

RECORDING REQUESTED BY AND )  
 WHEN RECORDED MAIL TO: )  
 )  
 City of West Hollywood )  
 Rent Stabilization and Housing Department )  
 8300 Santa Monica Boulevard )  
 West Hollywood, CA 90069 )  
 Attn: Director Rent Stabilization and Housing )  
 )  
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This document is exempt from the payment of a recording fee pursuant to Government Code Sections 27383 and 6103

**AGREEMENT IMPOSING RESTRICTIONS ON REAL PROPERTY**

**[PURSUANT TO CHAPTER 19.22.080 OF WEST HOLLYWOOD MUNICIPAL CODE]**

(For-Sale Units)

This Agreement Imposing Restrictions on Real Property (the “Agreement”) is entered into as of \_\_\_\_\_, 20\_\_ by and between the CITY OF WEST HOLLYWOOD, a California municipal corporation (“City”), and \_\_\_\_\_, a \_\_\_\_\_ (“Owner”), as follows:

**RECITALS**

A. Owner is the owner of certain real property (“Property”) located within the City of West Hollywood, County of Los Angeles, State of California, commonly known as \_\_\_\_\_, and more fully described as set forth in Exhibit A attached hereto and incorporated herein by this reference; and

B. Chapter 19.22 of the West Hollywood Municipal Code (“Affordable Housing Ordinance”) generally requires that a share of all newly constructed dwelling units in residential developments be developed, offered to and sold or rented to very-low, low- and moderate-income households at an affordable sales price or affordable rent, as applicable; and

C. Owner will construct \_\_ residential units (for sale, condominium) on the Property (hereinafter the “Residential Development”), and is therefore subject to the Affordable Housing Ordinance; and

D. In connection with the Residential Development, Owner has received discretionary approval(s) from City [including a density bonus pursuant to Section 19.22.050 and California State Density Bonus Law, Government Code Section 65915 *et seq.*, (“State Density Bonus Law”) as an incentive for the production of affordable housing], see Section M “Project Approvals”; and

E. Pursuant to Section 19.22.080(C)(1) of the Affordable Housing Ordinance and State Density Bonus Law, City will issue the permits for construction and development of the Residential Development on the condition, among others, that Owner and City enter into an Agreement Imposing Restrictions on Real Property regarding the construction, operation, maintenance and sale of \_\_\_ Very Low Income level, \_\_\_ Low Income level and \_\_\_ Moderate Income level at an Affordable Sales Price, in the Residential Development of \_\_\_ total units; and

F. City and Owner desire to enter into this Agreement pursuant to Chapter 19.22.080, and State Density Bonus Law to satisfy the requirement in Recital “E”;

NOW, THEREFORE, in consideration of the mutual covenants and provisions contained herein, the parties agree as follows:

### **AGREEMENT**

1. Recitals. The Recitals set forth above are true and accurate, and incorporated herein.

2. Definitions. All defined terms, as indicated by initial capitalization, shall have the meanings set forth in Chapter 19.22, except as expressly indicated otherwise. For purposes of this Agreement, the terms listed below shall have the meanings thereafter specified:

A. **Affordable Sales Price** means the sales price paid by an Eligible Household, which does not exceed two and one-half times a specified percentage of the City median income, and adjusted for unit size using a Bedroom Factor, as follows:

(1) Low- or Very-Low Income Unit: two and one-half times 65% of the City of West Hollywood median income and adjusted by the bedroom factor.

(2) Moderate-Income Unit: two and one-half times 100% the City of West Hollywood median income and adjusted by the bedroom factor.

B. **Bedroom Factor** shall mean a ratio established by the West Hollywood City Council, which is used to adjust the sales price of a housing unit based on the number of bedrooms. The current bedroom factors are as follows:

(1) Studio = 0.70

(2) 1 Bedroom = 0.80

(3) 2 Bedroom = 0.95

(4) 3 Bedroom = 1.085

(5) 4 Bedroom = 1.225

C. **Chapter 19.22** means Chapter 19.22 of the West Hollywood Municipal Code.

D. **Consumer Price Index** means the Consumer Price Index for All Urban Consumers (CPI-U) for Los Angeles-Riverside-Orange County.

E. **Designated Unit** means a dwelling unit that will be offered for sale exclusively to an Eligible Household at an Affordable Sales Price pursuant to this Agreement.

F. **Director** means City's Director of Human Services and Rent Stabilization, or his or her designee.

G. **Eligible Household** shall mean a Very Low, Low or Moderate Income Household, as applicable in accordance with Section 4 of this Agreement, which is eligible to purchase a particular Designated Unit.

H. **Very Low-Income Households** means households whose gross income does not exceed 50% of the median income for the City of West Hollywood as determined by the Decennial Census and adjusted by City annually based on the Consumer Price Index.

I. **Low-Income Households** means households whose gross income is more than 50% but does not exceed 80% of the median income for the City of West Hollywood as determined by the Decennial Census and adjusted by City annually based on the Consumer Price Index.

J. **Moderate-Income Households** means households whose gross income is more than 80% but does not exceed 100% of the median income for the City of West Hollywood as determined by the Decennial Census and adjusted by City annually based on the Consumer Price Index.

K. **Owner** means the person or entity defined as such in the introductory paragraph of this Agreement and includes all successors and assigns of that person or entity.

L. **Principal Residence** means the principal dwelling place a person uses as such person's usual place of return and occupancy as more particularly described in the Purchaser Affordability Agreement.

**M. Project Approvals:**

Master Project Number: \_\_\_\_\_

Development Permit Number: \_\_\_\_\_

Planning Commission Resolution: \_\_\_\_\_

Date of Planning Commission Hearing: \_\_\_\_\_

N. **Property** shall have the meaning defined in Recital "A".

O. **Residential Development** shall have the meaning described in Recital "C".

P. **Supplemental Charges** shall all mean any and all fees, dues and supplemental charges associated with ownership of any unit subject to this Agreement, including but not limited to home owner association fees and dues and special assessments.

3. Notices. All notices required herein shall be sent by certified mail, return receipt requested or express delivery service with a delivery receipt and shall be deemed to be effective as date received or the date delivery was refused as indicated on the return receipt, as follows:

To Owner: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

with a copy to:

\_\_\_\_\_ c/o \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

To City: City of West Hollywood  
 Human Services and Rent Stabilization Director  
 8300 Santa Monica Boulevard  
 West Hollywood, CA 90069

The parties may subsequently change addresses by providing written notice of the change in address to the other parties in accordance with this Section 3.

4. Exhibit List

The following is a list of the exhibits attached to this Agreement. Each of the exhibits is incorporated by reference into the text of this Agreement.

- Exhibit A Legal Description of Property
- Exhibit B Description(s) of Affordable Units
- Exhibit C Income Limits/Affordable Sale Price
- Exhibit D Purchaser Affordability Agreement
- Exhibit E Requirements for Rental of Designated Units

5. Designated Units.

A. Pursuant to the Project Approvals Owner hereby agrees that the following number of units in the Residential Development shall be sold exclusively to the indicated income groups, at an Affordable Sales Price, or rented pursuant to Exhibit E:

Household Income Category	One-Bedrooms	Two-Bedrooms	Three-Bedrooms
Very Low (<50% AMI)			
Low (>50%-80% AMI)			
Moderate (80%-100% AMI)			

Total Number of  
Designated  
Units: \_\_\_\_

B. The Designated Units shall be those depicted on Exhibit B attached hereto and incorporated herein by this reference. The location of the Designated Units shall not be changed without the prior written approval of the Director.

C. The Designated Units shall be comparable in floor plan, furnishings, materials, construction quality, size and exterior design to the non-designated units within the project. However City retains discretion to adjust these standards under special circumstances.

D. The maximum number of persons that may occupy a Designated Unit shall not exceed the following limits based on unit size:

Unit Size	Maximum Number of Persons Occupying Unit
0 bedroom (studio)	2 persons
1 bedroom	3 persons
2 bedrooms	5 persons
3 bedrooms	7 persons
4 bedrooms	9 persons

6. Income Limits and Affordable Sales Price. The applicable income limits and Affordable Sales Price change annually. The income limits and Affordable Sales Price in effect as of the date of this Agreement are attached hereto as Exhibit C and incorporated herein by this reference. It shall be the obligation of Owner to annually obtain from City the applicable income limits and Affordable Sales Price.

7. Initial Sale.

A. Any transfer of a Designated Unit shall be subject to the conditions set forth in this Agreement.

B. Owner shall first offer the Designated Unit for sale to City or its assignee (a City-designated agency or organization) at the applicable Affordable Sales Price by delivering a written "Notice of Intent to Sell" to City. City staff or its assignee shall have 30 calendar days after receipt of Owner's "Notice of Intent to Sell" to indicate to Owner its intent to recommend purchase to City Council or decline. If City staff recommends purchase, City Council has 45 calendar days commencing with the end of the 30-day term to consider the purchase and enter escrow.

(1) Notwithstanding the foregoing, within 60 days of completion of construction Owner may, without first offering the Designated Unit for sale to City, transfer or convey the Designated Unit to an affiliate that is wholly controlled by or under the control of Owner provided that the affiliate assumes all duties, obligations and rights associated with the Designated Unit, this Agreement or other related Agreements, and assigns a value to the unit consistent with the Affordable Sales Price discounted by all Supplemental Charges. Owner may

donate any or all Designated Units to a non-profit corporation that is either: (a) chosen by the City; or (b) is subject to City's reasonable approval and meets the following criteria, which may be waived in the City's sole and absolute discretion: i) is registered as a 501(c)(3) or equivalent for the previous 5 consecutive years and one of the exempt purposes of the organization includes the fostering of low-income housing, ii) has operated a minimum of 3 projects of similar size and scope, and iii) no executive, official, officer or other management-level personnel of the non-profit corporation is an immediate relative of Owner, its officers, or employees. Prior to the conveyance or transfer, Owner shall provide City with fifteen (15) days written notice and such documentation reasonably requested by City to demonstrate to City that the new owner is an affiliate of Owner and has assumed all rights, duties and obligations related to and associated with the Designated Unit.

(2) Any transfer or conveyance following this conveyance to the affiliated entity shall be subject to City's Initial Sale rights as set forth in this Section 7.

C. In no event shall City become in any way liable to Owner, nor become obligated in any manner, by reason of the assignment of its right to purchase, nor shall City be in any way obligated or liable to Owner for any failure of City's assignee to consummate a purchase of the Designated Unit or to comply with the terms for any purchase and sale agreement.

D. In the event City or its assignee accepts Owner's offer to purchase the Designated Unit(s), City or its assignee may lease or rent the unit(s) to Very-Low, Low- or Moderate-Income Households at the affordable rent established annually by Council resolution.

E. In the event City or its assignee does not accept Owner's offer to sell within 75 days from the receipt of "Notice of Intent to Sell", Owner may transfer the Designated Unit subject to the following requirements:

(1) Owner shall exclusively accept purchasers for Designated Units whose applications are submitted by City to Owner from the list of eligible program participants maintained by the Rent Stabilization and Housing Division of City ("City List"). Purchasers shall not be solicited or accepted other than from the City List.

(2) Owner shall not be required to accept a purchaser if Owner can demonstrate a good faith reason, based on industry standards, for rejecting the applicant. In the event Owner proposes to reject a purchase application, Owner shall deliver to City written notice stating the reasons therefor within five business days after receipt by Owner of the application. City shall review Owner's explanation of the reasons for rejection and determine if they are meritorious. City's determination as to the acceptability of the application shall be final. In the event City agrees to the rejection of a particular application, Owner shall consider another application from City's list. If City's list is exhausted, Owner shall only sell to a purchaser who qualifies under eligibility requirements for very-low, low- and moderate-income tenants as defined herein.

