

RECORDING REQUESTED BY AND )  
WHEN RECORDED MAIL TO: )  
 )  
City of Pasadena )  
Office of the City Clerk )  
100 N. Garfield Avenue, Room S228 ) )  
Pasadena, CA 91101 )  
Attn: Mark Jomsky, City Clerk )

APN:

This document is exempt from the payment of a recording fee pursuant to Government Code Sections 27383 and 6103

**ACCESSORY DWELLING UNIT AFFORDABILITY COVENANT**

**RE: City Agreement No.**

, **PASADENA**

[PURSUANT TO CHAPTERS 4.17 AND 17.42 PASADENA MUNICIPAL CODE]

This Accessory Dwelling Unit Covenant (the “Covenant”) is entered into as of this  day of , **2018**, by and between the CITY OF PASADENA, a California municipal corporation (“City”), and  (“Owner”), as follows:

**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 . 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 to persons and families of low or moderate income (as defined in Health and Safety Code Section 50093), pursuant to the City’s Inclusionary Housing 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. Option 1 in Section VIII of the Inclusionary Housing Regulations requires the recordation of this Affordability Covenant on the Property pursuant to which the Owner shall rent the Accessory Dwelling Unit to a household whose annual income does not exceed 120% of Area Median Income, based on household size, at a cost that does not exceed the ADU Rent Limit, as more fully described and restricted below; 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 the affordable housing 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 Inclusionary Housing Regulations. Chapters 4.17 and the Inclusionary Housing 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 Inclusionary Housing Regulations, except as expressly indicated otherwise. For purposes of this Covenant, 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) “Household Size Appropriate for the Unit” means a household of one person in the case of a studio unit, two persons in the case of a one-bedroom unit, three persons in the case of a two-bedroom unit, four persons in the case of a three-bedroom unit, and five persons in the case of a four-bedroom unit.
  - (c) “ADU Rent Limit” means a rent that, when added to the Utility Allowance (as herein defined), does not exceed 30% of 120% of the Area Median Income for Los Angeles County, as adjusted by the Household Size Appropriate for the Unit.
  - (d) “Chapter 4.17” means Chapter 4.17 of the Pasadena Municipal Code, as it currently exists.
  - (e) “Director” means City’s Director of Housing and Career Services, or his or her designee.

(f) “Income Eligible Household” shall mean a household whose gross annual income does not exceed 120% of Area Median Income, adjusted by household size, also commonly referred to as “Moderate Income” limit which is determined and published annually by the State of California Department of Housing and Community Development.

(g) “Original Unit” shall have the meaning defined in Section 9(b).

(h) “Owner” means the person or entity defined as “Current Owner” in the introductory paragraph of this Agreement, and includes all successors and assigns of that person or entity.

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

(j) “Inclusionary Housing 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.

(k) “Utility Allowance” means an amount designated by the City as a reasonable estimate of the cost of utilities for an Income Eligible Household, for purposes of calculating the applicable ADU Rent Limit. The Utility Allowances in effect as of the date of this Covenant are set forth in Exhibit “C” hereto.

4. Rental Restriction on Accessory Dwelling Unit. Owner hereby agrees that the Accessory Dwelling Unit shall be rented exclusively to an Income Eligible Household at not more than the applicable ADU Rent Limit.

5. Income Limits and ADU Rent Limits. The applicable income limits and ADU Rent Limits for the Accessory Dwelling Unit, including Utility Allowances, are determined annually by the Housing and Career Services Department of the City of Pasadena. The Income Limits and ADU Rent Limits tables and Utility Allowance schedules in effect as of the date of this Covenant are attached hereto as Exhibits “B” and “C”, respectively, and are incorporated herein by this reference. It shall be the obligation of Owner to annually obtain from the City the applicable income limits, ADU Rent Limits, and Utility Allowances as they may be adjusted by the City.

(a) 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.

6. Timing of Covenant Recording. This Covenant is required to be recorded prior to completion of the ADU and prior to issuance of a Certificate of Occupancy, so as to avoid doubt as to the restrictions that will apply once the ADU is constructed. These restrictions shall apply

regardless of whether a Certificate of Occupancy (temporary or otherwise) is issued for the fully constructed ADU. If construction of an ADU is never completed and never occupied, this covenant shall have no effect.

