Recording Requested By: City of Redlands When Recorded Return To: City Clerk's Office City of Redlands P.O. Box 280 Redlands CA 92373 AFFORDABLE HOUSING AGREEMENT



84-251674

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SAN BERNARDINO CO., CALIF.

This Agreement is entered into this 16th day of October , 1984, by and between Brookside Ltd., a California limited partnership (hereinafter referred to as "Developer"), and the City of Redlands, a municipal corporation (hereinafter referred to as "City"),

RECITALS

- 1. Developer is the developer of all that certain real property located in the City of Redlands, County of San Bernardino, described in Exhibit "A" attached hereto and incorporated herein by reference.
- 2. Developer has applied for a revised conditional use permit and tentative tract map for a 144-unit project denominated "Le Parc" and located at Brookside Avenue and Tennessee Street in City.
- 3. This Agreement shall be mutually binding, is made in good faith, and reflects the Planning Commission and City Council's intent to provide quality, affordable housing for the people of City.

- 4. Pursuant to the requirements of California Government Code Sections 65915-18, City agrees to grant the following incentives to Developer in order to provide affordable housing to the people of City within the Le Parc Project:
 - a. A density bonus of 25 units over the otherwise permitted density in the R-2-2000 Multiple Family Residential District.
 - b. A reduction to 48 in required covered parking spaces for proposed one-bedroom units from the 96 otherwise required by Section 39.20(b)(2) of the Redlands Ordinance Code.
 - c. A reduced setback to permit garages adjacent to the existing private road, with permanently maintained and irrigated landscaping of at least four feet in width between such private road and the garage walls.
 - d. A reduced front yard for two-story buildings constructed about a court in multiples on a single lot or site.

- 5. Developer covenants and agrees to provide, construct and make available for rent or sale 36 condominium units within the Le Parc Project to only qualified occupants with permitted income levels, and at maximum rental or sales prices, all as set forth herein. Said units shall consist of specified numbers of one-bedroom and two-bedroom units, as described in Exhibit "B", attached hereto and incorporated herein by this reference. These units are hereinafter called "Section 5 Units."
- 6. "Qualified occupants" are renters or buyers who in good faith intend to reside for the foreseeable future in the unit rented or purchased, and who declare such to be true to City in a joint, written affidavit with Developer, under penalty of perjury and in a form acceptable to City.
- 7. "Permitted income levels" for individuals or families renting Section 5 Units shall not exceed 70% of the respective, current median family income levels in the County of San Bernardino (hereinafter referred to as "County") as calculated by the United States Department of Housing and Urban Development ("HUD") and as revised by written addendum hereto as such median income levels change. "Permitted income levels" for individuals or persons purchasing Section 5 Units shall not exceed 120% of the aforementioned current median family income levels in County.
 - a. The "maximum rental rate" for a Section 5 Unit shall not exceed 85% of the rental rate charged for a market rate unit within the Le Parc Project which is comparable in size, design and location or the affordable rent established for a unit of the same size and bedroom count under the County Multi-family Mortgage Revenue Bond Program, whichever is less. Developer shall provide City with appropriate data to validate the "market rental rate" utilized in calculating the "maximum rental rate" of any Section 5 Unit at the time said unit rental rate is established or revised. Furthermore, the security and cleaning deposits charged for Section 5 units shall be no higher than those of comparable units.
 - b. The "maximum sales price" for a Section 5 Unit shall be calculated pursuant to the following formulas and shall be subject to revision by written addendum hereto as the respective median income levels change:

Permitted Income Level	χ	Debt Ratio (.35)	er season	Mon in (1	Year	Managemen	Assessments (incl. taxes)	*10054 *0059	Maximum Monthly Payment
Maximum Monthly Payment	9 	Sales Price Factor		Anager Upder	Maxi Sale Pric	S			

- 9. Developer agrees to submit the applications of prospective renters or buyers of Section 5 Units to City or its designee for income certification. Developers shall reimburse City or its designee for the reasonable cost of such income certifications, up to a total cost of fifty dollars (\$50.00) in 1984 dollars for each such family or individual applicant.
- 10. A renter or buyer who is found to be a qualified occupant at the commencement of unit occupancy shall be deemed to remain a qualified occupant as long as that renter or buyer continues to occupy the unit initially rented or purchased, even if the renter or buyer subsequently exceeds the income qualifications set forth herein for unit rental or purchase.
- 11. If the Le Parc Project is commenced as a rental project, the Section 5 Units shall remain rental units for a minimum of ten (10) years from the initial rental date of any such unit. At any time thereafter, said Section 5 Units may be sold as condominiums; and the rental agreement provided to the qualified occupant of any such rental unit shall indicate that said unit is a condominium which may be sold at any time after the termination of the above-mentioned ten-year period.