## 8. Initial Sale of Ownership Units.

A. If City or its assignee does not purchase the Designated Units pursuant to Section 7(b), Owner agrees to sell the Designated Units solely to an Eligible Household from City's

Buyer List, at not more than the applicable Affordable Sales Price, for use as its Principal Residence.

B. As a condition of the close of escrow of the sale of a Designated Unit, Owner shall certify to City the income of the initial purchaser. The certification shall be on a form provided by City. Owner may request an income certification from the proposed purchaser of the Designated Unit in one or more of the following methods:

- (1) Obtain two paycheck stubs from the proposed buyer's two most recent pay periods;
- (2) Obtain a true copy of an income tax return from the proposed occupant for the two most recent tax years in which a return was filed;
- (3) Obtain an income verification certification from the employer of the proposed occupant;
- (4) Obtain an income verification certification from the Social Security Administration and/or the California Department of Social Services if the proposed buyer receives assistance from such agencies; or
- (5) Obtain an alternate form of income verification acceptable to the Director.

C. Owner shall attach a copy of this Agreement to any purchase and sale contract for the Designated Unit.

#### 9. Purchaser Affordability Agreement.

A. At the close of escrow for the sale of a Designated Unit, a Purchaser Affordability Agreement substantially in the form attached hereto as Exhibit D and incorporated herein by this reference shall be recorded among the land records in the Office of the County Recorder for Los Angeles County, subordinate only to the grant deed conveying the Designated Unit to the Purchaser and the First Lender Deed of Trust (as defined in the Purchaser Affordability Agreement). A request for notice of default under the First Lender Deed of Trust, in favor of City, shall also be recorded.

B. Upon the recordation of a Purchaser Affordability Agreement for a Designated Unit pursuant to paragraph A of this Section, this Agreement shall be of no further force or effect as to that Designated Unit. The parties shall execute, acknowledge and record such further documentation as is reasonably necessary to evidence the release of the Designated Unit from the provisions of this Agreement.

10. Ineligible Purchasers. Immediate relatives of Owner, its officers, and employees, by virtue of their relationship or position, are ineligible to purchase a Designated Unit. Immediate relatives include spouse, children, parents, grandparents, brother, sister, father-in-law, mother-in-law, son-in-law, daughter-in-law, aunt, uncle, niece, nephew, sister in-law and brother-in-law.

11. Utilization of Designated Units. All Designated Units required by this Agreement shall sold or rented and fully utilized in accordance with this Agreement within 60 days, the deadline can be extended with advance approval in writing from City; no Designated Unit shall be withdrawn from the market or otherwise held vacant, unless a rented unit is sold to a qualified household and the tenant household receives a relocation fee as established by the City Council.

A. Penalty for Failure to Fully Utilize Unit. All the time limits and acts required to be done by this Agreement and Exhibits are essential elements of this Agreement. Should Owner fail to perform within the times set forth, it is mutually understood and agreed that the public will necessarily suffer damages and that such damages, from the nature of the default in performance, will be extremely difficult and impractical to fix. City finds, and Owner agrees, that as of the time of the execution of this Agreement, it is impractical, if not impossible, to reasonably ascertain the extent of the damages that will be incurred by City as a result of material breach by Owner of Owner's obligations under this Agreement. The City Manager, in his or her discretion, may impose liquidated damages upon Owner, in addition to any other available remedies City may have, for each day beyond the time limits imposed by this Section that Owner has not performed, in the amount of \$500 per day. City finds, and Owner acknowledges and agrees, that the above liquidated damages shall be applicable to each calendar day of delay during which Owner has been found by the City Manager to be in default of the deadlines imposed by this Agreement. If the City Manager assesses the liquidated damages, the City shall so notify Owner in writing and send a copy of the notice to the Director of Finance.

12. Rental of Units. No Designated Unit required by this Agreement shall be leased or rented, except in compliance with Exhibit E, attached hereto and incorporated herein by this reference.

13. Administration Fee. Owner agrees to pay such fees and deposits as City Council may adopt by resolution to offset the administrative cost of performing the duties and responsibilities described in this Agreement.

14. Federal and State Laws. Notwithstanding the above provisions, nothing contained herein shall require Owner or City to do anything contrary to or refrain from doing anything required by Federal and State laws and regulations promulgated there under applicable to the construction, management, maintenance, and rental of very-low, low- and moderate-housing units in the City of West Hollywood.

15. Prohibition Against Discrimination. Owner shall not discriminate against any purchaser or potential purchaser on the basis of sex, color, race, religion, ancestry, national origin, age, pregnancy, marital status, family composition, sexual orientation, or the potential or actual occupancy of minor children. Owner further agrees to take affirmative action to ensure that no such person is discriminated against for any of the above mentioned reasons.

16. Indemnification. Owner shall defend, indemnify and hold harmless City and its officers, agents, employees, representatives, and volunteers (collectively, "Indemnitees") from and against any loss, liability, claim or judgment relating in any manner to the Residential Development or this Agreement. Owner shall not be required to indemnify and hold harmless Indemnitees for liability attributable to the active negligence or willful misconduct of Indemnitees, provided such active negligence is determined by agreement between the parties or



by the findings of a court of competent jurisdiction. In instances where an Indemnitee is shown to have been actively negligent and where Indemnitees' active negligence accounts for only a percentage of the liability involved, the obligation of Owner will be for that entire portion or percentage of liability not attributable to the active negligence of Indemnitees.

17. City's Right to Inspect Units and Documents. City may inspect the Designated Units and any documents or records relating thereto, at any reasonable time to determine Owner's compliance with this Agreement.

18. Burden to Run with Land.

A. Subject to Section 8, the covenants and conditions contained herein shall run with and burden the Property for so long as either: (i) the rights to develop the Property pursuant to the Permit remain in effect; or (ii) the Residential Development authorized by the Permit, or any successor development constructed pursuant to the Permit, remains in existence or both.

B. It is the express intent that the covenants and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon all parties having any interest in the Designated Units, as the case may be, throughout the period specified in paragraph A above. Each and every contract, deed, lease or other instrument covering, conveying or otherwise transferring a Designated Unit or any interest therein, as the case may be (each a "Contract"), shall conclusively be held to have been executed, delivered and accepted subject to this Agreement regardless of whether the other party or parties to such Contract have actual knowledge of this Agreement.

(1) Owner and City hereby declare their understanding and intent that (a) the covenants and restrictions contained in this Agreement shall be construed as covenants running with the land pursuant to California Civil Code Section 1468 and not as conditions which might result in forfeiture of title by Owner; (b) the burden of the covenants and restrictions set forth in this Agreement touch and concern the Designated Units in that Owners' legal interest in the Designated Units and all improvements thereon may be rendered less valuable thereby; and (c) the benefit of the covenants and restrictions set forth in this Agreement enhance and increase the enjoyment and use of the Designated Units by Eligible Households, the intended beneficiaries of such covenants and restrictions.

(2) All covenants and restrictions contained herein without regard to technical classification or designation shall be binding upon Owner for the benefit of City and Eligible Households and such covenants and restrictions shall run in favor of such parties for the entire period during which such covenants and restrictions shall be in force and effect, without regard to whether City is an owner of any land or interest therein to which such covenants and restrictions relate.

19. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of City and Owner, and their respective successors, owners and assigns. City reserves the right to designate another public agency to perform City's obligations or to exercise City's rights and options under this Agreement.

20. Default. Failure or delay by either party to perform any term or provision of this Agreement, which is not cured within 30 days after receipt of notice from the other party, constitutes a default under this Agreement. The party who so fails or delays must immediately commence to cure, correct or remedy such failure or delay, and shall complete such cure, correction or remedy with due diligence. The injured party shall give written notice of default to the party in default specifying the default complained of by the injured party. Except as required to protect against further damages, the injured party may not initiate proceedings against the party in default until 30 days after giving such notice. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default.

21. Remedies.

A. Any individual who sells or rents (including subleasing) a Designated Unit in violation of the provisions of this Agreement shall be required to forfeit to City all monetary amounts so obtained.

B. City or Owner may institute any appropriate legal actions or proceedings necessary to ensure compliance with this Agreement, including but not limited to:

- (1) actions to revoke, deny or suspend the Permit and/or certificate of occupancy; and
- (2) actions for injunctive relief or damages.

22. Governing Law. The laws of the State of California shall govern this Agreement. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Los Angeles, State of California, Central Civil Division or in Federal District Court in the Central District of California.

23. Attorney's Fees. In any action brought to declare the rights granted herein or to enforce or to interpret any of the terms of this Agreement, the prevailing party shall be entitled to an award of reasonable attorney's fees in an amount determined by the court.

24. Entire Agreement. The text herein, consisting of twelve (12) pages and five (5) exhibits, constitutes the entire agreement between the parties. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that any other agreement, statement or promise not contained in this Agreement shall not be valid or binding. This Agreement may be amended only by written instrument signed by both City and Owner.

25. Non-Waiver. Failure to exercise any right City may have or be entitled to, in the event of default hereunder shall not constitute a waiver of such right or any other right in the event of a subsequent default.

26. Further Assurances and Recordation. Owner shall execute any further documents consistent with the terms of this Agreement, including documents in recordable form and do such further acts as may be necessary, desirable or proper as City shall from time to time find necessary or appropriate to effectuate its purpose in entering this Agreement.

27. Calculation of Time Periods. Unless otherwise specified, all references to time periods in this Agreement measured in days shall be to consecutive calendar days, all references to time periods in this Agreement measured in months shall be to consecutive calendar months and all references to time periods in this Agreement measured in years shall be to consecutive calendar years. Any reference to Business Days in this Agreement shall mean consecutive Business Days.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

CITY OF WEST HOLLYWOOD

OWNER: \_\_\_\_\_ ,  
\_\_\_\_\_

By: \_\_\_\_\_  
Paul Arevalo, City Manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Yvonne Quarker, City Clerk

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.	
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STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES

On \_\_\_\_\_ before me, \_\_\_\_\_ Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature(s) on the instrument the person(s), or the entity(ies) upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Place Notary Seal Above

Signature of Notary Public

**EXHIBIT A**

**LEGAL DESCRIPTION OF PROPERTY**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF WEST HOLLYWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

APN: \_\_\_\_\_

**EXHIBIT B**  
**LOCATION OF DESIGNATED UNITS**

<b>Unit Numbers</b>	<b>Affordability Level</b>	<b>Number of Bedrooms</b>
***		
***		
***		
***		
***		
***		
***		

\*\*\* Please Note: Units will be assigned at certificate of occupancy.

