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## **HOUSING AFFORDABILITY PLAN**

# **Affordable Housing Development on Clark Lane**

Waterford, Connecticut

**Submitted by Kingstown Properties, LLC to the Waterford Planning &  
Zoning Commission**

April 2023

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## Introduction

Kingstown Properties LLC submits this Housing Affordability Plan for the forty seven (47) unit multi-family residential mobile home community located on a portion of the property known as 109R and 131 Clark Lane, Waterford, Connecticut. A description of the property is appended hereto as **Schedule A**.

Under this plan, thirty percent (30%) of the residential units at the Community will meet the criteria for “affordable housing” as defined in Connecticut General Statutes (“C.G.S.”) § 8-30g (“Housing Opportunity Units”). C.G.S. § 8-30g requires that fifteen percent (15%) of the Housing Opportunity Units be affordable for forty (40) years to families earning eighty percent (80%) or less of the area or State median income, whatever is less, and that fifteen percent (15%) be affordable to families earning sixty percent (60%) or less of the area or State median income, whichever is less. This Housing Affordability Plan (“Plan”), which is proposed as a condition of site plan approval by the Waterford Planning and Zoning Commission (the “Commission”), satisfies these requirements and describes how the affordable housing mobile home units will be administered .

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### I. Homes Designated for Affordable Housing.

Thirty percent (30%), or **15** of the homes of the Community will be designated as affordable housing units, as defined by C.G.S. § 8-30g. The Housing Opportunity Units are identified in **Schedule B** attached hereto.

### II. Forty (40) Year Period.

The Housing Opportunity Units shall be designated as affordable for forty (40) years. The forty (40) year affordability period shall be calculated separately for each Housing Opportunity Unit, and the period shall begin on the date of conveyance of such Housing Opportunity Unit from the Administrator or its successors or assigns to an eligible purchaser, as hereinafter defined.

### III. Pro-Rata Construction.

The Housing Opportunity Units shall be built on a *pro rata* basis as construction proceeds. It is the Administrator’s intent, therefore, to build and offer for rent one (1) Housing Opportunity Unit

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within the time that three (3) total units are built and rented.

**IV. Nature of Construction of Housing Opportunity Units and Market-Rate Homes.**

The Housing Opportunity Units shall be constructed in substantial conformance with the site plans and floor plans approved in the zoning permits for the Community, as may be modified based on the requirements of the Waterford Building Official or other Town staffing is signing off on administrative permits or approvals. The specifications for model and housing opportunity units are the same as described in **Schedule C**.

**V. Entity Responsible for Administration and Compliance.**

This Affordability Plan will be administered by Kingstown Properties LLC, or its successors and assigns (the "Administrator"). Kingstown Properties LLC hereby represents that its staff has the experience necessary to administer this Plan. The principal point of contact under this Plan shall be Scott Gladstone. Contact information for the principal point of contact shall be provided to the Town of Waterford and Commission prior to the issuance of a Certificate of Occupancy.

The Administrator shall submit annually a written status report demonstrating compliance with affordability and occupancy rules and approval conditions. The role of Administrator may be transferred or assigned to another entity, provided that such entity has the experience and qualifications to administer this Plan. In the event of any assignment of the role of Administrator, Kingstown Properties LLC, or its successor, will provide prior written notice to the Commission.

**VI. Notice of Initial Rental of Housing Opportunity Units.**

Except as provided in Section X hereof, the Administrator shall provide notice of the availability of each Housing Opportunity Unit for rent (the "Notice of Initial Rental"). Such notices shall be provided, at a minimum, by advertising at least two times in a newspaper of general circulation in the Town of Waterford. The Administrator shall also provide such notice to the Commission and the Clerk of the Town of Waterford. Such notice shall include a description of the available Housing Opportunity unit(s), the eligibility criteria for potential residents, the maximum rental price (as hereinafter defined), and the availability of application forms and additional information. All such notices shall comply with the federal Fair Housing Act, 42 U.S.C. Section 3601 et seq. and the Connecticut Fair Housing Act, Conn. Gen. Stat. Sections 46a-64b, 64c (together, the "Fair Housing Acts").

**VII. Resident Eligibility.**

Eligibility of applicants to lease Housing Opportunity Units in the Community shall be determined by the Administrator in accordance with this Plan and C.G.S. § 8 -30g, as amended.

**VIII. Affirmative Fair Housing Marketing Plan.**

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The rental of both Housing Opportunity Units and market-rate units in the Community shall be publicized, using State regulations for affirmative fair housing marketing programs as guidelines. The purpose of such efforts shall be to apprise residents of municipalities of relatively high concentrations of minority populations of the availability of such units. The Administrator shall have responsibility for compliance with this section.

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 Waterford'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 the New London Day or radio stations serving Waterford, New London and other towns in the metropolitan statistical area and regional planning area, and advertisements or flyers likely to be viewed on public transportation or public highway areas.
- C. Announcements to social service agencies and other community contacts serving low-income minority families (such as churches, civil rights organizations, the housing authority and other housing authorities in towns represented in Waterford'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 rent one of the Housing Opportunity Units ("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

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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 rental. 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**, attached.

