

**AFFORDABILITY PLAN FOR AVERY
BROOK HOMES SUBDIVISION
PROPERTIES OF AVERY BROOK
HOMES, LLC**

MARCH 27, 2024

**Submitted by AVERY BROOK HOMES,
LLC**

to the

**Ledyard Planning and Zoning
Commission**

PREPARED BY:

**Heller, Heller & McCoy
736 Norwich-New London Turnpike
Uncasville, Connecticut 06382**

DEFINITIONS:

“Community” - means the Avery Brook Homes Resubdivision of properties known as 96, 98 and 100 Stoddards Wharf Road, Ledyard, Connecticut located on the northerly side of Stoddards Wharf Road containing 6.38 acres of land, more or less, which real property is shown and designated as Lots 96, 98 and 100 on Ledyard Assessor’s Map 65, and which community is more particularly shown on a plan entitled “Plan Showing Resubdivision Property of Avery Brook Homes LLC 96, 98 and 100 Stoddards Wharf Road a.k.a. Connecticut Route 214 Ledyard, Connecticut Scale: 1” = 40’ March 2024 Sheets 1 of 8 to 8 of 8 Dieter & Gardner Land Surveyors – Planners 1641 Connecticut Route 12 P.O. Box 335 Gales Ferry, CT. 06335 (860) 464-7455 email: dieter.gardner@yahoo.com”. The Affordable Housing Community will contain eighteen (18) building lots and Avery Court.

“Affordable Home” - means a home within the Community that is subject to long-term price restrictions as set forth in this Plan and within the Community that will be constructed to the minimum specifications set forth in **Schedule C** of this Plan. Affordable Homes are to be sold.

“Affordable Home Lot” - means any building lot within the Community upon which an Affordable Home is to be constructed and which is sold to an affordable home owner.

“Developer” - means Avery Brooks Homes, LLC, a Connecticut limited liability company with an address of 1641 Route 12, Gales Ferry, Connecticut 06335-1533 or its successors and assigns.

“Market Rate Home” - means a home within the Community that is not subject to long term price restrictions.

“Owner” - means the individual or individuals who possess fee simple title to either a Market Rate Home or an Affordable Home in the Community.

I. Homes Designated for Affordable Housing.

At all times a minimum of thirty (30%) percent of the homes in the Community will be designated as affordable housing, as defined by Connecticut General Statutes §8-30g. The specific Affordable Home Lots designated as Affordable Home Lots in the resubdivision are identified in **Schedule B** of this Plan. The resubdivision shall contain six (6) Affordable Home Lots, of which three (3) will be designated as “Sixty Percent Lots” and of which three (3) will be designated as “Eighty Percent Lots”.

II. Forty (40) Year Period.

The Affordable Homes shall be designated as affordable for forty (40) years. This affordability period shall be calculated separately for each Affordable Home, and the period shall begin on the date of conveyance of such Affordable Home from the Developer or its successors or assigns to an eligible owner, as hereinafter defined.

III. Pro-Rata Construction.

The Affordable Homes shall be offered on a pro rata basis as construction proceeds. It is the Developer's intent, therefore, to build and offer for sale six (6) Affordable Homes within the affordable housing community. The Developer anticipates a build out and absorption period of four (4) years for the affordable housing community based upon its experience with other projects and information received from its real estate consultants.

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

Within the Community, the Developer shall offer Market Rate Homes each of which shall be built in compliance with the minimum specifications, which include square footage, exterior finishes, interior materials, and amenities, set forth in Schedule C of this Plan. The actual model, size and floor plan of the Market Rate Homes and the Affordable Homes shall be selected so that each Affordable Home shall be comparable in size, quality, and appearance to each Market Rate Home.