**EXHIBIT C**  
**INCOME LIMITS/AFFORDABLE SALES PRICE**

The following table details the **2018-2019** Maximum Income Limits:

<b>Number of Persons</b>	<b>VERY LOW</b> (50% of Median)	<b>LOW</b> (80% of Median)	<b>MODERATE</b> (100% of Median)
<b>1</b>	<b>\$32,095</b>	<b>\$51,351</b>	<b>\$64,189</b>
<b>2</b>	<b>\$34,662</b>	<b>\$55,459</b>	<b>\$69,324</b>
<b>3</b>	<b>\$37,230</b>	<b>\$59,567</b>	<b>\$74,459</b>
<b>4</b>	<b>\$39,797</b>	<b>\$63,676</b>	<b>\$79,594</b>
<b>5</b>	<b>\$42,365</b>	<b>\$67,784</b>	<b>\$84,730</b>

Median Income \$64,189

The following table details the **2018-2019** Affordable Sales Prices:

<b>Number of Bedrooms</b>	<b>LOW/VERY LOW</b> (2.5 x 65% of Median)	<b>MODERATE</b> (2.5 x Median)
<b>0</b>	<b>\$73,015</b>	<b>\$112,331</b>
<b>1</b>	<b>\$83,446</b>	<b>\$128,378</b>
<b>2</b>	<b>\$99,092</b>	<b>\$152,449</b>
<b>3</b>	<b>\$113,173</b>	<b>\$174,113</b>
<b>4</b>	<b>\$127,776</b>	<b>\$196,579</b>

If the Project is subject to income limits from two or more regulatory programs, including but not limited to the Federal Low-Income Housing Tax Credit Program and the California State Density Bonus Law, actual maximum income and sales price allowed for the Project shall be the lowest maximum income and sales price allowed considering all applicable regulatory programs.

**EXHIBIT D**

FREE RECORDING REQUESTED PURSUANT TO  
GOVERNMENT CODE SECTIONS 6103 AND 27383

When Recorded Mail to:  
City of West Hollywood  
Rent Stabilization and Housing Department  
8300 Santa Monica Boulevard  
West Hollywood, CA 90069  
Attn: Director Human Services and Rent Stabilization

**PURCHASER AFFORDABILITY AGREEMENT  
INCLUDES LIMITATIONS ON RESALE, RIGHT OF FIRST-REFUSAL IN FAVOR OF  
CITY OF WEST HOLLYWOOD, AND  
OPTION TO PURCHASE UPON DEFAULT**

**Very Low Income Unit \_\_\_\_\_ Low Income Unit \_\_\_\_\_ Moderate Income Unit \_\_\_\_\_**

This Purchaser Affordability Agreement (“Agreement”) is entered into as of this \_\_\_\_\_, 20\_\_\_\_, by and between the CITY OF WEST HOLLYWOOD, a California municipal corporation (“City”) and \_\_\_\_\_, a \_\_\_\_\_ (“Owner”).

**RECITALS**

A. Owner holds fee title to that certain real property (the “Property”) located within the City of West Hollywood, County of Los Angeles, State of California, commonly known as \_\_\_\_\_, and more fully described as set forth in **Exhibit A** attached hereto and incorporated herein by reference, which Property is improved with a residential dwelling unit; and

B. Chapter 19.22 of the West Hollywood Municipal Code (“Affordable Housing Ordinance”) requires that a share of all newly constructed dwelling units in residential developments be developed, offered to and sold or rented to very-low-, low- and moderate-income households at an affordable housing cost; and

C. Owner’s predecessor-in-interest (“Developer”) developed the real property of which the Property is a part with residential units (hereinafter the “Residential Development”), and the Residential Development was therefore subject to the Affordable Housing Ordinance; and



D. In connection with the Residential Development, Developer received the following discretionary approval(s) from City:

(collectively, the “Permit”), [including a density bonus pursuant to Section 19.22.050, as an incentive for the production of affordable housing]; and

E. Pursuant to Section 19.22.080 of the Affordable Housing Ordinance, City issued the Permit on the condition, among others, that Developer and City enter into an Agreement Imposing Restrictions on Real Property regarding the construction, operation, maintenance and sale of a specified number of housing units in the Residential Development exclusively to very-low-, low- and moderate-income households at an affordable sales price; and

F. On \_\_\_\_\_, Developer and City entered into that certain Agreement Imposing Restrictions on Real Property recorded on \_\_\_\_\_, 20\_\_ as Instrument No. \_\_\_\_\_ in the Official Records of Los Angeles County. Under that agreement, Developer agreed to sell \_\_\_\_\_ of the residences in the Residential Development to very-low-, low- and moderate-income homebuyers at an affordable sales price (the “Affordable Units”).

G. Owner has purchased the Property, which is improved with a very-low or low-income unit [**OR, “a moderate income unit”, whichever applies**], one of the Affordable Units, for a purchase price of \$ \_\_\_\_\_ (the “Base Price”), and, as a condition of purchase has agreed to enter into this Agreement.

H. The regulatory requirements of City allowed the Property to be purchased by a household that would not otherwise have been able to afford it.

I. The purpose of this Agreement is to place certain use and resale restrictions on the Property in compliance with the Affordable Housing Ordinance and reserve to City the right to purchase the Property under certain conditions.

NOW, THEREFORE, in consideration of the benefits received by Owner and City, Owner and City agree, as follows:

1. Incorporation of Recitals.

City and Owner agree that the foregoing recitals, which are incorporated herein and made part of this Agreement, are true and correct.

2. Definitions.

The following terms are specifically defined for this Agreement and their definitions can be found in the sections indicated below:

- A. “Affordable Units” – Recital “F”.
- B. “Agreement” – Introductory paragraph.

- C. “Base Price” – Recital “G”.
- D. “City” – introductory paragraph.
- E. “Director” - Section 4.B.
- F. “Eligible Purchaser” – Section 8.C.
- G. “Eligible Transfer” – Section 8.B.
- H. “Owner” – introductory paragraph.
- I. “Option” – Section 11.
- J. “Permit” - Recital D
- K. “Property” – Recital “A”.
- L. “Proposed Purchaser” – Section 8.C.
- M. “Restricted Sales Price” – Section 9.
- N. “Right of First Refusal” – Section 7.
- O. “Transfer” – Section 5.

3. Owner Certifications.

Owner, acknowledging that each provision in this Section is material and is being relied upon by City, represents and warrants the following to City for the purpose of inducing City to enter into this Agreement and to permit Owner to acquire the Property, all of which shall be true as of the date hereof:

A. The financial and other information previously provided in order to qualify to purchase the Property was true and correct as of the date first written above;

B. Owner’s gross household income does not exceed 50%, or 80% **[OR, “100%” if moderate income unit, whichever applies]**, of the median income for the City of West Hollywood as determined by the Decennial Census and adjusted annually based on the Consumer Price Index (CPI);

C. Owner does not own any other residential property as of the date of this Agreement; and

D. Owner will occupy the Property as Owner’s principal place of residence.

4. Occupancy by Owner; Prohibition Against Lease or Rental.

A. Owner shall occupy the unit on the Property as Owner's principal place of residence. Owner shall be considered as occupying the Property if Owner resides in and returns to such unit for at least four days per week for a period of at least nine months out of any 12-month period.

B. The purpose of the Affordable Housing Ordinance, the Agreement Imposing Restrictions on Real Property, and this Agreement is to enable Owner to purchase a home that Owner would not otherwise be able to afford, so long as Owner resides in that home full time, as Owner's principal place of residence. Nevertheless, the parties recognize that there may be limited circumstances (e.g., illness or an extended out-of-town work assignment) under which Owner might not be able to fulfill the requirement set forth in paragraph A above. Should this occur, Owner shall provide the Director of Human Services and Rent Stabilization ("Director") with notice of this absence; and the Director may grant a temporary waiver of this condition. Should Owner's financial circumstances require that the Property be rented to a third party in order that Owner remains current with the mortgage and homeowners association dues (if any), Owner may further request that the Director approve a short-term lease agreement. In that event, Owner shall provide a copy of the lease or rental agreement at least 30 days in advance of any such requested lease of the Property. The Director may approve the lease only if (i) it is for a period of two months or less, and not more than two consecutive months in a calendar year; (ii) the tenant/lessee meets all of the requirements of Section 8.C of this Agreement; and (iii) the rent charged does not exceed the maximum rent established by the West Hollywood City Council for a unit of the same number of bedrooms and occupant income level.

C. Under no circumstances shall Owner lease or rent the Property for more than two months during any calendar year, or for two or more consecutive months. Any lease or rental in violation of this Agreement shall constitute a default by Owner.

5. Transfer of Property.

A. "Transfer" means any sale, assignment or transfer, voluntary or involuntary, including but not limited to transfers by devise or intestate succession, of any interest in the Property, including, but not limited to, a fee simple interest, a joint tenancy interest, a life estate, a leasehold interest, or an interest evidenced by a land contract by which possession of the Property is transferred and Owner retains title.

B. Any Transfer in violation of this Agreement is prohibited, and shall enable City to pursue all remedies available to it at law and equity, including but not limited to those set forth in Section 10.

6. Notice of Intended Transfer.

In the event Owner intends to Transfer or vacate the Property, Owner shall promptly notify City in writing of such intent. The written notice shall be given in accordance with Section 23 of this Agreement at least 90 days prior to the actual date of the Transfer or vacation of the Property.

7. City Right of First Refusal.

A. Owner hereby grants to City the right of first refusal (“Right of First Refusal”) to purchase the Property in the event Owner proposes a Transfer, for an amount equal to the Restricted Sales Price calculated pursuant to Section 9 of this Agreement, in accordance with paragraph B of this Section. This Right of First Refusal shall not apply to a proposed Transfer by devise or intestate succession, if such Transfer is to an Eligible Purchaser, nor shall it apply to a Transfer of a leasehold interest that is authorized by the Director pursuant to Section 4.B.

B. If City decides to exercise its right to purchase the Property, it shall, within 30 days of receipt of the notice specified in Section 6 above, notify Owner in accordance with Section 23 below that it chooses to exercise that right. In that event, City shall purchase the Property within 90 days of the date it receives the notice specified in Section 6 above, at the Restricted Sales Price calculated pursuant to the formula set out in Section 9. If an appraisal is required to establish the Restricted Sales Price, City shall have an additional 30 days to complete the appraisal and close escrow. City may, instead of purchasing the Property itself, assign its right to purchase the Property to a person who meets the criteria established by City or to a governmental agency or nonprofit organization that is devoted to developing or preserving low- and moderate-income housing.

8. Eligible Transfer.

A. Transfer to Eligible Purchaser. Should City not, within 30 days of receipt of the notice specified in Section 6, provide Owner with notice that it intends to exercise its Right of First Refusal pursuant to Section 7 City shall provide Owner with its current list of Eligible Purchasers, and Owner shall offer the Property to the person or household at the head of the list. If the person or household at the head of the list does not accept the Owner’s offer, Owner shall make an offer to the next consecutive person or household on the list until the offer is accepted. If (i) City does not provide Owner with a list of Eligible Purchasers within 35 days of receipt of the notice specified in Section 6 above; or (ii) no one on the City provided list accepts Owner’s offer to sell the unit within five days after receipt of a written offer from Owner; or (iii) no one on the City provided list who has accepted Owner’s offer to sell the unit closes escrow within 45 days after accepting Owner’s offer of sale, Owner may sell the Property to an Eligible Purchaser of Owner’s choosing. In either event, Owner shall sell the unit on the terms set forth in this Section.

B. Eligible Transfer. A Transfer of the Property to an Eligible Purchaser, which complies with the procedures in paragraph C of this Section, for an amount that does not exceed the Restricted Sales Price determined in accordance with Section 9, shall qualify as an “Eligible Transfer”.

C. Eligibility of Purchaser.

(1) A proposed purchaser (“Proposed Purchaser”) who meets the following requirements shall be an Eligible Purchaser:

(a) The Proposed Purchaser will occupy the Property as his or her principal residence;

(b) The Proposed Purchaser does not own any other residential property as of the date of the Transfer; and

(c) The combined maximum income for all household members of the Proposed Purchaser does not exceed 50% or 80% [OR, "100%" if moderate income unit, whichever applies] of the median income for the City of West Hollywood as determined by the Decennial Census and adjusted annually based on the Consumer Price Index (CPI).

