

NO FEE

This document is exempt from the payment of a recording fee per California Government Code Sections 27383 and 6103.

**Recording Requested By
And When Recorded Mail To:**

City Clerk
City of Chula Vista
276 Fourth Avenue
Chula Vista, CA 91910

APN: _____

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
ACCESSORY DWELLING UNIT
(CITY 20-YEAR VERY LOW INCOME AFFORDABILITY RESTRICTIONS)
(_____ property address)**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS-ACCESSORY DWELLING UNIT (“Declaration”) is made as of this ____ day of _____, 202__, by _____ (“Owner”), in favor of the City of Chula Vista, a chartered municipal corporation (“City”).

RECITALS

A. The Owner is acquiring that certain real property (“Property”) located at _____, Chula Vista, CA, County of San Diego, California, described in Exhibit “A” attached hereto and incorporated herein by reference, concurrently with the recordation of this Declaration.

B. _____, LLC, a Delaware limited liability company (“Developer”) is the developer of a residential single-family community located within the City of Chula Vista known as “Estancia” (“Estancia Community”). The City’s Balanced Communities Affordable Housing Policy and Balanced Communities Agreement, recorded as Document Number 2012-0059874 in the Office of the County Recorder for the County of San Diego (“County Recorder”), requires the Developer to provide affordable accessory dwelling units, as that term is defined in [Section 19.58.022](#) of the Chula Vista Municipal Code, in the Estancia Community (“Affordable Housing Obligation”). The Affordable Housing Obligation requires this Declaration to be recorded against the Property.

Concurrently herewith the Owner is purchasing the Property which is in the Estancia Community. The Property is currently developed with a single-family residence and an accessory dwelling units (“ADU”). Owner has reviewed and agreed to enter into and

record this Declaration against the Property in the Office of the County Recorder for the County of San Diego for the benefit of the City. The purpose of this Declaration is to regulate and restrict the rent and occupancy of the ADU. The covenants in this Declaration shall run with the land for the benefit of the City and shall be binding on the Owner and its successors and assigns in the Property for the term set forth in Section 10 of this Declaration.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained herein, the Owner hereby declares and the City hereby agrees that the Property shall be subject to the covenants, conditions and restrictions set forth below:

AGREEMENT

1. Restrictive Covenants. Owner agrees and covenants on behalf of itself, its successors and assigns, and each successor in interest to the Property, that at all times during the term of this Declaration the ADU at the Property shall be set aside and reserved as affordable in accordance with the terms and conditions set forth in this Declaration.

a. ADU Occupancy Limited to Very Low -Income Households. During the Term of this Declaration, the ADU may only be rented to an "Income Eligible Tenant". "Income Eligible Tenant" means a household which meets all of the following requirements: (i) the aggregate gross annual income of all members of the household does not exceed fifty percent (50%) of the San Diego County Area Median Income ("AMI"), adjusted for household size. AMI shall mean the area median income as determined annually and published by the State of California Department of Housing and Community Development pursuant to California Health and Safety Code 50053 ("State HCD"); and (ii) no member of the household owns any interests in real property other than one or more timeshares which may be used in the aggregate for a maximum of one month per year.

b. Minimum Lease Term; Maximum Rent. The minimum term for every lease of the ADU shall be thirty (30) days. Monthly rents for the ADU may not exceed the affordable rent for a household at fifty-percent (50%) of the AMI, as set annually by the State HCD ("Maximum Rent") pursuant to California Health and Safety Code 50053. The Owner shall not receive any compensation with respect to the ADU which exceeds the Maximum Rent.

c. Determining Maximum Income and Rent. The City will annually post a chart on its website at <https://www.chulavistaca.gov/departments/development-services/housing/building-affordable-housing> setting forth the maximum income and Maximum Rents applicable to the ADU, including an applicable utility allowance if unit is on a separate utility meter.

