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**AFFORDABILITY PLAN
FOR DEEPLY AFFORDABLE RENTAL HOUSING
AT
72 FRANKLIN STREET
STAMFORD, CONNECTICUT**

**SUBMISSION TO CITY OF
STAMFORD ZONING BOARD**

PREPARED BY:

Inspirica, Inc.
141 Franklin Street
Stamford, Connecticut 06901
PHONE: (203) 338-0100

AFFORDABILITY PLAN FOR DEEPLY AFFORDABLE RENTAL UNITS, 72 FRANKLIN STREET

INTRODUCTION

Inspirica, Inc. and its wholly owned subsidiary 72 Franklin LLC (collectively, "Inspirica"), jointly submit this Affordability Plan (the "Plan") to the City of Stamford Zoning Board for permanent designation and management of Deeply Affordable Housing Units at 72 Franklin Street, Stamford, Connecticut 06901 ("72 Franklin"). 72 Franklin is a fifty-three (53) unit rental housing development, all of which units are designated as deeply affordable as provided in this Plan.

This Plan is intended to establish compliance with the Stamford Zoning Board Certificate issued with regard to 72 Franklin on August 22, 2017, which provides in pertinent part

"Prior to the issuance of a Certificate of Occupancy, [The Garden Homes Fund and Inspirica Inc.] shall submit an Affordability Plan permanently establishing on-site, a total of fifty-three Below Market Rate dwelling units subject to approval of a final Affordability Plan by Zoning Board Staff. The Affordability Plan shall provide as follows: 20 studios at 25% of AMI, 6 studios at 35% of AMI, 17 2-bedroom units at 30% of AMI, 4 3-bedroom units at 30% of AMI and 6 3-bedroom units at 50% of AMI. The Affordability Plan shall be generally consistent with Section 7.4 of the Zoning Regulations and with the management practices and standards of the applicant, subject to approval by Zoning Board Staff."

For purposes of this Affordability Plan, the various units in 72 Franklin are hereby referred to as follows:

Studios at 25% of AMI:	"25% Units"
Studios at 35% of AMI:	"35% Units"
2-bedrooms and 3-bedrooms at 30% of AMI:	"30% Units"
3-bedrooms at 50% of AMI:	"50% Units"
All of the units collectively:	"72 Franklin Units"

SCHEDULES -

- A. Designation of 72 Franklin Units
- B. Definitions and Elements of Annual Family Income
- C. Documentation of Income
- D. Admissions, Wait List, Application Preferences

I. Rental Units Designated As Below-Market-Rate Units.

As and to the extent set forth on Schedule A hereto, all the rental units in 72 Franklin are hereby designated as “Below Market Rate Dwelling Units”, within the meaning of Article III, Section 7.4.C.1 of the Stamford Zoning Regulations as in effect on the date hereof (the ‘BMR Unit Regulations’,).

II. Affordability Period.

Pursuant to the BMR Unit Regulations, the 72 Franklin Units shall remain subject to the rental restrictions contained herein for so long as the development exists, provided that Inspirica may propose reasonable modification of those restrictions, which proposal shall go into effect only upon written approval of those modifications by Zoning Board Staff.

III. Entity Responsible For Administration And Compliance.

This Affordability Plan will be administered by Inspirica, Inc. Such role is subject to the enforcement powers of the City of Stamford set forth in Section XII of this Plan. The City of Stamford may monitor and review the performance of Inspirica in its capacity as Affordable Housing Manager, although it is not required to do so.

