

## **AFFORDABILITY PLAN – 343 and 379 Clintonville Road**

### **INTRODUCTION**

Vigliotti Construction (“Vigliotti”) submits this Affordability Plan in conjunction with its application to the North Haven Planning and Zoning Commission for approval of a development consisting of 120 apartments at the properties known as 343 and 379 Clintonville Road, North Haven, Connecticut. This application is being submitted pursuant to Sec. 2.4 of the North Haven Zoning Regulations entitled the Elderly Housing EH District and contains 12 dwelling units which are deemed as affordable housing units pursuant to C.G.S. § 8-30g.

Vigliotti proposes to set aside 6 rental units for households earning eighty percent (80%) of median income, and 6 rental units for households earning sixty percent (60%) of median income. This Affordability Plan is proposed as a condition of approval of the special permit and site plan application by the North Haven Planning and Zoning Commission.

## AFFORDABILITY PLAN FOR NORTH HAVEN RESIDENTIAL COMMUNITY

### **I. Units Designated For Housing Opportunity Development.**

Ten percent (10%) of the units of the development shall be designated as affordable housing, as defined by C.G.S. § 8-30g. There will be a total of 12 affordable units.

### **II. Forty (40) Year Period.**

The Affordable Units shall be designated as affordable housing units for forty (40) years. The forty (40) year affordability period shall be calculated separately for each Unit, and the period shall begin on the date of initial leasing such Affordable Unit from Vigliotti or his successors or assigns.

### **III. Construction And Dispersion.**

The Affordable Units shall be built and offered for lease at the same time as the market rate units.

### **IV. Nature of Construction Of Housing Opportunity Units and Market-Rate Units.**

Affordable rental units shall be comparable in size to market rate units containing the same number of bedrooms, and shall contain the same amenities as provided as standard features to all other rental units of the same size.

### **V. Entity Responsible For Administration And Compliance.**

This Affordability Plan will be administered by Vigliotti or its successors and assigns (“Administrator”). Vigliotti shall commence the role of Administrator as owner. The Administrator shall submit a written status report to the North Haven Planning and Zoning Commission certifying to the Commission that the development plan continues to be in compliance with this Affordability Plan annually on or before January 31. The role of Administrator may be transferred or assigned to another entity. In the event of any assignment of the role of Administrator, Vigliotti or its successors will provide prior written notice to the North Haven Planning and Zoning Commission.

**VI. Sample of Maximum Rents.**

Rents for the affordable units of the development will be calculated in accordance with the provisions of C.G.S. § 8-30g. By way of example, based on current figures, the maximum rent for a unit would be \$ 1,213.00 per month at 80% of AMI or \$959.00 at 60% of AMI, in each case, net of a utility allowance of approximately \$75.00 per month.

**VII. Affirmative Fair Housing Marketing Plan.**

In the Washington Avenue development, the lease of both 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 North Haven Planning and Zoning Commission, the Town of North Haven, the North Haven Housing Authority, and the North Haven Board of Education. Such notices shall include a description of the available Affordable Unit(s), the eligibility criteria for potential lessees, the Maximum Rental Price (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 and market rate units shall include:

- analyzing census and other data to identify racial and ethnic groups least represented in North Haven population;
- announcements/advertisements in publications and other media that will reach minority populations;

- announcements to social service agencies and other community contacts serving low-income minority families (including churches, civil rights organizations, housing authorities, legal services organizations, etc.);
- assistance to minority applicants in processing applications;
- marketing efforts in geographic area of high minority concentrations within the housing market area; and
- beginning affirmative marketing efforts prior to general marketing of units, and repeating again during initial marketing and at 50 percent completion.

All notices shall comply with the federal Fair Housing Act, 41 U.S.C. §§ 3601 et seq. and the Connecticut Fair Housing Act, C.G.S. §§ 46a-64b, 64c (together, the “Fair Housing Acts”).

**VIII. Lease Eligibility.**

Eligibility of families or households to lease an Affordable Unit in the development shall be determined by the Administrator in accordance with § 8-30g as amended.