7. Tenant Qualification for Rental Units; Implementation of Pasadena Local Preference and Priority Guidelines.

(a) 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.

(b) Owner must take reasonable steps to certify the income level of prospective occupants of the Accessory Dwelling Unit, at the time of the initial rental, and annually thereafter. Owner may request an income certification from the proposed occupant of the Accessory Dwelling Unit by one or more of the following methods:

(i) Obtain paycheck stubs from the proposed occupant covering the most recent three (3)-month pay period;

(ii) Obtain a true copy of an income tax return from the proposed occupant for the most recent tax year in which return was filed;

(iii) Obtain an income verification certification from the employer of the proposed occupant;

(iv) Obtain an income verification certification from the Social Security Administration and/or the California Department of Social Services if the proposed tenant receives assistance from such agencies; or

(v) Obtain an alternate form of income verification acceptable to the Director.

(c) Discrimination based on subsidies received by the prospective tenant is prohibited.

(d) Owner agrees to rent the Accessory Dwelling Unit in compliance with the City's adopted "Pasadena Local Preference and Priority System Guidelines" attached hereto as Exhibit "D".

8. Changes in Tenant Income.

(a) If after moving into the Accessory Dwelling Unit, and during the annual audit of tenant's income, it is determined that the tenant's income exceeds the income limit for that

unit, the tenant may remain in the unit as long as the tenant's income does not exceed 140% of the income limit for the unit. In that event, the rent charged shall remain at or below the ADU Rent Limit for that unit.

(b) If after moving into the Accessory Dwelling Unit the tenant's income eventually exceeds 140% of the income limit for the Original Unit the tenant shall be given thirty (30) days notice to vacate the unit.

(c) So long as the Owner complies with the procedures set forth in this Section 8, Owner shall not be in violation of this Covenant due to a tenant's income eventually exceeding the income limit for the Accessory Dwelling Unit occupied by that tenant.

9. Utilization of Accessory Unit. The Accessory Dwelling Unit shall be leased or rented and fully utilized in accordance with this Covenant as long as there are qualified Income Eligible Households 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 Covenant.

10. 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 an Income Eligible Household. Any individual who subleases an Accessory Dwelling Unit in violation of the provisions of this Agreement shall be required to forfeit to City all monetary amounts so obtained.

11. 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 providing for the implementation of Section 8 of this Agreement. 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 an Affordability Covenant with the City of Pasadena. A copy of that Covenant is attached to this Lease (or rental agreement). Tenant is encouraged to review the Covenant, and in particular Sections 5 (Income Limits and ADU Rent Limits) and 8 (Changes in Tenant Income). Any questions regarding the Covenant 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.

12. 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 (b) make any required repairs or provide any required cleanup.

13. Administration Fee. Owner agrees to pay such fees and deposits as the City Council may adopt by resolution pursuant to Section 17.42.110 of Chapter 17.42 to offset the administrative cost of performing the duties and responsibilities described in this Covenant. In this regards, as of July 1, 2018, the City charges a Compliance Monitoring Fee in the amount of \$170.03 per Accessory Dwelling Unit, which fee is subject to annual adjustment.

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

15. 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.

16. 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 Covenant. 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.

17. 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 Covenant.

18. Successors and Assigns. This Covenant 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 Covenant.

19. Burden to Run with Property. The covenants and conditions contained herein shall run with and burden the Property for no longer than seven (7) years. Owner shall expressly make the conditions and covenants in this Covenant a part of any deed or other instrument conveying an interest in the Property.

20. 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:   
Attn:

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 21.

21. Governing Law. The laws of the State of California shall govern this Covenant. Any legal action brought under this Covenant 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.

22. Default. Failure or delay by either party to perform any term or provision of this Covenant, which is not cured within thirty (30) days after receipt of notice from the other party, constitutes a default under this Covenant; 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 22) 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.

23. Remedies.

(a) Any individual who rents (including subleasing) an Accessory Dwelling Unit in violation of the provisions of this Covenant 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 Covenant, including but not limited to:

(i) actions to revoke, deny or suspend the building permit for the Accessory Dwelling Unit and/or certificate of occupancy; and

(ii) actions for injunctive relief or damages.

24. 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.

