
**446 Hopmeadow Street
Simsbury, Connecticut**

**Housing Affordability Plan for Household
Income and Rental Price Restrictions for
Housing Opportunity or
Mixed-Income Units**

**Submission Draft
January 12, 2023**

**Submitted by VESSEL RE HOLDINGS, LLC to the
Simsbury Zoning Commission**

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Introduction

VESSEL RE HOLDINGS, LLC, submits this Housing Affordability Plan, with its Site Plan Application, to the Town of Simsbury Zoning Commission (the “Commission”), for the proposed eighty (80) unit multi-family residential rental community located on real property known as 446 Hopmeadow Street, Simsbury, Connecticut (the “Community”).

Under this plan, thirty percent (30%) or twenty-four (24) of the residential rental units will meet the criteria for “affordable housing” as defined in Section 8-30g of the Connecticut General Statutes (“Section 8-30g”). Section 8-30g requires that fifteen percent (15%) or twelve (12) of the residential rental units be affordable for 40 years to families earning eighty percent (80%) or less of the area or State median income, whichever is less, and that fifteen percent (15%) or twelve (12) of the residential rental units be affordable to families earning sixty percent (60%) or less of the area or State median income, whichever is less. This Housing Affordability Plan (“Plan”), which is proposed as a condition of Site Plan approval by the Commission, satisfies these requirements and describes how the affordable housing apartment homes will be administered.

I. Apartment Homes Designated as Housing Opportunity Units.

Thirty percent (30%) of the residential rental units in the Community, or twenty-four (24) units, will be designated as Housing Opportunity Units pursuant to Section 8-30g.

II. Forty (40) Year Period.

The Housing Opportunity Units in the Community shall be designated as affordable or workforce housing units for at least forty (40) years after the initial occupation of the Community. The 40 years shall be calculated for each Housing Opportunity Unit beginning on the date that the certificate of occupancy is issued for the Housing Opportunity Unit.

III. Pro-Rata Construction and Dispersion.

The Housing Opportunity Units shall be built and offered for rent on a *pro rata* basis as construction proceeds in accordance with the construction-phasing plan approved by the Commission for the Community. It is the intent of this Plan that one (1) Housing Opportunity Unit will be built and offered for rental within the time that three (3) market-rate units are completed and offered for rental.

IV. Nature of Construction of Housing Opportunity Units.

The Housing Opportunity Units shall be of a construction quality that is comparable to the market-rate apartment units within the community, and constructed in substantial conformance with the site plans and floor plans approved in the zoning approval for the Community, as may be modified based on the requirements of the Simsbury Building Official, Town of Simsbury Building Department or other Town staff in signing off on administrative permits or approvals.

V. Entity Responsible for Administration and Compliance.

This Plan will be administered by VESSEL RE HOLDINGS, LLC, or its successors and assigns (the “Administrator”). VESSEL RE HOLDINGS, LLC hereby represents that its staff has the experience necessary to administer this Plan. The principal point of contact under this Plan shall be Josh Levy. Contact information for the principal point of contact shall be provided to the Town of Simsbury and the Commission prior to the issuance of a Certificate of Occupancy.

The Administrator shall submit annually a written status report, demonstrating compliance with the affordability and occupancy rules as provided herein and with related approval conditions, to the Commission and/or its designee. 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. In the event of any assignment of the role of Administrator, VESSEL RE HOLDINGS, LLC, or its successors, will provide prior written notice to the Commission.

VI. Notice of Initial Rental of Housing Opportunity Units.

Except as provided in Section X of this Plan and subject to Section VIII, during the initial lease-up of the Community, the Administrator shall provide notice of the availability for rental of each Housing Opportunity Unit. Such notice shall be provided, at a minimum, by advertising at least two times in a newspaper of general circulation in the Town of Simsbury. The Administrator shall also provide such notice to the Commission and to the Clerk of the Town of Simsbury. Such notice shall include a description of the available Housing Opportunity Unit(s), the eligibility criteria for potential residents, the maximum rental price (as hereinafter defined), and 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 the Connecticut Fair Housing Act, C.G.S. §§ 46a-64b *et seq.* (together, the “Fair Housing Acts”).