V. Entity Responsible for Administration and Compliance.

This Plan will be administered by Avery Brook Homes, LLC, or its designees, successors and assigns ("Administrator"). The Administrator shall submit a status report to the Town of Ledyard Zoning Enforcement Officer on compliance with this Plan annually no later than January 31 of each year that this Plan is in effect. The Developer or its successors or assigns may appoint a qualified third party to serve as Administrator. Notice of a vacancy in the position of Administrator and of the appointment of a new or successor Administrator shall be reported to the Ledyard Zoning Enforcement Officer within five business days of its occurrence. Failure to have a qualified Administrator in place for a period of more than thirty (30) successive days shall be considered a violation of the terms of this Plan and of the resubdivision approval and shall entitle the Town of Ledyard to obtain any and all appropriate legal or equitable remedies necessary to obtain a qualified Administrator for the Community, to recover any damages it incurs on account of the vacancy in the position, and also including all remedies provided by Connecticut General Statutes §8-12 and Connecticut General Statutes Chapter 126. The Developer and/or the Owner of the Lots comprising the Resubdivision(s), shall be responsible for securing and paying all fees, costs and/or other expenses associated with and charged by an Administrator, and for any damages resulting to any person or entity, including the Town of Ledyard, or any of its officers, employees or representatives, on account of the failure to have an Administrator in place at any time or for any violation of the Plan, including violations of this Article V. All obligations and liabilities of the Developer shall terminate once the Developer has sold each Lot within the Community. The Town of Ledyard may seek remedies hereunder against the Developer and/or any one or more of the Lot Owners. The Town of Ledyard shall be entitled to attorney's fees and costs associated with any action it takes to enforce the terms of this Article V. The requirements of this Article V shall be recited in the deed to each lot in the Community and shall be incorporated therein and made a part thereof. Notwithstanding any of the above, the Developer will be responsible for all advertising and marketing requirements for initial sales under this Plan.

VI. Notice of Initial Sale of Affordable Homes.

Except as provided in Section X hereof, the Developer shall provide notice of the availability of each Affordable Home for sale (the “Notice of Initial Sale”). Such notices shall be provided in accordance with the Affirmative Fair Housing Marketing Plan as outlined in Section VIII. The Developer shall also provide such notice to the Ledyard Zoning Enforcement Officer. Such notice shall include a description of the available Affordable Home(s), the eligibility criteria for potential purchasers, the Maximum Sale 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, Connecticut General Statutes §§46a - 64b, 64c (together, the “Fair Housing Acts”).

VII. Purchaser Eligibility.

Not less than sixteen and sixty-six one hundredths percent (16.66%) (with respect to the resubdivision, three (3) homes, 2 Avery Court, 9 Avery Court and 14 Avery Court) of the Homes for sale shall be sold to persons or families whose income is less than or equal to sixty percent (60%) of the area or statewide median income, whichever is less. The remainder of the Affordable Homes for sale (in the resubdivision, three (3) homes, 3 Avery Court, 6 Avery Court and 11 Avery Court) shall be sold to persons or families whose income is less than or equal to eighty percent (80%) of the area or statewide median income, whichever is less. The area and statewide median income shall be as determined by the Department of Housing and Urban Development (“HUD”). Purchasers shall be permitted to make down payments that exceed twenty (20%) percent of the purchase price; however, for the purposes of calculating the Maximum Sales Price, a twenty (20%) percent down payment shall be used; limited, however, to the extent that the down payment shall not exceed twenty (20%) percent of the Connecticut Housing Finance Authority maximum sales price limit for a comparably-sized unit in the area, as published by the Connecticut Housing Finance Authority.

VIII. Affirmative Fair Housing Marketing Plan.

The sale of both Affordable Homes and Market Rate Homes 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 Ledyard Zoning Enforcement Officer and the Town of Ledyard Housing Authority. Such notices shall include a description of the available Affordable Home(s), the eligibility criteria for potential purchasers, the Maximum Sale 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:

- 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 Ledyard'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, such as television and radio stations serving the New London County 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 New London County'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 50 percent completion.

All notices shall comply with the Fair Housing Acts.

IX. **Application Process.**

A family or household seeking to purchase one of the Affordable Homes ("Applicant") must complete an application to determine eligibility. The application form and process shall comply with the Fair Housing Act.

A. Application Form.

The application form shall be provided by the Administrator and shall include an income pre-certification eligibility form and 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. The Applicant's income need not be re-verified after the time of initial purchase.

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 D** of this Plan.

