

MINUTES
Housing Authority of the Town of Darien
Emergency Meeting
April 5, 2011

An Emergency Meeting of the Commissioners of the Housing Authority of the Town of Darien was called to order at 10:15a.m. on Tuesday, April 5, 2011 due to availability of Commissioners and time constraints relating to the pending sale of a unit at Clock Hill Homes. The meeting was held in Room B1 of the Darien Town Hall, 2 Renshaw Road, Darien, CT.

Present were: Commissioners Jennifer Schwartz, Cynthia Ashburne, Jan Raymond (Absent: Joe Warren, Kass Bruno); Executive Director, Kathryn Molgano.

The agenda for the Emergency Meeting was a discussion and approval of a Policy outlining the duties performed by the Darien Housing Authority, acting as the designated agent for the Town of Darien, in the management of the Waiting List for Clock Hill Homes, calculation of the Resale Price for units that come up for sale, and verification of income for potential buyers (from the Waiting List of applicants) with third party verification from Imagineers, LLC.

On a motion by Jan Raymond, the Commissioners voted unanimously to approve the attached, DARIEN HOUSING AUTHORITY POLICY ON MANAGEMENT OF THE WAITING LIST, THE RESALE PRICE, AND THE VERIFICATION OF INCOME FOR CLOCK HILL HOMES.

On a motion by Cynthia Ashburne, the meeting was adjourned at 11:15 a.m.

Respectfully submitted,

Kathryn Y. Molgano
Executive Director

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April 5, 2011

**DARIEN HOUSING AUTHORITY
POLICY ON MANAGEMENT OF THE WAITING LIST,
THE RESALE PRICE, AND THE VERIFICATION OF INCOME
FOR CLOCK HILL HOMES**

WHEREAS, pursuant to the Transfer Agreement dated July 15, 1996, between the Town of Darien (the “Town”) and the Darien Housing Authority (the “DHA”), the DHA has the responsibility of (i) maintaining the Waiting List for Clock Hill Homes (“CHH”), (ii) calculating the resale price of units offered for sale, (iii) verifying income of purchasers of unit, and (iv) providing sellers with names of qualified potential buyers.

WHEREAS, the DHA has the authority to formulate policies that are consistent with standard industry practices that serve as guidelines on the maintenance of the CHH Waiting List.

In an effort to clarify the procedures and criteria for the maintenance of the Waiting List, the DHA will be using standard industry practices where original direction in the Transfer Agreement is lacking or unclear. Therefore, the DHA sets forth the following:

1. Income Limits

In a letter dated April 4, 2011 from the Town of Darien to the Darien Housing Authority, the Town directed the DHA to define maximum income eligibility as 80% of the Area Median Income (AMI) for the Stamford-Norwalk Area, broken down by household size, as determined by the Secretary of HUD.

The methodology for determining income eligibility is outlined in the CHH Homeownership Intake Form attached herein.

2. Establishment Of An Active List And An Inactive List

The DHA establishes two Waiting Lists for CHH:

1) **Active Waiting List:** The list of applicants is comprised of persons who DHA has determined are income eligible at the time of initial application. To stay on the Active List an applicant must confirm, when requested by DHA, that they are still interested in purchasing a unit and ask to remain on the Waiting List.

2) **Inactive Waiting List:** The list of applicants who (i) have failed to confirm, when requested by DHA, that they are still interested in purchasing a unit and failed to ask DHA that they remain on the Waiting List, or (ii) have declined the opportunity to purchase a unit three times. If an applicant on the Inactive List wishes to be reinstated to the Active List, the applicant must submit such request in writing to the DHA, at which time the applicant would be moved to the bottom of the Active List. If an applicant on the Inactive List requests to be reinstated to the Active List at a time when the Waiting List is closed, the applicant must wait until the Waiting List is open in order to be reinstated to the Active List.

3. **Procedures For Updating The Waiting List**

The decision to open or close the waiting list will be based on whether the existing waiting list contains an adequate pool of applicants for the use of available units.

Opening of the waiting list will be announced via public notice. The public notice will announce that applications for the Clock Hill Homes waiting list will be accepted. The public notice will state where, when, and how to apply. The notice will be published in a local newspaper of general circulation, and also through available minority media. The public notice will state any limitations about who may apply. Closing the waiting list will be advertised through a similar manner.