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

26. 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 Covenant shall not be valid or binding. This Covenant 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: \_\_\_\_\_  
Theresa E. Fuentes  
Assistant City Attorney

By: \_\_\_\_\_  
Mark Jomsky, CMC  
City Clerk

**“OWNER”**

**a California limited liability company**

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

Dated:

**Attachments:**

Exhibit “A” – Legal Description

Exhibit “B” – Income and Rent Limits

Exhibit “C” – Utility Allowances Schedule

Exhibit “D” – Pasadena Local Preference and Priority System Guidelines

**EXHIBIT "A"**

**LEGAL DESCRIPTION OF REAL PROPERTY**

commonly known as

APN:

## EXHIBIT B: INCOME & RENT LIMITS

### CITY OF PASADENA INCOME AND RENT LIMITS

Applicable to Affordable Units in Density Bonus Projects  
(per State Density Bonus Law, Government Code Sections 65915 – 65918)

#### INCOME LIMITS

(published by State of California HCD, effective April 30, 2020)

Household Size	Median Income	Very Low Income	Low Income	Moderate Income (120% median)
1	\$54,100	\$39,450	\$63,100	\$64,900
2	\$61,850	\$45,050	\$72,100	\$74,200
3	\$69,550	\$50,700	\$81,100	\$83,500
4	\$77,300	\$56,300	\$90,100	\$92,750
5	\$83,500	\$60,850	\$97,350	\$100,150
6	\$86,950	\$65,350	\$104,550	\$107,600
7	\$95,850	\$69,850	\$111,750	\$115,000
8	\$102,050	\$74,350	\$118,950	\$122,450

Area Median Income for Los Angeles County is **\$77,300** for a family of 4.

#### AFFORDABLE RENT LIMITS

(effective April 30, 2020)

Bedroom Size	Very Low Income	Low Income	Moderate Income	Utility Allowance*
0-Studio	\$676	\$811	\$1,487	TBD
1	\$773	\$927	\$1,700	TBD
2	\$869	\$1,043	\$1,912	TBD
3	\$966	\$1,159	\$2,125	TBD
4	\$1,043	\$1,252	\$2,296	TBD

\*A monthly Utility Allowance amount, which is based on tenant-paid utilities, should be deducted from the Inclusionary Unit Rent Limit, to determine the actual contract rent amount. Please request Utility Allowance schedules from the City Housing Department to calculate the applicable Utility Allowance amount for each restricted unit.

Very Low Income rent = 30% of 50% of AMI adjusted for household size appropriate to the unit.  
Low Income rent = 30% of 60% of AMI adjusted for household size appropriate to the unit.  
Moderate Income rent = 30% of 110% of AMI adjusted for household size appropriate to the unit.

#### Annual Adjustment of Inclusionary Unit Income and Rent Limits

The income and rent limits above will be adjusted on an annual basis in accordance with changes in the Los Angeles County Area Median Income level, as published by the State of California Department of Housing and Community Development.

## EXHIBIT "C"

### UTILITY ALLOWANCE SCHEDULE

#### Allowances for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing

OMB Approval No. 2577-0188  
(exp. 04/30/2018)

See Public Reporting Statement and Instructions on back

Locality		Unit Type					Date (month/year)
Pasadena		Garden and High Rise Apartments					1/03/2017
Utility or Service		Monthly Dollar Allowances					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	a. Natural Gas	7	8	10	15	20	25
	b. Bottle Gas	7	8	10	15	20	25
	c. Oil / Electric	7	10	13	15	16	18
	d. Coal / Other	4	5	5	6	7	7
Cooking	a. Natural Gas	5	8	10	12	15	18
	b. Bottle Gas	27	28	29	30	31	33
	c. Oil / Electric	7	10	13	15	20	22
	d. Coal / Other	0	0	0	0	0	0
Other Electric		14	20	28	30	40	47
Air Conditioning		6	11	18	25	32	36
Water Heating	a. Natural Gas	8	11	14	18	22	26
	b. Bottle Gas	5	7	10	12	16	17
	c. Oil / Electric	9	14	25	34	43	50
	d. Coal / Other	0	0	0	0	0	0
Water		17	23	30	37	47	53
Sewer		0	0	0	0	0	0
Trash Collection		5	5	5	5	5	6
Range/Microwave		7/4	7/4	7/4	7/4	7/4	7/4
Refrigerator		8	8	8	8	8	8
Other - specify		0	0	0	0	0	0

Actual Family Allowances To be used by the family to compute allowances.  
Complete below for the actual unit rented.

