



Notice of Agreement ADU Incentive Rebate Program

This **Notice of Agreement** is made this _____ day of _____, 20____ by and between _____ with an address of _____ (collectively, "Owner") and the **City of Durango, Colorado**, a home rule municipality ("City") with a mailing address of 949 E 2nd Ave, Durango, CO 81301, and includes the following terms and conditions.

RECITATIONS

WHEREAS, the Owner is the record owner of certain real property located in the City of Durango, La Plata County, State of Colorado, more particularly described as follows (**legal description**):

Also commonly known as (**address**) _____, which is subject to the requirements of the City of Durango Municipal Code, including, without limitation, the Land Use and Development Code (LUDC); and

WHEREAS, the City Council of the City of Durango has determined that it is in the public interest to encourage the construction and/or legalization of Accessory Dwelling Units ("ADU") to provide a variety of housing options in the community; and

WHEREAS, the City of Durango has created an incentive program through which a property owner can receive a financial rebate in the amount of \$8,000 in exchange for committing to rent a newly built or legalized ADU to a qualifying member of the local workforce for a two-year period; and

WHEREAS, the Owner has demonstrated that the ADU has received the required City approvals including a legal status and a Certificate of Occupancy as determined by the Community Development Department; and

WHEREAS, the Owner understands that this Agreement will be recorded with La Plata County clerk and recorder and that failure to adhere to the terms of the Agreement shall result in an encumbrance against the property for the Owner or all future successors and assigns for repayment of incentive funds received;

NOW, THEREFORE, in consideration of the above stated recitations and the mutual conditions set forth hereafter, the City and Owner agree as follows:

AGREEMENT

1. Conditions of Acknowledgment

Owner Initial Each Below

_____ Owner must **rent ADU to a local worker who works at least 32 hours a week** for a **business or organization located in La Plata County boundaries** and will reside in the unit as their primary residence.

_____ **Owner commits to program terms for a minimum of two years (24 months).**

_____ Lease terms must be a **minimum** of 6-months.

_____ Annual program monitoring will occur on or before March 1st each year and Owner shall provide documentation of an executed lease agreement(s) and tenant employment verification form to the City.

_____ In the event a violation of the program terms is discovered, the City will send a notice of violation to the owner detailing the nature of the violation and allowing the Owner thirty (30) days to cure such violation. If violation is not remedied, Owner shall reimburse City for the rebate funds received.

_____ If Owner sells property, prior to the two-year (24 month) program term, then owner agrees to reimburse City for a proportionate amount of the rebate funds received on/or before the sale of the home.

_____ Owner acknowledges that the City is not responsible for enforcing private covenants AND property owners assume any risks and costs relating to the enforcement of any private covenants that may impact the use of the property as an ADU.

_____ Owner acknowledges that the ADU must remain in compliance with the terms of the Limited Use Permit issued for the property under **Project File #** _____.



2. Remission of Rebate Funds

Rebate funds will be distributed as one-time payment to Owner upon issuance of a Certificate of Occupancy for the ADU.

3. Supporting Documents

Additional documentation related to this Agreement are on file at the City of Durango Community Development Department under **Project File #** _____.

4. Remedies

In addition to other remedies provided by the City of Durango Municipal Code and by law for the enforcement of this Agreement, the City shall be entitled to all remedies of specific performance and/or injunctive relief. All such remedies shall not be exclusive, but shall be cumulative. Further, the City shall be entitled to an award of reasonable attorneys' fees in the substantially successful prosecution or defense of any action to construe, interpret, or enforce this Agreement.

5. Non-Waiver

No breach by the Owner, or Owner's heirs, successors, or assigns, of any term or condition of this Agreement, shall create a waiver by, or estoppel against the City, as to future or continuing breaches; it being the express understanding of the parties that breaches of this Agreement may be waived only by written consent of the City.

6. Severance Clause

Any provision of this Agreement which is invalidated or otherwise prohibited by law, will be treated as if it were never a part of this Agreement, and the validity of the remainder of this Agreement shall be unaffected.

In witness whereof, the Owner and City have caused this agreement to be executed effective as of _____, 20_____.

OWNER:

Signature Type or Print Name

Signature Type or Print Name

NOTARIZATION

STATE OF COLORADO - LA PLATA COUNTY

On this ____ day of _____, 20____, before me, a Notary Public in and for the State of Colorado, duly commissioned and sworn, personally appeared, _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument and acknowledged it to be a free and voluntary act.

IN WITNESS WHEREOF I have hereunder set my hand and official seal the day and year first above written.

Signature Print or type name

NOTARY PUBLIC in and for the state of Colorado,

My commission expires:

CITY:

City of Durango,

A Colorado home rule municipality

By: _____
Community Development Director