The notice will include the Fair Housing logo and slogan and otherwise be in compliance with Fair Housing requirements. Public Notice will be provided (at minimum) to The Advocate, 9A Riverbend Drive South, Stamford, CT 06907 and the United Way of CT website for announcement of wait list: www.cthcvp.org

The following are procedures for updating the Active Waiting List:

- a) The DHA updates the Active Waiting List periodically but at least once every two years.
- b) Renewal letters are mailed to all applicants' last known address on the Active Waiting List.
- c) Applicants must report whether they wish to remain on the Active Waiting List.
- d) Applicants are asked to verify contact information on file.
- e) Applicants may respond in writing or in person.
- f) DHA will attempt to contact applicants who have not responded to the Renewal letter by phone or by email.
- g) Applicants who do not respond to the Renewal letter by the specified deadline will be removed from the Active Waiting List and placed on the Inactive Waiting List.
- h) Applicants on the Inactive Waiting List may be reinstated at a future date by submitting a written request to the DHA.
- i) Applicants are not asked to provide updated income verification in the annual Renewal letter

4. Taking Applications

All applicants will be required to complete an application form, which will contain information necessary for the DHA to determine whether the applicant is eligible.

The method that the DHA will use to take applications will include advertising that application forms can be requested by mail, email or in person. Applicants will be required to complete a standardized application form and return by mail, email or in person. This application acceptance process will accommodate an applicant who has difficulty traveling to the DHA office, either because of a disability, hospitalization, childcare constraints or employment schedule. Reasonable accommodations will be afforded to those elderly or disabled applicants that need support to make application through this method.

The DHA will use the application as the basis for follow-up phone calls, correspondence or direct appointments to obtain additional information and to ascertain the accuracy of all entries on the application form.

Applications will be established based on the date and time of application. The rules that govern who qualify to participate are as follows:

- Only applications that are eligible for admission will be considered.
- Only one application will be allowed per family.
- Only applications that are received during the advertised commencement date and deadline date will be considered. The postmark date on the envelope that contains the mailed application will be the final determining factor on whether an application has been received within the qualified time-period.

When the Waiting List is open, applications are available upon request at the DHA office. The application packet consists of the following:

1. ***Instruction Letter*** - DHA delivers a cover letter that provides instructions for submitting the application, a list of required documentation for income verification (see attached letter), and the current maximum allowable income for a CHH purchaser.
2. ***CHH Homeownership Intake Form and Supplemental Forms*** – DHA provides these forms to be filled out by the applicant.

5. Completion Of Applications

The application process will involve two phases. The first phase is the initial application. The application requires providing basic information including name, address, phone number, family composition, and income. This first phase determines whether an applicant is placed on the Waiting List.

Upon receipt of an application, DHA does the following:

- Notes the date and time of receipt with staff member's initials at the time of receipt
- Reviews forms and documentation provided to determine income eligibility. DHA will be including imputed income from assets during verification of an applicant's income. Furthermore, the DHA agrees, at the direction of the Town, to use a third party to verify the calculation of income. Currently DHA utilizes the services of Imagineers, LLC, 635 Farmington Avenue, Hartford, CT 06105, (860) 768-3300.
- Income limits are to be calculated assuming a one bedroom unit may be occupied by either one or two people and a two bedroom unit may be occupied by one to four individuals.
- A letter acknowledging receipt of the application is sent to the applicant. If all required documentation has been provided and applicant's income is within maximum allowable income limits, applicant is informed that their name has been added to the Active Waiting List. If the application is incomplete, the letter indicates what additional information is needed and applicant is informed that they will not be added to the Active Waiting List until the application is complete.
- Approved applicant's information includes name, phone number, and the date of receipt of application. This information is then recorded.
- If the DHA determines the applicant is ineligible, a letter will be sent to the applicant. The notice will state the reason(s) and offer the applicant the opportunity for an informal review of this determination within a set number of days.
- DHA will provide written notification confirming whether the applicant is eligible. If accepted the notice will also inform applicants that it their responsibility to notify the DHA immediately of any changes affecting (1) their eligibility status or (2) the DHA's ability to locate the applicant. The applicant's failure to comply with these requirements is grounds for removal from the Waiting List. Update of applicant's address must be done in writing or in person.

An applicant may at any time report changes in their applicant status including changes in family composition, and income. The DHA will annotate the applicant's file and will update the information.

The second phase is the final determination of eligibility and verification of information presented. This takes place when the family nears the top of the waiting list. The DHA will ensure that verification of all eligibility factors is confirmed.

Applicant data is maintained on the initial application form. Waiting List reports will maintain data in chronological order by date and time.

