

Set-Aside Housing Development Affordability & Fair Housing Marketing Plan

This Affordability & Fair Housing Marketing Plan for a set aside development, and associated schematic plans, shall herein, outline the required elements set forth in the 8-30-g Connecticut General Statutes, specifically section 8-30g-7 through 8-30g-11 and the 8-37ee, shall at a minimum contain and comply with the following:

I. Section 8-30g-7

A. Description of Development

Provide a narrative description of set-aside development.

B. Designation of units

Provide a narrative description of location of set-aside units and market rate dwelling units in the set-aside development.

C. Description of the Project Sequence

Provide a narrative description of projected sequence of construction. Example. It is the intent to build and rent at least one (1) set-aside units and two (2) market rate dwelling units in sequence.

D. Description of Units

Provide a description of the price restricted dwelling units and market rate dwelling units that will be built and offered for occupancy, to demonstrate the price restricted dwelling units will not be distinguishable from the market rate dwelling units. Description should including; square foot size, unit type, and level of finish such as insulation, windows, doors, trim floor finishes, cabinets, appliances, HVAC equipment, electrical service, and other elements.

E. Designate an Administrator

Provide the name, address, phone and/or email of person that will act as the Administrator for the development and responsible for administration of the affordability plan for the duration of the affordability restrictions.

1. Ensuring that households applying for set-aside units qualify within applicable maximum income limits.
2. Assuring the accuracy of sale or resale prices or rents, and providing documentation where necessary to buyers, sellers, lessors, lessees and financing institutions;
 - a. A proposed procedure by which sellers, purchasers, lenders or title insurers may, upon request and in a timely manner, obtain written certification of compliance with applicable set aside, household income, sale, or resale price limitations or requirements.
3. Maintaining minimum percentages in a set-aside development.
4. Reporting compliance to the municipality.
5. Executing the affirmative fair housing marketing plan.
6. Maintain a nondiscriminatory policy in recruiting staff to engage in the sale or rental of properties, train its staff in fair housing requirements and willingly assist all Tenant Applicants including the "least likely to apply" with the application process.
7. Provide the City of Milford Planning & Zoning Office and Fair Housing Officer (Economic and Community Development) with information regarding a new designated Administrator contact information prior a change in designated Administrator due staff change, or the development being

sold or transferred.

II. Section 8-30g-8

A. Maximum Monthly Calculation for set-aside units for Rent or Sale

See City ECD Webpage <https://www.ci.milford.ct.us/economic-and-community-development/pages/cdbg-housing-programs-and-fair-market-rent-fmr-income-guide>

1. The maximum monthly payment **for a set-aside unit in the development**, for the period of affordability restrictions, for a household earning eighty percent of the median income or less, shall be determined as follows:

Step 1. Determine area median income and the statewide median as published by the U.S. Department of Housing and Urban Development for the subject municipality, and use the lesser of these figures.

Step 2. Adjust median income identified in Step 1 by family size by assuming that 1.5 persons will occupy each bedroom of an set-aside unit, except in the case of a studio or zero-bedroom unit, in which case 1.0 person shall be assumed. Family size adjustment shall be made with reference to the following percentages:

Bedroom/Unit	Number of Persons in Household	Percentage Adjustment
Studio	1	70%
1	1.5	75%
	2	80%
2	2.5	85%
	3	90%
3	3.5	95%
	4	100%
4	4.5	104%

The family size adjustment that involves a half person (such as 1.5 persons) shall be calculated by taking the midpoint between the relevant figures above and below the half. For example, the adjustment for a 1.5 person household is 75 %.

Step 3. Calculate eighty percent (80%) of Step 2.

Step 4. Calculate thirty percent (30%) of Step 3, representing that portion of household income deemed to be used for housing costs.

Step 5. Divide Step 4 by twelve (12) months to determine the maximum monthly housing payment.

Step 6. Determine the fair market rent for a unit with the same number of bedrooms in the subject municipality as published by the U.S. Department of Housing and Urban Development.