Name of Family

Address of Unit

Number of Bedrooms

Utility or Service	per month cost
Heating	\$
Cooking	
Other Electric	
Air Conditioning	
Water Heating	
Water	
Sewer	
Trash Collection	
Range/Microwave	
Refrigerator	
Other	
<b>Total</b>	\$

Previous editions are obsolete

Page 1 of 1

Form HUD-62587 (04/15)  
ref. Handbook 7420.8

## **EXHIBIT "D"**

### **PASADENA LOCAL PREFERENCE AND PRIORITY SYSTEM GUIDELINES**

To the extent permissible under applicable state and federal law, people who live and/or work in the city of Pasadena shall have priority over other persons to rent or purchase affordable and workforce housing units which are supported or sponsored by the City of Pasadena or Pasadena Community Development Commission (Commission). The Pasadena Local Preference and Priority System Guidelines presented herewith shall apply to all developers, owners and their agents, successors and assigns proposing affordable and/or workforce housing sponsored and/or supported by the City/Commission in whole or part.

#### **1. PREFERENCES**

Based upon the approval by the City Council of Pasadena on January 30, 2006 the City of Pasadena and the Pasadena Community Development Commission shall henceforth utilize the following priority order whenever ownership or rental housing units are made available to applicants who are income eligible households:

- a. First priority is given to eligible households that reside and work within the City of Pasadena;
- b. Second priority is given to eligible households that reside within the City of Pasadena;
- c. Third priority is given to eligible households that work within the City of Pasadena;
- d. Fourth priority is given to eligible households that have been involuntarily displaced from the City of Pasadena;

#### **2. RESIDENCY**

- a. Definition of residency. To qualify as an applicant who is a resident of the city of Pasadena, the applicant responsible for renting or purchasing the affordable or workforce housing unit must have their principal place of residence within the city of Pasadena as of the date of application.
- b. Evidence of residency. The developer/owner shall require the applicant to submit a driver's license, voter registration, utility bill, or other evidence as proof of residency in Pasadena.

### **3. EMPLOYMENT**

- a. Definition of employment. To qualify as an applicant who is employed within the city of Pasadena, the applicant responsible for renting or purchasing the affordable or workforce housing unit must demonstrate that both of the following criteria have been met:
  - i. Location of Work. At least one of the signators of the tenant lease or purchase agreement for the applicant's household must be employed within the city of Pasadena as of the date of application. Work is defined for purposes of this section as owning or operating a business located within the city of Pasadena, employment for wages or salary for an employer located within the city of Pasadena, contract employment where the actual work is conducted within the city of Pasadena, or commission work where the applicant's principal location from which he/she worked is located within the city of Pasadena.
  - ii. Hours of Work. At least one signators of the tenant lease or purchase agreement for the applicant's household must have been employed within the city of Pasadena an average of at least 20 hours per week as of the date of application.
- b. Evidence of employment. The developer/owner shall require applicants to submit pay stubs, W-2 forms, tax returns, employer certification, or other evidence as proof of employment at a business location within the city of Pasadena.

### **4. INVOLUNTARY DISPLACEMENT**

- a. Definition of involuntary displacement. To qualify as an applicant who has been involuntarily displaced from the city of Pasadena, the applicant responsible for renting or purchasing the affordable or workforce housing unit must demonstrate that, by no fault of the applicant, one of the following criteria has been met including the submission of the appropriate documentation to the developer/owner as cited below:
  - i. Disaster or Government Action. Written verification by the displacing unit or agency of government, (i.e., HUD, City Departments, etc.) or by a service agency such as the Red Cross.
  - ii. Termination of tenancy. Written notification by the property owner/agent to the applicant of the termination of the applicant tenancy for no fault (i.e., sales agreements, foreclosure notices, condominium conversion, building permits, etc.).
  - iii. Domestic Violence. Written verification from police, social service agency, court, clergy person, physician, and/or public or private facility giving shelter and/or counseling to victims.

