



AGENDA

Consolidated Regular Meeting

City Council Chamber - 1243 National City
Boulevard, National City, CA

Ron Morrison, Mayor

Ditas Yamane, Vice-Mayor – District 3

Marcus Bush, Councilmember

Luz Molina, Councilmember- District 1

Jose Rodriguez, Councilmember

Benjamin A. Martinez, City Manager

Barry J. Schultz, City Attorney

Shelley Chapel, MMC, City Clerk

R. Mitchel Beauchamp, City Treasurer

The City Council also sits as the City of National City Community Development Commission, Housing Authority, Joint Powers Financing Authority, and Successor Agency to the Community Development Commission as the National City Redevelopment Agency

Thank you for participating in local government and the City of National City Council Meetings.

Meetings: Regular City Council Meetings are held on the first and third Tuesday of the month at 6:00 p.m. Special Closed Session Meetings and Workshops may be same day, the start time is based on needs. Check Special Agendas for times.

Location: Regular City Council Meetings are held in the Council Chamber located at City Hall, 1243 National City Boulevard, National City, CA 91950, the meetings are open to the public.

Agendas and Material: [Agendas and Agenda Packet](#) for items listed are available on the City website, and distributed to the City Council no less than 72 hours before the City Council Meeting. Sign up for [E-Notifications](#) to receive alerts when items are posted.

Public Participation: Encouraged in a number of ways as described below. Members of the public may attend the City Council Meeting in person, watch the City Council Meeting via [live](#) web stream, or participate remotely via Zoom. [Recording of Meetings](#) are archived and available for viewing on the City's website.

Public Comment: Persons wishing to address the City Council on matters not on the agenda may do so under Public Comments. Those wishing to speak on items on the agenda may do so when the item is being considered. Please submit a Speaker's Slip to the City Clerk before the meeting or immediately following the announcement of the item. All comments will be limited up to three (3) minutes. The Presiding Officer shall have the authority to reduce the time allotted to accommodate for a large number of speakers. *(City Council Policy 104)*

EFFECTIVE JANUARY 1, 2023

All Contributions to Candidates and Current Elected Officials are required to self-report a Declaration of Campaign Contribution to a Councilmember of more than \$250 within the past year (effective Jan 1, 2023). This report may be included on the Public Comment Speaker Slip to be completed prior to the City Council Meeting.

If you wish to submit a written comment [email](#) to the City Clerk's Office at least 4 hours before the City Council Meeting to allow time for distribution to the City Council.

Spanish Interpretation Services: Spanish Interpretation Services are available; please contact the City Clerk before the start of the meeting for assistance.

American Disabilities Act Title II: In compliance with the American Disabilities Act of 1990, persons with a disability may request an agenda in appropriate alternative formats as required by Title II. Any person with a disability who requires a modification or accommodation to participate in a meeting should direct such request to the City Clerk's Office (619) 336-4228 at least 24 hours in advance of the meeting.



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Gracias por participar en las reuniones del gobierno local y del Consejo de la Ciudad de National City.

Reuniones: Las reuniones regulares del Consejo Municipal se llevan a cabo el primer y tercer martes del mes a las 6:00 p.m. La reunión especial de sesión privada y los talleres pueden ser el mismo día, la hora de inicio se basa en las necesidades. Consulte las agendas especiales para conocer los horarios.

Ubicación: Las reuniones regulares del Concejo Municipal se llevan a cabo en la Cámara del Consejo ubicada en el Ayuntamiento, 1243 National City Boulevard, National City, CA 91950, las reuniones están abiertas al público.

Agendas y Material: Las Agendas y el Paquete de Agenda para los temas enumerados están disponibles en el sitio web de la Ciudad y se distribuyen al Concejo Municipal no menos de 72 horas antes de la Reunión del Concejo Municipal. Regístrese para recibir notificaciones electrónicas cuando se publiquen artículos.

Participación pública: Se fomenta de varias maneras como se describe a continuación. Los miembros del público pueden asistir a la Reunión del Concejo Municipal en persona, ver la Reunión del Concejo Municipal a través de la transmisión web en vivo o participar de forma remota a través de Zoom. Las grabaciones de las reuniones están archivadas y disponibles para su visualización en el sitio web de la Ciudad.

Comentario Público: Las personas que deseen dirigirse al Concejo Municipal sobre asuntos que no están en la agenda pueden hacerlo bajo Comentarios públicos. Quienes deseen hacer uso de la palabra sobre los temas del programa podrán hacerlo cuando se esté examinando el tema. Por favor, envíe una solicitud del orador al Secretario de la Ciudad antes de la reunión o inmediatamente después del anuncio del artículo. Todos los comentarios estarán limitados a tres (3) minutos. El Presidente tendrá la autoridad para reducir el tiempo asignado para dar cabida a un gran número de oradores. (Política del Concejo Municipal 104)

Si desea enviar comentarios por escrito, envíe un correo electrónico a la Oficina del Secretario de la Ciudad al menos 4 horas antes de la Reunión del Concejo Municipal para dar tiempo a la distribución al Consejo Municipal.

A PARTIR DEL 1 DE ENERO DE 2023

Todas las contribuciones a los candidatos y funcionarios electos actuales deben autoinformar una Declaración de contribución de campaña a un concejal de más de \$ 250 en el último año (a partir del 1 de enero de 2023). Este informe puede incluirse en el Recibo del orador de comentarios públicos que se completará antes de la reunión del Concejo Municipal

Servicios de interpretación en español: Los servicios de interpretación en español están disponibles, comuníquese con el Secretario de la Ciudad antes del inicio de la reunión para obtener ayuda.

Título II de la Ley de Discapacidades Americanas: En cumplimiento con la Ley de Discapacidades Americanas de 1990, las personas con discapacidad pueden solicitar una agenda en formatos alternativos apropiados según lo requerido por el Título II. Cualquier persona con una discapacidad que requiera un modificación o adaptación para participar en una reunión debe dirigir dicha solicitud a la Oficina del Secretario de la Ciudad (619) 336-4228 al menos 24 horas antes de la reunión.



AGENDA

Consolidated Regular Meeting

Tuesday, February 6, 2024, 6:00 p.m.
City Council Chamber - 1243 National City Boulevard
National City, CA

Pages

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE TO THE FLAG
4. INVOCATION
5. PRESENTATION - STAFF REPORT
 - 5.1 Presentation - Update on Local Emergency Caused by Severe Rainstorm and Flooding 6

Recommendation:
Receive Report and Presentation. Provide Direction to Staff through the City Manager.
6. PUBLIC COMMENT

In accordance with State law, an item not scheduled on the agenda may be brought forward by the general public for comment; however, the City Council will not be able to discuss or take action on any issue not included on the agenda. Speakers will have up to three (3) minutes.
7. PROCLAMATIONS AND RECOGNITION
 - 7.1 Introduction of New City Employees 13
8. REGIONAL BOARDS AND COMMITTEE REPORTS (Limited to Five (5) Minutes each)
9. CONSENT CALENDAR

The Consent Calendar may be enacted in one motion by the City Council with a Roll Call Vote without discussion unless a Councilmember, a member of the Public, or the City Manager requests an item be removed for discussion. Items removed from the Consent Calendar will be considered immediately following the adoption of the Calendar.

- 9.1 Approval of Reading by Title Only and Waiver of Reading in Full of Ordinance on this Agenda
- 9.2 Approval of City Council Meeting Minutes. 14

Recommendation:
Approve and file.
- 9.3 Acceptance of State Active Transportation Grant Funds for the Construction Phase of the Central Community Mobility Enhancements Project, CIP No. 19-23. 26

Recommendation:
Adopt a Resolution Entitled, "Resolution of the City of National City, California, 1) Authorizing the Establishment of an Appropriation of \$1,095,000 and a Corresponding Revenue Budget for the Construction Phase of the Central Community Mobility Enhancements Project, CIP 19-23, Reimbursable through the State Active Transportation Program Approved by Caltrans; and 2) Committing to Providing a Local Match in the Amount of \$442,000."
- 9.4 Project Close-Out and Notice of Completion for the National City Street Resurfacing Project FY 21/22, CIP No. 22-19. 33

Recommendation:
Adopt a Resolution Entitled, "Resolution of the City Council of the City of National City, California, 1) Accepting the Work Performed by Eagle Paving Company, Inc. for the National City Street Resurfacing Project FY 21/22, CIP No. 22-19; 2) Ratifying Change Order Work in the Amount of \$15,166.39 and Approving the Final Contract Amount of \$2,398,563.39; 3) Ratifying the Release of Retention in the Amount of \$119,928.17; and 4) Authorizing the Mayor to Sign the Notice of Completion."
- 9.5 Semi-Annual Report – Boards, Commissions, and Committee Attendance Report – Includes Third and Fourth Quarter of 2023. 42

Recommendation:
Receive and file.
- 9.6 Warrant Register #21 for the period of 11/17/23 through 11/23/23 in the amount of \$335,847.62. 56

Recommendation:
Ratify Warrants Totaling \$335,847.62

- | | | |
|-----|---|----|
| 9.7 | Warrant Register #22 for the period of 11/24/23 through 11/30/23 in the amount of \$5,071,548.14. | 61 |
| | Recommendation:
Ratify Warrants Totaling \$5,071,548.14 | |
| 9.8 | Warrant Register #23 for the period of 12/01/23 through 12/07/23 in the amount of \$3,085,699.94. | 67 |
| | Recommendation:
Ratify Warrants Totaling \$3,085,699.94 | |
| 9.9 | Warrant Register #24 for the period of 12/08/23 through 12/14/23 in the amount of \$2,634,970.15 | 74 |
| | Recommendation:
Ratify Warrants Totaling \$2,634,970.15 | |

10. PUBLIC HEARING

The following item(s) have been advertised as public hearing(s) as required by law.

- | | | |
|------|--|----|
| 10.1 | Introduction and First Reading of an Ordinance Amending Section 18.060.10 of Title 18 (Zoning) of the National City Municipal Code Related to the Measurement of Height for New Structures. | 80 |
| | Recommendation:
Introduce the Ordinance by First Reading, entitled, "Ordinance of the City Council of the City of National City, California, Amending Section 18.10.060 of Title 18 (Zoning) of the National City Municipal Code Related to the Measurement of Height for New Structures." | |
| 10.2 | \$1.5 Million HOME, HOME-ARP Loan to Union Tower Project and HUD Substantial Amendment to FY23-24 AAP | 88 |
| | Recommendation:
Adopt the Resolution Entitled, "Resolution of the City Council of the City of National City, California Adopting the U.S Department of Housing and Urban Development (HUD) Substantial Amendment to the 2023-2024 Annual Action Plan and the Allocation of \$1,035,092.81 in Home Investment Partnerships Program (HOME) Grant Funds, \$170,808.46 in HOME-Community Housing Development Organization (CHDO) Grant Funds, and \$294,098.73 in HOME-American Rescue Plan (HOME-ARP) Grant Funds as a Conditional Loan to Union Tower by Wakeland Housing and Development Corporation." | |

11. STAFF REPORTS

- 11.1 Union Tower Project Closing Documents For the Construction and Permanent Financing for the \$8M Housing Authority Loan Agreement and Related Documents. 101
- Recommendation:
Approve the Resolution, Entitled, “Resolution of the Community Development Commission-Housing Authority of the City of National City, California, (1) Approving the Construction and Permanent Financing Loan Agreement for the Union Tower Project (“Project”), Located at 2312 F Avenue in National City, With the Borrower, Union Tower One LP, a California Limited Partnership; and (2) Authorizing the Executive Director to Execute Project Related Documents.”
- 11.2 Proposed Amendment to the Local Preference for CDC-HA Assisted Affordable Housing Projects. 231
- Recommendation:
Adopt the Resolution Entitled, “Resolution of the Community Development Commission-Housing Authority (CDC-HA) of the City of National City, California, Amending Its Local Preference Policy to Require Any CDC-HA Assisted Housing Projects to Follow the Local Preference Policy and to Further Align With Federal and State Regulations.”
- 11.3 Fiscal Year 2023 Budget Review 240
- Recommendation:
Accept and file this report, and adopt the resolution ratifying budget adjustments as detailed in Exhibit A of this report.
- 11.4 Reorganization of the City Manager’s Office, Departments, and Divisions 247
- Recommendation:
For the purpose of reorganizing the City Manager’s Office, Departments, and Divisions, the City Manager requests authorization to add the following staff positions:
- Deputy City Manager (2)
 - Assistant Community Development Director
 - Finance Director
 - City Librarian
 - Executive Assistant III (Council Offices of Molina and Bush)
- Furthermore, the City Manager requests authorization to vacate the following staff positions:
- Assistant City Manager

- Director of Administrative Services
- Housing Director
- Human Resources Director
- Library & Community Services Director
- Planning Manager

It is anticipated these actions will create a more efficient organization more adept to meet the needs of the community while achieving significant cost savings.

12. CITY MANAGER'S REPORT

13. ELECTED OFFICIALS REPORT

13.1 POLICY 105 REQUEST - Consideration of Ordinance Exercising Police Power - Evictions Requested by Councilmember Rodriguez

251

14. CITY ATTORNEY REPORT

15. ADJOURNMENT

Regular Meeting of the City Council of the City of National City - Tuesday, February 20, 2024 - 6:00 p.m. - Council Chambers - National City, California.



AGENDA REPORT

Department: City Manager's Office
Prepared by: Shelley Chapel, MMC, City Clerk
Meeting Date: Tuesday, February 6, 2024
Approved by: Benjamin A. Martinez, City Manager

SUBJECT:

Presentation - Update on Local Emergency Caused by Severe Rainstorm and Flooding

RECOMMENDATION:

Receive Report and Presentation. Provide Direction to Staff through the City Manager.

BOARD/COMMISSION/COMMITTEE PRIOR ACTION:

Not Applicable.

EXPLANATION:

On Monday, January 22, 2024, residents of San Diego County experienced an event referred to as the 1,000-year storm. Cities around the County experienced rainfall of over three (3) inches in a single 24-hour period, a total that exceeds that of an average wet month and rivals the rainfall needed to spur a 100-year flood.

On Tuesday, January 23, 2024, the Governor of the State of California issued a proclamation of a State of Emergency for San Diego County due to the historic rainfall experienced. The County of San Diego and cities in the region issued similar proclamations.

On Thursday, January 25, 2024, the City Manager, as Emergency Services Director, issued a Proclamation of Local Emergency in response to the impacts of the January 22nd rain storms, which fell upon the City.

Since the storm, the City has experienced devastating destruction caused by the rains, which resulted in flooding that impacted residences, businesses, and facilities of the City. The City has been providing emergency response services, continued community clean up, damage assessment, and on-going outreach to those affected.

At the time this report was written, the forecast for the next eight (8) days is rain, potentially exacerbating the conditions of extreme peril to the safety of persons and property within National City.

At the City Council Meeting of Tuesday, February 6, 2024 the City Manager and staff will provide an update on the Local Emergency recovery efforts including the status of available resources for those affected.

FINANCIAL STATEMENT:

Unknown at this time.

RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:

Public Safety

ENVIRONMENTAL REVIEW:

This is not a project under CEQA and is therefore not subject to environmental review.CCR15378;
PRC 21065.

PUBLIC NOTIFICATION:

The Agenda Report was posted within 72 hours of the meeting date and time in accordance with the Ralph M. Brown Act.

ORDINANCE:

Not Applicable

EXHIBITS:

Exhibit A – Resolution adopted January 29, 2024 Ratifying the Proclamation

Exhibit B – Attachment to Exhibit A – Proclamation of the Existence of Local Emergency

RESOLUTION NO. 2024 - 06

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY, CALIFORNIA, RATIFYING THE PROCLAMATION OF A LOCAL EMERGENCY BY THE EMERGENCY SERVICES DIRECTOR

WHEREAS, Section 2.48.060 of the National City Municipal Code empowers the City Manager, as Emergency Services Director, to proclaim the existence, or threatened existence of a Local Emergency when said City is affected, or likely to be affected, by a public calamity and the City Council is not in session subject to ratification by the City Council; and

WHEREAS, such Proclamation entitles the Emergency Services Director, and the emergency organization of National City, to all the powers, functions, and duties prescribed by state law, charter, ordinances, and resolutions of the City of National City; and

WHEREAS, conditions of extreme peril to the safety of persons and property did arise within National City caused by severe rainstorm and subsequent damage caused by flood commencing on the 22nd day of January, 2024, at which time the City Council was not in session and could not be called into session; and

WHEREAS, the Emergency Services Director of the City of National City issued a Proclamation of Local Emergency within National City on the 25th day of January, 2024; and

WHEREAS, the City Council does hereby find that the aforesaid conditions of extreme peril did warrant and necessitate the Proclamation of Local Emergency.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NATIONAL CITY, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

Section 1: That the City Council hereby ratifies and confirms the Proclamation of Local Emergency for the City of National City issued by the Emergency Services Director on the 25th day of January, 2024.

Section 2: That the City of National hereby requests the City be granted financial assistance pursuant to the California Disaster Assistance Act to recover the expenses incurred by the City in responding to the conditions of local emergency, and that a copy of this Resolution Ratifying the Proclamation of a Local Emergency be forwarded to the California Governor's Office of Emergency Services.

Section 3: That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED and ADOPTED this 29th day of January, 2024.



Ron Morrison, Mayor

ATTEST:

for 

Shelley Chapel, MMC, City Clerk

APPROVED AS TO FORM:



Barry J. Schultz, City Attorney

Passed and adopted by the City Council of the City of National City, California, on January 29, 2024 by the following vote, to-wit:

Ayes: Bush, Molina, Rodriguez, Yamane, Morrison
Nays: None.
Absent: None.
Abstain: None.

AUTHENTICATED BY: RON MORRISON
Mayor of the City of National City, California



Shelley Chapel
City Clerk of the City of National City, California

BY: *La Tonya Dussan*
for Shelley Chapel, MMC, City Clerk

CITY OF NATIONAL CITY

Proclamation of Local Emergency (by Emergency Services Director)

WHEREAS, Ordinance No. 1335 of the City of National City empowers the Emergency Services Director to proclaim the existence or threatened existence of a Local Emergency when said City is affected, or likely to be affected, by a public calamity and the City Council is not in session; and

WHEREAS, the Emergency Services Director of the City of National City does hereby find that conditions of extreme peril to the safety of persons and property have arisen within National City, caused by severe rainstorm and subsequent damage caused by flood commencing on or about 7:00 a.m. on the 22nd day of January, 2024; and

WHEREAS, the rainstorm was of extreme, unusual and unpredicted severity, dropping over 3 inches of rain in a single 24-hour period, a total that exceeds that of an average wet month and rivals the rainfall needed to spur a 100-year flood event; and

WHEREAS, also on the morning of January 22, 2024, and coinciding with the acute rain event, a high tide crested at 6.56 feet, with this high-water level curtailing the ability for natural drainage into the San Diego Bay and compounding the rain's negative effects, causing widespread flooding, pooling, ponding and rain blown water that encroached into facilities, residences, and businesses and made roads unpassable and dangerous; and

WHEREAS, the extreme volume of rain clogged the City's storm drain systems and inundated the City's streets, impairing the normal operation of essential City infrastructure and impacting residences, businesses and facilities; and

WHEREAS, the Emergency Services Director received input and determined that (1) conditions of extreme peril to the safety of persons and property had arisen within National City caused by the severe storm conditions; and (2) these conditions required emergency response, with the potential need for resources beyond the capacity and control of the services, personnel, equipment, and facilities of the City; and

WHEREAS, on January 23, 2024, the Governor of the State of California issued a proclamation of a state of emergency for San Diego and Ventura counties due to the historic rainfall experienced in these counties; and

WHEREAS, the City Council of the City of National City is not in session and cannot immediately be called into session; and

WHEREAS, this Proclamation of Local Emergency shall be submitted to the City Council for ratification pursuant to law.

NOW, THEREFORE, IT IS HEREBY PROCLAIMED by the Emergency Services Director for the City of National City that a Local Emergency exists throughout National City and that said Local Emergency shall be deemed to continue to exist until its termination is proclaimed by the City Council.

IT IS FURTHER PROCLAIMED AND ORDERED that during the existence of said Local Emergency the powers, functions, and duties of the Emergency Services Director and the emergency organization of National City shall be those prescribed by state law, charter, ordinances, and resolutions of this jurisdiction as approved by the City Council.

IT IS FURTHER PROCLAIMED AND ORDERED that the Emergency Services Director, Assistant Emergency Services Director, who shall be appointed by the director are hereby designated as the authorized representatives of the City of National City for the purpose of receipt, processing, and coordination of all inquiries and requirements necessary to obtain available state and federal assistance.

IT IS FURTHER ORDERED that a copy of this Proclamation of Local Emergency be forwarded to the State Director of the Governor’s Office of Emergency Services with a request that the State Director find the Proclamation of Local Emergency acceptable in accordance with provisions of the Natural Disaster Assistance Act.

PASSED AND ADOPTED by the Emergency Services Director for the City of National City, State of California, this 25th day of January, 2024.



Benjamin A. Martinez
Emergency Services Director (City Manager)

WELCOME

POLICE DEPARTMENT



CHRISTINA SOTO
POLICE OFFICER



REONA BOWLES
POLICE DISPATCHER

FIRE DEPARTMENT



JONATHAN CORNWELL
FIRE FIGHTER



CHARLES STRAMPFER
FIRE FIGHTER



DILLON KELLEY
FIRE FIGHTER

FINANCE



ADRIANA C. BARAJAS
ACCOUNTING ASSISTANT

ENGINEERING/ PUBLIC WORKS



MARCOS PESQUEIRA
EQUIPMENT MECHANIC II



JESSICA GOMEZ
CUSTODIAN



AGENDA REPORT

Department: City Clerk's Office
Prepared by: Shelley Chapel, MMC, City Clerk
Meeting Date: Tuesday, February 6, 2024
Approved by: Benjamin A. Martinez, City Manager

SUBJECT:

Approval of City Council Meeting Minutes.

RECOMMENDATION:

Approve and file.

BOARD/COMMISSION/COMMITTEE PRIOR ACTION:

Not Applicable.

EXPLANATION:

Meeting Minutes:

Special City Council Meeting of January 16, 2024

Regular City Council Meeting of January 16, 2024

FINANCIAL STATEMENT:

Not applicable.

RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:

Not Applicable

ENVIRONMENTAL REVIEW:

This is not a project under CEQA and is therefore not subject to environmental review.CCR15378;
PRC 21065.

PUBLIC NOTIFICATION:

The Agenda Report was posted within 72 hours of the meeting date and time in accordance with the Ralph M. Brown Act.

ORDINANCE:

Not Applicable

EXHIBITS:

Exhibit A – Special City Council Meeting Minutes of January 16, 2024

Exhibit B – Regular City Council Meeting Minutes of January 16, 2024



SPECIAL MEETING MINUTES OF THE CITY COUNCIL

**January 16, 2024, 4:00 p.m.
City Council Chamber - 1243 National City Boulevard
National City, CA**

Present:
Councilmember Bush
Councilmember Rodriguez
Councilmember Molina
Vice-Mayor Yamane
Mayor Morrison

Others Present:
Benjamin A. Martinez, City Manager
Barry J. Schultz, City Attorney
Shelley Chapel, City Clerk (via Zoom)

1. CALL TO ORDER

A Special Meeting of the City Council of the City of National City was called to order at 4:00 p.m. via teleconference and in the Council Chamber, located in City Hall, 1243 National City Boulevard, National City, California.

2. ROLL CALL

Councilmembers present: Bush, Rodriguez, Molina, Yamane, Morrison

3. PLEDGE OF ALLEGIANCE TO THE FLAG

Vice-Mayor Yamane led the Pledge of Allegiance.

4. PUBLIC COMMENT

No public speakers.

5. CLOSED SESSION

Members retired into Closed Session at 4:07 p.m. Bush, Rodriguez, Yamane, Molina, Morrison, Schultz, and Martinez.

All members returned to the Open Session at 5:57 p.m. with all members present in attendance: Bush, Rodriguez, Yamane, Molina, Morrison, Schultz, and Martinez.

5.1 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant Exposure to Litigation

Government Code Section 54956.9(d)(2)

Number of Potential Cases: 1

6. ADJOURNMENT

Mayor Morrison adjourned to the Regular Meeting of the City Council of the City of National City, on Tuesday, January 16, 2024, at 6:00 p.m. in the Council Chamber, located in City Hall, 1243 National City Boulevard, National City, California.

The meeting adjourned at 5:58 p.m.

Shelley Chapel, MMC, City Clerk

The foregoing minutes were approved at the Regular Meeting of February 6, 2024.

Ron Morrison, Mayor



REGULAR MEETING MINUTES OF THE CITY COUNCIL

**January 16, 2024, 6:00 p.m.
City Council Chamber - 1243 National City Boulevard
National City, CA**

Present:
Councilmember Bush
Councilmember Molina
Councilmember Rodriguez
Vice-Mayor Yamane
Mayor Morrison

Others Present:
Benjamin A. Martinez, City Manager
Barry J. Schultz, City Attorney
Shelley Chapel, City Clerk (via Zoom)
**Carlos Aguirre, Acting Deputy City Manager/Housing Authority
Director**
Molly Brennan, Administrative Services Director
Danielle Ghio, Acting City Librarian
**Brian Hadley, Building Official/Acting Director of Community
Development**
Alex Hernandez, Interim Chief of Police
Tonya Hussain, Executive Secretary
Martha Juarez, Asst. Director of Engineering/Public Works
Sergio Mora, Fire Chief
Richard Romero, Assistant City Attorney
David Welch, Associate Planner

1. CALL TO ORDER

A Regular Meeting of the City Council of the City of National City was called to order at 6:15 p.m. via teleconference and in the Council Chamber, located in City Hall, 1243 National City Boulevard, National City, California.

2. ROLL CALL

Councilmembers present: Bush, Molina, Rodriguez, Yamane, Morrison

Interpretation in Spanish provided by Carlos Diaz and Luisa Diaz de Leon.

3. PLEDGE OF ALLEGIANCE TO THE FLAG

Councilmember Bush led the Pledge of Allegiance.

4. INVOCATION

Delivered by Pastor Carolyn Nichols, Southport Christian Center.

5. PUBLIC COMMENT

Mayor Morrison summarized the process for acceptance of live public comment allowing three (3) minutes per comment and introduced City Clerk Chapel.

Three (speakers) provided in-person comments, four (4) people provided virtual comment and (1) written comment was received.

Virtual Comment:

Kelly McCormick
Peggy Walker
Becky Rapp
Barbara Gordon

Written Comment:

Greg Seward
Coalition for Fair Employment in Construction

In-Person Comment:

Ted Godshalk
Geoffrey Schrock
Ed Nieto

6. PROCLAMATIONS AND RECOGNITION

6.1 Employee of the Quarter - Matthew Lucas

Fire Chief Sergio Mora introduced the Employee of the Quarter, Fire Captain Matthew Lucas.

6.2 Introduction of New City Employees

Interim Chief of Police Alex Hernandez introduced Police Dispatcher Jesus Rodriguez and acknowledged Police Recruits Karl Tadle and Marc Vargas who were not present and currently attending the Police Academy.

Equipment Maintenance Supervisor Ruben Huerta introduced Equipment Mechanic Erik Fonseca.

7. PRESENTATION (Limited to Five (5) Minutes each)

7.1 Presentation - Earthquake Brace & Bolt – Registration Open Period

Fire Chief Mora introduced Management Analyst III Walter Amedee who presented the PowerPoint presentation.

Added agenda item.

Proclamation Recognizing January as National Human Trafficking Prevention Month

Mayor Morrison introduced Bilateral Safety Corridor Coalition Executive Director and Founder Marisa Ugarte who accepted the proclamation.

7.2 Homeless Outreach Mobile Engagement (HOME) Team Update

Presentation provided by Neighborhood Services Manager Ronny Soriano and Homelessness Services Coordinator Qiana Williamson.

One (1) public comment was received from Joan Rincon. Two (2) written comments were received from Ted Godshalk and Alan Curry.

8. REGIONAL BOARDS AND COMMITTEE REPORTS (Limited to Five (5) Minutes each)

Councilmember Rodriguez commented on an upcoming joint meeting of the Transportation Working Group Committee.

Councilmember Bush provided an update on the San Diego County Air Pollution Control Board.

Councilmember Molina provided an update on the SANDAG Board of Directors Meeting.

Vice-Mayor Yamane informed the Council of communication sent to the City Manager for dissemination to the community.

Mayor Morrison provided an update on the Sweetwater Authority meeting, the water rate discussion, and the Regional Solid Waste Association meeting.

Port of San Diego Commissioner Sandy Naranjo provided a report on the Port via Zoom.

9. CONSENT CALENDAR

ACTION: Motion by Councilmember Molina, seconded by Councilmember Rodriguez to approve all Consent Calendar Items with the exception of Item 9.4 pulled by Mayor Morrison and Item 9.12 pulled for Public Comment. Councilmember Bush voted No on Items 9.6 and 9.7.

Councilmember Bush left the dais at 7:36 p.m. and returned at 7:41 p.m.

9.1 Approval of Reading by Title Only and Waiver of Reading in Full of Ordinance on this Agenda

Motion carried by unanimous vote.

9.2 Approval of City Council Meeting Minutes.

Written comment received from Ted Godshalk.

Approve and file.

Motion carried by unanimous vote.

9.3 Packard Foundation Funded Stay and Play Grant Acceptance

Adopted Resolution No. 2024-01.

Adopt the Resolution Entitled “Resolution of the City Council of the City of National City, California, Authorizing the City Manager or his Designee to Accept the Packard Foundation Funded Stay and Play Grant in the Amount of \$4,500 for FY 2024 and Authorizing the Establishment of a Library Grants Fund Appropriation of \$4,500 and Corresponding Revenue Budget.”

Motion carried by unanimous vote.

Item pulled by Mayor Morrison.

9.4 2024 Office of Traffic Safety (OTS) Selective Traffic Enforcement Program (STEP) Grant Number PT24128 in the Amount of \$142,000.

Adopted Resolution No. 2024-02.

Councilmember Bush left the dais at 7:44 p.m. and returned at 7:46 p.m.

Interim Police Chief Alex Hernandez addressed comments made by Mayor Morrison.

Written comment received from Ted Godshalk.

Adopt the Resolution entitled, “Resolution of the City Council of the City of National City, California, Authorizing the Acceptance of the 2024 Office of Traffic Safety Selective Traffic Enforcement Program Grant in the Amount of \$142,000, and Authorizing the Establishment of an Appropriation and Corresponding Revenue Budget in the Amount of \$142,000.”

ACTION: Motion by Mayor Morrison, seconded by Councilmember Molina to adopt the resolution.

Motion carried by unanimous vote.

9.5 Approval of Amendment 12 to Agreement with San Diego County for Nutrition Services.

Adopted Resolution No. 2024-03.

Adopt the Resolution Entitled “Resolution of the City Council of the City of National City, California, Authorizing the Mayor to Execute Amendment 12 to County Contract 561763 Increasing the Senior Nutrition County Contract by an Amount of

\$81,462, Resulting in a New Maximum Agreement Amount of \$2,021,068.27, and Extending the Contract to February 29, 2024, and Authorizing an Increase of \$81,462 in Appropriations with a Corresponding Revenue Budget.”

Motion carried by unanimous vote.

9.6 Tenth Amendment to an Option to Purchase Agreement with CarMax. (Parking Authority)

Adopted Parking Authority Resolution No. 2024-01.

Written comment received from Ted Godshalk.

Adopt the Resolution Entitled “Resolution of the Parking Authority of the City of National City, California, Authorizing and Ratifying the Tenth Amendment to the Option to Purchase Agreement between the Parking Authority and CarMax Auto Superstores California, LLC, a Virginia Limited Liability Company, Extending the Option Period for 30 days from December 31, 2023, Requiring the Deposit of the Full Purchase Price of \$2.1 Million within 90 days after Exercising the Option to Purchase, and Extending the Permitting Period Six Months from the Deposit of the Purchase Price into Escrow.”

Ayes: Molina, Rodriguez, Yamane, Morrison

Nays: Bush

Motion carried by 4-1 vote.

9.7 Seventeenth Amendment to an Option to Purchase Agreement with the County of San Diego for the Purchase of Open Space Easement (Parking Authority)

Adopted Parking Authority Resolution No. 2024-02.

Recommendation: Adopt the Resolution Entitled “Resolution of the Parking Authority of the City of National City, California, Authorizing and Ratifying the Seventeenth Amendment to the Option to Purchase Agreement with the County of San Diego for the Purchase of an Open-space Easement on a 15.08 acre Parcel of Land at the Southwest Corner of Sweetwater Road and Bonita Center Road that Extends the Term of said Option to Purchase Agreement for 30 Days, Extends the Escrow for Six Months after the Opening of Escrow, and Authorizes Payment in the Amount of \$1.00 to the County of San Diego as Consideration for Seventeenth Amendment.”

Ayes: Molina, Rodriguez, Yamane, Morrison

Nays: Bush

Motion carried by 4-1 vote.

- 9.8 Award a Contract to Dick Miller, Inc. for the Eastside I-805 Community Greenbelt Project, CIP No. 22-09.

Adopted Resolution No. 2024-04.

Adopt a Resolution Entitled, "Resolution of the City Council of the City of National City, California, 1) Awarding a Contract to Dick Miller, Inc. in the Not-to-Exceed Amount of \$3,155,990.50 for the Eastside I-805 Community Greenbelt Project, CIP No. 22-09; 2) Authorizing a 15% Contingency in the Amount of \$473,398.58 for any Unforeseen Changes; and 3) Authorizing the Mayor to Execute the Contract."

Motion carried by unanimous vote.

- 9.9 Investment transactions for the month ended October 31, 2023.

Accept and file the Investment Transaction Ledger for the month ended October 31, 2023.

Motion carried by unanimous vote.

- 9.10 Investment transactions for the month ended November 30, 2023.

Accept and file the Investment Transaction Ledger for the month ended November 30, 2023.

Motion carried by unanimous vote.

- 9.11 Warrant Register #17 for the period of 10/20/23 through 10/26/23 in the amount of \$1,251,183.30.

Ratify Warrants Totaling \$1,251,183.30

Motion carried by unanimous vote.

Item pulled for public comment.

- 9.12 Warrant Register #18 for the period of 10/27/23 through 11/2/23 in the amount of \$4,005,143.44.

A Speaker's Slip and written comment were received from Ted Godshalk, who was not present. His written comment was read into the record by Councilmember Molina.

City Attorney Schultz responded to the public comment and advised that he would research and report back on the details of the payment made to Devaney Pate Morris & Cameron.

Recommendation: Ratify Warrants Totaling \$4,005,143.44

ACTION: Motion by Mayor Morrison, seconded by Councilmember Bush to ratify Warrant Register #18.

Motion carried by unanimous vote.

9.13 Warrant Register #19 for the period of 11/03/23 through 11/09/23 in the amount of \$889,703.01.

Ratify Warrants Totaling \$889,703.01

Motion carried by unanimous vote.

9.14 Warrant Register #20 for the period of 11/10/23 through 11/16/23 in the amount of \$2,374,931.72.

Ratify Warrants Totaling \$2,374,931.72

Motion carried by unanimous vote.

10. PUBLIC HEARING

10.1 Introduction and First Reading of an Ordinance Amending Section 18.060.10 of Title 18 (Zoning) of the National City Municipal Code Related to the Measurement of Height for New Structures.

Associate Planner David Welch provided a PowerPoint presentation.

Mayor Morrison declared the Public Hearing open at 7:54 p.m.

There was no public comment.

Recommendation: Introduce the Ordinance by First Reading, entitled, "Ordinance of the City Council of the City of National City, California, Amending Section 18.10.060 of Title 18 (Zoning) of the National City Municipal Code Related to the Measurement of Height for New Structures."

ACTION: Motion by Mayor Morrison, seconded by Councilmember Molina to close the public hearing.

Amended motion by Mayor Morrison, seconded by Councilmember Molina to continue the Public Hearing to the next City Council meeting.

Motion carried by unanimous vote.

Mayor Morrison released the translator at 8:00 p.m.

11. STAFF REPORTS

11.1 National City and Naval Base San Diego Resiliency Study

Assistant Director of Engineering/Public Works Martha Juarez introduced the item. KTUA Senior Active Transportation Engineer Tom Bertulis provided a PowerPoint presentation.

Councilmember Rodriguez left the dais at 8:01 p.m. and returned at 8:03 p.m.

Written comment received from Ted Godshalk.

Recommendation: Accept and file the study.

11.2 Chief of Police Employment Agreement

Adopted Resolution No. 2024-05.

City Manager Ben Martinez introduced Director of Administrative Services Molly Brennan who presented the item.

Two public comments were received from Greg Seward and Ed Nieto.

Recommendation: Adopt a Resolution entitled, "Resolution of the City Council of the City of National City, California, Authorizing a three-year Employment Agreement between the City of National City and Alejandro Hernandez for the position of Chief of Police with an Annual Base Salary of \$246,868.23 Effective January 16, 2024."

ACTION: Motion by Councilmember Bush, seconded by Vice-Mayor Yamane to adopt the resolution.

Motion carried by unanimous vote.

12. CITY MANAGER'S REPORT

City Manager Ben Martinez informed the City Council that he would contact them individually to discuss a reorganization plan.

13. ELECTED OFFICIALS REPORT

Closing remarks were provided by members of the City Council.

14. CITY ATTORNEY REPORT

CLOSED SESSION

City Attorney Schultz reported on one Closed Session item and reported that there was no reportable action.

5.1 Conference with Legal Counsel – Anticipated Litigation

Significant Exposure to Litigation

Government Code Section 54956.9 (d)(2)

Number of Potential Cases: 1

15. **ADJOURNMENT**

Mayor Morrison adjourned to the Regular Meeting of the City Council of the City of National City, Tuesday, February 6, 2024, 6:00 p.m., in the Council Chamber, located in City Hall, 1243 National City Boulevard, National City, California.

The meeting adjourned at 8:40 p.m.

Tonya Hussain, Executive Secretary

The foregoing minutes were approved at the Regular Meeting of February 6, 2024.

Ron Morrison, Mayor



AGENDA REPORT

Department: Engineering and Public Works
Prepared by: Luca Zappiello, Associate Engineer - Civil
Meeting Date: Tuesday, February 6, 2024
Approved by: Benjamin A. Martinez, City Manager

SUBJECT:

Acceptance of State Active Transportation Grant Funds for the Construction Phase of the Central Community Mobility Enhancements Project, CIP No. 19-23.

RECOMMENDATION:

Adopt a Resolution Entitled, "Resolution of the City of National City, California, 1) Authorizing the Establishment of an Appropriation of \$1,095,000 and a Corresponding Revenue Budget for the Construction Phase of the Central Community Mobility Enhancements Project, CIP 19-23, Reimbursable through the State Active Transportation Program Approved by Caltrans; and 2) Committing to Providing a Local Match in the Amount of \$442,000."

BOARD/COMMISSION/COMMITTEE PRIOR ACTION:

Not Applicable.

EXPLANATION:

The Central Community Mobility Enhancements Project, CIP 19-23 will provide approximately 1.7 miles of bicycle facilities providing north-south connections through the Central, Olivewood and Las Palmas neighborhoods in National City (see attached exhibits). More specifically, the project alignment runs through M Avenue from 4th Street to 8th Street, turns east on 8th Street to N Avenue, continues on N Avenue from 8th Street to Plaza Blvd., and then shifts onto L Avenue from Plaza Blvd. to 30th Street. Class II and Class III bicycle facilities will be constructed, as well as bicycle boxes at the Plaza Blvd. and 18th Street intersections.