6. Format Of Active Waiting List:

The following information is recorded in the Waiting List:

- Applicant's name & mailing address
- Date of receipt of the application
- Telephone number
- Unit preference (if any)

7. Closing The Waiting List

The DHA has the authority to open and close the Waiting list at its discretion, when it deems appropriate. The purpose of closing the Waiting List (both Active and Inactive) is to ensure that there is a pool of applicants from the Active List who are likely to be ready to purchase a unit in the foreseeable future. The turnover rate at CHH has historically averaged one to two units per year. The Waiting List for CHH was last closed at the regular meeting of the DHA on March 22, 2011, with 49 applicants on the Waiting List.

8. Updating Waiting List

Periodically DHA conducts mailings to remove inactive applicants from the Active Waiting List. The updating of the waiting list enables DHA to update address information and to ensure that applicants are still interested in purchasing a unit in Clock Hill Homes.

Applicants who do not return the inquiry form by the requested deadline date will be removed from the Active Waiting List. An exception will be granted when an applicant has demonstrated that they have a disability that prevented them from responding to the correspondence.

Generally, no more than one opportunity will be given to respond to the purging of the waiting list without good cause and no more than two opportunities with good cause. When a good cause exists, the DHA will work closely with the family. Applicants will be offered the right to an informal review before being removed from the waiting list.

9. Removal Of Applicants From The Waiting List

All mailings to an applicant which require a response will state that failure to respond within the time frame listed on the notice will result in the applicant's name being removed from the waiting list and that no further correspondence will be issued from the DHA.

If correspondence is returned by the post office marked "undeliverable" without a forwarding address, the applicant will be removed without further notice, and the envelope and letter will be maintained in the file. If a letter is returned with a forwarding address, it will be re-mailed to the address indicated on the envelope.

If an applicant is removed from the waiting list for failure to respond, the housing director may reinstate the applicant if it is determined that the lack of response was due to a DHA error, family medical disability or circumstances beyond the applicant's control. DHA will reinstate the applicant in their former position on the waiting list.

DHA will not remove an applicant's name from the waiting list unless:

- a) The applicant requests that the name be removed.
- b) The applicant fails to respond to a written request for information or a request to declare their continued interest in the program.
- c) The applicant does not meet eligibility standards.

10. Grounds For Denial

The following will constitute grounds for denying an applicant's request to be placed on the Waiting List:

- a) Failure to supply information or documentation required by the application process.
- b) Failure to respond to a written request for information or a request to declare continued interest in Clock Hill Homes.
- c) Failure to complete any aspect of the application process.
- d) Failure to sign and submit consent forms that are required by the DHA.

11. Notification Of Negative Actions

Any applicant whose name is being removed from the Active Waiting List will be notified by the DHA, in writing, that they have ten (10) business days from the date of the written correspondence, to present mitigating circumstances or request an informal review. The letter will also indicate that their name will be removed from the Active Waiting List if they fail to respond within the specified timeframe.

The DHA system of removing applicants' names from the Active Waiting List will not violate the rights of persons with disabilities. If an applicant's failure to respond to a request for information or updates was caused by the applicant's disability, the DHA will provide a reasonable accommodation. If the applicant indicates that they did not respond due to a disability, the DHA will verify that there is in fact a disability and that a reasonable accommodation they are requesting is necessary based on the disability.

12. Informal Review

The DHA will provide an applicant an opportunity for an informal review of a decision denying an applicant:

- a) A listing on the waiting list.
- b) Participation for Clock Hill Homes.

The DHA is not required to provide the applicant an opportunity for an informal review for any of the following:

- a) Discretionary administrative determinations by the DHA.
- b) General policy issues or grievances.

The DHA shall give the applicant written notice of a decision denying a place on the waiting list. The notice shall:

- a) contain a brief statement of the reasons for the DHA decision;
- b) be given personally to the applicant or member of the applicant's family or sent by first class mail to the last known address;
- c) inform the applicant that within ten (10) days of the date of the notice, the applicant may request, in writing, that an informal hearing be held to present objections and review the decision

13. Conduct Of Informal Review

If the applicant requests an informal review within the time frame required, the DHA shall conduct an informal review in accordance with the following procedures:

- a) A DHA person designated by the DHA will conduct the informal review. The designated DHA person cannot be the same person who made or approved the decision under review or a subordinate of this person.
- b) The applicant will be given an opportunity to present written or oral objections to the DHA decision.
- c) The DHA will notify the applicant of the DHA final decision after the informal review, including a brief statement of the reasons for the final decision.