Step 7. Multiply the U.S. Department of Housing and Urban Development fair market rent as determined in Step 6 by one hundred twenty percent (120%).

Step 8. The maximum monthly housing payment for occupants of the subject rental unit shall be the lesser of the calculations in Steps 5 and 7.

Step 9. Determine by reasonable estimate monthly expenses for heat and utility costs for which the tenant is directly responsible, excluding television, telecommunications, and information technology services, but including any other periodic fees for which the tenant is directly responsible, such as

common charges in the case of a common interest ownership community.

Step 10. Deduct the estimate of tenant-paid utilities and fees determined in Step 9 from the maximum monthly housing payment in Step 8, which will result in the maximum amount that the developer/owner may charge for this rental unit as the monthly contract rent.

1. For a unit required to be rented to a household earning sixty percent (60%) or less of the median income, the formula stated above shall be used, except that in Step 3, sixty percent (60%) shall be used instead of eighty percent (80%), and in Step 7, the U.S. Department of Housing and Urban Development fair market rent shall be used instead of one hundred twenty percent (120%) of the U.S. Department of Housing and Urban Development fair market rent.
2. Determination of annual household income, and the documentation of such income, for the purposes of the income certification of prospective tenants or buyer's a price-restricted unit, shall be conducted using the guidelines published by the U.S. Department of Housing 24 CFR 5.609.
3. Determination of the maximum monthly housing payment less utility costs for the purposes of renting a price-restricted unit to an income eligible tenant shall be conducted using the data available by City of Milford <https://www.ci.milford.ct.us/economic-and-community-development/pages/cdbg-housing-programs-and-fair-market-rent-fmr-income-guide>
FY2018 HUD Area Median Income State or Milford https://www.huduser.gov/portal/datasets/il/il2018/select_Geography.odn
FY2018 SMI Income Guidelines for Milford Go to Webpage to see Calculation
FY2018 HUD Fair Market Rent <https://www.huduser.gov/portal/datasets/fmr.html>
CT State Utility Allowance Schedule 2018-19 http://www.ct.gov/doh/lib/doh/s8_utilityschedule062018.pdf
4. If further assistance is required, the Administrator may contact the CT Department of Housing or the Fair Housing Officer (Milford Department of Economic and Community Development).

B. Maximum Sale or Resale Payment Calculations in set-aside developments

1. The maximum price for any **set-aside unit that is sold or resold** within a set-aside development, for the period of affordability restrictions, to a household earning eighty percent of the median income or less, shall be determined as follows:

Step 1. Determine area median income and the statewide median as published by the U.S. Department of Housing and Urban Development for the subject municipality, and use the lesser of these figures.

Step 2. Adjust median income identified in Step 1 by family size by assuming that 1.5 persons will occupy each bedroom of an set-aside unit, except in the case of a studio or zero-bedroom unit, in which case 1.0 person shall be assumed. Family size adjustment shall be made with reference to the following percentages:

Bedroom/Unit	Number of Persons in Household	Percentage Adjustment
Studio	1	70%
1	1.5	75%
	2	80%
2	2.5	85%
	3	90%
3	3.5	95%
	4	100%
4	4.5	104%

The family size adjustment that involves a half person (such as 4.5 persons) shall be calculated by taking the midpoint between the relevant figures above and below the half. For example, the adjustment for a 4.5 person household is 104 percent.

Step 3. Calculate eighty percent (80%) of Step 2.

Step 4. Calculate thirty percent (30%) of Step 3, representing that portion of household income deemed to be used for housing costs.

Step 5. Divide step 4 by twelve (12) months to determine the maximum monthly housing payment.

Step 6. Determine by reasonable estimate monthly housing expenses, including real property taxes; real property insurance; any common interest ownership or similar fee required of all unit purchasers or owners; and heat and utility costs, excluding television, telecommunications, and information technology services.

Step 7. Subtract Step 6 from Step 5 to determine the amount available for mortgage principal and interest.

