

**Guidelines
For the Management of
Below Market Rate Rental Units**

I. Introduction

In order to promote the development of housing affordable to persons and families of low and moderate income, the Zoning Board of the City of Stamford (the Zoning Board or Zoning), as a condition of development, may require developers of market rate rental housing units to set-aside Below Market Rate units within their developments, or to provide Below Market Rate units at another site.

II. General Intent

In compliance with applicable law including, but not limited to, the Connecticut and Federal Fair Housing Acts, these Guidelines set forth standardized compliance procedures for developing and managing all Below Market Rate rental units (BMR) required to have been built as a condition of development in Stamford. Should any section of these Guidelines be invalidated, such invalidated section shall be deemed severable, and the remaining Guidelines shall remain in effect.

Notwithstanding the fact that individual developments can be subject to project-specific conditions, the following general principles shall apply to all BMR's that fall within the jurisdiction of these Guidelines.

- BMR units shall not be materially different from market rate units in the same development in terms of size, amenities, services, utilities, maintenance standards or any other aspect that will materially affect the value of the unit to a tenant, except as specified in these Guidelines;
- Prior to receiving a Certificate of Occupancy, the owner of any development subject to a BMR requirement as a condition of development must record an Affordability Plan approved by the Zoning Board on the Stamford Land Records.

III. Affordability Plans

No Affordability Plan will be approved unless, at a minimum, it:

- Identifies the BMR units;
- Evidences that BMR units have been distributed throughout the development;
- Designates an entity responsible BMR Management, as defined herein;
- Notwithstanding the foregoing, the Affordability Plan shall acknowledge the City's intent and right to designate an Affordable Housing Manager (AHM), either an individual or organization, to manage a citywide BMR program and shall state the owner's agreement to pay reasonable compensation to the AHM and to fully delegate BMR Management to the AHM, including such additional activities as required to ensure an orderly transition;
- Describes any credit and reference standards employed in tenant selection and certifies that these standards will be uniform with respect to market rate and BMR applicants;
- Describes any site-specific requirements that may impact the management of BMR units; and

- States a commitment to provide affordable housing in compliance with these Guidelines, the zoning regulations, and the ordinances of the City of Stamford, as each may be amended from time to time.

IV. BMR Management

For the purposes of these Guidelines, BMR Management shall include the following activities as specified in these Guidelines:

- Marketing the availability of BMR units to the public if there are not sufficient applicants on a waiting list to fill anticipated vacancies;
- Accepting applications from the public for BMR dwelling units;
- Determining the eligibility of those applicants;
- Implementing tenant-selection preferences;
- Maintaining waiting lists for BMR units;
- Selecting eligible tenants for BMR units;
- Performing annual recertification of tenant eligibility;
- Ensuring that rents are set in accordance with these Guidelines;
- Ensuring that amenities are provided in accordance with these Guidelines;
- Implementing procedures for changes in tenant circumstances;
- Monitoring owner compliance with these Guidelines and the approved Affordability Plan;
- Providing at least annual reports of activities, program compliance, and program finances as requested by the Zoning Board.

The Zoning Board may appoint an Affordable Housing Manager (AHM) to implement these Guidelines. In the event that no AHM has been appointed, the entity designated in the approved Affordability Plan will be responsible for BMR Management. Oversight of the abovementioned activities will be undertaken by the Director of Public Safety, Health and Welfare.

V. Applications

Applications shall be accepted from the public for BMR housing units except if the waiting list for any particular size unit cannot reasonably be expected to be housed within 2 years.

An application shall be complete once it contains sufficient documentation to verify preferences and income eligibility, provided that a reasonable opportunity will be provided to applicants to produce additional documentation.

In the event that a prospective applicant is unable to apply because a waiting list is closed, information will be provided about how the next opening of the waiting list will be publicized and any other relevant information about the application process.

VI. Eligibility – Household Size

Eligibility for each class of BMR units shall be based on household size or other factors. Typical eligibility will be as follows:

- A household consisting of two or fewer individuals may be eligible for a one-bedroom BMR unit.
- A household consisting of three or four persons may be eligible for a two-bedroom BMR unit.
- A household consisting of four or more persons may be eligible for a three-bedroom BMR unit.