In addition to completing this important segment of the City's bicycle network, the project will also improve pedestrian access with new sidewalks at specific locations and incorporate traffic calming elements such as curb extensions. Furthermore, the scope includes improvements to pavement conditions to facilitate bicycle use as determined by field evaluations.

The project design is nearing completion and is expected to be finalized in Fall 2024. Construction is anticipated to start in early 2025.

The funding timeline and process was as follows:

In July 2018, staff submitted a Cycle 4 Active Transportation Program (ATP) grant application to the California Department of Transportation (Caltrans) for the Central Community Mobility Enhancements Project.

On January 30, 2019, Caltrans awarded a \$1,286,000 State ATP grant for the Central Community Mobility Enhancements Project. On March 26, 2020, Caltrans provided the agreement to the City for execution.

On June 2, 2020, the City Council authorized the Mayor to execute Program Supplement Agreement (PSA) No. U52 with Caltrans for the Central Community Mobility Enhancements Project to allow for reimbursement of up to \$43,000 in eligible project expenditures through the State ATP; and 2) authorizing the establishment of an Engineering Grant Funds appropriation of \$43,000 and corresponding revenue budget.

On May 12, 2022, the City submitted an allocation request to Caltrans requesting to allocate funding for the Plans, Specifications, and Estimate (PS&E) phase, and for the Right-of-Way (R/W) phase.

On October 6, 2022, Caltrans issued an Authorization Letter allocating \$148,000 (\$104,000 PS&E phase and \$44,000 R/W phase) with a local match of \$22,000 (\$16,000 PS&E phase and \$6,000 R/W phase).

On April 28, 2023, the City submitted an allocation request to Caltrans requesting to allocate funding for the Construction (CON) phase.

On July 14, 2023, Caltrans issued an Authorization Letter allocating \$1,095,000 for the Construction phase with a local match of \$442,000 (see attached Exhibit B). The Finance Letter from Caltrans followed on September 1, 2023. Therefore, staff recommends, 1) authorizing the establishment of an appropriation of \$1,095,000 and a corresponding revenue budget for the Construction phase of the Central Community Mobility Enhancements Project, reimbursable through the State Active Transportation Program approved by Caltrans; and 2) committing to providing a local match in the amount of \$442,000.

FINANCIAL STATEMENT:

ATP Grant - \$1,095,000

Revenue Account No. 296-06588-3498

Expenditure Account No. 296-409-500-598-6588

Required Local Match - \$442,000: Appropriations are available in the Gas Taxes Fund in Expenditure Account No. 109-409-500-598-6035

RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:

Transportation Choices and Infrastructure

ENVIRONMENTAL REVIEW:

This is a project under CEQA subject to a Categorical Exemption. Existing Facilities. CCR 15301(c).

PUBLIC NOTIFICATION:

Agenda Report posted within 72 hours of meeting date and time in accordance with Brown Act.

ORDINANCE:

Not Applicable

EXHIBITS:

Exhibit A – Map

Exhibit B – Finance Letter

Exhibit C – Resolution

Project Improvement Map



Central Community Mobility Enhancements



FINANCE LETTER

Date: 09/01/2023
 D_CO_RT: 11-SD-0-NATC
 Project No: ATPSB1L-5066(048)
 Adv. Project Id: 1120000089
 Project End Date:

EA No:

To: City of National City

Est Tot Proj Costs: \$1,757,000

FINANCE ITEMS	PRO RATA OR LUMP SUM	TOTAL COST OF WORK	PART. COST	STATE (ATP) /SB1A	LOCAL	OTHER
Agency Preliminary Engineering - PA/ED		\$50,000.00	\$50,000.00	\$43,000.00	\$7,000.00	\$0.00
Plans, Specifications & Estimates		\$120,000.00	\$120,000.00	\$104,000.00	\$16,000.00	\$0.00
Right of Way		\$50,000.00	\$50,000.00	\$44,000.00	\$6,000.00	\$0.00
Contract Items: \$1,236,000 Contingencies: \$124,000 Total: \$1,360,000						
Construction		\$1,360,000.00	\$1,360,000.00	\$1,095,000.00	\$265,000.00	\$0.00
Agency Construction Engineering		\$177,000.00	\$177,000.00	\$0.00	\$177,000.00	\$0.00
Totals:		\$1,757,000.00	\$1,757,000.00	\$1,286,000.00	\$471,000.00	\$0.00

Participation Ratio: 100% This Finance Letter was created based on specific financial information provided by the responsible local agency. The following encumbrance history is prepared by Local Assistance Accounting Office and is provided here for local agency's information and action.

Signature: _____
 Title: HQ Local Assistance Area Engineer

For questions regarding finance letter, contact:
 Printed Name: Daniel Bui
 Telephone No: (279) 444-7828

Remarks: REQ#3: CTC allocated \$1,095,000 of ATP State only funds for CONST component, on 06/29/2023 CTC meeting, under PPNO 1360.
 *Agency is paying for CE and Contingency.

FINANCE LETTER

Date: 09/01/2023
 D_CO_RT: 11-SD-0-NATC
 Project No: ATPSB1L-5066(048)
 Adv. Project Id: 1120000089
 Project End Date:

EA No:

To: City of National City

Est Tot Proj Costs: \$1,757,000

ACCOUNTING INFORMATION									Cooperative Work Agreement	
ATPSB1L-5066(048)									APPROVED AMOUNT	EXPIRATION DATE
ADV. PROJECT ID	APPROP. UNIT	STATE PROG.	FED/ STATE	ENCUMBRANCE AMOUNT	APPROP YEAR	EXPENDITURE AMOUNT	ENCUMBRANCE BALANCE	REVERSION DATE*		
1120000089	22102	2030720100		\$1,095,000.00	2122	\$0.00	\$1,095,000.00	06/30/2027		
1120000089	22108	2030720100		\$148,000.00	2122	\$0.00	\$148,000.00	06/30/2027		
1120000089	19108	2030720100		\$43,000.00	1819	\$2,934.75	\$40,065.25	06/30/2024		

*Please refer to the applicable CTC Guidelines for Timely Use of Funds (TUF) Provisions. Also refer to your allocation notification letter(s) for allocation-specific TUF deadlines.

*Please submit invoices to the appropriate Districts by April 1st to avoid funds lapsing on the June 30th reversion date listed above and to allow sufficient time for Accounting and SCO year-end closing procedures.

RESOLUTION NO. 2024 -

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY, CALIFORNIA, 1) AUTHORIZING THE ESTABLISHMENT OF AN APPROPRIATION OF \$1,095,000 AND A CORRESPONDING REVENUE BUDGET FOR THE CONSTRUCTION PHASE OF THE CENTRAL COMMUNITY MOBILITY ENHANCEMENTS PROJECT, CIP NO. 19-23, REIMBURSABLE THROUGH THE STATE ACTIVE TRANSPORTATION PROGRAM APPROVED BY CALTRANS; AND 2) COMMITTING TO PROVIDING A LOCAL MATCH IN THE AMOUNT OF \$442,000.

WHEREAS, the Central Community Mobility Enhancements Project, CIP 19-23, will provide approximately 1.7 miles of bicycle facilities providing north-south connections through the Central, Olivewood and Las Palmas neighborhoods in National City (the "Project"); and

WHEREAS, the Project design is nearing completion and is expected to be finalized in Fall 2024, with construction anticipated to start in early 2025; and

WHEREAS, in July 2018, staff submitted a Cycle 4 Active Transportation Program ("ATP") grant application to the California Department of Transportation ("Caltrans") for the Project; and

WHEREAS, on January 30, 2019, Caltrans awarded a \$1,286,000 ATP grant to the City of National City ("City") for the Project; and

WHEREAS, the \$1,286,000 award was distributed by Project phases, including Agency Preliminary Engineering ("PA/ED") - \$43,000, Plans, Specifications, and Estimate ("PS&E") - \$104,000, Right-of-Way ("R/W") - 44,000, and Construction - \$1,095,000; and

WHEREAS, on June 2, 2020, the City Council adopted Resolution No. 2020-99 authorizing the Mayor to execute Program Supplement Agreement ("PSA") No. U52 with Caltrans for the Project to allow for reimbursement of up to \$43,000 in eligible Project expenditures through the ATP grant; and 2) authorizing the establishment of an Engineering Grant Funds appropriation of \$43,000 and corresponding revenue budget; and

WHEREAS, on May 12, 2022, the City submitted an allocation request to Caltrans requesting to allocate funding for the PS&E phase and R/W phase; and

WHEREAS, on October 6, 2022, Caltrans issued an Authorization Letter allocating \$148,000 (\$104,000 PS&E phase and \$44,000 R/W phase) with a local match of \$22,000 (\$16,000 PS&E phase and \$6,000 R/W phase); and

WHEREAS, on April 28, 2023, the City submitted an allocation request to Caltrans requesting to allocate funding for the Construction phase; and

WHEREAS, on July 14, 2023, Caltrans issued an Authorization Letter allocating \$1,095,000 for the Construction phase with a local match of \$442,000; and

WHEREAS, City staff recommends City Council adopt this Resolution authorizing the establishment of an appropriation and corresponding revenue budget to allow for reimbursement of up to \$1,095,000 in eligible Project expenditures through the ATP grant and committing to a local match of \$442,000.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NATIONAL CITY, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

Section 1: That the City Council hereby authorizes the establishment of an appropriation of \$1,095,000 and a corresponding revenue budget for the Construction phase of the Central Community Mobility Enhancements Project, CIP 19-23, reimbursable through the State Active Transportation Program approved by Caltrans.

Section 2: That the City Council hereby authorizes the commitment to a local match in the amount of \$442,000 utilizing available resources in the Gas Taxes Fund.

Section 3: That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED and ADOPTED this 6th day of February, 2024.

Ron Morrison, Mayor

ATTEST:

Shelley Chapel, MMC, City Clerk

APPROVED AS TO FORM:

Barry J. Schultz, City Attorney



AGENDA REPORT

Department: Engineering and Public Works
Prepared by: Luca Zappiello, Associate Engineer - Civil
Meeting Date: Tuesday, February 6, 2024
Approved by: Benjamin A. Martinez, City Manager

SUBJECT:

Project Close-Out and Notice of Completion for the National City Street Resurfacing Project FY 21/22, CIP No. 22-19.

RECOMMENDATION:

Adopt a Resolution Entitled, "Resolution of the City Council of the City of National City, California, 1) Accepting the Work Performed by Eagle Paving Company, Inc. for the National City Street Resurfacing Project FY 21/22, CIP No. 22-19; 2) Ratifying Change Order Work in the Amount of \$15,166.39 and Approving the Final Contract Amount of \$2,398,563.39; 3) Ratifying the Release of Retention in the Amount of \$119,928.17; and 4) Authorizing the Mayor to Sign the Notice of Completion."

BOARD/COMMISSION/COMMITTEE PRIOR ACTION:

Not Applicable.

EXPLANATION:

On November 17, 2020, the City Council authorized an agreement with Bucknam Infrastructure Group (Bucknam), to prepare the Pavement Management Program (PMP) and to perform street sign inventory. As part of the PMP, Bucknam conducted a pavement condition survey of all City streets to identify the most cost-effective strategies to fund Capital Improvement Program (CIP) projects to maintain and repair existing City streets. Based on the findings from the PMP, staff prioritized the following City streets to be resurfaced:

- National City Boulevard from 16th Street to 33rd Street
- E. Plaza Boulevard from D Avenue to N Avenue
- E. 16th Street between D Avenue and Highland Avenue
- Mann Avenue from Beta Street to Alpha Street
- Driveway for Fire Squad Station 33 (northeast side of 4th and U Avenue)
- Roosevelt Avenue from 8th Street to 15th Street

On March 24, 2022, the bid solicitation was posted on PlanetBids, a free public electronic bidding system for contractors. On March 28, 2022, and March 31, 2022, the bid solicitation was advertised in local newspapers.

On April 14, 2022, five (5) bids were received by the 2:00 p.m. deadline. Eagle Paving Company, Inc., was the apparent lowest bidder with a total bid amount of \$2,072,519. Upon a review of all documents submitted, Eagle Paving Company, Inc.'s bid was deemed responsive and the lowest responsible bidder qualified to perform the work as described in the project specifications.

On May 17, 2022, the City Council awarded the contract to Eagle Paving Company, Inc. in the amount not to exceed \$2,072,519 and authorized a 15% contingency in the amount of \$310,878 to address any unforeseen conditions that may arise.

The Notice to Proceed with construction was issued on November 3, 2022. Construction started on November 21, 2022, and was completed on October 13, 2023.

In order to replace traffic loops impacted by street repaving and enhance signal operations at the intersection of 16th Street and D Avenue adjacent to Fire Station 34, the City issued change orders #12, 13, and 15. Work performed included the installation of 22 new traffic loop detectors, 5 DLCs, approximately 30 LF of new conduit, and tie-in to the existing traffic controller. By completing this work as part of the contract, the City was able to take advantage of competitive pricing. This additional work contributed to an increase in the contract with Eagle Paving Company, Inc. of \$15,166.39 above the originally authorized 15% contingency.

The change orders issued for this project are detailed in the Final Contract Balance Report (see attached). The change orders increased the contract by \$326,044.39, which results in a 15.3% increase to the original contract award, for a final contract balance of \$2,398,563.39.

As a result of satisfactory completion of the project, staff recommends the following City Council actions: 1) accept the work performed by Eagle Paving Company, Inc. for the National City Street Resurfacing Project FY 21/22, CIP No. 22-19; 2) ratify change order work in the amount of \$15,166.39 and approve the final contract amount of \$2,398,563.39; 3) ratify the release of retention in the amount of \$119,928.17; and 4) authorize the Mayor to sign the Notice of Completion, which will be filed with the San Diego County Recorder's Office.

FINANCIAL STATEMENT:

This project was funded from the Gas Taxes fund, using Expenditure Account No. 109-409-500-598-6035

RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:

Transportation Choices and Infrastructure

ENVIRONMENTAL REVIEW:

This is a project under CEQA subject to a Categorical Exemption. Existing Facilities. CCR 15301(c).

PUBLIC NOTIFICATION:

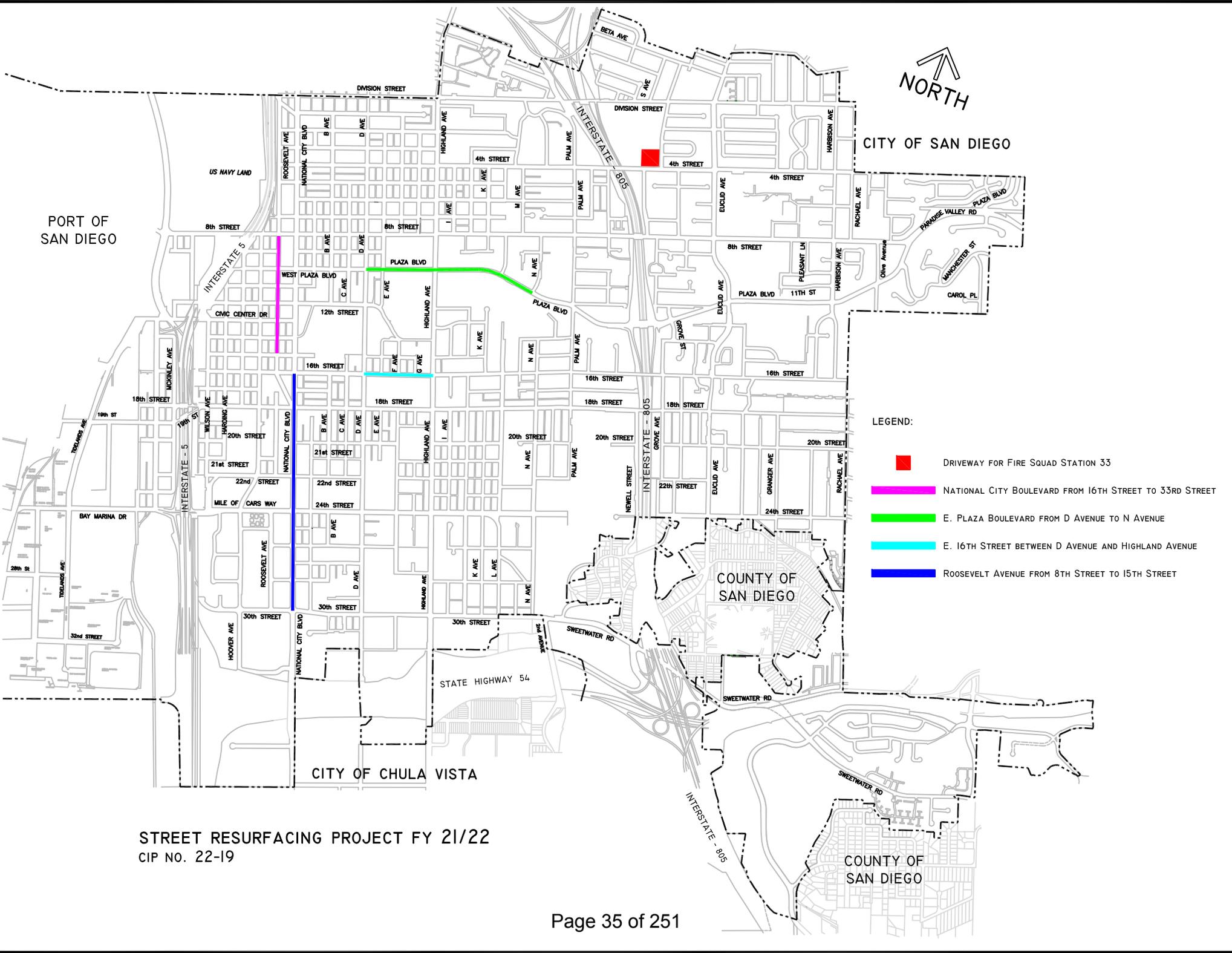
The Agenda Report was posted within 72 hours of the meeting date and time in accordance with the Ralph M. Brown Act.

ORDINANCE:

Not Applicable

EXHIBITS:

- Exhibit A – Location Map
- Exhibit B – Final Contract Balance
- Exhibit C - Notice of Completion
- Exhibit D - Resolution



CITY OF SAN DIEGO

PORT OF SAN DIEGO

LEGEND:

- DRIVEWAY FOR FIRE SQUAD STATION 33
- NATIONAL CITY BOULEVARD FROM 16TH STREET TO 33RD STREET
- E. PLAZA BOULEVARD FROM D AVENUE TO N AVENUE
- E. 16TH STREET BETWEEN D AVENUE AND HIGHLAND AVENUE
- ROOSEVELT AVENUE FROM 8TH STREET TO 15TH STREET

STREET RESURFACING PROJECT FY 21/22
CIP NO. 22-19



FINAL CONTRACT BALANCE

DATE: January 9, 2024
PROJECT: National City Street Resurfacing FY 21/22
CIP No. 22-19
TO: Eagle Paving Company, Inc.
13915 Danielson Street
Poway, CA 92064

ORIGINAL CONTRACT AMOUNT: \$2,072,519.00
START DATE: NOVEMBER 21, 2022
COMPLETION DATE: OCTOBER 13, 2023
ORIGINAL CONTRACT LENGTH: 110 Working Days
EXTENSION OF WORK DAYS: 24 Working Days
TOTAL CONTRACT TIME: 134 Working Days
FINAL CONTRACT AMOUNT: \$2,398,563.39

DESCRIPTION:

The Final Contract Balance reports final line item amounts and summarizes all change orders to produce a final contract amount.

CHANGE ORDERS AND LINE ITEM ADJUSTMENTS:

Change Order #1 temporarily placed class II base to protect the unforeseen SDG&E encasement located on E. Plaza Blvd. This Change Order total amount is **\$5,021.29**.

Change Order #2 replaced four damaged utility boxes identified within the project limits on E. Plaza Blvd. The total amount of this change order is **\$1,627.50**.

Change Order #3 removed existing asphalt and class II base to a depth of 12" for an approximate 800 SF in order to install the new concrete bus pad on the south side of E. Plaza Blvd. This Change Order total amount is **\$10,090.65**.

Change Order #4 removed an additional 3" of subgrade for approximately 800 SF to install the new concrete bus pad on the north side of E. Plaza Blvd. This Change Order total amount is **\$4,266.49**.

Change Order #5 installed 3" of ¾" B3 asphalt mix over the approximate 1600 SF of bus pads installed along E. Plaza Blvd. This Change Order total amount is **\$9,915.22**.

Change Order #6 did not proceed with executing this change order. This Change Order total amount is **\$0.00**.

FINAL CONTRACT BALANCE

National City Street Resurfacing FY 21/22

CIP No. 22-19

Change Order #7 removed additional asphalt along the eastern edge of Roosevelt Ave to correct an existing issue with the elevation of the finished surface adjacent to the curb and gutter. The additional removal was approximately 5' from the eastern edge to a depth of 6". This Change Order total amount is **\$15,591.49**.

Change Order #8 installed two flashing message boards at the limits of work on National City Blvd for additional public information on paving operations. This Change Order total amount is **\$2,310.00**.

Change Order #9 installed additional traffic controls along E. Plaza Blvd to install additional ped ramps at the intersection of L Ave. This Change Order total amount is **\$3,774.75**.

Change Order #10 removed and replaced existing checkered crosswalks on National City Blvd and removed and replaced existing crosswalks with continental crosswalks on E. Plaza Blvd. This included the installation of 8 thermoplastic checkered crosswalks on National City Blvd and 2 continental crosswalks on E. Plaza Blvd. This Change Order total amount is **\$95,842.16**.

Change Order #11 adjusted eight existing survey monuments on Roosevelt Ave. As the scope of work for Roosevelt Ave was revised on change order #7, this change order provided additional costs to raise the elevation of the existing survey monuments to match the finished surface of the grind and overlay. This Change Order total amount is **\$6,894.67**.

Change Order #12 installed 22 additional traffic loops at the intersection of 16th St and D Ave. This work was performed as part of the scope of a future intersection improvement project. This Change Order total amount is **\$14,070.00**.

Change Order #13 connected the newly installed traffic loop detectors to the existing traffic control system at the intersection of 16th St and D Ave. This change in the scope of work connected the 7 installed traffic loop detectors to the existing traffic control system. This Change Order total amount is **\$10,314.92**.

Change Order #14 provided line item adjustments for the bid quantities on various line items throughout the project. Mann Ave required additional paving as a result of digouts and corrections to the concrete quantities to be ADA compliant. E. Plaza Blvd required additional asphalt digouts due to extensive subgrade failures. The El Toyon Fire Station 33 required increased quantities of concrete and asphalt for the increased SF of concrete driveway and asphalt parking. National City Blvd required additional asphalt paving to extend over the crosswalks on crossing streets and to repair adjacent sidewalk panels along the Street. 16th Street required additional paving to rehabilitate crosswalks on crossing streets. The scope of work was revised on Roosevelt Ave to perform a grind and overlay, which resulted in net savings on this Street. This Change Order total amount is **\$138,679.55**.

Change Order #15 connected the additional traffic loops installed via Change Order #12 to the existing traffic control system. This change in the scope of work included installing 5 DLCs and 30 LF of conduit and replacing sidewalk panels at the intersection of 16th St and D Ave. This Change Order total amount is **\$7,645.70**.

All Change Orders listed above increased the total contract amount **\$326,044.39**.

FINAL CONTRACT BALANCE

National City Street Resurfacing FY 21/22

CIP No. 22-19

Contingency exceeded by providing additional asphalt paving, general surface improvements and overall pedestrian improvements, drainage and striping within project limits. This additional work throughout the project exceeded the project’s contingency by \$15,166.39.

Original Contract Amount:	\$2,072,519.00
Change Order Total:	\$326,044.39
New Contract Amount:	\$2,398,563.39
Line-Item Adjustments:	\$0.00
Final Contract Balance:	\$2,398,563.39
Original Contract Amount + Contingency:	\$2,383,397.00
Amount Exceeded:	(\$15,166.39)

CONTRACT ADJUSTMENT:

As a result of the above change orders and line item adjustments, the contract price is adjusted as follows:

1. The final contract price is adjusted to **\$2,398,563.39**
2. A retention in the amount of **\$119,928.17** was held until satisfactory completion of said project.

This document and its purpose to balance payment shall be considered full compensation for furnishing and installing the materials, labor, tools and equipment, profit, overhead, and all incidentals for performing the work described above. Eagle Paving Company, Inc. will not be entitled to damages or additional payment for delays as described in the 2018 edition of the Standard Specifications for Public Works Construction, Section 6-6.3, for performing the work as described above.

RECORDING REQUESTED BY
WHEN RECORDED MAIL TO:
NAME: CITY OF NATIONAL CITY
ADDRESS: 243 NATIONAL CITY BOULEVARD
NATIONAL CITY, CA 91950

NOTICE OF COMPLETION

CALIFORNIA CIVIL CODE SECTION 3093

NOTICE IS HEREBY GIVEN of the completion on October 13, 2023 of the:
National City Street Resurfacing Project FY 21/22, CIP No. 22-19

Work of improvement or portion of work of improvement under construction or alteration.

National City Blvd, Mann Ave, E. Plaza Blvd, E. 16th St, Fire Station 33

Street Address

City

State

Zip Code

The undersigned owns the following interest or estate in said property:

Owner in fee

Nature of the interest or estate of owner (mortgagor, lessee, etc.)

Said work of improvement was performed on the property pursuant to a contract with

Eagle Paving Company, Inc.

Name of Original Contractor

The following work and material were supplied:

Labor provided: General laborer. Materials: Concrete, asphalt, traffic striping, traffic loop detectors. Equipment: Paving equipment.

General statement of kind of labor, services, equipment or materials

The names and addresses of co-owners are: N/A

Joint tenants, tenants in common, or other owners

Dated: February 6, 2024;

Signature of Owner

City of National City, 1243 National City Blvd., National City, CA 91950

I, the undersigned, say: I have read the foregoing Notice of Completion and know the contents thereof; the same is true of my own knowledge. I declare under penalty of perjury that the foregoing is true and correct.

Executed on February 6, 2024 at, National City, California.

Signature: _____

RON MORRISON, MAYOR

Noc09-05

RESOLUTION NO. 2024 -

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY, CALIFORNIA, 1) ACCEPTING THE WORK PERFORMED BY EAGLE PAVING COMPANY, INC. FOR THE NATIONAL CITY STREET RESURFACING PROJECT FY 21/22, CIP NO. 22-19; 2) RATIFYING CHANGE ORDER WORK IN THE AMOUNT OF \$15,166.39 AND APPROVING THE FINAL CONTRACT AMOUNT OF \$2,398,563.39; 3) RATIFYING THE RELEASE OF RETENTION IN THE AMOUNT OF \$119,928.17; AND 4) AUTHORIZING THE MAYOR TO SIGN THE NOTICE OF COMPLETION.

WHEREAS, on November 17, 2020, the City Council authorized an agreement with Bucknam Infrastructure Group (Bucknam), for the Pavement Management Program (PMP) and to perform street sign inventory; and

WHEREAS, as part of the PMP, Bucknam conducted a pavement condition survey of all City streets in order to identify the most cost-effective strategies to fund Capital Improvement Program (CIP) projects to maintain and repair existing City streets; and

WHEREAS, based on the findings from the PMP, staff prioritized the following City streets to be resurfaced: National City Boulevard from 16th Street to 33rd Street; E. Plaza Boulevard from D Avenue to N Avenue; E. 16th Street between D Avenue and Highland Avenue; Mann Avenue from Beta Street to Alpha Street; Driveway for Fire Squad Station 33 (northeast side of 4th and U Avenue); Roosevelt Avenue from 8th Street to 15th Street; and

WHEREAS, on March 24, 2022, the bid solicitation was posted on PlanetBids, a free public electronic bidding system for contractors; and

WHEREAS, on March 28th and March 31st, 2021, the bid solicitation was advertised in local newspapers; and

WHEREAS, on April 14, 2022, five (5) bids were received by the 2:00 p.m. deadline; and

WHEREAS, upon a review of all documents submitted, Eagle Paving Company, Inc.'s bid in the amount of \$2,072,519 was deemed responsive and the lowest responsible bidder qualified to perform the work as described in the project specifications; and

WHEREAS, on May 17, 2022, City Council awarded the contract to Eagle Paving Company, Inc. in the amount not to exceed \$2,072,519 and authorized a 15% contingency in the amount of \$310,878 to address any unforeseen conditions that may arise; and

WHEREAS, on November 3, 2022, the Notice to Proceed with construction was issued to Eagle Paving Company, Inc.; and

WHEREAS, construction on the project started on November 21, 2022 and was completed on October 13, 2023; and

WHEREAS, in order to replace traffic loops impacted by street repaving and enhance signal operations at the intersection of 16th Street and D Avenue adjacent to Fire Station 34, the City issued change orders #12, 13, and 15; and

WHEREAS, this additional work contributed to an increase in the contract with Eagle Paving Company, Inc. of \$15,166.39 above the originally authorized 15% contingency; and

WHEREAS, the change orders issued for this project are detailed in the Final Contract Balance Report; and

WHEREAS, the change orders increased the contract by \$326,044.39, which results in a 15.3% increase to the original contract award, for a final contract balance of \$2,398,563.39; and

WHEREAS, the Notice of Completion will be filed with the San Diego County Recorder's Office.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NATIONAL CITY, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

Section 1: That the City Council hereby accepts the work performed by Eagle Paving Company, Inc. for the National City Street Resurfacing Project FY 21/22, CIP No. 22-19.

Section 2: That the City Council hereby ratifies change order work in the amount of \$15,166.39 and approves the final contract amount of \$2,398,563.39.

Section 3: That the City Council hereby ratifies the release of retention in the amount of \$119,928.17.

Section 4: That the City Council hereby authorizes the Mayor to sign the Notice of Completion.

Section 5: That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED and ADOPTED this 6th day of February, 2023.

Ron Morrison, Mayor

ATTEST:

Shelley Chapel, MMC, City Clerk

APPROVED AS TO FORM:

Barry J. Schultz, City Attorney



AGENDA REPORT

Department: City Clerk's Office
Prepared by: Shelley Chapel, MMC
Meeting Date: Tuesday, January 16, 2024
Approved by: Benjamin A. Martinez, City Manager

SUBJECT:

Semi-Annual Report – Boards, Commissions, and Committee Attendance Report – Includes Third and Fourth Quarter of 2023.

RECOMMENDATION:

Receive and file.

BOARD/COMMISSION/COMMITTEE PRIOR ACTION:

Not Applicable.

EXPLANATION:

On November 16, 2021, the City Council adopted updates to City Council Policy #107 Appointments to Boards, Commissions, and Committees (BCC). Section D, 14 Resignations, Attendance, Training and Removals provides for the City Clerk to prepare a report to Council on the attendance of BCC members. This report of attendance is prepared in February and August prior to the end of term rotation and expirations. The attendance is evaluated as follows:

1. A Commissioner or Member of a BCC with unexcused absences from three (3) consecutive regularly scheduled meetings.
2. A Commissioner or Member of a BCC misses more than 25% of the advisory body's meetings in a calendar year.
3. A Commissioner or Member of a BCC must be present at least one hour, or 50% of the entire meeting, whichever is less, to be counted as present for purposes of attendance.

Excused Absences are considered under certain circumstances.

FINANCIAL STATEMENT:

Not applicable.

RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:

Not Applicable

ENVIRONMENTAL REVIEW:

This is not a project under CEQA and is therefore not subject to environmental review.CCR15378; PRC 21065.

PUBLIC NOTIFICATION:

The Agenda Report was posted within 72 hours of the meeting date and time in accordance with the Ralph M. Brown Act.

ORDINANCE:

Not Applicable

EXHIBITS:

Exhibit A – Attendance Report

Exhibit B – City Council Policy No. 107

SUMMARY OF BCC ATTENDANCE
Third and Fourth Quarter (July - December) Calendar Year 2023 Totals

EXPLANATION

On November 16, 2021, the City Council adopted Updates to City Council Policy #107 Appointments to Boards, Commissions, and Committees (BCC). Section D, 14 Resignations, Attendance, Training and Removals provides for the City Clerk to prepare a report to Council on the attendance of BCC members.

Attendance is evaluated as follows:

1. A Commissioner or Member of a BCC with unexcused absences from three consecutive regularly scheduled meetings.
2. A Commissioner or Member of a BCC misses more than 25% of the advisory body's meetings in a calendar year.
3. A Commissioner or Member of a BCC must be present at least one hour, or 50% of the entire meeting, whichever is less, to be counted as present for purposes of attendance.

Excused Absences are considered under certain circumstances.

Board of Library Trustees consists of five (5) members, and one (1) alternate. Their meetings are held the First Wednesday of every month at 5:30 p.m. in the Large Conference Room at City Hall.

Third and Fourth Quarter of 2023 the Board scheduled a total of seven (7) meetings, two (2) meetings were cancelled due to a lack of agenda items.

All members were found to be in compliance with attendance and training requirements.

Members:	Third & Fourth Quarter Present	Third & Fourth Quarter Absent	Status of Mandatory Training
Margaret Godshalk - President	5	0	Completed
H. Bradley Bang, Secretary	5	0	Completed
Cindy Lopez	4	1	Completed
Jake Zindulka (appointed 9/5/23)	1	1	Completed
Jissan Ravanilla (appointed 9/5/23)	1	1	Completed
Patricia McGhee (Alternate) (appointed 9/5/23)	2	0	Completed

Civil Service Commission consists of five (5) members. Their meetings are held the Second Wednesday of every other month at 5:30 p.m. in the Large Conference Room at City Hall.

Third and Fourth Quarter of 2023 the Commission scheduled a total of four (4) meetings, with one (1) of those being a Special Meeting.

All members were found to be in compliance with attendance and training requirements.

Members:	Third & Fourth Quarter Present	Third & Fourth Quarter Absent	Status of Mandatory Training
Paul Wapnowski, Chair	2	2	Completed
Rafael Courtney, Vice-Chair	4	0	Completed
Leslie Coyote	3	1	Completed
Thomas Luna	2	2	Completed
Sean Sampsell (Appointed 4/18/23)	4	0	Completed

Community & Police Relations Committee consists of eight (8) members with one (1) being a staff member. Their meetings are held the Third Thursday of February, May, August and November at 6:00 p.m. in the Council Chamber at City Hall.

Third and Fourth Quarter of 2023 the Committee scheduled a total of two (2) meetings, one (1) of which was convened and then cancelled due to lack of a quorum.

All members were found to be in compliance with attendance and training requirements.

Members:	Third & Fourth Quarter Present	Third & Fourth Quarter Absent	Status of Mandatory Training
Michael Lesley, Chair	2	0	Completed
Daniel Orth, Vice Chair	2	0	Completed
Zachary Francisco-Gomez	1	1	Completed
Andy Y. Sanchez	1	1	Completed
Darin Dorsey	2	0	Completed
Jacqueline Ellis	1	1	Completed
William Phillips	1	1	Completed

Housing Advisory Committee consists of nine (9) members of the Planning Commission and two (2) additional members. Their meetings are held the Third Monday of every month at 6:00 p.m. in the Council Chamber at City Hall.

Third and Fourth Quarter of 2023 the Committee scheduled a total of three (3) meetings, two (2) meetings were cancelled due to a lack of agenda items.

All members were found to be in compliance with attendance and training requirements.

Members:	Third & Fourth Quarter Present	Third & Fourth Quarter Absent	Status of Mandatory Training
Richard Martin Miller, Chair	1	0	Completed
Randi Marie Castle, Vice Chair	1	0	Completed
Ricardo Sanchez	1	0	Completed
Claudia E. Valenzuela	1	0	Completed
William J. Sendt	1	0	Completed
Mayra A. Valdez	1	0	Completed
Pearl Quinones	1	0	Completed
Liliana Armenta	1	0	Completed
Denise Kosterlistzky	0	1	Completed

Planning Commission consists of seven (7) members. Their meetings are held the First and Third Monday of every month at 6:00 p.m. in the Council Chamber at City Hall.

Third and Fourth Quarter of 2023 the Commission scheduled a total of ten (10) meetings, four (4) meetings were cancelled due to a lack of agenda items.

All members were found to be in compliance with attendance and training requirements.

Members:	Third & Fourth Quarter Present	Third & Fourth Quarter Absent	Status of Mandatory Training
Richard Martin Miller, Chair	6	0	Completed
Randi Marie Castle, Vice Chair	6	0	Completed
Ricardo Sanchez	4	2	Completed
Claudia E. Valenzuela	5	1	Completed
William J. Sendt	5	1	Completed
Pearl Quinones	6	0	Completed
Liliana Armenta	6	0	Completed

Park, Recreation & Senior Citizens Advisory Committee consists of seven (7) members (currently one vacancy). Their meetings are held the Third Thursday of every month at 4:00 p.m. in the Large Conference Room at City Hall.

Third and Fourth Quarter of 2023 the Committee scheduled five (5) meetings, one (1) meeting was convened and then adjourned due to lack of a quorum, and one (1) meeting was canceled prior to commencement due to a lack of a quorum.

All members were found to be in compliance with attendance and training requirements with the exception of one as described below.

NOTE: Ignacio Navarro Jr. failed to attend any of the meetings within the Third and Fourth quarter. In addition, staff noted on the First and Second Quarter reports that he was absent at all five (5) scheduled meetings. Mr. Navarro was reappointed on March 7, 2023, and has not attended a meeting. Per City Council Policy #107 Appointments to BCCs, Section D,(14) Resignations, Attendance, Training, and Removals states that attendance is required and if a member has more than three (3) Consecutive Regularly Schedule Meetings or misses more than 25% of the BCC meetings in a calendar year.

Staff Recommendation: As these absences fall within these guidelines, the City Clerk is recommending the City Council consider the removal of this member due to absence. One meeting was canceled due to a lack of quorum, these absences had an immediate effect on the BCC and its members. City Council to direct staff to bring a report back to Council at the next meeting for consideration of removal of the member.

Members:	Third & Fourth Quarter Present	Third & Fourth Quarter Absent	Status of Mandatory Training
Nora McMains, Chair	4	0	Pending Completion
Jennelyn de Mesa Luna	3	1	Completed
Joseph Crawford	4	0	Completed
Reuben Felizardo	4	0	Completed
Ignacio Navarro Jr.	0	4	Two Overdue
Alexander Fernandez	2	2	Completed

Public Art Committee consists of five (5) members and one (1) alternate. Their meetings are held the Fourth Tuesday of January, April, July and October at 3:00 p.m. in the Large Conference Room in City Hall.

Third and Fourth Quarter of 2023 the Committee scheduled a total of two (2) meetings.

All members were found to be in compliance with attendance and training requirements.

Members:	Third & Fourth Quarter Present	Third & Fourth Quarter Absent	Status of Mandatory Training
William A. Virchis, Chair	0	2	Completed
Ryan Johnson	2	0	Completed
Jose A Lopez	2	0	Completed
Charles Reilly	2	0	Completed
Jacqueline Schliapnik	2	0	Completed
Catrina Bush (Alternate)	1	1	Completed

Traffic Safety Committee consists of five (5) members. Their meetings are held the Second Wednesday of every month at 1:00 p.m. in the Large Conference Room in City Hall. All members are found in compliance for attendance and training.

Third and Fourth Quarter of 2023 the Committee scheduled a total of six (6) meetings, four (4) meetings were cancelled due to a lack of agenda items.

All members were found to be in compliance with attendance and training requirements.

