Return Original To and Recording Requested By:

CITY OF WEST HOLLYWOOD 8300 Santa Monica Boulevard West Hollywood, California 90069

No Recording Fee Required Government Code Section 6103

b.	Project Approvals:
	Master Project Number:
	Development Permit Number:
	Date of Planning Commission Hearing:
c.	Total Number of Residential Units in the Project:
d.	Total Number of Affordable Units within the Project:

e. Allocation of Affordable Units:

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

f. The Affordable Units are designated on <u>Exhibit 2</u>, attached hereto and incorporated herein by this reference. The location of the Affordable Units shall not be changed without the prior written approval of the Director of Human Services and Rent Stabilization.

g.	Owner's Address for Notices:


2. <u>Definitions</u>. For purposes of this Agreement, the terms listed below shall have the meanings thereinafter specified.

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

<b>Number of Persons</b>	2018-2019 Year	
in Household	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 4.

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**. "Affordable Unit" shall be a unit in the Project rented to Very-Low Income Tenants, Low Income Tenants, or Moderate Income Tenants at a maximum monthly rent determined as hereinafter set forth.
- 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:

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

- d. <u>Consumer Price Index</u> 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**. A Very Low-Income Tenant is defined to be a tenant whose annual gross income is 50% or less of the Adjusted Median Income.
- f. **Low-Income Tenant**. A Low Income Tenant is defined to be a tenant whose annual gross income is more than 50% but no more than 80% of the Adjusted Median Income.
- g. **Moderate-Income Tenant**. A Moderate Income Tenant is defined to be a tenant whose annual gross income is more than 80% but no more than 100% of the Adjusted Median Income.
- h. **Effective Date** means the date set forth in the introductory paragraph of this Agreement.

- i. **Eligible Tenant** means a Household that meets the eligibility criteria set forth in this Agreement.
  - j. **Exhibits** mean the exhibits to this Agreement, which are listed in Section 5.
- k. **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 9.
- l. **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.
- m. **Principal Residence**. "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 4 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.
- n. **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 <u>Exhibit 5</u> is deemed approved by City.
- o. **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 6 is deemed approved by City.

### 3. Owner Representations and Warranties

The representations and warranties of Owner contained in this Agreement shall be based upon the actual knowledge of Owner as of the Effective Date, and are true and correct as of the Effective Date. Owner's liability for misrepresentation or breach of warranty, representation or covenant, wherever contained in this Agreement, shall survive the execution and delivery of this Agreement.

Owner hereby makes the following representations, covenants and warranties, and Owner acknowledges that the execution of this Agreement by City has been made in material reliance by City on such covenants, representations and warranties:

a. Owner is a California Limited Liability Company lawfully entitled to do business in the State of California and the City of West Hollywood. Owner has the legal right, power and authority to enter into this Agreement and the instruments and documents referenced herein and to consummate the transaction contemplated hereby. The persons executing this Agreement and

the instruments referenced herein on behalf of Owner hereby represent and warrant that such persons have the power, right and authority to bind Owner.

- b. Owner has taken all requisite action and obtained all requisite consents in connection with entering into this Agreement and the instruments and documents referenced herein and the consummation of the transactions contemplated hereby, and no consent of any other party is required for Owner's authorization to enter into this Agreement.
- c. Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby shall result in a breach of or constitute a default under any other agreement, document, instrument, or other obligation to which Owner is a party or by which Owner may be bound, or to the best of Owner's knowledge, under any law, statute, ordinance, governmental regulation or any writ, injunction, order or decree of any court or governmental body applicable to Owner or to the Property.
- d. This Agreement is, and all agreements, instruments and documents to be executed by Owner pursuant to this Agreement shall be duly executed by, and to the best of Owner's knowledge, are or shall be valid and legally binding upon Owner and enforceable in accordance with their respective terms.

## 4. <u>City's Representations and Warranties</u>

City finds and declares that compliance with this Agreement shall satisfy all requirements for the development of affordable housing required as a condition to the Planning Department's approval of the Development Permit.