(2) Disclosures and Submittals: Owner and the Proposed Purchaser shall provide the following information and documents to City:

(a) The name, address and telephone number in writing of the Proposed Purchaser.

(b) A signed financial statement of the Proposed Purchaser in a form acceptable to City, and any other supporting documentation requested by City. The financial information shall be used by City to determine the income eligibility of the Proposed Purchaser.

(c) The proposed sales contract and all other related documents that shall set forth the terms of the sale of the Property. Such documents shall include the following terms:

(i) The sales price; and

(ii) The price to be paid by the Proposed Purchaser for Owner's personal property, if any, and for the services of Owner, if any.

(d) A written certification from Owner and the Proposed Purchaser, in a form acceptable to the Director, that:

(i) The Proposed Purchaser satisfies all of the criteria established by the City as described in paragraph A of this Section;

(ii) The sale shall be closed in accordance with the terms of the sales contract and other documents submitted to and approved by the Director; and

(iii) Neither the Proposed Purchaser nor any other party has paid and will not pay to Owner, and Owner has not received and will not receive from the Proposed Purchaser or any other party, money or other consideration, including personal property, in addition to what is set forth in the sales contract and documents submitted to City.

D. Closing.

(1) At the close of escrow for the sale of the Property, a Purchaser Affordability Agreement with substantially the same terms as the terms of this Agreement, executed by the Proposed Purchaser and City, shall be recorded among the land records in the Office of the County Recorder for Los Angeles County, subordinate only to the grant deed conveying the Property to the Owner. The recordation of that agreement shall be a condition of City's approval of the proposed sale

(2) Upon the close of the proposed sale, Owner shall deliver or cause to be delivered to City a conformed copy of the recorded Purchaser Affordability Agreement, copies of the final sales contract, settlement statement, and escrow instructions, and any other documents that City may reasonably request.

9. Determination of Sales Price.

A. The maximum sales price ("Restricted Sales Price") that Owner may charge for an Eligible Transfer of the Property shall be no more than two and one-half times 65% of [if moderate income unit, delete "65% of"] the median income for City, adjusted by the bedroom factor. Annually, the City Council shall establish the median income for City and the bedroom factor.

B. By way of example only, as of the date of this Agreement, the median income for the City is \$\_\_, and the "bedroom factor" is\_\_\_\_\_. If the unit were to be resold by Owner this calendar year, the Restricted Sales Price would be calculated as follows:

C.  **$((\text{Median} \times .65) \times 2.5) \times \text{Bedroom Factor} = \text{Restricted Sales Price}$**

10. Defaults and Remedies.

A. Upon a violation of any of the provisions of this Agreement by Owner, City shall give written notice to Owner specifying the nature of the violation. If the violation is not corrected to the satisfaction of City within a reasonable period of time, not longer than 30 days after the date the notice is mailed, or within such further time as City determines is necessary to correct the violation for any other violation of this Agreement, City may declare a default under this Agreement.

B. Upon the declaration of a default or if Owner makes any misrepresentation in connection with receiving any benefits under this Agreement, City may apply to a court of competent jurisdiction for specific performance of this Agreement, or for any such other relief at law or in equity as may be appropriate, including (i) suit for recovery of any funds obtained by Owner in violation of this Agreement, and (ii) exercise of the option to purchase pursuant to Section 11.

C. In the event a Transfer is made in violation of the terms of this Agreement or false or misleading statements are made in any documents or certification submitted to City, City shall have the right to file an action at law or in equity to make the parties terminate and/or rescind the

sale contract and/or declare the sale void, notwithstanding the fact that the sale may have closed and become final as between Owner and the Proposed Purchaser.

D. In any event, any costs, liabilities or obligations incurred by Owner and the Proposed Purchaser for the return of any monies paid or received in violation hereunder or for any costs and legal expenses, shall be borne by Owner and/or the Proposed Purchaser; and they shall hold City and its designee harmless and reimburse their expenses, legal fees and costs for any action they reasonably take in good faith in enforcing the terms of this Agreement.

11. Purchase Option Upon Default.

A. Purchase Option: Notwithstanding, and in addition to, the remedies provided City in Section 10, Owner hereby grants to City an option to purchase the Property in the event of any uncured default, in accordance with the procedures set forth in paragraph B below. The option to purchase is given in consideration of the economic benefits received by Owner resulting from ownership of the Property at an affordable housing cost made possible by City.

B. Exercise of Option: The option to purchase pursuant to this Section may be exercised upon City's declaration of a default pursuant to paragraph A of Section 10. City shall have 30 days after a default is declared to notify Owner of its decision to exercise its Option to purchase. Not later than 90 days after the notice is given in accordance with Section 23 below to exercise its option pursuant to this Section, City shall purchase the Property at the Restricted Sales Price. If an appraisal is required to establish the Restricted Sales Price, City shall have an additional 30 days to complete the appraisal and close escrow. City may, instead of purchasing the Property itself, assign its right to purchase the Property to a person who meets the criteria established by City or to a governmental agency or nonprofit organization that is devoted to developing or preserving low- and moderate-income housing.

12. Insurance.

Owner shall obtain and keep in force a policy of fire and extended coverage insurance, covering loss or damage to the Property, including all improvements thereon, in the amount of the full replacement value thereof, against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief. In the event an HOA is created that maintains the insurance required under this Section 12, Owner shall only be responsible for obtaining and keeping in force a policy of fire and extended coverage insurance covering loss or damage to the portions of the Property not covered by the HOA insurance policies. City shall be named as a loss payee on such policy. If any such insurance coverage has a deductible clause, the deductible amount shall not exceed \$10,000.00 per occurrence, and Owner shall be liable for such deductible amount. Upon written request from City, Owner shall deliver to City a certificate of insurance or other evidence that such insurance is in full force and effect.

13. Non-liability of City.

In no event shall City become in any way liable or obligated to Owner or any successor-in-interest to Owner by reason of its right of first refusal under Section 7 or its option to purchase under Section 11, nor shall City be in any way obligated or liable to Owner or any successor-in-interest to Owner for any failure to exercise its right of first refusal or option to purchase.

14. Restrictions on Foreclosure Proceeds.

If a creditor acquires title to the Property through a deed in lieu of foreclosure, a trustee's deed upon sale, or otherwise, Owner shall not be entitled to the proceeds of sale to the extent that such proceeds otherwise payable to Owner when added to the proceeds paid or credited to the creditor exceed the amount Owner would have received by a sale in accordance with Section 8. Owner shall instruct the holder of such excess proceeds to pay such proceeds to City as repayment for, and in consideration of, the assistance provided in the development of the Property.

15. Administrative.

Owner agrees to pay such fees and deposits as the City Council may adopt by resolution to offset the administrative cost of performing the duties and responsibilities described in this Agreement.

16. Binding on Successor and Assigns.

This Agreement shall bind, and the benefit hereof shall ensure to, Owner, his or her heirs, legal representatives, executors, successors-in-interest and assigns, and to City and its successors. City reserves the right to designate another public agency to perform City's obligations or to exercise City's rights and options under this Agreement.

17. Superiority of Agreement.

Owner covenants that he or she has not, and will not, execute any other agreement with provisions contradictory to or in opposition to the provisions hereof, and that, in any event, this Agreement is controlling as to the rights and obligations between and among Owner, City and their respective successors.

18. Term of Agreement.

The requirements of this Agreement shall remain in effect for so long as the Residential Development authorized by the Permit, or any successor development constructed pursuant to the Permit, remains in existence, and each successor Purchaser Affordability Agreement shall so provide.

19. Invalid Provisions.

If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, that such provision or provisions shall be deemed severable from the remaining provisions contained in this Agreement; and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.



20. Controlling Law.

The terms of this Agreement shall be interpreted under the laws of the State of California. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Los Angeles, State of California.

21. Attorneys' Fees.

In any action brought to declare the rights granted herein or to enforce or to interpret any of the terms of this Agreement, the prevailing party shall be entitled to recover all attorneys' fees, experts' fees, and other costs actually incurred in connection with such litigation or other proceeding, in addition to all other relief to which that party may be entitled.

22. Non-waiver.

Failure to exercise any right City may have or be entitled to, in the event of default hereunder shall not constitute a waiver of such right or any other right in the event of a subsequent default.

23. Notices.

All notices required herein shall be sent by certified mail, return receipt requested or express delivery service with a delivery receipt and shall be deemed to be effective as date received or the date delivery was refused as indicated on the return receipt as follows:

To Owner:

At the address of the Property.

With a Copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Atten: \_\_\_\_\_

To City:

City of West Hollywood  
Rent Stabilization and Housing Department  
8300 Santa Monica Boulevard  
West Hollywood, CA 90069  
Attn: Director Rent Stabilization and Housing

The parties may subsequently change addresses by providing written notice of the change in address to the other parties in accordance with this Section.

24. Entire Agreement.

This Agreement constitutes the entire agreement between the parties. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally

or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that any other agreement, statement or promise not contained in this Agreement shall not be valid or binding. This Agreement may be amended only by written instrument signed by both City and Owner. Any exhibits referred to in this Agreement are incorporated in this Agreement by such reference.

IN WITNESS WHEREOF, the parties have executed this Agreement on or as of the date first written above.

CITY OF WEST HOLLYWOOD,  
a California municipal corporation

OWNER(S)

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES

On \_\_\_\_\_ before me, \_\_\_\_\_ Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature(s) on the instrument the person(s), or the entity(ies) upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Place Notary Seal Above

Signature of Notary Public

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES

On \_\_\_\_\_ before me, \_\_\_\_\_ Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature(s) on the instrument the person(s), or the entity(ies) upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Place Notary Seal Above

Signature of Notary Public

**EXHIBIT A**

**LEGAL DESCRIPTION OF PROPERTY**

**[TO BE ADDED at sale of the property]**

## EXHIBIT E

### REQUIREMENTS FOR RENTAL OF DESIGNATED UNITS

1. **General.** In the event that Owner seeks to rent or lease any of the Designated Units, as that term is defined in the Agreement Imposing Restrictions on Real Property to which this Exhibit E is attached (the “Agreement”), the provisions of this Exhibit E (“Requirements for Rental of Designated Units”) shall apply.

2. **Definitions.** All terms herein that are defined in the Agreement shall have the meanings ascribed in the Agreement. In addition, the terms listed below shall have the meanings hereinafter specified.

a. **Adjusted Median Income.** Median income shall mean the following sums based on household size:

Number of Persons in Household	2018-2019 Year Median Income
1	\$64,189
2	\$69,324
3	\$74,459
4	\$79,594
5	\$84,730

These income levels are based on the median incomes for the City of West Hollywood (base year = 2000) and are adjusted annually by the Consumer Price Index. All adjustments to the median income shall be made by resolutions of the City Council and are subject to change. The most recent decennial U.S. Census determines the Median Income for the City of West Hollywood. The current maximum allowable incomes for Affordable Units are enumerated in Exhibit 2.