IV. Responsibilities Of Inspirica

- A) Inspirica, as Affordable Housing Manager, will administer the 72 Franklin Units in compliance with this Plan, the BMR Unit Regulations, and all applicable laws, including the ordinances of the City of Stamford. Inspirica will monitor the management of the application, income eligibility, rental price, conveyance, administration, record-keeping and certification processes for the 72 Franklin Units and will maintain the information and documentation necessary to ensure and demonstrate compliance with this Plan.
- B) It is acknowledged by Inspirica that the BMR Unit program contemplated by the BMR Unit Regulations constitutes an important public policy program of the City of Stamford, and therefore requires reporting to City agencies and officials as necessary to ensure proper implementation and compliance. Therefore, following completion of the first full year of operations, Inspirica, no later than January 31 of each year, shall file with the City's Land Use Bureau, the following information, accurate as of the report date:
 - 1) Total number of 72 Franklin Units available for occupancy, with unit vacancies listed.
 - 2) Total number of 72 Franklin Units occupied.

- 3) Total number of 72 Franklin Units available for occupancy, with unit vacancies listed.
- 4) By number of bedrooms in the unit, the total income reported by the tenant household during the application or recertification process and certified by Inspirica as satisfying the income criteria specified herein; the total number of persons occupying the unit; the occupation of each adult resident of the unit, as reported during the application or recertification process; and the gross and net rent, utility allowance, and any mandatory fees paid for the current occupancy of the unit. Such information shall be reported without inclusion of or reference to the names of the occupants. The receipt, handling, custody, access to, and storage of application materials and household income information shall be subject to the enforcement and inspection provisions set forth in Section XII of this Plan.

V. Tenant Eligibility.

A) Maximum Income. The 72 Franklin Units shall be available to households earning at the time of initial occupancy not more than 25, 30, 35 or 50 percent of the median household income, adjusted for household size, of the Stamford Standard Metropolitan Statistical Area ("SMSA"), pursuant to the table below. The median household income of the SMSA will be determined using the statistics published and periodically revised by the U.S. Department of Housing and Urban Development ("HUD").

MAXIMUM INCOME TABLE	
UNIT TYPE	MAXIMUM INCOME AT THE TIME OF INITIAL OCCUPANCY
25% Units	25% of AMI (adjusted for household size)
30% Units	30% of AMI (adjusted for household size)
35% Units	35% of AMI (adjusted for household size)
50% Units	50% of AMI (adjusted for household size)

B) Household Size. The expected minimum and maximum household size eligibility for each type of unit is as set forth in the table below. Inspirica reserves the right to exercise discretion on enforcing these minimum and maximum limitations.

HOUSEHOLD SIZE	Minimum Household Size Eligibility	Maximum Household Size Eligibility of persons 3 years of age and older
Studios	1	2
2-bedroom	2	4
3-bedroom	3	6

C) Changes in Tenant Circumstances. In the event that a tenant’s income increases beyond the income limit for the 72 Franklin Unit then occupied, based on annual recertification of income, the following restrictions shall apply:

(i) *In the Case of a Change in Income:*

1. If the income of a tenant of a 50% Unit exceeds the income limit for that Unit by less than 10 percentage points (i.e. a tenant at 59% of AMI in a unit designated for a household at 50% of AMI), no restrictions shall apply.
2. If the income of a tenant of a 50% Unit exceeds the income limit for such Unit by 10 percentage points or more the tenant will be able to occupy the unit for no more than one year following the recertification; provided that if the income of such tenant of a 50% Unit exceeds the income limit for such Unit by 20 percentage points or more the tenant will be able to occupy the unit for no more than 90 days following the recertification.
3. If the income of a tenant in a 25% Unit, 30% Unit or 35% Unit exceeds the income limit for the applicable 72 Franklin Unit by less than 15 percentage points (i.e. a tenant at 39% of AMI in a unit designated for a household at 25% of AMI), no restrictions shall apply.
4. If the income of a tenant in a 25% Unit, 30% Unit or 35% Unit exceeds the income limit for the applicable unit by 15 percentage points or more (i.e. a tenant at 50% of AMI in a BMR unit designated for a household at 30% of AMI), the Unit occupied by that Tenant (the “Original Unit”) may be reclassified to another category of Unit (e.g., from a 30% Unit to a 50% Unit) (the “Higher Threshold Unit”), to enable the tenant to continue to be eligible for the unit the tenant occupies; provided that Inspirica will upon a vacancy of a Higher Threshold Unit reclassify that unit to match the classification of the Original Unit. Alternatively, Inspirica may allow the tenant to continue to occupy the Original Unit for no more than one year following the recertification.