#### 5. 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 1	Legal Description of Property
Exhibit 2	Description(s) of Affordable Units
Exhibit 3	Model Apartment Lease
Exhibit 4	Qualifying Household Incomes and Affordable Rents 2018-2019
Exhibit 5	Tenant Income Certification Form
Exhibit 6	Landlord Annual Certification of Rents Form
Exhibit 7	Gross Income (California Code of Regulations Title 25 Housing and Community Development Section 6914)

## 6. <u>Affordable Housing Covenants</u>

- a. Owner Compliance with the Affordable Housing Ordinance (West Hollywood Municipal Code Section 19.22). Owner has obtained a copy of the Affordable Housing Ordinance. Owner is familiar with the requirements of the Affordable Housing Ordinance and shall ensure that the Project complies in all material respects with this Agreement and the requirements set forth in all the foregoing documents.
- b. <u>Owner Compliance with the Rent Stabilization Ordinance</u>. 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.

### 7. 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 the City of West Hollywood, as provided in Section 9 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. In the event a rental application is rejected, Owner shall deliver to City written notice stating the reasons therefore 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 a Tenant

Income Certification Form (<u>Exhibit 5</u>) 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.

## 8. 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 or within 5 business days of learning of a vacancy. Following receipt of such notice, City shall refer to Owner person(s) or households who meet the eligibility requirements set forth in this Agreement.

## 9. Rental Rate.

a. The maximum rental rates for Affordable Units are enumerated in <u>Exhibit 4</u> 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 tenants 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 tenants 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 calendar year. The adjusted rent shall not exceed the maximum rent calculated per the formula in this section, except that:
- d. 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.
- e. 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 Unit 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), 2(c) and 2(d) above, however the tenant's portion can be less. The amount of rent Owner may receive through the subsidy program can exceed the maximum rent rate set forth in Sections 2(a), 2(c) and 2(d), however it shall not be less. The proposed tenant must come from City's Affordable Housing wait list.
- f. Owner shall accept payments from tenants in whole or in part in the form of third party checks from social services.

## 10. 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. 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.

#### 11. 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 Agreement for the useful life of the improvements constituting the Project.

## 12. Utilization of Affordable Unit. Owner shall enforce the following occupancy standards:

a. <u>Full Utilization</u>. No later than 30 days after the City issues a certificate of occupancy, Owner shall contact the Rent Stabilization and Housing Division to obtain a list of Eligible Tenants. 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) <u>First tenancy</u>. Every Affordable Unit subject to this Agreement shall be leased to an Eligible Tenant 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 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) <u>Subsequent tenancies</u>. Owner shall notify the Rent Stabilization and Housing Division within five business days of the date when any Affordable Unit becomes vacant, and shall obtain from the Division a list of eligible program participants. Owner shallrent the Affordable Unit to an Eligible 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 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.
- Penalty for Failure to fully utilize Unit. All the time limits and acts (iii) required to be done by paragraph 12(a), including subparagraphs (i) and (ii) (collectively "paragraph 12(a)), of this Agreement are essential elements of this Agreement. Should Owner fail to perform within the times set forth in paragraph 12(a), 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 Paragraph 12(a). 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 Paragraph 12(a) 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.
- b. <u>Minimum Occupancy</u>. 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.
- 13. Access to Common Areas 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 market-rate units in the Development. No differing 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 not otherwise also charged other residents to use the common area amenities in no case shall residents of the Affordable Units or their guests be charged a fee to use common area amenities that would be considered prohibitive based on consideration of household income. 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
- 14. <u>Parking</u>. Parking for the Affordable Units, specifically parking for tenants 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.

## 15. <u>Lease Agreement</u>.

- 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 3, attached hereto and incorporated herein by reference. 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 3 and the provisions of this Agreement. If City notifies Owner within that ten-day period that the lease agreement does not include all of the clauses referenced in Exhibit 3, or that the lease agreement contains provisions that conflict with the clauses referenced in Exhibit 3 or with other provisions of this Agreement, the provisions in conflict shall not be in effect and shall not be enforceable and the lease shall be amended as necessary and expeditiously to comply with the provisions of Exhibit 3. City's review of the lease agreement is for the sole purpose of determining consistency with the requirements of this Agreement 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.