If the Project is subject to income limitations from two or more regulatory programs, including but not limited to the Federal Low-Income Housing Tax Credit Program and the California State Density Bonus Law, actual median income allowed for the Project shall be the lower of median income established considering all applicable regulatory programs.

b. **Affordable Unit** means a Designated Unit in the Residential Development that is offered for rent or lease.

c. **Bedroom Adjustment Factor** is used to establish the rent level for an Affordable Unit. “Bedroom Adjustment Factor” shall mean the following figures based upon the corresponding number of bedrooms in an Affordable Unit:

Number of Bedrooms	Bedroom Adjustment Factor
0	0.7
1	0.8
2	0.95
3	1.085
4	1.225

d. **Consumer Price Index** means and refers to the Consumer Price Index for All Urban Consumers, Los Angeles-Riverside-Orange County Area, as prepared by the Bureau of Labor Statistics of the United States Department of Labor; or if such agency shall cease to prepare such index, then any comparable index covering the Los Angeles County area prepared by any other federal or state agency which is approved by the City Council.

e. **Very Low-Income Tenant** means a tenant whose annual gross income is 50% or less of the Adjusted Median Income.

f. **Low-Income Tenant** means a tenant whose annual gross income is more than 50% but not more than 80% of the Adjusted Median Income.

g. **Moderate-Income Tenant** means a tenant whose annual gross income is more than 80% but not more than 100% of the Adjusted Median Income.

h. **Eligible Tenant** means a Household that meets the eligibility criteria set forth in this Exhibit.

i. **Gross Income** means all income from whatever source from all adult Household members, which is anticipated to be received during the 12-month period following the date of the determination of Gross Income. The applicable sources of income are defined in California Code of Regulations Title 25 Housing and Community Development Section 6914 as it may be amended. Section 6914 as currently in effect is attached hereto as Exhibit 5.

j. **Household** means all the persons who will occupy the Affordable Unit as their Principal Residence. A child who is subject to a legally-binding shared-custody agreement, in which the child resides with the Household at least 50% of the time, is counted as a member of the Household. Excluded from the definition of Household are live-in caregivers/caretakers, foster children, unborn children and children being pursued for legal custody or adoption that are not currently living with the Household.

k. **Principal Residence** means the principal dwelling place a person uses as such person's usual place of return and occupancy. If a person fails to reside in and return to such person's unit for at least four days per week for a period of at least nine months out of any 12-month period (other than for an extended stay in a hospital or other medical facility), it will be presumed that the Unit is not the Principal Residence of that person.

l. **Tenant Income Certification Form** refers to the form used to determine and certify whether a potential renter is an Eligible Tenant, in a form approved by City. The form provided in Exhibit 3 is deemed approved by City.



m. **Landlord Annual Certification of Rents Form** refers to the form used to determine and certify annual rent increases and maximum allowable rents in a form approved by City. The form provided in Exhibit 4 is deemed approved by City.

3. Exhibit List.

The following is a list of the exhibits attached to this Exhibit. Each of the exhibits is incorporated by reference into the text of this Exhibit.

Exhibit 1	Model Apartment Lease
Exhibit 2	Qualifying Household Incomes and Affordable Rents
Exhibit 3	Tenant Income Certification Form
Exhibit 4	Landlord Annual Certification of Rents Form
Exhibit 5	Gross Income (California Code of Regulations Title 25 Housing and Community Development Section 6914)

4. Owner Compliance with the Rent Stabilization Ordinance. Rental units subject to inclusionary housing agreements with the City of West Hollywood are exempt from the application of the provisions of the Rent Stabilization Ordinance but are not exempt from the provisions of Section 17.56.010 and Chapter 17.52 of City's Municipal Code.

5. Tenant Qualification.

a. The Affordable Units are to be leased to and occupied by Eligible Tenants for use as their Principal Residence. Immediately prior to any occupancy of an Affordable Unit, Owner shall obtain from each applicant, and maintain on file, an Income Certification Form, that certifies the applicant's income based on the current Gross Income of each adult Household member. The Income Certification Form shall be dated immediately prior to the date of initial occupancy of the Affordable Unit by the applicant.

b. Owner shall be required to accept tenants for Affordable Units submitted by City to Owner from the list of eligible program participants maintained by the Rent Stabilization and Housing Division of City, as provided in Section 6 hereof ("City List"). Affordable Units shall not be rented to Owner, its partners, members, their officers and employees, or their immediate relatives, including spouses, children, grandchildren, parents, grandparents, brothers, sisters, fathers-in-law, mothers-in-law, sons-in-law, daughters-in-law, aunts, uncles, niece, nephews, sisters-in-law and brothers-in-law.

c. Owner shall not be required to accept a tenant from the City List if Owner can demonstrate that the applicant cannot satisfactorily maintain an Affordable Unit in good condition and repair. An applicant's credit score may be considered only to the extent that the credit score is directly related to applicant's rental history in regards to maintenance and/or damage. In the event a rental application is rejected, Owner shall deliver to City written notice stating the reasons within five business days after receipt by Owner of the application. This does not relieve Owner from the requirement to accept a subsequent tenant from the City List.

d. The Owner shall use diligent efforts to verify the qualifications of an applicant to reside in an Affordable Unit by obtaining the following applicable information from each adult Household: (a) a certification of the applicant's household size; (b) proof of income for the most recent three months; (c) copies of the federal and state income tax returns; (d) written verification of income and employment; an income verification form for the Social Security Administration and/or California Department of Social Services; and (e) any other information that City may reasonably require to verify the eligibility of a prospective applicant.

e. Four months following the end of each calendar year, Owner shall recertify the income of each tenant in an Affordable Unit by obtaining a from the tenant completed Tenant Income Certification Form (Exhibit 3) based on the current income of each adult member of the Household.

f. If the Gross Income of a Household occupying an Affordable Unit decreases below the category for which the tenant originally qualified, the tenant shall continue to have the right to continue to reside in the Affordable Unit, provided the tenant pays the rent established at the onset of the tenancy plus any subsequent increases and performs its other obligations to Owner.

g. If the income of a tenant occupying an Affordable Unit increases above the category for which the tenant originally qualified, the tenant shall continue to have the right to reside in the Affordable Unit, provided the tenant pays the rent established at the onset of the tenancy plus any subsequent increases and performs its other obligations to Owner. Notwithstanding the local Rent Control Ordinance, however, if it is determined by the Rent Stabilization and Housing Division that the tenant's aggregate annual adjusted gross income exceeds 150% of the maximum allowable income, as determined annually by the City Council, for two consecutive years, the tenant can be evicted based on the income increase.

h. Owner shall maintain on file a copy of each Tenant Income Certification Form, and the accompanying verification information, for a period of five years. Owner shall provide such information to City upon request.

## 6. Referrals.

City's Rent Stabilization and Housing Division shall maintain a list of eligible program participants. Owner shall notify City in writing of a vacancy in any Affordable Unit at least 30 days prior to the effective date of the vacancy. Following receipt of such notice, City shall refer to Owner person(s) or households who meet the eligibility requirements set forth in this Exhibit.

## 7. Rental Rate.

a. The maximum rental rates for Affordable Units are enumerated in Exhibit 2 and are determined in accordance with the formula set forth below. The City Council reserves the right to change the rent calculation formula and the constituent factors in its sole discretion. The formulas for calculating maximum rents are:

Low or Very-low income tenant in a single or one-bedroom unit: 30% x 65% of the Adjusted Median Income x Bedroom Adjustment Factor.

Low or Very-low income tenant in a two or more bedroom unit: 30% x 80% of the Adjusted Median Income x Bedroom Adjustment Factor.

Moderate income tenant in a single or one-bedroom unit: 30% x 90% of the Adjusted Median Income x Bedroom Adjustment Factor.

Moderate income tenant in a two or more bedroom unit: 30% x 100% of the Adjusted Median Income x Bedroom Adjustment Factor.

b. The rental rate shall include charges for the unit, parking, pets, water and trash, and all building amenities. If utilities are paid separately, rent due from the tenant shall be reduced by a utility discount following HUD guidelines.

c. The monthly rent for an Affordable Unit may be increased one time per year as of September 1 of each calendar year. The adjusted rent shall not exceed the maximum rent calculated per the formula in this section, except that if the Project is subject to income limitations from two or more regulatory programs, including but not limited to the Federal Low-Income Housing Tax Credit Program and the California State Density Bonus Law, actual rent allowed for the Project shall be the lower of the rent established for the household's size and income category considering all applicable regulatory programs.

d. Notwithstanding the foregoing, if a subsidy program under Section 8 of the Housing Act of 1937, as amended, or any other comparable subsidy program, is available to a tenant or prospective tenant, Owner must accept and participate in the subsidy program (voucher), and rent the Affordable Units at the rental rate established by and permitted under the program as defined by the United States Department of Housing and Urban Development ("HUD"), as adjusted for household size. the tenant's portion of the rent shall not exceed the maximum rental rate set forth in Sections 2(a), as adjusted per Section 2(c). The proposed tenant must come from City's Affordable Housing wait list.

e. Owner shall accept payments from tenants in whole or in part in the form of third party checks from social service agencies.

#### 8. Annual Certification of Rents and Rent Increases.

Owner shall determine and certify rent increases and maximum allowable rents annually on a form approved by City (Exhibit 4). Owner shall maintain on file a copy of each Landlord Annual Certification of Rents Form, and the accompanying verification information, for a period of five years. Owner shall provide such information to City annually or upon request.

9. Term.

Owner shall continue to make the Affordable Units available for rent to Very-Low, Low- and Moderate-Income Tenants in accordance with the terms of this Exhibit until the sale of the Designated Unit to an Eligible Household and the recordation of a Purchaser Affordability Agreement pursuant to Section 10 of the Agreement.

10. Utilization of Affordable Unit as a rental unit.

Owner shall enforce the following occupancy standards:

a. Full Utilization. No later than 30 days after the City issues a certificate of occupancy, Owner shall notify the Rent Stabilization and Housing Division of intent to rent the Affordable Unit and obtain a list of eligible program participants. Affordable Units shall be rented in a manner consistent with Space and Occupancy Standards set forth in Section 501 et seq. of the Uniform Housing Code (1982 ed.), and in such a manner that there is not an under-utilization of the floor space of the Affordable Unit. Maximum and minimum occupancy standards are hereinafter set so that the newly occupied Affordable Units shall be neither overcrowded nor underutilized.

(i) First tenancy. All Affordable Units to be provided by this Agreement shall be leased to an eligible program participant no later than 60 days after the City issues a certificate of occupancy, and shall be fully utilized in the fashion hereinafter set forth. The Rent Stabilization and Housing Manager shall have the authority to extend the deadline if the Manager determines Owner has diligently and in good faith attempted to find a suitable tenant and was unable to do so through no fault of Owner.

(ii) Subsequent tenancies. Owner shall notify the Rent Stabilization and Housing Division within five days of the date when any Affordable Unit becomes vacant, and shall obtain from the Division a list of eligible program participants. Owner shall rent the Affordable Unit to a Qualified Tenant within 30 days of the date when the City provides Owner with a list of eligible program participants. The Rent Stabilization and Housing Manager shall have the authority to extend the deadline if the Manager determines Owner has diligently and in good faith attempted to find a suitable tenant but was unable to do so through no fault of Owner.

b. Minimum Occupancy. Potential tenants will not be eligible for a vacant Affordable Unit if the anticipated occupancy is less than one person per bedroom. One person shall be eligible for an Affordable Unit not larger than a one bedroom, two persons for an Affordable Unit not larger than two bedrooms, and so on.

c. Maximum Occupancy.

(i) For all Affordable Units assisted under the HUD Section 8 Housing Assistance Program, or any replacement program, federal regulations currently require that no more than two persons may occupy one bedroom, and children of the opposite sex over age five may not be in the same bedroom. If HUD guidelines permit, tenants may use the Affordable Unit's living room as a sleeping area for one person, depending on the configuration of the living room or family circumstances.

(ii) For all Affordable Units that are not a part of the Section 8 Housing Assistance Program, no more than two persons per bedroom may occupy an Affordable Unit, plus one additional person per household for the living room. Using this method, the maximum number of persons permitted to occupy a one-bedroom Affordable Unit will be no more than three; a two-bedroom Affordable Unit no more than five, and so on.