Members:	Third & Fourth Quarter Present	Third & Fourth Quarter Absent	Status of Mandatory Training
Marisa Rosales	2	0	Completed
Kelly Piper	1	1	Completed
Christopher Coyote	1	1	One Overdue
Cynthia Fuller Quinonez	2	0	Completed
Rafael Coto (appointed 9/5/23)	1	0	Completed

CITY COUNCIL POLICY CITY OF NATIONAL CITY

TITLE: Appointments to Boards, Commission and Committees	POLICY # 107
ADOPTED: June 17, 1986	AMENDED: November 16, 2021

PURPOSE

To establish a procedure to serve as a guide in making appointments to various City Boards, Commissions, and Committees. The City currently has the following Boards, Commissions, and Committees to which this Policy applies:

Mayor's Appointments:

1. Board of Library Trustees
2. Community and Police Relations Commission
3. Park, Recreation, and Senior Citizens Advisory Committee
4. Public Art Committee
5. Sweetwater Authority
6. Traffic Safety Committee
7. Veterans and Military Families Advisory Committee

City Council Appointments:

1. Civil Service Commission
2. Planning Commission
3. Housing Advisory Committee including Ex-Officio Members
4. Port Commission

POLICY

Appointment Process

- A. Opportunity to apply. All interested individuals shall be given an opportunity to submit applications for vacancies on City Boards, Commissions, and Committees. Incumbent Appointees are not automatically re-appointed but are required to fill out an abbreviated application provided by the City Clerk, indicating their interest in continuing to serve.
- B. Unexpired terms. If an incumbent Appointee was appointed to fill an unexpired term and the Appointee serves for less than one year in that position, the Council may re-appoint the incumbent without considering other applicants.
- C. Vacancies. When vacancies occur, the following procedure shall be followed:
 1. Schedule vacancy. When a term is expiring or expires, public notice of the vacancy shall be made, inviting interested individuals to submit applications for the vacancy on a form provided by the City Clerk on the City website.

Unscheduled vacancy. An unscheduled vacancy shall be filled according to

CITY COUNCIL POLICY CITY OF NATIONAL CITY

TITLE: Appointments to Boards, Commission and Committees	POLICY # 107
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Government Code Section 54974, which generally provides as follows: Whenever an unscheduled vacancy occurs, whether due to resignation, death, termination, or other causes, a special vacancy notice shall be posted in the Office of the City Clerk, the City website, outside City Hall on the Bulletin Board, and on City social media platforms not earlier than twenty (20) days before or not later than twenty (20) days after the vacancy occurs. The City Council shall not make a final appointment for at least ten (10) working days after posting the notice in designated locations. The notice's posting and application period shall be thirty (30) calendar days. However, if it finds that an emergency exists, the City Council may, fill the unscheduled vacancy immediately. According to this section, a person appointed to fill the vacancy shall serve only on an interim basis until the final appointment.

The end of term for the members of Boards, Commissions, and Committees generally occurs in an annual rotation during the months of March and September. Appointments will be considered at those times unless a vacancy resulting from a resignation results in the lack of a Quorum on the Board, Commission, or Committee, in which case the appointment could occur at the time of the unscheduled vacancy in accordance with the procedure set out above.

3. Government Code Section 40605, and National City Municipal Code Title 16, grants the Mayor, with the City Council's approvals, the authority to make all appointments unless otherwise explicitly provided by statute. The exceptions are:
 1. Civil Service Commission
 2. Planning Commission
 3. Housing Advisory Committee including Ex-Officio Members
 4. Planning Commission

The City Council fills vacancies on these bodies.

- D. Implementation. Implementation of Council policy for appointment to Boards, Commissions, and Committees requires the following:
 1. Per Government Code Section 54972, on or before December 31 of each year, the City Council shall prepare a list of appointments of all regular and ongoing Boards, Commissions, and Committees appointed by the City Council. The City Clerk will prepare the list of all regular and ongoing Boards, Commissions, and Committees appointed by the Mayor or the City Council. The list shall contain a list of all terms that will expire during the next calendar year, the incumbent appointee's name, the appointment date, the term's expiration date, and the position's necessary qualifications. It shall also include a list of all

CITY COUNCIL POLICY CITY OF NATIONAL CITY

TITLE: Appointments to Boards, Commission and Committees	POLICY # 107
ADOPTED: June 17, 1986	AMENDED: November 16, 2021

Boards, Commissions, and Committees whose members serve at the City Council's pleasure and the qualifications required for each position. This Local Appointments List shall be made available to the public on the City website.

2. Notice. A public notice for vacancies must be placed in the newspaper of general circulation within the City, on the City's website, City Hall Bulletin Boards, and City social media platforms.
3. Expiration of term. All appointees will receive a letter as their terms expire asking if they would like to re-apply for the position.
4. Applications. Applications shall be available on the City website and in the City Clerk's Office. Submissions must be received before the advertised deadline for consideration for the appointment. All applications will be retained in the City Clerk's Office for one year from the date the application was submitted. During the one-year retention period of the application, an applicant shall be considered for other vacancies on Boards, Commissions, and Committees. The City Clerk's Office will notify the applicant being considered for an appointment to confirm that they are still interested in volunteering.
5. A member may only serve on one (1) Board, Commission, or Committee at a time. If an applicant applies for another position on a different Board, Commission, or Committee, that applicant will forfeit the prior seat and a vacancy will occur per policy.
6. Interviews:
 - a. Mayor Appointments: Interviews for Mayoral appointments will be conducted by the Mayor outside of the public meeting and scheduled by the Mayor's Office.
 - b. City Council Appointments: Interviews for the four (4) Civil Service Commission, Planning Commission, Housing Advisory Committee, and Port Commission who serve at the City Council's pleasure and are appointed by the City Council as a body will be interviewed in the public forum at a City Council Meeting as described below.
7. Mayoral Appointments:

The Mayor will make the motion to appoint (naming the appointee) and Councilmembers may second the motion. The City Clerk will then take a roll call

CITY COUNCIL POLICY CITY OF NATIONAL CITY

TITLE: Appointments to Boards, Commission and Committees	POLICY # 107
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vote of the City Council. A majority vote of the City Council will be required for the appointment. If the majority of the City Council choose to deny the proposed appointment, the Mayor shall either propose an alternative candidate from the current application pool or choose to reopen the application period and return to the City Council at a future City Council Meeting with a different applicant for consideration. If a Mayoral Appointment is not approved by the majority of the City Council by confirmation, that applicant is removed from the pool for that seat. The Mayor will return to a future meeting with a substitute Mayoral appointment.

8. For City Council Appointments, the Interview Process is as follows:
 - a. The City Clerk will provide an overview of the Board, Commission, or Committee(s) with current vacancy (ies). The Mayor will introduce the applicant and two (2) questions will be asked of each applicant on behalf of the City Council.
 - b. Each applicant is given two (2) minutes to make a brief introduction of themselves and their qualifications to the City Council.
 - c. Mayor and City Councilmembers will ask questions of each applicant. All applicants must be asked the same questions.
 - d. Total time per applicant is five (5) timed minutes with time allowed for clarification at the discretion of the City Council, not to exceed ten (10) minutes total per applicant.
 - e. All appointments and interviews before the City Council will be scheduled as needed to fill unexpected vacancies, with every effort to be made before an individual's term expires. Interviews may take place at one meeting, with appointments made at a subsequent meeting.
9. Vacancies for City Council Appointed Positions. If the vacancy is for a City Council appointed position, and there is more than one (1) applicant for a given position, the voting process will proceed as follows: Once the interviews are complete, each Councilmember votes for their choice via a written ballot provided by the City Clerk. Each Councilmember shall print and sign their name on the ballot. All ballots shall be considered a public record and be open to inspection by the public. The ballots are passed to the City Clerk who announces the number of votes for each candidate.

CITY COUNCIL POLICY CITY OF NATIONAL CITY

TITLE: Appointments to Boards, Commission and Committees	POLICY # 107
ADOPTED: June 17, 1986	AMENDED: November 16, 2021

If the appointment process is conducted via a virtual meeting the process is the same except the ballot/vote process. The City Clerk's Office will provide a Vote Sheet (a piece of paper electronically) with the name of each applicant to be considered. The Mayor will count to three (3) and the Council will hold their vote sheet up in front of their face to make sure it is captured on the camera during the live virtual meeting. The City Clerk will tally the votes and will then confirm the votes with a verbal roll call. The applicant with the most votes is appointed.

In the event of a tie, each Councilmember votes again until one (1) candidate has the majority vote and is declared to be the newly-appointed member of the Board, Commission, or Committee.

10. Re-appointment beyond two terms. Anyone wishing to be re-appointed to any Board, Commission, or Committee and has served two or more full terms already must be approved by a four-fifths vote of the City Council. If all five members of the City Council are not present, or if one member abstains or recuses their vote, the four-fifths requirement shall be changed to require only a simple majority.

11. Report to Council:

All applications received for vacancies, whether Mayoral Appointment or City Council Appointment, will be attached to the staff report to Council. All applications will have private personal information redacted (name, street numbers and name of street address, and phone number). This redacted information is in alignment with Government Code Section 6255(a) because the public interest served by not disclosing the applicant's personal, private information and protection of the applicant's right to privacy outweighs the public interest served by disclosing that information.

12. An automatic vacancy upon becoming a Non-Resident. An unscheduled vacancy automatically occurs when a resident holding an appointment position on a City Board, Committee, or Commission becomes a non-resident by moving out of National City limits. When an unscheduled vacancy occurs due to a resident becoming a non-resident, the unscheduled vacancy may be filled as follows:

- a. A special vacancy notice shall be posted in the Office of the City Clerk, and in other places as directed by the City Council, not earlier than 20 days before or not later than 20 days after the vacancy occurs. Final Appointment at a City Council Meeting shall not be made by the Appointing Authority for at least 10 working days after the posting of the notice in the City Clerk's Office.

CITY COUNCIL POLICY CITY OF NATIONAL CITY

TITLE: Appointments to Boards, Commission and Committees	POLICY # 107
ADOPTED: June 17, 1986	AMENDED: November 16, 2021

- b. The Appointing Authority may appoint the former resident to a Non-Residential position if a Non-Residential position is vacant.

However, the Appointing Authority may, if it finds that an emergency exists, fill the unscheduled vacancy immediately. A person appointed to fill the vacancy shall serve only on an acting basis until the final appointment is made pursuant to this section.

- 13. Only City Residents may be elected to Chair and Vice-Chair positions. To be eligible to be elected as the Chairperson of a City Board, Committee, or Commission, the member must be a resident of the City.
- 14. Resignations, Attendance, Training, and Removals

Resignation:

If a Commissioner or Member of a Board, Committee, or Commission is unable to continue serving because of health, business requirements, or personal reasons, a letter of resignation shall be submitted to the City Clerk, who will present to the City Council.

Attendance:

Regular attendance at meetings is critical to be effective operation of City Boards, Commissions, and Committees. The City Council relies on the advice of the City's Boards, Commissions, and Committees, which is the result of discussions among appointed members. The City Council anticipates that members of Boards, Committees, and Commissions shall make every reasonable effort to attend all regular and special meetings of their respective Boards, Commissions, and Committees, and to be prepared to discuss matters on their respective agendas.

A Commissioner or Member of a Board, Committee, or Commission shall be considered removed from any advisory board under the following conditions:

- 1. A Commissioner or Member of a Board, Committee, or Commission with unexcused absences from three consecutive regularly scheduled meetings.
- 2. A Commissioner or Member of a Board, Committee, or Commission misses more than 25% of the advisory body's meetings in a calendar year.

CITY COUNCIL POLICY CITY OF NATIONAL CITY

TITLE: Appointments to Boards, Commission and Committees	POLICY # 107
ADOPTED: June 17, 1986	AMENDED: November 16, 2021

3. A Commissioner or Member of a Board, Committee, or Commission must be present at least one hour, or 50% of the entire meeting, whichever is less, to be counted as present for purposes of attendance.

Excused Absences:

An “excused absence” is only granted when absolutely necessary and pre-approved if at all possible. The City Council encourages Boards, Commissions, and Committees to refrain from scheduling meetings on cultural and religious holidays in order to encourage full participation by all Commissioners, Board Members, and the public. The pre-approval of excused absences will be by the body as a whole and documented in the meeting minutes.

Excused absences are listed as follows:

1. Illness of the Commissioner or Member of the Board, Committee, or Commission, their family member, or their personal friend;
2. Business commitment of the Commissioner or Member of the Board, Committee, or Commission that interferes with the attendance at a meeting;
3. Attendance of the Commissioner or Member of the Board, Committee, or Commission at a funeral, religious service or ceremony, wedding, or other similarly-significant event; or
4. Other reason for which the Commissioner or Member of the Board, Committee, or Commission has given notice to the Chairperson or Secretary of their unavailability fifteen (15) days in advance, as long as the unavailability is not expected to last longer than 30 days.

Removal:

The Secretary or Lead of each Board, Commission, or Committee will report the attendance to the Office of the City Clerk on a monthly basis. If the attendance or absences fall within these guidelines, the Office of the City Clerk will prepare a report to City Council for review and possible removal of the Commissioner, Member, or Alternate sitting on the Board, Committee, or Commission. Any Commissioner, Member, or Alternate sitting on a Board, Committee, or Commission may be removed from office at any time by a simple majority vote of the City Council at a regularly scheduled Council meeting with or without cause.

Mandatory Training and Filing Requirements:

Commissioners and Members of Board, Committee, or Commission, as appointed by the legislative body, are entrusted with certain responsibilities and

CITY COUNCIL POLICY CITY OF NATIONAL CITY

TITLE: Appointments to Boards, Commission and Committees	POLICY # 107
ADOPTED: June 17, 1986	AMENDED: November 16, 2021

concomitant training and reporting. The following are requirements of Commissioners and Members of Boards, Commissions, and Committees. This training is required to be completed within 30 days of appointment or notification.

1. Oath of Office (Article XX of the California Constitution, and California Government Code Section 36507)
2. Fair Political Practices Commission (FPPC) Statement of Economic Interest Form 700 Filing (California Government Code Section 87100 et seq)
3. AB1234 Ethics Training (California Government Code Section 53235.1(b))
4. Sexual Harassment Training
5. Brown Act Training
6. Social Media Training
7. Any training required by State Law, Federal Law, or City Policies.

All training is offered in a variety of formats including in person, via Zoom, training website/software, and pre-recorded video. Currently, these are all requirements of the Mayor and City Council, and City staff.

Removal:

Failure to complete any of these requirements within 30 days of the appointment date or date of notification is cause for automatic removal.

Related Policy References

Government Code Section 40605

Government Code Section 54970, et seq.

Article XX of the California Constitution, and California Government Code Section 36507

California Government Code Section 53235(b)

California Government Code Section 87100 et seq

National City Municipal Code Title 16 (pending)

Prior Policy Amendments:

February 2, 2021 (Resolution No. 2021-08)

May 19, 2020 (Resolution No. 2020-95)

November 9, 1993 (Resolution No. 93-173)

June 11, 2013 (Revised – No Resolution – Refer to Meeting Minutes)

October 8, 2013 (Resolution No. 2013-147)

May 19, 2020 (Resolution No. 2020-20)



AGENDA REPORT

Department: Administrative Services - Finance
Prepared by: Karla Apalategui, Senior Accounting Assistant
Meeting Date: Tuesday, February 6, 2024
Approved by: Benjamin A Martinez, City Manager

SUBJECT:

Warrant Register #21 for the period of 11/17/23 through 11/23/23 in the amount of \$335,847.62.

RECOMMENDATION:

Ratify Warrants Totaling \$335,847.62

BOARD/COMMISSION/COMMITTEE PRIOR ACTION:

Not Applicable.

EXPLANATION:

Per Government Section Code 37208, below are the payments issued for period 11/17/23 – 11/23/23. Consistent with Department of Finance’s practice, listed below are all payments above \$50,000.

<u>Vendor</u>	<u>Check</u>	<u>Amount</u>	<u>Explanation</u>
SDG&E	366177	\$91,460.56	Gas and Electric for Facilities FY24

FINANCIAL STATEMENT:

Warrant total \$335,847.62

RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:

Not Applicable

ENVIRONMENTAL REVIEW:

This is not a project under CEQA and is therefore not subject to environmental review.CCR15378; PRC 21065.

PUBLIC NOTIFICATION:

Agenda Report posted within 72 hours of meeting date and time in accordance with Brown Act.

ORDINANCE:

Not Applicable

EXHIBIT:

Exhibit A - Warrant Register No. 21



WARRANT REGISTER # 21
11/23/2023

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
<u>City Manager Office</u>				
DEVANEY PATE MORRIS & CAMERON	LEGAL SERVICE - PORT OF SAN DIEGO	366144	11/22/23	1,425.00
GARCIA	REIMBURSEMENT FOR CULTURE CLUB COFFEE -	366148	11/22/23	261.20
		Total for Department		1,686.20
<u>Fire</u>				
ACE UNIFORMS & ACCESSORIES INC	UNIFORMS, JACKETS, PATCHES	366123	11/22/23	2,746.27
AMEDEE	MILEAGE AND PARKING REIMBURSEMENT	366127	11/22/23	26.38
AT & T INC	MONTHLY PHONE SERVICES TO RECEIVE/FIRE	366129	11/22/23	758.72
ESGIL LLC	PLAN CHECKS FOR FIRE, FY23-24	366147	11/22/23	975.00
MONTANO	REIMBURSEMENT, HECTOR MONTANO/FIRE	366159	11/22/23	1,500.00
WHITE	REIMBURSEMENT, EMT-P EXPENSES, M WHITE	366198	11/22/23	250.00
		Total for Department		6,256.37
<u>Engineering / PW's</u>				
APS LIGHTING & SAFETY PRODUCTS	MOP 87645 AUTO LIGHTING SUPPLIES FY24-PW	366128	11/22/23	172.44
CUSTOM TRUCK BODY & EQUIPMENT	AUTO PARTS FY24-PW/EQM	366140	11/22/23	3,253.97
DANIELS TIRE SERVICE	TIRES FOR CITY FLEET FY24-PW/EQM	366141	11/22/23	8,360.00
DEPARTMENT OF TRANSPORTATION	TRAFFIC SIGNAL REPAIR FY24-PW/STREETS	366142	11/22/23	2,505.94
DEPT OF INDUSTRIAL RELATIONS	ELEVATOR INSPECTIONS FY24-PW/FACILITIES	366143	11/22/23	675.00
GRAINGER	MOP 65179 BUILDING SUPPLIES FY24-PW/FACI	366150	11/22/23	1,304.10
HAAKER EQUIPMENT COMPANY	PARTS AND SMALL EQUIPMENT FY24-PW/EQM	366151	11/22/23	154.07
HOME DEPOT CREDIT SERVICES	BUILDING SUPPLIES FY24-PW/FACILITIES	366152	11/22/23	3,438.73
JJJ ENTERPRISES	FIRE AND SECURITY ALARM MONITORING FY24-	366154	11/22/23	1,836.65
MAINTEX INC	MISC JANITORIAL SUPPLIES FY24-PW/FACILIT	366156	11/22/23	472.71
MASON'S SAW	MOP 45729 LANDSCAPE SUPPLIES FY24-PW/PAR	366157	11/22/23	368.85
MUNICIPAL MAINTENANCE EQUIP	STREET SWEEPER PARTS FY24-PW/EQM	366160	11/22/23	1,153.57
NATIONAL CITY CAR WASH	CAR WASH SERVICES FOR FLEET FY24	366161	11/22/23	1,630.67
NATIONAL CITY TROPHY	MOP 66556 WALL NAME PLATE FY24-PW/FACILI	366162	11/22/23	23.76
O'REILLY AUTO PARTS	MOP 75877 AUTO SUPPLIES FY24-PW/EQM	366164	11/22/23	489.27
PACIFIC AUTO REPAIR	SMOG CERTIFICATION / REPAIRS FY24-PW/EQM	366165	11/22/23	715.00
PARTS AUTHORITY METRO	MOP 75943 AUTO SUPPLIES FY24-PW/EQM	366166	11/22/23	316.90
PARTS AUTHORITY METRO	MOP 75943 AUTO SUPPLIES FY24-PW/EQM	366167	11/22/23	30.44
PERRY FORD-NATIONAL CITY LLC	AUTO PARTS FY24-PW/EQM	366168	11/22/23	1,899.48
POWERSTRIDE BATTERY CO INC	MOP 67839 AUTO BATTERIES FY24-PW/EQM	366169	11/22/23	1,468.73
PRO BUILD COMPANY	MOP 45707 GENERAL SUPPLIES FY24-PW/FACIL	366170	11/22/23	2,476.44
PRUDENTIAL OVERALL SUPPLY	LAUNDRY SERVICES - PW'S	366171	11/22/23	676.91
RED WING BUSINESS	WORK BOOTS FOR MANUEL AGUIRRE FY24-PW/ST	366172	11/22/23	200.00
SAN DIEGO MECHANICAL ENERGY	REPAIRS TO HVAC SYSTEMS FY24-PW/FACILITI	366176	11/22/23	1,319.56
SDG&E	GAS AND ELECTRIC FOR FACILITIES FOR FY24	366177	11/22/23	91,460.56
SEDANO FORD OF LM, INC.	R&M CITY VEHICLES FY24-PW/EQM	366180	11/22/23	183.80
SITEONE LANDSCAPE SUPPLY LLC	MOP 69277 LANDSCAPE SUPPLIES FY24-PW/PAR	366181	11/22/23	127.84
SOUTHERN CALIF TRUCK STOP	MOP 45758 PROPANE FY24-PW/EQM	366183	11/22/23	142.67
SOUTHWEST SIGNAL SERVICE	INTERSECTION MAINTENANCE FOR STREETS FY2	366184	11/22/23	25,273.60



**WARRANT REGISTER # 21
11/23/2023**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
STAPLES BUSINESS ADVANTAGE	MOP 45704 OFFICE SUPPLIES FY24-PW/ENG	366185	11/22/23	210.09
SWEETWATER AUTHORITY	WATER BILL FOR PARKS DIVISION FY24 SEPT-	366187	11/22/23	383.16
TURF STAR INC	LAWN MOWER PARTS FY24-PW/PARKS	366192	11/22/23	284.22
VALLEY INDUSTRIAL SPECIALTIES	MOP 46453 INDUSTRIAL SUPPLIES FY24-PW/FA	366193	11/22/23	188.30
WAXIE SANITARY SUPPLY	MISC JANITORIAL SUPPLIES FY24-PW/FACILIT	366195	11/22/23	2,765.77
WEST COAST ARBORISTS	CITY WIDE TREE TRIMMING SERVICES FY24-PW	366196	11/22/23	25,837.70
WETMORES	MOP 80333 AUTO SUPPLIES FY24-PW/EQM	366197	11/22/23	967.21
WILLY'S ELECTRONIC SUPPLY	MOP 45763 ELECTRIC SUPPLIES FY24-PW/FACI	366199	11/22/23	297.72
CANON SOLUTIONS AMERICA INC.	EQUIPMNT BASE CHARGE- PLOTTER/SCANNER-EN	366131	11/22/23	91.88
CHEN RYAN ASSOCIATES INC	CIP 22-16 CITY-WIDE PED SFTY ENHANCEMNT-	366133	11/22/23	10,167.50
CITY OF SAN DIEGO	METROPOLITAN INDUSTRIAL WW CONTROL PRG.-	366134	11/22/23	12,403.00
D-MAX ENGINEERING INC	T&A 90552 AZURIIK ROOSEVELT AVE.- ENG/PW	366145	11/22/23	2,128.32
GONZALES	RFW PARKING & MILEAGE REIMB.-ENG/PW	366149	11/22/23	58.33
KTUA	INSTALATION RESILENCY GRANT- ENG/PW	366155	11/22/23	21,500.76
SOLANA CENTER	SB1383 SUPPORT SRVCS RSWA AMNDMNT 4 BP O	366182	11/22/23	14,935.00
STC TRAFFIC INC	TRAFFIC SIGNAL SUPPORT SRVCS- ENG/PW	366186	11/22/23	1,050.00
IPS GROUP INC	AUGUST 2023 PARKING PERMIT MERCHANT PORT	366153	11/22/23	2,140.99
Total for Department				247,541.61
 <u>NSD</u>				
CORDOVA	CACEO REIMBURSEMENT / NSD	366137	11/22/23	1,385.31
PRO BUILD COMPANY	MOP 45707 GENERAL SUPPLIES FY24-NSD	366170	11/22/23	543.71
THE SHERWIN WILLIAMS CO	MOP 77816 PAINT SUPPLIES / NSD	366190	11/22/23	530.87
Total for Department				2,459.89
 <u>Building/Planning</u>				
STAPLES BUSINESS ADVANTAGE	MOP 45704 OFFICE SUPPLIES FY24-PW/ENG	366185	11/22/23	210.09
THE STAR NEWS	PUBLIC NOTICE - STAR NEWS	366191	11/22/23	110.19
Total for Department				320.28
 <u>Finance</u>				
BRINK'S INCORPORATED	TRANSPORTATION - BILLING PERIOD 11/01/23	366130	11/22/23	565.93
WOODRUFF & SMART	RSWA - GENERAL MANAGER MONTHLY NOV 2023	366200	11/22/23	6,500.00
Total for Department				7,065.93
 <u>Human Resources</u>				
CESNAUSKAS	ADPP - NOVEMBER 2023	366132	11/22/23	6,042.75
CONCENTRA MEDICAL CENTERS	PRE-EMPLOYMENT PHYSICAL	366136	11/22/23	594.00
ERGOMETRICS	POLICE CORPORAL, SERGEANT & LIEUTENANT A	366146	11/22/23	17,373.28
Total for Department				24,010.03

Community Services/Nutrition/Library



**WARRANT REGISTER # 21
11/23/2023**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
ALL FRESH PRODUCTS	FOOD	366124	11/22/23	610.62
COZZINI BROS., INC.	KNIFE SERVICE	366139	11/22/23	105.00
PRUDENTIAL OVERALL SUPPLY	LAUNDRY & CONSUMABLES	366171	11/22/23	1,309.73
SDG&E	ELECTRICITY	366178	11/22/23	11,876.24
SEAPORT MEAT COMPANY	FOOD	366179	11/22/23	1,367.45
SYSCO SAN DIEGO INC	FOOD	366188	11/22/23	11,155.55
ALLSTATE SECURITY	INVICTA DBA ALLSTATE/SECURITY SERVICES/L	366125	11/22/23	6,011.88
AMAZON CAPITAL SERVICES, INC.	AMAZON/AV SUPPLIES/MEMORY LAB/LOCAL HIST	366126	11/22/23	49.43
MIDWEST TAPE, LLC	MIDWEST TAPE/BLU-RAY/FY24	366158	11/22/23	97.29
ZOOBEAN INC	RFW/ZOOBEAN SUBSCRIPTION/FY24	366201	11/22/23	1,759.50
			Total for Department	34,342.69
 Police				
ORANGE COUNTY SHERIFF'S T D	TRAINING TUITION SUPERVISORY ESTABRK	366163	11/22/23	465.00
RIO HONDO COLLEGE	TRAINING TUITION FOR GGONZALS SUPERVISOR	366173	11/22/23	228.00
RIO HONDO COLLEGE	TRAINING TUITION FTO JVASQUEZ RVELAZQUEZ	366174	11/22/23	178.00
RIO HONDO COLLEGE	TRAINING TUITION	366175	11/22/23	89.00
TACTICAL FIREARMS TRAINING	TRAINING TUITION FIREARMS SHAFER	366189	11/22/23	750.00
VASQUEZ	TRAINING ADV POST SUB LDG FTO	366194	11/22/23	780.00
			Total for Department	2,490.00
 City Clerk				
CIVICPLUS, LLC	MUNICODE CODIFICATION - CIVIC PLUS	366135	11/22/23	1,522.50
CORODATA RECORDS	OFF SITE FILE STORAGE - CORODATA	366138	11/22/23	53.00
THE STAR NEWS	PUBLIC NOTICE - STAR NEWS	366191	11/22/23	125.56
			Total for Department	1,701.06
			A/P Total	327,874.06
 WIRED PAYMENTS				
Police				
U S BANK	CREDIT CARD EXPENSES / PD	814829	11/21/23	5,332.21
City Attorney Office				
U S BANK	CREDIT CARD EXPENSES / CAO	814829	11/21/23	113.07
CMO				
U S BANK	CREDIT CARD EXPENSES / CMO	814829	11/21/23	40.00
Fire				
U S BANK	CREDIT CARD EXPENSES / FIRE	814829	11/21/23	2,443.28
Finance				



WARRANT REGISTER # 21
11/23/2023

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
U S BANK	CREDIT CARD EXPENSES / FINANCE	814829	11/21/23	45.00
GRAND TOTAL				<u>335,847.62</u>



AGENDA REPORT

Department: Administrative Services - Finance
Prepared by: Karla Apalategui, Senior Accounting Assistant
Meeting Date: Tuesday, February 6, 2024
Approved by: Benjamin A. Martinez, City Manager

SUBJECT:

Warrant Register #22 for the period of 11/24/23 through 11/30/23 in the amount of \$5,071,548.14.

RECOMMENDATION:

Ratify Warrants Totaling \$5,071,548.14

BOARD/COMMISSION/COMMITTEE PRIOR ACTION:

Not Applicable.

EXPLANATION:

Per Government Section Code 37208, below are the payments issued for period 11/24/23 – 11/30/23. Consistent with Department of Finance’s practice, listed below are all payments above \$50,000.

<u>Vendor</u>	<u>Check</u>	<u>Amount</u>	<u>Explanation</u>
Ace Uniforms	366202	\$81,273.68	Patrol Ballistic Helmets / PD
Project Professionals	366255	\$139,776.51	CIP 20-01 Sewer Upsizing Phase II Eng/PW
LC Paving & Sealing	366242	\$865,806.13	CIP 19-20 Sweetwater Road Bikeway Eng
Metro Wastewater	366249	\$61,041.00	Metro JPA Annual Budget Agency Portion
County of San Diego	366222	\$60,178.00	FY23-24 (7/1/23-6/30/24) HIRT / Fire
Bank of America	97	\$98,043.39	2017 Energy Efficiency Series A Bond Pymt
Bank of America	111	\$85,560.00	2017 Energy Efficiency Series B Bond Pymt
Public Emp Ret Syst	231128	\$329,008.23	Service Period 10/31/23 – 11/13/23
City of San Diego	86	\$1,711,914.00	Metropolitan Sewerage System FY24

FINANCIAL STATEMENT:

Warrant total \$5,071,548.14

RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:

Not Applicable

ENVIRONMENTAL REVIEW:

This is not a project under CEQA and is therefore not subject to environmental review.CCR15378; PRC 21065.

PUBLIC NOTIFICATION:

The Agenda Report was posted within 72 hours of the meeting date and time in accordance with the Ralph M. Brown Act.

ORDINANCE:

Not Applicable

EXHIBITS:

Exhibit A - Warrant Register No. 22



**WARRANT REGISTER # 22
11/30/2023**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
<u>Mayor & Council</u>				
NATIONAL CITY TROPHY	3D CLASSIC CLUTCH BACK PINS/ YAMANE	366250	11/30/23	377.76
NATIONAL CITY TROPHY	CLASSIC CLUTCH BACK PINS/ RODRIGUEZ	366250	11/30/23	377.76
		Total for Department		755.52
<u>CMO</u>				
SILVA	REIMBURSEMENT - CULTURE CLUB SUPPLIES	366265	11/30/23	120.00
SPARKLETTS	WATER FOR FINANCE	366267	11/30/23	129.89
STAPLES BUSINESS ADVANTAGE	MOP #45704 OFFICE SUPPLIES / CMO	366268	11/30/23	170.70
T'S & SIGNS INC	CITY STAFF POLO SHIRT	366278	11/30/23	3,867.74
		Total for Department		4,288.33
<u>CAO</u>				
BURKE WILLIAMS & SORENSEN LLP	LEGAL SERVICES	366212	11/30/23	3,415.30
COLANTUONO HIGHSMITH	LEGAL SERVICES	366221	11/30/23	735.00
T'S & SIGNS INC	OFFICE SUPPLIES	366278	11/30/23	122.90
		Total for Department		4,273.20
<u>Housing/Section 8</u>				
PFEIFER	HOTMA INCOME AND ASSETS WORKSHOP TRAINING	366253	11/30/23	233.99
		Total for Department		233.99
<u>Police</u>				
ACE UNIFORMS & ACCESSORIES INC	PATROL BALLISTIC HELMETS	366202	11/30/23	81,273.68
DEPT OF JUSTICE	DOJ FINGERPRINTING	366227	11/30/23	841.00
EXPERIAN	CREDIT CHECKS	366229	11/30/23	57.69
FON JON PET CARE CENTER	K9 FOOD BAUTISTA AND EVAN	366233	11/30/23	366.35
LASER SAVER INC	MOP 04840 TONER PD	366244	11/30/23	165.19
STAR PAL	AGENCY CONTRIBUTION	366269	11/30/23	5,000.00
THE COUNSELING TEAM	OCTOBER SUPPORT SERVICES	366274	11/30/23	800.00
TRI TECH FORENSICS INC	P&E SUPPLIES	366277	11/30/23	5,429.30
VCA EMERGENCY ANIMAL HOSPITAL	STRAY ANIMAL CARE	366281	11/30/23	425.81
BAUTISTA	TRAINING ADV LDGNG CRT FTO	366210	11/30/23	169.98
CARLOMAGNO	TRAINING ADV LDG MDRN INTRVW INTRRGTN	366217	11/30/23	588.60
FERNANDO	TRAINING AVD SUB SLI	366230	11/30/23	422.70
GONZALES	TRAINING POST LDG AVD SUB SUPERVISOR	366235	11/30/23	1,358.40
HAWK	TRAINING ADV SUB FIRARMS	366237	11/30/23	771.96
LOS RIOS COIMMUNITY COLLEGE	TRAINING SCHL RSUC OFFCR	366245	11/30/23	133.00
MARIOTA	TRAINING ADV SUB SPRVSRY	366247	11/30/23	1,358.40
RUDE	TRAINING ADV SUB SPRVSRY	366261	11/30/23	1,358.40
SHAFER	TRAINING ADV LDG FRARMS INSTRCTR	366264	11/30/23	771.96
BARRAGAN	UAS BASIC PILOT REIMBURSEMENT - JOSE BAR	366209	11/30/23	108.39



**WARRANT REGISTER # 22
11/30/2023**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
CAMACHO	USER GROUP MEETING REIMBURSEMENT - JOSEP	366216	11/30/23	65.78
DOUGHERTY	ASSERTIVE SUPERVISION TRAINING REIMBURSE	366228	11/30/23	148.82
FERNANDO	SHERMAN BLOCK SLI 3 REIMBURSEMENT - VINC	366231	11/30/23	145.36
GONZALES	CRISIS NEGOTIATIONS FOR INCIDENT COMMAND	366236	11/30/23	59.50
LOZANO	USER GROUP MEETING REIMBURSEMENT - MIGUEL	366246	11/30/23	57.20
RAMIREZ	FORCE ENCOUNTERS ANALYSIS TRAINING REIMB	366257	11/30/23	311.88
RUDE	CATO TACTICAL TEAM TRAINING REIMBURSEMEN	366262	11/30/23	156.90
STINNETT	CHILD ABUSE ICI TRAINING REIMBURSEMENT R	366270	11/30/23	40.00
STREET COP TRAINING LLC	TUITION PAYMENT - SOCIAL MEDIA AND OPEN	366271	11/30/23	675.00
WADSWORTH	FIREARMS INSTRUCTOR TRAINING REIMBURSEME	366284	11/30/23	297.09

Total for Department 103,358.34

Engineering / PW's

ALIGNMENT EXPRESS OF CA INC	AUTO SHOP SUPPLIES FY24-PW/EQM	366204	11/30/23	15,839.20
JJJ ENTERPRISES	FIRE AND SECURITY ALARM MONITORING FY24-	366240	11/30/23	295.00
MASON'S SAW	MOP 45729 LANDSCAPE SUPPLIES FY24-PW/PARKS	366248	11/30/23	721.69
PARTS AUTHORITY METRO	MOP 75943 AUTO SUPPLIES FY24-PW/EQM	366252	11/30/23	6.78
PRO BUILD COMPANY	MOP #45707, SUPPLIES FOR PW'S	366254	11/30/23	656.81
PRUDENTIAL OVERALL SUPPLY	LAUNDRY & CONSUMABLES	366256	11/30/23	88.01
SWEETWATER AUTHORITY	WATER BILL FOR PARKS DIVISION FY24 SEPT-	366272	11/30/23	277.28
VORTEX INDUSTRIES INC	CITY-WIDE DOORS, GATES, AND RELATED FY24	366282	11/30/23	11,162.07
VULCAN MATERIALS COMPANY	ASPHALT MATERIALS FOR STREETS FY24-PW/ST	366283	11/30/23	1,061.62
GEOSYNTEC CONSULTANTS INC	CIP 21-16 NCFD COMPLIANCE WORK- ENG/PW	366234	11/30/23	5,527.92
NV5 INC	CROWN CASTLE PERMITS- ENG/PW	366251	11/30/23	37,615.69
PROJECT PROFESSIONALS CORP	CIP 20-01 SEWER UPSIZING PHASE II- ENG/P	366255	11/30/23	139,776.51
HSCC INC	CIP 23-06 KIMBALL DOG PARK TOT LOT LAS P	366239	11/30/23	45,980.76
KIMLEY HORN	CIP 20-09 NC EASTSIDE I-805 COMMUNITY -	366241	11/30/23	14,345.65
L C PAVING & SEALING INC	CIP 19-20 SWEETWATER ROAD BIKEWAY - ENG/	366242	11/30/23	865,806.13
METRO WASTEWATER JPA	FY24 METRO JPA ANNUAL BUDGET AGENCY PORT	366249	11/30/23	61,041.00

Total for Department 1,200,202.12

Risk

CLAIMS MANAGEMENT ASSOCIATES	PROFESSIONAL SERVICES	366219	11/30/23	7,200.00
CLAIMS MANAGEMENT ASSOCIATES	PROFESSIONAL SERVICES	366220	11/30/23	6,400.00
US LEGAL SUPPORT INC	LIABILITY CLAIM COST	366280	11/30/23	688.58

Total for Department 14,288.58

Planning / Building

BUREAU VERITAS N AMERICA INC	PLAN CHECK SERVICES	366211	11/30/23	45,036.59
REEDER	APA MEMBERSHIP DUES	366258	11/30/23	245.00



**WARRANT REGISTER # 22
11/30/2023**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
		Total for Department		45,281.59
<u>Finance</u>				
C A P F	DECEMBER 2023 - FIRE LTD	366213	11/30/23	1,239.00
CALIFORNIA LAW ENFORCEMENT	DECEMBER 2023 - PD LTD	366215	11/30/23	2,214.00
DELTA DENTAL INSURANCE CO	DECEMBER 2023 GRP # 05-7029600000 PMI DEC	366224	11/30/23	1,968.30
DELTA DENTAL INSURANCE CO	DECEMBER 2023 - GRP #05-7029600002 COBRA	366225	11/30/23	91.11
DELTA DENTAL OF CALIFORNIA	DECEMBER 2023 GRP# 05-0908600000 DENTAL	366226	11/30/23	16,482.19
RELIANCE STANDARD	DECEMBER 2023 - GRP VAI826233 VCI801146	366259	11/30/23	3,828.41
		Total for Department		25,823.01
<u>Community Services/Nutrition/Library</u>				
AMAZON	SUPPLIES FOR A KIMBALL HOLIDAY AND REIND	366206	11/30/23	992.80
CASTILLO	RFW A KIMBALL HOLIDAY EVENT DJ/MC ENTERT	366218	11/30/23	1,850.00
ROYAL ENTERTAINERS, INC	RFW A KIMBALL HOLIDAY EVENT CHARACTERS	366260	11/30/23	3,582.00
ALDEMCO	FOOD / NUTRITION	366203	11/30/23	6,895.40
ALL FRESH PRODUCTS	CONSUMABLES / NUTRITION	366205	11/30/23	565.64
COUNTY OF SAN DIEGO - DEH	FOOD FACILITY PERMIT RENEWAL / NUTRITION	366223	11/30/23	474.00
PRUDENTIAL OVERALL SUPPLY	LAUNDRY & CONSUMABLES / NUTRITION	366256	11/30/23	300.10
SYSCO SAN DIEGO INC	FOOD / NUTRITION	366273	11/30/23	3,418.67
AMAZON CAPITAL SERVICES, INC.	AMAZON/SUPPLIES/FY24	366207	11/30/23	45.71
BAKER & TAYLOR	BAKER AND TAYLOR/BOOKS/FY24	366208	11/30/23	308.52
TUMBLEWEED PRESS INC	RFW-TUMBLEWEED SUBSCRIPTION RENEWAL/FY24	366279	11/30/23	799.00
		Total for Department		19,231.84
<u>Fire</u>				
CAL FIRE	CERT TRAINING: FIRE FIGHTER2A: STRUCTURE	366214	11/30/23	525.00
COUNTY OF SAN DIEGO	FY23-24 (7/1/23 -6/3024) HIRT /FIRE	366222	11/30/23	60,178.00
FIRE ETC	STATION, WILDLAND AND STURCTURE BOOTS/FIRE	366232	11/30/23	75.00
L N CURTIS & SONS	1.5X100' COUPLED 1.5NH YELLOW 187 SPEC /	366243	11/30/23	3,448.53
PRO BUILD COMPANY	MOP #45707, SAW BLADES / FIRE	366254	11/30/23	117.24
PRUDENTIAL OVERALL SUPPLY	LAUNDRY & CONSUMABLES	366256	11/30/23	75.00
SAFETY-KLEEN SYSTEMS, INC	PART #100030 RECOVERY FEE	366263	11/30/23	244.84
SMART & FINAL	MOP #45756, FIRE STATION SUPPLIES	366266	11/30/23	218.85
STAPLES BUSINESS ADVANTAGE	MOP #45704, 3X5 RULED INDX CRD/ FIRE	366268	11/30/23	170.70
THE COUNSELING TEAM INTERNATIO	EMPLOYEE SUPPORT SERVICES: SEPTEMBER/FIR	366275	11/30/23	475.00
THE SUPPLY CACHE	TEE VALVE 1.5 NH FEMALE, S&H PRODUCTS,	366276	11/30/23	752.30
		Total for Department		66,280.46
		A/P Total		1,484,016.98



**WARRANT REGISTER # 22
11/30/2023**

<u>PAYEE</u>	<u>DESCRIPTION</u>			<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
PAYROLL						
Pay period	Start Date	End Date	Check Date			
24	11/14/2023	11/27/2023	12/6/2023			1,361,824.40
WIRED PAYMENTS						
<u>Finance</u>						
BANK OF AMERICA	2017 ENERGY EFFICIENCY SERIES A BOND PYM			97	11/28/23	98,043.39
BANK OF AMERICA	2017 ENERGY EFFICIENCY SERIES B BOND PYM			111	11/28/23	85,560.00
PUBLIC EMP RETIREMENT SYSTEM	SERVICE PERIOD 10/31/23 - 11/13/23			231128	11/28/23	329,008.23
<u>Community Services/Nutrition/Library</u>						
U S BANK	RFW/CREDIT CARD LIBRARY/NOV. 2023			838060	11/30/23	1,181.14
<u>Engineering / PW's</u>						
CITY OF SAN DIEGO	METROPOLITAN SEWERAGE SYSTEM FY24 10/1/23			86	11/30/23	1,711,914.00
GRAND TOTAL						<u>5,071,548.14</u>



AGENDA REPORT

Department: Administrative Services - Finance
Prepared by: Karla Apalategui, Senior Accounting Assistant
Meeting Date: Tuesday, February 6, 2024
Approved by: Benjamin A. Martinez, City Manager

SUBJECT:

Warrant Register #23 for the period of 12/01/23 through 12/07/23 in the amount of \$3,085,699.94.