VII. Resident Eligibility.

Eligibility of applicants to lease a Housing Opportunity Unit in the Community shall be determined by the Administrator in accordance with this Plan and Section 8-30g, as amended.

VIII. Affirmative Fair Housing Marketing Plan.

The rental of both Housing Opportunity Units and market-rate units in the Community 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 such identified municipalities. The Administrator shall also provide such notices to the Commission and the local or regional housing authority. Such notices shall include a description of the available Housing Opportunity Unit(s), the eligibility criteria for tenants, and the availability of application forms and additional information.

Using the above-referenced State regulations as guidelines, dissemination of information about available Housing Opportunity 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 Simsbury's population, including Asian Pacific, Black, Hispanic, and Native American populations.

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

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 Simsbury's metropolitan statistical area and regional planning agency, legal services organizations, etc.).

D. Assistance to minority applicants in processing applications.

E. Marketing efforts in geographic area of high minority concentrations within the housing market area and metropolitan statistical area.

F. Beginning affirmative marketing efforts prior to general marketing of units, and repeating again during initial marketing and at fifty percent (50%) completion and thereafter at reasonable period intervals with respect to re-rentals.

All notices shall comply with the federal and State Fair Housing Acts.

IX. Application Process.

A person seeking to rent one of the Housing Opportunity Units (“Applicant”) must complete an application to demonstrate 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 lease commences (the “Lease Begin 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 annual family income, the Administrator shall use the criteria set forth by HUD and listed on Schedule B, attached.¹

B. Applicant Interview.

The Administrator shall interview an Applicant upon submission of a 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.

¹ See 24 C.F.R. § 5.609. Federal regulations are subject to change, and it is the intent of this Plan to follow 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 require verification of the Applicant's reported income.

If applicable, the Applicant shall provide the documentation listed on Schedule C, 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.

A sample rider to the lease agreement for Housing Opportunity Units is attached hereto as Schedule D. A sample deed restriction is attached hereto as Schedule E.

X. Prioritization of Applicants for Initial Rental.

In the event that the number of qualified Applicants exceeds the number of Housing Opportunity Units, then the Administrator shall compile a waiting list, from which Applicants will be selected on a first-come, first-served basis. For purposes of this section, an application shall be considered received when a completed and signed application form is submitted with the applicable application fee.

XI. Maximum Rental Price.

Calculation of the maximum rental price ("Maximum Rental Price") for a Housing Opportunity Unit, so as to satisfy Sections 8-30g and 8-39a, shall utilize the lesser of the area median income for the Town of Simsbury or the statewide median income as published by HUD as in effect on the day a lease is signed by the lessee of the Housing Opportunity Unit ("Resident"). Such income shall then be adjusted for household size assuming occupancy by 1.5 persons per bedroom and using the adjustment formula adopted by HUD. The Maximum Rental Price shall be calculated as follows:

**ONE BEDROOM RENTAL UNIT FOR
FAMILY EARNING LESS THAN 80 PERCENT
OF STATEWIDE MEDIAN INCOME**

**SAMPLE
COMPUTATIONS BASED
ON FY 2022 DATA**

- | | |
|--|-----------|
| 1. Determine lower of relevant year (2022) area median income for Hartford-West Hartford-East Hartford, CT HUD Metro FMR Area (\$112,700) or statewide median income (\$112,600), adjusted for family size (family of 4), as published by HUD | \$112,600 |
| 2. Determine adjusted income for a household of 1.5 persons by calculating 75 percent of Item 1 | \$84,450 |
| 3. Calculate 80 percent of Item 2 | \$67,560 |
| 4. Calculate 30 percent of Item 3, representing maximum portion of a family's income that may be used for housing | \$20,268 |
| 5. Divide Item 4 by 12 to determine maximum monthly housing expense | \$1,689 |
| 6. Compare HUD 2022 Fair Market Rents for Hartford-West Hartford-East Hartford, CT HUD Metro FMR Area (\$1,054) times 120 percent | \$1,265 |
| 7. Use lesser of calculated maximum monthly expense (Item 5) and HUD fair market rent (Item 6) | \$1,265 |
| 8. Determine by reasonable estimate monthly expenses for heat and utility costs, excluding telephone and cable television but including any fee required for all tenants (tenant responsible for such expenses). <i>*Net Zero building design of an all-electric building, cost of sewer and water to be included in rent.</i> | \$0* |
| 9. Subtract reasonable monthly expenses (Item 8) from maximum housing expense (Item 7) to determine maximum amount available for rent | \$1,265 |

**ONE BEDROOM RENTAL UNIT FOR
FAMILY EARNING LESS THAN 60 PERCENT
OF STATEWIDE MEDIAN INCOME**

**SAMPLE
COMPUTATIONS BASED
ON FY 2022 DATA**

- | | |
|--|-----------|
| 1. Determine lower of relevant year (2022) area median income for Hartford-West Hartford-East Hartford, CT HUD Metro FMR Area (\$112,700) or statewide median income (\$112,600), adjusted for family size (family of 4), as published by HUD | \$112,600 |
| 2. Determine adjusted income for a household of 1.5 persons by calculating 75 percent of Item 1 | \$84,450 |
| 3. Calculate 60 percent of Item 2 | \$50,670 |
| 4. Calculate 30 percent of Item 3, representing maximum portion of a family's income that may be used for housing | \$15,201 |
| 5. Divide Item 4 by 12 to determine maximum monthly housing expense | \$1,267 |
| 6. Compare HUD 2022 Fair Market Rents for Hartford-West Hartford-East Hartford, CT HUD Metro FMR Area | \$1,054 |
| 7. Use lesser of calculated maximum monthly expense (Item 5) and HUD fair market rent (Item 6) | \$1,054 |
| 8. Determine by reasonable estimate monthly expenses for heat and utility costs, excluding telephone and cable television but including any fee required for all tenants (tenant responsible for such expenses). <i>*Net Zero building design of an all-electric building, cost of sewer and water to be included in rent.</i> | \$0* |
| 9. Subtract reasonable monthly expenses (Item 8) from maximum housing expense (Item 7) to determine maximum amount available for rent | \$1,054 |

**TWO BEDROOM RENTAL UNIT FOR
FAMILY EARNING LESS THAN 80 PERCENT
OF STATEWIDE MEDIAN INCOME**

**SAMPLE
COMPUTATIONS BASED
ON FY 2022 DATA**

- | | |
|--|-----------|
| 1. Determine lower of relevant year (2022) area median income for Hartford-West Hartford-East Hartford, CT HUD Metro FMR Area (\$112,700) or statewide median income (\$112,600), adjusted for family size (family of 4), as published by HUD | \$112,600 |
| 2. Determine adjusted income for a household of 3 persons by calculating 90 percent of Item 1 | \$101,340 |
| 3. Calculate 80 percent of Item 2 | \$81,072 |
| 4. Calculate 30 percent of Item 3, representing maximum portion of a family's income that may be used for housing | \$24,322 |
| 5. Divide Item 4 by 12 to determine maximum monthly housing expense | \$2,027 |
| 6. Compare HUD 2022 Fair Market Rents for Hartford-West Hartford-East Hartford, CT HUD Metro FMR Area (\$1,302) times 120 percent | \$1,563 |
| 7. Use lesser of calculated maximum monthly expense (Item 5) and HUD fair market rent (Item 6) | \$1,563 |
| 8. Determine by reasonable estimate monthly expenses for heat and utility costs, excluding telephone and cable television but including any fee required for all tenants (tenant responsible for such expenses). <i>*Net Zero building design of an all-electric building, cost of sewer and water to be included in rent.</i> | \$0* |
| 9. Subtract reasonable monthly expenses (Item 8) from maximum housing expense (Item 7) to determine maximum amount available for rent | \$1,563 |