2. Certification; Annual Recertification.

a. At all times, the ADU shall be occupied only by Income Eligible Tenants certified pursuant to this Section. The Owner shall require such Income Eligible Tenant to execute, in

connection with the execution of a lease, a Lease Addendum in the form of Exhibit “C”, attached hereto (or such other form as City may from time to time adopt). The Owner shall not permit a household to occupy the ADU in violation of the terms of this Declaration or the Lease Addendum.

b. Owner shall obtain from each person who occupies or resides in the ADU (“ADU Occupant(s)”) an “Affordable ADU Occupancy Certification Form” (“Occupancy Certification”) in the form of Exhibit “B”, attached hereto (or such other form as City may from time to time adopt). An ADU Occupant that is initially an Income Eligible Tenant shall be treated as an Income Eligible Tenant until a recertification of such ADU Occupant’s income demonstrates that such household no longer qualifies as an Income Eligible Tenant.

c. Each year, on the anniversary of the initial Occupancy Certification from an ADU Occupant, Owner shall obtain an Occupancy Certification from all of the current ADU Occupant to verify continued eligibility.

d. The Occupancy Certification form shall require information and backup documentation from the Owner and the occupants of the ADU as necessary or desirable to verify that the intended or existing ADU Occupant(s) qualifies as an Income Eligible Tenant. Owner and all ADU Occupant(s) shall sign the Occupancy Certification and certify under penalty of perjury, utilizing such forms acceptable to the City and providing such backup documentation as requested by City, that all information provided, and all documentation attached to the Occupancy Certification is true, complete and accurate to the signatory’s best knowledge.

e. The City shall determine whether a household qualifies as an Income Eligible Tenant based upon the Occupancy Certification and backup documentation submitted by the Owner and all ADU Occupant(s). The income of all occupants shall be taken into account in determining whether a household is an Income Eligible Tenant hereunder. If Owner cannot certify that the household qualifies as an Income Eligible Tenant, the Owner will either, as applicable: (1) not execute an initial rental agreement; or (2) will not renew the existing lease for the ADU or terminate the lease in a lawful manner based on the terms of Lease Addendum. Notwithstanding the foregoing, Owner may permit the existing household to occupy the ADU for up to a maximum of one hundred eighty (180) days after it is determined that the household no longer qualifies as an Income Eligible Tenant in accordance with Section 3(b), below.

f. Failure to timely complete the annual certification process described in this Section 2 shall constitute a material default by the Owner under this Declaration. City may resort to the remedies set forth herein below upon such material default, as well as any and all other remedies available at law or in equity.

3. Eviction.

a. Any Reason Other Than Over Income. In the event that an ADU Occupant who was properly certified as an Income Eligible Tenant at the commencement of such ADU Occupant’s occupancy ceases to be eligible, for any reason other than being over income, Owner shall give sixty (60) days written notice to such ADU Occupant to vacate the Affordable Unit. The vacated Affordable Unit shall thereafter be rented to an Income Eligible Tenant.

b. Over Income Tenants. Notwithstanding Section 3(a), above, if an ADU Occupant is determined to be over income at the time of recertification, the ADU Occupant shall be given one hundred eighty (180) days' notice to vacate the ADU, effective from and after the date of such failure to requalify (i.e., the recertification date, provided the ADU Occupant was properly certified originally). During the time the over-income ADU Occupant resides in the ADU, the ADU Occupant shall continue to pay an amount that does not exceed the Maximum Rent. The ADU Occupant shall continue to be considered an "Income Eligible Tenant" until evicted.

c. Evictions and Vacations. Any notice to vacate and any actions to evict may be extended to the extent of any statutory, regulatory, state orders or court orders which prevent or extend any time periods or rights of a landlord to pursue its remedies under its lease.

4. Utilization of the ADU. The ADU shall not be withdrawn from the market or otherwise held vacant during the term of this Declaration. Owner shall use reasonably good faith efforts to market the ADU for occupancy during any period it is otherwise vacant and available for occupancy. ADU shall be used to provide housing for eligible tenants as required by this Declaration. In no event shall the ADU be held vacant for period that exceeds 60 days. Upon request from the Owner, the City will provide information about the availability of the ADU to persons on the City-maintained interest list.

5. No Sublease. The ADU Occupant may not sublet the ADU. Any individual who subleases the ADU in violation of the provisions of this Declaration shall be required to forfeit to City all monetary amounts so obtained.

6. Maintenance of the ADU. Owner shall continually (a) maintain and operate the ADU so as to provide housing in a decent, safe and sanitary condition, and in good repair in compliance with all applicable zoning, housing, building and fire codes; and (b) make any required repairs or provide any required cleanup to maintain the ADU in such condition. Owner shall not materially take away from or materially alter, features of the ADU or otherwise change, alter or reduce the ADU without prior written approval of the City.