11. Access to Common Area Amenities. Tenants in the Affordable Units shall have full access to common area amenities throughout the Residential Development. Tenants in the Affordable Units will be required to adhere to all rules and regulations applying to use of those common area amenities in the same manner as occupants of the other units in the Residential Development. No rules shall be established that limit access to common area amenities by any tenants of the Affordable Units or their guests, or shall tenants of the Affordable Units or their guests be charged any fees in order to use the common area amenities. All common areas shall be maintained by Owner or the HOA at no cost to the occupants of the Affordable Units. In no circumstances shall Owner or the HOA allow any of the common areas or common area amenities to become unusable for the enjoyment of the residents and guests of the Affordable Units.

12. Parking. Parking for the Affordable Units, including parking for tenants, guests and supporting staff shall be provided free of charge. Such parking shall be provided and maintained to the same standards as parking for the other units in the Residential Development.

13. Lease Agreement.

a. A lease agreement prepared by Owner shall be signed between Owner or its agent and the tenant of any Affordable Unit. The lease agreement shall include the clauses referenced in Exhibit 1. Ten days prior to the tenant's commencing occupancy of the Affordable Unit, a fully executed copy of the lease agreement for the Affordable Unit shall be delivered to City for its review. City shall have a ten-day period following receipt of the fully executed lease agreement to review the lease agreement for consistency with Exhibit 1 and the provisions of this Exhibit. If City notifies Owner within that ten-day period that the lease agreement does not include all of the clauses referenced in Exhibit 1, or that the lease agreement contains provisions that conflict with the clauses referenced in Exhibit 1 or with other provisions of this Exhibit, the lease agreement shall terminate and be of no force or effect. City's review of the lease agreement is for the sole purpose of determining consistency with the requirements of this Exhibit and for no other purpose. City neither undertakes nor assumes nor will have any responsibility or duty to Owner or the tenant to review, pass judgment upon or inform Owner or tenant of any matter in connection with the lease agreement, whether regarding its enforceability, adequacy, fairness, or any other matter. Owner and tenant shall rely upon their own judgment regarding such matter.

b. Owner shall be responsible for enforcing the lease provision that prohibits tenants in the Affordable Units from leasing or subleasing the Affordable Unit or its right of occupancy.

14. No HOA Fees or Special Assessments. No tenant of an Affordable Unit shall be responsible for payment of any HOA fees or dues or any special assessments of any kind.

15. Inspection of Books and Records.

To enforce its rights under this Exhibit, City shall have the right at all reasonable times, and upon reasonable advance notice, at City's cost and expense, to inspect the books and records of Owner that pertain to the rental of the Affordable Units. Matters discovered by City shall not be disclosed to third parties unless required by law or unless otherwise resulting from or related to the pursuit of any remedies or the assertion of any rights of City hereunder subject to any right of Owner to seek a protective order to prevent the disclosure of any confidential or privileged information.

16. Inspection of Affordable Units.

a. Owner agrees that City may enter an Affordable Unit after providing the tenant with 24-hour prior notice to perform inspections for maintenance and or code violations. If violations are discovered, the default provisions of this Exhibit will go into effect.

b. City may also enter an Affordable Unit after providing the tenant and Owner with 24-hour prior notice to verify occupancy by the Eligible Tenant identified on the lease agreement. If the inspection reveals that the occupants of an Affordable Unit are those not listed on the lease agreement, it shall constitute a violation of the income and affordability covenants imposed on the Affordable Unit; and the lease agreement shall terminate and be of no force or effect.

c. City shall notify Owner, and Owner shall provide such notices to affected tenants; and Owner shall provide City access to the premises to conduct inspections.

17. Default.

If Owner defaults with regard to any provision of this Exhibit, City shall serve written notice of such default upon Owner. If, after the service of written notice of such default, Owner does not commence to cure and diligently prosecute to completion such default within 30 calendar days after service of the notice of default, Owner shall be in default of the terms of the Agreement, and shall be liable to City for damages caused by such default. Alternatively, City, at its option, may institute an action for specific performance of the terms of this Exhibit.

18. Violation of the Income and Affordability Covenants Imposed by the Agreement.

a. If Owner or a tenant rents or subleases any of the Affordable Units in violation of this Exhibit, the tenant shall be evicted, and as restitution to City, Owner or tenant, as the case may be, shall forfeit all monetary amounts obtained through the rental of the Affordable Unit(s).

b. If Owner sells any of the Affordable Units in violation of this Exhibit, as restitution to City, Owner shall forfeit all monetary amounts obtained from the sale of the Affordable Unit(s).

All such restitution shall be made to City. Any funds received by City under this provision of this Exhibit shall be placed in the Housing Trust Fund.

19. Federal and State Laws.

a. Nothing contained herein shall require Owner or City to do anything contrary to or refrain from doing anything required by federal and state laws and regulations promulgated thereunder applicable to the construction, management, maintenance, and rental of very low, low and moderate income housing units in the City of West Hollywood.

b. The laws of the State of California shall govern the interpretation and enforcement of this Exhibit.

20. Prohibition Against Discrimination.

Owner shall not discriminate against any tenant or potential tenant on the basis of sex, race, color, religion, ancestry, national origin, age, pregnancy, marital status, family composition, sexual orientation, medical condition, disability, political affiliation or opinion, physical condition, or the potential or actual occupancy of minor children, and shall in all respects comply with Article IV, Chapter 2 of the West Hollywood Municipal Code. Owner further agrees to take affirmative action to ensure that no such person is discriminated against for any of the aforementioned reasons.

21. Standing to Enforce Agreement.

a. Any individual who rents (including subleasing) an Affordable Unit in violation of the provisions of this Exhibit shall be required to forfeit to City all monetary amounts so obtained.

b. City may institute any appropriate legal actions or proceedings necessary to ensure compliance with this Exhibit, including but not limited to:

(i) actions to revoke, deny or suspend the Development Permit and/or certificate of occupancy; and

(ii) actions for injunctive relief or damages.

22. Hold Harmless.

As between City and Owner, Owner is deemed to assume responsibility and liability for, and Owner shall indemnify, protect, defend, and hold harmless City and its City Council, boards and commissions, officers, agents, servants or employees, from and against any and all liability, claims, loss, damage, charge or expense, whether direct or indirect, to which City or its City Council, boards and commissions, officers, agents, servants or employees may be put or subjected, by reason of any damage, loss or injury of any kind or nature whatsoever to persons or property caused by or resulting from or in connection with any negligent or wrongful act or action, or any neglect, omission or failure to act when under a duty to act, on the part of Owner or any of its officers, agents, servants, employees or subcontractors in its or their performance hereunder.

**EXHIBIT 1**

**MODEL APARTMENT LEASE**

**(Controlled Inclusionary Unit)**

THIS LEASE ("Lease") is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between \_\_\_\_\_ hereinafter called "Landlord" and \_\_\_\_\_ hereinafter called "Tenant."

1. In consideration of the payment of rent and subject to the terms and conditions below, Landlord rents to Tenant, and Tenant accepts from Landlord, for residential use only, the premises known as Apartment No. \_\_\_\_\_ (the "Premises"), located at \_\_\_\_\_, West Hollywood, California, (the "Property") for the term of \_\_\_\_\_ months commencing on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the "Commencement Date").

2. The initial monthly rental payable by Tenant for this Lease shall be the sum of \$ \_\_\_\_\_ per month. Each installment of rent shall be due and payable in advance of the \_\_\_\_\_ day of each and every month during said term.

3. Tenant has concurrently herewith delivered to Landlord the sum of one month's rent or \$500.00 whichever is greater as security for Tenant's performance of its obligations hereunder. Landlord may use therefrom such amount as may reasonably be necessary to remedy any default by Tenant in the payment of rent, to repair damages to the Premises or the Property caused by Tenant, its guests or invitees (exclusive of ordinary wear and tear), or to clean the Premises, if necessary, upon termination of the tenancy. Notwithstanding the foregoing, there is no automatic cleaning fee hereunder; a reasonable cleaning fee may be charged by Landlord only if Tenant does not leave the Premises in broom clean condition at the end of the term. No later than 21 days after the termination of this Lease, Landlord shall furnish Tenant with an itemized written statement of the basis for, and the amount of, any amount deducted from the security deposit and the disposition by Landlord of such amounts, and shall return any remaining portion of such security deposit to Tenant at Tenant's last known address.

4. The Premises is subject to (i) the ordinances, rules, and regulations of the City of West Hollywood ("City"), and (ii) that certain Agreement Imposing Restrictions on Real Property dated \_\_\_\_\_, 20\_\_ (the "Agreement") between City and \_\_\_\_\_, including all rights and remedies available to City pursuant to the Agreement.

A true and correct copy of the Agreement is attached hereto as Exhibit 1. The Agreement provides that the Premises shall be leased only to persons of very-low income, low income or moderate-income as specified below. The Premises is a (check one box):



- \_\_\_\_\_ Very-low income unit
- \_\_\_\_\_ Low-income unit
- \_\_\_\_\_ Moderate-income unit

The monthly rental for the Premises is based upon the formula set forth in the Agreement for this type of a unit. Landlord warrants and represents to City that the current maximum amount of monthly rent under the Agreement that may be charged for the Premises is \$\_\_\_\_\_per month.

5. The rental rate shall include charges for the unit, parking, pets, water and trash, and all building amenities, unless otherwise specified in the resolution of approval.

6. This Lease shall not become effective until ten days after the City of West Hollywood receives from Landlord a copy of the fully executed lease via registered or certified mail, postage prepaid, return receipt requested, at its then current City Hall office, attention Rent Stabilization and Housing Division. If neither party receives written approval of this Lease within that ten-day period, this Lease shall be deemed disapproved.

7. Landlord and Tenant warrant and represent to City that no member of Tenant's household is a member of Landlord's immediate family.

8. Tenant covenants that the Tenant and all persons in Tenant's household qualify to live in the Premises because the gross income of all persons in Tenant's household is less than the maximum amount for a Very-low income, Low-income or Moderate-income household (as the case may require) as defined in the Agreement. To this end, Tenant hereby warrants and represents that the aggregate adjusted gross income as shown for all persons in Tenant's household filing an Internal Revenue Service Form 1040, 1040S or 1040EZ, for the year 20 , is less than \$\_\_\_\_, or if any person in Tenant's household has not filed such a return, that the aggregate gross income for Tenant's household was \$\_\_\_\_\_for the year 20 . As a condition of Tenant's right to continue to occupy the Premises, Tenant shall annually report to Landlord and to City the aggregate adjusted gross income of Tenant's household for the previous year and the then current composition of Tenant's household. This is to ensure that the Premises are being occupied by a household of Very-low income, Low-income or Moderate-income (as applies to the Premises). Such report for each calendar year shall be made within four months after the end of each calendar year. This report shall include written evidence of Tenant's income as City requires.

9. If the aggregate adjusted gross income of all persons in Tenant's household decreases, such decrease shall not affect Tenant's right to rent and occupy the Premises. If, however, Tenant's income increases, and if for two consecutive years the annual aggregate adjusted gross income of all persons in Tenant's household exceeds 150% of the definition of a Very-low income household, or a Moderate income household (as applies for the Premises), then Tenant's right to continue to lease the Premises shall terminate 35 days after delivery to Landlord and Tenant of written notice from City that the maximum household income permitted under the Agreement for tenants at the Premises has been exceeded by Tenant, and Tenant shall thereupon vacate the Premises within such 35-day period so that the Premises may be made

available to a household of Very-low income, Low-income or Moderate-income (as the case may require for the Premises).