RECOMMENDATION:

Ratify Warrants Totaling \$3,085,699.94

BOARD/COMMISSION/COMMITTEE PRIOR ACTION:

Not Applicable.

EXPLANATION:

Per Government Section Code 37208, below are the payments issued for period 12/01/23 – 12/07/23. Consistent with Department of Finance’s practice, listed below are all payments above \$50,000.

<u>Vendor</u>	<u>Check</u>	<u>Amount</u>	<u>Explanation</u>
Innovative Construction	366423	\$100,296.00	CIP 22-01 Las Palmas Pool
Delivery Concepts Inc	366405	\$62,598.00	NC Infrastructure Grant Vehicle
Eagle Paving Company	366412	\$195,019.70	CIP 22-19 NC Street Resurfacing
Ortiz Corporation	366436	\$121,743.00	CIP 20-01 Sewer Upsize Project
Perry Ford-NC	366441	\$87,410.26	NC Infrastructure Grant Vehicles
Tyler Technologies Inc	366475	\$136,124.55	Tyler Munis / CAD
Admisure Inc	163	\$75,689.00	WC’s Replenishment – November
Public Emp Ret System	231207	\$327,832.17	Service Period 11/14/23 – 11/27/23

FINANCIAL STATEMENT:

Warrant total \$3,085,699.94

RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:

Not Applicable

ENVIRONMENTAL REVIEW:

This is not a project under CEQA and is therefore not subject to environmental review.CCR15378; PRC 21065.

PUBLIC NOTIFICATION:

The Agenda Report was posted within 72 hours of the meeting date and time in accordance with the Ralph M. Brown Act.

ORDINANCE:

Not Applicable

EXHIBITS:

Exhibit A - Warrant Register No. 23



**WARRANT REGISTER # 23
12/7/2023**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
<u>Mayor and Council</u>				
MORRISON	REIMB FOR NARC CONFERENCE	366430	12/7/23	947.76
Total for Department				947.76
<u>CMO</u>				
CANTWELL GROUP LLC	COUNCIL BREAKFAST CATERING - KIMBALL	366389	12/7/23	1,950.00
DEVANEY PATE MORRIS & CAMERON	LEGAL SERVICE - PORT OF SAN DIEGO	366407	12/7/23	825.00
JERRYS PHOTO BOOTH	EMPLOYEE WINTER PHOTO BOOTH	366371	12/6/23	486.00
Total for Department				3,261.00
<u>Housing / Sec 8</u>				
NATIONAL CREDIT REPORTING	NOVEMBER FEE FOR CRIMINAL REPORT / SEC 8	366373	12/6/23	1,061.15
Total for Department				1,061.15
<u>CAO</u>				
OFFICE SOLUTIONS BUSINESS	MOP 45704, OFFICE SUPPLIES / CAO	366434	12/7/23	63.36
Total for Department				63.36
<u>Police</u>				
ACE UNIFORMS & ACCESSORIES INC	NAME TAGS	366376	12/7/23	116.04
AEP CALIFORNIA LLC	WRAP FOR RECRUITING CAR	366380	12/7/23	2,555.63
CYRACOM INTERNATIONAL, INC	LANGUAGE LINE SERVICES	366399	12/7/23	62.40
LASER SAVER INC	MOP 45725 TONER PD	366427	12/7/23	5,863.59
RADY CHILDREN'S HOSPITAL SAN DIEGO	SART EXAM	366449	12/7/23	550.00
SAN DIEGO POLICE EQUIPMENT	FEDERAL AMMO	366454	12/7/23	39,445.64
STAPLES BUSINESS ADVANTAGE	MOP 45704, OFFICE SUPPLIES / POLICE	366462	12/7/23	1,492.24
THOMSON REUTERS	INVESTIGATIONS SERVICE NOVEMBER	366472	12/7/23	691.95
T-MOBILE MOBILE USA INC.	SEARCH WARRANT GPS LOCATE	366473	12/7/23	25.00
ARGERSINGER	TRAINING REIM TC INV	366382	12/7/23	180.37
CAMACHO	TRAINING LDGNG K9 TRAINING	366388	12/7/23	533.88
CAVENAUGH & ASSOCIATES	TRAINING DUI TUITION WYATT	366390	12/7/23	620.00
GARCIA	TRAINING ADV POST SUB LDG INTRVW INTRRGT	366416	12/7/23	820.95
HAWK	TRAINING POST/LDG FTO	366422	12/7/23	1,008.43
LACRTC	TRAINING TUITION UAS	366426	12/7/23	1,199.00
SAKAMOTO	TRAINING ADV LDG UAS	366450	12/7/23	393.10
SAN DIEGO MIRAMAR COLLEGE	TRAINING ROT PHILLIP/STANICH	366451	12/7/23	46.00
SAN DIEGO MIRAMAR COLLEGE	TRAINING TUITION AOT CRUZ	366452	12/7/23	23.00
SAN DIEGO MIRAMAR COLLEGE	TRAINING TUITION AOT SPRINGER	366453	12/7/23	23.00
VELAZQUEZ	TRAINING ADV LDG CRISIS INTRVN FTOS	366476	12/7/23	200.92
Total for Department				55,851.14



**WARRANT REGISTER # 23
12/7/2023**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
<u>Engineering / PW's</u>				
ACME SAFETY & SUPPLY CORP	SURVEY VEST FY24-PW/SEWER	366377	12/7/23	480.57
COSCO FIRE PROTECTION	FIRE SERVICE INSPECTIONS FY24-PW/FACILIT	366395	12/7/23	2,389.00
FERGUSON ENTERPRISES 1350 GRAINGER	MOP 45723 BUILDING SUPPLIES FY24-PW/FACI	366415	12/7/23	439.43
HAAKER EQUIPMENT COMPANY	MOP 65179 GENERAL SUPPLIES FY24-PW/FACIL	366418	12/7/23	1,412.99
NATIONAL CITY AUTO TRIM	PARTS AND SMALL EQUIPMENT FY24-PW/EQM	366420	12/7/23	1,076.63
O'REILLY AUTO PARTS	R&M CITY FLEET FY24-PW/EQM	366431	12/7/23	277.25
PACIFIC AUTO REPAIR	MOP 75877 AUTO PARTS FY24-PW/EQM	366435	12/7/23	63.03
PARTS AUTHORITY METRO	SMOG CERTIFICATION / REPAIRS FY24-PW/EQM	366437	12/7/23	55.00
PARTS AUTHORITY METRO	MOP 75943 AUTO PARTS FY24-PW/EQM	366439	12/7/23	122.46
POWERSTRIDE BATTERY CO INC	MOP 75943 AUTO SUPPLIES FY24-PW/EQM	366440	12/7/23	120.32
PRO BUILD COMPANY	MOP 67839 AUTO BATTERIES FY24-PW/EQM	366444	12/7/23	455.49
PRUDENTIAL OVERALL SUPPLY	MOP 45707 GENERAL SUPPLIES FY24-PW/FACIL	366445	12/7/23	969.78
R & R CONTROLS, INC	MOP 45742 LAUNDRY SERVICES FY24-PW	366447	12/7/23	947.43
SDG&E	ENVIRONMENTAL CONTROL SYSTEMS FY24-PW/FA	366448	12/7/23	625.00
SEDANO FORD OF LM, INC.	GAS AND ELECTRIC UTILITIES FOR STREETS N	366456	12/7/23	42,252.13
SITEONE LANDSCAPE SUPPLY LLC	R&M CITY VEHICLES FY24-PW/EQM	366458	12/7/23	1,364.84
STAPLES BUSINESS ADVANTAGE	MOP 69277 LANDSCAPE SUPPLIES FY24-PW/PAR	366459	12/7/23	402.47
SWEETWATER AUTHORITY	MOP 45704, OFFICE SUPPLIES / PW'S	366462	12/7/23	578.83
T MAN TRAFFIC SUPPLY	WATER BILL FOR PARKS DIVISION FY24 SEPT-	366466	12/7/23	35,722.95
WETMORES	MOP 76666 SIGN BLANK FY24-PW/STREETS	366469	12/7/23	1,492.56
WILLY'S ELECTRONIC SUPPLY	MOP 80333 AUTO SUPPLIES FY24-PW/EQM	366478	12/7/23	660.76
D-MAX ENGINEERING INC	ELECTRONICS ACCESSORIES	366479	12/7/23	48.69
D-MAX ENGINEERING INC	NC EASTSIDE I-805 CLEAN CA- ENG/PW	366409	12/7/23	1,684.47
GEOSYNTEC CONSULTANTS INC	CIP 19-20 NC SWEETWATER RD BIKEWAY- ENG/	366410	12/7/23	563.12
INNOVATIVE CONSTRUCTION	CNC DUCK POND GW MONITORING- ENG/PW	366417	12/7/23	7,545.75
KIMLEY HORN AND	CIP 22-01 LAS PALMAS POOL	366423	12/7/23	100,296.00
KTUA	CIP 21-28 PARADISE WETLAND- ENG/PW	366424	12/7/23	18,523.80
NV5 INC	CMO CONSTRUCTION DOCS.- ENG/PW	366425	12/7/23	42,041.27
COUNTY OF SAN DIEGO	TA 90575 WESTFIELD PLAZA RETAINING WALL-	366433	12/7/23	7,157.30
DELIVERY CONCEPTS INC	MUNICIPAL POOL HAZARDOUS WASTE FEES-12/	366396	12/7/23	529.00
DOOSAN INDUSTRIAL VEHICLE	NUTRITION CTR INFRASTRUCTURE GRANT VEHIC	366405	12/7/23	62,598.00
EAGLE PAVING COMPANY INC	STREETS AND WASTEWATER FORKLIFT-ENG/PW	366411	12/7/23	41,014.32
HARBOR COATING	CIP 22-19 NC STREET RESURFACING - ENG/PW	366412	12/7/23	195,019.70
ORTIZ CORPORATION	CIP 22-42 PD PARKING STRUCTURE WATERPROO	366421	12/7/23	9,712.76
PERRY FORD-NATIONAL CITY	CIP 20-01 P1 SEWER UPSIZE PROJECT PHASE	366436	12/7/23	121,743.00
PROJECT PROFESSIONALS CORP	NUTRITION CTR INFRASTRUCTURE GRANT VEHIC	366441	12/7/23	87,410.26
SWRCB	CIP 23-10 MLK COMMUNITY CENTER OFFICE UP	366446	12/7/23	3,576.23
	ANNUAL PERMIT FEE FOR PHASE I MS4- JULY	366467	12/7/23	26,498.00
		Total for Department		817,870.59
<u>Risk</u>				
CLAIMS MANAGEMENT ASSOCIATES	PROFESSIONAL SERVICES	366392	12/7/23	6,400.00
DEAN GAZZO ROISTACHER LLP	LIABILITY CLAIM COST	366401	12/7/23	5,377.50
DEAN GAZZO ROISTACHER LLP	LIABILITY CLAIM COST	366402	12/7/23	2,757.09
DEAN GAZZO ROISTACHER LLP	LIABILITY CLAIM COST	366403	12/7/23	1,242.47



WARRANT REGISTER # 23
12/7/2023

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
DEAN GAZZO ROISTACHER LLP	LIABILITY CLAIM COST	366404	12/7/23	928.31
Total for Department				16,705.37
 <u>Building/Planning</u>				
CODE ENFORCEMENT	CODE ENFORCEMENT OFFICER SAFTEY FOUNDATI	366393	12/7/23	250.00
ESGIL LLC	ESGIL INVOICE	366413	12/7/23	1,239.90
THE STAR NEWS	THE STAR-NEWS ADVERTISEMENT	366471	12/7/23	74.31
Total for Department				1,564.21
 <u>Finance</u>				
BAVENCOFF JR	RETIREE HEALTH BENEFITS - DEC 2023	366285	12/4/23	500.00
BEARD	RETIREE HEALTH BENEFITS - DEC 2023	366286	12/4/23	70.00
BECK	RETIREE HEALTH BENEFITS - DEC 2023	366287	12/4/23	140.00
BEVERIDGE	RETIREE HEALTH BENEFITS - DEC 2023	366288	12/4/23	640.00
BISHOP	RETIREE HEALTH BENEFITS - DEC 2023	366289	12/4/23	110.00
BOEGLER	RETIREE HEALTH BENEFITS - DEC 2023	366290	12/4/23	260.00
BULL	RETIREE HEALTH BENEFITS - DEC 2023	366291	12/4/23	580.00
CAMEON	RETIREE HEALTH BENEFITS - DEC 2023	366292	12/4/23	400.00
CANEDO	RETIREE HEALTH BENEFITS - DEC 2023	366293	12/4/23	620.00
CASTELLANOS	RETIREE HEALTH BENEFITS - DEC 2023	366294	12/4/23	500.00
CHELIUS	RETIREE HEALTH BENEFITS - DEC 2023	366295	12/4/23	460.00
COLE	RETIREE HEALTH BENEFITS - DEC 2023	366296	12/4/23	165.00
COLLINSON	RETIREE HEALTH BENEFITS - DEC 2023	366297	12/4/23	420.00
CONDON	RETIREE HEALTH BENEFITS - DEC 2023	366298	12/4/23	280.00
CORDERO	RETIREE HEALTH BENEFITS - DEC 2023	366299	12/4/23	520.00
DALLA	RETIREE HEALTH BENEFITS - DEC 2023	366300	12/4/23	900.00
DANESHFAR	RETIREE HEALTH BENEFITS - DEC 2023	366301	12/4/23	250.00
DEESE	RETIREE HEALTH BENEFITS - DEC 2023	366302	12/4/23	660.00
DESROCHERS	RETIREE HEALTH BENEFITS - DEC 2023	366303	12/4/23	110.00
DIAZ	RETIREE HEALTH BENEFITS - DEC 2023	366304	12/4/23	680.00
DREDGE	RETIREE HEALTH BENEFITS - DEC 2023	366305	12/4/23	250.00
DUONG	RETIREE HEALTH BENEFITS - DEC 2023	366306	12/4/23	280.00
EISER III	RETIREE HEALTH BENEFITS - DEC 2023	366307	12/4/23	250.00
ESPIRITU	RETIREE HEALTH BENEFITS - DEC 2023	366308	12/4/23	620.00
ETZLER	RETIREE HEALTH BENEFITS - DEC 2023	366309	12/4/23	460.00
FABINSKI	RETIREE HEALTH BENEFITS - DEC 2023	366310	12/4/23	220.00
FELIX	RETIREE HEALTH BENEFITS - DEC 2023	366311	12/4/23	400.00
FERNANDEZ	RETIREE HEALTH BENEFITS - DEC 2023	366312	12/4/23	270.00
FIFIELD	RETIREE HEALTH BENEFITS - DEC 2023	366313	12/4/23	540.00
GAUT	RETIREE HEALTH BENEFITS - DEC 2023	366314	12/4/23	700.00
GELSKEY	RETIREE HEALTH BENEFITS - DEC 2023	366315	12/4/23	115.00
GIBBS JR	RETIREE HEALTH BENEFITS - DEC 2023	366316	12/4/23	120.00
GONZALES	RETIREE HEALTH BENEFITS - DEC 2023	366317	12/4/23	480.00
HARLAN	RETIREE HEALTH BENEFITS - DEC 2023	366318	12/4/23	500.00
HERNANDEZ	RETIREE HEALTH BENEFITS - DEC 2023	366319	12/4/23	500.00



WARRANT REGISTER # 23
12/7/2023

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
HERNANDEZ	RETIREE HEALTH BENEFITS - DEC 2023	366320	12/4/23	680.00
HERNANDEZ	RETIREE HEALTH BENEFITS - DEC 2023	366321	12/4/23	400.00
HODGES	RETIREE HEALTH BENEFITS - DEC 2023	366322	12/4/23	200.00
IBARRA	RETIREE HEALTH BENEFITS - DEC 2023	366323	12/4/23	780.00
JASMUND	RETIREE HEALTH BENEFITS - DEC 2023	366324	12/4/23	680.00
JONES	RETIREE HEALTH BENEFITS - DEC 2023	366325	12/4/23	60.00
JONES	RETIREE HEALTH BENEFITS - DEC 2023	366326	12/4/23	480.00
JUNIEL	RETIREE HEALTH BENEFITS - DEC 2023	366327	12/4/23	50.00
KIMBLE	RETIREE HEALTH BENEFITS - DEC 2023	366328	12/4/23	300.00
KLOS	RETIREE HEALTH BENEFITS - DEC 2023	366329	12/4/23	480.00
LAFRENIERE	RETIREE HEALTH BENEFITS - DEC 2023	366330	12/4/23	660.00
LIMFUECO	RETIREE HEALTH BENEFITS - DEC 2023	366331	12/4/23	160.00
MATIENZO	RETIREE HEALTH BENEFITS - DEC 2023	366332	12/4/23	100.00
MCCABE	RETIREE HEALTH BENEFITS - DEC 2023	366333	12/4/23	280.00
MCDANIEL	RETIREE HEALTH BENEFITS - DEC 2023	366334	12/4/23	290.00
MEEKS	RETIREE HEALTH BENEFITS - DEC 2023	366335	12/4/23	460.00
MINER	RETIREE HEALTH BENEFITS - DEC 2023	366336	12/4/23	580.00
MUNOZ	RETIREE HEALTH BENEFITS - DEC 2023	366337	12/4/23	640.00
NAGLE	RETIREE HEALTH BENEFITS - DEC 2023	366338	12/4/23	460.00
NOTEWARE	RETIREE HEALTH BENEFITS - DEC 2023	366339	12/4/23	120.00
OLIVERIA	RETIREE HEALTH BENEFITS - DEC 2023	366340	12/4/23	360.00
PARRA	RETIREE HEALTH BENEFITS - DEC 2023	366341	12/4/23	400.00
PAUU JR	RETIREE HEALTH BENEFITS - DEC 2023	366342	12/4/23	340.00
PE	RETIREE HEALTH BENEFITS - DEC 2023	366343	12/4/23	300.00
PEASE JR	RETIREE HEALTH BENEFITS - DEC 2023	366344	12/4/23	140.00
POST	RETIREE HEALTH BENEFITS - DEC 2023	366345	12/4/23	280.00
RAY	RETIREE HEALTH BENEFITS - DEC 2023	366346	12/4/23	190.00
REDIKOP	RETIREE HEALTH BENEFITS - DEC 2023	366347	12/4/23	400.00
RIOS	RETIREE HEALTH BENEFITS - DEC 2023	366348	12/4/23	240.00
ROARK	RETIREE HEALTH BENEFITS - DEC 2023	366349	12/4/23	135.00
RODRIGUEZ	RETIREE HEALTH BENEFITS - DEC 2023	366350	12/4/23	260.00
ROUSTON	RETIREE HEALTH BENEFITS - DEC 2023	366351	12/4/23	660.00
RUIZ	RETIREE HEALTH BENEFITS - DEC 2023	366352	12/4/23	310.00
SAINZ	RETIREE HEALTH BENEFITS - DEC 2023	366353	12/4/23	300.00
SANCHEZ	RETIREE HEALTH BENEFITS - DEC 2023	366354	12/4/23	330.00
SERVATIUS	RETIREE HEALTH BENEFITS - DEC 2023	366355	12/4/23	340.00
SHEPHARD	RETIREE HEALTH BENEFITS - DEC 2023	366356	12/4/23	440.00
SHOEMAKER	RETIREE HEALTH BENEFITS - DEC 2023	366357	12/4/23	480.00
SILVA	RETIREE HEALTH BENEFITS - DEC 2023	366358	12/4/23	580.00
SMITH	RETIREE HEALTH BENEFITS - DEC 2023	366359	12/4/23	320.00
SMITH	RETIREE HEALTH BENEFITS - DEC 2023	366360	12/4/23	560.00
TIPTON	RETIREE HEALTH BENEFITS - DEC 2023	366361	12/4/23	250.00
UNGAB	RETIREE HEALTH BENEFITS - DEC 2023	366362	12/4/23	600.00
VILLAGOMEZ	RETIREE HEALTH BENEFITS - DEC 2023	366363	12/4/23	480.00
VILLARIASA	RETIREE HEALTH BENEFITS - DEC 2023	366364	12/4/23	480.00
WHITE	RETIREE HEALTH BENEFITS - DEC 2023	366365	12/4/23	230.00
WILKINS	RETIREE HEALTH BENEFITS - DEC 2023	366366	12/4/23	520.00



**WARRANT REGISTER # 23
12/7/2023**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
YBARRA	RETIREE HEALTH BENEFITS - DEC 2023	366367	12/4/23	220.00
YOUNG	RETIREE HEALTH BENEFITS - DEC 2023	366368	12/4/23	560.00
PFEIFER	TRAVEL EXPENSE FOR CSMFO CHAPTER MEETING	366442	12/7/23	13.36
STAPLES BUSINESS ADVANTAGE	MOP 45704, OFFICE SUPPLIES / FINANCE	366462	12/7/23	351.80
THE BANK OF NEW YORK MELLON	TRUSTEE FEE - PERIOD 11/03/23 TO 11/02/2	366470	12/7/23	1,475.00
Total for Department				34,375.16
 <u>Community Services/Nutrition/Library</u>				
CASTILLO	RFW DJ/MC FOR AGE FRIENDLY DANCE EVENT 1	366369	12/6/23	2,450.00
ENERGY COMMUNICATIONS CORP.	RFW BROADCAST AND MARKETING FOR A KIMBAL	366370	12/6/23	800.00
JERRYS PHOTO BOOTH	RFW PHOTO BOOTH RENTAL FOR AGE FRIENDLY	366371	12/6/23	549.00
LOS ANGELES PARTYWORKS INC	RFW20 X 20 LED DANCE FLOOR FOR A KIMBALL	366372	12/6/23	4,950.00
PANERA BREAD	RFW FOOD FOR AGE FRIENDLY DANCE EVENT 12	366374	12/6/23	2,029.24
SAN DIEGO ICE MACHINES COMPANY	RFW 50 TONS OF SNOW FOR A KIMBALL HOLIDAY	366375	12/6/23	12,391.25
DIAMOND ENVIRONMENTAL SVCS	RFW DIAMOND SERVICES SINK RENTAL	366408	12/7/23	825.00
LOS ANGELES PARTYWORKS INC	RFW RUSH CHARGES FOR LED DANCE FLOOR	366428	12/7/23	400.00
MARICOS EL LIDER	RFW STAFF MEALS FOR A KIMBALL HOLIDAY	366429	12/7/23	450.00
SANCHEZ MAYO	CONTRACT INSTRUCTOR PAYMENT FOR BASKETBA	366455	12/7/23	1,260.00
TRACKLESS TRAINS OF SAN DIEGO	RFW TRACKLESS TRAINS RENTAL SERVICE	366474	12/7/23	5,003.18
BOOT WORLD	WORK BOOTS FOR MIZAEEL ARAMBURO	366387	12/7/23	175.34
COZZINI BROS., INC.	KNIFE SERVICE	366398	12/7/23	178.11
PACIFIC REFRIGERATION INC	SERVICE CALL CHARGE 1/2	366438	12/7/23	1,168.30
PRUDENTIAL OVERALL SUPPLY	MOP 45742 LAUNDRY SERVICES / NUTRITION	366447	12/7/23	292.64
SDG&E	ELECTRIC	366457	12/7/23	2,530.98
SMART & FINAL	MOP #45756, SUPPLIES FOR NUTRITION	366460	12/7/23	143.89
SYSCO SAN DIEGO INC	FOOD	366468	12/7/23	3,608.76
Total for Department				39,205.69
 <u>Fire</u>				
ACE UNIFORMS & ACCESSORIES INC	UNIFROMS AND JACKETS FOR FIRE	366376	12/7/23	60.34
AMAZON	B0050KKM4Y- VIKING RANGE /FIRE	366381	12/7/23	543.72
ESGIL LLC	PLAN CHECKS FOR FIRE, FY23-24~	366414	12/7/23	1,239.90
PRUDENTIAL OVERALL SUPPLY	MOP 45742 LAUNDRY SERVICES - FIRE	366447	12/7/23	25.00
SMART & FINAL	MOP #45756, FIRE STATION SUPPLIES	366460	12/7/23	345.13
SO CAL PPE, LLC	TURNOUT COAT AND PANTS CLEANING, QTY: 80	366461	12/7/23	256.00
STAPLES BUSINESS ADVANTAGE	MOP 45704, OFFICE SUPPLIES / FIRE	366462	12/7/23	457.16
STREAMLINE AUTOMATION SYSTEMS	1 - STREAMLINE CLOUD FEE /FIRE	366464	12/7/23	6,401.00
Total for Department				9,328.25
 <u>Human Resources</u>				
ADMINSURE INC	WORKERS' COMPENSATION CLAIMS - DECEMBER	366379	12/7/23	8,604.00
BECERRIL	LICENSE REIMBURSEMENT	366385	12/7/23	85.00
CESNAUSKAS	ADVANCE DISABILITY PENSION PAYMENT - DEC	366391	12/7/23	4,072.29
CONCENTRA MEDICAL CENTERS	PRE-EMPLOYMENT PHYSICAL	366394	12/7/23	688.00



**WARRANT REGISTER # 23
12/7/2023**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
DEPARTMENT OF JUSTICE	NEW EMPLOYEE FINGERPRINT TEST RESULTS -	366406	12/7/23	352.00
		Total for Department		13,801.29
 <u>MIS</u>				
ACTIVE NETWORK LLC	SOFTWARE MODULE / MIS	366378	12/7/23	2,800.00
ASSI SECURITY INC	ASSI SECURITY INVOICES	366383	12/7/23	2,775.84
AT&T	SBC - AT&T FOR FY24	366384	12/7/23	17,003.15
BLUE VIOLET NETWORKS	BLUE VIOLET CAMERA REPLACEMENTS	366386	12/7/23	36,406.37
COX COMMUNICATIONS	COX DATA, VIDEO SERVICES FY24	366397	12/7/23	261.20
DATEL SYSTEMS INCORPORATED	ADV EMAIL SECURITY & COMPLIANCE -	366400	12/7/23	23,736.25
GRANICUS LLC	GRANICUS WEBCASTING FY24	366419	12/7/23	2,055.29
NEXTREQUEST	NEXTREQUEST ANNUAL LICENSE~	366432	12/7/23	13,393.00
PLANETBIDS INC	PLANETBIDS RENEWAL 10/13/23 - 10/12/24	366443	12/7/23	4,859.98
STARTECH COMPUTERS	STARTECH COMPUTERS MOP FY24	366463	12/7/23	1,812.33
TYLER TECHNOLOGIES INC	TYLER MUNIS / CAD~	366475	12/7/23	136,124.55
VERIZON WIRELESS	VERIZON CELLULAR SERVICES FOR FY24	366477	12/7/23	8,283.77
WILLY'S ELECTRONIC SUPPLY	ELECTRONICS ACCESSORIES	366479	12/7/23	232.00
		Total for Department		249,743.73
		A/P Total		1,243,778.70
 WIRED PAYMENTS				
<u>CMO</u>				
U S BANK	CREDIT CARD EXPENSES - CMO	911044	12/1/23	797.80
 <u>Engineering / PW's</u>				
U S BANK	CREDIT CARD EXPENSES - ENG/PW	911044	12/1/23	4,062.60
 <u>Human Resources</u>				
ADMINSURE INC	WORKERS' COMPENSATION REPLENISHMENT - NO	163	12/6/23	75,689.00
 <u>Finance</u>				
PUBLIC EMP RETIREMENT SYSTEM	SERVICE PERIOD 11/14/23 - 11/27/23	231207	12/7/23	327,832.17
 <u>Engineering / PW's</u>				
ARCO BUSINESS SOLUTIONS	FUEL FOR CITY FLEET FY24 NOV-PW/EQM	339397	12/5/23	44,292.00
 SECTION 8 HAPS				
	Start Date	End Date		
	12/1/2023	12/1/2023		1,373,090.67
	12/6/2023	12/6/2023		16,157.00
		GRAND TOTAL		<u>3,085,699.94</u>



AGENDA REPORT

Department: Administrative Services - Finance
Prepared by: Karla Apalategui, Senior Accounting Assistant
Meeting Date: Tuesday, February 6, 2024
Approved by: Benjamin A. Martinez, City Manager

SUBJECT:

Warrant Register #24 for the period of 12/08/23 through 12/14/23 in the amount of \$2,634,970.15

RECOMMENDATION:

Ratify Warrants Totaling \$2,634,970.15

BOARD/COMMISSION/COMMITTEE PRIOR ACTION:

Not Applicable.

EXPLANATION:

Per Government Section Code 37208, below are the payments issued for period 12/01/23 – 12/07/23. Consistent with Department of Finance’s practice, listed below are all payments above \$50,000.

<u>Vendor</u>	<u>Check</u>	<u>Amount</u>	<u>Explanation</u>
Haaker Equipment Co	366530	\$424,780.76	Elgin Broom Street Sweeper – ENG
Kaiser Foundation HP	366537	\$237,490.47	January 2024 – Group #104220
State of CA HCD	366576	\$69,880.12	Assessment Year 2023-2024
McAlister Institute	336543	\$55,304.97	Provide Rental Assistance Outreach

FINANCIAL STATEMENT:

Warrant total \$2,634,970.15

RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:

Not Applicable

ENVIRONMENTAL REVIEW:

This is not a project under CEQA and is therefore not subject to environmental review.CCR15378; PRC 21065.

PUBLIC NOTIFICATION:

The Agenda Report was posted within 72 hours of the meeting date and time in accordance with the Ralph M. Brown Act.

ORDINANCE:

Not Applicable

EXHIBIT:

Exhibit A - Warrant Register No. 24



**WARRANT REGISTER # 24
12/14/2023**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
<u>Mayor and Council</u>				
MORRISON	HOBBY LOBBY FRAMES	366480	12/12/23	199.18
		Total for Department		199.18
<u>CAO</u>				
CALI MOTA LLC	NON DEPARTMENTAL/ CAO	366498	12/14/23	4,799.85
DEVANEY PATE MORRIS & CAMERON	LEGAL SERVICES	366517	12/14/23	36,817.76
MEYERS, NAVE, RIBACK, SILVER	LEGAL SERVICES	366544	12/14/23	3,975.15
		Total for Department		45,592.76
<u>Police</u>				
MOTOPOST	MOTOR PANTS	366547	12/14/23	1,627.03
NCPOA	REIMB: 1/2 THE COST OF SD AUTO THEFT OFF	366550	12/14/23	120.00
CAMARGO	CLEAR SEMINAR REIMBURSEMENT FOR CYNTHIA	366499	12/14/23	361.47
FERNANDO	SHERMAN BLOCK SLI 4 - REIMBURSEMENT VINC	366524	12/14/23	151.40
SANCHEZ	ICI CHILD ABUSE TRAINING - REIMBURSEMENT	366564	12/14/23	167.07
SOSA	LEADERSHIP, MENTORING, COACHING REIMBURS	366571	12/14/23	24.00
BARAJAS	TRAINING TC INV REIMB	366496	12/14/23	312.57
CABRALES	TRAINING POST REIM SDCDA	366497	12/14/23	123.84
SAN DIEGO MIRAMAR COLLEGE	TRAINING TUITION ROT ARGERSINGER	366563	12/14/23	23.00
WYATT	TRAINING ADV SUB DUI	366600	12/14/23	661.20
		Total for Department		3,571.58
<u>Engineering / PW's</u>				
24 HOUR ELEVATOR INC	CITY-WIDE ELEVATOR MAINTENANCE FY24-PW/	366481	12/14/23	10,467.83
APS LIGHTING & SAFETY PRODUCTS	MOP 87645 AUTO LIGHTING SUPPLIES FY24-PW	366491	12/14/23	404.06
DEPARTMENT OF TRANSPORTATION	HIGHWAY LIGHTING FOR FY24 JULY-SEPT -PW/	366516	12/14/23	16,641.29
FACTORY MOTOR PARTS	MOP 82766 AUTO SUPPLIES FY24-PW/EQM	366523	12/14/23	105.97
GRAINGER	MOP 65179 GENERAL SUPPLIES FY24-PW/FACIL	366529	12/14/23	582.90
HOME DEPOT CREDIT SERVICES	BUILDING SUPPLIES FY24-PW/FACILITIES	366532	12/14/23	3,104.26
JJJ ENTERPRISES	FIRE AND SECURITY ALARM MONITORING FY24-	366536	12/14/23	450.00
MAINTEX INC	MISC JANITORIAL SUPPLIES FY24	366540	12/14/23	1,280.28
MASTER PERFORMANCE	MOP 86883 AUTO SUPPLIES FY24-PW/EQM	366542	12/14/23	515.06
MUNICIPAL MAINTENANCE EQUIP	HYDRAULIC BLOCE (TOP) FY24-PW/EQM	366549	12/14/23	1,319.82
PRO BUILD COMPANY	MOP 45707 GENERAL SUPPLIES FY24-PW/STREE	366556	12/14/23	1,144.04
PRUDENTIAL OVERALL SUPPLY	LAUNDRY SERVICES	366558	12/14/23	421.24
SAN DIEGO HYDRAULICS	MOP 85005 AUTO SUPPLIES FY24-PW/EQM	366561	12/14/23	438.59
SAN DIEGO MECHANICAL ENERGY	REPAIRS TO HVAC SYSTEMS FY24-PW/FACILITI	366562	12/14/23	372.00
SDG&E	GAS AND ELECTRIC FOR FACILITIES FOR FY24	366566	12/14/23	45,745.81
SOUTHERN CALIF TRUCK STOP	MOP 45758 DIESEL FUEL FY24-PW/EQM	366572	12/14/23	139.43
SPEEDPRO IMAGING	DECALS FOR CITY VEHICLE FY24-PW/EQM	366574	12/14/23	778.16
STAPLES BUSINESS ADVANTAGE	MOP 45792. OFFICE SUPPLIES / PW'S	366575	12/14/23	332.28
SWEETWATER AUTHORITY	WATER BILL FOR WASTEWATER FY24 SEPT-NOV-	366577	12/14/23	30.86



