

LANDLORD AGREEMENT: ACCESSORY DWELLING UNIT

This Landlord Agreement regarding rental of an accessory dwelling unit (the "Agreement") is entered into as of this _____ day of _____, 2018, by and between the CITY OF PASADENA, a California municipal corporation ("City"), and _____, the owner of the property located at _____, in Pasadena, California ("Owner"), acting as a Landlord with respect to rental of the Accessory Dwelling Unit located at the property.

RECITALS

A. Owner is the owner of certain real property (the "Property") located within the City of Pasadena, County of Los Angeles, State of California, commonly known as _____. The Property is legally described in Exhibit "A" attached hereto and incorporated herein by reference; and

B. Chapter 4.17 of the Pasadena Municipal Code, Section 4.17.050.F.1 provides for payment of a reduced Residential Impact Fee ("RIF") for certain housing types which are rented in accordance with the City's Inclusionary Housing Regulations ("Regulations"); and

C. Section VIII of the City's Inclusionary Housing Regulations sets forth the requirements and outlines three options by which the construction of an Accessory Dwelling Unit may utilize the reduced RIF as provided in PMC Section 4.17.050.F.1; and

D. Options 2 and 3 in Section VIII of the Inclusionary Housing Regulations offer the option to the Owner of the Property to enter into a Landlord Agreement with the City under either of the following scenarios:

Option 2: Landlord Agreement between the homeowner and the City of Pasadena committing the Accessory Dwelling Unit to be rented out exclusively to the City's rental assistance clients or a tenant currently participating in the City's Rental Assistance Program for a term of seven years, after which the Agreement would expire along with the rental restriction, or

Option 3: Landlord Agreement between the homeowner and the City of Pasadena committing the Accessory Dwelling Unit to be used by a family member(s) for a term of seven years, after which the Agreement would expire. For the purpose of this Agreement, a family member is defined as the homeowner's spouse, parent, grandparent, child, grandchild, sister, sister-in-law, brother, brother-in-law, mother-in-law, father-in-law, aunt, uncle, niece, nephew, or first cousin; and

E. City is reviewing a building permit for the Owner to construct an Accessory Dwelling Unit on the Property, and Owner desires to pay the reduced RIF in exchange for providing the Accessory Dwelling Unit for rent in accordance with Option _____ above,

consistent with the requirements under PMC Section 4.17.050.F.1, and the Inclusionary Housing Regulations.

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 are incorporated herein.

2. Chapters 4.17 and Regulations. Chapters 4.17 and the Regulations are incorporated into this Agreement.

3. Definitions. All defined terms, as indicated by initial capitalization, shall have the meanings set forth in Chapters 4.17 or the Regulations, except as expressly indicated otherwise. For purposes of this Agreement, the terms listed below shall have the meanings thereafter specified:

(a) “Accessory Dwelling Unit” shall be that depicted on Exhibit “A” attached hereto and incorporated herein by this reference.

(b) “Chapter 4.17” means Chapter 4.17 of the Pasadena Municipal Code, as it currently exists.

(c) “Director” means City’s Director of Housing and Career Services, or his or her designee.

(d) “Property” shall have the meaning defined in Recital “A” and as depicted on Exhibit “A”.

(e) “Regulations” means the Inclusionary Housing Regulations adopted by the City Council on September 10, 2001 pursuant to Section 17.42.020 of Chapter 17.42 for the implementation and enforcement of the provisions of Chapter 17.42, as most recently amended on June 18, 2018, and as may subsequently be amended.

4. Rental Restriction on Accessory Dwelling Unit. Owner hereby agrees that the Accessory Dwelling Unit shall be rented exclusively as follows under Section VIII of the Regulations [choose one]:

(a) Option 2: to the City's rental assistance clients or a tenant currently participating in the City's Rental Assistance Program; or

(b) Option 3: to be used by a family member(s) only. For the purpose of this Agreement, a family member is defined as the homeowner's spouse, parent,

grandparent, child, grandchild, sister, sister-in-law, brother, brother-in-law, mother-in-law, father-in-law, aunt, uncle, niece, nephew, or first cousin. Owner certifies that as of the date of this Agreement, the Accessory Dwelling Unit shall be rented to and occupied by the following family member:

_____	_____
Name	Relationship to Owner

5. Notification re Vacancy, and Continued Rental Under This Agreement. Owner shall notify City in writing of a vacancy in the Accessory Dwelling Unit at least thirty (30) days prior to the effective date of the vacancy. If the tenant gives Owner less than thirty (30) days' notice of his or her intent to vacate the Accessory Dwelling Unit, Owner shall notify City immediately upon receipt of tenant's notice of intent to vacate. Owner shall then indicate to the City whether Owner will continue rental in compliance with this Agreement, and shall provide a copy of any subsequent rental agreement to the City including, if applicable, a signed certification (in a form to be provided by City) as to the family member who will be renting and occupying the Accessory Dwelling Unit .

