax authority uses approximate market value.
5. Copies of closing documents showing the selling price, the distribution of the sales proceeds and the net amount to the borrower.
6. Appraisals of personal property held as an investment.
7. 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.

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

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

- a. A list of all assets disposed of for less than FMV;
- b. The date Applicant disposed of the assets;
- c. The amount the Applicant received; and
- d. The market value of the asset(s) at the time of disposition.

K. Savings Account Interest Income and Dividends

1. Account statements, passbooks, certificates of deposit, etc., if they show enough information and are signed by the financial institution.
2. Broker's quarterly statements showing value of stocks or bonds and the earnings credited the Applicant.
3. 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 12 months.

L. Rental Income From Property Owned By Applicant

The following, adjusted for changes expected during the next 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.

M. Full-Time Student Status

- a. Written verification from the register's office or appropriate school official.
- b. School records indicating enrollment for sufficient number of credits to be considered full-time student by the school.

## **SCHEDULE C**

### **INITIAL DESIGNATION OF AFFORDABLE HOMES**

<b>Unit</b>	<b>A-2</b>
<b>Unit</b>	<b>B-2</b>
<b>Unit</b>	<b>C-2</b>
<b>Unit</b>	<b>E-2</b>
<b>Unit</b>	<b>F-2</b>
<b>Unit</b>	<b>G-2</b>

**THOMPSON COMMONS  
EXAMPLE RIDER TO THE LEASE AGREEMENT  
FOR AFFORDABLE HOMES**

**(Example written for residents earning 80% or less of the applicable median income)**

**I. TERMS & PROVISIONS:**

The annexed Lease Agreement for an affordable home is for a term of at least (1) year. This home is being rented as an “Affordable Housing Unit” as defined by the Connecticut General Statutes (“C.G.S.”)§8-30g; therefore, the contract rent is calculated using the lesser of 80% of the area median income for the Town of East Haven, or 80% of the median income for the State of Connecticut as published by HUD.

This development has been approved by the Town of East Haven in part on the condition that a defined percentage of homes will be rented as Affordable Housing Units. The landlord is required by law to strictly enforce these restrictions.

**II. INCOME LIMITS:**

Affordable Housing Units are reserved for those households with an annual income which does not exceed eighty percent (80%) of the lesser of area median income (“AMI”) for the Town of East Haven or State of Connecticut Median Income (“SMI”), as adjusted for family size, as published by the United States Census Bureau and periodically updated by the U. S. Department of Housing and Urban Development (HUD). Household eligibility determinations shall be made in accordance with the income criteria in Section 8-30g-8 of the regulations of Connecticut State Agencies.

**III. MAXIMUM RENTS:**

Notwithstanding anything in the Lease Agreement to the contrary, the total rent for the Affordable Housing Unit shall not exceed the “Maximum Rent” then applicable to such Affordable Housing Unit, as calculated in the manner prescribed by the Affordability Regulations (Section 8-30g-8 of the Regulations of the Connecticut State Agencies). Rents are based on 30% of household income for eligible households

adjusted for the size of the apartment which the residents(s) will be occupying. Affordable Housing rents are updated annually.

IV. UTILITY ALLOWANCE:

The monthly rent for an affordable rental unit includes a monthly allowance for utilities, which are heating, hot water and electricity but which excludes telephone, internet access and cable television. Heat and utility costs are calculated by a reasonable estimate.

V. CERTIFICATION OF INCOME:

Prospective and renewing residents are required to fill out an application and provide the Landlord's representative with appropriate documentation to verify their household income. This includes, but is not limited to, a copy of his or her most recently filed Federal Income Tax Return (Form 1040 or 1040A) and pay stubs.

The resident must certify that such proof of income is true and accurate and that the total annual income of all members of the Resident's family who will occupy the home subject to this lease does not exceed the income requirements as set forth in the Connecticut General Statutes ("C.G.S.") §8-30g. Residents will be required to sign a verification of their review and understanding of the income maximums, the penalties for false information, and the applicable procedures if their income increases at some future time above the allowable maximum.

This Lease Agreement shall terminate and the resident may be evicted for failure to qualify, if the resident has falsely certified family income or family composition. Such false certification constitutes material noncompliance under the Lease Agreement. Residents are obligated to provide such subsequent re-certification of income, as the Landlord shall require. The Town of East Haven will be entitled to inspect the income statements of the residents of the Affordable Housing Units upon which the Landlord bases the certification.



VI. LANDLORD'S RIGHT TO INCREASE RENT:

The monthly rent for each Affordable Housing Unit will be adjusted annually at the time of lease renewal in accordance with the then applicable maximum allowable rents.

VII. LANDLORD'S RIGHT TO REASSIGN PREMISES:

THIS SECTION INTENTIONALLY OMITTED

VIII. NO SUBLETTING OR ASSIGNMENT:

Subletting of Affordable Housing Units shall be prohibited. The Affordable Housing Unit shall be occupied only as the resident's principal residence.

IX. RESTRICTIONS ON USE:

No portion of the residence may at any time during the term of this Lease Agreement be used on a transient basis, for example, as a hotel, motel, Airbnb, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitarium, or rest home.

X. ACCESS TO COMMON FACILITIES:

Residents of Affordable Housing Units shall be given equal access with all other residents, at an equal charge, if any, to all on-site common facilities of Thompson Commons. The Landlord shall ensure that handicapped or disabled individuals are afforded equal access to all community facilities.

XI. REQUIRED AND OPTIONAL SERVICES:

In all homes at Thompson Commons, residents have the option to pay additional amounts for certain available, optional services, as specified in the Standard Lease. In the Affordable Housing Units, the monthly rents for the affordable housing units include the cost of rent and a deduction for such utilities as heating, hot water and electricity. All other services and optional premiums (including, but not limited to, pet charges\*) are not included in the monthly payment and shall apply equally to all residents.

XII. INTERPRETATION:

Unless otherwise indicated, the terms used herein shall have the same meaning ascribed to them in the main body of this Lease Agreement. This rider shall control in the event of any conflict between the terms of this rider and of the Lease Agreement.

XIII. RECERTIFICATION OF INCOME:

Residents of the affordable housing program will be required to recertify their income on an annual basis at the time of the lease renewal. Income verification also requires submission of the most recent tax returns and other household income documentation.

In the event that an affordable resident's income changes to exceed the qualifying maximum income, the resident will no longer qualify for the program. The landlord will provide the resident with notice of what the market rent for that home is. This market rent would be in effect immediately upon the expiration of the current lease term. Should the resident choose to stay in the home and pay market rent, he or she must reapply and be approved at the new, market rate. If the resident either fails to accept the new rent and sign a new lease within thirty (30) days of notice or fails to qualify at the new, market rate, the Lease Agreement and Rider shall terminate and the resident may be evicted for failure to execute a new lease or to qualify at the new, market rate. If the resident chooses to vacate the home, a 30-day written notice to vacate must be provided.

This Lease Agreement and Rider shall terminate and the resident may be evicted for failure to qualify, if the resident has falsely certified family income or family composition, or if the resident no longer uses the Affordable Housing Unit as his or her primary residence. Such false certification constitutes material noncompliance under the Lease Agreement and Rider.

At any time, if the resident of an Affordable Housing Unit vacates, voluntarily or otherwise, the Affordable Housing Unit will be kept vacant until another qualified family/household is found.

IN WITNESS WHEREOF, the parties hereto have executed this Rider to the Lease Agreement on the \_\_\_\_ day of [month], [year].

Note: \* this item is given as an example only for purposes of illustration and does not represent future policy