**WARRANT REGISTER # 24
12/14/2023**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
T MAN TRAFFIC SUPPLY	MOP 76666 TRAFFIC SUPPLIES FY24-PW/STREE	366580	12/14/23	448.97
TOPECO PRODUCTS	MOP63849 AUTO SUPPLIES FY24-PW/EQM	366586	12/14/23	195.64
TURF STAR INC	PARKS MOWER PART FY24-PW/EQM	366589	12/14/23	325.11
VALLEY INDUSTRIAL SPECIALTIES	MOP 46453 BUILDING SUPPLIES FY24-PW/FACI	366591	12/14/23	151.38
WAXIE SANITARY SUPPLY	MISC JANITORIAL SUPPLIES FY24-PW/FACILIT	366595	12/14/23	2,499.71
WILLY'S ELECTRONIC SUPPLY	MOP 45763 ELECTRONIC SUPPLIES FY24-PW/EQ	366597	12/14/23	176.63
Z A P MANUFACTURING INC	SPEED LIMIT SIGN FY24-PW/STREETS	366601	12/14/23	1,455.00
CANON SOLUTIONS AMERICA INC.	CANON EQUIPMNT USAGE CHARGE- ENG/PW	366500	12/14/23	228.43
CLEAN HARBORS ENVIRONMENTAL	MONTHLY HHW SERVICES- ENG/PW	366504	12/14/23	1,110.89
D-MAX ENGINEERING INC	NC STORM WATER SERVICES- ENG/PW	366518	12/14/23	23,778.15
HAAKER EQUIPMENT COMPANY	ELGIN BROOM STREET SWEEPER- ENG/PW	366530	12/14/23	424,780.76
HDR ENGINEERING, INC.	CIP 19-11 PARADISE CRK AT PLAZA- ENG/PW	366531	12/14/23	12,649.25
NERI LANDSCAPE ARCHITECTURE	CIP 22-43 LAS PALMAS DOG PARK-ENG/PW	366551	12/14/23	731.25
NV5 INC	SDG&E UTILITY PERMITS- ENG/PW	366553	12/14/23	18,892.59
PROJECT PROFESSIONALS CORP	TA 90631 TEXAS RDHOUSE PLAN CHECK- ENG/P	366557	12/14/23	1,035.00
SWRCB	ANNUAL PERMIT FEE- ENG/PW	366578	12/14/23	20,085.00
T'S & SIGNS INC	BACKPACKS WITH LOGO- ENG/PW	366588	12/14/23	2,686.13
WSP USA INC	T&A REFUND	366599	12/14/23	6,111.56
AZTEC FENCECO II INC	CHAIN LINK~	366495	12/14/23	3,850.00
AEP CALIFORNIA LLC	UNDERCOVER LIGHTING FOR NCPD FORD F150	366484	12/14/23	5,415.70
INNOVATIVE CONSTRUCTION	CIP 22-26 EL TOYON PARK- ENG/PW	366535	12/14/23	16,800.00
	Total for Department			627,681.03
City Clerk				
STAPLES BUSINESS ADVANTAGE	MOP 45792. OFFICE SUPPLIES / CITY CLERK	366575	12/14/23	18.92
THE STAR NEWS	PUBLIC NOTICING - STAR NEWS	366584	12/14/23	202.44
TRANS-LANG	CITY COUNCIL MTG. TRANSLATION SERVICES -	366587	12/14/23	2,110.50
	Total for Department			2,331.86
NSD				
MTS	MTS FLAGGING SERVICES / NSD	366548	12/14/23	404.64
PRUDENTIAL OVERALL SUPPLY	LAUNDRY SERVICES / NSD	366558	12/14/23	106.41
SORIANO	REIMBURSEMENT SORIANO CACEO / NSD	366570	12/14/23	1,038.89
THE SHERWIN WILLIAMS CO	MOP 77816 PAINT SUPPLIES / NSD	366583	12/14/23	990.73
VISTA PAINT	MOP 68834 PAINT SUPPLIES / NSD	366594	12/14/23	708.63
	Total for Department			3,249.30
Risk				
DEAN GAZZO ROISTACHER LLP	LIABILITY CLAIM COST	366511	12/14/23	3,217.50
DEAN GAZZO ROISTACHER LLP	LIABILITY CLAIM COST	366512	12/14/23	2,927.45
DEAN GAZZO ROISTACHER LLP	LIABILITY CLAIM COST	366513	12/14/23	313.50
DEAN GAZZO ROISTACHER LLP	LIABILITY CLAIM COST	366514	12/14/23	205.95
DEAN GAZZO ROISTACHER LLP	LIABILITY CLAIM COST	366515	12/14/23	135.00



**WARRANT REGISTER # 24
12/14/2023**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
Total for Department				6,799.40
<u>CMO</u>				
COUNTY OF SAN DIEGO	MAIL POSTAGE BILLING - SEPTEMBER 2023	366506	12/14/23	2,797.29
ESENDENCIA	REIMBURSEMENT - SARAH ESENDENCIA- DECEMB	366520	12/14/23	165.70
GARCIA	REIMBURSEMENT - PEDRO GARCIA - WINTER PA	366528	12/14/23	426.00
MARTINEZ- PINA	REIMBURSEMENT - MYRA PINA	366541	12/14/23	1,287.11
RODRIGUEZ	REIMBURSEMENT - CM JOSE RODRIGUEZ	366559	12/14/23	7,143.45
SPARKLETTS	WATER FOR FINANCE DEPARTMENT	366573	12/14/23	94.88
Total for Department				11,914.43
<u>Building/Planning</u>				
ESGIL LLC	PLAN CHECK SERVICES	366521	12/14/23	6,339.58
STAPLES BUSINESS ADVANTAGE	MOP 45792. OFFICE SUPPLIES / PLANNING	366575	12/14/23	458.55
WSP USA INC	VALLEY ROAD ENVIRONMENTAL	366599	12/14/23	6,300.35
Total for Department				13,098.48
<u>Finance</u>				
CAPPO INC	2024 CAPPO CONF REGISTRATION / LUNT	366501	12/14/23	495.00
KAISER FOUNDATION HEALTH PLAN	JANUARY 2024 - GROUP #104220	366537	12/14/23	237,490.47
MINUTEMAN PRESS	GARAGE SALE FLYERS	366545	12/14/23	181.31
OFFICE SOLUTIONS BUSINESS	MOP 83778 OFFICE SUPPLY / FINANCE	366554	12/14/23	15.55
SASI	MONTHLY TRUST ACCOUNTING	366565	12/14/23	922.00
THE BANK OF NEW YORK MELLON	TRUSTEE FEE-PERIOD 11/16/23 TO 11/15/24	366581	12/14/23	1,500.00
THE LINCOLN NATIONAL LIFE INS	GRP#415491 JANUARY 2024 LIFE & AD&D STD	366582	12/14/23	8,701.16
VISION SERVICE PLAN	DECEMBER 2023 - VISION SERVICE PLAN	366593	12/14/23	1,282.98
WOODRUFF & SMART	RSWA - GENERAL MANAGER MONTHLY INVOICE	366598	12/14/23	7,325.89
Total for Department				257,914.36
<u>Community Services/Nutrition/Library</u>				
AMAZON	AGE FRIENDLY DANCE SUPPLIES	366489	12/14/23	291.77
SMART & FINAL	MOP 45756 SENIOR PROGRAMMING SUPPLIES	366569	12/14/23	297.25
STAPLES BUSINESS ADVANTAGE	MOP 45792. OFFICE SUPPLIES / CSD	366575	12/14/23	734.37
T'S & SIGNS INC	A KIMBALL HOLIDAY MARKETING	366588	12/14/23	1,358.83
ALDEMCO	FOOD	366486	12/14/23	8,458.89
ALL FRESH PRODUCTS	CONSUMABLES	366487	12/14/23	1,426.88
COZZINI BROS., INC.	KNIFE CLEANING SERVICE	366508	12/14/23	52.50
PACIFIC REFRIGERATION INC	HEATED HOLDING CABINET	366555	12/14/23	26,844.99
PRUDENTIAL OVERALL SUPPLY	LAUNDRY & CONSUMABLES	366558	12/14/23	591.89
SEAPORT MEAT COMPANY	FOOD	366567	12/14/23	515.00
SYSCO SAN DIEGO INC	ELECTRIC FOOD SLICER	366579	12/14/23	10,979.20
T'S & SIGNS INC	CUSTOM ACRYLIC	366588	12/14/23	269.70
Total for Department				51,821.27



**WARRANT REGISTER # 24
12/14/2023**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
<u>Fire</u>				
ACE UNIFORMS & ACCESSORIES INC	UNIFORMS, JACKETS, PATCHES, SEWING/FIRE	366482	12/14/23	175.50
AMAZON	US ACRYLIC CAFE PLASTIC REUSABLE/FIRE	366490	12/14/23	151.43
ESGIL LLC	PLAN CHECKS FOR FIRE, FY23-24~	366522	12/14/23	837.90
FIRE ETC	WILDLAND HOSE PACK WP2215 / FIRE	366525	12/14/23	848.25
GRAINGER	MOP 65179 GENERAL SUPPLIES FY24-FIRE	366529	12/14/23	34.69
HONEYWELL ANALYTICS INC	POSI_CAL, POSICHECK CALIBRATION/ FIRE	366533	12/14/23	3,091.09
IDENTIFIRE SAFETY	IDM-03, MSA G1 SCBA FACE MASK NAMEPLATE/	366534	12/14/23	629.58
LINEGEAR FIRE & RESCUE	KESTREL 3000 POCKET WEATHER /FIRE	366539	12/14/23	1,170.53
MONTANO	REIMBURSMNT- CERT ACADEMY, H MONTANO/FIR	366546	12/14/23	300.00
PRUDENTIAL OVERALL SUPPLY	LAUNDRY SERVICES / FIRE	366558	12/14/23	25.00
THOMSON REUTERS	CCR T 19 PUBLIC SAFETY-COMPLTE SUB/FIRE	366585	12/14/23	229.03
FREE FORM CLAY & SUPPLY	REIMBURSEMENT FIRE INSPECTION FEE 2019-2022	366526	12/14/23	536.00
			Total for Department	8,029.00
<u>Human Resources</u>				
ADDICTION MEDICINE	DOT DRUG & ALCOHOL TESTING PROGRAM - CA	366483	12/14/23	1,650.00
AETNA BEHAVIORAL HEALTH	EMPLOYEE ASSISTANCE PROGRAM - DECEMBER	366485	12/14/23	797.22
ALTA LANGUAGE SERVICES INC	EMPLOYEE BILINGUAL TESTING	366488	12/14/23	132.00
G2SOLUTIONS, INC	NEW EMPLOYEE FINGERPRINT TEST SUBMISSION	366527	12/14/23	3.00
SMART & FINAL	MOP 45756 OFFICE SUPPLIES / HR	366569	12/14/23	79.15
STATE OF CALIFORNIA HCD	ASSESSMENT FISCAL YEAR 2023-2024 - ANNUAL	366576	12/14/23	69,880.12
WIGGINS	TRAVEL EXPENSE REPORT	366596	12/14/23	1,551.35
			Total for Department	74,092.84
<u>MIS</u>				
AT&T	SBC - AT&T FOR FY24	366492	12/14/23	3,758.53
AT&T	SBC - AT&T FOR FY24	366493	12/14/23	2,117.49
AT&T	SBC - AT&T FOR FY24	366494	12/14/23	107.22
CENTRICITY GIS, LLC	CENTRICITY GIS CITYWORKS PLL PERMITTING	366502	12/14/23	900.00
COUNTY OF SAN DIEGO	NEXTGEN REGIONAL COMMUNICATIONS SYSTEM	366505	12/14/23	8,151.00
COX COMMUNICATIONS	COX DATA, VIDEO SERVICES FY24	366507	12/14/23	537.28
CTC TECHNOLOGY & ENERGY	CENIC BROADBAND INTERNET 10G - LIBRARY	366509	12/14/23	5,712.54
CURVATURE LLC	NETWORK EQUIPMENT / MIS	366510	12/14/23	1,533.13
ERGOGENESIS LLC	CHAIR MODEL 2607, 2600 SERIES, G3	366519	12/14/23	864.09
TYLER TECHNOLOGIES INC	TYLER MUNIS / CAD~	366590	12/14/23	7,400.00
VERIZON WIRELESS	VERIZON CELLULAR SERVICES FOR FY24	366592	12/14/23	2,729.94
WILLY'S ELECTRONIC SUPPLY	MOP 45763 ELECTRONIC SUPPLIES / MIS	366597	12/14/23	130.27
			Total for Department	33,941.49
<u>Housing/Section 8</u>				
NOWDOCS INTERNATIONAL INC	1099 MISC. ENVELOPES 777-1 FOR SECTION 8	366552	12/14/23	137.03
CHRISTENSEN & SPATH LLP	CDC-HA AGREEMENT WITH CHRISTENSEN &	366503	12/14/23	300.00
KIMLEY HORN	TOWER 999 TRANSACTION ASSISTANCE FOR	366538	12/14/23	1,223.63



**WARRANT REGISTER # 24
12/14/2023**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
MCALISTER INSTITUTE	OCTOBER 2023 INVOICE	366543	12/14/23	55,304.97
SAN DIEGO HOUSING FEDERATION	YEARLY MEMBERSHIP FEES	366560	12/14/23	600.00
SHARP ELECTRONICS CORPORATION	SHARP COPIER SERVICE FY24	366568	12/14/23	2,562.19
STAPLES BUSINESS ADVANTAGE	MOP 45792. OFFICE SUPPLIES / HOUSING	366575	12/14/23	2,956.46
WSP USA INC	FOCUSED GENERAL PLAN UPDATE	366599	12/14/23	17,795.83
			Total for Department	80,880.11
			A/P Total	1,221,117.09

PAYROLL

<u>Pay period</u>	<u>Start Date</u>	<u>End Date</u>	<u>Check Date</u>	
25	11/14/2023	11/27/2023	12/6/2023	1,361,824.40

WIRED PAYMENTS

<u>CAO</u>				
U S BANK	CREDIT CARD EXPENSES / CAO	823576	12/12/23	464.28
City Clerk				
U S BANK	CREDIT CARD EXPENSES / CITY CLERK	823576	12/12/23	1,448.81
Police				
U S BANK	CREDIT CARD EXPENSES / POLICE	823576	12/12/23	174.75
U S BANK	CREDIT CARD EXPENSES / POLICE	876440	12/8/23	5,758.97
CMO				
U S BANK	CREDIT CARD EXPENSES / CMO	133267	12/13/23	857.40
U S BANK	CREDIT CARD EXPENSES / CMO	823576	12/12/23	40.00
Finance				
CITY NATIONAL BANK	ENERGY RETROFIT PROJECT LEASE PMT #55	113	12/14/23	43,101.10
Housing/Section 8				
U S BANK	CREDIT CARD EXPENSES / HOUSING	823576	12/12/23	183.35

GRAND TOTAL 2,634,970.15



AGENDA REPORT

Department: Planning
Prepared by: Martin Reeder, AICP – Planning Manager
Meeting Date: Tuesday, February 6, 2024
Approved by: Benjamin A. Martinez, City Manager

SUBJECT:

Introduction and First Reading of an Ordinance Amending Section 18.060.10 of Title 18 (Zoning) of the National City Municipal Code Related to the Measurement of Height for New Structures.

RECOMMENDATION:

Introduce the Ordinance by First Reading, entitled, “Ordinance of the City Council of the City of National City, California, Amending Section 18.10.060 of Title 18 (Zoning) of the National City Municipal Code Related to the Measurement of Height for New Structures.”

BOARD/COMMISSION/COMMITTEE PRIOR ACTION:

On December 4, 2023, the Planning Commission recommended adoption of the Ordinance.

Background

Section 18.10.060 of the Land Use Code (Zoning Ordinance) regulates “Rules of Measurement.” This includes how to calculate fractions (e.g. for parking spaces), distance, height, lot width and depth, and floor area (among others). Subsection (E) deals specifically with measuring height.

Generally, height is defined as “the vertical distance from the highest point of any structure to the ground level directly below.” For sloped lots, this measurement is taken from any point along the perimeter walls. On lots with significant slopes, this definition results in the need to “step” buildings. This form of construction is significantly more expensive to produce and prevents medium-sized lots with an irregular shape or significant topography from developing to a reasonable potential, thus stymying mixed-use or residential development in certain cases. While the Zone Variance process would traditionally cover this scenario (hardship based on the size, shape, or topography of the lot), using the average grade definition would allow more projects without the need for this extra discretionary step, thus allowing for more affordable housing units to be constructed.

Proposal

Rather than a strict measurement from the highest portion of a building at any point along its perimeter, staff is suggesting using an “average grade” measurement, which allows the measurement to be taken from the average grade, rather than the point opposite the tallest point of the building, as is the case currently.

In the case of a regularly shaped lot with little topography, there will likely be no change to the current standards. However, with the incentives now granted by the state, including limitations on minimum parking requirements, lots previously not economically feasible to develop can now be developed, such as those of irregular shape and/or those with significant slopes.

The pertinent portions of Section 18.10.060 (E) currently read as follows:

E. Measuring Height.

1. General. Height shall be considered the vertical distance from the highest point of any structure to the ground level directly below, except as otherwise provided in this section.
2. Measuring Building Height on Sloped Lots. Height shall be measured from any point on top of the building to a line directly below which connects to opposite perimeter walls, or other perimeter support systems, at the lower of natural or finished grade. All parts of a building, except for allowed projections specifically listed in this Land Use Code, shall comply with maximum height limits.

Staff is suggesting the following changes:

E. Measuring Height.

1. General. Height shall be considered the vertical distance from the highest point of any structure to the ground level directly below, except as otherwise provided in this section. **On sloped lots, the height shall be measured from the average grade of the finished grade around the perimeter of the building to the highest point of the structure.**
2. ~~Measuring Building Height on Sloped Lots. Height shall be measured from any point on top of the building to a line directly below which connects to opposite perimeter walls, or other perimeter support systems, at the lower of natural or finished grade. All parts of a building, except for allowed projections specifically listed in this Land Use Code, shall comply with maximum height limits.~~

Analysis

At the time this Land Use Code section was written, no mixed-use zoning was in place and larger developments were less of an occurrence. With the advent of the City's mixed-use zones and the increase in higher-density and affordable housing projects, this code section has proved more challenging in the current development climate and has, at times, been onerous and inflexible. In addition to development pressures resulting from increased flexibility at the state level, the forthcoming Focused General Plan Update and House National City program will likely exacerbate this condition in the coming years.

Planning Commission

The Planning Commission held a public hearing on the proposed Code Amendment on December 4, 2023, and recommended approval of the Ordinance to the City Council.

Findings

There are two findings required for approval of a Code Amendment, one related to General Plan consistency and one related to compliance with the California Environmental Quality Act (CEQA).

General Plan Conformance

The proposal to amend Section 18.10.060 (E) is consistent with the General Plan in that it increases the likelihood of development of in-fill lots with topographical challenges, which will increase the City's housing stock and potentially reduce living/ownership costs for the residents of the units. Access to quality and/or affordable housing is a goal of the Housing Element, which is part of the General Plan.

California Environmental Quality Act (CEQA) Compliance

The ordinance being proposed is considered exempt from CEQA because it is not a project as defined in Section 15378. No increase in density or additional permissions will be granted and there would therefore be no potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

Summary and next steps

Staff is recommending an addition to the City's Municipal Code related to measuring height and recommends that the City Council approve the amendment. The Planning Commission voted unanimously to recommend approval of the amendment to the City Council. Notice of this public hearing was published in the Star News.

FINANCIAL STATEMENT:

Not Applicable

RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:

Housing and Community Development

ENVIRONMENTAL REVIEW:

This is not a project under CEQA and is therefore not subject to environmental review. CCR15378; PRC 21065.

PUBLIC NOTIFICATION:

Agenda Report posted within 72 hours of meeting date and time in accordance with Brown Act.

ORDINANCE:

First Reading

EXHIBITS:

Exhibit A – Strikethrough/underline version

Exhibit B – Ordinance

18.10.060 – Rules of Measurement.

- A. Purpose. The purpose of this section is to explain how various measurements referenced in this title are to be calculated.
- B. Applicant Responsibility. For all calculations, the applicant shall be responsible for supplying drawings illustrating the measurements that apply to a project. These drawings shall be drawn to scale and of sufficient detail to allow easy verification upon inspection by the city.
- C. Fractions. When calculating a maximum requirement, round down to nearest whole number. When calculating a minimum requirement, round up to nearest whole number.
- D. Measuring Distances.
 - 1. Measurements are the Shortest Distance. When measuring a required distance, such as the minimum distance between a structure and a lot line, the measurement is made at the closest or shortest distance between the two objects.
 - 2. Distances are Measured Horizontally. Distances are measured along a horizontal plane unless otherwise specified.
 - 3. Measurements Involving a Structure. Measurements involving a structure are made to the closest wall of the structure, unless otherwise specified.
 - 4. Measurements Between Uses. When measuring the distance between two different uses, the measurement is calculated from closest lot line to lot line.
- E. Measuring Height.
 - 1. General. Height shall be considered the vertical distance from the highest point of any structure to the ground level directly below, except as otherwise provided in this section. On sloped lots, the height shall be measured from the average elevation of the finished grade around the perimeter of the building to the highest point of the structure.
 - ~~2. Measuring Building Height on Sloped Lots. Height shall be measured from any point on top of the building to a line directly below which connects to opposite perimeter walls, or other perimeter support systems, at the lower of natural or finished grade. All parts of a building, except for allowed projections specifically listed in this Land Use Code, shall comply with maximum height limits.~~

~~3.2.~~ Measuring the Height of Buildings Located Near Retaining Walls. If any portion of a building lies within the setback area of a lot and the base of the retaining wall is at a lower elevation than the building, the height of the building shall be calculated from the base of the retaining wall (at the lower of natural or finished grade) rather than from the base of the building wall.

~~4.3.~~ Measuring the Height of Combined Fences and Retaining Walls. When a fence is constructed on top of or within one foot of the face of an above-ground retaining wall, and located in a required yard, the height of the fence shall be measured from the top of the fence to the midpoint height of the retaining wall.

F. Measuring Lot Width and Depth.

1. Lot Width. Minimum lot width shall be measured at the front setback line, or from the front property line if there is no required setback, as determined by the zoning of the parcel.

2. Lot Depth. Lot depth is measured along an imaginary straight line drawn from the midpoint of the front property line of the lot to the midpoint of the rear property line or to the most distant point on any other lot line where there is no rear lot line.

G. Determining Floor Area. Floor area is the horizontal area (expressed in square feet) of all floors included within a building or buildings, according to the following rules:

1. Included in Floor Area. Floor area is deemed to include:

- a. The floor of atrium and lobby areas.
- b. Enclosed and roofed storage and equipment spaces.
- c. Enclosed and roofed halls, stairways, and elevator shafts.
- d. Enclosed and roofed porches and balconies.
- e. Portions of basements and attics that meet building code height requirements for living space.
- f. The actual floor space of mezzanines, interior balconies, and lofts.

2. Excluded from Floor Area. Floor area does not include:

- a. Unenclosed balconies, decks, porches, and stairs.

- b. Substandard height portions of attics and basements.
 - c. The area within a building adjacent to, and in an imaginary horizontal plane with, interior balconies, mezzanines, or lofts.
- H. Determining Floor Area Ratio. Floor area ratio (FAR) is the ratio of the floor area of all principal and accessory buildings on a lot to the lot area. To calculate FAR, floor area is divided by lot area, and typically expressed as a decimal. For example, if the floor area of all buildings on a lot totals twenty thousand square feet, and the lot area is ten thousand square feet, the FAR is expressed as 2.0.
- I. Determining Lot Coverage. Lot coverage is the ratio of the footprint of all structures on a lot to the lot area, typically expressed as a percentage. The footprints of all principal and accessory structures, including garages, carports and roofed porches, shall be summed in order to calculate lot coverage. The following structures shall be excluded from the calculations:
 - 1. Unenclosed and unroofed structures; porches, landings, balconies, and stairways less than three feet in height.
 - 2. Unenclosed and unroofed decks less than eighteen inches in height.
 - 3. Eaves and roof overhangs projecting up to four feet from a wall.
 - 4. Trellises and similar structures that do not have solid roofs.
 - 5. Swimming pools and hot tubs that are not enclosed in roofed structures.
 - 6. Trash enclosures.
 - 7. Solar collectors.

ORDINANCE NO. 2024 –

AN ORDINANCE OF THE CITY OF NATIONAL CITY, CALIFORNIA, AMENDING SECTION 18.10.060 OF 18 (ZONING) OF THE NATIONAL CITY MUNICIPAL CODE RELATED TO THE MEASUREMENT OF HEIGHT FOR NEW STRUCTURES.

WHEREAS, the City of National City (the “City”), pursuant to the police powers delegated to it by the California Constitution, has the authority to enact or amend laws which promote the public health, safety, and general welfare of its residents; and

WHEREAS, pursuant to the terms and provisions of the Government Code of the State of California, proceedings were duly initiated for the amendment of the National City Municipal Code; and

WHEREAS, on December 4, 2023, a noticed public hearing was held by the Planning Commission, and all persons interested were given the opportunity to appear and be heard before the National City Planning Commission; and

WHEREAS, the Planning Commission regularly and duly certified its report to the City Council of National City and has recommended approval of amending NCMC Title 18; and

WHEREAS, pursuant to a published 10-day notice of the adoption of said ordinance, a public hearing was held by the City Council on February 6, 2024, and at said public hearing, all persons interested were given the opportunity to appear and be heard before the City Council.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NATIONAL CITY, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE, AND ORDERS AS FOLLOWS:

Section 1: That Title 18, Section 18.10.060 (E) (Measuring Height) is hereby amended to read as follows:

E. Measuring Height.

1. **General.** Height shall be considered the vertical distance from the highest point of any structure to the ground level directly below, except as otherwise provided in this section. On sloped lots, the height shall be measured from the average elevation of the finished grade around the perimeter of the building to the highest point of the structure.
2. **Measuring the Height of Buildings Located Near Retaining Walls.** If any portion of a building lies within the setback area of a lot and the base of the retaining wall is at a lower elevation than the building, the height of the building shall be calculated from the base of the retaining wall (at the lower of natural or finished grade) rather than from the base of the building wall.

3. Measuring the Height of Combined Fences and Retaining Walls. When a fence is constructed on top of or within one foot of the face of an above-ground retaining wall, and located in a required yard, the height of the fence shall be measured from the top of the fence to the midpoint height of the retaining wall.

Section 2: This Ordinance shall take effect and be in force thirty (30) days from the date of its passage, and before the expiration of fifteen (15) days after its passage, it or a summary of it, shall be published once, with the names of the members of the City Council voting for and against the same in the Star News, a newspaper of general circulation published in the County of San Diego, California

Section 3: The City Clerk shall certify to the adoption of this Ordinance and shall publish in accordance with the law.

INTRODUCED at the Regular Meeting of the City Council of the City of National City, held on this February 6, 2024.

PASSED and ADOPTED this day of , 2024.

Ron Morrison, Mayor

ATTEST:

Shelley Chapel, City Clerk

APPROVED AS TO FORM:

Barry J. Schultz
City Attorney



AGENDA REPORT

Department: Housing Authority
Prepared by: Angelita Palma, Housing Programs Manager
Meeting Date: Tuesday, February 6, 2024
Approved by: Benjamin A. Martinez, City Manager

SUBJECT:

\$1.5 Million HOME, HOME-ARP Loan to Union Tower Project and HUD Substantial Amendment to FY23-24 AAP

RECOMMENDATION:

Adopt the Resolution Entitled, “Resolution of the City Council of the City of National City, California Adopting the U.S Department of Housing and Urban Development (HUD) Substantial Amendment to the 2023-2024 Annual Action Plan and the Allocation of \$1,035,092.81 in Home Investment Partnerships Program (HOME) Grant Funds, \$170,808.46 in HOME-Community Housing Development Organization (CHDO) Grant Funds, and \$294,098.73 in HOME-American Rescue Plan (HOME-ARP) Grant Funds as a Conditional Loan to Union Tower by Wakeland Housing and Development Corporation.”

BOARD/COMMISSION/COMMITTEE PRIOR ACTION:

Resolution 2021-47
Resolution 2022-72
Resolution 2022-85
Resolution 2023-27
Resolution 2023-49

EXPLANATION:

Background | The U.S. Department of Housing and Urban Development (HUD) provides annual grants on a formula basis to entitlement cities and counties, including the City of National City, for its Community Planning and Development Programs (CPD). The City of National City (City) receives Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) Program funds on an annual basis.

On May 2, 2023, the City Council approved the 2023-2024 Annual Action Plan (AAP) and associated funding of activities through Resolution 2023-49. Per federal regulations, 24 CFR Part 91, a Substantial Amendment to the 2023-2024 AAP is now being proposed to incorporate funding for an affordable rental housing project.

Funding Availability | One Million Five Hundred Thousand Dollars (\$1,500,000) in HUD funds are available for funding.

There is \$428,658.91 of HOME funds for Affordable Housing Activities Set-aside for the 2022-2023 program year per Resolution 2022-72 and \$260,587.94 for Affordable Housing Activities Set-aside for 2023-2024 per Resolution 2023-49, for a subtotal of \$689,246.85.

Staff have identified \$345,845.96 in HOME funds available for reallocation from previous projects.

Per 24 CFR 92.300, a minimum of 15% of annual HOME entitlement funds are required to be set aside for Community Housing Development Organizations (CHDOs). A CHDO is a private, non-profit, community-based organization that has staff with the capacity to develop affordable housing for the community it serves. A certified CHDO must meet specific requirements pertaining to their legal status, organizational structure, and capacity and experience. The project has also committed to paying prevailing wages. The City has set-aside CHDO funds from years 2021-2023 in the amounts of \$49,248.91, \$60,102.15, and \$61,457.40 through Resolutions 2021-47, 2022-72, and 2023-49, respectively, for a subtotal of \$170,808.46.

The City received funds through the American Rescue Plan (ARP) to be administered through the HOME program (HOME-ARP) to perform activities that primarily benefit qualifying individuals and families who are homeless, at risk of homelessness, or in other vulnerable populations (30% AMI or below). The HOME-ARP Allocation Plan, approved through Resolution 2023-27, authorizes \$1,010,478 towards the development of rental housing as the activity type for which HOME-ARP funds are to be allocated. Staff proposes to allocate \$294,083.73 of HOME-ARP funds for this proposed project.

Amount	Source
\$1,035,092.81	HOME Entitlement Funds
\$170,808.46	HOME CHDO Funds
\$294,098.73	HOME-ARP
\$1,500,000	Total Funds Available

Notice of Funding | Following an applicant inquiry of available HOME funds, the Housing Authority released a Notice of Funding Availability (NOFA) of an estimated \$1,500,000 in HOME, HOME-ARP, and CHDO funds, extending from November 1, 2023, to November 20, 2023. Two (2) applications were received, one for the Union Tower Project from the developer Wakeland Housing and Development Corporation (Wakeland) and the second for the Azuriik Project from the developer Metropolitan Area Advisory Committee on Anti-Poverty of San Diego County Inc. (MAAC).

History of Projects | The Union Tower and Azuriik Projects (“Projects”) were brought to the City Council in 2022 in response to a \$10,000,000 Housing Authority NOFA.

- A consulting firm administered the NOFA. The consulting firm evaluated each Project on project readiness, developer experience and capacity, project budget, amenities and community space, location, target population and project attributes, and collaboration and planning. Since both projects scored close to the same amount of points, a third-party financial analysis was performed on the projects to provide a basis for the award amounts.
- Through Resolution 2022-85, the City Council approved conditional loan awards of \$8,000,000 to the Union Tower Project and \$2,000,000 to the Azuriik Project, subject to each project having secured its financing, including remaining gap funding sources.

Funding Recommendation | Staff recommends awarding the Union Tower Project \$1,500,000 in HOME, HOME-ARP, and CHDO funds as a conditional loan award with three (3) percent simple interest.

The Union Tower Project (Union Tower) is a 94-unit, four and seven-story new affordable rental and supportive housing development to be located at 2312 F Avenue in National City. The Union

Tower is designed to serve residents between 30%-60% of the County of San Diego's Area Median Income (AMI) and veterans who have experienced homelessness. While living at Union Tower, residents will be able to participate in several on-site activities that offer opportunities for residents to reach greater levels of economic stability and personal growth. Seeking input and guidance from residents, Union Tower will tailor meaningful and comprehensive services that meet residents' needs and interests without duplicating services already offered in the greater community. Services for all residents are designed to generate positive changes in tenants' lives, increase a tenant's knowledge of and access to available services, maintain housing stability and eviction prevention, build life skills, increase income and assets, and improve health and well-being. Additionally, Union Tower will organize community-building and enrichment activities for tenants, e.g., holiday events, creating a tenant council, community meetings, and birthday celebrations. Refer to Exhibit "A" for additional project information.

Tables of Income and Rent Restrictions by AMI Level and Bedroom Size¹

Household Annual Income by Unit Size and AMI

Income Limit	30% AMI	40% AMI	50% AMI	60% AMI
1- BEDROOM	\$33,100	\$41,350		\$62,040
2- BEDROOM	\$37,250	\$49,600	\$62,050	\$74,460
3- BEDROOM	\$43,025		\$68,900	\$86,010

Household Monthly Rent by Unit Size and AMI

Monthly Rent	30% AMI	40% AMI	50% AMI	60% AMI
1- BEDROOM		\$1,034		\$1,550
2- BEDROOM	\$931	\$1,242	\$1,551	\$1,861
3- BEDROOM	\$1,075		\$1,724	\$2,150

Housing Fund Loan Units by Unit Size and AMI

Unit Type	30% AMI	40% AMI	50% AMI	60% AMI	Manager	Total
1- BEDROOM	9	18		18		45
2- BEDROOM	5	9	1	9	1	25
3- BEDROOM	5		10	9		24
Total Units ²	19	27	11	36	1	94

HOME Affordable Units by Unit Size and AMI

Unit Type	30% AMI	40% AMI	50% AMI	60% AMI	Manager	Total
1- BEDROOM	1 ³			2		3
2- BEDROOM	1 ⁴		1	2		4
3- BEDROOM			2	2		4
HOME Units ⁵	2	0	3	6	0	11

¹ **Veterans Housing and Homelessness Prevention Program (VHHP)** units are included in the Project Total Units. Union Tower received a loan for affordable multifamily housing for veterans and their families to allow veterans to access and maintain housing stability. VHHP units will be reserved for tenants earning under 30% and 40% AMI, but will pay rent proportional to 14.4% AMI.

² The total includes HOME, HOME-ARP, and VHHP units.

³ **HOME-ARP Unit**

⁴ **HOME-ARP Unit**

⁵ **HOME Affordable Units** and (24 VHHP Units) are included in the 94 total units.

Funding Recommendation Underwriting Analysis | With guidance from HUD Technical Assistance, Housing Authority staff reviewed the applications received for eligibility, feasibility, developer capacity, market demand, and other criteria consistent with CPD Notice 15-11. Staff identified the Union Tower Project as more ready to proceed, with its other financing sources committed and construction scheduled to start in March 2024. Staff determined that the Azuriik Project currently projects a \$16 million funding shortage and has yet to apply for Low-Income Housing Tax Credits (LIHTC). This indicates too much uncertainty to warrant the allocation of HOME funds at this time, risking funding expiration deadlines and other potential regulatory compliance issues.

Union Tower applied for and was awarded 4% LIHTC, as well as sought and received funding commitments from the County of San Diego Innovative Housing Trust Fund (IHTF), California Housing and Community Development Infill Infrastructure Grant (IIG), Multifamily Housing Program (MHP), and Veterans Housing and Homelessness Prevention Program (VHHP). The applicant, Wakeland, is a qualified HUD Community Housing Development Organization (CHDO)⁶ and is eligible to be awarded the HOME CHDO funding.

A third-party consultant provided further financial analysis of the project feasibility and cost reasonableness to better inform the HOME funding recommendation. The financial analysis found that while development costs appear elevated, such costs may be the reality of the current development market due to increased construction and financing costs.

It is the Housing Authority's opinion that the project's total costs, resulting from competitive bidding and iterative value engineering, indicate the need for this HOME and HOME-ARP funding as gap financing.

Alignment with City Planning Documents & Community Needs | Union Tower aligns and fulfills the goals, high-priority needs, and objectives of the Plans below.

- The HUD Consolidated Plan goals and high-priority needs (1) Provide Decent and Affordable Housing and (2) Support Initiatives that Reduce Homelessness.
- Housing Element Goal #2 Encourage and facilitate the construction of new housing consistent with the City's RHNA allocation; Goal #5 Promote and implement fair housing practices and equal access to housing opportunities for all income levels; Goal #6 Support programs for housing vulnerable and special needs populations.
- Housing Strategic Plan Objectives Objective #1 Leverage City-owned assets to support progress towards the City's RHNA; Objective #2 Affirmatively further fair housing choice by encouraging the development of resource-rich housing; Objective #3 Expand housing choices, including homeownership opportunities, for lower- and moderate-income households. Promote mixed-income housing as opportunities allow.

As of January 2024, the City of National City Housing Authority's Housing Choice Voucher Section 8 Program has a waitlist of 2,957 applicants, indicating a significant demand for additional affordable housing units that this project will provide.

AAP Amendment | To allocate HOME funding to this project, a Substantial Amendment to the 2023-2024 AAP is required.

⁶ A CHDO is a private non-profit, community-based organization that has staff with the capacity to develop affordable housing for the community it serves. A certified CHDO must meet certain requirements pertaining to their legal status, organizational structure, and capacity and experience. The project has also committed to paying prevailing wages.

A 30-day public comment period beginning December 15, 2023, for the Substantial Amendment was noticed via email, the City's website, hardcopies at City Hall, and published in the Star News. A copy of the amended AAP has been made available on the City's website at www.nationalcityca.gov/cdbq-home, and hardcopies are available upon request at the City of National City Housing Authority (140 E 12th Street, National City 91950).

Action | This item would approve the submission of a Substantial Amendment to the 2023-2024 AAP and a conditional award of \$1,500,000 HOME, HOME-ARP, and CHDO funds to Union Tower, subject to NEPA clearance, as a conditional three (3) percent simple interest loan.

FINANCIAL STATEMENT:

Allocation of \$1,035,092.81 in HOME funds, \$170,808.46 in CHDO funds, and \$294,098.73 in HOME-ARP funds to the Union Tower Project as a conditional three (3) percent simple interest loan. After project completion, staff will collect an annual monitoring fee of \$215 per unit, subject to change corresponding to Fee Schedule updates.

RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:

Housing and Community Development

ENVIRONMENTAL REVIEW:

Union Tower is a by-right project, exempt from CEQA. Wakeland completed a Phase I Environmental Site Assessment on the site, which revealed no evidence of recognized environmental conditions or de minimis conditions in connection with the subject property. Wakeland is currently performing an NEPA analysis with an expected completion date of mid-February 2024

PUBLIC NOTIFICATION:

The Agenda Report was posted within 72 hours of the meeting date and time in accordance with the Ralph M. Brown Act. Published in The Star-News, on the City Website and Posted on Bulletin Boards at City Hall.

ORDINANCE:

Not Applicable

EXHIBITS:

Exhibit A – Project Description
Exhibit B – Public Notice
Exhibit C - Resolution

Union Tower Project Description

Union Tower is being developed by Wakeland Housing Development Corporation (Wakeland), a non-profit organization serving low-income communities. Union Tower is a 100% multi-family affordable housing new construction development located at 2313 F Avenue in National City. There will be two (2) four and seven-story buildings with a total of 94 affordable housing units ranging from 30 to 60% of the County of San Diego's [Area Median Income](#) (AMI). The Project will include adaptable features in more than half of its units (69 units total), including 15 mobility feature units and 10 communication feature units. Of the total units, 24 will be restricted to Veterans who have experienced homelessness.

Quality of Life | The Union Tower Project aims to increase equity and community sustainability by adding to the supply of quality affordable housing and catalyzing the longer-term effort to revitalize the 22-acre National City Park Apartments. The Project will offer easy access to public transit, shopping, and other community resources.

While living at Union Tower, residents will be able to participate in several on-site activities that offer opportunities for residents to reach greater levels of economic stability and personal growth. Seeking input and guidance from residents, Union Tower will tailor meaningful and comprehensive services that meet residents' needs and interests without duplicating services already offered in the greater community. Services for all residents are designed to generate positive changes in tenants' lives, increase a tenant's knowledge of and access to available services, maintain housing stability and eviction prevention, build life skills, increase income and assets, and improve health and well-being. Additionally, Union Tower will organize community-building and enrichment activities for tenants, e.g., holiday events, creating a tenant council, community meetings, and birthday celebrations.

Examples of services and individualized assistance include:

- Provide intake, assessment, and case management to residents with the goal of moving clients to self-sufficiency
- Linking residents to workforce opportunities and providing assistance with job searches and resume writing
- Computer training and literacy
- Financial counseling
- Afterschool homework assistance, tutoring, and mentoring
- Referrals to resources and benefits
- Resources for mental and physical health and wellness
- Previously unhoused veterans will be provided specialized supportive and case management services

Eco-Friendly | Energy and green building design construction elements are incorporated into the Union Tower Project to include:

- All-electric design
- High-efficiency heat pumps for heating and cooling
- Heat pump hot water heating
- High-efficiency windows
- Quality insulation
- Low Volatile Organic Compounds (Low-VOC)
- Locally procured materials.

Parking | The Project will have 45 spaces, including five (5) Electric Vehicle Parking Spaces and 16 bicycle parking spaces. The San Diego County Building Trades Council will not utilize the Project parking spaces.