7. Records. Owner shall maintain at all times in reasonable condition accurate and current files documenting the ADU, its tenants, rents received and maintenance records and shall retain the same and the Lease Addendum and supporting documents for a period of not less than three (3) years after the household ceases to occupy the ADU.

8. City's Right to Inspect ADU and Documents. The City, its designated inspectors and/or designees may inspect the ADU (subject to the Owner's and Tenant's legally mandated privacy rights) and any documents or records relating thereto, from time to time, on reasonable notice and during regular business hours, in order to verify compliance with this Declaration.

9. Monitoring. It is contemplated that, during the term of this Declaration, City will perform the following monitoring functions: (a) preparing and making available to Owner any general information that the City possesses regarding income limitations and restrictions which are applicable to the ADUs; (b) reviewing the documentation submitted by Owner in connection with

the annual certification process for Income Eligible Tenants described in Section 2, above; and (c) inspecting the ADU to verify it is being maintained in accordance with Section 6, above. Notwithstanding the foregoing description of the City's functions, Owner shall have no claim or right of action against City based on any alleged failure to perform such function. In addition, the Owner shall cooperate with and utilize such forms, software, websites and third-party vendors as may be reasonably required by City.

10. Term. This Declaration and the covenants and restrictions contained herein shall be effective on the date this Declaration is recorded and shall remain in full force and effect until 12:00 midnight on the date which is twenty (20) years thereafter.

11. Prohibition Against Discrimination. Owner and its agents shall not discriminate or have the effect of delaying or otherwise denying admission to the ADU against any tenant or potential tenant or any member of an applicant household 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, with general exemptions specified in the Fair Housing Act. Owner further agrees to take affirmative action to ensure that no such person is discriminated against for any of the above-mentioned reasons.

12. Compliance with Regulations. Owner shall comply with all applicable regulations, policies and procedures promulgated or otherwise adopted by City applicable to the matters set forth in this Declaration. Owner's failure to so comply shall constitute a material default hereunder, entitling City to the remedies set forth herein.

13. Default. Failure or delay by Owner to perform any term or provision of this Declaration, which is not cured within thirty (30) days after receipt of notice from City, shall constitute a default under this Declaration; provided, however, that Owner shall be given an additional reasonable amount of time (not to exceed ninety (90) days) to complete the cure if a cure cannot be completed with the thirty (30) day period. Notwithstanding the previous sentence, if completion of the cure requires eviction of the tenant, the ninety (90) day limit shall not apply, so long as Owner has commenced the unlawful detainer action within thirty (30) days after receipt of notice from the City, and Owner diligently prosecutes the unlawful detainer action to completion, subject to extensions as set forth in Section 3(c) above. Owner 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. City shall give written notice of default to Owner specifying the default complained of by the City. Except as required to protect against further damages, the City may not initiate proceedings against Owner until thirty (30) days (or such additional time as may be authorized by this Section) 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.

14. Remedies. If Owner rents the ADU to any person in violation of the provisions of this Declaration, then the Owner shall be required to forfeit to City all monetary amounts so obtained during the period of the violation. Owner expressly agrees and declares that the City shall be the proper party and shall have standing to initiate and pursue any and all actions or proceedings, at law or in equity, to enforce the provisions hereof and/or to recover damages for any default

hereunder which remains uncured under Section 13, above, notwithstanding the fact that such damages or the detriment arising from such a material default that remains uncured as aforesaid may have actually been suffered by some other person or by the public at large. Further, Owner expressly agrees that injunctive relief and specific performance are proper pre-trial and/or post-trial remedies hereunder to assure compliance with this Declaration. Further, the award of damages hereunder shall not bar the exercise of police power or other governmental powers, or the pursuit of criminal, civil or administrative penalties by the City in connection with any material default under this Declaration that remains uncured as aforesaid.

15. 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.