(ii) *In the case of a Change in Household Size*

1. If a tenant in a BMR unit experiences an increase in household size beyond the maximum (or a decrease below the minimum), they may be placed at the top of the waiting list for an appropriately sized 72 Franklin Unit. If none becomes available within 12 months of the date of the increase, the tenant may be required to vacate the unit within a further 90 day period.

VI. Affirmative Fair Housing Marketing Plan.

The lease up of the 72 Franklin Units in the community shall be publicized. Notices of initial availability of units shall be provided, at a minimum, by advertising in a newspaper of general circulation in Stamford and posting on the Inspirica website. Such notices shall include a description of the available 72 Franklin Units, the eligibility criteria for potential tenants, the Rental Rate (as hereinafter defined), and the availability of application forms and additional information.

Pursuant to Inspirica's guidelines, dissemination of information about available 72 Franklin Units is expected to include:

A. Announcements/advertisements in publications and other print and electronic media that will reach minority populations, including newspapers, such as the Stamford Advocate or other media outlets.

B. 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 nearby cities and towns, legal services organizations, etc.).

C. Beginning affirmative marketing efforts prior to general marketing of units, and repeating again during initial marketing and as wait lists require replenishing.

All notices shall comply with the Fair Housing Act.

VII. Application Process.

A family or household seeking to rent one of the 72 Franklin Units ("Applicant") must complete an application to determine eligibility. The application form and process shall comply with the Fair Housing Acts. The application process is described in Schedule D.

A. Application Form.

The application form shall be approved by Inspirica and shall include forms and notices substantially in the form set forth in Schedule D. In determining what is and is not to be included in the definition of family annual income, Inspirica shall use the criteria set forth in Schedules B and C.

B. Applicant Interview.

Inspirica may interview Applicants upon submission of the completed application, and during such interview shall:

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. Require the Applicant to sign the necessary release forms to be used in verifying income. Inform the Applicant of what verification and documentation must be provided before the application is deemed complete.
5. Inform the Applicant that a decision as to eligibility cannot be made until all items on the application have been verified.
6. Review with the Applicant the process and restrictions regarding re-certification and renewal.

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, Inspirica shall require verification of the Applicant's reported income.

D. Application Fee.

Inspirica may charge a reasonable fee for the purpose of covering its administrative expenses in processing applications for first time occupancy, including payments for the use of third-party credit reporting services. Initially, the application fee is expected to be \$45 per applicant household. No application fee shall be charged for recertification, renewal or in-building relocation of an existing tenant.

VIII. Prioritization Of Applicants.

Except as provided in the next sentence of this Section, if, after publication of the notice of initial availability of rental units as described in Section VI hereof, the number of qualified

applicants for any given category of Units exceeds the number of such units, Inspirica shall conduct a lottery to select tenants. Notwithstanding the foregoing, Inspirica may select tenants for units based on the preference criteria set forth on Schedule D. Any lottery for remaining units will be held upon the completion of the application process described in § VII above.

