

Brief Analysis Market v. Affordable Subsidized Ranges Limits  
Submitted to Ridgefield PZC by Resident John Tartaglia 12/1022

Assumptions:

Dwelling Size-SF		1,500
Price Per SF to Acquire & Build	<b>\$275.00</b>	\$412,500
Resulting Cost		\$412,500
<b>BOTTOM COST LIMIT NO PROFIT</b>		<b>\$412,500</b>

IF UNIT IS SOLD OR PROFIT:

Developer Profit Margin	<b>30%</b>	
Resulting Market Sale Price		\$536,250

Cost To Buy @ Market

Acquisition Price		\$536,250
SOFT COSTS	<b>6%</b>	\$32,175
<b>TOTAL MARKET BUY COST</b>		<b>\$568,425</b>

**TRADITIONAL MARKET FINANCING**

**Unsubsidized**

Principal Financed	65%	\$348,563	<b><u>EQUITY REQUIRED</u></b>
Market Rate Interest	7%		
Term	30		

		<b><u>PER YEAR</u></b>	<b><u>PER MONTH</u></b>
<b>Annual Mortgage Payment-Unsubsidized</b>		\$24,399	\$2,033
Taxes		\$9,000	\$750
<u>Insurance</u>		<u>\$3,500</u>	<u>\$292</u>
Total @ Market Financing		\$36,899	\$3,075

**Minimum Take Home**

<b>Traditional Mortgage Required Monthly Net Take Home Pay to Mortgage Pmnt Ratio</b>	23%	\$160,432
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**Minimum Annual**

<b>Adjust Above for Weekly Salary Withholding &amp; FEDERAL &amp; STATE Income Tax</b>	122%	\$195,727
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**SUBSIDY LIMITATIONS US & CT:**

**DANBURY AMI-Hud Rental Income Limits**

	<u>1 Person</u>	<u>2 Person</u>	<u>3 Person</u>	<u>4 Person</u>
Very Low Income	\$45,400	\$51,850	\$58,350	\$64,800
60% Income Limit	\$54,000	\$62,220	\$70,020	\$77,760

**MAXIMUM SUBSIDIZED RENT LIMIT**

**UNDER HUD:**

**MAXIMUM MONTHLY RENT LIMIT UNDER HUD GUIDELINES NET TAKE HOME FOR ANY SUBSIDIZED**

**30.00%**

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**FURTHER LIMITS:**

	<u>1 Person</u>	<u>2 Person</u>	<u>3 Person</u>	<u>4 Person</u>
Very Low Income	\$1,135	\$1,296	\$1,459	\$1,620
60% Income	\$1,350	\$1,556	\$1,751	\$1,944

*Note CHFA Rates app 1.25% less with 100% financing possible*

<https://www.chfa.org/homebuyer-mortgage-interest-rates/>

FHA requires 3.5% Down Payment 675K Limit 1 Fam

<https://fhaloans.guide/learn/fha-loan-requirements>

**POSSIBLE CONCLUSIONS:**

DIVERGENCE APPEARS TO BE 150%-250% SUGGESTING ECONOMIC IMPOSSIBILITY WITHOUT (1) SUBSTANTIAL SUBSIDIZATION; (2) INCR  
(3) DECREASING QUALITY; (4) RAISING THE PRICE BY MARKET PRICE OF UNSUBSIDIZED UNITS TO COVER; (5) SUBSTANTIAL NON RECOV

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EASING VERTICALITY & DENISTY;  
/ERABLE PUBLIC GRANTS