

FIRST AMENDMENT TO LEASE

(VERMONT HOUSE)

THIS FIRST AMENDMENT TO LEASE (First Amendment) is made and entered into as of this ____ day of _____, 2017, by and between the **CITY OF SAN JOSE**, a municipal corporation (City), and **HOUSING FOR INDEPENDENT PEOPLE, INC.**, a California non-profit public benefit corporation (Tenant).

RECITALS

WHEREAS, on May 25, 2016, the City and Tenant entered into a Lease for the Vermont House (Lease) located at 1072 and 1082 Vermont Street, in the City of San José (Premises); and

WHEREAS, in November 2015, the City Council approved the Lease and a Grant for up to \$3,017,000.00 to rehabilitate the Premises; and

WHEREAS, the City and Tenant desire to amend the Lease to increase the allowed income level of the individuals who will reside in the Premises from 30% of Area Median Income (AMI) to 50% of AMI;

NOW, THEREFORE, the City and Tenant desire to amend the Lease as follows:

1. Section 301 1(b) is hereby amended to read as follows:

Except for one (1) Unit to be occupied by an on-site manager (Unrestricted Unit), all other Units shall initially be occupied by extremely low and very low-income Occupants earning not more than 50% of Area Median Income (AMI) as defined below at rents as required by the Department of Housing and Urban Development (HUD) for extremely low and very low income individuals and families (Restricted Units). Area Median Income means the amounts determined from the schedules of area median income issued for Santa Clara County from time to time by HUD. In determining income eligibility of the Occupants, Tenant shall use the Section 8 Program definition of annual (gross) income. Rent to be charged to Occupants (excluding any supplemental rental assistance) shall be determined consistent with HUD's rent limits as described in 24 CFR 92.252 (b) (1) (Low HOME Rent Limits) subject to a deduction for the applicable utility allowance according to the schedule established by the Housing Authority of Santa Clara County for tenant paid utilities. Notwithstanding anything to the contrary herein, no Occupant of a Unit who previously and properly qualified as an eligible tenant shall be evicted by Tenant because such Occupant fails to requalify as an eligible tenant, because such Occupant exceeds the income limits set forth above. Further, subject to the limitations imposed by applicable state and federal law, such Occupant shall commence paying rent equal to the lesser of market rent or one-twelfth of 30% of such Occupant's adjusted income, effective from and after the date of such failure to requalify. The Occupant shall continue to be considered an eligible tenant. Once the

over-income Occupant vacates the Unit, such Unit shall be rented to an extremely low or very low income Unit.

Furthermore, notwithstanding the other provisions of this subsection, consistent with Health and Safety Code Section 50052.5, the Occupants contribution under federal vouchers shall be %affordable rent++

2. Except as otherwise modified by this First Amendment, the terms of the amended Lease shall remain in full force and effect.

3. This First Amendment is governed by and construed in accordance with the laws of the State of California.

4. This First Amendment may be signed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same amendment.

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

CITY:

Approved as to Form:

CITY OF SAN JOSE, a municipal corporation

By: _____
Tom Murtha
Senior Deputy City Attorney

By: _____
Toni J. Taber
City Clerk

TENANT:

HOUSING FOR INDEPENDENT PEOPLE,
INC., a California nonprofit public benefit
corporation

By: _____

Name: _____

Title: _____