**TWO BEDROOM RENTAL UNIT FOR
FAMILY EARNING LESS THAN 60 PERCENT
OF STATEWIDE MEDIAN INCOME**

**SAMPLE
COMPUTATIONS BASED
ON FY 2022 DATA**

- | | |
|--|-----------|
| 1. Determine lower of relevant year (2022) area median income for Hartford-West Hartford-East Hartford, CT HUD Metro FMR Area (\$112,700) or statewide median income (\$112,600), adjusted for family size (family of 4), as published by HUD | \$112,600 |
| 2. Determine adjusted income for a household of 3 persons by calculating 90 percent of Item 1 | \$101,340 |
| 3. Calculate 60 percent of Item 2 | \$60,804 |
| 4. Calculate 30 percent of Item 3, representing maximum portion of a family's income that may be used for housing | \$18,241 |
| 5. Divide Item 4 by 12 to determine maximum monthly housing expense | \$1,520 |
| 6. Compare HUD 2022 Fair Market Rents for Hartford-West Hartford-East Hartford, CT HUD Metro FMR Area | \$1,302 |
| 7. Use lesser of calculated maximum monthly expense (Item 5) and HUD fair market rent (Item 6) | \$1,302 |
| 8. Determine by reasonable estimate monthly expenses for heat and utility costs, excluding telephone and cable television but including any fee required for all tenants (tenant responsible for such expenses). <i>*Net Zero building design of an all-electric building, cost of sewer and water to be included in rent.</i> | \$0* |
| 9. Subtract reasonable monthly expenses (Item 8) from maximum housing expense (Item 7) to determine maximum amount available for rent | \$1,302 |

XII. Principal Residence.

Housing Opportunity Units shall be occupied only as a Resident's principal residence. Notwithstanding any zoning, subdivision or other regulation to the contrary, subleasing of Housing Opportunity Units shall be prohibited.

XIII. Requirement to Maintain Condition.

All Residents are required to maintain their units. The Resident shall not destroy, damage or impair the unit, or allow the unit to deteriorate, or commit waste on the unit. When a Housing Opportunity Unit is offered again for rental, the Administrator shall cause the unit to be inspected.

XIV. Change of Income or Qualifying Status of Resident.

In the event that a Resident's income changes so as to exceed the qualifying maximum, or if the Resident otherwise becomes disqualified, such Resident must provide notice to the Administrator within seven (7) days of the disqualification. When a resident becomes disqualified, the Administrator may require the Resident to vacate the Housing Opportunity Unit within sixty (60) days. The Administrator (or owner, if the Administrator is not the owner) may, in their sole discretion, elect to move the Resident to a market-rate unit, if the Resident satisfies the Administrator's (or owner's) normal criteria for such unit.

XV. Enforcement.

A violation of this Affordability Plan shall not result in a forfeiture of title, but the Commission shall otherwise retain all enforcement powers granted by the Connecticut General Statutes, including Section 8-12, which powers include, but are not limited to, the authority, at any reasonable time, to inspect the property and to examine the books and records of the Administrator to determine compliance of Housing Opportunity Units with this Plan and applicable state statutes and regulations. Such records are confidential and not subject to disclosure under the Freedom of Information Act.

**SCHEDULE A
DESIGNATION OF MIXED INCOME UNITS**

Total Number of Units:

Market-Rate Units	56
Housing Opportunity Units	<u>24</u>
Total	80

Number of Market Rate and Housing Opportunity Units by Number of Bedrooms:

	<u>One-Bedroom</u>	<u>Two-Bedroom</u>
Market-Rate Units	54	2
Housing Opportunity Units	<u>23</u>	<u>1</u>
Total	77	3

The Housing Opportunity Units will be dispersed throughout the community.