B. Applicant Interview.

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

1. Review with the Applicant all the information provided on the application.
2. Explain to the Applicant the requirements for eligibility, verification procedures, and the penalties for supplying false information.
3. Verify that all sources of family income and family assets have been listed in the application. The term “family” shall be as defined by the Connecticut Agency Regulations, Connecticut General Statutes §8-37ee-1, as amended.
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 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- sale.

C. Verification of Applicant’s Income.

Where it is evident from the income certification form provided by the Applicant that the Applicant is not eligible, additional verification procedures shall not be necessary. However, if the Applicant appears to be eligible, the Administrator shall issue a pre-certification letter. The letter shall indicate to the Applicant and the Administrator that the Applicant is income eligible, subject to the verification of the information provided in the Application. The letter will notify the Applicant that he/she will have thirty (30) days to submit all required documentation.

If applicable, the Applicant shall provide the documentation listed on **Schedule E** of this Plan, to the Administrator. This list is not exclusive, and the Administrator may require any other verification or documentation, as the Administrator deems necessary.

X. Prioritization of Applicants for Initial Occupancy.

If, after publication of the Notice of Initial Sale as described in Section VI hereof, the number of qualified Applicants exceeds the number of Affordable Homes, then the Administrator shall establish a list of Applicants, selected by a random lottery of all eligible Applicants, for the initial sales of Affordable Homes. The initial sales of Affordable Homes will be offered according to the Applicant’s lottery ranking. Following the initial sales of the Affordable Homes, if the number of qualified Applicants exceeds the number of available Affordable Homes, the Administrator shall establish a priority list of applicants based on a “first come, first served” basis, subject to the applicant’s income pre-certification eligibility and the preferences as established in this Section X. The Affordable Homes will then be offered according to the applicant’s numerical listing. The Administrator shall retain the established priority list of Applicants for a period of two (2) years subsequent to the date of determination of eligibility. This priority list shall be utilized for any Affordable Homes which become available within said two (2) year period.

XI. Maximum Monthly Housing Payment Eligibility.

Calculation of eligibility for occupancy in an Affordable Home, so as to satisfy Connecticut General Statutes §8-30g, shall require the proposed occupant to meet three criteria: (1) maximum household income, adjusted for unit/family size; (2) a maximum purchase price for the unit that does not exceed the maximum sale price for an Affordable Home as calculated under Connecticut General Statutes §8-30g and corresponding regulations; and (3) a maximum monthly housing payment that is less than the amount calculated under Connecticut General Statutes §8-30g, as follows:

XII. Maximum Initial Sale Price.

Calculation of the maximum initial sale price (“Maximum Initial Sale Price”) for an Affordable Home, so as to satisfy Connecticut General Statutes §8-30g, shall utilize the lesser of the area median income data or the statewide median income data as published by HUD as in effect on the day a purchase and sale agreement is accepted by the owner of the Affordable Home (“Owner”). The Maximum Initial Sale Price shall be calculated as follows (using the Norwich-New London, CT HUD Metro FMR Area income level of \$112,300.00):

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Example of Calculation of Sales Price for a 3 bedroom home for a family earning less than 60% of Median Income:

Sample computations based on FY 2023 data.

1. Determine lower of area or statewide median Income for a family of four (4)	\$112,300.00
2. Determine the adjusted income for a household of 3.0 bedrooms by calculating 104% of item 1:	\$116,792.00
3. Calculate 60% of item 2:	\$70,075.20
4. Calculate 30% of item 3 representing the maximum portion of a family's income that may be used for housing:	\$21,022.56
5. Divide item 4 by twelve (12) to determine the maximum monthly outlay:	\$1,751.88
6. Determine by reasonable estimate monthly expenses, including real estate taxes (\$380.01 ¹), utilities (\$205.00), homeowners insurance (\$65.00)	\$650.01
7. Subtract item 6 from item 5 to determine the amount available for mortgage principal and interest:	\$1,101.87
8. Apply item 7 to a reasonable mortgage term (such as 30 years) at a reasonably available interest rate; (5.625% rate for the sample calculation ²) to determine mortgage amount:	\$191,400.00
9. Assume 20% down payment:	<u>\$47,850.00</u>
10. Add items 8 and 9 to determine MAXIMUM SALE PRICE:	\$239,250.00

¹ Based on current tax burden for a 60% home in the Flat Brook Subdivision.