IX. Rental Rate

Calculation of the maximum rental rate ("Maximum Rental Rate") for 72 Franklin Units shall be determined, maintained, and updated annually when the AMI and Utility Allowances are published by HUD and the Stamford Housing Authority, respectively. The assumed household size for pricing studio units shall be the SMSA median income for a household size of 1; for two bedroom units shall be the SMSA median income for a household size of 3; and for three bedroom shall be the SMSA median income for a household size of 4.5. Such calculation shall utilize the median household income statistics of the SMSA, as in effect at the time of application for initial occupancy and thereafter at the time of annual income recertification.. Using the 2019 data as an example, the Maximum Rental Rate shall be calculated as follows:

<u>EXAMPLE OF CALCULATION OF MAXIMUM RENTAL PRICE FOR TWO BEDROOM UNIT FOR FAMILY EARNING NOT MORE THAN 30 PERCENT OF THE AREA MEDIAN INCOME</u>	<u>SAMPLE COMPUTATIONS BASED ON FY 2019 DATA</u>
1. Median family income for the Stamford Standard Metropolitan Statistical Area (SMSA):	\$144,300
2. Determine the adjusted income for a household of 3.0 persons by calculating 90 percent of Item 1:	\$129,870
3. Calculate 30% percent of Item 2:	\$38,961
4. Calculate 30 percent of Item 3, representing the maximum portion of a family's income that may be used for housing:	\$11,688
5. Divide Item 4 by 12 to determine the maximum monthly outlay:	\$974
6. Except as provided below, Section 8 utility allowance, as determined by the Stamford Housing Authority for a 2 bedroom:	\$181
7. Subtract utility allowance (Item 6, subject to adjustment as described below) from maximum housing expense (Item 5) to determine maximum rent:	\$793

NOTE: The US Department of Housing and Urban Development (HUD) provides updated 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. Notwithstanding the foregoing, and subject to Zoning Board approval, Inspirica may reduce the utility allowance based on a survey of usage and charges.

X. Principal Residence.

72 Franklin Units shall be occupied only as an Applicant's/tenant's principal residence. Subleasing of BMR Units shall be prohibited, except in the case of emergency and with prior approval of the Inspirica, and such prohibition shall be stated in the lease.

XI. Requirement To Maintain Condition.

All Tenants are required to maintain their unit. The Tenant shall not destroy, damage or impair the unit, allow it to deteriorate, or commit waste on the unit. When a 72 Franklin Unit is eligible to be re-leased, Inspirica will inspect it prior to the unit being shown to a potential new tenant.

XII. Enforcement.

A violation of this Affordability Plan shall not result in a forfeiture of title, but the Stamford Zoning Board shall otherwise retain all enforcement powers granted by the General Statutes or any Special Act, 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 72 Franklin Units to determine compliance of such Units with the applicable regulations, the Guidelines, and this Plan. Inspirica agrees to collect and maintain all books, records, files and information necessary to permit the City or the Zoning Board to determine compliance with the Guidelines or this Plan. The City Zoning Enforcement Officer and the Director of Public Safety, Health and Welfare shall be permitted to inspect the property and examine all books, records, application forms, waiting lists, and rent rolls of the 72 Franklin Units, including the household income information provided by applicants or tenants, provided that all such applicant and tenant information shall be confidential and shall not be deemed a public record subject to disclosure under the Freedom of Information Act. Notwithstanding the zoning enforcement powers possessed by the Stamford Zoning Board under the Stamford Zoning Regulations, and subject to any contract or agreement providing otherwise, the City of Stamford and the Stamford Zoning Board retain all rights to pursue all legal and/or equitable remedies available to them and to assert any and all claims and causes of action against any person, firm, corporation or other legal entity arising from the administration of this Plan.

XIII. Binding Effect.

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

IN WITNESS WHEREOF, the said parties hereto have hereunto set their hands and seals, the day and year first above written.

INSPIRICA, INC. By: <u>Leslie G. Schultz</u> Name: Leslie G. Schultz Title: Interim Chief Executive Officer	72 FRANKLIN LLC By Inspirica, Inc., its Sole Member By: <u>Leslie G. Schultz</u> Name: Leslie G. Schultz Title: Inspirica, Inc. Interim Chief Executive Officer
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STATE OF CONNECTICUT}
} ss: STAMFORD
COUNTY OF FAIRFIELD}

Date: July 11, 2019

Personally, appeared Leslie G. Schultz Interim Chief Executive Officer of Inspirica, Inc., signer and sealer of the foregoing Instrument, and acknowledged the same to be her free act and deed, and the free act and deed of said City, before me.