- iv. Witness Protection Program. Certification by a law enforcement agency of the applicant's participation in the Witness Protection Program.
- v. Hate Crimes. Written statement from law enforcement agency, HUD, Housing Rights Center or other agencies responsible for non-discrimination advocacy. Statement should contain approximate number of occurrences and date of last occurrence.
- vi. Inaccessibility of Unit. Statement from the property owner of the critical elements that are inaccessible, and that the owner is not going to make the needed modifications, or permit the family to make the modifications.
- vii. Substandard Housing. Written verification from a reliable, knowledgeable professional familiar with residential construction and possessing skills and professional licenses and/or certifications consistent with those of a city of Pasadena Code Enforcement Officer.
- viii. Homelessness. Written verification by a public or private facility providing shelter, the police, or a social services agency certifying that the applicant lacks a fixed, regular, and adequate nighttime residence.

## **5. MARKETING AND SELECTION PLAN**

The developer/owner and/or its agent shall affirmatively market the affordable and/or workforce housing units to ensure that all applicants, regardless of eligibility for the preference, are aware of the housing opportunity.

- a. Marketing Plan. Prior to the developer/owner's publication of the availability of affordable and/or workforce units, developer/owner shall prepare a Marketing Plan and Selection Plan for approval by the Housing and Community Development Administrator for both attracting and selecting qualified applicants. Upon approval by the Housing and Community Development Administrator the developer/owner shall be responsible for implementing the marketing plan. The marketing plan shall include the initial sales prices or rents of each unit, the preference and priority system and shall target advertising and marketing efforts within the city of Pasadena. City/Commission may assist the developer/owner in the marketing of the affordable and workforce units to qualified applicants under any program that City/Commission may offer and may provide names of prospective qualified applicants to developer/owner.
- b. Notification to City. Whenever an affordable and/or workforce unit becomes available, the developer shall immediately notify, in writing, the Housing and Community Development Administrator.

- c. **Publication requirement.** Whenever an affordable and/or workforce housing units becomes available during the first year after the receipt of a City certificate of occupancy, the developer/owner shall publish notices of the availability of the units in newspapers circulated widely in the City of Pasadena, including newspapers that reach minority communities. At least one notice shall be published in a Spanish language newspaper of general circulation. Examples of appropriate newspapers include the Star News, Pasadena Weekly, Pasadena/San Gabriel Valley Journal and La Opinion. The notice should briefly explain what affordable and/or workforce housing is, state the applicable income requirements, indicate where applications are available, state when the application period opens and closes, and provide a telephone number for questions. Applications may require the name, address, and telephone number of the applicant; the number of persons to occupy the household; and any other information relevant to determine whether the applicant is eligible for local preferences and to occupy unit. The developer/owner shall submit proof of publication to the Housing and Community Development Administrator.
- d. **Selection Plan.** Prior to the developer/owner's acceptance of the first application for an affordable and/or workforce housing unit and no later than six months before issuance of a certificate of occupancy, the developer/owner shall prepare a Selection Plan for approval by the Housing and Community Development Administrator which shall set forth the process for selection of qualified applicants. The Selection Plan shall contain, but is not limited to, the following information
  - i. **Unit Description.** A brief description of the affordable and/or workforce unit(s) including the unit-mix, location, structure, size and whether the unit(s) is for ownership or rental.
  - ii. **Income Criteria.** The eligible income range for rent or purchase affordable and/or workforce units.
  - iii. **Priority System.** The preference and priority system to be utilized by the developer/owner based primarily on an applicant's residence and employment location, with higher priority allocated to persons who live and/or work within the city of Pasadena.
  - iv. **Application Submission.** Description of the application requirements. The conditions by which interested parties must submit a completed application to the developer/owner, including form of application, the stipulated date and time for application, number of applications to be submitted, disqualifications, etc.
  - v. **Selection Criteria.** Explanation of the developer's selection criteria and process based on the review of information submitted on the applications. Identification of

corrective actions if a review of an application results in a determination that the City preferences assigned to the applicant was inaccurate.

## **6. DETERMINATION OF ELIGIBILITY**

- a. Verification of Preference. As part of the review process, applicants will be contacted directly to provide verification of their residence and employment history and evidence supporting any of the preferences identified. For persons who are retired at the time of application, the applicant's work history immediately prior to retirement can be considered.
- b. Verification of Income. The developer/owner of affordable and/or workforce housing units, which are offered for rent, sale, or lease, shall require the applicant to provide proof that he/she meets the occupancy and income criteria set forth by the applicable City or Commission program(s).