## 16. <u>Inspection of Books and Records.</u>

To enforce its rights under this Agreement, 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. Owner is required to keep records for the most recent five (5) years.

#### 17. 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 Agreement 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.

#### 18. Default.

If Owner defaults with regard to any provision of this Agreement, City shall serve written notice of such default upon the 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 this 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 Agreement.

#### 19. 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 Agreement, 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). This provision is subject to any court order.
- b. If Owner sells any of the Affordable Units in violation of this Agreement or City requirements for sale of affordable units, as restitution to City, Owner shall forfeit all monetary amounts obtained from the sale of the Affordable Unit(s).
- c. All such restitution shall be made to City. Any funds received by City under this provision of this Agreement shall be placed in the Housing Trust Fund.

#### 20. 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 to 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 Agreement.

## 21. Right and Remedies are Cumulative.

The rights and remedies of the Parties are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

#### 22. Administration Fee.

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.

## 23. 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 under this Agreement.

#### 24. Attorneys' Fees.

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

## 25. 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 upon written notice to ensure that no such person is discriminated against for any of the aforementioned reasons.

#### 26. Standing to Enforce Agreement.

- a. Any individual who rents (including subleasing) an Affordable Unit in violation of the provisions of this Agreement 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 Agreement, 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.
  - 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.

#### 28. 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.

#### 29. Notices.

All notices required under this Agreement shall be sent by certified mail, return receipt requested, to Owner at the address set forth in Section 1(i), and to City at 8300 Santa Monica Boulevard, West Hollywood, California 90069, Attention: Rent Stabilization and Housing Division. Any party may change the address to which notices are to be sent by notifying the other parties of the new address, in the manner set forth above.

#### 30. Recording of Agreement.

The parties hereto shall cause this Agreement to be recorded in the Official Records of the County of Los Angeles.

#### 31. Burden to Run with Property.

In accordance with California law, the covenants and conditions herein contained shall run with and burden the Property until terminated in accordance with the provisions hereof. Owner shall expressly make the conditions and covenants in this Agreement a part of any deed or other instrument conveying any interest in the Property.

### 32. Entire Agreement.

The provisions herein constitute the entire agreement between the parties hereto. 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

instrument signed by both City and Owner.	

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

CITY OF WEST HOLLYWOOD	OWNER:, a,
By:Paul Arevalo, City Manager	 By: Name: Title:
ATTEST:	Tiue.
By:	

# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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		
personally appeared satisfactory evidence to be acknowledged to me that he by his/her/their signature(s) on acted, executed the instrument.	the person(s) whose in le/she/they executed the the instrument the pers	Notary Public,, who proved to me on the basis of name(s) is/are subscribed to the within instrument and he same in his/her/their authorized capacity, and that son(s), or the entity(ies) upon behalf of which the person(s) was of the State of California that the foregoing paragraph is
		WITNESS my hand and official seal.
Place Notary Sea	I Above	Signature of Notary Public

# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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		
evidence to be the person(s) whose nar that he/she/they executed the same in hi instrument the person(s), or the entity(ies)	ne(s) is/are subscribed to the with s/her/their authorized capacity, and upon behalf of which the person(s)	proved to me on the basis of satisfactory hin instrument and acknowledged to me I that by his/her/their signature(s) on the
	WITNESS m	y hand and official seal.
Place Notary Seal Above		Signature of Notary Public

## 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:

## DESCRIPTION OF AFFORDABLE UNITS

Unit Number	Affordability Level	Number of Bedrooms
***		
***		
***		
***		
***		
***		
***		

\*\*\*Please Note: Units will be assigned at Certificate of Occupancy

## MODEL APARTMENT LEASE

(Controlled Inclusionary Unit)