Andrew Zeffa
Commissioner of the Superior Court
or Notary Public Juris # 436819

STATE OF CONNECTICUT}
} ss: STAMFORD
COUNTY OF FAIRFIELD}

Date: July 11, 2019

Personally, appeared Leslie G. Schultz Interim CEO of Inspirica Inc, the Sole Member of 72 Franklin Street LLC, signer and sealer of the foregoing Instrument, and acknowledged the same to be her free act and deed, and the free act and deed of said limited partnership, before me.

Andrew Zeffa
Commissioner of the Superior Court
or Notary Public Juris # 436819

APPROVED ON BEHALF OF THE ZONING BOARD STAFF:

Ralph Blessing
Ralph Blessing
Land Use Bureau Chief
City of Stamford

**SCHEDULE A
DESIGNATION OF BMR UNITS**

Area Medium Income (AMI)	Unit Types	Number of Units*
25% AMI	Studios	20
30% AMI	2BR	17
30% AMI	3 BRs	4
35% AMI	Studios	6
50% AMI	3BR	6

* The number of units may vary temporarily to enable the affordability level of units to change to accommodate Tenant over-income, as contemplated by Section 5(d) of this Plan

**SCHEDULE B
DEFINITIONS AND ELEMENTS OF ANNUAL FAMILY INCOME**

A. Annual income shall be calculated with reference to 24 C.F.R. § 5.609, and includes, but is not limited to, the following:

- The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips, bonuses and other compensation for personal services;
- The net income from operations of a business or profession, before any capital expenditures but including any allowance for depreciation expense;
- Interest, dividends, and other net income of any kind from real or personal property;
- 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;
- Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay;
- 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:
 - The amount of the allowance exclusive of the amounts designated for shelter or utilities, plus
 - The maximum amount that the welfare assistance agency could, in fact, allow the family for shelter and utilities;
 - 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);
 - All regular pay, special pay and allowances of a member of the armed forces;
 - Any assets not earning a verifiable income shall have an imputed interest income using the HUD passbook savings rate as reported by the Stamford Housing Authority, after excluding the first \$5,000 in assets.

B. Excluded from the definition of family annual income are the following:

- Income from employment of children under the age of 18;
- Payments received for the care of foster children;
- Lump-sum additions to family assets, such as inheritances, insurance payments, capital gains and settlement for personal or property losses;
- Amounts received that are specifically for, or in reimbursement of, the cost of medical expense for any family member;
- 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;
- Amounts received under training programs funded by HUD;
- Food stamps; and
- Temporary, nonrecurring or sporadic income (including gifts that are not regular or periodic).

C. Net family assets for purposes of imputing annual income include the following:

- Cash held in savings and checking accounts, safety deposit boxes, etc.;
- The current market value of a trust for which any household member has an interest;
- The current market value, less any outstanding loan balances of any rental property or other capital investment;
- The current market value of all stocks, bonds, treasury bills, certificates of deposit and money market funds;
- The cash value of a retirement or pension fund which the family member can withdraw without terminating employment or retiring;
- Any lump-sum receipts not otherwise included in income (i.e., inheritances, capital gains, one-time lottery winnings, and settlement on insurance claims);

- The current market value of any personal property held for investment (i.e., gems, jewelry, coin collections); and
- 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.

D. Net family assets do not include the following:

- Necessary personal property (clothing, furniture, cars, etc.);
- Vehicles equipped for handicapped individuals;
- Life insurance policies;
- Assets which are part of an active business, not including rental properties; and
- 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 Affordable Housing Manager 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 Affordable Housing Manager should meet with the SSA office supervisor. If the supervisor refuses to complete the verification forms in a timely manner, the Affordable Housing Manager 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 Affordable Housing Manager 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 a 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 Affordable Housing Manager must adjust the information to project earnings expected for the next twelve (12) months.

d. Return-on-Assets Income shall include the dollar amount resulting from multiplying the value of the net household assets by the HUD passbook savings rate as reported by the Stamford Housing Authority, after excluding the first \$5,000 in assets.