## **7. PRIORITY RANKING; SELECTION OF QUALIFIED APPLICANT**

- a. Priority System. The priority order for categories are as follows:
  - i. Applicant where at least one of the signators of the tenant lease or purchase agreement is a Pasadena resident and employed within the city of Pasadena at the time of application.
  - ii. Applicant where at least one of the signators of the tenant lease or purchase agreement is a Pasadena resident at the time of application.
  - iii. Applicant where at least one of the signators of the tenant lease or purchase agreement is employed within the city of Pasadena at the time of application.
  - iv. Applicant where at least one of the signators of the tenant lease or purchase agreement had been involuntarily displaced from the city of Pasadena at the time of application but had previously lived and worked within the city of Pasadena.
  - v. Applicant where at least one of the signators of the tenant lease or purchase agreement had been involuntarily displaced from the city of Pasadena at the time of application but had previously lived within the city of Pasadena.
  - vi. All other applicants.
- b. Priority List. Applicants for affordable and/or workforce housing units shall be maintained on a priority list. Applicants shall be listed in order of total preferences. Applicants equal in preferences shall be prioritized by date and time of receipt of their

applications. All applicants must meet income eligibility requirements as established for the applicable affordable and/or workforce housing units.

The priority list shall be utilized to select applicant for the sale or rent of available affordable and/or workforce housing units for one year after receipt of a City certificate of occupancy for the designated unit. For rental affordable and/or workforce units, developer/owner shall annually update the priority list in accord with the priority order.

- c. Applicant Selection. The developer/owner of affordable and/or workforce housing units is required to fill vacant units in either one of two ways:
  - i. **Selecting Income-Eligible applicants themselves as long as the developer/owner complies with the local preferences and priority ranking system and publication requirements set forth herein. The following selection processes are permissible:**
    - Selection from the Priority List in rank order, or
    - Lottery of the top candidates on Priority List.
  - ii. **Selecting Income-Eligible applicants from the City/Commission's Section 8 Housing Choice Voucher Waiting List, Supportive Housing Waiting List or Homeownership Waiting List available from the Office of the City Manager, Housing and Community Development.**
- d. Unit Sale or Rental. The actual sale or rental of a unit will be based on the ability of the qualified applicant(s) to meet applicable eligibility guidelines and/or obtain financing within a time frame established by the developer/owner.

## **8. COMPLIANCE MONITORING**

- a. Compliance Report. The developer/owner shall provide a written compliance report to the Housing and Community Development Administrator upon selection of the qualified applicants. The report shall include, but is not limited to, the following information:
  - i. Summary of Selection Process including a the Marketing and Selection Plan; and
  - ii. Name, Address, Telephone and Preference Category and Ranking of Selected Applicant(s)
- b. Certification of compliance. The developer/owner of affordable and/or workforce units shall certify the local preferences awarded to applicants were consistent with these guidelines. A certification form approved by the City shall be completed and submitted with the Compliance Report.

- c. Record Retention. The developer/owner shall retain records of the evidence and documents utilized to select applicant(s) for the sale or rent of available affordable and/or workforce housing units in accordance with these guidelines for two year after the date of occupancy by the first applicant.
- d. Compliance monitoring. City/Commission shall monitor the developer/owner's compliance with these guidelines which may include an on-site monitoring visit to review the developer/owner's records, interviews with selected applicant(s), and/or other methods deemed appropriate.

## **9. PENALTIES FOR NON-COMPLIANCE**

- a. Notice of Non-compliance. Except as otherwise provided herein, if it is determined that a violation of these guidelines has occurred, the Housing and Community Development Administrator shall issue a notice of non-compliance and require the developer, owner or tenant (as applicable) to cure the violation within 30 days, unless a different period is provided at the Administrator's discretion.
- b. Monetary Penalty. Any party who sells or rents an affordable and/or workforce housing unit in violation of these guidelines shall be required to forfeit all monetary amounts so obtained. Recovered funds shall be deposited into the Commission's Housing Opportunities Fund.
- c. Litigation. The City may institute any appropriate legal actions or proceedings necessary to ensure compliance with these guidelines, including but not limited to: (1) actions to revoke, deny or suspend any permit, including a building permit, certificate of occupancy, or discretionary approval; and (2) actions for injunctive relief or damages.
- d. Legal Costs. In any action to enforce these guidelines, the City shall be entitled to recover its reasonable attorney's fees and costs.