THIS LEA	ASE is entered into this		called	by and betw "Landlord"	ween and
below, Landlord a premises know	consideration of the paymer rents to Tenant, and Tenant a rn as Apartment No.	accepts from Landlord (the	l, for reside "Premises	ential use only only in located	y, the at
"Commencement	Date").				`
\$	per month. Each installment feach and every month durin	t of rent shall be due a			
rent or \$500.00 hereunder. Landlany default by Te caused by Tenant Premises, if neces no automatic clea if Tenant does no than 21 days after written statement deposit and the di	nant has concurrently herewishichever is greater as seculord may use therefrom such a chant in the payment of rent, it, its guests or invitees (exclassary, upon termination of the ning fee hereunder; a reasonable leave the Premises in broom the termination of this Lease of the basis for, and the analysposition by Landlord of such eposit to Tenant at Tenant's leave	urity for Tenant's per amount as may reason to repair damages to lusive of ordinary we e tenancy. Notwithstan able cleaning fee may m clean condition at the se, Landlord shall furn mount of, any amount th amounts, and shall	rformance nably be not the Premiser and teat anding the be charged he end of nish Tenant deducted	of its obligated of its obligated sees or the Property, or to clear foregoing, the d by Landlord the term. No not with an item of the second o	tions medy perty n the ere is only later nized curity
West Hollywood Property dated	re Premises is subject to (i) the certain subject to (i) that certain the company of the company	rtain Agreement Imp ment") between City	oosing Res	strictions on	Real
Agreement provid	true and correct copy of the des that the Premises shall be te-income as specified below	e leased only to perso	ons of very	y-low income,	

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, 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 the 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 deliverable 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 the Lease, including the right to recover the rent as it becomes due under the 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 the 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:
- 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. RIGHT OF ENTRY AND INSPECTION. Without limitation of the foregoing, Tenant agrees that City shall also have the right to enter the Unit to perform inspections for maintenance and/or code violations. City may also enter the Unit to verify that occupancy of the Unit is being maintained by the Tenant and those identified in the Lease as the permitted occupants of the Unit. 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 Unit are not the occupants authorized to occupy the Unit under this Lease, it shall constitute a material breach of this Lease and the 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. ASSIGNMENT. 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 h	is or her address is	; telephone ()
•	n only the name of a manager or age rized to accept legal service on behalf o	nt is given, it is hereby agreed that this person if Landlord.)
37.	Other provisions (if none, write "No	one''):

IN WITNESS WHEREOF, the parties have ex above written.	secuted this Lease as of the day and year first
"Landlord"	"Tenant"
"Landlord"	"Tenant"

# MODEL APARTMENT LEASE EXHIBIT 1

# Agreement Imposing Restrictions on Real Property PROPERTY ADDRESS

#### MODEL APARTMENT LEASE EXHIBIT 2

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

Without limitation of the restrictions set forth in Section \_\_\_\_ of the Lease (Assignment) and in the Rules and Regulations, RESIDENT acknowledges and agrees that SHORT TERM OR DAILY RENTALS OR USE OF THE PREMISES BY A THIRD PARTY PERMITTED BY RESIDENT 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". RESIDENT'S violation of the foregoing restriction will constitute a material breach of the Lease and will constitute grounds for termination of the RESIDENT'S Lease. RESIDENT 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.

RESIDENT:	
By:	By:
Date:	Date:

## 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:

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

Median Income \$64,189

## **Maximum Allowable Monthly Rents for 2018-2019**

Bedrooms	0 BR	1 BR	2 BR
Very Low	\$456	\$520	\$688
Low	\$660	<b>\$753</b>	<b>\$1,101</b>
Moderate	<b>\$911</b>	\$1,042	\$1,376

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.

# TENANT INCOME CERTIFICATION FORM

# LANDLORD ANNUAL CERTIFICATION OF RENT FORM

GROSS INCOME (California Code of Regulations Title 25 Housing and Community Development Section 6914)