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- 12. Developer shall provide one-year notice to the qualified occupant of any rental unit of the proposed sale thereof; and Developer shall provide moving expenses of two times the monthly rent to any qualified occupant who relocated from the rental unit to be sold, except where said qualified occupant has given notice of his intent to move prior to receipt of notification from Developer of his intent to sell. Developer shall allow an extension of time to permit a qualified occupant to complete a school semester or quarter, as the case may be.
- 13. In January and July of each year, Developer shall provide City with a list of the names and addresses of all Section 5 Unit renters, along with copies of related monthly rent receipts and data to validate the "market rental rate" utilized in calculating the monthly rent of each such unit. City shall have the right to inspect rent receipts and "market rental rate" data at any other time, with reasonable notice to Developer.
- 14. When a rental unit is to be sold, Developer shall allow continued occupancy of such unit by a senior citizen sixty-two (62) years of age or older, a handicapped person, as defined by Section 50072 of the Californis Health and Safety Code, or a disabled person, as defined by Section 223 of the U. S. Social Security Act, until alternative, comparable housing can be obtained.

- 15. The "maximum rental rate" for a Section 5 Unit shall remain in effect until such time as said unit has been purchased by a qualified occupant, up to a maximum of twenty (20) years after the initial rental date of any such unit. During said twenty year period, Developer shall not sell Section 5 Units in a block of fewer than eighteen (18) units, except to qualified occupants after the first ten years.
- 16. Each Section 5 Unit which is sold after having been a rental unit shall carry a resale restriction on its grant deed in a form satisfactory to City, which restriction shall expire on the date twenty (20) years after the initial rental date of any such Section 5 Unit. Said restriction shall require any purchaser upon resale of the unit to meet all maximum income level, owner occupancy and maximum sales price requirements set forth herein.
- 17. If the Le Parc Project is commenced as a "for sale" project, each Section 5 Unit which is sold shall carry a resale restriction on its grant deed in a form satisfactory to the City, which restriction shall expire on the date ten (10) years after the initial sale date of any such Section 5 Unit. Said restriction shall require any purchaser upon resale of the unit to meet all maximum income level, owner occupancy and maximum sales price requirements set forth herein.
- 18. Developer shall, within thirty (30) days after escrow closing on any Section 5 Unit, provide City with a copy of all fully executed escrow closing documents thereon, including the restricted grant deed.
- 19. Developer covenants and agrees that all Section 5 Units shall be evenly distributed and dispersed throughout the Le Parc Project, with the same amenities, architectural and interior treatment, and features as the market rate units in the project.
- 20. Developer covenants and agrees to institute and diligently support an anti-speculation program in connection with the sale and resale of Section 5 Units. As part of that program, affidavits in form and content satisfactory to City shall be required from the real estate broker and escrow agent handling each initial purchase of a Section 5 Unit.
- 21. Upon violation of any provision of this Agreement by Developer, which violation is deemed in the discretion of City to be material, City shall give written notice thereof to Developer by registered or certified mail at the address stated in this Agreement, or at such other address as may be subsequently designated in written notice by Developer. If such violation is not corrected to the satisfaction of City within ten (10) days after the

date such notice is mailed, or within such further time as City determines is necessary to correct the violation, City shall declare a default under this Agreement. In the event of such a default, City may, in its discretion, demand payment by Developer for all density, parking and setback benefits conferred by this Agreement. The amount owed City by Developer pursuant to this section shall be set by a qualified real estate appraiser appointed with the consent of Developer and City. If Developer and City cannot agree upon a single appraiser, each shall appoint its own qualified real estate appraiser, and the two appointees shall appoint a third. Said appraisers shall be directed to reach a collective appraisal. The decision of the single appraiser or appraisal panel shall be final.

- 22. If any action, at law or in equity, including any action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs in addition to any other relief to which it may be entitled.
- 23. This Agreement is assignable by Developer, is binding upon the parties hereto and their respective successors and assigns, and shall inure to the benefit of the parties, their successors and assigns.
- 24. Developer shall indemnify, defend and hold harmless City, its officers, agents and employees, from any and all claims, losses or legal actions arising from any and all of the actions of Developer, its employees, agents or subcontractors pursuant to this Agreement.

DEVELOPER

CITY OF REDLANDS

Brookside Ltd., a California limited partnership

By EPAC Development, General Partner

Rick Doremus, President

EPAC Development

5375 E. Second Street Long Beach, CA 90803 (Address) Attest:

30 Cajon Street, P. O. Box 280

Redlands, CA 92373

(Address)

By Carole Bunth

EXHIBIT "A"

(LEGAL DESCRIPTION)

Lot 1 and 2 of Tract 11779 per Map recorded in Map Book 161, Pages 1 and 2, Records of San Bernardino County, California.