² Based on current Charter Oak Federal Credit Union 3/1 adjustable rate thirty-year mortgages, 03/27/2024).

Example of Calculation of Sales Price for a 3 bedroom home for a family earning between 60% and 80% of Median Income:

Sample computations based on FY 2023 data.

1. Determine lower of area or statewide median Income for a family of four (4)	\$112,300.00
2. Determine the adjusted income for a household of 3.0 bedrooms by calculating 104% of item 1:	\$116,792.00
3. Calculate 80% of item 2:	\$93,433.60
4. Calculate 30% of item 3 representing the maximum portion of a family’s income that may be used for housing:	\$28,030.08
5. Divide item 4 by twelve (12) to determine the maximum monthly outlay:	\$2,335.84
6. Determine reasonable estimate monthly expenses, including real estate taxes (\$570.93 ³), utilities (\$205.00), homeowners insurance (\$100.00):	\$875.93
7. Subtract item 6 from item 5 to determine the amount available for mortgage principal and interest:	\$1,459.91
8. Apply item 7 to a reasonable mortgage term (such as 30 years) at a reasonably available interest rate; (5.625% rate for the sample calculation ⁴) to determine mortgage amount:	\$253,500.00
9. Assume 20% down payment:	<u>\$63,375.00</u>
10. Add items 8 and 9 to determine MAXIMUM SALE PRICE:	\$316,875.00

A. Principal Residence.

Affordable Homes that are sold shall be occupied only as an Owner’s principal residence. Subleasing of Affordable Homes by the Owner shall be prohibited.

³ Based on current tax burden for an 80% home in the Flat Brook Subdivision.

⁴ Based on current Charter Oak Federal Credit Union 3/1 adjustable rate thirty-year mortgages on 03/27/2024.

B. Requirement to Maintain Condition.

All Owners are required to maintain their homes. The Owner shall not destroy, damage or impair the home, allow the home to deteriorate, or commit waste on the home. When an Affordable Home is offered for re-sale, the Administrator may cause the home to be inspected.

C. Resale of an Affordable Home.

An Owner may sell his or her Affordable Home at any time, provided that the Owner complies with the restrictions concerning the sale of homes as set forth in this Plan and in the occupancy restrictions set forth in Schedule F (the “Deed Restrictions”). If the Owner wishes to sell, the Owner shall notify the Administrator in writing. The Owner shall pay the Administrator a reasonable fee to cover the cost of administering the sale. The Administrator shall then work with the Owner to calculate a Maximum Sale Price, as set forth in this Section XII. The Administrator shall publish notice of the availability of the home in the same manner as was followed for the initial sale, as set forth in Section VI above. The Administrator shall bring any purchase offers received to the attention of the Owner.

The Owner may hire a real estate broker or otherwise individually solicit offers, independent of the Administrator’s action, from potential purchasers. The Owner shall inform any potential purchaser of the affordability restrictions before any purchase and sale agreement is executed by furnishing the potential purchaser with a copy of this Plan. The purchase and sale agreement shall contain a provision to the effect that the sale is contingent upon a determination by the Administrator that the potential purchaser meets the eligibility criteria set forth in this Plan. Once the Owner and potential purchaser execute the purchase and sale agreement, the potential purchaser shall immediately notify the Administrator in writing. The Administrator shall have ten (10) days from such notice to determine the eligibility of the potential purchaser in accordance with the application process set forth in Section IX above. The Administrator shall notify the Owner and the potential purchaser of its determination of eligibility in writing within said ten (10) day period. If the Administrator determines that the potential purchaser is not eligible, the purchase and sale agreement shall be void, and the Owner may solicit other potential purchasers. If the Administrator determines that the potential purchaser is eligible, the Administrator shall provide the potential purchaser and the Owner with a signed certification, executed in recordable form, to the effect that the sale of the particular Home has complied with the provisions of this Plan. The Owner shall bear the cost of recording the certification.

D. Enforcement.

A violation of this Plan or the Deed Restrictions shall not result in a forfeiture of title, but the Ledyard Planning and Zoning Commission or its designated agent shall otherwise retain all enforcement powers granted by the Connecticut General Statutes, including § 8-12, which powers include, but are not limited to, the authority, at any reasonable time, to inspect the property and to examine the books and records of the Administrator to determine compliance of Affordable Homes with the affordable housing regulations.