No household shall occupy a BMR unit with more bedrooms than the household has numbers. For example, a household consisting of two individuals shall not be eligible to occupy a BMR unit with more than 2 bedrooms.

Notwithstanding these general Guidelines, any documented special needs of household members, any particular household configuration, and income-eligibility may be considered by the AHM when determining the appropriate class of BMR unit.

VII. Eligibility -- Income

Eligibility at the time of application, at the time of initial leasing, and during occupancy of any BMR unit shall be determined based on the most current statistics of Area Median Income (AMI) for the Stamford Standard Metropolitan Statistical Area (SMSA) as published and periodically revised by the U.S. Department of Housing and Urban Development (HUD).

Income limits (Maximum): The income of a household at the time of initial occupancy in a BMR unit shall not exceed the AMI, adjusted for household size, times the affordability percentage specified in the zoning regulations and the Affordability Plan. If no income limits are specified in the applicable zoning regulations, the HUD Low-Income standard, as annually published by that agency, shall be used. The income of an applicant household seeking to be placed on the waiting list for a BMR unit shall not exceed the AMI, adjusted for household size, times 60%.

Minimum income: The income of a household at the time of initial occupancy must be at least three times the annual rent

Gross Income means the total annual income from all sources of all members of the household except income received by a family household member (other than the head of household or spouse) who is under 18 years old or a full-time student of any age. Income includes but is not limited to compensation for employment services, interest, dividends, rent, pension benefits, government benefits, unemployment compensation, welfare payments, disability income, support payments, and return-on-assets income as defined below.

Return-on-Assets Income shall include the dollar amount resulting from multiplying the value of the net household assets by 10% after excluding the first \$5,000 in assets.

Net Household Assets means the total value of equity in real property, including gains from the sale of real property, savings and other forms of capital investment of all household members, but not including equity in a business operation where that business operation is the principal means of support of the household, amounts in an irrevocable trust fund or the value of personal property (e.g., car, furniture, etc.)

For holders of Section 8 Vouchers or certificates or other similar instrument of governmental housing subsidy, or in the case of project-based Section 8, minimum income will be calculated based on the Net Rent less the amount of assistance provided under the relevant program.

The appendix to these Guidelines shows income limits and sample rents. This appendix will be updated at least annually by the Director of Public Safety, Health & Welfare.

VIII. Preferences

In determining eligibility of applicants for placement in BMR units, any preferences or other criteria included in the Zoning Regulations for the relevant zoning district, or any special exception or other conditional approval by the Zoning Board, shall be implemented.

IX. Waiting List

At the time of initial leasing of BMR units, or when an insufficient number of applicants is available on an existing waiting list, an affirmative marketing effort should be undertaken to publicize the availability of BMR units, the process for application, and the waiting list system.

If there are more eligible applicants for any class of BMR units (i.e. one-bedroom) than there are units, a waiting list for that class shall be established. The AHM may utilize a lottery or time-of-application system to determine waiting list order. Eligible applicants shall be placed on the waiting list for the appropriate class of apartment and shall be ordered by the results of a lottery or time-of-application system.

An applicant may refuse an available appropriate BMR unit one time and remain on the waiting list. Upon a second refusal, the applicant will be removed from the waiting list. Applicants shall be notified of their options with regard to refusing a unit at the time that a unit is offered.

Based on the annual determination of eligibility, ineligible applicants shall be removed from the waiting list. Such applicants shall be notified by certified mail at least 5 working days prior to such removal.

X. Credit and Reference Checks

Prior to occupancy in a BMR unit, an eligible applicant may be required by the owner to meet specific credit and reference standards, as included in the Affordability Plan for the relevant development and approved by the Zoning Board.