16. General Provisions.

a. Incorporation of Recitals and Exhibits. The Recitals of fact set forth in this Declaration are true and correct and are incorporated into this Declaration, in their entirety, by this reference. All exhibits referred to in this Declaration are hereby incorporated in this Declaration by this reference, regardless of whether or not the exhibits are actually attached to this Declaration.

b. Timing of Declaration Recording. This Declaration is being recorded in the Office of the County Recorder of San Diego County, California concurrently with the Owner's acquisition of the Property.

c. Notices, Demands and Communications Between the Parties.

i. Notices. Any and all notices under this Declaration shall be in writing and sent by (a) certified or registered United States mail, return receipt requested, (b) by a nationally recognized overnight delivery service (i.e., Federal Express, United Parcel Service, etc.), or (c) by personal delivery. All notices shall be effective upon receipt (or refusal to accept delivery). Any notice shall be deemed to be received by the addressee, regardless of whether or when any return receipt is received by the sender or the date set forth on such return receipt, on the day that it is delivered by personal delivery, on the date of delivery by a nationally recognized overnight delivery service (or when delivery has been attempted twice, as evidenced by the written report of the delivery service) or four (4) calendar days after it is deposited with the United States Postal Service for delivery. Rejection, other refusal to accept, the inability to deliver a notice because of a changed address of which no notice was given, or other action by a person to whom notice is sent, shall be deemed receipt of the notice by such person. Delivery of a notice to any courtesy copy recipient shall not be a prerequisite to the validity or effectiveness of any Notice.

ii. Addresses. All notices shall be delivered to the following addresses or as changed by any party from time to time by written notice to the other parties hereto:

To the City: Housing Manager
 City of Chula Vista
 276 Fourth Avenue
 Chula Vista, California 91910

To Owner:

d. Non-liability of Officials, Employees and Agents. No elected official, officer, director, employee or agent of the City, shall be personally liable to the Developer, Owner, or any successors-in-interest to the Developer or the Owner.

e. Indemnification and Hold Harmless. Owner shall defend, indemnify and hold harmless the City of Chula Vista, the Chula Vista Housing Authority, and any and all of their respective Commissioners, members, officers, agents, servants, or employees (individually an “Indemnified Party” and collectively, “Indemnified Parties”) from and against any loss, liability, claim, damages, costs, expenses, or judgment, whether direct or indirect, relating in any manner to this Declaration. Owner shall not be required to indemnify and hold harmless an Indemnified Party for liability attributable to the willful misconduct or gross negligence of the Indemnified Party, provided such willful misconduct or gross negligence is determined by agreement between the parties or by the findings of a court of competent jurisdiction. In instances where an Indemnified Party is shown to have engaged in willful misconduct or been grossly negligent and where the Indemnified Party’s willful misconduct or gross 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 willful misconduct or gross negligence of the Indemnified Party.

f. Governing Law. The laws of the State of California shall govern the interpretation and enforcement of this Declaration, without application of conflicts of laws principles. The Owner and City acknowledge and agree that this Declaration is entered into, is to be fully performed in and relates to real property located in the City of Chula Vista, County of San Diego, State of California. All legal actions arising from this Declaration shall be filed in the Superior Court of the State in and for the County or in the United States District Court with jurisdiction in the County of San Diego.

g. Binding on Successors and Assigns. This Declaration 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 Declaration.

h. Covenants to Run with the Land. The covenants and conditions contained herein shall constitute “covenants running with the land”, shall burden the Property for a term of twenty (20) years, and bind the Property and every person having an interest therein during the term of this Declaration.

i. No Other Representations or Warranties. This Declaration contains the entire agreement between the Owner and City relating to subject matter of this Declaration and all prior or contemporaneous agreements, understandings, representations or statements, oral or written, are superseded.

j. Execution in Counterparts. This Declaration may be executed in multiple counterpart originals, each of which shall be deemed to be an original, but all of which together shall constitute one and the same document.

k. Severability. In the event that any provision or covenant of this Declaration is held by a court of competent jurisdiction to be invalid or unenforceable, then it shall be severed from the remaining portions of this Declaration which shall remain in full force and effect.

l. Capacity of Parties. Each signatory to this Declaration warrants and represents to the other party hereto that it has legal authority, capacity and direction from its principal to enter into this Declaration, and that all resolutions or other actions have been taken so as to enable it to enter into this Declaration.