SCHEDULE A
PROPERTY DESCRIPTION OF THE RESUBDIVISION

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 and 18 and Avery Court as shown on a map or plan entitled “Plan Showing Resubdivision Property of Avery Brook Homes LLC 96, 98 and 100 Stoddards Wharf Road a.k.a. Connecticut Route 214 Ledyard, Connecticut Scale: 1” = 40’ March 2024 Sheets 1 of 8 to 8 of 8 Dieter & Gardner Land Surveyors – Planners 1641 Connecticut Route 12 P.O. Box 335 Gales Ferry, CT. 06335 (860) 464-7455 email: dieter.gardner@yahoo.com” which map is on file with the Town Clerk of the Town of Ledyard, Connecticut.

SCHEDULE B
IDENTIFICATION OF AFFORDABLE HOMES

Affordable Homes shall be located on the following lots:

2 Avery Court, 3 Avery Court, 6 Avery Court, 9 Avery Court, 11 Avery Court, and 14 Avery Court.

2 Avery Court, 9 Avery Court and 14 Avery Court shall be at the 60% median income level.

3 Avery Court, 6 Avery Court and 11 Avery Court shall be at the 60% to 80% median income level.

Total: 6 lots

Affordable Home Lots may be shifted or exchanged as long as they remain interspersed, as is reasonably possible given existing occupied homes at the time of conversion, and not concentrated in particular areas of the site and the 30% ratio is maintained at all times and the Declaration of Avery Brook Homes is amended accordingly.

SCHEDULE C
MINIMUM SPECIFICATIONS FOR MARKET-RATE AND AFFORDABLE HOMES

Foundation

8" poured concrete walls, 4" poured concrete floors
Bituminous waterproof coating on foundation walls below grade Steps/railings per code

Carpentry

2x6 pressure treated wood sills and sealer concrete 2x4 16" on center interior wall framing
2x6 16" on center exterior wall framing 1/2" sheathing on exterior walls Douglas fir floor joists
1/2" sheathing on roof 2x10 wood basement stairs with handrails Main Staircase: poplar riser
with oak tread, traditional
Tyvar or equivalent building wrap on exterior walls. Pressure treated wood deck: 10x12
Vinyl plank; 3/8" under vinyl or tile
3/4" under rugs

Interior Trim Accessories

White pine trim around door, window and baseboard White vinyl coated wire shelf systems
All accessories, such as mirrors, medicine cabinets, etc. are included in cabinet allowance.

Cabinets, Vanities and Counter Tops

\$8,000 allowance (included countertops and accessories, such as knobs)

Siding

Vinyl
Front Shutters Aluminum wrap trim
Aluminum gutters and downspouts

Roofing

1/2" sheathing roof sheathing
Architectural shingles (weathered wood) Soffit and ridge vents
Aluminum flashing and aluminum drip cap

Insulation-Fiberglass

R-49 in ceiling
R-21 in walls
R-11 in basement

Doors

Exterior doors insulated metal 6 panel Masonite

Windows

Double hung Thermopane windows with screens or equivalent; Casement in kitchen

Drywall

1/2” drywall interior 1/2” drywall ceilings

Flooring

Allowance: \$18 .00 square yard, to include padding and installation. Vinyl in all bathrooms

Front Steps

Pressure treated

Heating/Hot Water

Electric base ray

Utilities

Well, septic, electric, telephone and cable

Landscaping

Rough grade and seed, one time only

Crushed stone driveway

Other Costs

If required by lender, treatment of ground against wood destroying insects to be paid by buyer.

Costs of all extras to be paid by buyer in advance

Allowance Summary

Cabinets, counter tops, accessories	<u>\$8,000.00</u>
Lighting	<u>\$1,100.00</u>
Flooring, included padding and installation	<u>\$18.00 sq. yard</u>

SCHEDULE D
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, 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:
 - (1) The amount of the allowance 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 persons not residing with the Applicant (e.g. periodic gifts from family members, churches, or other sponsored group, even if the gifts are designated as rental or other assistance);
 - h. All regular pay, special pay and allowances of a member of the armed forces;
 - i. Any assets not earning a verifiable income shall have an imputed interest income using a current average annual savings interest rate.