**B. Applicant Interview.**

The Administrator shall interview an Applicant upon submission of the completed application. Specifically, the Administrator shall 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, Conn. Gen. Stat. § 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 leasing or subleasing.

**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** attached

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hereto, 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 Rental.**

In the event that the number of qualified Applicants exceeds the number of Housing Opportunity Units, then 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 Housing Opportunity Units will then be offered according to the applicant’s numerical listing. In the event the Community is built in phases, the same procedure shall be held for each phase.

**XI. Maximum Initial Rental Price.**

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

**THREE BEDROOM RENTAL UNIT FOR FAMILY EARNING LESS THAN  
EIGHTY PERCENT (80%) OF STATEWIDE MEDIAN INCOME  
Area Median Income:**

**Sample Computations  
Based on FY 2022 Data:**

- |  |            |
|--|------------|
| 1. Determine lower of relevant year (2022) area median income for Norwich-New London HMFA (\$112,600) or statewide median income (\$112,600), adjusted for family size (family of 4), as published by HUD: | \$112,600  |
| 2. Determine the adjusted income for a household of 4.5 persons by calculating 104% of item 1:   | \$ 117,104 |
| 3. Calculate 80% of item 2:  | \$ 93,683  |
| 4. Calculate 30% of item 3 representing the maximum portion of a family’s income that may be used for housing:   | \$ 28,104  |
| 5. Divide item 4 by twelve (12) to determine the maximum monthly outlay:   | \$ 2,342   |
| 6. Compare HUD 2022 Fair Market Rents for Norwich- New London HMFA (\$1,616) times 120 %   | \$ 1,939   |
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|---|----------|
| 7. Use lesser of calculated maximum monthly expense (Item 5) and HUD fair market rent (Item 6)  | \$ 1,939 |
| 8. Determine by reasonable estimate monthly expenses for heat and utility costs, excluding telephone and cable television but including any fee required for all tenants (tenant responsible for such expenses) | \$ 125   |
| 9. Subtract reasonable monthly expenses (Item 8) from maximum housing expense (Item 7) to determine maximum amount available for rent   | \$ 1,814 |

**THREE BEDROOM RENTAL UNIT FOR FAMILY EARNING LESS THAN SIXTY PERCENT (60%) OF STATEWIDE MEDIAN INCOME**

**Sample**

**Computations**

**Area Median Income**

**Based on FY 2022 Data:**

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|--|------------|
| 1. Determine lower of relevant year (2022) area median income for Norwich-New London HMFA (\$112,600) or statewide median income (\$112,600), adjusted for family size (family of 4), as published by HUD: | \$ 112,600 |
| 2. Determine the adjusted income for a household of 4.5 persons by calculating 104% of item 1:   | \$ 117,104 |
| 3. Calculate 60% of item 2:  | \$ 70,262  |
| 4. Calculate 30% of item 3 representing the maximum portion of a family's income that may be used for housing:   | \$ 21,078  |
| 5. Divide item 4 by 12 to determine the maximum monthly outlay:  | \$ 1,756   |
| 6. Compare HUD 2022 Fair Market Rents for  | \$ 1,616   |
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Norwich- New London HMFA

- |   |          |
|---|----------|
| 7. Use lesser of calculated maximum monthly expense (Item 5) and HUD fair market rent (Item 6)  | \$ 1,616 |
| 8. Determine by reasonable estimate monthly expenses for heat and utility costs, excluding telephone and cable television but including any fee required for all tenants (tenant responsible for such expenses) | \$ 125   |
| 9. Subtract reasonable monthly expenses (Item 8) from maximum housing expense (Item 7) to determine maximum amount available for rent   | \$ 1,491 |

**XIII. Principal Residence.**

Housing Opportunity Units shall be occupied only as a Resident's principal residence. Leasing, assigning, or subleasing of Housing Opportunity Units by the Resident shall be prohibited.

**XIV. Requirement to Maintain Condition.**

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

**XV. Change of Income or Qualifying Status of Resident**

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

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**XVI. Enforcement**

A violation of this Affordability Plan shall not result in a forfeiture of title, but the Commission shall otherwise retain all enforcement powers granted by the Connecticut General Statutes, including Section 8-12, which powers include, but are not limited to, the authority, at any reasonable time, to inspect the property and to examine the books and records of the Administrator to determine compliance of Housing Opportunity Unit with the Incentive Housing Statutes, Conn. Gen. Stat. Sections 8-13m, *et seq.* and such regulations as are adopted pursuant thereto. Such records are confidential and not subject to disclosure under the Freedom of Information Act.