Tables of Income and Rent Restrictions by AMI Level and Bedroom Size¹

Household Annual Income by Unit Size and AMI

Income Limit	30% AMI	40% AMI	50% AMI	60% AMI
1- BEDROOM	\$33,100	\$41,350		\$62,040
2- BEDROOM	\$37,250	\$49,600	\$62,050	\$74,460
3- BEDROOM	\$43,025		\$68,900	\$86,010

Household Monthly Rent by Unit Size and AMI

Monthly Rent	30% AMI	40% AMI	50% AMI	60% AMI
1- BEDROOM		\$1,034		\$1,550
2- BEDROOM	\$931	\$1,242	\$1,551	\$1,861
3- BEDROOM	\$1,075		\$1,724	\$2,150

Housing Fund Loan Units by Unit Size and AMI

Unit Type	30% AMI	40% AMI	50% AMI	60% AMI	Manager	Total
1- BEDROOM	9	18		18		45
2- BEDROOM	5	9	1	9	1	25
3- BEDROOM	5		10	9		24
Total Units ²	19	27	11	36	1	94

HOME Affordable Units by Unit Size and AMI

Unit Type	30% AMI	40% AMI	50% AMI	60% AMI	Manager	Total
1- BEDROOM	1 ³			2		3
2- BEDROOM	1 ⁴		1	2		4
3- BEDROOM			2	2		4
HOME Units ⁵	2	0	3	6	0	11

¹ **Veterans Housing and Homelessness Prevention Program (VHHP)** units are included in the Project Total Units. VHHP received a loan for affordable multifamily housing for veterans and their families to allow veterans to access and maintain housing stability. VHHP units will be reserved for tenants earning under 30% and 40% AMI, but will pay rent proportional to 14.4% AMI.

² The total includes HOME, HOME-ARP, and VHHP units

³ **HOME-ARP Unit**

⁴ **HOME-ARP Unit**

⁵ **HOME Affordable Units** and (24 VHHP Units) are included in the 94 total units.

**CITY OF NATIONAL CITY
NOTICE OF PUBLIC HEARING
PUBLIC HEARING FOR A SUBSTANTIAL AMENDMENT TO THE 2023-2024
ANNUAL ACTION PLAN**

In accordance with the federal regulations at 24 CFR Part 91, the City of National City is required to prepare and submit a Substantial Amendment when modifying proposed projects in its Annual Action Plan for Housing and Community Development Entitlement Programs funded by the U.S. Department of Housing and Urban Development (HUD). The City will allocate Home Investment Partnerships (HOME) program and HOME-American Rescue Plan (HOME-ARP) funds in the amount of \$1,500,000 towards the development of Union Tower, a 94 unit affordable rental housing project.

NOTICE IS HEREBY GIVEN that at a Regular Meeting to be held on Tuesday, February 6, 2024 the City Council of the City of National City will hold a public hearing to review public comments received during a 30-day public review period which began on December 15, 2023 for the Substantial Amendment to the 2023-2024 Annual Action Plan. Interested persons and community groups have the opportunity to share their thoughts regarding the proposed amendment and may review the draft Substantial Amendment available on the City's website www.nationalcityca.gov/cdbq-home. A hardcopy of the Amendment is available upon request at the National City Housing Authority (140 E 12th Street, National City, CA 91950).

The City Council will hold the public hearing at its Regular Meeting to be held on **Tuesday, February 6, 2024 at 6:00 p.m.** via LIVE WEBCAST www.nationalcityca.gov/webcast in the City Council Chamber, 1243 National City Boulevard, National City, California. **Written comments or testimony from the public must be submitted via e-mail to clerk@nationalcityca.gov by 2:00 P.M. on the day of the City Council Meeting.**

Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the City Clerk's Office (619) 336-4228 at least 24 hours in advance of the meeting. Hearing-impaired persons, please use the CAL Relay Service Number 711. Spanish Interpretation Services: Spanish Interpretation Services are available, please contact the City Clerk prior to the start of the meeting for assistance.

Asistencia en Español: Para que le interpreten la información en español, llame al (619) 336-4284.

Shelley Chapel, MMC, City Clerk
Published in the Star News January 12, 2024

**CITY OF NATIONAL CITY
AVISO DE AUDIENCIA PUBLICA
AUDIENCIA PÚBLICA PARA UNA ENMIENDA SUSTANCIAL AL PLAN DE
ACCIÓN ANUAL 2023-2024**

De acuerdo con las regulaciones federales en 24 CFR Parte 91, la Ciudad de National City está obligada a preparar y presentar una Enmienda Sustancial al modificar los proyectos propuestos en su Plan de Acción Anual para los Programas de Derechos de Vivienda y Desarrollo Comunitario financiados por el Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos (HUD). La Ciudad asignará fondos del programa Home Investment Partnerships (HOME) y HOME-American Rescue Plan (HOME-ARP) en la cantidad de \$1,500,000 para el desarrollo de Union Tower, un proyecto de vivienda asequible de alquiler de 94 unidades.

POR LA PRESENTE SE NOTIFICA que en una reunión ordinaria que se llevará a cabo el **martes 6 de febrero de 2024**, el Concejo Municipal de la Ciudad de National City llevará a cabo una audiencia pública para revisar los comentarios públicos recibidos durante un período de revisión pública de 30 días que comenzó el 15 de diciembre de la Enmienda Sustancial al Plan de Acción Anual 2023-2024. Las personas interesadas y los grupos comunitarios tienen la oportunidad de compartir sus opiniones sobre la enmienda propuesta y pueden revisar el borrador de la Enmienda Sustancial disponible en el sitio web de la Ciudad www.nationalcityca.gov/cdbq-home. Una copia impresa de la Enmienda está disponible a pedido en la Autoridad de Vivienda de National City (140 E 12th Street, National City, CA 91950).

El Concejo Municipal llevará a cabo la audiencia pública en su Reunión Ordinaria que se llevará a cabo el martes 6 de febrero de 2024 a las 6:00 p.m. a través de TRANSMISIÓN EN VIVO POR INTERNET www.nationalcityca.gov/webcast en la Cámara del Concejo Municipal, 1243 National City Boulevard, National City, California. **Los comentarios escritos o testimonios del público deben enviarse por correo electrónico a clerk@nationalcityca.gov antes de las 2:00 p.m. del día de la reunión del Concejo Municipal.**

Cualquier persona con una discapacidad que requiera una modificación o adaptación para participar en una reunión debe dirigir dicha solicitud a la Oficina del Secretario Municipal (619) 336-4228 al menos 24 horas antes de la reunión. Las personas con discapacidad auditiva pueden utilizar el número de servicio de retransmisión de CAL 711. Servicios de interpretación en español: Los servicios de interpretación en español están disponibles, comuníquese con el Secretario Municipal antes del comienzo de la reunión para obtener ayuda.

Shelley Chapel, MMC, City Clerk
Publicado en el Star News el 12 enero de 2024

**CITY OF NATIONAL CITY
PAUNAWA NG PUBLIC HEARING
PUBLIC HEARING PARA SA SUBSTANTIAL AMENDMENT SA 2023-2024 ANNUAL
ACTION PLAN**

Alinsunod sa mga pederal na regulasyon sa 24 CFR Part 91, ang Lungsod ng National City ay inaatasan na maghanda at magsumite ng Substantial Amendment kapag binago ang mga iminungkahing proyekto sa Annual Action Plan nito para sa Mga Programa sa Pabahay at Pagpapaulad ng Komunidad na pinondohan ng U.S. Department of Housing at Urban Development (HUD). Ang Lungsod ay maglalaan ng programang Home Investment Partnerships (HOME) at HOME-American Rescue Plan (HOME-ARP) na may pondo sa halagang \$1,500,000 para sa pagbuo ng Union Tower, isang 94 unit na proyektong abot-kayang paupahang pabahay.

IBIBIGAY DITO ANG PAUNAWA na sa isang Regular na Pagpupulong na gaganapin sa Martes, Pebrero 6, 2024, ang Konseho ng Lungsod ng National City ay magsasagawa ng pampublikong pagdinig upang suriin ang mga pampublikong komento na natanggap sa loob ng 30-araw na panahon ng pampublikong pagsusuri na nagsimula noong Disyembre 15, 2023 ng Substantial Amendment sa 2023-2024 Annual Action Plan. Ang mga interesadong tao at grupo ng komunidad ay magkakaroon ng pagkakataong magbahagi ng kanilang mga saloobin tungkol sa iminungkahing amendment at maaaring suriin ang draft na Substantial Amendment na makukuha sa website ng Lungsod sa www.nationalcityca.gov/cdbg-home. Ang isang hardcopy ng Amendment ay makukuha kapag hiniling sa National City Housing Authority (140 E 12th Street, National City, CA 91950).

Ang Konseho ng Lungsod ay gaganapin ang pampublikong pagdinig sa Regular na Pagpupulong nito na gaganapin sa Martes, Pebrero 6, 2024 sa ganap na 6:00 p.m. sa pamamagitan ng LIVE WEBCAST www.nationalcityca.gov/webcast sa City Council Chamber, 1243 National City Boulevard, National City, California. **Ang mga nakasulat na komento o testimonya mula sa publiko ay dapat isumite sa pamamagitan ng e-mail sa clerk@nationalcityca.gov bago 2:00 p.m. sa araw ng Pagpupulong ng Konseho ng Lungsod.**

Ang sinumang taong may kapansanan na nangangailangan ng akomodasyon upang makasali sa isang pulong ay dapat idirekta ang naturang kahilingan sa Opisina ng Klerk ng Lungsod (619) 336-4228 nang hindi bababa sa 24 na oras bago ang pulong. Mga taong may kapansanan sa pandinig, mangyaring gamitin ang CAL Relay Service Number 711. Spanish Interpretation Services: Available ang Spanish Interpretation Services, mangyaring makipag-ugnayan sa Klerk ng Lungsod bago magsimula ang pulong para sa tulong.

Asistencia en Español: Para que le interpreten la información en español, llame al (619) 336-4284.

Shelley Chapel, MMC, City Clerk
Nai-publish sa Star News Enero 12, 2023

RESOLUTION NO. 2024 -

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY, CALIFORNIA ADOPTING THE U.S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) SUBSTANTIAL AMENDMENT TO THE 2023-2024 ANNUAL ACTION PLAN AND THE ALLOCATION OF \$1,035,092.81 IN HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) GRANT FUNDS, \$170,808.46 IN HOME-COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO) GRANT FUND, AND \$294,098.73 IN HOME-AMERICAN RESCUE PLAN (HOME-ARP) GRANT FUNDS AS A CONDITIONAL LOAN TO UNION TOWER BY WAKELAND HOUSING AND DEVELOPMENT CORPORATION

WHEREAS, as an entitlement community, the City of National City ("City") administers the Community Development Block Grant ("CDBG") and the Home Investment Partnerships Act ("HOME") Program for the Federal Government under the United States Department of Housing and Urban Development ("HUD"); and

WHEREAS, per the federal regulations at 24 CFR, Part 91, the City is required to prepare and submit an Annual Action Plan (AAP) for Housing and Community Development Programs funded by CDBG and HOME; and

WHEREAS, the City Council approved the 2023-2024 AAP and associated funding of activities on May 2, 2023, through Resolution 2023-49; and

WHEREAS, the City Council approved the Substantial Amendment to the 2021-2022 AAP for the HOME-American Rescue Plan (HOME-ARP) Allocation Plan through Resolution 2023-27; and

WHEREAS, the City allocated \$428,658.91 of HOME funds for Affordable Housing Activities Set-aside for 2022-2023 per Resolution 2022-72 and \$260,587.94 for Affordable Housing Activities Set-aside for 2023-2024 per Resolution 2023-49; and

WHEREAS, City staff have identified \$345,845.96 in HOME funds available for reallocation from previous projects; and

WHEREAS, per 24 CFR 92.300, a minimum 15% of annual HOME entitlement funds are required to be set aside for Community Housing Development Organizations (CHDO); and

WHEREAS, the City has set-aside CHDO funds from years 2021-2023 in the amounts of \$49,248.91, \$60,102.15, and \$61,457.40 through Resolutions 2021-47, 2022-72, and 2023-49, respectively; and

WHEREAS, the City has made available \$294,098.73 in HOME-ARP funds; and

WHEREAS, the City desires to use said available HOME, HOME-ARP, and CHDO grant funds in the total amount of \$1,500,000 to assist in the development of new affordable housing.

WHEREAS, the City released a Notice of Funding Availability (NOFA) of an estimated \$1.5 million in HOME and HOME-ARP funds on November 1, 2023; and

WHEREAS, of the NOFA responses received, City staff identified Union Tower By Wakeland Housing and Development Corporation as the most qualified project; and

WHEREAS, said \$1,500,000 in grant funds will be appropriated to Union Tower assist in the development of affordable rental housing; and

WHEREAS, Union Tower is a 94-unit affordable rental and supportive housing project designed to serve residents between 30%-60% of Area Median Income (AMI); and

WHEREAS, per the federal regulations at 24 CFR Part 91, in order to allocate said funds, the City must add a new project to its 2023-2024 AAP, which requires the preparation and submission of a Substantial Amendment; and

WHEREAS, a 30-day public comment period beginning December 15, 2023, for the Substantial Amendment was noticed via email, the City's website, hardcopies at City Hall, and published in the Star News; and

WHEREAS, the City Council conducted a Public Hearing on February 6, 2024, to receive input from the public; and

WHEREAS, the City incorporated public comments received for the Substantial Amendment to the 2023-2024 AAP.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NATIONAL CITY, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

Section 1: The City Council authorizes the Substantial Amendment to the 2023-2024 AAP and a conditional three (3) percent simple interest loan of \$1,500,000 in HOME, HOME-ARP, and CHDO funds to Union Tower Project by Wakeland Housing and Development Corporation.

Section 2: The loan award is not final until given NEPA clearance pursuant to federal regulations 24 CFR Part 58 and all necessary loan documents are approved by the Housing Authority.

Section 3: The City Council authorizes the submission of the Substantial Amendment to the 2023-2024 AAP for the expenditure of said funds.

Section 4: The City Council authorizes the Executive Director or his designee to execute the final submission of the Substantial Amendment to the 2023-2024 Annual Action Plan, modify and execute any and all appropriate instruments, certifications, agreements, contracts, and implementing documents related to the implementation and administration of the proposed to the Substantial Amendment to the 2023-2024 Annual Action Plan to fully implement the activities funded under said Plan, including subrecipient grant contracts and agreements, based on HUD's appropriation to the City.

Section 5: The City Council authorizes the Executive Director or his designee to execute budget adjustments as necessary to reflect the funding allocations in the Substantial Amendment to the 2023-2024 Annual Action Plan.

Section 6: The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolution.

PASSED and ADOPTED this 6th day of February 2024.

Ron Morrison, Mayor

ATTEST:

Shelley Chapel, City Clerk

APPROVED AS TO FORM:

Barry J. Schultz, City Attorney



AGENDA REPORT

Department: Housing Authority
Prepared by: Angelita Palma, Housing Programs Manager
Meeting Date: Tuesday, February 6, 2024
Approved by: Benjamin A. Martinez, City Manager

SUBJECT:

Union Tower Project Closing Documents For the Construction and Permanent Financing for the \$8M Housing Authority Loan Agreement and Related Documents.

RECOMMENDATION:

Approve the Resolution, Entitled, “Resolution of the Community Development Commission-Housing Authority of the City of National City, California, (1) Approving the Construction and Permanent Financing Loan Agreement for the Union Tower Project (“Project”), Located at 2312 F Avenue in National City, With the Borrower, Union Tower One LP, a California Limited Partnership; and (2) Authorizing the Executive Director to Execute Project Related Documents.”

BOARD/COMMISSION/COMMITTEE PRIOR ACTION:

Resolution 2022-85

EXPLANATION:

Background | Wakeland Housing and Development Corporation’s application for the Union Tower Project (“Project”), submitted in response to the Community Development Commission-Housing Authority of the City of National City’s (“Housing Authority”) Notice of Funding Availability for Affordable Housing. On June 7, 2022, per Resolution 2022-85, a conditional award of \$8,000,000.00 was approved pending standard underwriting criteria and loan processing, including executing the loan documents at the construction loan closing. Additional background information on the Project and the NOFA can be found at www.nationalcityca.gov/HA-PPP.

Project Description | Union Tower is being developed by Wakeland Housing Development Corporation (Wakeland), a non-profit organization serving low-income communities. Union Tower is a 100% multi-family affordable housing new construction development located at 2312 F Avenue in National City. There will be two (2) four and seven-story buildings with a total of 94 affordable housing units ranging from 30 to 60% of the County of San Diego’s Area Median Income (AMI). The Project will include adaptable features in more than half of its units (69 units total), including 15 mobility feature units and 10 communication feature units. Of the total units, 24 will be restricted to veterans who have experienced homelessness.

Tables of Income and Rent Restrictions by AMI Level and Bedroom Size¹

Household Annual Income by Unit Size and AMI

Income Limit	30% AMI	40% AMI	50% AMI	60% AMI
1- BEDROOM	\$33,100	\$41,350		\$62,040
2- BEDROOM	\$37,250	\$49,600	\$62,050	\$74,460
3- BEDROOM	\$43,025		\$68,900	\$86,010

Household Monthly Rent by Unit Size and AMI

Monthly Rent	30% AMI	40% AMI	50% AMI	60% AMI
1- BEDROOM		\$1,034		\$1,550
2- BEDROOM	\$931	\$1,242	\$1,551	\$1,861
3- BEDROOM	\$1,075		\$1,724	\$2,150

Quality of Life | The Union Tower Project aims to increase equity and community sustainability by adding to the supply of quality affordable housing and catalyzing the longer-term effort to revitalize the 22-acre National City Park Apartments. The Project will offer easy access to public transit, shopping, and other community resources.

While living at Union Tower, residents will be able to participate in several on-site activities that offer opportunities for residents to reach greater levels of economic stability and personal growth. Seeking input and guidance from residents, Union Tower will tailor meaningful and comprehensive services that meet residents' needs and interests without duplicating services already offered in the greater community. Services for all residents are designed to generate positive changes in tenants' lives, increase a tenant's knowledge of and access to available services, maintain housing stability and eviction prevention, build life skills, increase income and assets, and improve health and well-being. Additionally, Union Tower will organize community-building and enrichment activities for tenants, e.g., holiday events, creating a tenant council, community meetings, and birthday celebrations.

Examples of services and individualized assistance include:

- Provide intake, assessment, and case management to residents with the goal of moving clients to self-sufficiency
- Linking residents to workforce opportunities and providing assistance with job searches and resume writing
- Computer training and literacy
- Financial counseling
- Afterschool homework assistance, tutoring, and mentoring
- Referrals to resources and benefits
- Resources for mental and physical health and wellness
- Previously unhoused veterans will be provided specialized supportive and case management services

¹ Veterans Housing and Homelessness Prevention Program (VHHP) units are included in the Project Total Units. VHHP received a loan for affordable multifamily housing for veterans and their families to allow veterans to access and maintain housing stability. VHHP units will be reserved for tenants earning under 30% and 40% AMI, but will pay rent proportional to 14.4% AMI.

Eco-Friendly | Energy and green building design construction elements are incorporated into the Union Tower Project to include:

- All-electric design
- High-efficiency heat pumps for heating and cooling
- Heat pump hot water heating
- High-efficiency windows
- Quality insulation
- Low Volatile Organic Compounds (Low-VOC)
- Locally procured materials.

Parking | The Project will have 45 spaces, including five (5) Electric Vehicle Parking Spaces and 16 bicycle parking spaces. The San Diego County Building Trades Council will not utilize the Project parking spaces.

Funding | The total Project costs are estimated at \$80,507,737. Funding sources include:

- Low-Income Housing Tax Credit (LIHTC)
- California Department of Housing and Community Development (HCD) Infill Infrastructure Grant Program (IIG)
- HCD Multifamily Housing Program (MHP)
- HCD Veterans Housing and Homelessness Prevention Program (VHHP)
- San Diego County Innovative Housing Trust Fund (IHTF)
- Project Based Vouchers (PBV)
- Private Loans
- Deferred Developer Fee
- National City Housing Fund Loan
- HUD HOME and HOME-American Rescue Plan (HOME-ARP) Loan (if approved by City Council on February 6, 2024)

Per Resolution 2022-85 a standard underwriting analysis was conducted by staff with guidance from HUD Technical Assistance. A third-party consultant conducted a separate financial analysis of the project feasibility and cost reasonableness. The financial analysis found that while development costs appear elevated, such costs may be the reality of the current development market due to increased construction and financing costs. Project feasibility, developer capacity, market demand, and other criteria were also identified by staff and the consultant. The Union Tower Project is ready to proceed, with its other financing sources committed and construction scheduled to start in March 2024. The Project will be in a position to meet funding expiration deadlines and other potential regulatory compliance issues. It is the Housing Authority's opinion that the project's total costs, resulting from competitive bidding and iterative value engineering, indicate the need for Housing Authority Loan, HOME, and HOME-ARP funding.

HUD Funding | At the City Council Meeting on February 6, 2024, a Public Hearing will be held for the Project to receive additional gap funding. Staff recommends the adoption of a resolution entitled, "Resolution of the City Council of the City of National City, California adopting the U.S Department of Housing and Urban Development (HUD) Substantial Amendment to the 2023-2024 Annual Action Plan and the allocation of \$1,035,092.82 in Home Investment Partnerships Program (HOME) grant funds, \$170,808.46 in HOME-Community Housing Development Organization (CHDO)² grant fund, and \$294,098.73 in HOME-American Rescue Plan (HOME-ARP) grant funds as a conditional loan to Union Tower by Wakeland Housing and Development Corporation." The City Council may approve or deny a total of \$1,500,000.00 in HUD funds subject to the NEPA analysis.

² A CHDO is a private non-profit, community-based organization that has staff with the capacity to develop affordable housing for the community it serves. A certified CHDO must meet certain requirements pertaining to their legal status, organizational structure, and capacity and experience. The project has also committed to paying prevailing wages.

Loan Terms | The Housing Fund Loan and HOME and HOME-ARP Loan (“HOME Loan”) are conditioned by the Housing Authority in part upon the recordation of the Regulatory Agreement setting forth certain restrictions upon the use and sale of the Property.

The Housing Fund Loan is a three percent (3%) simple interest, restricted for a 55-year term, except in the event of a default under the Note or any of the Loan Documents. The Note is made pursuant to the Loan Agreement and the Deed of Trust, to be recorded in the Office of the County Recorder of San Diego County.

The HOME Loan is a three percent (3%) simple interest loan, restricted for a 55-year term under the HOME and HOME-ARP Programs commencing on the date all relevant Project completion data is entered into the HUD Integrated Disbursement and Information System. The HOME Loan and Promissory Note are listed as Exhibits “A” and “G” respectively of the Construction and Loan Financing Agreement (Exhibit “B”).

Affordable Units | The Regulatory Agreement will restrict the Affordable Units in accordance with the requirements of the funding sources and covenants and restrictions. The Regulatory Agreement will become effective when recorded through January 15, 2080. Union Tower will have one (1) manager’s unit and ninety-three (93) residential affordable units (“Affordable Units”). Nine (9) of the 93 affordable units will be floating³ HOME Affordable Units (“HOME Affordable Units”), two (2) will be HOME-ARP Affordable Units, and the remaining unit will be the unrestricted manager’s unit (collectively the “Project”).

Tables of Unit Types by Funding Sources

The restrictions in the table below establish the maximum rental rate, adjusted for household size appropriate for the unit.

Housing Fund Loan Units by Unit Size and AMI

Unit Type	30% AMI	40% AMI	50% AMI	60% AMI	Manager	Total
1- BEDROOM	9	18		18		45
2- BEDROOM	5	9	1	9	1	25
3- BEDROOM	5		10	9		24
Total Units ⁴	19	27	11	36	1	94

HOME Affordable Units by Unit Size and AMI

Unit Type	30% AMI	40% AMI	50% AMI	60% AMI	Manager	Total
1- BEDROOM	1 ⁵			2		3
2- BEDROOM	1 ⁶		1	2		4
3- BEDROOM			2	2		4
HOME Units	2	0	3	6	0	11

³ **Floating HOME Units** are defined as “floating” because the units designated as HOME-assisted may change over time as long as the total number of HOME-assisted units in the project remains constant. For example, when the gross income of a tenant who occupies a HOME Affordable Unit exceeds the amount allowed by the rent and income restriction criteria, the next available comparable-sized and configured unit will be designated as a HOME Affordable Unit.

⁴ **HOME Affordable Units** are included in the 94 total units & 24 VHHP Units

⁵ **HOME-ARP Unit**

⁶ **HOME-ARP Unit**

HOME Housing Unit Terms | HOME Units must be restricted at 50% and 60% of the area median income for the rent and occupancy restrictions applicable to the 9 Floating HOME Affordable Units. The HOME-ARP Affordable Units will be reserved for HOME-ARP qualifying populations.

Tax Credit Funds | The Project's finance includes the issuance of bonds by the California Municipal Finance Authority in the amount of \$35,823,312. The funds will be used to finance and refinance the acquisition, construction, development, and equipping of a 94-unit qualified residential rental project, which guarantees that the income and rent will remain restricted for a period of 55 years.

Density Bonus Agreement | The Developer has proposed to construct and restrict the rent and occupancy of 69 residential dwelling units ("Affordable Units") to very low-income households in exchange for a density bonus ("Density Bonus") for 55 years. The Developer is receiving incentives and concessions pursuant to and in accordance with the requirements of Government Code 65915.

The incentives and concessions are:

- 1) To provide a five-foot exterior setback from the new lot line;
- 2) No private open space⁷;
- 3) No Balconies; and
- 4) Relief from unit storage requirements per NC Municipal Code 18.42.070.7

San Diego County Building Trades Council (SDCBTC) | SDCBTC is the site owner and will provide a long-term lease to the limited partnership. SDCBTC will lease and pay rent for the seventh floor and patio. There will not be any residential units or common areas on the seventh floor. SDCBTC will fund the total amount of the construction costs into an escrow account, which will be used each month to pay the construction contractor's invoices. SDCBTC will reimburse Wakeland at closing for all soft costs related to the SDCBTC space. Affordable housing funds are not being used for the SDCBTC space. SDCBTC staff will not park on the Project site.

Alignment with City Planning Documents & Community Needs | Union Tower aligns and fulfills the goals, high-priority needs, and objectives of the Plans below.

- The HUD Consolidated Plan goals and high-priority needs (1) Provide Decent and Affordable Housing and (2) Support Initiatives that Reduce Homelessness.
- Housing Element Goal #2 Encourage and facilitate the construction of new housing consistent with the City's RHNA allocation; Goal #5 Promote and implement fair housing practices and equal access to housing opportunities for all income levels; Goal #6 Support programs for housing vulnerable and special needs populations.
- Housing Strategic Plan Objectives Objective #1 Leverage City-owned assets to support progress towards the City's RHNA; Objective #2 Affirmatively further fair housing choice by encouraging the development of resource-rich housing; Objective #3 Expand housing choices, including homeownership opportunities, for lower- and moderate-income households. Promote mixed-income housing as opportunities allow.

As of January 2024, the City of National City Housing Authority's Housing Choice Voucher Section 8 Program has a waitlist of 2,957 applicants, indicating a significant demand for additional affordable housing units that this project will provide.

⁷ **Common open space** is approximately 28,545 SF

Staff Recommendation | Staff recommends that the Housing Authority’s Board approve the Construction and Permanent Financing Loan Agreement (Agreement) and “Exhibits A-G” to the Agreement (Exhibit “B”) and authorize signing authority to the Executive Director or his designee to execute the Agreement and Exhibits “A-G” (Exhibit “B”) and related documents including but not limited to subordinations approved by the Housing Authority’s General Counsel.

FINANCIAL STATEMENT:

Resolution 2022-85 appropriated \$8,000,000 of Housing Authority Funds to the Union Tower Affordable Housing Project, Housing Authority Fund account number 501-419-462-650-9171. After project completion, staff will collect an annual monitoring fee of \$215 per unit, subject to change corresponding to Fee Schedule updates.

RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:

Housing and Community Development

ENVIRONMENTAL REVIEW:

Union Tower is a by-right project, exempt from CEQA. Wakeland completed a Phase I Environmental Site Assessment on the site, which revealed no evidence of recognized environmental conditions or de minimis conditions in connection with the subject property. Wakeland is currently performing an NEPA analysis with an expected completion date of mid-February 2024.

PUBLIC NOTIFICATION:

Agenda Report posted within 72 hours of the meeting date and time in accordance with the Brown Act.

ORDINANCE:

Not Applicable

EXHIBITS:

Exhibit A – Resolution 2022-85

Exhibit B – Construction and Permanent Financing Loan Agreement & Exhibits “A-G”

Exhibit C - Resolution

RESOLUTION NO. 2022 - 85

RESOLUTION OF THE COMMUNITY DEVELOPMENT COMMISSION-HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY, CALIFORNIA (“HOUSING AUTHORITY”) APPROVING TWO CONDITIONAL LOAN AWARDS FOR FUNDING REQUESTED THROUGH THE AFFORDABLE HOUSING NOTICE OF FUNDING AVAILABILITY (“NOFA”) RELEASED ON OCTOBER 14, 2021 OF EIGHT MILLION DOLLARS (\$8,000,000) TO THE UNION TOWER AFFORDABLE HOUSING PROJECT BY WAKELAND HOUSING DEVELOPMENT AND HOUSING CORPORATION AND TWO MILLION DOLLARS (\$2,000,000) TO THE AZURIK AFFORDABLE HOUSING PROJECT BY MAAC NATIONAL CITY, LP

WHEREAS, a Notice of Funding Availability (NOFA) for up to \$10,000,000 for the funding of affordable housing in National City was included in a strategic goal of Housing Authority’s Strategic Plan the was approved by the Community Development Commission-Housing Authority of the City of National City, California (“Housing Authority”) on August 3, 2021; and

WHEREAS, the Notice of Funding Availability (NOFA) for affordable housing was released on October 14, 2021, and applications were due on November 19, 2021; and

WHEREAS, the NOFA made approximately \$10 million in total funds available for all capital requests for new construction, acquisition with rehabilitation, or rehabilitation of affordable housing serving households earning up to 60% of the Area Median Income (AMI) for rental projects and households earning up to 80%-120% of the AMI for homeownership projects. Capital funds are from the Housing Authority’s Housing Fund and are subject only to the conditions set forth in the NOFA; and

WHEREAS, after the release of the NOFA on October 14, 2021, a total of two (2) applications were received by the November 19, 2021 deadline; and

WHEREAS, a funding request for \$10,000,000 was made by MAAC National City, LP, for the Azuriik Project for 400 housing units to be developed at 233 Roosevelt Avenue in National City and a request for \$8,000,000 was made by Wakeland Housing and Development Corporation for the Union Tower Project for 94 housing units to be developed at 2313 “F” Avenue in National City, California; and

WHEREAS, the applications were reviewed for compliance in terms of the NOFA and evaluated according to the established NOFA Evaluation Criteria. Projects were then ranked based on the scoring criteria described in the NOFA; and

WHEREAS, the Housing Authority issued Addendum No. 1 to the NOFA on April 7, 2022 to include a financial feasibility and gap analysis of the two applications to help determine the funding recommendations; and

WHEREAS, the financial feasibility and gap analysis concluded that it is comparatively more likely that the Azuriik proposal may be developed without some or all of the Housing Authority’s financial support, and comparatively less likely that the Union Tower proposal may be developed without some or all of the Housing Authority’s financial support.

NOW, THEREFORE, COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF NATIONAL CITY, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

Section 1: Approves two conditional loan awards for funding requested through the Affordable Housing Notice of Funding Availability (“NOFA”) released on October 14, 2021 of Eight Million Dollars (\$8,000,000) to the Union Tower Affordable Housing Project by Wakeland Housing Development and Housing Corporation and Two Million Dollars (\$2,000,000) to the Azuriik Affordable Housing Project by MAAC National City, LP.

Section 2: Once each project has secured its financing including remaining gap funding sources, Housing Authority staff and its financial consultants will underwrite the final loan amounts and draft loan documents for approval by the developer of each project and General Counsel of the Housing Authority.

Section 3: The loan award is not final until all necessary loan documents are approved by the Housing Authority.

Section 4: That the City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED and ADOPTED this 7th day of June, 2022.



Alejandra Sotelo-Solis, Chairwoman

ATTEST:

For 

Brad Raulston, Secretary

APPROVED AS TO FORM:



Charles E. Bell Jr., General Counsel

Passed and adopted by the City Council of the City of National City, California, on June 7, 2022 by the following vote, to-wit:

Ayes: Sotelo-Solis, Bush, Morrison, Rios, Rodriguez

Nays: None.

Absent: None.

Abstain: None.

AUTHENTICATED BY: ALEJANDRA SOTELO-SOLIS
Mayor of the City of National City, California

Luz Molina
City Clerk of the City of National City, California

BY: 
Shelley Chapel, MMC, Deputy City Clerk

Construction and Permanent Financing Loan Agreement (Union Tower) & List of Exhibits

<u>Exhibit</u>	<u>Description</u>
"A"	Affordable Housing Density Bonus Agreement (Union Tower)
"B"	Regulatory Agreement (Union Tower) – The Property Description is missing.
"C"	Promissory Note (Union Tower-HOME Funds)
"D"	Deed of Trust (Union Tower)
"E"	Security Agreement (Union Tower)
"F"	Unsecured Environmental Indemnity Agreement (Union Tower)
"G"	Promissory Note (Union Tower-Housing Authority Housing Fund)

**CONSTRUCTION AND PERMANENT FINANCING
LOAN AGREEMENT
(Union Tower)**

THIS CONSTRUCTION AND PERMANENT FINANCING LOAN AGREEMENT (“Agreement”) is dated as of the __ day of February, 2024, by and between Union Tower One LP, a California limited partnership (“Borrower”), and the City of National City (“City”) and the Community Development Commission-Housing Authority of the City of National City (“Housing Authority”). The City and Housing Authority may be referred to collectively herein as the (“Lender”).

RECITALS

A. Concurrently herewith, Borrower is acquiring a leasehold interest that certain parcel of real property generally located at 2313 F Street in National City, California (“Property”). Borrower’s construction of the Project, as defined in Recital B, below, will be financed by Borrower in part using: (i) a loan from the Housing Authority in the original principal amount of up to Eight Million and No/100 Dollars (\$8,000,000.00) (“Housing Authority Loan”); and (ii) a loan from the City in the original principal amount of up to One Million Five Hundred Thousand and No/100 Dollars (\$1,500,000.00) (“HOME and HOME-ARP Loan”). The Housing Authority Loan is being funded entirely with funds from the Housing Authority Housing Fund. The HOME and HOME-ARP Loan is being funded with One Million Two Hundred Five Thousand Nine Hundred One and 27/100 Dollars (\$1,205,901.27) in United States Department of Housing and Urban Development HOME Investment Partnerships Program (HOME) funds and Two Hundred Ninety Four Thousand Ninety Eight and 73/100 Dollars (\$294,098.73) in HOME American Rescue Plan Program (HOME-ARP) funds.

B. Borrower intends to construct two (2) new multifamily affordable housing towers (of which one will be a four-story building and the other will be a seven-story building), which shall include an aggregate of ninety-three (93) Affordable Units, as defined below, and one (1) unrestricted manager’s unit, office space consisting of the entire seventh floor of the seven-story building, and 45 parking spaces (collectively, the “Project”). The Project is to be operated as low income housing. The ninety-three (93) Affordable Units shall be rent and occupancy restricted as set forth in the Regulatory Agreement for fifty-five (55) years as required by the Lender. The HOME and HOME-ARP Loan shall be governed by all ARPA Regulations (31 C.F.R. Part 35) and HUD Home Investment Partnerships Program Regulations (24 C.F.R. Part 92), whether or not specifically referenced in this Agreement or the Regulatory Agreement and shall fund only project costs as set forth in 24 C.F.R. 92.206. Nine (9) of the Affordable Units shall be floating HOME Units and two (2) of the Affordable Units shall be floating HOME-ARP Units which shall be restricted under the HOME and HOME-ARP programs for a period of twenty (20) years as referenced in the Regulatory Agreement. Provided, however, during the remaining thirty-five (35) years, the Affordable Units that were restricted under the HOME and HOME-ARP Programs will continue to be rent-restricted and occupancy-restricted as referenced in the Regulatory Agreement. The obligations of the Borrower under the Regulatory Agreement shall be independent of, and in addition to, Borrower’s obligations under this Agreement, and repayment of the Housing Authority

Loan and HOME and HOME-ARP Loan shall not terminate or otherwise affect the affordability restrictions set forth in the Regulatory Agreement. In addition, in order to comply with Section 504 of the Rehabilitation Act of 1973, five (5) of the Affordable Units shall be fully handicap accessible and two (2) of the Affordable Units shall incorporate features for the visually and hearing impaired, which units may be designed to serve both accessibility and visual and hearing requirements in one unit.

C. Borrower intends to finance the Project with: (i) first lien priority tax-exempt construction loan from JP Morgan Chase Bank, N.A., in the original principal amount of approximately \$46,000,000.00 (“Construction Loan”) derived from the proceeds of the Multifamily Housing Revenue Bonds; (ii) first lien priority taxable permanent loan from JP Morgan Chase Bank, N.A., in the original principal amount of approximately \$4,000,000.00 (“Permanent Loan”); (iii) the Housing Authority Loan; (iv) a permanent loan from the California Department of Housing and Community Development Veterans Housing and Homelessness Prevention Program in the original principal amount of \$7,003,410.00 (“HCD VHHP Loan”); (v) a permanent loan from the California Department of Housing and Community Development Multifamily Housing Program in the original principal amount of \$4,524,400.00 (“HCD MHP Loan”); (vi) a loan from the County of San Diego Health and Human Services Agency of Innovative Housing Trust Funds in the original principal amount of approximately \$3,500,000.00 (“County Loan”); (vii) the HOME and HOME-ARP Loan; (viii) funding from an affiliate of the Borrower’s administrative general partner in the approximate amount of \$1,124,809.00 (“Trades Council Funds”) for use developing the commercial office space; (ix) deferral of a portion of the Borrower’s developer fee in the approximate amount of \$1,600,000.00 (“Deferred Developer Fee”); (x) capital contribution or sponsor loan from Borrower’s general partner in the amount of \$6,188,250.00; (xi) an aggregate of approximately \$31,824,876.00 of equity generated from an allocation of Federal 4% tax credits contributed to Borrower by Borrower’s limited partner (“Tax Credit Equity”); and (xii) loans from the sponsor of Borrower’s managing general partner of California Department of Housing and Community Development of Infill Infrastructure Grant Multifamily Housing Program funds in the original principal amount of \$5,430,084.00 and grant funds from the California Energy Commission Build grant funds in the original principal amount of \$454,704.00 (collectively, the “GP Loan”); and (xiii) a loan from the sponsor of the Borrower’s managing general partner (the “Interim Sponsor Loan”). This Agreement is being executed in connection with, and Lender’s obligation to make the Housing Authority Loan and HOME and HOME-ARP Loan are contingent on, the Borrower closing on the Construction Loan, GP Loan, Interim Sponsor Loan, Trades Council Funds and County Loan and the Borrower obtaining commitments for the Permanent Loan, HCD VHHP Loan, HCD MHP Loan and Tax Credit Equity.