2. Excluded from the definition of family annual income are the following:
 - a. Income from employment of children under the age of 18;
 - b. Payments received for the care of foster children;
 - c. Lump-sum additions to family assets, such as inheritances, insurance payments, capital gains and settlement for personal or property losses;
 - d. Amounts received that are specifically for, or in reimbursement of, the cost of medical expense for any family member;
 - e. Amounts of educational scholarships paid directly to the student or to the educational institution, and amounts paid by the government to a veteran in connection with education costs;
 - f. Amounts received under training programs funded by HUD;
 - g. Food stamps; and
 - h. Temporary, nonrecurring or sporadic income (including gifts that are not regular or periodic).

3. Net family assets for purposes of imputing annual income include the following:
 - a. Cash held in savings and checking accounts, safety deposit boxes, etc.;
 - b. The current market value of a trust for which any household member has an interest;
 - c. The current market value, less any outstanding loan balances of any rental property or other capital investment;
 - d. The current market value of all stocks, bonds, treasury bills, certificates of deposit and money market funds;
 - e. The current value of any individual retirement, 401K or Keogh account;
 - f. The cash value of a retirement or pension fund which the family member can withdraw without terminating employment or retiring;
 - g. Any lump-sum receipts not otherwise included in income (i.e., inheritances, capital gains, one-time lottery winnings, and settlement on insurance claims);
 - h. The current market value of any personal property held for investment (i.e., gems, jewelry, coin collections); and

- i. Assets disposed of within two (2) years before the Application Date, but only to the extent consideration received was less than the fair market value of the asset at the time it was sold.
4. Net family assets do not include the following:
 - a. Necessary personal property (clothing, furniture, cars, etc.);
 - b. Vehicles equipped for handicapped individuals;
 - c. Life insurance policies;
 - d. Assets which are part of an active business, not including rental properties; and
 - e. Assets that are not accessible to the Applicant and provide no income to the Applicant.

SCHEDULE E DOCUMENTATION OF INCOME

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

1. Employment Income.

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

- a. An employment verification form completed by the employer.
- b. Check stubs or earnings statement showing Applicant's gross pay per pay period and frequency of pay.
- c. W-2 forms if the Applicant has had the same job for at least two years and pay increases can be accurately projected.
- d. Notarized statements, affidavits or income tax returns signed by the Applicant describing self-employment and amount of income, or income from tips and other gratuities.

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

- a. Benefit verification form completed by agency providing the benefits.
- b. Award or benefit notification letters prepared and signed by the authorizing agency. (Since checks or bank deposit slips show only net amounts remaining after deducting SSI or Medicare, they may be used only when award letter cannot be obtained.)
- c. If a local Social Security Administration ("SSA") office refuses to provide written verification, the Administrator should meet with the SSA office supervisor. If the supervisor refuses to complete the verification forms in a timely manner, the Administrator may accept a check or automatic deposit slip as interim verification of Social Security or SSI benefits as long as any Medicare or state health insurance withholdings are included in the annual income.

3. Unemployment Compensation.

- a. Verification form completed by the unemployment compensation agency.
- b. Records from unemployment office stating payment dates and amounts.

4. Government Assistance.

- a. All Government Assistance Programs. Agency's written statements as to type and amount of assistance Applicant is now receiving, and any changes in assistance expected during the next twelve (12) months.
- b. Additional Information for "As-paid" Programs: Agency's written schedule or statement that describes how the "as-paid" system works, the maximum amount the Applicant may receive for shelter and utilities and, if applicable, any factors used to ratably reduce the Applicant's grant.

5. Alimony or Child Support Payments.

- a. Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules.
- b. A letter from the person paying the support.
- c. Copy of latest check. The date, amount, and number of the check must be documented.
- d. Applicant's notarized statement or affidavit of amount received or that support payments are not being received and the likelihood of support payments being received in the future.