14. Maintenance Of The Waiting List And Selection Of Families

1) Maintenance of the Waiting List

DHA will maintain the waiting list for Clock Hill Homes by the two different bedroom sizes: one (1) bedroom and two (2) bedrooms that the applicant may need. Each applicant shall be assigned an appropriate place on the waiting list in sequence based upon the date and time of their application.

2) Selection From the Waiting List

Families will be selected from the waiting list based on the date and time assigned at the time of application and the available bedroom size unit.

When it is determined that there is an available unit at Clock Hill Homes, a letter is sent to the next three eligible applicants from the appropriate bedroom size waiting list for the unit that is available. The letter will explain the process and documentation needed in order to demonstrate eligibility, such as applicable employer wage verification forms, public

assistance budget sheets, social security award letters, savings account books, etc.

The family will also be required to submit a completed Clock Hill Homes Homeownership Intake form. The completed intake package is reviewed by a third party verification agent and the DHA supervisor. If the applicant is eligible, the DHA supervisor then forwards the applicant's contact information to the seller to proceed with the purchase process.

An applicant's income status may change while on the waiting list. Occasionally, an applicant who has been contacted for the purposes of eligibility for an available unit may no longer meet the income eligibility requirements. When this happens, the reasons are fully explained by DHA. Ineligible applicants may request an informal review.

An applicant on the Clock Hill Homes Waiting List will only have **three** opportunities to refuse an offer of a unit in their size preference. If an applicant has refused an available unit for the third time, they will not be able to remain on the Clock Hill Homes Active Waiting List. This policy has been implemented due to the fact that Clock Hill Homes has an extensive waiting list. Once an applicant has been removed for this reason, they will only be able to reapply during an open application period that would be publically announced.

15. Calculation Of Resale Price Of A Unit

When a unit becomes available, the DHA's role is to provide the seller with a list of bona fide potential purchasers from the Active Waiting List. The DHA must also calculate the maximum selling price of the unit. Furthermore, the DHA agrees, at the discretion of the Town, to have a third party verify the accuracy of the calculation of the Maximum Resale Price. Currently, the DHA uses Imagineers, LLC.

The Resale Price ("Offering Price) calculation is described in Exhibit B ("Resale Restrictions") of the aforementioned Transfer Agreement dated July 15, 1996.

Resale Price Calculation and Definitions

Definitions:

Holding Period: The number of years (reduced to the next lower whole number) from the date of purchase of the Unit to the date of sale of the Unit

Median: The Median Family Income in the Stamford-Norwalk Area as reported by HUD

MYOS: Median Family Income applicable as of the date that the Unit is sold by the Unit Owner

MYPO: Median Family Income applicable as of the date that the Unit was purchased by the Unit Owner

Resale (Offering) Price: The greater of (1) Formula Sale Price or (2) HUD Minimum Sale Price

(1) Formula Sale Price: Lesser of “a” or “b” below:

- a. Purchase Price + (Purchase Price x 4% x Holding Period)
- b. Purchase Price + (Purchase Price x 80% x [(MYOS-MYOP)/MYOP])

(2) Hud Minimum Sale Price:

Purchase Price + Reasonable Selling Expenses + Cost of Improvements + Transfer Fee

16. Closing of a Sale of a Unit

A buyer and seller arrange for a closing of a sale of a unit. The DHA must be notified by Counsel of the scheduled date and location of the closing. The DHA, as per the Resale Restrictions, receives a \$2,000 Transfer Fee. The DHA also obtains a copy of the closing statement for such sale.

17. Keeping Of Records

DHA will have an efficient method of record-keeping for monitoring purposes. DHA will maintain records showing how the family was selected and was authorized for participation for an available unit at Clock Hill Homes. A summary sheet may be placed in clients' files as a self-check for DHA. The following is DHA's guideline for record keeping:

- Application
- All sources of income and assets
- Total annual income (calculation worksheet demonstrating manner in which DHA calculated income)
- Supporting documentation (employee wage verification, Social Security benefit statement, etc.)
- Copy of AMI limits at the time of eligibility determination
- Income verification documentation at the time of submittal of an application.
- Income verification documentation at the time of prospective purchase of a unit.
- Information of purchase price at the time of purchase of a unit.
- Information of purchase price at the time of sale of a unit.
- Other pertinent documentation

BE IT RESOLVED, the DHA reserves the right to amend or modify provisions of this policy by a majority vote of the Commissioners of the DHA.

BE IT RESOLVED, the DHA may transfer the responsibilities of the duties set forth in the Transfer Agreement with the Town of Darien.

DHA POLICY STATEMENT FOR CHH, LAST AMENDED AS OF APRIL 5, 2011.