D. The Housing Authority Loan shall be evidenced by the Housing Authority Note. The Housing Authority Note shall have a 55-year term, shall bear interest at the rate of three percent (3%) simple interest per annum and will be repayable via annual payments equal to 17.37% of the Project’s residual receipts on the terms and conditions set forth in the Housing Authority Note. The HOME and HOME-ARP Loan shall be evidenced by the HOME and HOME-ARP Note. The HOME and HOME-ARP Note shall have a 55-year term, shall bear interest at the rate of three percent (3%) simple interest per annum and will be repayable via annual payments equal

to 17.37% of the Project's residual receipts on the terms and conditions set forth in the HOME and HOME-ARP Note. Residual receipts shall be allocated first to the Housing Authority Loan until paid in full, then to the HOME and HOME-ARP Loan until paid in full.

E. The Project shall be constructed in accordance with all applicable law, rules, regulations and conditions of approval from the U.S. Department of Housing & Urban Development ("HUD"), the City of National City, the various lenders involved with the Project and the requirements of this Agreement. 24 C.F.R. Section 92.504 requires the City to enter into a written agreement prior to disbursing any HUD HOME and HOME-ARP funds. This Agreement is intended to be the written agreement required by 24 C.F.R. Section 92.504. The Housing Authority Loan and HOME and HOME-ARP Loan shall be used to fund costs associated solely with the residential portion of the Property. No Housing Authority Loan or HOME and HOME-ARP Loan funds may be expended with respect to any commercial portion of the Property or the operation thereof. Completion of Construction (as defined below) shall be achieved and the Project shall be placed "in service" as that term is used for purposes of Section 42 of the Internal Revenue Code of 1986, on or before December 31, 2026. Time is of the essence. The residential units in the Project shall be or have been 100% occupied on or before March 31, 2027.

NOW, THEREFORE, in furtherance of the recitals stated above, the mutual covenants set forth below, the parties agree, promise and declare as follows:

DEFINITIONS

The following terms shall have the meanings set forth below:

"Affordable Units" means the ninety-three (93) dwelling units that shall be constructed by Borrower on the Property, the rent and occupancy of which shall be restricted for fifty-five (55) years as set forth in the Regulatory Agreement.

"Agreement" means this Construction and Permanent Financing Loan Agreement.

"Borrower" means Union Tower One LP, a California limited partnership. Nothing contained herein shall prohibit Borrower from changing its name provided that, except as expressly permitted herein, there is no change in the composition and make-up of the partners of Borrower, without the prior written consent of Lender, except for Permitted Transfers.

"City" means the City of National City.

“Closing” means the Borrower’s closing on the Housing Authority Loan, HOME and HOME-ARP Loan, Construction Loan, Interim Sponsor Loan, GP Loan Trades Council Funds and County Loan, which shall occur concurrently.

“Completion of Construction” shall occur upon the filing or the issuance by the building official of the City of a temporary certificate of occupancy for all units within the Project, including the eleven (11) floating HOME and HOME-ARP Affordable Units.

“Construction Loan” means the first lien priority tax-exempt and taxable construction loans to the Borrower from JP Morgan Chase Bank, N.A., in the original principal amount of not more than \$46,000,000.00 (“Construction Loan”) derived from the proceeds of Multifamily Housing Revenue Bonds. At conversion, the tax-exempt construction loan will be paid off and the taxable Permanent Loan will be funded.

“Cost Certification” means the audited certification prepared by a Certified Public Accountant under generally accepted accounting principles with all disclosures and notes, as required by Title 4 California Code of Regulations Section 10322. The Cost Certification shall reflect all costs, expenditures and funds used for the project, as identified by the certified public accountant, up to the date the Project is placed “in service” (as such term is used in 26 U.S.C. §42) and include a CTCAC provided sources and uses form reflecting actual total costs incurred up to the date the Project is placed “in service” (as such term is used in 26 U.S.C. §42).

“County Loan” means the construction and permanent financing loan to the Borrower from the County of San Diego Health and Human Services Agency of Innovative Housing Trust Funds in the original principal amount of \$3,500,000.00.

“Deferred Developer Fee” means that portion of the Developer Fee which will be deferred for payment from cash flow from the Project, which shall not exceed the amount permitted in Section 1.21 of this Agreement, without the written consent of Lender which may be granted or withheld in the discretion of the Lender.

“Environmental Indemnity Agreement” means an unsecured environmental indemnity agreement, in a form and format approved by the Lender in the Lender’s sole discretion, which shall be executed by the Lender and Borrower at the Closing.

“Escrow” means the escrow depository and disbursement services to be performed by the Escrow Agent pursuant to the provisions of this Agreement.

“Escrow Agent” means Cheryl Greer, Commonwealth Land Title Company.

“Escrow Instructions” means the Escrow Instructions being delivered by the Lender to Escrow Agent concurrently with the delivery of this Agreement to Escrow Agent.

“Excess Funds” shall have the meaning set forth in Section 1.1(a), below.

“GP Loan” means the loan to Borrower from the sponsor of Borrower’s managing general partner of California Department of Housing and Community Development of Infill Infrastructure Grant Multifamily Housing Program funds in the original principal amount of \$5,430,084.00.

“Hazardous Materials” means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California or the United State Government. Provided, however, the term “Hazardous Materials” shall not include substances typically used in the ordinary course of developing, operating and maintaining apartment complexes in California or small amounts of chemicals, cleaning agents and the like commonly employed in routine household uses in a manner typical of occupants in other similar properties, provided that such substances are used in compliance with applicable laws.

“HCD MHP Loan” means the permanent loan to Borrower from the California Department of Housing and Community Development Multifamily Housing Program in the original principal amount of \$4,524,400.00.

“HCD VHHP Loan” means the permanent loan to Borrower from the California Department of Housing and Community Development Veterans Housing and Homelessness Prevention Program in the original principal amount of \$7,003,410.00.

“HOME and HOME-ARP Loan” means the loan to Borrower from the City of U.S. Department of Housing and Urban Development HOME and HOME-ARP funds in the original principal amount of \$1,500,000.00.

“HOME and HOME-ARP Note” means a promissory note, in a form and format approved by the City in the City’s sole discretion, evidencing the HOME and HOME-ARP Loan, executed by Borrower in favor of the City at Closing.

“Housing Authority” means the Community Development Commission-Housing Authority of the City of National City.

“Lender Deed of Trust” means the leasehold deed of trust securing the Housing Authority Loan and the HOME and HOME-ARP Loan, in a form and format approved by the Housing Authority in the Housing Authority’s sole discretion, which shall be recorded as an encumbrance against the leasehold interest in the Property prior to the Lender funding any portion of the Housing Authority Loan or HOME and HOME-ARP Loan.

“Housing Authority Loan” means the construction and permanent financing loan from Housing Authority to Borrower in the original principal amount of up to Eight Million and No/100 Dollars (\$8,000,000.00).

“Housing Authority Note” means a promissory note, in a form and format approved by the Housing Authority in the Housing Authority’s sole discretion, evidencing the Housing Authority Loan, executed by Borrower in favor of the Housing Authority at Closing.

“Partnership Agreement” means the Amended and Restated Agreement of Limited Partnership of Borrower, dated substantially concurrently herewith.

“Permanent Loan” means the first lien priority permanent loan to Borrower financed by taxable funds from JP Morgan Chase Bank, N.A., in the original principal amount of approximately than \$4,000,000.00.

“Permitted Transfer” means: (a) a conveyance of a security interest in the Property, the Project, or a general partner interest in Borrower, or any combination thereof, in connection with any loan permitted hereunder; (b) the issuance of partnership interests in Borrower equal to 99.99% of the profits, losses, credits, distributions and other interest in Borrower to Hudson Union Tower One LP, a Delaware limited partnership, and to Hudson-FM SLP LLC, a Delaware limited liability company, which entities are the investment partner and special limited partners, respectively, of Borrower described in Borrower’s Partnership Agreement; (c) the transfer by any of the Borrower’s limited partners of their interests in the Borrower to an affiliate of the limited partner; or to any other entity directly or indirectly controlled by Hudson Housing Capital LLC (together with its successors, the “Investor Sponsor”), or an affiliate thereof; (d) a change in the beneficial ownership of any of the Borrower’s limited partners so long as such entities remain directly or indirectly controlled by the Investor Sponsor, or an affiliate thereof; (e) the removal and replacement of the Borrower’s general partner by a limited partner or an affiliate of the limited partner of the Borrower pursuant to the Borrower’s Partnership Agreement; (f) any grant of easement or public dedication made in connection with the approved plans and specifications for the Project; (g) the transfer of the Property, the Project, or Borrower’s limited partners interest in Borrower to an affiliate of one or more of Borrower’s general partners pursuant to a right of first refusal, purchase option or put option under Borrower’s Partnership Agreement; (h) the sublease of the office space to be located on the seventh floor of one of the buildings in the Project pursuant to the commercial lease for the same; and/or (i) the lease for occupancy of all or any Affordable Unit or of the 7th floor commercial space.

“Project” means the two (2) new multifamily affordable housing towers and other improvements to be constructed by the Borrower on the ground leasehold interest in the Property (of which one will be a four-story building and the other will be a seven-story building), which shall include an aggregate of ninety-three (93) Affordable Units, as defined above, one (1) unrestricted manager’s unit, office space consisting of the entire seventh floor of the seven-story building, and 45 parking spaces. The Project is to be operated as low income housing.

“Property” means that certain parcel of real property commonly known as 2313 F Street, National City, California.

“Regulatory Agreement” means a regulatory agreement, in a form and format approved by the Lender in the Lender’s sole discretion, which shall restrict the rent and occupancy of all of the ninety-three (93) Affordable Units for fifty-five (55) years as set forth in the Regulatory Agreement. The Regulatory Agreement shall require Borrower to pay an annual occupancy monitoring fees imposed by the Lender.

“Security Agreement” means a Security Agreement, in a form and format approved by the Lender in the Lender’s sole discretion, which shall be executed by the Lender and Borrower at Closing.

“Tax Credit Equity” means approximately \$31,824,876.00 in the aggregate of equity generated from an allocation of Federal 4% tax credits to be contributed to Borrower by the Borrower’s limited partner, subject to upwards and/or downwards adjustment pursuant to the terms and conditions of the Partnership Agreement.

“Trades Council Funds” means the funding to Borrower from Borrower’s administrative general partner or its affiliate in the approximate amount of \$1,023,977.00 to be used to construct the office space on the 7th floor of one of the buildings in the Project.

ARTICLE I

Loan Provisions - General

Section 1.1 Construction and Permanent Financing Loan. The Lender will fund the Housing Authority Loan and the HOME and HOME-ARP Loan to Borrower according to and upon the terms and conditions set forth in this Agreement. The proceeds of the Housing Authority Loan and the HOME and HOME-ARP Loan shall be used by Borrower solely to construct and permanently finance the Project, in accordance with all applicable HUD HOME and HOME-ARP regulations.

(a) Loan Amounts. The amount of the Housing Authority Loan shall not exceed Eight Million and No/100 Dollars (\$8,000,000.00). The amount of the HOME and HOME-ARP Loan shall not exceed One Million Five Hundred Thousand and No/100 Dollars (\$1,500,000.00). In the event the aggregate amount of the various permanent financing sources exceeds the uses of funds for the Project as evidenced by the final Cost Certification (“Excess Funds”), then, subject to the rights of senior lenders, those Excess Funds shall be used in the following order: (i) to fund excess development costs or the repayment of any outstanding general partner loans made to fund excess development costs, (ii) to make any necessary adjustment to the total tax credit allocation as may be required by California Tax Credit Allocation Committee, and (iii) to pay any remaining and unpaid Deferred Developer Fee and any outstanding Interim Sponsor Loan (which Interim Sponsor Loan may also be repaid during the construction period to the extent that the Borrower receives additional soft-debt financing); (iv) 17.37% to pay down the principal balance of the Housing

Authority Loan plus an additional amount to pay down other soft loans as may be required by such lenders in proportion to their respective loan amounts and permitted by the California Department of Housing and Community Development Uniform Multifamily Regulations.. Borrower shall provide to the Lender copies of the preliminary Cost Certification and the final Cost Certification prepared by an independent accounting firm not later than five (5) business days after the same are completed and received in their final form approved by Borrower.

(b) Promissory Notes.

(1) The Housing Authority Loan shall be evidenced by the Housing Authority Note executed by Borrower, in favor of Housing Authority, in the original principal amount of up to Eight Million and No/100 Dollars (\$8,000,000.00). The HOME and HOME-ARP Loan shall be evidenced by the HOME and HOME-ARP Note executed by Borrower, in favor of City, in the original principal amount of up to One Million Five Hundred Thousand and No/100 Dollars (\$1,500,000.00). Prior to the timely Completion of Construction of the Project, the Housing Authority Loan, the Housing Authority Note, HOME and HOME-ARP Loan and HOME and HOME-ARP Note shall be fully recourse to Borrower. Upon placement of the Project “in service”, as that term is used for purposes of Section 42 of the Internal Revenue Code of 1986, each of the Housing Authority Loan, the Housing Authority Note, HOME and HOME-ARP Loan and HOME and HOME-ARP Note shall be non-recourse to Borrower.

(2) The Housing Authority Note and HOME and HOME-ARP Note shall each bear simple interest at three percent (3%) per annum from the dates of disbursement. Annual payments on the Housing Authority Note and HOME and HOME-ARP Note shall be due in accordance with the Housing Authority Note and HOME and HOME-ARP Note, respectively. The first payment shall be due on or before May 31, 2027 (for calendar 2026). All principal and unpaid interest on the Housing Authority Note and HOME and HOME-ARP Note shall be due and payable to the Housing Authority on December 31, 2081. Payments under the Housing Authority Note and HOME and HOME-ARP Note shall be payable from residual receipts as set forth therein, provided, however, that residual receipts shall be allocated first to the Housing Authority Note until paid in full, then to the HOME and HOME-ARP Note until paid in full. The residual receipts shall be calculated as specifically set forth in the Housing Authority Note and HOME and HOME-ARP Note. The principal and interest evidenced by the Housing Authority Note and HOME and HOME-ARP Note may be prepaid in whole or in part at any time and from time to time, without notice, premium or penalty. Any prepayment shall be allocated first to unpaid interest and then to principal. The obligations of Borrower under the Regulatory Agreement shall be independent of, and in addition to, Borrower’s obligations under this Agreement, and repayment of the Housing Authority Note and HOME and HOME-ARP Note shall not terminate or otherwise affect the Regulatory Agreement.

(3) Should Borrower agree to or actually sell, convey, transfer, further encumber or dispose of the ground leasehold interest in the Property or any interest in the same, except Permitted Transfers hereunder, without first obtaining the written consent of the holders of the Housing Authority Note and HOME and HOME-ARP Note (i.e., the Lender), which consent shall be granted or withheld at the reasonable discretion of the holders of the Housing Authority Note and HOME and HOME-ARP Note, then all obligations secured by the Housing Authority Note and HOME and HOME-ARP Note may be declared due and payable at the option of the holders of the Housing Authority Note and HOME and HOME-ARP Note, provided, however, that the holders of the Housing Authority Note and HOME and HOME-ARP Note has already consented to the encumbrances against the ground leasehold interest in the Property reflected in the policy of title insurance issued in favor of the holder of the Housing Authority Note and HOME and HOME-ARP Note concurrently herewith which is more particularly described in the Escrow Instructions. The consent to one transaction of this type will not constitute a waiver of the right to require consent to future or successive transactions. The Regulatory Agreement shall remain in place for its term of fifty-five (55) years whether or not Housing Authority approves or disapproves a successor-in-interest.

Section 1.2 - Security.

(a) Lender Deed of Trust. Upon the close of Escrow, Borrower shall execute, acknowledge, deliver and cause the Lender Deed of Trust to be recorded against the ground leasehold interest in the Property as security for the Housing Authority Loan and HOME and HOME-ARP Loan. A copy of this Agreement shall not be attached to and recorded as part of the Lender Deed of Trust but any breach of or misrepresentation under this Agreement shall, upon the expiration of any applicable notice and cure period(s), constitute an event of default under the Lender Deed of Trust. At Closing the Lender Deed of Trust shall be recorded in a position superior and prior to all encumbrances on the ground leasehold interest in the Property, except that the same may be subordinated to: (i) the deeds of trust and instruments securing the Construction Loan and the Permanent Loan (upon its closing and funding), the HCD VHHP Loan and the HCD MHP Loan); (ii) the regulatory agreements entered into with respect to any bond financing, the City approvals, the Loan, the GP Loan (which regulatory agreement is a covenant required by the California Department of Housing and Community Development in connection with the Infill Infrastructure Grant Program), HCD VHHP Loan, HCD MHP Loan and County Loan; and (iii) the exceptions to title set forth in the Escrow Instructions. Such subordinations shall be on terms and conditions acceptable to the Lender in its reasonable discretion.

(b) Additional Security. Borrower shall execute and deliver to Lender the Environmental Indemnity Agreement and the Security Agreement and such other consents, certificates, assignments and other documents or instruments as Lender may require.

Section 1.3 - Subsequent Financing. Except as otherwise set forth herein or the Deed of Trust, no further loan, deed of trust, or encumbrance, shall be placed by Borrower upon any portion of the ground leasehold interest in the Property, including without limitation the Project, whether by refinancing or otherwise, without first obtaining the express written consent of Lender. Any such unconsented to financing or refinancing shall constitute a material breach of this Agreement. Further, during any Lender -approved refinancing or subsequent encumbrance, Lender shall be provided ALTA title insurance or endorsements acceptable to Lender, at the cost and expense of Borrower. Said written consent shall be at Lender's sole discretion. Without the express written consent of Lender such subsequent financing is void. As used in this Agreement, the approval of the Lender shall mean the approval of the City Manager of National City. In the event the Lender consents to Borrower's refinancing, Housing Authority shall subordinate the Housing Authority Loan and HOME and HOME-ARP Loan to the new senior lender(s).

Section 1.4 - Funding. Lender's obligation to fund the Housing Authority Loan and HOME and HOME-ARP Loan shall be and is specifically conditioned upon Borrower closing on the Construction Loan, Interim Sponsor Loan, GP Loan, Trades Council Funds and County Loan, Borrower obtaining commitments for the Permanent Loan, HCD VHHP Loan, HCD MHP Loan and Tax Credit Equity, the Lender approving all documents with respect to the same, the Lender approving the Partnership Agreement of Borrower, the Lender approving the preliminary title reports concerning the Property, payment of all taxes due and payable on the Property, issuance of an ALTA Lender's policy insuring the Lender Deed of Trust satisfactory to the Lender, satisfaction of all conditions precedent to Lender's obligation to fund the Housing Authority Loan and HOME and HOME-ARP Loan contained in this Agreement, and satisfaction of those conditions set forth in Section 1.15 of this Agreement. Lender acknowledges that all of such aforementioned conditions have been satisfied or will be satisfied concurrently with Closing.

Section 1.5 - Regulatory Agreement of Covenants and Restrictions. The obligation of the Lender to make and fund the Housing Authority Loan and HOME and HOME-ARP Loan is subject to the execution, and recordation of the Regulatory Agreement against the ground leasehold interest in the Property. The Regulatory Agreement shall contain housing payment and income level restrictions for the ninety-three (93) Affordable Units for a period of fifty-five (55) years as set forth in the Regulatory Agreement and shall restrict the rent and occupancy of the nine (9) floating HOME Affordable Units and the two (2) floating HOME-ARP Affordable Units in accordance with 24 C.F.R. Section 92.252 for twenty (20) years under the HOME and HOME-ARP Programs, commencing on the date all relevant Project completion data is entered into the Department of Housing and Urban Development's ("HUD") Integrated Disbursement and Information System. The Borrower shall provide the Lender with the street address and apartment number of each HOME and HOME-ARP Affordable Unit, and shall specifically identify the five (5) fully handicap accessible Affordable Units plus the two (2) Affordable Units with features for the visually and hearing impaired, no later than the time of initial occupancy. Each tenant of a floating HOME or HOME-ARP Affordable Unit shall have a written lease that complies with 24 C.F.R. Section 92.253. The monthly rental rates shall be as set forth in the Regulatory Agreement, subject to annual modification as set forth in the Regulatory Agreement. Such subordinations shall be on terms and conditions acceptable to the Lender in its reasonable discretion.

Section 1.6 - No Partnership or Joint Venture. The relationship between Lender and Borrower created by this Agreement shall not be one of partnership or joint venture, but rather shall be one of secured lender and borrower.

Section 1.7 - Insurance. Borrower shall take out and maintain during the term of the Regulatory Agreement, and Borrower shall cause Borrower's general contractor and subcontractors to take out and maintain until Completion of Construction of the Project, a commercial general liability policy in the amount of not less than \$4,000,000 combined single limit policy for the general contractor and not less than \$2,000,000 combined single limit policy for subcontractors, and a commercial automobile liability policy in the amount of \$2,000,000 combined single limit, or such other policy limits as the Lender may approve in its discretion, including contractual liability, as shall protect the Borrower and the Lender from claims for such damages covered by the policies; the policy limits required herein may be achieved through the use of a combination of primary and umbrella/excess liability policies. Such policies shall be written on an occurrence form. Borrower shall also furnish or cause to be furnished to the Lender evidence satisfactory to the Lender that Borrower, and any contractor with whom the Borrower has contracted for the performance of work on the Project or otherwise pursuant to this Agreement, carries workers' compensation insurance as required by law, which shall include a waiver of subrogation endorsement in favor of the Lender. The Borrower shall furnish a certificate of insurance countersigned by an authorized agent of the insurance carrier on a form approved by the Lender setting forth the general provisions of the insurance coverage. This countersigned certificate shall name the Lender and its respective officers, agents, and employees as additionally insured parties under the policy, and the certificate shall be accompanied by a duly executed endorsement evidencing such additional insured status. The certificate and endorsement by the insurance carrier shall contain a statement of obligation on the part of the carrier to notify the Lender of any material change, cancellation or termination of the coverage at least thirty (30) days in advance of the effective date of any such material change, cancellation or termination; should the insurer not be able to afford the Lender such notice, then responsibility to provide the Lender such notice shall be borne by the Borrower. Coverage provided hereunder by the Borrower shall be primary insurance and not be contributing with any insurance maintained by the Lender and the policy shall contain such an endorsement. The insurance policy or the endorsement shall contain a waiver of subrogation for the benefit of the Lender. The required certificate shall be furnished by the Borrower prior to Closing. Insurance shall be written with only insurers authorized to conduct business in California with a current policy holder's alphabetic and financial size category rating of not less than A: VII according to the current Best's Key Rating Guide or a company of equal financial stability that the Lender approves. In the event coverage is provided by non-admitted "surplus lines" carriers, they must be included on the most recent List of Approved Surplus Line Insurers maintained by the California Department of Insurance and otherwise meet rating requirements set forth herein.

Section 1.8 - Assignability.

(a) Except for a Permitted Transfer, Borrower may not assign any interest in this Agreement and shall not transfer any interest in the same (whether by assignment or novation) without the prior written approval of the Lender. Any assignment without the prior written consent of the Lender shall be voidable, at the election of the Lender. Further, except for a Permitted Transfer, Borrower shall not change any of its general partners nor admit new general partners without the express written consent of Lender, which shall not be unreasonably withheld.

(b) Except to the extent that changes are solely to effectuate a Permitted Transfer or for amendments that are corrective in nature, Borrower shall not amend, modify, restate, revoke or rescind its LP-1 or the Partnership Agreement of Borrower or convert to any other type of entity without the prior written consent of Lender.

Section 1.9 - General Contractor and Subcontracting. The guaranteed not to exceed construction contract, entered into by Borrower with the general contractor for the construction of the Project shall be entered into on or before the date of the Closing, and shall be subject to the prior written approval of the City Manager of National City. Borrower shall be fully responsible to the Lender for the acts and omissions of the general contractor and its subcontractors, and of persons either directly or indirectly employed by Borrower. Borrower shall cause the general contractor to name the Lender as an additional insured on all insurance required to be purchased and maintained by the general contractor. Certificates of insurance acceptable to Lender shall be filed with Lender prior to the Closing.

Section 1.10 – Borrower Liability. The Borrower shall be responsible for all injuries to persons and/or all damages to real or personal property of the Lender or others, caused by or resulting from the negligence and/or breach of this Agreement, by Borrower, Borrower’s employees, contractors, subcontractors and/or Borrower’s agents during the construction of, or arising out of, the construction of the Project and/or the breach of this Agreement, except to the extent arising from the negligence or willful misconduct of the Lender or any other Indemnified Party. Borrower shall defend and hold harmless and indemnify the Lender and all officers and employees of the same from all liabilities, causes of action, demands costs, damages, judgments, expenses and claims (collectively “Claims”) by any person resulting from the negligence and/or breach of this Agreement, by Borrower, Borrower’s employees, contractors, subcontractors and/or Borrower’s agents, arising out of the construction of the Project and/or the breach of this Agreement. Borrower shall defend any Claims against the Lender at the sole cost and expense of Borrower, with counsel of the indemnified party’s reasonable choosing that is also consented to by the Borrower’s insurance carrier(s) when applicable.

Section 1.11 - Ownership of Materials and Documents. Any and all sketches, drawings, tracings, field survey notes, computations, plans, details and other materials and documents prepared by or on behalf of Borrower pertaining to the Property and to which Borrower has an ownership interest shall be the property of Lender upon a default by Borrower under this Agreement, and the expiration of all applicable notice and cure period(s), and Borrower shall deliver such materials and documents to Lender whenever requested to do so by Lender. Notwithstanding the foregoing,

the Lender's rights to the materials delineated in the immediately preceding sentence shall be subordinate to the rights of any senior institutional lender or the California Department of Housing and Community Development with respect to the same. Lender shall have the right to have duplicate copies of such materials and documents for their file, at the cost and expense of Lender, upon written request even if Borrower is not in default under the terms of this Agreement.

Section 1.12 - Indemnification.

(a) Environmental Indemnity. Borrower agrees to indemnify, defend and hold the City, the Housing Authority and all of their respective councilmembers, agents, officers, representatives, directors and employees ("Indemnified Parties") harmless from and against any claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense, resulting from, arising out of, or based upon any of the following: (i) the presence, release, use, generation, discharge, storage or disposal of any Hazardous Materials on, under, in or about, or the transportation of any such Hazardous Materials to or from, the Property or the Project, or (ii) the violation, or alleged violation, of any applicable statute, ordinance, order, rule, regulation, permit, judgment or license relating to the use, generation, release, discharge, storage, disposal or transportation of Hazardous Materials on, under, in or about, to or from, the Property or the Project. The indemnification of the Indemnified Parties by Borrower set forth in this Section 1.12 shall apply regardless of when the Hazardous Materials came to be on, under, in or about the Property or the Project, including without limitation whether the Hazardous Materials came to be on, under, in or about the Property or the Project prior to Borrower's acquisition of an interest in the Property or the Project. This indemnity shall include, without limitation, any damage, liability, fine, penalty, parallel indemnity after closing cost or expense arising from or out of any claim, action, suit or proceeding for personal injury (including sickness, disease or death), tangible or intangible property damage, compensation for lost wages, business income, profits or other economic loss, damage to the natural resource or the environment, nuisance, contamination, leak, spill, release or other adverse effect on the environment. The indemnity provided in this Section 1.12 does not include any condition arising solely from an Indemnified Party's property (not as a result of its remedies hereunder) or as a result of the gross negligence or affirmative acts of the Indemnified Parties. Notwithstanding anything contained in this Agreement to the contrary, Borrower's duty to indemnify the Indemnified Parties as set forth in this Section 1.12 shall survive and remain an outstanding obligation of Borrower after termination of this Agreement.

(b) General Indemnity.

(1) Definitions.

(A) Claims. "Claims" means any Claims as set forth in Section 1.10, above, or any and all threatened, pending or completed claims, actions, suits, proceedings, arbitrations, grand jury proceedings or investigations, damages, liabilities, injunctive relief, injuries to person or property, fines, penalties, causes of action, losses, costs, expenses and judgments whether civil, criminal, administrative or investigative, and any one or more appeals therefrom.

(B) Expenses. “Expenses” means fees, court costs, staff time, transcripts, reasonable fees of attorneys, reasonable fees of experts, reasonable witness fees, arbitration fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and all and all other direct or indirect costs and disbursements associated with any Claims, including without limitation expenses of establishing a right to indemnification under this Section 1.12.

(C) Indemnified Parties. “Indemnified Parties” shall have the meaning set forth in Section 1.12(a), above.

(D) Liabilities. “Liabilities” means the obligations (including an obligation incurred by way of settlement) to pay any judgment, settlement, penalty, interest, assessment, Claim, cost and fee.

(2) Indemnification. Borrower hereby agrees to indemnify, protect and hold harmless the Indemnified Parties from and against any and all Claims incurred by or asserted against any Indemnified Party, which arise directly or indirectly, in whole, in part or in any way, from the Housing Authority Loan, HOME and HOME-ARP Loan, Regulatory Agreement, the Property, the ground leasehold interest in the Property, the Project, the Affordable Units or from any other approval or action whatsoever in connection with the Property, the ground leasehold interest in the Property or the Project, except to the extent of the gross negligence or willful misconduct of an Indemnified Party.

(3) Payment of Liabilities and Expenses. Borrower further agrees to pay any and all Liabilities and Expenses incurred by any and all Indemnified Parties with respect to any Claims which arise directly or indirectly, in whole, in part or in any way from the Housing Authority Loan, HOME and HOME-ARP Loan, the Property, the ground leasehold interest in the Property, the Project, the Affordable Units or from any other approval or action whatsoever in connection with the Project, except to the extent of the gross negligence or willful misconduct of an Indemnified Party.

(4) Separate Rights of Action. A separate right of action hereunder shall arise each time each Indemnified Party acquires knowledge of any matters described herein. Separate and successive actions may be brought hereunder to enforce any of the provisions hereof at any time and from time to time. No action hereunder shall preclude any subsequent action.

(5) Right to Defend. Each Indemnified Party shall have the right, but not the obligation, to conduct its own defense with respect to any Claims and to retain legal counsel of its own choosing. Borrower shall pay for or reimburse any such Indemnified Party for any and all Expenses and Liabilities incurred by such Indemnified Party, as such Expenses and Liabilities are incurred. An Indemnified Party’s election to defend itself as provided in this Section, shall not in any way limit the Borrower’s obligation to reimburse and pay for any and all Liabilities and Expenses incurred by the Indemnified Parties with respect to any Claims; provided, however, any Indemnified Party may elect in its sole discretion to demand that the Borrower defend and pay all Expenses with respect to any Claims, provided the Claims if determined adversely to such

Indemnified Party, would be covered by the foregoing indemnification provisions. Upon any such demand by any Indemnified Party, Borrower shall defend and pay all Expenses and Liabilities with respect to such Claims; such defense shall be at the Borrower's sole cost and expense and by counsel reasonably approved by such Indemnified Party.

(6) Survival. Borrower's duty to indemnify shall survive and remain an outstanding obligation of Borrower upon the termination of this Agreement.

Section 1.13 - Termination. This Agreement and the relationship created herein shall terminate upon full satisfaction of all of Borrower's obligations, and those of Borrower's successors, if approved by the Lender, under this Agreement. The obligations of Borrower include, but are not limited to, those obligations arising under the Regulatory Agreement, the provisions of which shall survive repayment of the Housing Authority Loan and HOME and HOME-ARP Loan.

Section 1.14 - Default by Borrower.

(a) Notwithstanding anything to the contrary set forth herein, in the event of a material default by Borrower in the performance of any of the terms, covenants and conditions contained in this Agreement, the Housing Authority Note, HOME and HOME-ARP Note, the Lender Deed of Trust, the Regulatory Agreement or the Security Agreement after expiration of the cure period set forth in Section 1.14(b) or 1.14(c) hereof, or as a result of a default past any applicable notice and cure period under any prior or junior note secured by an encumbrance on the Property, the ground leasehold interest in the Property, or any portion of it, or any note or deed of trust given in conjunction herewith relating to the Property, or in the event of the filing of a bankruptcy proceeding by or against Borrower which is not dismissed within one hundred twenty (120) days, all sums disbursed or advanced by Lender, plus interest, shall at the option of Lender immediately become due and payable and Lender shall have no obligation to disburse any further funds, or otherwise, and Lender shall be released from any and all obligations to Borrower under the terms of this Agreement. These remedies shall be in addition to any and all other rights and remedies available to Lender, either at law or in equity.

(b) If a non-monetary event of default occurs under the terms of this Agreement, the Housing Authority Note, HOME and HOME-ARP Note, the Lender Deed of Trust, the Regulatory Agreement or the Security Agreement, prior to exercising any remedies hereunder or thereunder, the Lender shall give Borrower written notice of such default indicating in reasonable detail the nature of the default. If the default is capable of being cured within ninety (90) calendar days after such notice is received or deemed received, Borrower shall have such period to effect a cure prior to exercise of remedies by the Lender. If the default is such that it is not capable of being cured within ninety (90) days in the Lender's reasonable discretion and Borrower (i) initiates corrective action within said period, and (ii) diligently and in good faith works to effect a cure as soon as possible, then Borrower shall have such additional time as the Lender determines, in its reasonable discretion, is necessary to cure the default prior to exercise of any remedies by the Lender. If such default is not timely cured, then the Lender may proceed with all or any of its rights and remedies as set forth herein, in the Regulatory Agreement and/or the Lender Deed of Trust.

(c) In the event of any monetary default by the Borrower under the terms of this Agreement, the Housing Authority Note, HOME and HOME-ARP Note, the Lender Deed of Trust, the Regulatory Agreement or the Security Agreement, the Lender shall give Borrower a thirty (30) day written notice of default, during which time the Borrower shall have the ability to cure the monetary default. If the default is not timely cured, the Lender may proceed with all rights and remedies under the terms of the Housing Authority Loan or at law.

(d) Notwithstanding anything to the contrary contained herein, the Lender hereby agrees that Borrower's limited partners shall each have the right, but not the obligation, to cure any defaults of the Borrower hereunder, or under the Housing Authority Note, HOME and HOME-ARP Note, the Lender Deed of Trust, the Security Agreement, Regulatory Agreement, and the Lender agrees to accept cures tendered by Borrower's limited partners on behalf of the Borrower within the applicable cure periods set forth herein or therein.

Section 1.15 - Conditions to Lender Obligations. The obligation of Lender to make and fund the Housing Authority Loan and HOME and HOME-ARP Loan is subject to satisfaction of all of the conditions set forth in this Section 1.15, which may be satisfied concurrently with Closing.

(a) Closing on the Ground Lease. The Borrower shall have acquired, or will concurrently with the Closing acquire, the ground lease interest in the Property.

(b) Execution of Documents. This Agreement, the Housing Authority Note, HOME and HOME-ARP Note, Lender Deed of Trust, Security Agreement, Environmental Indemnity Agreement and Regulatory Agreement, fully executed by the Borrower, shall have been delivered to the Escrow Agent along with all other fully executed security documents and instruments provided for herein and/or as required by Lender.

(c) Commitment to Issue Title Policy. The Escrow Agent shall be irrevocably committed to issue and deliver to the Lender a standard form ALTA Lender's Policy of Title Insurance, insuring Lender's security interest in the ground leasehold interest in the Property under the Lender Deed of Trust in an amount equal to the aggregate original principal amounts of the Housing Authority Loan and HOME and HOME-ARP Loan. Which ALTA Lender's Policy of Title Insurance shall be paid for by Borrower.

(d) Compliance with Obligations. Borrower shall have strictly complied with, and performed, all terms and conditions of the documents executed by Borrower in connection with this Agreement.

(e) Financing. Borrower shall have closed on, or will concurrently with the Closing close on, the Construction Loan, Interim Sponsor Loan, GP Loan, Trades Council Funds and County Loan, and Borrower shall have obtained commitments for the Permanent Loan, HCD VHHP Loan, HCD MHP Loan and Tax Credit Equity, and the Lender shall have reviewed and approved all documentation with respect to the same.

(f) Partnership Agreement. The Lender shall have approved the Borrower's partnership agreement.

(g) Borrower's Payment of Escrow Fees. Borrower has paid an amount into Escrow, which is sufficient to pay for all costs associated with such escrow, including without limitation title fees, escrow fees, closing costs and carrying costs.

(h) Construction Contract. The guaranteed not to exceed construction contract for the Project, acceptable to Lender, shall have been executed by the Borrower and the general contractor(s).

(i) ALTA Survey. The Lender shall have approved the ALTA survey of the Property.

(j) Insurance Certificates. The Borrower shall have delivered all certificates of insurance and additional insured endorsements.

(k) Final Proforma. The Borrower shall have delivered and the Lender shall have approved the final construction closing financial proforma for the Project (the "Final Proforma"). To the extent the Final Proforma has different amounts for the Construction Loan, Permanent Loan, Trades Council Funds, Developer Fee (including any Deferred Developer Fee), and, Project reserves, the numbers in the Final Proforma shall control over any inconsistencies in this Agreement.

(l) NEPA Clearance. The parties agree and acknowledge that this Agreement constitutes a conditional reservation and does not represent a final commitment of HOME or HOME-ARP funds or site approval under 24 CFR Part 58 of the National Environmental Policy Act (NEPA). HOME and HOME-ARP funds constitute a portion of the funding for the Project, and a final reservation of HOME and HOME-ARP funds shall occur only upon satisfactory completion of environmental review and receipt by the City of a Release Of Funds from the U.S. Department of Housing and Urban Development under 24 CFR Part 58 of NEPA. The obligation of City to make and fund the HOME and HOME-ARP Loan is conditioned upon the City's determination to proceed with, modify or cancel the Project based on the results of subsequent environmental review under NEPA. By execution of this Agreement, Borrower acknowledges that Borrower has no legal claim to any amount of HOME and HOME-ARP funds to be used for the Project or Property unless and until the Property and Project receive environmental clearance under NEPA. Borrower is prohibited from undertaking or committing any funds to physical or choice-limiting actions, prior to environmental clearance under NEPA. Violation of this provision may result in denial of any HOME and HOME-ARP Loan funds to the Project

Section 1.16 - Borrower's Representations and Warranties. Borrower represents and warrants to the Lender that:

(a) Borrower is a validly and lawfully formed limited partnership, is in good standing under California law and will remain such for the term of this Agreement.

(b) Execution of this Agreement, the Lender Deed of Trust, Housing Authority Note, HOME and HOME-ARP Note and all other documents executed in conjunction herewith have been duly authorized by Borrower, and such execution shall not result with the passage of time or the giving of notice or both in breach of or in acceleration of performance under any contract or document to which Borrower may be a party.

(c) All required approvals have been obtained in connection with Borrower's execution of this Agreement, and all related agreements and documents to the effect that no breach of or acceleration of performance under any agreement or document to which Borrower is a party will result from such execution.

(d) Funds advanced by Lender pursuant to the Housing Authority Loan and HOME and HOME-ARP Loan are advanced wholly for the benefit of Borrower.

(e) The principal and interest due and payable under the Housing Authority Loan and HOME and HOME-ARP Loan are subject to the terms and conditions of this Agreement, any other security documents or instruments provided for herein.

(f) Funds advanced by Lender pursuant to the Housing Authority Loan and HOME and HOME-ARP Loan shall be used solely for the construction and permanent financing of the Project, but shall not be expended to fund construction, repairs, maintenance or the operation of any commercial portion of the Property.

(g) Any default by Borrower under the terms of this Agreement shall not relieve Borrower from any obligation to correct any incomplete, inaccurate, or defective work at no further cost to Lender, when such inaccuracies, defects and incomplete work are due to Borrower's fault, including the fault of Borrower's subcontractors, agents, partners, joint venturers and employees.

(h) Borrower shall comply with the Regulatory Agreement at all times during the term of the Regulatory Agreement.

Section 1.17 Affordability Provisions.