[Signatures blocks appear on the next page]

Signature Page
to
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
ACCESSORY DWELLING UNIT

IN WITNESS WHEREON, the Parties have executed this Declaration by and through the signatures of their authorized representatives, as set forth below:

CITY

OWNER

CITY OF CHULA VISTA, a California
municipal corporation and charter city

By: _____
Maria Kachadoorian, City Manager

By: _____
Insert Name of Owner

Dated: _____

Dated: _____

APPROVED AS TO FORM:

City Attorney

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 San Diego)

On _____, 202__, before me, _____ personally appeared, _____ 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(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity on 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.

Signature _____ (Seal)

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 San Diego)

On _____, 202__, before me, _____ personally appeared, _____ 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(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity on 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.

Signature _____ (Seal)

EXHIBIT “A”

Legal Description of the Property

Commonly known as (address): _____

APN: _____

All that certain real property situated in the City of Chula Vista, County of San Diego, State of California, described as follows:

Insert Legal Description

EXHIBIT “B”
Occupancy Certification

**ACCESSORY DWELLING UNIT OCCUPANCY CERTIFICATION**

The form will need to be completed on an annual basis for twenty (20) years from the date of occupancy. Income and rent restriction are revised annually. For additional information regarding the affordability criteria, please contact the Housing Division at 619-691-5058.

Property Information

Address:

Street Address Apartment/Unit #

Chula Vista CA

City State ZIP Code

No. of Bedrooms: ADU Monthly Rent: \$

Owner Name:

Last First M.I.

Phone: Email:

Household Information

*List ALL household members **including Applicant(s)** that will reside in the Accessory Dwelling Unit. Please submit and attach to this Occupancy Certification all supporting documents to determine qualification of household as an "Income Eligible Tenant".*

Total # of persons in Household: Total yearly Household Income \$

Applicant(s) InformationCertification Type: ☐ Initial Certification ☐ Annual Recertification**(1) APPLICANT #1**

Full Name:

Last First M.I.

Address:

Street Address Apartment/Unit #

City State ZIP Code

Phone: Email:

Date of Birth: Social Security No.:

**ACCESSORY DWELLING UNIT OCCUPANCY CERTIFICATION****(2) APPLICANT #2**

Full Name: _____
Last First M.I.

Address: _____
Street Address Apartment/Unit #

City State ZIP Code

Phone: _____ Email: _____

Date of Birth: _____ Social Security No.: _____

Income Verification

Please submit and attach to this Occupancy Certification all supporting documents to determine qualification of household as an "Income Eligible Tenant".

Please select two (2) forms of verification.

- ☐ Most recent paycheck stubs covering a 30-day period for each Applicant
- ☐ Most recent one (1) year W-2s and/or 1099s for each Applicant
- ☐ Employer income verification certification
- ☐ Income verification certification from the Social Security Administration and/or California Department of Social Services, if Applicant(s) receives this assistance.

OR

Provide documentation demonstrating participation in one or more of the following programs:

- ☐ SNAP, TANF or Tenant-Based Vouchers

CERTIFICATION

I/We certify and declare under penalty of perjury under the laws of the United States of America and the State of California that the information given on this form is true, correct and complete to the best of my/our knowledge. I/We acknowledge that any false statement or misrepresentation or the fraudulent use of any instrument, facility, article, or other valuable thing or service pursuant to the lease/rental of the ADU is punishable by fine.

Applicant 1: Insert Name _____ Date _____

Applicant 2: Insert Name _____ Date _____

Signature _____ Date _____

Name of Owner

EXHIBIT “C”
Form of Lease Addendum

ACCESSORY DWELLING UNIT LEASE ADDENDUM

The purpose of this program is to provide affordable rental opportunities for low-income households and to ensure that City of Chula Vista meet the goals set forth in the City's Housing Element and HUD approved Consolidated Plan.

The City of Chula Vista welcomes your interest in leasing/renting an Accessory Dwelling Unit (ADU) for qualified low-income households and requests that you read this information in its entirety. It is very important that you understand the program requirements. Once you agree to rent an affordable unit you are bound by all of the requirements.