Step 8. Using the amount resulting from Step 7, apply a mortgage term and interest rate that is commercially reasonable and available to households likely to apply to purchase such units, in order to determine the financeable amount.

Step 9. Calculate down payment, which shall comply with subsection (c) of this section.

Step 10. Add Steps 8 and 9 to determine the maximum sale or resale price.

2. For a unit required to be sold or resold to a household earning sixty percent (60%) or less of the median income, the formula stated above shall be used, except that in Step 3, sixty percent (60%) shall be used instead of eighty percent (80%).
3. The maximum allowable down payment used in calculating the maximum sale or resale price of an set-aside unit that is sold shall be the lesser of twenty percent (20%) of the total sale price or twenty percent (20%) of the Connecticut Housing Finance Authority (CHFA) maximum sales price limit for a comparably-sized unit in the area, as published by CHFA.
4. Determination of annual household income, and the documentation of such income, for the purposes of the income certification of prospective tenants or buyer's a price-restricted unit, shall be conducted using the guidelines published by the U.S. Department of Housing 24 CFR 5.609.

C. Example(s): MAXIMUM RENTAL / RESALE PRICE WORKSHEET by bedroom/unit size

Maximum Set-Aside Housing 1BR Rent & Income Calculator FY22 State Median Income

Bedroom Unit Size/Person allowed per Bedroom			100% State AMI \$113,600			\$90,880	\$68,160.0
Bedroom Size	Person				Income by Household Size	80% SMI	60% SMI
Studio / 1BR	1.0 / 1.5	75%	75%	0.75	1	\$68,160	\$51,120
2 BR	2.0 / 2.5	85%	85%	0.85	2	\$77,248	\$57,936
3BR	3.0 / 3.5	95%	95%	0.95	3	\$86,336	\$64,752
4 BR	4.0 / 4.5	104%	104%	1.04	4	\$94,515	\$70,886

Cost of Rent by Median Income			80%	60%
1. State Area Median Income (AMI) Milford 2022 \$113,600 or HUD \$113,600 (the lessor of)			\$113,600	\$113,600
2. Adjust median income identified in Step 1 by family size. Assume that 1.5 persons will occupy each bedroom of an affordable unit, except in the case of a studio or zero-bedroom unit, in which case 1.0 person shall be assumed. Using the 1.5 person per bedroom Multiply by 75 %			0.75	0.75
3. Calculate eighty percent (80%) of Step 2.			\$85,200	\$85,200
4. Calculate thirty percent (30%) of Step 3, representing that portion of household income deemed to be used for housing costs.			0.8	0.6
Household income deemed used for housing costs =			\$68,160	\$51,120
5. Divide Step 4 by twelve (12) months to determine the maximum monthly housing payment.			0.3	0.3
			\$20,448	\$15,336
			/12 months	/12 months
			\$1,704.00	\$1,278.00
6. Determine the fair market rent for a unit with the same number of bedrooms in the subject municipality as published by HUD. 2019 FMR for a 1 bedroom			\$1,111	\$1,111
7. Multiply the U.S. Department of Housing and Urban Development fair market rent as determined in Step 6 by one hundred twenty percent (120%).			1.2	1.2
One hundred twenty percent (120%) of FMR.			\$1,333.20	\$1,333.20
8. The maximum monthly housing payment for occupants of the subject rental unit shall be the lesser of the calculations in Steps 5 and 7			\$1,333.20	\$1,129.50
9. Deduct tenant paid utilities: gas, oil, electric, water, periodic fees, common charges; excluding television, technology services. <u>State Utility Allowance suggested, not required with proof of Energy Star Cost savings</u>				
Monthly Average Utility ex. SF 1 BR:				
Fee/Heat				
Gas			52	52
Fee/Heart Oil				
Fee/Gas Water				
Heater			26	26

<i>Fee/Water</i>	48	48
<i>Fee/Cooking</i>	11	11
<i>Fee/Electricity (cost not for Heat) Electric appliances</i>	46	46
<i>Fee/Trash</i>		
<i>Fee/Periodic fees</i>		
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10. Maximum monthly rent payment with utilities =	\$1,207.20	\$1,003.50