XI. Rents

The monthly net rents charged for BMR units shall be calculated as follows: The BMR rent for a one-bedroom BMR unit shall be based on the AMI adjusted for a household size of 1.5 (75% of AMI). The BMR rent for a two-bedroom BMR unit shall be based on the AMI adjusted for a household size of 3 (90% of AMI). The BMR rent for a three-bedroom BMR unit shall be based on the AMI adjusted for a household size of 4.5 (104% of AMI). The monthly gross rent shall be equal to the appropriate AMI, times the affordability level of the BMR unit, divided by twelve, multiplied by 0.3. If any utilities are separately billed throughout the development, a utility allowance must be deducted from the gross rent to determine the net rent. Utility allowances shall be the Section 8 utility allowances determined annually by the Housing Authority of the City of Stamford. A schedule of BMR rents shall be made available by the City of Stamford and updated regularly.

XII. Amenities

Rents for BMR units are net rents that include all amenities, whether provided free of charge or bundled in a mandatory package, including one parking space, but not including telephone, cable television, or other telecommunications services.

XIII. Changes in Tenant Circumstances

In the event that a tenant's income increases beyond the income limit for the BMR unit, based on annual recertification of income, the following restrictions shall apply:

- If a tenant's income exceeds the income limit for the BMR unit by less than 10 percentage points (i.e. a tenant at 59% of AMI in a BMR unit designated for a household at 50% of AMI), no restrictions shall apply.
- If a tenant's income exceeds the income limit for the BMR unit by 10 percentage points or more but still has income below 80% of the Area Median Income (i.e. a tenant at 60% to 79% of AMI in a BMR unit designated for a household at 50% of AMI), The tenant will be able to occupy the unit for no more than one year following the recertification. However, if the tenant's income remains below 50% of AMI (i.e. in the case of a tenant with income at 45% of AMI in a BMR unit designated for a household at 25% of AMI), the tenant shall be permitted to remain in the unit until a BMR unit at the appropriate affordability level is available.
- If a tenant's income exceeds 80% of the AMI at an annual recertification, that tenant shall be notified in writing that they will no longer be eligible to occupy BMR unit and that within 90 days after such recertification, the tenant must vacate the unit.

If a tenant in a BMR unit experiences an increase in household size, they may be placed at the top of the waiting list for an appropriate sized BMR unit.

XIV. Annual Rent Changes

At the annual income recertification for each tenant, the rent for each BMR unit will be set based on the latest rents set by the City of Stamford and utility allowances released by HACS.

XV. Security Deposits

Tenants in BMR units shall be responsible for paying security deposits. Owners of BMR units shall not charge more than 2-times the monthly rent for the BMR unit as a security deposit. The AHM shall advise all applicants on the waiting lists of this requirement.

Appendix

Sample Income Guidelines and Below Market Rents: effective September, 2001

Unit size:	1 BR	1 BR	2 BR	2 BR	3 BR	3 BR
Household size:	1	2	3	4	4	5
<i>25% of AMI</i>						
Maximum Income:	19,215	21,960	24,705	27,450	27,450	29,646
Minimum income:	13,152	13,152	15,368	15,368	17,262	17,262
<i>50% of AMI</i>						
Maximum Income:	38,430	43,920	49,410	54,900	54,900	59,292
Minimum income:	31,868	31,868	37,827	37,827	43,215	43,215
<i>60% of AMI</i>						
Maximum Income:	46,116	52,704	59,292	65,880	65,880	71,150
Minimum income:	39,355	39,355	46,811	46,811	53,596	53,596
<i>HUD Low-Income*</i>						
Maximum Income:	43,200	49,350	55,500	61,700	61,700	66,600
Minimum income:	31,868	31,868	37,827	37,827	43,215	43,215
Affordable Net Rents						
	1 BR	2 BR	3 BR			
25%	362	423	475			
50%	876	1,040	1,188			
60%	1,082	1,287	1,474			
Utility Allowance						
	153	195	239			

Note: The US Department of Housing and Urban Development (HUD) provides updates to area median income estimates each spring. Utility allowances are calculated based on a schedule determined by the Housing Authority of the City of Stamford and updated annually.

* The HUD Low-Income standard shall be used to determine maximum income for tenants in BMR units developed in the PD zoning district.