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
APPLICATION PROCESS, WAITING LIST AND TENANT
SELECTION

A. Application Policies and Procedures

1) Overview

72 Franklin will be rented to individuals on a lottery basis (subject to the below referenced preferences) which will take place on a date to be determined. Applications will be accepted in person at 141 Franklin Street, Stamford, CT from the date of announcement when applications will be available. This building will be smoke free. No pets are allowed. The application contains key questions related to the applicant's eligibility preferences, and resident history. Failure to provide complete information will result in suspension of application processing.

INSPIRICA will assume that the facts certified by the applicant in the application are correct, although all facts are subject to being verified later in the application and screening process.

2) Appointments

Appointments for all applications and making reasonable accommodations may be made by contacting the management office:

**Inspirica, Inc. offices are located at 141 Franklin Street, Stamford, CT 06901.
Hours of Operation are 9:00 am to 5:00pm. Please call 203.388.0100 for an appointment.**

3) Procedure for Taking Applications

Applications shall be accepted from the public for the Below Market Rate Units when the lottery is in effect. After receiving and completing an application with its necessary attachments, applicants are asked to sign and return their application in person to Inspirica, Inc. at 141 Franklin Street, Stamford, CT 06901. There is a \$45.00 (money order or certified bank check) required application fee for every household member over 18 years of age for this application to be processed. The application will be reviewed for completeness. The application will be **date and time stamped** and initialed by an INSPIRICA staff or designated person receiving the application.

If an application is missing information necessary to complete process for development eligibility, the missing items will be requested of the applicant in order to process the application. If an applicant does not respond to a verbal request, and then a written request to provide the information missing within 10 business days, their application will not be considered complete. An incomplete application will not be added to the waiting list for placement until it is complete. They will be advised in writing that their application has been withdrawn due to incompleteness.

After the application is processed and factors affecting program and project eligibility are verified, it will be forwarded to the appropriate INSPIRICA staff person who will contact the applicant directly to schedule a follow up meeting interview. If an applicant fails to attend the meeting it will be grounds for withdrawing the application. All applicants will be notified in writing if their application is withdrawn for this reason.

4) Procedure for Verification

July 11, 2019

The following items will be verified according to INSPIRICA Procedure on Verification, to determine qualifications for admission, the validity of preferences to advance on the wait list and to determine the prospective resident's income, expenses, assets, household characteristics and circumstance that affect eligibility or resident rent for 72 Franklin:

- Family Composition
- Annual Income
- Assets and Asset Income
- Preferences, where applicable
- Social Security Numbers of all family members ages 6 years and older, if applicable

Applicants must cooperate in obtaining or providing the necessary verifications. Third party written verification is a generally required form of documentation to substantiate applicant resident claims. However, in some instances other documents provided by the applicant are acceptable if they fall within the guidelines for acceptable verification. If third party verification to verify eligibility and rent determination are not successfully retrieved, INSPIRICA may also use:

- Review of available public documents.
- Self-certification, dated and notarized by employer.
- Bank statements for the past 6 months

5) Screening Process

INSPIRICA will reject an application for 72 Franklin Street if during the process that applicant has falsified and or misrepresented facts related to his/her current situation, history, or behavior in a manner that would affect eligibility, preferences, applicant selection criteria qualification and allowances.

To determine applicant ability to fulfill financial and obligations of residency INSPIRICA will require and investigate the following:

- Landlord Reference

To the extent possible, each applicant must provide at least 1 preferably 2 current or most recent landlord references from the applicant's rental history, confirming that the applicant's account at such previous apartment is current and verifying that the applicant has no record at such apartment of disturbance of neighbors, destruction of property, very poor housekeeping, illegal drug use or drug addiction, violence, or other problems relative to the applicant's ability or willingness to comply with the terms of the lease for such person's apartment.