6. Individuals Ineligible to Rent Accessory Dwelling Unit. The following individuals, by virtue of their position or relationship, are ineligible to rent the Accessory Dwelling Unit: All employees and officials of the City or its agencies, authorities, or commission who have, by virtue of their position, policy-making authority or influence over the implementation of the inclusionary housing program, as well as the spouse of such employees or officials.

7. Utilization of Accessory Unit. The Accessory Dwelling Unit shall be leased or rented and fully utilized in accordance with this Agreement as long as there are qualified individuals available who desire to lease or rent said Accessory Dwelling Unit; the Accessory Dwelling Unit shall not be withdrawn from the market or otherwise held vacant during the term of this Agreement.

8. No Sublease. A tenant occupying the Accessory Dwelling Unit may not sublet the unit without the written permission of both Owner and City. The City shall not grant permission to lease, rent, or sublet the unit if it finds that the prospective tenant or occupant is not otherwise qualified in accordance with the Regulations and the Owner's choice of option as set forth in Recital E and Section 4, above.

9. Rental or Lease Agreement. The rental or lease agreement between Owner or its agent and the tenant of the Accessory Dwelling Unit must include provisions disclosing the rental restrictions set forth herein. The rental or lease agreement shall also include a provision substantially as follows:

“Tenant is hereby advised that the unit is an Accessory Dwelling Unit, as that term is used in Chapter 17.50.275 of the Pasadena Municipal Code. Pursuant to the Inclusionary Housing Regulations, Landlord has entered into a Landlord

Agreement: Accessory Dwelling Unit with the City of Pasadena. A copy of that Agreement is attached to this Lease (or rental agreement). Tenant is encouraged to review the Agreement. Any questions regarding the Agreement can be directed to the City of Pasadena Housing Director, 649 North Fair Oaks Avenue, Suite 202, Pasadena, CA 91103, telephone number 626-744-8300.”

A fully executed copy of each rental or lease agreement for the Accessory Dwelling Unit shall be delivered to City within ten (10) days after the date of its execution.

10. Maintenance of Accessory Dwelling Unit. Owner shall (a) maintain and operate the Accessory Dwelling Unit so as to provide decent, safe and sanitary housing in compliance with all applicable City codes (and consistent with federal housing quality standards if Option 2 is chosen above in Section 4); and (b) make any required repairs or provide any required cleanup.

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

12. 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 thereunder applicable to the construction, management, maintenance, and rental of low and moderate-income housing units in the City of Pasadena.

13. Prohibition Against Discrimination. Owner shall not discriminate against any tenant or potential tenant 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.

14. Indemnification. Owner shall defend, indemnify and hold harmless the City of Pasadena and its officers, agents, employees, representatives, and volunteers (individually an “Indemnified Party” and collectively, “Indemnified Parties”) from and against any loss, liability, claim or judgment relating in any manner to this Agreement. 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.

15. City's Right to Inspect Unit and Documents. The City may inspect the Accessory Dwelling Unit (subject to the tenant's privacy rights) and any documents or records relating thereto, at any reasonable time to determine Owner's compliance with this Agreement.

16. 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.

17. Term of Agreement and Full Payment of Residential Impact Fee. This Agreement shall expire seven (7) years from the date first written above. If the Owner elects to opt out of this Agreement before the end of the seven-year term, or is found to be out of compliance with the agreement after notice and an opportunity to cure, the Owner will be responsible for paying the full Residential Impact Fee that would have been charged at the time of building permit issuance, minus the reduced Residential Impact Fee that was paid.

18. 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 on the date received or the date delivery was refused as indicated on the return receipt, as follows.

To Owner: _____

To City: City of Pasadena Housing & Career Services Department
P. O. Box 7115
Pasadena, CA 91109-7215
Attn: Housing Director

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

19. 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, in an appropriate municipal court in that County, or in the Federal District Court in the Central District of California.

20. Default. Failure or delay by either party to perform any term or provision of this Agreement, which is not cured within thirty (30) days after receipt of notice from the other party, constitutes a default under this Agreement; provided, however, that the defaulting party 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. 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 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.

21. Remedies.

(a) Any individual who rents (including subleasing) an Accessory Dwelling 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.

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. Entire Agreement. The text herein 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.

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

CITY OF PASADENA, a municipal corporation

By: _____

Steve Mermell, City Manager
Dated: _____, 2018

APPROVED AS TO FORM:

ATTEST:

By: _____

By: _____

Theresa E. Fuentes
Assistant City Attorney

Mark Jomsky, CMC
City Clerk

“OWNER”

a California limited liability company

By: _____

Dated:

Attachments:

Exhibit “A” – Legal Description

EXHIBIT "A"

LEGAL DESCRIPTION OF REAL PROPERTY
commonly known as _____