Links to SMI, AMI, FMR and utilities data are posted at <https://www.ci.milford.ct.us/economic-and-community-development/pages/housing-programs-affordable-housing-and-fair-housing>

Rev 2/6/2023

III. Section 8-30g-9

A. DESIGNATION OF DEED RESTRICTION FOR A SET-ASIDE HOUSING DEVELOPMENT

1. Upon approval of the 8-30g application by the Milford Zoning Board, the covenant or deed restriction, imposed upon by the 8-30g Set-Aside Housing Unit Development, and the Affordability and Fair Housing Marketing Plan, shall be filed on the City of Milford City Clerk Land Records PRIOR to Milford Planning & Zoning Officer granting a zoning permit. (rev 2018)
2. The covenant deed restriction recorded on the land records, shall satisfy subsection 8-30g-1(14) of the Connecticut General Statute 8-30g (6), 8-30g-7 and 8-30g-8, as well as the meet the following or any other requirements set forth by the City of Milford, now or in the future.
3. The covenant or deed restriction shall run with the land and be binding on each subsequent owner of the property containing the price restricted unit(s), except that:
 - a. Such covenants or restrictions has a minimum term of forty (40) years, and
 - b. Such restrictions shall automatically terminate if the title to the mortgage is transferred or assigned by foreclosure or deed-in-lieu of foreclosure to:
 - i. The U.S. Department of Housing and Urban Development,
 - ii. The Connecticut Housing Finance Authority,
 - iii. The U.S. Veterans Administration,
 - iv. The City of Milford, or
 - v. A National, Federal or State-chartered commercial bank, savings bank, savings and loan associations, or credit union whose deposits are federally insured.
4. All approved revised versions of the original recorded covenant deed restriction will be recorded on the land records, shall satisfy subsection 8-30g-1(14) of the Connecticut General Statute 8-30g (6), 8-30g-7 and 8-30g-8, and meet any future requirements set forth herein by the State or by the City of Milford. (rev 2019) Otherwise, the covenant or deed restriction shall not to be modified, or title transferred amended in any way without the written consent of the City of Milford.

IV. Section 8-37ee

A. Designated Municipal Oversight & Compliance

1. For duration of the affordability restrictions, the City of Milford Planner and Fair Housing Officer (Economic and Community Development) will oversee the Administrator's

annual compliance with the Affordability & Fair Housing Marketing Plan as related to the developments unit rental and resale costs and income verification of each set-aside tenant or buyer through an annual certification process. Each property administrator will complete the certification form as requested and submit it to City Planner and Fair Housing Officer (Economic and Community Development). All information requested is required for review of regulatory compliance. *(rev 2016)*

2. The Building Department, shall notify the City Planner and Fair Housing Officer (Economic and Community Development) AT THE TIME A BUILDING PERMIT IS REQUESTED to ensure the City Planner and the Fair Housing Officer maintain a current list of set-aside housing unit opportunities for the public and area agencies. Administrator shall submit an Affordability & Fair Housing Marketing Plan with revised information including units and Administrator Contact information to City Planner and Fair Housing Officer (Economic and Community Development. *(rev 2019)*

3. Administrator shall submit an Affordability & Fair Housing Marketing Plan with any revised information including units and Administrator Contact information to City Planner and Fair Housing Officer (Economic and Community Development) PRIOR to the City issuing a Certificate of Occupancy. *(rev 2018)*

B. Affirmative Fair Housing Marketing Plan

With respect to an affirmative fair housing marketing plan filed in accordance with an 8-30g set-aside development application, the provisions of sections 8-37ee-1 et seq. of the Connecticut State Statute, and particularly sections 8-37ee-301 and 302, shall serve as the basis for such plan.