10. Tenant covenants that there are \_\_\_ ( ) persons in Tenant's household, consisting of only \_\_\_ ( ) adults (including Tenant) and \_\_\_ ( ) children. Tenant covenants that no more persons (other than minor children belonging to Tenant's immediate family) shall live at the Premises without Landlord's prior written consent. Tenant covenants that the composition of Tenant's household shall not change in a manner as to render Tenant in non-compliance with the eligibility requirements of this Lease.

11. The parties acknowledge that the Premises is subject to the Rent Stabilization Ordinance of the City of West Hollywood with respect to evictions (Municipal Code Section 17.52) and maintenance standards (Municipal Code Section 17.56), except as noted in paragraph 9 above.

12. The monthly rent hereunder may, at Landlord's option and with proper notification to the Tenant, be increased every 12 months following the commencement date of the term of this Lease to an amount not exceeding the maximum monthly rent permitted under the Agreement.

13. If Tenant fails to pay any amount of monthly rent in full within five days after receipt of written notice from Landlord of Tenant's delinquency in payment of its rent, Tenant shall pay Landlord a late charge of one percent of the overdue amount. Notwithstanding the foregoing, Landlord does not waive the right to require payment of monthly rent in full on the day it is due.

14. In the event any check tendered by Tenant to Landlord in payment of rent or any other amount due under this Lease is returned for lack of sufficient funds or as a result of a closed or nonexistent account, Tenant shall pay to Landlord a check-return charge not to exceed the amount of the actual costs incurred by Landlord.

15. Landlord shall not be liable if, through no fault of Landlord, the Premises cannot be delivered upon Commencement Date set forth above. In this event, Tenant's rent shall abate until possession is given or made available. If the Premises are not delivered to Tenant within 30 days after the Commencement Date, Tenant shall have the option to terminate this Lease by delivering written notice to Landlord at any time thereafter of Tenant's election to do so.

16. Without Landlord's prior written consent, Tenant shall not keep any dog, cat, bird or other animal in or about the Premises.

17. Without Landlord's prior written consent, no waterbeds or liquid-filled furniture shall be allowed in or about the Premises. Tenant shall not violate any governmental law in the use of the Premises, permit waste or nuisance, annoy, molest, or interfere with any other tenant or neighbor at the Property or nearby properties. Tenant shall obey and comply with all reasonable rules attached hereto, if any, which are incorporated herein by this reference, or which may hereafter be promulgated by Landlord for the health and safety of the tenants at the Property or for the protection of the Property.

18. Except as may be provided by law, no repairs, decorations or alterations shall be done to the Premises by Tenant without Landlord's prior written consent. Decorations include but are not limited to painting, wallpapering, and hanging of ceiling lamps or posters.

19. In the event that Tenant abandons the Premises, this Lease shall continue in full force and effect so long as Landlord does not terminate Tenant's right to possession, and Landlord may enforce all of his or her rights and remedies under this Lease, including the right to recover the rent as it becomes due under this Lease. Tenant may not sublet the Premises or assign his or her interest in this Lease.

20. In the event Tenant breaches this Lease and abandons the Premises before the end of the term, or if Tenant's right to possession is terminated by Landlord because of a breach of this Lease, Landlord may recover the amounts set forth in Section 1951.2 of the California Civil Code, including the worth at the time of judgment or award of the amount by which the unpaid rent for the balance of the term, after the time of the award, exceeds the amount of such rental loss for the same period that Tenant proves could reasonably be avoided.

21. Tenant has inspected the Premises and its furnishings and equipment, if any, and has found the same to be in satisfactory condition and in working order. Landlord warrants that as of the commencement date of this Lease that all built-in appliances and all plumbing, heating and electrical systems are operative.

22. Tenant covenants to keep the Premises clean, sanitary, and in good condition, order and repair during the term of this Lease, and to surrender the Premises in like condition at the expiration or sooner termination of this Lease, ordinary wear and tear and damage by casualty not the fault of Tenant excepted.

23. Tenant covenants to pay for the utilities serving the Premises except as follows:

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24. If more than one person is signing this Lease as Tenant, whether or not all such persons are actually to be in possession of or occupying the Premises, all such persons shall be jointly and severally liable to Landlord for all rent accruing during the term of this Lease, and for all damages to the Premises caused or permitted by Tenant, his or her guests and invitees, and any other persons using or occupying the Premises during the term of this Lease or Tenant's occupancy of the Premises.

25. Tenant agrees that Landlord, or Landlord's agents, may enter the Premises in the event of an emergency, or to make repairs or improvements, supply agreed services, or exhibit the Premises to prospective purchasers or tenants. Except in case of emergency, Landlord shall give Tenant 24 hours' prior notice of his or her intent to enter. In order to facilitate Landlord's right of access, Tenant shall not, without Landlord's prior written consent, alter or re-key any locks to the Premises. At all times, Landlord, or Landlord's agents, shall be provided with a key or keys capable of unlocking all such locks and gaining entry. Tenant further agrees to notify Landlord if he or she installs any burglar alarm systems and shall furnish to Landlord instructions on how to disarm it, should Landlord so request.

26. Without limitation of the foregoing, Tenant agrees that City shall also have the right to enter the Premises to perform inspections for maintenance and/or code violations. City may also enter the Premises to verify that occupancy of the Premises is being maintained by the Tenant and those identified in the Lease as the permitted occupants of the Premises. Landlord shall give the Tenant 24 hours' prior notice of City's intent to enter and perform such inspection. If the inspection reveals that the occupants of the Premises are not the occupants authorized to occupy the Premises under this Lease, it shall constitute a material breach of this Lease and this Lease shall terminate upon written notice from City or Landlord to the Tenant of such violation. For purposes of this Section, all references herein to "notice" shall mean (and such notice requirement shall be satisfied by) either written or oral.

27. Tenant shall not transfer, assign, sublet or otherwise transfer or encumber (collectively, "Transfer") any rights of occupancy or use of the Premises or any part thereof, and any such attempted unauthorized Transfer shall be void and of no force or effect; and the transferee or assignee thereof shall not acquire any rights hereunder. Without limitation of the foregoing, Tenant specifically acknowledges and agrees that short term or daily rentals or use of the Premises or any other use of the Premises by a third party permitted by Tenant in exchange for consideration, such as, but not limited to, Airbnb type uses, constitute such an unpermitted Transfer by Tenant, and any such action by Tenant, or any attempt by Tenant to engage in such action, including advertisement of the Premises as available for such use, shall constitute a material breach of this Lease entitling Landlord to proceed immediately with termination hereof. For purposes of specific acknowledgment of the foregoing but not as a condition to the effectiveness of that restriction, Resident shall execute the Acknowledgment of Rental Restriction attached hereto as Exhibit 2 concurrent with execution of this Lease.

28. Tenant is prohibited from using or entering into any space or areas rented exclusively to other tenants at the Property without such tenant's and Landlord's consent. Tenant is further prohibited from entering any part of the Property not designated for Tenant's use, including by way of example and not by way of limitation, the roof, crawl spaces, parking spaces, and storage spaces not assigned to Tenant.

29. Tenant is assigned \_\_\_\_\_ parking space(s) at no additional charge above the maximum rental rate described in this Lease. If Tenant is assigned a parking space in the parking area of the Property, Tenant shall use such space exclusively for parking of operable passenger automobiles, not for washing or repair of such vehicles. Tenant shall not park, nor allow any other person to park, in any other space in such parking area. Tenant shall not assign or sublet parking or storage space, if any.

30. Tenant shall indemnify, defend, hold harmless, and protect Landlord, its successors and assigns, from all liabilities, losses, costs, and damages arising from Tenant's breach of this Lease or Tenant's use or occupancy of the Premises, except when arising from Landlord's negligence or Landlord's breach of this Lease. Landlord agrees to indemnify, protect, defend and hold Tenant harmless from all liabilities, losses, costs, and damages arising from Landlord's negligence or any breach of this Lease by Landlord.

31. Landlord agrees to keep and maintain all portions of the Property in good condition and repair, except where such portions of the Property were damaged by Tenant's or his or her guests' negligence or intentional acts or omissions.

32. If Landlord must cause the Premises to be vacated temporarily for fumigation for pest or vermin control, Tenant agrees to temporarily vacate the Premises, as requested, for that period reasonably necessary to complete the fumigation. Tenant agrees to comply with all instructions and requirements of the fumigation company in regard to the preparation of the Premises at no expense to Landlord. Such preparation shall include but not be limited to bagging of food and other perishables in plastic bags.

33. If any legal action or proceeding is brought by either party to enforce any part of this Lease, the prevailing party shall recover, in addition to all other relief, reasonable costs and expenses incurred by the prevailing party, including reasonable attorney's fees, whether or not the action proceeds to judgment.

34. All additions and all pages attached hereto and signed by Landlord and Tenant, including the Agreement, and any inventory, credit information, house rules, locker and parking assignments, or pertinent information conforming to Landlord's policy, form an integral part of this Lease. Tenant certifies that he or she has read this Lease in its entirety and has received a copy thereof.

35. This Lease constitutes the entire agreement between the parties. There are no agreements, covenants, representations or warranties not expressed herein.

36. Each and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, or assignees.

37. "Landlord" includes Landlord and Landlord's manager, agents or employees, and "Tenant" includes all persons designated as such herein, or any other occupant of the Premises, without respect to number or gender.

38. The Landlord/Manager of the Premises is \_\_\_\_\_  
and his or her address is \_\_\_\_\_; telephone ( )\_\_\_\_\_.  
(When only the name of a manager or agent is given, it is hereby agreed that this person is authorized to accept legal service on behalf of Landlord.)

37. Other provisions (if none, write "None"): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first above written.

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“Landlord”

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“Tenant”

---

“Landlord”

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“Tenant”

**MODEL APARTMENT LEASE EXHIBIT 1**  
**Agreement Imposing Restrictions on Real Property**  
**\_\_\_\_\_ (insert address)**

**MODEL APARTMENT LEASE EXHIBIT 2**

**Acknowledgment of Prohibition of Short-term Rental**

Without limitation of the restrictions set forth in Section 27 of the Lease and in the Rules and Regulations, Tenant acknowledges and agrees that SHORT TERM OR DAILY RENTALS OR USE OF THE PREMISES BY A THIRD PARTY PERMITTED BY TENANT IN EXCHANGE FOR CONSIDERATION, INCLUDING ANY ADVERTISEMENT OR PUBLICATION OR POSTING INDICATING THAT SUCH SHORT-TERM RENTAL IS AVAILABLE, IS STRICTLY AND ABSOLUTELY PROHIBITED.

This prohibition includes Airbnb, VRBO, and other similar uses commonly known as the “sharing economy”. Tenant’s violation of the foregoing restriction will constitute a material breach of the Lease and will constitute grounds for termination of the Tenant’s Lease. Tenant acknowledges that, in addition to the restriction in the Lease, such short-term rental is also prohibited by the Municipal Code of the City of West Hollywood. However, even if the law is changed by the City of West Hollywood, the above restriction on short-term rental will remain a covenant of the Lease directly enforceable by Landlord. This restriction on short-term rental is in addition to the other limitations on assignment set forth in the Lease and does not waive or limit those other restrictions in any way.

**TENANT:**

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_



**EXHIBIT 2**

**QUALIFYING HOUSEHOLD INCOMES AND AFFORDABLE RENTS 2018-2019**

Income and rent schedules are effective from September 1 to August 31 of the following year.

After the initial lease period, rent increases are allowed once every 12 months with a 30-day notice. A rent increase can only be applied during the time period it is in effect. If a rent increase is not applied during a time period, it cannot be applied at a later date.

