



Rental Unit No. _____
No. of Bedrooms _____

**MANDATORY ADDENDUM TO LEASE OR RENTAL AGREEMENT
PREAMBLE**

The residential building located at _____ has received financial assistance from the Los Angeles Housing Department (LAHD). Los Angeles Housing Department does not require that a particular form of lease or rental agreement be used by the owner and the tenant. Instead, LAHD requires this Addendum to be attached to any such agreement.

AGREEMENT

The Owner and the Tenant understand and accept the above and agree to be bound by the provisions of this Addendum.

Owner Name (Print)	_____	(Tenant name – print)	_____
Owner Signature and	Date	Tenant Signature	Date

The Owner and the Tenant will maintain a file copy of this addendum and a copy will be submitted to the City upon request.

PROVISIONS

1. Preemption.

Notwithstanding anything to the contrary in the lease or rental agreement between the owner and the tenant (or “owner and tenant” or “Lessor and lessee,” however they may be described) for the dwelling unit known as unit _____ in the development/apartment/single family residence located at:

_____	_____	_____
Street Address	City	Zip

The provisions of this Addendum shall govern the relationship between the owner and the tenant wherever applicable. Any matters not covered in this Addendum shall be governed by the terms of the lease or rental agreement between the owner and the tenant or by applicable state or local law. The provisions of this Addendum are a supplement to the lease or rental agreement and, in the event of any conflict, this Addendum will govern. The term of the lease shall be as mutually agreed upon by tenant and owner

2. Rental Amount.

A. Amount Paid by Eligible Tenant: The market rental amount allowed for the residential unit listed in above Section 1 of this Addendum is _____.

A tenant who meets the requirements of the program will pay no more than _____ for

the twelve (12) month period from the date of original lease. For the subsequent months, the rent shall not be increased beyond the maximum rent allowed per the annual rent tables published by LAHD for this property.

*(If there are tenant paid utilities, a utility allowance, is deducted from the maximum allowable rent to determine the maximum rent to be paid by the tenant. The formula is: (Maximum Allowable Rent) – (Utility Allowance) = Maximum Rent to be paid by tenant. A schedule containing maximum allowable rents and utility allowances is provided in the owner's original loan document and will be revised annually from LAHD. (The rent level stated above includes the allowed utility deduction.)

This affordable rent is subject to the tenant's compliance with the requirement for income certification, which includes submitting income-source documentation, as verification that they are eligible to live in the unit. The owner and LAHD rely upon income verification documents when qualifying the tenant as eligible for occupancy in the assisted unit. The City has the right to audit the Owner's tenant information files and require that there be third party verification of income eligibility.

The tenant hereby certifies the accuracy of the statements made in the Tenant Income and Certification Form and further agrees that the household income, household composition and other eligibility requirements set forth therein shall be deemed substantial and material obligations of his/her tenancy; that tenant will comply promptly with all requests for information with respect hereto from the owner of the rental unit in which the tenant intends to reside. Tenant must show income eligibility at the time of initial occupancy or whenever there is a change in family composition or size.

The Tenant's failure to provide accurate information in the Tenant Income and Rent Certification Form, or tenant's refusal to comply with a request for information with respect thereto shall be deemed at default hereunder, which shall entitle the owner to pursue all rights and remedies set forth herein, or otherwise permitted by law; and that tenant's failure to furnish accurate and current information on the Tenant Income and Rent Certification Form could subject tenant to civil liability.

The Tenant further agrees that the lease or rental agreement to which this addendum is attached shall be expressly subordinate to the mortgage and shall become null and void and terminable upon 30 days' notice if it subsequently becomes known to the owner or manager that continuation of Tenant's occupancy will result in a violation of the statute permitting the City's assistance.