**IX. Application Process.**

A family or household seeking to lease 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.

**A. *Application Form.***

The application form shall be provided by the Administrator and shall include an income certification form. In general, income for purposes of determining an Applicant’s qualification shall include the Applicant family’s total anticipated income from all sources for the twelve (12) month period following the date the application is submitted (“Application Date”). If the Applicant’s financial disclosures indicate that the Applicant may experience a significant change in the Applicant’s future income during the twelve (12) month period, the Administrator shall not consider this change unless there is a reasonable assurance that the change will in fact occur. 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.<sup>1</sup>

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. Make clear that the term "family" includes all individuals who are to occupy the home, and that no relationship by blood or marriage is required.
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 a 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 resale/re-rental.

C. *Verification of Applicant's Income.*

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

If applicable, the Applicant shall provide the documentation of income listed on Schedule B, attached hereto, to the Administrator. This list is not exclusive, and the Administrator may require any other verification or documentation as the Administrator deems necessary.

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

**X. Maximum Rental.**

Calculation of the Maximum Rental for an Affordable Unit, so as to satisfy C.G.S. § 8-30g, shall utilize the lesser of the area median income data for the Town of North Haven or the statewide median as published by HUD as in effect on the day a lease has been executed by both lessor and lessee so as to create a tenancy.

Calculation steps for one bedroom rental unit at 80 percent of area or statewide median

- or
1. Determine 2020 (or relevant year) area median income for New Haven/Meriden MSA or statewide median, adjusted for family size (calculated at 1.5 persons per bedroom), as published by HUD
  2. Calculate 80 percent of Step 1
  3. Calculate 30 percent of Step 2, representing the maximum portion of a family's income that may be used for housing
  4. Divide Step 3 by twelve (12) to determine the maximum monthly housing payment
  5. By reference to published HUD tables, determine the HUD Fair Market Rent for unit with comparable number of bedrooms. Multiply this amount by one hundred twenty percent (120%)
  6. Maximum monthly payment for this rental unit is the lesser of amount calculated in Step 4 or 5 above
  7. Determine by reasonable estimate monthly expenses for heat and utility costs, excluding telephone and cable television, but including any fee required of all tenants
  8. Maximum monthly outlay for rent plus estimated monthly expenses may not exceed the amount determined in Step 6

Calculation steps for one bedroom rental unit at 60 percent of area or statewide median

1. Determine 2020 (or relevant year) area median income for North Haven/Meriden MSA or statewide median, adjusted for family size (calculated at 1.5 persons per bedroom), as published by HUD
2. Calculate 60 percent of Step 1
3. Calculate 30 percent of Step 2 representing the maximum portion of a family's income that may be used for housing

4. Divide Step 3 by twelve (12) to determine the maximum monthly outlay
5. By reference to published HUD tables, determine the HUD Fair Market Rent for comparable size unit
6. Maximum monthly payment for this rental unit is the lesser of amount calculated in Step 4 or 5 above
7. Determine by reasonable estimate monthly expenses for heat and utility costs, excluding telephone and cable television, but including any fee required of all tenants
8. Maximum monthly outlay for rent plus estimated monthly expenses may not exceed the amount determined in Step 6

**XI. Required Fees and Access To Amenities.**

All lessees of Affordable Units shall have the same rights and privileges as owners and lessees of market-rate units within the development, including access to and use of any recreational and community amenities. Fees charged to owners or lessees of the Affordable Units shall not be set so as to cause such owners or lessees to pay more than the maximum monthly payment as determined in the preceding sample calculations.

**XII. Principal Residence.**

Affordable Units shall be occupied only as lessee's principal residence.

**XIII. Maintenance.**

All tenants are required to maintain their units. The lessee shall not destroy, damage or impair the unit, allow the unit to deteriorate, or commit waste on the unit.