The following table details the **2018-2019** Maximum Income Limits:

<b>MAXIMUM INCOME *(prior to occupancy of a unit)</b>			
<b>Number of Persons</b>	<b>VERY LOW (50% of Median)</b>	<b>LOW (80% of Median)</b>	<b>MODERATE (100% of Median)</b>
<b>1</b>	<b>\$32,095</b>	<b>\$51,351</b>	<b>\$64,189</b>
<b>2</b>	<b>\$34,662</b>	<b>\$55,459</b>	<b>\$69,324</b>
<b>3</b>	<b>\$37,230</b>	<b>\$59,567</b>	<b>\$74,459</b>
<b>4</b>	<b>\$39,797</b>	<b>\$63,676</b>	<b>\$79,594</b>
<b>5</b>	<b>\$42,365</b>	<b>\$67,784</b>	<b>\$84,730</b>

Median Income \$64,189

<b>Maximum Allowable Monthly Rents for 2018-2019</b>			
<b>Income</b>	<b>BEDROOMS</b>		
	<b>0 BR</b>	<b>1 BR</b>	<b>2 BR</b>
<b>Very Low</b>	<b>\$456</b>	<b>\$520</b>	<b>\$688</b>
<b>Low</b>	<b>\$660</b>	<b>\$753</b>	<b>\$1,101</b>
<b>Moderate</b>	<b>\$911</b>	<b>\$1,042</b>	<b>\$1,376</b>

If the Project is subject to income limits from two or more regulatory programs, including but not limited to the Federal Low-Income Housing Tax Credit Program and the California State Density Bonus Law, actual maximum income allowed and rent charged for the Project shall be the lowest maximum income and rent allowed considering all applicable regulatory programs.

**EXHIBIT 3**

For office use only Date received: _____
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**CITY OF WEST HOLLYWOOD  
INCLUSIONARY HOUSING PROGRAM  
TENANT ANNUAL COMPLIANCE FORM**

**2016**

PLEASE ANSWER ALL QUESTIONS

Name: Telephone: ( _____ ) _____ Date: _____
Address: _____
How many bedrooms in the unit?    Single _____    1 Bedroom _____    2 Bedroom _____
How much do you, the tenant, pay for rent?    _____ per month
How much does Section 8 pay for rent, if any?    _____ per month

This questionnaire may be refused and/or rejected if it is not signed, complete and legible.  
**The application will not be considered complete unless it is accompanied by a copy of the applicable IRS 1040 and/or SSA 1099 form and copies of your last two pay stubs.**

\*Please note that "I" refers to the person completing the form, all additional household members and pertinent income information should be reported as "other household or family members."

**YES    NO**

<input type="checkbox"/>	<input type="checkbox"/>	I have a job and receive wages, salary, overtime pay, commissions, fees, tips, bonuses and/or other compensation. List the names of businesses and/or companies that employ you: 1) 2) 3)	\$ \$ \$
<input type="checkbox"/>	<input type="checkbox"/>	Other household members have a job and receive wages, salary, overtime pay, commissions, fees, tips, bonuses and/or other compensation. List the names of person and business name: 1) 2) 3)	\$ \$ \$
<input type="checkbox"/>	<input type="checkbox"/>	Someone in the household is self-employed. If yes, who and what type of work do they do?	\$
<input type="checkbox"/>	<input type="checkbox"/>	Someone in the household receives Social Security payments.	\$
<input type="checkbox"/>	<input type="checkbox"/>	Someone in the household receives Supplemental Security Income.	\$
<input type="checkbox"/>	<input type="checkbox"/>	Someone in the household receives unemployment benefits.	\$
<input type="checkbox"/>	<input type="checkbox"/>	Someone in the household receives Veteran's Administration, GI Bill or National Guard/Military benefits/income.	\$
<input type="checkbox"/>	<input type="checkbox"/>	Someone in the household receives disability or death benefits other than Social Security.	\$

**YES NO**

<input type="checkbox"/>	<input type="checkbox"/>	Someone in the household receives Public Assistance Income (Example: CalWORKS, General Relief).	\$
<input type="checkbox"/>	<input type="checkbox"/>	Someone in the household receives child support payments.	\$
<input type="checkbox"/>	<input type="checkbox"/>	Someone in the household receives alimony/spousal support payments.	\$
<input type="checkbox"/>	<input type="checkbox"/>	Someone in the household receives periodic payments from trusts, annuities, inheritance, retirement funds or pensions. If yes, please list:	\$
<input type="checkbox"/>	<input type="checkbox"/>	Someone in the household owns real property anywhere in the United States. If yes, what is the value of the property?	\$
<input type="checkbox"/>	<input type="checkbox"/>	Someone in the household receives income from real or personal property.	\$
<input type="checkbox"/>	<input type="checkbox"/>	Someone in the household has a Section 8 voucher. If yes, how much rent does Section 8 pay for this unit?	\$

Please provide any additional information: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**List all persons living in the unit:**

Household Member's Name	Relationship to Head	Age	Social Security Number (xxx-xx-xxxx)	Length of Stay (Years)
1.	SELF			
2.				
3.				
4.				
5.				
6.				

*Under penalties of perjury, I certify that the information presented on this forms is true and accurate to the best of my/our knowledge. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information will result in the denial of application or termination of the lease agreement.*

**Please note that this application will not be considered complete unless it is accompanied by a copy of the applicable IRS 1040 and/or SSA 1099 form and copies of your last two pay stubs.**

\_\_\_\_\_  
 Printed name of Applicant/Tenant

\_\_\_\_\_  
 Signature of Applicant/Tenant

\_\_\_\_\_  
 Date

**EXHIBIT 4**

**CITY OF WEST HOLLYWOOD  
INCLUSIONARY HOUSING PROGRAM  
OWNER ANNUAL COMPLIANCE FORM**

Property Address: \_\_\_\_\_

Owner: \_\_\_\_\_

Owner's Mailing Address: \_\_\_\_\_

Owner's Phone: (\_\_\_\_\_) \_\_\_\_\_ Owner's Fax: (\_\_\_\_\_) \_\_\_\_\_

Property Manager: \_\_\_\_\_

Property Manager's Mailing Address: \_\_\_\_\_

Manager's Phone: (\_\_\_\_\_) \_\_\_\_\_ Manager's Fax: (\_\_\_\_\_) \_\_\_\_\_

Unit Number	Unit Type (check one)	No. of Bedrooms	Tenant Name (last name, first name)	No. of Persons in Unit	Total Rent Received	Is Section 8 subsidy received for this unit?
	<input type="checkbox"/> Low-income <input type="checkbox"/> Mod-income					___Yes ___No Tenant Share \$_____ Section 8 Share \$_____
	<input type="checkbox"/> Low-income <input type="checkbox"/> Mod-income					___Yes ___No Tenant Share \$_____ Section 8 Share \$_____
	<input type="checkbox"/> Low-income <input type="checkbox"/> Mod-income					___Yes ___No Tenant Share \$_____ Section 8 Share \$_____
	<input type="checkbox"/> Low-income <input type="checkbox"/> Mod-income					___Yes ___No Tenant Share \$_____ Section 8 Share \$_____
	<input type="checkbox"/> Low-income <input type="checkbox"/> Mod-income					___Yes ___No Tenant Share \$_____ Section 8 Share \$_____
	<input type="checkbox"/> Low-income <input type="checkbox"/> Mod-income					___Yes ___No Tenant Share \$_____ Section 8 Share \$_____
	<input type="checkbox"/> Low-income <input type="checkbox"/> Mod-income					___Yes ___No Tenant Share \$_____ Section 8 Share \$_____
	<input type="checkbox"/> Low-income <input type="checkbox"/> Mod-income					___Yes ___No Tenant Share \$_____ Section 8 Share \$_____

Are any inclusionary units currently vacant or do you anticipate a vacancy within the next two months?  
(circle one) YES NO If yes, which units? \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Please Return Form to:  
City of West Hollywood, Rent Stabilization & Housing Department, Attn: Inclusionary Housing Program,  
8300 Santa Monica Boulevard West Hollywood, CA 90069

**§ 6914. Gross Income.**

25 CA ADC § 6914 BARCLAYS OFFICIAL CALIFORNIA CODE OF REGULATIONS

Barclays Official California Code of Regulations  
Title 25. Housing and Community Development  
Division 1. Housing and Community Development  
Chapter 6.5. Program Operations  
Subchapter 2. Program Eligibility and Affordability for Lower Income Households

25 CCR § 6914

**§ 6914. Gross Income.**

“Gross income” shall mean the anticipated income of a person or family for the twelve-month period following the date of determination of income. If the circumstances are such that it is not reasonably feasible to anticipate a level of income over a twelve-month period, a shorter period may be used subject to a redetermination at the end of such a period. “Income” shall consist of the following:

(a) Except as provided in subdivision (b), all payments from all sources received by the family head (even if temporarily absent) and each additional member of the family household who is not a minor shall be included in the annual income of a family. Income shall include, but not be limited to:

(1) The gross amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses;

(2) The net income from operation of a business or profession or from rental or real or personal property (for this purpose, expenditures for business expansion or amortization of capital indebtedness shall not be deducted to determine the net income from a business);

(3) Interest and dividends;

(4) The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts;

(5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (but see subdivision (b)(3)).

(6) Public Assistance. If the public assistance payment includes an amount specifically designated for shelter and utilities which is subject to adjustment by the public assistance agency in accordance with the actual cost of shelter and utilities, the amount of public assistance income to be included as income shall consist of:

(A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter and utilities, plus

(B) The maximum amount which the public assistance agency could in fact allow for the family for shelter and utilities,

(7) Periodic and determinable allowances such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling;

(8) All regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the family or spouse (but see subdivision (b)(5)).

Where a family has net family assets in excess of \$5,000, income shall include the actual amount of income, if any, derived from all of the net family assets or 10 percent of the value of all such assets, whichever is greater. For purposes of this section, net family assets means value of equity in real property other than the household's full-time residence, savings, stocks, bonds, and other forms of capital investment. The value of necessary items such as furniture and automobiles shall be excluded.

(b) The following items shall not be considered as income:

(1) Casual, sporadic or irregular gifts;

(2) Amounts which are specifically for or in reimbursement of the cost of medical expenses;

(3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;

(4) Amounts of educational scholarships paid directly to the student or to the educational institution, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books and equipment. Any amounts of such scholarships, or payments to veterans not used for the above purposes of which are available for subsistence are to be included in income;

(5) The special pay to a serviceman head of a family away from home and exposed to hostile fire;

(6) Relocation payments made pursuant to federal, state, or local relocation law;

(7) Foster child care payments;

(8) The value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is in excess of the amount actually charged the eligible household;

(9) Payments received pursuant to participation in the following volunteer programs under the ACTION Agency:

(A) National Volunteer Antipoverty Programs which include VISTA, Service Learning Programs and Special Volunteer Programs.

(B) National Older American Volunteer Programs for persons aged 60 and over which include Retired Senior Volunteer Programs, Foster Grandparent Program, Older American Community Services Program, and National Volunteer Program to Assist Small Business Experience, Service Corps of Retired Executive (SCORE) and Active Corps of Executives (ACE).

Note: Authority cited: Sections 50053 and 50093, Health and Safety Code. Reference: Sections 50052.5, 50053 and 50093, Health and Safety Code.

## **HISTORY**

1. Editorial correction of NOTE filed 4-27-83 (Register 83, No. 18).

This database is current through 8/24/18 Register 2018, No. 34  
25 CCR § 6914, 25 CA ADC § 6914