6. Net Income from a Business.

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

- a. IRS Tax Return, Form 1040, including any:
 - (1) Schedule C (Small Business).
 - (2) Schedule E (Rental Property Income).
 - (3) Schedule F (Farm Income).
- b. An accountant's calculation of depreciation expense, computed using straight-line depreciation rules. (Required when accelerated depreciation was used on the tax return or financial statement.)
- c. Audited or unaudited financial statement(s) of the business.

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

7. Recurring Gifts.

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

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

- a. Benefactor's written confirmation of amount of assistance, and educational institution's written confirmation of expected cost of the student's tuition, fees, books and equipment for the next twelve (12) months. To the extent the amount of assistance received is less than or equal to actual educational costs, the assistance payments will be excluded from the Applicant's gross income. Any excess will be included in income.
- b. Copies of latest benefit checks, if benefits are paid directly to student. Copies of canceled checks or receipts for tuition, fees, books, and equipment, if such income and expenses are not expected to change for the next twelve (12) months.
- c. Lease and receipts or bills for rent and utility costs paid by students living away from home.

9. Family Assets Currently Held.

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

- a. Verification forms, letters, or documents from a financial institution, broker, etc.
- b. Passbooks, checking account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker.
- c. Quotes from a stock broker or realty agent as to net amount Applicant would receive if Applicant liquidated securities or real estate.
- d. Real estate tax statements if tax authority uses approximate market value.
- e. Copies of closing documents showing the selling price, the distribution of the sales proceeds and the net amount to the borrower.

- f. Appraisals of personal property held as an investment.
 - g. Applicant's notarized statements or signed affidavits describing assets or verifying the amount of cash held at the Applicant's home or in safe deposit boxes.
10. Assets Disposed of for Less Than Fair Market Value ("FMV") During Two Years Preceding Application Date.
- a. Applicant's certification as to whether it has disposed of assets for less than FMV during the two (2) years preceding the Application Date.
 - b. If the Applicant states that it did dispose of assets for less than FMV, then a written statement by the Applicant must include the following:
 - (1) A list of all assets disposed of for less than FMV;
 - (2) The date Applicant disposed of the assets;
 - (3) The amount the Applicant received; and
 - (4) 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 F
DEED RESTRICTIONS**

TO BE INSERTED IN ALL DEEDS IN THE AVERY BROOK HOMES RESUBDIVISION:

As a Community which is approved pursuant to Connecticut General Statutes §8-30g, the individual lots (units) which have been approved by the Ledyard Planning and Zoning Commission have been allowed to vary from the size and bulk requirements contained in the Zoning Regulations of the Town of Ledyard. For the purposes of the Avery Brook Homes Resubdivision, as approved by the Ledyard Planning and Zoning Commission on _____, 2024, the minimum lot size will be 9,756 square feet (0.22 acres), the minimum front yard setback from the affordable housing community common element will be 12 feet, the minimum rear yard setback will be 15 feet and the minimum side yard setback will be 5 feet. The following uses shall be permitted on each lot in the affordable housing community: all uses permitted as of right or by special permit in accordance with the procedures and criteria set forth in the Zoning Regulations of the Town of Ledyard for the R-60 Zoning District. These limitations shall run with the land and shall not expire when the affordability provisions of the subdivision have lapsed.

TO BE INSERTED IN ALL AFFORDABLE HOME DEEDS IN THE AVERY BROOK HOMES RESUBDIVISION:

The language below shall be inserted in each deed for an Affordable Home unit for the duration of the forty (40) year sale price restriction period.

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

TO BE INSERTED IN A DEED FOR A SIXTY PERCENT HOME:

1. This dwelling unit is an affordable housing dwelling unit within a set aside development as defined in Section 8-30g of the Connecticut General Statutes and in accordance with the applicable regulations for state agencies that were in effect upon the date of the original application for the initial local approval, March 27, 2024, and is therefore subject to a limitation, at the date of purchase, on the maximum annual income of the household that may purchase the unit, and is subject to a limitation on the maximum sale or resale price. These limitations shall be strictly enforced, and may be enforced by the person identified in the Affordability Plan as responsible for the administration of these limitations or the zoning enforcement authority of the Town of Ledyard. For the duration of this covenant or restriction, this dwelling unit may be sold only to persons and families whose annual income does not exceed SIXTY (60%) PERCENT of ‘median income’ as defined in subsection 8-30g-1(10) of the Regulations of Connecticut State Agencies, applicable to this unit as specified in an Affordability Plan as on file with the Town of Ledyard. In addition, this unit may be sold or resold only at a price

equal to or less than the price determined using the formula stated in Section 8-30g-8(A), or the formula stated in Section 8-30g-8(B), as applicable, of the Regulations of Connecticut State Agencies.