**XIV. Change Of Income Or Qualifying Status Of Tenant Of Rental Unit.**

If an affordable unit is rented, in the event that an affordable unit tenant's income changes so as to exceed the qualifying maximum, or if the tenant otherwise becomes disqualified, such tenant must provide notice to the Administrator within seven (7) days of the disqualification. Upon being disqualified, such tenant, following the procedures set forth below, shall have the option to vacate the unit within ninety (90) days, or to remain in the unit paying a market-rate rent. Within fifteen (15) days

of receiving notice of a tenant's disqualification, the Administrator shall provide written notice to the tenant of the market-rate rent for the unit. The tenant shall notify the Administrator within fifteen (15) days of receipt of such notice whether the tenant will accept the market-rate rent or vacate. If the tenant elects to remain in the unit at the market rate, the Administrator shall offer the next available unit as an affordable unit, if necessary, in order for the development to comply with the minimum set aside for affordable units. However, no provision herein shall be interpreted as relieving the Administrator, developer, owner or manager, or their successor or assigns of their/its obligation to comply with the covenant and deed restrictions required by C.G.S. 8-30g and this Affordability Plan and the North Haven Planning and Zoning Commission shall retain all rights and remedies conveyed by the Connecticut General Statutes, including Section 8-30h to determine and attain compliance with said covenants and restrictions of this Plan. So long as these procedures are followed, the project shall not be out of compliance with the minimum.

**XV. Enforcement.**

A violation of this Affordability Plan shall not result in a forfeiture of title, but the North Haven Planning and Zoning Commission shall otherwise retain all enforcement powers granted by the General Statutes, including Sec 8-3, 8-12 and 8-30h § 8-12, which powers include, but are not limited to, the authority, to withhold the required written certification of zoning approval for applications for building permit and certificates of occupancy during the period of noncompliance; to issue a notice of violation; to commence and enforcement action in Superior Court and at any reasonable time, to inspect and to examine all books and records of the Administrator to determine compliance of the Affordable Units with the affordable housing regulations.



**XVI. Deed Restrictions.**

The Developer shall cause a deed restriction to be recorded on the land records of the Town of North Haven during the forty (40) year period in which the affordability plan is in place to provide notice of the affordability restrictions and bind future purchasers of the property.

**XVII. Binding Effect.**

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

## SCHEDULE A

### DEFINITIONS AND ELEMENTS OF ANNUAL FAMILY INCOME

1. Annual income 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;

and

(i) Any earned income tax credit to the extent it exceeds the income tax liability of the Applicant.

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 HLTD;

(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 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 B

### 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. Governing Assistance.

(a) All Government Assistant 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 agreement or a divorce decree stating amount and type of support and payment schedules.

(b) A letter from the person paying the support.

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

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

6. Earned Income Tax Credit.

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

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

7. Net Income from a Business.

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

- (a) IRS Tax Return, Form 1040, including any:  
Schedule C (Small Business)  
Schedule E (Rental Property Income)  
Schedule F (Farm Income)
- (b) An accountant's calculation of depreciation expense, computed using straight-line depreciation rules. (Required when accelerated depreciation was used on the tax return or financial statement.)
- (c) Audited or unaudited financial statement(s) of the business.
- (d) A copy of a recent loan application listing income derived from the business during the previous twelve (12) months.
- (e) Applicant's notarized statement or affidavit as to net income realized from the business during the previous years.

8. 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.

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

- (a) Benefactor's written confirmation of amount of assistance, and educational institution's written confirmation of expected cost of the student's tuition, fees, books and equipment for the next twelve (12) months. To the extent the amount of assistance received is less than or equal to

actual educational costs, the assistance payments will be excluded from the Applicant's gross income.

Any excess will be included in income.

(b) Copies of latest benefit checks, if benefits are paid directly to student. Copies of canceled 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.

10. Family Assets Currently Held.

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

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

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

(c) Quotes from a stockbroker 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.

11. 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.

12. Savings Account Interest Income and Dividends.

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

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

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

13. Rental Income from Property Owned by Applicant.

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

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

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

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

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

14. 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 C**

**DEED RESTRICTIONS**

The property conveyed hereby is an “affordable housing development” as defined in C.G.S. § 8-30g. Said property is subject to the following restrictions (the “Restrictions”):

See Attached proposed Deed Restriction