- Credit Check

A credit check shall be required for all applicants. Any judgments that appear on the credit check must be explained. Should there be a judgment found without an explanation the application is subject to rejection.

- Whether Applicant Has Records of Disturbance of Neighbors, Destruction of Property or Other Disruptive or Dangerous Behavior

The above will be determined through the reference and interview process. Includes behavior or conduct which adversely affects the safety or welfare of other persons by physical violence, gross negligence or irresponsibility;

which damages the equipment or premises in which the family resides; which is disturbing or dangerous to neighbors or disrupts sound family and community life.

Whether the Applicant Has Non-Compliance with Rental Agreements

This includes evidence of any failure to comply with the terms of rental agreements on prior residences, such as providing shelter to unauthorized persons, keeping of pets or other acts in violation of rules and regulation, and painting or decorating without permission of owner.

Background Criminal Check

Inspirica has determined an applicant will be rejected if the applicant or a household member has a criminal history in the last 3 years, which indicates that his/her residency would pose a danger to the housing development or to the health, safety, security or peaceful enjoyment of the community, or that the applicant would otherwise not comply with the terms of the lease.

Basis of denial of any applicant arrested or convicted for criminal activities committed within the past ten (10) years will be carefully reviewed. However, an automatic rejection will be made should:

The applicant or a household member is subject to a state sex offender lifetime registration requirement. Applicant is not considered suitable for housing regardless of where, when he/she was convicted of the sex offender crime, or how many years the person has been released from prison for that crime.

Preferences

When making the final selection of tenants for 72 Franklin Units, both initially and from the waiting list, Inspirica apply the preferences set forth at Section B of this Schedule D. Such preferences, when applied, will be deemed to supersede the lottery methodology described in Section A.1 above.

6) Waiting Lists

After initial occupancy of the development, a waiting list of eligible applicants from the lottery will be maintained for each unit. An applicant will be placed on such a waiting list in order indicated by the lottery. As vacancies occur, applicants on the applicable waiting list for such vacant units will be notified in order by phone and mailing, and if approved, will be accepted on a first-come, first-served basis subject to the preferences outlined in Section 1(e) Screening Process. An applicant may refuse an available appropriate 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. When the waiting list is exhausted, INSPIRICA staff will market available unit openings through advertising and outreach as described above.

A Waiting List will be maintained on a computerized report. A printed copy of the waiting list will be prepared annually and maintained for two years. The waiting list will be organized according to the set-aside of each applicant's completed application submission under the appropriate housing category. All applications will be retained for a period of three years. The waiting list may closed if the development turnover rate indicates that an applicant would be unable to obtain a unit within 24 months. INSPIRICA will notify residents and referral agents that the waiting list will be closing and the date of such closing. Waiting list will be updated every 12 months. INSPIRICA will contact applicants annually in writing to verify

applicants' interest to remain on the waiting list.

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.

1. 7) Final Selection

1) Acceptance or Rejection

Determination of admission or rejection by Inspirica staff may be based on the following:

- Income exceeds AMI for designated unit
- Responses from current and at least one former landlord
- Response from housing providers other than a private landlord
- Meeting preferences criteria
- Responses from utility suppliers
- Credit report
- Security Deposit
- Response form the Police Department or other criminal screening services
- Criminal or Drug related activity: If a member of the applicant family has been verified to have engaged in criminal activity or drug related activity that merits rejection the family will be notified in writing of this decision.

Applicant Screening - An applicant may be disapproved for admission to the development for any reason related to such people or family's ability or willingness to comply with the terms of the lease and applicable law. In the event any application is disapproved, the applicant will be notified in writing by the manager as to the reasons why the application was disapproved.