- B. Rent Increases.** The maximum monthly rent may be subject to change on an annual basis from the date of the original lease. Any increase in rent for a restricted unit is subject to the provision of the outstanding leases and the approval of LAHD. Rent increases cannot be more than what the program allows. In any event, the owner must provide a tenant of a restricted unit not less than 30 days prior written notice before implementing any increase in rent. If the rent increase is more than 10%, the tenant must be given a written notice not less than 60 days prior to the rent increase.
- C. Tenant Notification.** Owner shall notify the tenant of the scheduled expiration date of the rent restrictions associated with this unit and shall provide written evidence of such notice to the City. At a minimum, this notice shall be given on the following three occasions: (a) prior to initial rental; (b) one year prior to the expiration date; and (c) 90 days prior to the expiration date.

The scheduled expiration date for the rent restrictions associated with the Regulatory Agreement/Covenant for this unit is approximately _____ or thereafter. If, as part of a phase-out transition plan, the owner does not exercise the right to raise rents at the permitted expiration date, additional notice shall be given both at one year and 90 days prior to the revised expiration date adopted in the transition plan.

3. Subleasing.

Resident covenants he/she will not sublease the unit except with written consent of the owner. Resident further covenants he/she will not permit occupancy of the unit by any person who was not disclosed at the time of initial occupancy unless a Tenant Income and Rent Certification Form is completed and executed by such person and the aggregate income of all occupants of the unit does not exceed the amount then permitted by law. Notification of occupancy by infants and young children are excepted unless otherwise specified in the lease.

4. Property up Keep Maintenance and Service.

The owner shall maintain the dwelling unit, equipment and appliances, and common areas and facilities, to provide decent, safe, and sanitary housing prescribed by State and local law and the requirements of the management plan submitted by the owner to the City.

5. Inspections.

The City has the right to inspect all units in a project to ensure compliance with Housing Quality Standards. LAHD or its agent will inspect the premises covered by the lease periodically, to ensure that the physical condition thereof continues to meet the standards of Decent, Safe and Sanitary Housing prescribed by State and local law and the requirements of the management plan submitted by the owner to the City and to determine whether the services required to be provided hereunder are being provided to the premises. In the event the owner or LAHD or its agent reasonably determines that either (1) the physical condition of the premises does not meet the standards of Decent, Safe and Sanitary Housing, or (2) one or more of the services specified herein are not being provided to the premises, or (3) that the owner is in breach of any of the conditions of this Lease, LAHD may give written notice to the Owner to correct the deficiencies within thirty (30) days.

6. Nondiscrimination.

The owner shall not discriminate in any matter on any arbitrary basis including the tenant's race, color, religion, sex, sexual orientation, national origin or ancestry, presence of children, disability, marital status, and source of income or arbitrary discrimination.

7. Prohibited Provisions.

The following types of provisions shall be prohibited and, to the extent they are included in the lease or rental agreement in any form shall be void, unenforceable and of no force or effect:

- a. **Agreement to be sued.** Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit, brought in connection with the lease;
- b. **Treatment of Personal Property.** Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State Law;
- c. **Excusing Owner from Responsibility.** Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;
- d. **Waiver of Legal Proceedings.** Agreement by the tenant that the owner may institute a lawsuit without notice to the tenant;

- e. **Waiver of Legal Proceedings.** Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
- f. **Waiver of Jury Trial.** Agreement by the tenant to waive any right to a trial by jury;
- g. **Waiver of Right to Appeal Court Decision.** Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease;
- h. **Tenant Chargeable with Cost of Legal Actions Regardless of Outcome.** Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

9. Termination of Tenancy.

Pursuant to 24 CFR 92.253 (c), an owner may not terminate the tenancy or refuse to renew the lease of a tenant of rental housing with HOME funds, except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal State, or local law, for completion of the tenancy period for transitional housing or failure to follow any required transitional housing supportive services plan; or for other good cause. Good cause does not include an increase in the tenant's income or refusal of the tenant to purchase the housing. To terminate or refuse to renew tenancy, the owner must serve written notice upon the tenant specifying the grounds for the action at least 30 days before the termination of tenancy.

10. Changes.

This Addendum may not be changed under any circumstances without the express prior written approval of LAHD.