SCHEDULE B
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 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, and 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:
 - (1) The amount of the allowance or grant exclusive of the amounts designated for shelter or utilities, plus
 - (2) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities;
 - g. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing 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, except combat pay as in 2.h, below;

- 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 items identified in 24 C.F.R. § 5309(c), including the following:
 - a. Income from employment of children (including foster children) under the age of 18;
 - b. Payments received for the care of foster children or foster adults;
 - c. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;
 - d. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
 - e. The full amount of scholarships paid directly to the student or to the educational institution (subject to 24 C.F.R. § 5.609(b)(9)).
 - f. Amounts received under training programs funded by HUD;
 - g. Income of a live-in aide, as defined in 24 C.F.R. § 5.403;
 - h. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
 - i. Temporary, nonrecurring or sporadic income (including gifts that are not regular or periodic);
 - j. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
 - k. Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
 - l. Adoption assistance payments in excess of \$480 per adopted child;
 - m. Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts;
 - n. Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;

- o. Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; and
 - p. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits.
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 (e.g., inheritances, capital gains, one-time lottery winnings, and settlement on insurance claims);
 - h. The current market value of any personal property held for investment (e.g., 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 C 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 government assistance the Applicant is now receiving, including but not limited to assistance under the federal Section 8 program, and any changes in such 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:
Schedule C (Small Business)
Schedule E (Rental Property Income)
Schedule F (Farm Income)

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

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

- (d) A copy of a recent loan application listing income derived from the business during the previous twelve (12) months.
- (e) Applicant's notarized statement or affidavit as to net income realized from the business during previous years.

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 check or receipts for tuition, fees, books, and equipment, if such income and expenses are not expected to change for the next twelve (12) months.
- (c) Lease and receipts or bills for rent and utility costs paid by students living away from home.

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 Lease Begin Date.
- (a) Applicant's certification as to whether it has disposed of assets for less than FMV during the two (2) years preceding the Lease Begin 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 D
SAMPLE LEASE RIDER FOR HOUSING OPPORTUNITY UNITS

2022 RIDER TO THE LEASE AGREEMENT
FOR AFFORDABLE INCOME APARTMENTS (80%)*

1. TERM AND PROVISIONS

The annexed Lease Agreement for an affordable residential rental unit is for a term of at least (1) year.

This unit is being rented as an "affordable housing unit" or "set-aside" housing as defined by Section 8-30g of the Connecticut General Statutes, and is to be rented at or below the lesser of 80 percent of the area median income for the Town of Simsbury, Connecticut, or 80 percent of the State Median Income as determined by the U.S. Department of Housing and Urban Development ("HUD"). (Rates are determined on an annual basis.) This unit is therefore subject to a limitation at the date of leasing and occupancy on the maximum annual income of the household that may occupy the unit, and is subject to a limitation on the maximum monthly rent. These limitations shall be strictly enforced, and may be enforced by the zoning enforcement authority of Simsbury. This development has been approved by the Planning & Zoning Commission of the Town of Simsbury, Connecticut, based in part on the condition that a defined percentage of residential rental units will be rented as affordable housing apartment homes. The Landlord is required by law to strictly enforce these restrictions.

2. INCOME LIMITS

Prior to the commencement of the lease term, resident must provide Landlord with a copy of his or her most recently filed Federal Income Tax Return (Form 1040 or 1040A) or any other proof requested or allowed by law for the purpose of verifying income. Resident must certify that such proof is true and accurate and that the total annual income of all the members of Resident's family who will occupy the unit subject to this lease does not exceed the amount set forth below which applies to the number of persons in Resident's family who will be residing in the subject unit:

FAMILY SIZE:

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
\$ _____	\$ _____	\$ _____	\$ _____

* A similar Rider will be used for the 60% affordable income apartments.