Rejection of an applicant is appropriate when there is a reasonable basis to believe the applicant cannot meet the requirements below:

--The income of an applicant household seeking a unit shall not exceed the AMI designation, adjusted for household size, times the applicable affordability percentage of AMI increased by 10% (example: for a 35% AMI unit the applicant's income shall not exceed 45% AMI).

--Payment of rents and other charges under the lease agreement in a timely manner, including by way of example if the applicant household does not meet minimum income standards (if any) established by Inspirica.

--To care for and avoid damaging the unit and common areas, to use facilities and equipment in a reasonable way, and to create no health or safety hazards.

--Not to interfere with the rights and enjoyment of others and not to damage property of others.

--Not to engage in any activity that threatens the health, safety or right of peaceful enjoyment of other residents or staff.

--Not to engage in activity near the premises that involves illegal use of controlled substances or weapons or any criminal activity on or off the premises that would be detrimental to the housing.

--Not to be a registered sex offender.

--To comply with necessary and reasonable rules and program requirements set forth by the housing provider.

Examples of possible cause will include (but are not limited to) a determination by an INSPIRICA staff member that the actions of or available information concerning any member of an applicant's household fall into one of the following categories:

--Poor performance in meeting past financial obligations, especially rent.

--Inability to provide and maintain two months security deposit.

--A record of disturbing neighbors, destruction of property, or poor housekeeping.

--Habits that may adversely affect the health, safety and welfare of other residents, or cause damage to the unit or development.

--Involvement in criminal activity on the part of the applicant or applicant family member that would adversely affect the peaceful enjoyment of the premises by other residents.

--Evictions from housing or termination from residential programs.

--Inability to comply with terms of the lease.

--Misrepresentation of any information related to eligibility.

--The Violence Against Women Act protects qualified applicants who are victims of domestic violence including dating violence, or stalking, from being rejected because the applicant is a victim of domestic violence and otherwise meets all eligibility requirements.

--A record of disturbing neighbors.

2) Applicant Decision to Reject

The applicant will be provided an opportunity to see the unit he/she is being offered or a comparable one and have 2 business days in which to decide to accept a unit. 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

3) Right to Dispute Rejection

INSPIRICA will send a formal notice of rejection to an applicant who is rejected for admission. This letter will be emailed or sent via certified mail, will clearly state the reason for rejection, state within 10 days a request for an informal hearing may be made, and an application for a request for reasonable accommodations will be included according to need. The appeal hearing for rejected applicants is not a Grievance Hearing. The purpose of the hearing is to permit the applicant to hear details and reasons for rejection, present evidence contrary to the decision and to claim mitigating circumstances. Inspirica property management staff will conduct the appeal hearing and will present the appeal findings to the Chief Operating Officer or Chief Executive Officer of INSPIRICA. A notice of the decision will be mailed within 10 business days after the applicant's appeal hearing.

Mitigating Circumstances: In evaluating information related to screening, Inspirica staff will consider mitigating

circumstances. Mitigating circumstances are facts that would overcome information already gathered in screening process and responses to questions regarding the applicant's willingness and ability to support living within a building community.

B. Admissions Preferences

When making the final selection of tenants for 72 Franklin Units, both initially and from the waiting list, Inspirica may use the following preferences, which when applied, will be deemed to supersede the lottery methodology described in Section A.1 above:

- a) Inspirica may give preference to applicants who are current or former Inspirica clients in permanent housing or retention who have maintained good standing in such housing for at least a year
- b) Inspirica may give preference to applicants residing in Stamford but at imminent risk of falling into homelessness
- c) Inspirica may give preference to applicants households with one or more members whose primary workplace has been in Stamford for at least three months, and whose current residence is at least 15 miles from that member's place of employment

Inspirica may consider household size when selecting tenants. Inspirica may give preference to applicants with larger household sizes or with minor children, or to take into account an optimal aggregate occupancy of the building.