TO BE INSERTED IN A DEED FOR AN EIGHTY PERCENT HOME:

1. This dwelling unit is an affordable housing dwelling unit within a set aside development as defined in Section 8-30g of the Connecticut General Statutes and in accordance with the applicable regulations for state agencies that were in effect upon the date of the original application for the initial local approval, March 27, 2024, and is therefore subject to a limitation, at the date of purchase, on the maximum annual income of the household that may purchase the unit, and is subject to a limitation on the maximum sale or resale price. These limitations shall be strictly enforced, and may be enforced by the person identified in the Affordability Plan as responsible for the administration of these limitations or the zoning enforcement authority of the Town of Ledyard. For the duration of this covenant or restriction, this dwelling unit may be sold only to persons and families whose annual income does not exceed EIGHTY (80%) PERCENT of ‘median income’ as defined in subsection 8-30g-1(10) of the Regulations of Connecticut State Agencies, applicable to this unit as specified in an Affordability Plan as on file with the Town of Ledyard. In addition, this unit may be sold or resold only at a price equal to or less than the price determined using the formula stated in Section 8-30g-8(A), or the formula stated in Section 8-30g-8(B), as applicable, of the Regulations of Connecticut State Agencies.

TO BE INSERTED IN ALL AFFORDABLE HOME DEEDS:

2. In the event said Owner desires to make said property available for sale, said Owner shall notify the Administrator in writing. The Owner shall pay the Administrator a fee to cover the cost of administering the sale. The Administrator shall then provide notice of the availability of said property for purchase. Such notice shall be provided, at a minimum, by advertising at least two times in newspapers of general circulation in the Town of Ledyard. The Owner shall bear the cost of such advertisement. The Administrator shall also provide such notice to the Ledyard Planning and Zoning Commission and the Town of Ledyard Zoning Enforcement Officer. Such notice shall include a description of said property, the eligibility criteria for potential purchasers, the Maximum Sale Price 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, Connecticut General Statutes §§46a-64b, 64c. Said Owner may hire a real estate broker or otherwise individually solicit offers, independent of the Administrator’s action, from potential purchasers. Said Owner shall inform any potential purchaser of the affordability restrictions before any purchase and sale agreement is executed by furnishing the potential purchaser with a copy of the Affordability Plan. The purchase and sale agreement shall contain a provision to the effect that the sale is contingent upon a determination by the Administrator that the potential purchaser meets the eligibility criteria set forth in the Affordability Plan. Once the purchase and sale agreement is executed by said Owner and the potential purchaser, the potential purchaser shall immediately notify the Administrator in writing. The Administrator shall have thirty (30) days from such notice to determine the eligibility of the potential purchaser in accordance with the application process set forth in the Affordability Plan. The Administrator shall notify said Owner and the potential purchaser of its determination of

eligibility in writing within said thirty (30) day period. If the Administrator determines that the potential purchaser is not eligible, the purchase and sale agreement shall be void, and said Owner may solicit other potential purchasers. If the Administrator determines that the potential purchaser is eligible, the Administrator shall provide the potential purchaser and said Owner with a signed certification, executed in recordable form, to the effect that the sale of the particular Affordable Housing dwelling has complied with the provisions of the Affordability Plan. The Owner shall bear the cost of recording said certification.

3. Said Owner shall occupy said property as said Owner's principal residence and shall not lease said property.

4. Said Owner shall maintain said property. Said Owner shall not destroy, damage or impair said property, allow said property to deteriorate, or commit waste on said property. When said property is offered for re-sale, the Administrator may cause said property to be inspected.

5. A subdivision for this Community was approved by agencies of the Town of Ledyard based in part on the condition that a defined percentage of the homes in the Community would be preserved as affordable homes. The Restrictions are required by law to be strictly enforced.

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