3. MAXIMUM RENTS

Notwithstanding anything in the Lease Agreement to the contrary, the total rent for the affordable housing residential rental units shall not exceed the amounts set forth below:

	MAXIMUM RENT	ACTUAL RENT	
			(Less a Utility Allowance)*
<u>1 bedroom:</u>			
Annual	\$ _____		
Monthly	\$ _____		\$ _____

4. UTILITY ALLOWANCE

The monthly rent for an affordable rental unit includes a monthly allowance for utilities, which are heat, hot water, electricity, trash but excluding telephone and cable television. Heat and utility costs are calculated by a reasonable estimate. **Net Zero building design of an all-electric building, cost of sewer and water to be included in rent.*

5. CERTIFICATION OF INCOME

Prospective residents will be required to fill out an application form containing detailed instructions for calculating their family income and allowing the Administrator to verify the information. Applicants 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 in the event that their income increases at some future time above the allowable maximum. Applicants will also be required to provide appropriate documentation to verify their income. Incomes of resident(s) in each affordable unit will be re-verified annually at the time of the lease renewal.

This 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. Resident is obligated to provide such subsequent re-certification of income as the Landlord shall require.

The Town of Simsbury will be entitled to inspect the income statements of the residents of the affordable units upon which the Administrator bases the certification.

6. CHANGE OF INCOME

In the event that an affordable unit resident's income changes so as to exceed the qualifying maximum or if the resident otherwise becomes disqualified, such resident must provide notice to the Landlord's representative within seven (7) days of the disqualification. When a resident becomes disqualified, the Administrator shall require the Resident to vacate the

Housing Opportunity Unit within sixty (60) days. The Administrator (or owner, if the Administrator is not the owner) in his sole discretion may elect to move the Resident to a market rate unit if the Resident satisfies the Administrator's (or owner's) normal criteria for such unit.

7. LANDLORD'S RIGHT TO INCREASE RENT

In the event that the Resident's residence is no longer being subsidized under Section 8 of the United States Housing Act of 1937, the Landlord's right to increase the monthly rent shall be conditioned upon the Landlord's furnishing Resident with a notice at least sixty (60) days prior to such increase.

8. LANDLORD'S RIGHT TO REASSIGN PREMISES

Whereas the monthly rent for this unit is calculated on the basis of the number of bedrooms in the unit, Resident may, during the term of the Lease, be reassigned to different premises if an increase or decrease in the number of Resident's family members residing in the unit warrants such a change under applicable statutes and regulations. In the event of such reassignment, Resident's monthly rent shall be based upon the size of the unit occupied for the remaining Lease term.

9. NO SUBLETTING OR ASSIGNMENT

Subletting of affordable units shall be prohibited. In addition, the affordable unit shall be occupied only as the resident's principal residence.

10. RESTRICTIONS ON USE

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

11. ACCESS TO COMMON FACILITIES

Residents shall be given equal access with all other Residents, at an equal charge if any, to all on-site and all off-site common facilities of the Community. The Landlord shall ensure that handicapped or disabled individuals are afforded equal access to all facilities of the Community.

12. 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 any conflict between terms herein and the Lease Agreement.

13. PROCEDURES FOR INITIAL DESIGNATION AND LEASING OF AFFORDABLE UNITS

Attached to this Lease Agreement is the developer's initial designation of the units that shall be rented as affordable units. These units shall remain vacant until a qualified family is found.

In the event that the development is fully leased and the development contains the minimum number of affordable units containing income-qualified families, if one of the families occupying these units vacates voluntarily or otherwise, this unit will be kept vacant until another qualified family is found.

**RIDER TO THE LEASE AGREEMENT
FOR HOUSING OPPORTUNITY UNITS**

IN WITNESS WHEREOF, the parties hereto have executed this Rider to the Lease Agreement on the _____ day of _____ Year _____.

RESIDENT(S)

PRINT NAME(S)

DATE

VESSEL RE HOLDINGS, LLC

SIGNATURE MANAGEMENT REPRESENTATIVE