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## SCHEDULE A – PROPERTY DESCRIPTION

A certain tract or parcel of land, together with the improvements thereon, if any, situated on the northeasterly side of Clark Lane in the Towns of Waterford and New London, County of New London and State of Connecticut, which premises is more particularly delineated on a certain map or plan entitled "Boundary Plan Made For Leo & Mary Archambault Off Clark Lane Waterford, Conn. Date: December 87 Scale: 1" = 80' King & Mullen Land Surveyors 152 Route 163 Uncasville, Conn. A87-072-31B", which premises is more particularly bounded and described as follows:

Beginning at a point in the northeasterly street line of Clark Lane at a northwesterly, corner of the herein-described tract and on the dividing line between the herein-described tract and land now or formerly of Richard and Grace Lacombe as shown on the above-referenced plan; thence running South 00°43' 01" East for a distance of 50.63 feet, bounded southwesterly by Clark Lane to a point; thence running North 80°13'41" East for a distance of 103.38 feet, bounded southeasterly by land now or formerly of Duillo Tepminesi and Matilda Tepminesi to a point; thence running South 04°44'49" East for a distance of 253.93 feet, bounded southwesterly in part by said Tepminesi land and in part by land now or formerly of Joseph and Margaret Laro to an angle point; thence running South 06°41'47" East for a distance of 400.20 feet, bounded southwesterly in part by land now or formerly of Joseph and Louise Golombeski, in part by land now or formerly of Albert and Thelma Santangelo, in part by land now or formerly of William and Sherry White and in part by land now or formerly of Carl D. Sherman to an angle point; thence running South 08°04'10" East for a distance of 99.95 feet, bounded southwesterly in part by said Sherman land and in part by land now or formerly of Robert and Verllie Neller to an angle point; thence running South 08°03'22" East for a distance of 199.90 feet, bounded southwesterly in part by said Neller land, in part by land now or formerly of Richard and Elizabeth Patterson and in part by land now or formerly of Donald and Nellie Mackenzie to an angle point; thence running South 08°04'57" East for a distance of 109.99 feet, bounded southwesterly in part by said Mackenzie land and in part by land now or formerly of Helen Alderman to an angle point; thence running South 09°36'31" East for a distance of 144.90 feet to an angle point; thence running South 80°23'46" West for a distance of 182.61 feet to a point in the northeasterly street line of Clark Lane, the last two courses being bounded southwesterly and northwesterly by land now or formerly of Alfred and Severina Pourier, thence running South 06°35'48" East for a distance of 50.07 feet, bounded southwesterly by Clark Lane to a point; thence running North 80°23'46" East for a distance of 200.57 feet to a point; thence running South 09°38'41" East for a distance of 151.12 feet to a point, the last two courses being bounded southeasterly and southwesterly by land now or formerly of Alexander and Mary Kalamian; thence running North 80°29'03" East for a distance of 1,073.83 feet, bounded southeasterly by land now or formerly of the Town of Waterford to a point; thence running North 26°34'52" West for a distance of 420.93 feet to an angle point; thence running North 24° 28'43" West for a distance of 101.79 feet to a point, the last two courses being bounded northeasterly by land now or formerly of the City of New London; thence running South 82°31'27" West for a distance of 286.35 feet to an angle point; thence running South 81°02'24" West for a distance of 195.40 feet to an angle point; thence running South 81°50'56" West for a distance of 251.96 feet to an angle point; thence running

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North 09°12'45" West for a distance of 938.50 feet to a point, the last four courses being bounded by land now or formerly of the City of New London, and the last seven courses being along a stone wall; thence running South 80°13'41" West for a distance of 256.00 feet, bounded northwesterly by land now or formerly of Richard and Grace Lacombe to the point and place of beginning.

Reference is hereby made to a Warranty Deed from Leo J. Archambault and Mary P.T. Archambault to Leo Archambault and Mary Archambault, Trustees of the Leo and Mary Archambault Route 32 Real Estate Trust, created pursuant to instrument dated November 4, 2014, dated August 19, 2015 and recorded August 20, 2015 in Volume 1421, Page 320 of the Waterford Land Records.

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## **SCHEDULE B – IDENTIFICATION OF HOUSING OPPORTUNITY UNITS**

The following units are hereby reserved as housing opportunity units in accordance with this plan:

Housing Opportunity Units designated for families earning 60% or less of the state or area median income: 3, 10, 16, 21, 28, 33, 40, and 46.

Housing Opportunity Units designated for families earning 80% or less of the state or area median income: 7, 12, 19, 25, 30, 36, and 43.

These units are distributed throughout the proposed development on both sides of the common driveway, and include both gable end to the street units and parallel to the street units. In the event that a designated affordable unit is offered for rent for thirty (30) days or more without a qualified tenant entering into a lease agreement, the owner may rent that unit as a market rate unit, provided that the very next market rate unit which becomes vacant shall be offered as an affordable unit to a qualified buyer. The goal of this provision is to minimize vacancies while assuring that, over time, the number of affordable units remains generally constant at 30% of the total units.



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**SCHEDULE C - MINIMUM SPECIFICATIONS FOR MODEL AND HOUSING OPPORTUNITY UNITS**

Minimum specifications for all mobile manufactured homes are provided by the following federal regulations:

24 C.F.R. §§ 3280.1 and

24 C.F.R. §§ 3282.554

And by Conn. Gen. Stat. §§ 21-68, which are hereby incorporated by reference.

In addition, the manufacturer's specifications for homes on Clark Lane are provided on the following pages.

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## **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;
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- 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.
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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.
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## **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**

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- 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.
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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 cancelled 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.
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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.
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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