AFFORDABLE ADUs

Income restrictions apply. Please refer to the chart below for the **MAXIMUM** gross income based upon household size, which is defined as the total number of people residing within the household. You must be able to provide evidence that the people you list as household occupants will reside in the affordable unit. Gross income is the total amount of income earned by all persons, over the age of 18, within the household before all standard withdrawals (including federal tax, state tax, social security, etc.)

The restrictions set forth in the Table below shall establish the maximum rental rate, which shall be adjusted for family size appropriate for the Affordable Unit, from which a utility allowance as approved by the City Manager shall be deducted. The family size appropriate for the Affordable Unit for purposes of establishing the maximum rental rate shall be calculated at one person per bedroom plus one.

Table of Rent and Income Restriction Criteria (California Health and Safety Code 50053)

Unit Type	Maximum Monthly Rents	Maximum Income of Income Eligible Tenants
ADU	1/12 th of 30% of 50% of AMI	50% of AMI

“Income Eligible Tenants” are those tenants whose gross annual income does not exceed fifty percent (50%) of the San Diego County Area Median Income (“AMI”), adjusted by household size, which is determined annually and published by the State HCD and (ii) who own no interests in real property other than a timeshare which may be used for a maximum of one month per year.

LEASE INFORMATION

Lease Date: _____ Lease Term: _____

Tenant(s): _____

Last First M.I.

Last First M.I.

Address: _____

Street Address Apartment/Unit #

Chula Vista CA

City State ZIP Code

No. of Bedrooms: _____ ADU Monthly Rent: \$ _____

Owner Name: _____

Last First M.I.

Phone: _____ Email: _____

ACKNOWLEDGEMENTS

Landlord and Tenant (Parties) acknowledge that the Accessory Dwelling Unit has been constructed to provide affordable rental opportunities for very low-income households in compliance with the City's Balanced Communities Affordable Housing Policy ("City Program"). The lease/rental of the ADU must comply with the terms satisfying the City program limiting who may rent the ADU and the rents charged for the ADU. This Lease Addendum amends the Lease for the ADU and implements the City program, as indicated below.

1. TENANT MUST BE A VERY LOW INCOME HOUSEHOLD

To rent the ADU, the Tenant must be a Very Low Income Household which means the gross annual income of all household members must not exceed fifty percent (50%) of the San Diego County Area Median Income ("AMI"), adjusted by household size, which is determined annually and published by the State of California Department of Housing and Community Development ("State HCD") and (ii) who own no interests in real property other than a timeshare which may be used for a maximum of one month per year.

Initials of Tenant

Initials of Landlord

Landlord and Tenant have confirmed that Tenant is a Very Low Income Household by completing Occupancy Certification Forms. The Forms will be provided to the City along with this Addendum.

2. ANNUAL RE-CERTIFICATION THAT TENANT IS A VERY LOW INCOME HOUSEHOLD.

As of each anniversary (Anniversary Date) of the initial Lease for the ADU, the Landlord and

Tenant shall provide the City upon its request Occupancy Certification Forms establishing that: (a) the Tenant continues to be a Very Low Income Household; or (b) that the Tenant is no longer a Very Low Income Household.

3. MANDATORY LEASE TERMINATION IF TENANT NO LONGER QUALIFIES AS A VERY LOW INCOME HOUSEHOLD.

Landlord shall terminate the Lease on a date not later than one hundred and eighty (180) days following the Anniversary Date, and Tenant is obligated to vacate the ADU by that date if: (a) that Tenant no longer qualifies as a Very Low Income Household based on Occupancy Certification Forms provided to the City; or (b) the City is not provided with completed and Occupancy Certification Forms upon its request.

4. **MAXIMUM RENTS.** Monthly rents charged to Tenant for the ADU cannot exceed the lesser of either: (1) the rental charges allowed by the Lease; or (2) an affordable rent as set annual by the United States Department of Housing and Urban Development, adjusted for household size appropriate for the unit.

5. **LEASE ADDENDUM SUPERSEDES LEASE.** If this Lease Addendum conflicts with any terms of the Lease, the terms of this Lease Addendum shall prevail.

By their signatures below, Landlord and Tenant acknowledge that they have read this Lease Addendum, that they understand this Lease Addendum, and that they agree to fully comply with this Lease Addendum.

Applicant 1: *Insert Name*

Date _____

Applicant 2: *Insert Name*

Date _____

Signature

Date _____

Name of Owner