1. City of Milford Planning & Zoning Office and Fair Housing Officer (Economic and Community Development) may conduct a monitoring of the Administrator records to ensure compliance with the affirmative fair housing marketing requirements set forth in section 8-37ee-1 through Section 8-37ee-17. The following information shall necessary at the time of monitoring.
 - a. Administrator shall identify persons so to market and publicize housing units using media that will reach high minority concentrated housing areas and the least represented perspective applicants and tenants.
 - b. Administrator shall send housing announcements to local and regional public service agencies and other community contacts serving low-income minority families. Such organizations include but are not limited to: as churches, civil rights organizations, housing authorities, and legal services organizations. local learning offices and community centers, social service organizations and housing agencies, church groups, housing counseling groups, legal services organizations, labor unions, minority and women's organizations, shelters, and Milford Planning and Zoning Office and the Department of Economic and Community Development.

Suggested Local and Regional - Centers and Organizations

Literacy Center of Milford, Employment and Training Office, Salvation Army, United Way of Milford, City Departments, Human Services, the Milford Public library, regional Housing Authority offices, grocery store(s), Beth El Center, Bridges...A Community Support, Goodwill, Connecticut Housing Coalition; Greater New Haven Community Loan Fund, Partnership for Strong Communities, 211 Info-line.

Appropriate media outlet(s) such as, or the equivalent to, at least three (3) marketing materials and outreach mechanisms: free newspaper(s), mailer, flyers, announcement and posters and other advertising mechanisms such as; radio, television and internet websites. Advertised marketing materials shall be contain the Fair Housing logo, and be prominently displayed or appear where they are most likely to be read or seen, e.g. not in the "legal notices" section of the paper.

- c. Administrator shall include in its advertising one or more of the following affirmative marketing strategies welcome persons to apply to rent or buy the set-aside housing units and to inform tenants of their Fair Housing rights.

1. Include the U.S. Department of Housing and Urban Development approved fair housing logo or slogan or statement in all advertising for housing applications. Fair Housing logo and Poster can be found at HUD.gov > [Program Offices](#) > [Fair Housing](#) > [FHEO Library](#)
Poster: http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_7802.pdf
Logo: <http://portal.hud.gov/hudportal/HUD?src=/library/bookshelf11/hudgraphics/fheologo>
 2. Prominently display in all offices in which sale or rental activity pertaining to the project occurs, the U.S. Department of Housing and Urban Development approved Fair Housing Poster and include in any printed material used in connection with sales and rentals, the U.S. Department of Housing and Urban Development approved fair housing logo or slogan or statement.
- d. Publish a Notice of Intent in the media, to the City of Milford Planning & Zoning Office and Fair Housing Officer (Economic and Community Development), to area public service centers and Organizations.
 1. First notice, at time of approval by the City of Milford Planning and Zoning Board.
 2. A second marketing effort should occur at fifty percent (50%) completion of construction and include full market details of housing units and application process.
 3. A third marketing effort again prior to the certificate of occupancy or upon one hundred percent (100%) completion.
 4. And thereafter, at reasonable period intervals with respect to resale or re-rentals.
 - e. Administrator shall provide assistance to applicants in processing applications and credit counseling.
 - f. Administrator shall collect and maintain contact information, including basic racial and ethnic information, for all persons on the wait list and living in the development basic racial and ethnic information.
 - g. The fair housing marketing plan for the set-aside housing development shall not make reference in notices, *preferences in application procedures or occupancy for existing residents of the subject municipality shall not be utilized unless members of racial and ethnic groups identified as least likely to apply receive equally-weighted preferences.*
 - h. The Administrator shall submit an annual certification form report (Sec. 8-30h. Annual certification of continuing compliance with affordability requirements. Noncompliance) on set-aside units and fair marketing procedures by January 15th each year to the City Planner, Zoning Officer and/or Fair Housing Officer (Economic and Community Development). Upon review the City will require remedial action, if necessary. Records of all fair housing marketing, verification of tenant income documentation, tenant selection process including waiting lists shall be retained for a minimum of five years or as set forth in the Assistance or Regulatory Agreement with the Municipal Staff.
(rev 2018)