(a) Execution of Regulatory Agreement. Borrower agrees to execute the Regulatory Agreement and to cause it to be recorded against the ground leasehold interest in the Property, assuring compliance with the affordability provisions of this Agreement. The Regulatory Agreement shall be binding and enforceable against all heirs, successors and assigns of Borrower.

(b) Term of Affordability. Borrower agrees that the ground leasehold interest in the Property shall remain affordable and subject to the Regulatory Agreement until December 31, 2081.

(c) Cross-Default With the Regulatory Agreement. Borrower and its successors in interest to the Project and/or the ground leasehold interest in the Property shall strictly comply with all of the terms and conditions of the Regulatory Agreement. Any default under the Regulatory Agreement, which continues uncured after any applicable notice and cure period provided in the Regulatory Agreement, shall be a default under this Agreement, the Housing Authority Note, HOME and HOME-ARP Note and the Lender Deed of Trust.

Section 1.18 - Lender Approval of Property Manager. At all times that any portion of the Housing Authority Loan or HOME and HOME-ARP Loan remains unpaid and outstanding and/or the Regulatory Agreement is in force and effect, and Lender has served a thirty (30) day written notice of deficiencies in the property management for the Project, the Regulatory Agreement or any document executed in conjunction herewith, which deficiencies have not been rectified by Borrower, within the thirty (30) day period (unless such deficiency is not capable of being cured within such thirty (30) day period, then such amount of time as Lender determines is needed, not to exceed one hundred twenty (120) days unless otherwise approved by the Lender, provided Borrower commences cure within such thirty (30) day period and continues to diligently pursue cure of such deficiency), then, Lender shall have the right, but not the duty, in its reasonable discretion, subject to any approval rights of the senior lender, and upon an additional thirty (30) days written notice: (i) to require and approve, in advance and in writing, the retention of a professional property management firm, to manage the Project including the terms of the contract governing such retention, which such approval shall not to be unreasonably withheld or delayed; and (ii) to require Borrower to terminate any such property management firm for reasons to be specified in writing to Borrower by Lender not less than sixty (60) days in advance, provided that such termination shall comply with the termination provisions of the management contract in question. Borrower shall cooperate with Lender to effectuate Lender's rights. The Lender approves of Hyder & Company as the initial property management firm.

Section 1.19 - Usury. If a court of competent jurisdiction determines, by way of final unappealable order or judgment, that the interest rate charged under the Housing Authority Note or HOME and HOME-ARP Note is usurious, then such rate shall automatically and retroactively be reduced to the maximum rate allowed under applicable law.

Section 1.20 - Remedies.

(a) Contract Governed by Laws of the State of California. This Agreement, the performance of this Agreement, and all suits and special proceedings under this Agreement, shall be constituted in accordance with the laws of the State of California and Federal law, to the extent applicable. In any action, special proceeding, or other proceeding that may be brought arising out of, under or because of this Agreement, the laws of the State of California and the United States, to the extent applicable, shall govern to the exclusion of the law of any other forum, without regard to the jurisdiction in which the action or special proceeding may be instituted.

(b) Standing, Equitable Remedies; Cumulative Remedies. Borrower expressly agrees and declares that Lender shall be the proper party and shall have standing to initiate and pursue any and all actions or proceedings, at law or in equity, including but not limited to foreclosure under any security instrument securing performance hereunder, to enforce the provisions hereof and/or to recover damages for any default hereunder, which default continues uncured after any applicable notice and cure period, notwithstanding the fact that such damages or the detriment arising from such a default may have actually been suffered by some other person or by the public at large. Further, Borrower expressly agrees that receivership, injunctive relief and specific performance are proper pre-trial and/or post-trial remedies hereunder, and that, upon any default, which default continues uncured after any applicable notice and cure period, a receiver may be appointed by the court to take control of the Project and to assure compliance with this Agreement. Nothing in this subparagraph, and no recovery by the Lender, shall restrict or limit the rights or remedies of persons or entities other than the Lender, against Borrower in connection with the same or related acts by Borrower. The remedies set forth in this Section are cumulative and not mutually exclusive, except the extent that their award is specifically determined to be duplicative by final order of a court of competent jurisdiction.

(c) Remedies at Law for Breach of Operating Restrictions. In the event of any default under this Agreement regarding restrictions on the operation and the transfer of the Project, after expiration of all applicable notice and cure periods, Lender shall be entitled to, in addition to any and all other remedies available at law or in equity: (i) declare the Housing Authority Loan and HOME and HOME-ARP Loan to be all due and payable; and (ii) recover compensatory damages. If the default in question involves the violation of Section 1.17, above, including without limitation a default under the Regulatory Agreement, the amount of such compensatory damages shall be the product of multiplying (A) the number of months that the default in question has continued until the time of trial by (B) the result of subtracting the rents properly chargeable hereunder for the Affordable Unit(s) in question from the amount actually charged. Borrower and Lender agree that it would be extremely difficult or impracticable to ascertain the precise amount of actual damages accruing to Lender as a result of such a default and that the foregoing formula is a fair and reasonable method of approximating such damages. Lender shall be entitled to seek and to recover damages in separate actions for successive, separate breaches which may occur. Further, interest shall accrue on the amount of such damages from the date of the breach in question at the rate of ten percent (10%) per annum or the maximum rate then allowed by law, whichever is less. Nothing in this section shall preclude the award of exemplary damages as allowed by law.

Section 1.21 - Developer Fee and Management Fees. The total developer fee shall not exceed \$8,870,697.00 (the “Developer Fee”). Of the Developer Fee, a maximum of \$1,600,000.00 may be deferred (“Deferred Developer Fee”). Any Deferred Developer Fee is payable out of the Borrower’s cash flows and treated as an operating expense for purposes of calculating Residual Receipts, as defined in the Housing Authority Note and HOME and HOME-ARP Note.

Section 1.22 - Reserves. Borrower shall maintain the reserves set forth below during the term of the Regulatory Agreement. Failure to maintain such reserves shall constitute a material default under this Agreement.

(a) Operating Reserve. An operating reserve for the Project of not less than \$305,812.00 shall be capitalized upon funding of the Permanent Loan and used to fund operating shortfalls and, following the achievement of a minimum annual debt service ratio of 1.15 for three (3) consecutive years following stabilized occupancy, to pay Deferred Developer Fee. The operating reserve shall be maintained for the entire terms of the Housing Authority Loan and HOME and HOME-ARP Loan and may be satisfied by an Operating Reserve established pursuant to the Borrower’s Partnership Agreement or required by a senior lender.

(b) Replacement Reserve. Annually, beginning with the first year after the Project is placed “in service” (as such term is used in 26 U.S.C. §42) and each year thereafter, \$47,000.00 shall be set aside as a replacement reserve for the Project and may be satisfied by a Replacement Reserve established pursuant to the Borrower’s Partnership Agreement or required by a senior lender.

(c) Additional Requirements Applicable to the Reserves. Each reserve shall be maintained in a separate account which account may be held by a senior lender. No disbursements from any reserve in excess of \$10,000 annually or \$100,000 in the aggregate shall be made without the express written consent of the City Manager of National City, or designee, not to be unreasonably withheld, conditioned or delayed. Borrower shall account to Lender for any monies expended from the reserves, in a form as approved by Lender.

Section 1.23 - Completion of Construction. Completion of Construction of the Project shall be achieved and the Project shall be placed “in service” (as such term is used in 26 U.S.C. §42) on or before December 31, 2026. Time is of the essence. Failure to comply with this requirement shall constitute a material default under the terms of this Agreement.

Section 1.24 - Removal of General Partner by the Lender. At all times that any portion of the Housing Authority Loan or HOME and HOME-ARP Loan remains unpaid and/or the Regulatory Agreement is in force and effect and the Lender has served a thirty (30) day written notice of deficiencies in the duties of the general partner of the Borrower, which deficiencies have not been rectified by Borrower, in the Lender’s reasonable discretion, within the thirty (30) day period (unless such deficiency is not capable of being cured within such thirty (30) day period, then such amount of time as Lender reasonably determines is needed, not to exceed one hundred twenty (120) days, provided Borrower commences cure within such thirty (30) day period and continues to diligently pursue cure), then, the Lender shall have the right, but not the duty, in the Lender’s

reasonable discretion and upon an additional thirty (30) days written notice (i) to require the removal of the general partner and the termination of the general partner's interest in the Borrower; and (ii) to require that Borrower admit a replacement general partner, acceptable to the Lender in its reasonable discretion, provided, however that a replacement of the general partner with an affiliate of the Borrower's limited partner shall not require Lender approval. Borrower shall cooperate with the Lender to effectuate the Lender's rights

Section 1.25 - Funding Mechanism; Disbursements. The Lender's obligation to fund the Housing Authority Loan and HOME and HOME-ARP Loan shall be and is specifically conditioned upon Borrower satisfying all of the conditions set forth in this Agreement.

(a) Disbursements. The Housing Authority Loan and HOME and HOME-ARP Loan shall be disbursed pursuant to written draw requests submitted by the Borrower to the Lender supported by such back up documentation as the Lender requires. Disbursements of approved draws shall be conditioned upon the receipt of lien release(s) from the general contractor and any applicable subcontractors for the work performed and contained within the draw request or evidence of an adequate bond or other security reasonably acceptable to the Lender.

(b) Limit on Effect of Approval. Review and/or approval of any work by the fund control, disbursement of monies pursuant to a draw request, or any Lender review and/or approval of the Construction Loan and/or work shall be understood to be general review and/or approval only, and shall not relieve Borrower of the responsibility to design, engineer, and construct the Project in accordance with all applicable laws, codes, regulations, and good design, construction, and engineering practice. Any deficiencies or defects shall be corrected at Borrower's cost and expense and without any cost to the Lender. Disbursements of approved draws shall be conditioned upon the receipt of lien release(s) from the general contractor and any applicable subcontractors for the work performed and contained within the draw request.

ARTICLE II

Specific Loan Provisions

Section 2.1 - Conditions to Lender Obligations and Borrower Representations and Warranties.

(a) Interest of Current or Former Members, Officers or Employees. Borrower represents and warrants that no member, officer, or employee of Borrower, no member of the governing body of the locality in which Lender was activated, or other public official of such locality or localities who exercises any functions or responsibilities with respect to this Agreement, has or shall have during his or her tenure, or for one year thereafter, have any interest, direct or indirect, in this Agreement or the proceeds thereof. Any violation of this section may, at the option of Lender, result in unilateral and immediate termination of this Agreement by Lender. Further, the contractor, who rehabilitates and constructs the Project, agrees to comply with all of the Conflict of Interest provisions contained in 24 C.F.R. §92.356.

(b) Unsecured Environmental Indemnity. Borrower shall enter into the Unsecured Environmental Indemnity Agreement in favor of Lender and shall name the Lender as a named additional insured on its insurance policies.

(c) Title Policy. Borrower, shall, at Borrower's sole cost and expense, obtain an ALTA lender's policy naming Lender as a named insured, and insuring that Lender's interest is subject to no superior liens, encumbrances, special assessments or taxes, except as approved by Lender.

(d) Construction. Lender shall be entitled to review, inspect and approve, without liability, all of the construction of the Project. All construction shall be performed substantially in accordance with the plans and specifications approved by the Lender in accordance with Section 2.2 of this Agreement, without liability to Lender for review and observation of the construction. Any deficiencies in construction shall be corrected by the contractor and/or Borrower, upon written notice from Lender to Borrower, prior to any additional funding of the Housing Authority Loan or HOME and HOME-ARP Loan and prior to making any additional payments under the construction contract and/or to any contractor or subcontractors responsible for such deficiency until such correction is completed.

(e) Uniform Physical Conditions Standards. Borrower represents and warrants that after completion, the Project and all of the Affordable Units, including the HOME and HOME-ARP Affordable Units in: (i) a decent, safe and sanitary condition, and in good repair as described in 24 C.F.R. Section 5.703; and (ii) in a manner which satisfies the Uniform Physical Conditions Standards promulgated by the Department of Housing and Urban Development (24 C.F.R. §5.705), as such standards are interpreted and enforced by Lender under its normal policies and procedures. Borrower warrants that all rehabilitation and construction shall meet or exceed the applicable local codes and construction standards, including zoning and building codes of the City of National City as well as the provisions of the Model Energy Code published by the Council of American Building Officials. Borrower hereby consents to periodic inspection by Lender's designated inspectors and/or designees during regular business hours, including the Code Enforcement Agents of the City of National City, to assure compliance with all applicable zoning, building codes, regulations, and property standards. Borrower agrees to comply with the provisions of 24 C.F.R. §92.251, whether or not contained in this Section.

(f) Limitation of Use of Funds for Religious Purposes. Borrower represents and warrants that Borrower will fully comply with any and all requirements and limitations contained in 24 C.F.R. §92.257, as amended, from time to time. Borrower further represents, warrants and agrees that no funds will be used for any purpose proscribed in 24 C.F.R. §92.257, as amended.

(g) Administrative Requirements. Borrower shall strictly comply with the administrative requirements that are applicable to Borrower contained within 24 C.F.R. Section 92.505, including, but not limited to, the requirements of OMB Circular No. A-87 and the applicable requirements of 2 C.F.R. Part 200. Further, Borrower covenants (if it is a nonprofit organization) to comply with the OMB Circular No. A-122 and the applicable provisions of OMB Circular No. A-110. Copies of said OMB Circulars are on file in the offices of Lender and are available for inspection and copying by Borrower. Borrower further agrees that should the

administrative requirements contained in 24 C.F.R. Section 92.505 be amended and/or changed from time to time by HUD, that Borrower will comply with the terms and conditions of such changed and/or amended administrative requirements. The HOME and HOME-ARP funds shall be closed out in accordance with 24 C.F.R. Part 200, Subpart D, as required by 24 C.F.R. Section 92.507.

(h) Records and Reports. Borrower shall supply the Lender, annually, no later than June 30th, of each year during the term of this Agreement, for the calendar year ending the immediately previous December 31st, with such records and reports as are required and are requested by the Lender to aid in complying with the reports and record keeping provisions, terms and conditions of 24 C.F.R. §§92.508 and 92.509, as amended from time to time, and any and all other requirements of this Agreement. The records and reports include (to the extent applicable), but are not limited to the following:

- (1) Amount of funds expended pursuant to this Agreement;
- (2) Eligible tenant information, including yearly income verifications;
- (3) Housing payments charged to resident tenants, to the extent applicable;
- (4) On-site inspection results;
- (5) Affirmative marketing records;
- (6) Insurance policies and notices;
- (7) Equal Employment Opportunity and Fair Housing records;
- (8) Labor costs and records;
- (9) An audited income and expense statement and balance sheet for Borrower;
- (10) An audited income and expense statement, balance sheet and statement of cash flows for the Project;
- (11) A management plan for the calendar year in which the report is prepared showing anticipated rental income, other income, expenses, anticipated repairs and replacements to the Project, timing of such repairs and replacements, insurance maintained on behalf of the Project, and such other matters as the Lender shall require, in the Lender's sole discretion;
- (12) Federal and State income tax returns for the calendar year, ending on the preceding December 31st;
- (13) Annual budget of reserves for repair and replacement;

- (14) Annual certification and representation regarding status of all loans, encumbrances and taxes;
- (15) Annual statement regarding condition of the Property and Project and disclosing any known defects;
- (16) A financial audit in accordance with section 2 C.F.R. Part 200 Subpart F if required by HUD pursuant to 24 C.F.R. Section 92.506;
- (17) Residual receipts computation on the approved Lender form;
- (18) A report or reports, certifying compliance with the terms and provisions of the Section 3 requirements, as set forth in this Agreement and certifying compliance with the provisions of federal law as it relates to Section 3, whether or not specifically set forth in this Agreement;
- (19) Information on rents and occupancy of HOME and HOME-ARP Affordable Units to demonstrate compliance with 24 C.F.R. §92.252, including information regarding floating HOME and HOME-ARP Affordable Unit substitutions and filling vacancies so that the Project remains in compliance with HOME and HOME-ARP rental occupancy requirements; and
- (20) Such other and further information and records as the Lender shall request in writing from Borrower.

NOTE: As to items (9), (10), and (12), drafts may be initially submitted if the final documents are not available at the stated deadline(s). However, final documents must be submitted when available.

Time is of the essence in supplying each and every report required to be supplied to the Lender. The parties agree that a fee of \$25.00 per day shall be paid by Borrower to the Lender for each day that each report is delinquent. The parties agree that multiple fees may be charged at any one time, depending upon the number of reports and/or information that is delinquent.

The parties agree that a fee of \$25.00 per day, per report and/or information is a reasonable estimation of the damages that will accrue to the Lender as a result of the failure of Borrower to timely submit the required information and/or reports and that said fees shall be treated as liquidated damages by the parties, in anticipation of the damages that will be incurred by the Lender as a result of a breach by Borrower. The parties further agree that it would be difficult, if not impossible, to determine the exact actual amount of damages suffered by the Lender in the event of a breach by Borrower in the reporting requirements of this Agreement. Notwithstanding the foregoing or anything to the contrary contained herein, the Lender shall give Borrower prior written notice of any report and/or information that Borrower has failed to provide the Lender

pursuant to this Section and Borrower shall have thirty (30) days to provide such report and/or information to the Lender prior to the assessment of any liquidated damages.

(i) Monitoring of Project Activities. Borrower agrees to allow the Lender upon prior written notice and during regular business hours, such reasonable access to review and inspect Borrower's activities under this Agreement as the Lender shall require to perform its monitoring duties under the Regulatory Agreement. The Lender shall monitor Borrower's activities without liability for said inspection and review.

(j) Federal and State Requirements. The Borrower and the Project shall comply with all applicable portions of 24 C.F.R. Part 24, Subpart F. Borrower represents, warrants and agrees that, unless otherwise approved by the Lender, Borrower will fully comply, during the term of this Agreement, with any and all applicable HOME and HOME-ARP requirements including, but not limited to the requirements of 24 C.F.R. Part 92, 24 C.F.R. §§92.351 (Affirmative Marketing), 92.352 (Environmental Review), 92.353 (Displacement, Relocation and Acquisition Residential, Antidisplacement and Relocation Plan), 92.354 (Labor), and 92.356 (Conflict of Interest). Borrower further warrants, represents and agrees that should said Program requirements be changed by HUD, from time to time, that Borrower will comply with said changed and amended regulations if and to the extent applicable. Notwithstanding the foregoing, the Lender has not imposed, and nothing in this agreement shall be construed as imposing, any independent prevailing wage requirements that are different from those imposed by applicable Federal or State law.

(k) Affirmative Marketing. Borrower shall, at all times during the term of this Agreement, comply with all of the provisions of 24 C.F.R. §92.351 and the affirmative marketing procedures adopted by the Lender, including, but not limited to, all requirements and procedures referenced in said 24 C.F.R. §92.351(b), amended from time to time. Borrower shall maintain records to verify compliance with the applicable affirmative marketing procedures and compliance. Such records are subject to inspection by the Lender during regular business hours upon five (5) days written notice.

(l) Nondiscrimination, Equal Opportunity and Fair Housing Programs. Borrower shall comply with all applicable Federal requirements set forth in 24 C.F.R. part 5, subpart A. During the term of this Agreement, Borrower agrees as follows:

(1) Nondiscrimination and Equal Opportunity. Borrower shall comply with all applicable requirements of: The Fair Housing Act (42 U.S.C. §§3601-19) and implementing regulations at 24 C.F.R. part 100 et seq.; Executive Order 11063, as amended by Executive Order 12259 (3 C.F.R., 1959-1963 Comp., p. 652 and 3 C.F.R., 1980 Comp., p. 307) (Equal Opportunity in Housing Programs) and implementing regulations at 24 C.F.R. part 107; title VI of the Civil Rights Act of 1964 (42 U.S.C. §§2000d-2000d-4) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 C.F.R. part 1; the Age Discrimination Act of 1975 (42 U.S.C. §§6101-6107) and implementing regulations at 24 C.F.R. part 146; section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794) and implementing regulations at part 8 of this title; title II of the Americans with Disabilities Act, 42 U.S.C. §§12101 et seq.; 24 C.F.R. part 8; section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. §1701u) and implementing

regulations at 24 C.F.R. part 135; Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 C.F.R., 1964-1965 Comp., p. 339; 3 C.F.R., 1966-1970 Comp., p. 684; 3 C.F.R., 1966-1970 Comp., p. 803; 3 C.F.R., 1978 Comp., p. 230; and 3 C.F.R., 1978 Comp., p. 264, respectively) (Equal Employment Opportunity Programs) and implementing regulations at 41 C.F.R. chapter 60; Executive Order 11625, as amended by Executive Order 12007 (3 C.F.R., 1971-1975 Comp., p. 616 and 3 C.F.R., 1977 Comp., p. 139) (Minority Business Enterprises); Executive Order 12432 (3 C.F.R., 1983 Comp., p. 198) (Minority Business Enterprise Development); and Executive Order 12138, as amended by Executive Order 12608 (3 C.F.R., 1977 Comp., p. 393 and 3 C.F.R., 1987 Comp., p. 245) (Women's Business Enterprise).

(2) Borrower will not discriminate against any employee, person, or applicant for employment and/or housing because of race, sexual orientation, gender identity, marital status, color, religion, sex, handicap, or national origin. Borrower will take affirmative action to ensure that applicants are employed and/or are housed, and that employees or applicants are treated during employment and/or housing, without regard to their race, sexual orientation, gender identity, marital status, color, religion, sex, handicap, or national origin. Such action shall include, but is not limited to the following: employment, upgrading, demotion, or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Borrower agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

(3) Borrower will, in all solicitations or advertisements for employees and housing placed by on or behalf of Borrower, state that all qualified applicants will receive consideration for employment without regard to race, sexual orientation, gender identity, marital status, color, religion, sex, handicap, or national origin.

(4) Borrower will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement so that such provisions will be binding upon each subcontractor, provided that the foregoing provision shall not apply to contracts or subcontracts for standard commercial supplies of raw materials.

(5) Borrower hereby agrees to comply with the Title VII of the Civil Rights Act of 1964, as amended, the California Fair Employment Practices Act, and any other applicable Federal and State laws and regulations. The Lender will provide technical assistance and copies of the referenced programs upon request. 24 C.F.R. §92.350.

(6) All activities carried out by Borrower and/or agents of Borrower shall be in accordance with the requirements of the Federal Fair Housing Act. The Fair Housing Amendments Act of 1988 became effective on March 12, 1989. The Fair Housing Amendments Act of 1988 and Title VIII of the Civil Rights Act of 1968, taken together, constitute The Fair Housing Act. The Act provides protection against the following discriminatory housing practices if they are based on race, sex, religion, color, handicap, familial status, or national origin: denying or refusing to rent housing, denying or refusing to sell housing, treating differently applicants for housing, treating residents differently in connection with terms and conditions, advertising a discriminatory housing preference or limitation, providing false information about the availability of housing,

harassing, coercing or intimidating people from enjoying or exercising their rights under the Act, blockbusting for profit, persuading owner to sell or rent housing by telling them that people of a particular race, religion, etc. are moving into the neighborhood, imposing different terms for loans for purchasing, constructing, improving, repairing, or maintaining a home, or loans secured by housing; denying use or participation in real estate services, e.g., brokers' organizations, multiple listing services, etc. The Fair Housing Act gives HUD the authority to hold administrative hearings unless one of the parties elects to have the case heard in U.S. District Court and to issue subpoenas. Both civil and criminal penalties are provided. The Act also provides protection for people with disabilities. The following State of California Laws also govern housing discrimination: Fair Employment and Housing Act, Unruh Civil Rights Act of 1959, Ralph Civil Rights Act of 1976, and Civil Code Section 54.1.

(7) Equal Access. All of the eleven (11) floating HOME and HOME-ARP Affordable Units shall be made available without regard to actual or perceived sexual orientation, gender identity, or marital status. Borrower shall not inquire about the sexual orientation or gender identity of an applicant for or occupant of any of the eleven (11) floating HOME and HOME-ARP Affordable Units, for the purpose of determining eligibility for the housing or otherwise making such housing available. This prohibition on inquiries regarding sexual orientation or gender identity does not prohibit any individual from voluntarily self-identifying sexual orientation or gender identity.

(8) Disclosure Requirements. Borrower shall comply with the disclosure requirements and prohibitions of 31 U.S.C. §1352 and implementing regulations at 24 C.F.R. part 87; and the requirements for funding competitions established by the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3531 et seq.).

(m) Labor Requirements. Borrower represents and warrants that during the term of this Agreement that Borrower will comply with each and every provision and requirement contained within 24 CFR §92.354, as amended from time to time, to the extent applicable, and will pay not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. §§276a-276a-5), to all laborers and mechanics employed in the development of any part of the Project in accordance with the terms and provisions of 24 CFR §92.354 and will comply with the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-332). Prevailing wages need not be paid to "Volunteers" or for "Sweat Equity" as defined in 24 CFR §92.354(b) and (c). Furthermore, Borrower, the general contractor, and any and all subcontractors, shall pay prevailing wages for all work done with respect to the Project as required by Federal and California law.

(n) Lead Based Paint. Borrower represents and warrants that during the term of the Agreement that Borrower will comply with each and every provision and requirement contained within 24 C.F.R. §92.355, as amended from time to time, to the extent applicable.

(o) Certification Concerning Debarment and Suspension. Borrower shall comply with the prohibitions at 2 C.F.R. Part 2424 on the use of debarred, suspended, or ineligible contractors and participants. Borrower represents, warrants and hereby certifies, pursuant to 24 C.F.R. §92.357, that Borrower will not use a contractor that has been debarred and or suspended, nor that is proposed for debarment, declared ineligible or voluntarily excluded from participation in the Project, which is the subject matter of this Agreement. Borrower agrees to execute such further certification(s) required by the Lender and/or HUD including, if necessary, that certification included as Appendix B of C.F.R. Part 24, to verify the certification made in this Section 2.1(p).

(p) Flood Insurance. Borrower represents, warrants, and certifies, pursuant to 24 C.F.R. Part 55, that no real property which is the subject of this Agreement, is located within a Flood Plain or Flood Hazard Zone or Area, as indicated on a FEMA Map; or that the Property is located within a community participating in the National Flood Insurance Program and Borrower agrees to purchase and maintain flood insurance for the duration of the term of this Agreement.

(q) Fire Protection and Safety. Borrower represents and warrants that Borrower will comply with all requirements and regulations of the Fire Administration Act of 1992 and the Federal Fire and Prevention Control Act. Borrower will use and install all fire and safety related equipment pursuant to the National Fire Protection Association standards.

(r) Accessibility Standards. The Project and the HOME and HOME-ARP Affordable Units shall meet the accessibility requirements of 24 C.F.R. part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. §§12131-12189) implemented at 28 C.F.R. parts 35 and 36, as applicable. The Project shall also meet the design and construction requirements of 24 C.F.R. Section 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619). Borrower agrees to comply with all of the provisions of 24 C.F.R. Section 92.251, whether or not contained in this Section. Borrower represents and warrants that Borrower will comply with all federal, state and local requirements and regulations that are applicable to the Project concerning access to the units by the disabled and handicapped persons, including, but not limited to, Section 504 of the Rehabilitation Act of 1973 and those requirements of the HOME and HOME-ARP Programs which require that 5% of the units (five (5) of the Affordable Units) shall be fully handicap accessible and 2% of the units (two (2) of the Affordable Units) shall incorporate features for the visually and hearing impaired, which units may be designed to serve both accessibility and visual and hearing requirements in one unit.

(s) Section 3 Requirements. Borrower agrees to comply with and effectuate the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u ("Section 3"), implemented at 24 C.F.R. Part 75. The purpose of Section 3 is to ensure that economic opportunities, most importantly employment, generated by HUD financial assistance shall be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing or residents of the community in which Federal assistance is spent. Consistent with existing federal, state and local laws and regulations, Borrower and its subcontractor shall ensure that training and employment opportunities generated by HUD financial assistance or arising in connection with housing

rehabilitation, housing construction, or other public construction projects are provided to Section 3 workers, and provided in the order of priority set forth at 24 C.F.R. Part 75.9 and Part 75.19.

(t) Drug Free Workplace. Borrower shall comply with all applicable State and Federal rules, laws and regulations to ensure a drug free workplace at all times during the term of this Agreement, including the Drug-Free Workplace Act of 1988 (41 U.S.C. 701, et seq.) and HUD's implementing regulations at 2 C.F.R. Part 2429. Further, Borrower shall incorporate such federal provisions as are required in each contract or subcontract that Borrower enters into in connection with the Project.

(u) Lobbying Prohibition. Borrower hereby certifies to the Lender, under penalty of perjury, under the terms of applicable federal law, that at all applicable times before, during and after the term of the Agreement, that:

(i) No Federal appropriated funds have been paid or will be paid, by or on behalf of Borrower, to any person for influencing or attempting to influence an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement;

(ii) If any funds other than Federal appropriated funds have been paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, Borrower will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;

(iii) Borrower will require that the above stated language be included in the award documents for all subawards at all tiers, including subcontracts, subgrants, loans, contracts, and cooperative agreements concerning the subject matter of this Agreement; and

(iv) Further, Borrower and all subrecipients, at all times, shall certify compliance with the provisions of 31 U.S.C. §1352 and any and all terms and conditions of the Byrd Anti-Lobbying Amendment, as amended from time to time.

Section 2.2 - Commencement of Construction and Compliance with Plans and Specifications. Not later than thirty (30) days following the Closing, Borrower shall commence construction of the Project and shall continue such construction diligently and without substantial delay in a good and workmanlike manner. Borrower will complete the Project substantially in accordance with the plans and specifications approved by Lender, including any additional specifications prescribed by Lender at or before Closing, and in compliance with all requirements of governmental authorities having or asserting jurisdiction. Completion of Construction of the Project shall be achieved on or before December 31, 2026. No material change shall be made in the plans and specifications approved by Lender, including any additional specifications prescribed by Lender,

without the Lender's prior written consent. For purposes of this Section, "material change" means changes which, in aggregate, increase or decrease the construction costs by One Hundred Thousand Dollars (\$100,000.00) or more.

Section 2.3 - No Purchase Under Conditional Sales Agreements, Etc. Except for leased laundry equipment, solar power equipment and cable television or satellite dish equipment or telecommunications equipment and except in connection with the lease for commercial space, no supplies, materials, equipment, fixtures, carpets, appliances, or any part of the Project shall be purchased or installed under any conditional sales agreement, lease or under any other arrangement wherein the right is reserved or accrues to anyone to remove or to repossess any such items. It is expressly agreed that all such items shall be part of the Project.

Section 2.4 - Stoppage of Work by Lender. Lender or the Lender's agents shall have the right at all times to enter upon the Project during the period of construction. If the work of construction is not in material conformance with the plans and specifications, the Lender shall have the right to stop the work and order the replacement of any unsatisfactory work theretofore incorporated into the Project, and to instruct fund control to withhold all disbursements from the accounts until the Lender is satisfied with the work. If the work is not made satisfactory to Lender, in the Lender's reasonable discretion, within thirty (30) calendar days from the date of stoppage by Lender, the same shall constitute a default hereunder. If any unsatisfactory work is such that it is not capable of being cured within thirty (30) calendar days and Borrower, in Lender's reasonable discretion, (i) initiates corrective action within said period, and (ii) diligently and in good faith works to correct the unsatisfactory work as soon as possible, then Borrower shall have such additional time as Lender determines, in the Lender's reasonable discretion, is necessary to cure the unsatisfactory work prior to exercise of any remedies by Lender.

Section 2.5 - Cessation of Work, Completion by Lender. Subject to force majeure delays, should the work of constructing the Project cease for a period of sixty (60) consecutive days, specifically including stoppage by Lender in accordance with Section 2.3 hereof, or should said work for any reason whatsoever not progress continuously in a manner satisfactory to Lender, then Lender may, at the Lender's option and without notice declare Borrower to be in default hereunder, and Lender may thereupon, should the Lender so elect, take possession of the Project and let contracts for the completion of the Project and pay the cost thereof, plus a fee of fifteen percent (15%) of the cost to complete the Project for supervision of construction, disbursing all or any parts of the Housing Authority Loan and HOME and HOME-ARP Loan for such purposes; and should the cost of completing the Project plus such fee, exceed the undisbursed aggregate original principal amount of the Housing Authority Loan and HOME and HOME-ARP Loan, then the amount of such excess may be expended by Lender, in which event such amount shall be considered an additional loan to Borrower, and the repayment thereof, together with interest thereon at the rate provided in the Housing Authority Note, shall be secured by the Lender Deed of Trust and shall be repaid within thirty (30) days after the completion of the Project, and Borrower agrees to pay the same. In addition to the specific rights and remedies hereinabove mentioned, the Lender shall have the right to avail itself of any other rights or remedies to which the Lender may be entitled under any existing law or laws.

Borrower: Union Tower One LP
c/o Wakeland Housing and Development Corporation
1230 Columbia Street, Suite 950
San Diego, CA 92101
Attn. CEO and President

With copies to: NCPA Union Tower One, LLC
2323 D Avenue
National City, CA 91950
Attn: CEO

Borrower's limited partners: Hudson Union Tower LP
Hudson-FM SLP LLC
c/o Hudson Housing Capital LLC
New York, NY 10111
Attention: General Counsel

with a copy to: Holland & Knight LLP
10 St. James Avenue, 12th Floor
Boston, MA 02116
Attn: Dayna M. Hutchins, Esq.

Section 3.3 - Severability. If any provision of this Agreement is deemed to be invalid or unenforceable by a court of competent jurisdiction, that provision shall be severed from the rest of this Agreement and the remaining provisions shall continue in full force and effect.

Section 3.4 - Nonwaiver of Lender's Rights. No right, remedy, or power of Lender in this Agreement shall be deemed to have been waived by any act or conduct on the part of Lender or by any failure to exercise or delay in exercising such right, remedy, or power. Every such right, remedy or power of Lender shall continue in full force and effect until specifically waived or released by an instrument in writing executed by Lender.

Section 3.5 - Entire Agreement. This Agreement and the other loan documents contain the entire understanding between the parties concerning the subject matter contained herein. There are no representations, agreements, arrangements or understandings, oral or written, between or among the parties hereto, relating to the subject matter of this Agreement, which are not fully expressed and/or referred to herein.

Section 3.6 - Recitals Incorporated. The Recitals to this Agreement are hereby incorporated in this Agreement by this reference.

Section 3.7 - Construction of the Agreement. The provisions contained in this Agreement shall not be construed in favor of or against either party but shall be construed as if both parties contributed equally to its preparation. This Agreement shall be construed in accordance with the laws of the State of California.

Section 3.8 - Lender Not Liable for Acts of Omissions of Borrower or Others. Lender shall in no way be liable for any acts or omissions of Borrower, any agent or contractor employed by Borrower, or any person furnishing labor and/or materials used in or related to the construction of the Project.

Section 3.9 - Time of the Essence. Time is of the essence of this Agreement and of each and every provision hereof. The waiver by Lender of any breach or breaches hereof shall not be deemed, nor shall the same constitute, a waiver of any subsequent breach or breaches.

Section 3.10 - Assignment. Borrower shall not assign Borrower's rights nor delegate Borrower's duties under this Agreement without the prior written consent of Lender (except in connection with Permitted Transfers). Any attempt at the assignment or delegation in violation of this section shall be void. Lender shall have full right and authority to assign all or a part of the Lender's rights and delegate all or a part of the Lender's duties under this Agreement.

Section 3.11 - Approvals, Consents and Other Determinations. Unless otherwise provided, in any approval, consent, or other determination by Lender or Borrower required under this Agreement or any of the other loan documents evidencing and/or securing the Housing Authority Loan or HOME and HOME-ARP Loan, Lender and Borrower shall act in good faith and without delay.

Section 3.12 - Participation. Borrower shall cause the fact that the Lender and the U.S. Department of Housing and Urban Development have provided funds to the Project to be referenced in all project designation placards placed on the Project site or other sites, as approved in advance, by the Lender. The design, content and format of the project placards are subject to the written approval of the Lender and shall provide that "This project is funded in part with HOME Investment Partnerships Grant (HOME) funds and HOME American Rescue Plan Program (HOME-ARP) funds provided to the City of National City by the U.S. Department of Housing and Urban Development (HUD) and administered by the Community Development Commission-Housing Authority of the City of National City." The Lender, at the Lender's sole option, reserves the right to request, in writing, that the references to the participation of the Lender in the Project not be included in any, or all, advertisements, press releases, brochures, information sheets, and/or project designation placards.

Section 3.13 - Counterparts. This Agreement may be executed in any number of counterparts and, as so executed, the counterparts shall constitute one and the same Agreement. The parties agree that each such counterpart is an original and shall be binding upon all the parties, even though all of the parties are not signatories to the same counterpart.

Section 3.14 - Waiver and Amendment. No provision of this Agreement, or breach of any provision, can be waived except in writing. Waiver of any provision or breach shall not be deemed to be a waiver of any other provision, or of any subsequent breach of the same or other provision. Except as otherwise provided herein, this Agreement may be amended, modified or rescinded only in writing signed by Borrower and the City Manager of National City.

Section 3.15 - Capacity and Authority. All individuals signing this Agreement for a party which is a corporation, limited liability company, partnership or other legal entity, or signing under a power of attorney, or as a trustee, guardian, conservator, or in any other legal capacity, covenant to the Housing Authority that they have the necessary capacity and authority to act for, sign and bind the respective entity or principal on whose behalf they are signing.

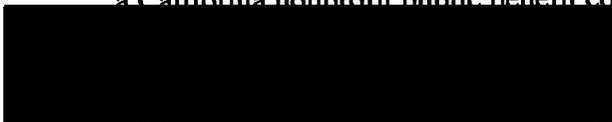
IN WITNESS WHEREOF, the parties have executed this Agreement on the date first set forth above.

BORROWER:

Union Tower One LP, a California limited partnership

By: Union Tower LLC
a California limited liability company
Its: Managing General Partner

By: Wakeland Housing and Development Corporation,
a California nonprofit public benefit corporation



Dated: 1-30, 2024

Rebecca Louie, President and CEO

By: NCPA Union Tower One, LLC
a California limited liability company
Its: Co-General Partner

By: SDBTC Family Housing Corp. One, a California nonprofit public benefit corporation
Its: Manager

By: _____ Dated: _____, 2024
Jodi Barthold, Chief Financial Officer

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

HOUSING AUTHORITY:

Community Development Commission-Housing Authority of the City of National City

By: _____ Dated: February __, 2024
Benjamin A. Martinez, Executive Director

CITY:

City of National City

By: _____ Dated: February __, 2024
Benjamin A. Martinez, City Manager

Approved as to form:

By: _____
Barry J. Schultz, City Attorney

Exhibit “A”

No Fees per Government Code 6103]
 RECORDING REQUESTED BY:]
 National City Housing Authority]
]
]
]
]
 WHEN RECORDED MAIL TO:]
 National City Housing Authority]
 Attention: Executive Director]
 1243 National City Boulevard]
 National City, CA 91950]

**AFFORDABLE HOUSING DENSITY BONUS AGREEMENT
 (Union Tower)**

THIS AFFORDABLE HOUSING DENSITY BONUS AGREEMENT (“Agreement”) is dated as of the ___ day of February, 2024, by and among the City of National City (“City”), Union Tower One LP, a California limited partnership (“Developer”), and SDBTC Family Housing Corp. Three, a California corporation (“Fee Owner”).

WHEREAS, the Fee Owner is the owner of that certain real property generally located at 2313 F Street, in the City of National City, County of San Diego, more particularly described in Exhibit “A” attached hereto (“Property”); and

WHEREAS, concurrently herewith, Developer is acquiring a leasehold interest in the Property from the Fee Owner by entering into that that certain Ground Lease between Fee Owner and the Developer, a memorandum of which is being recorded concurrently herewith in the Official Records of San Diego County (“Ground Lease”); and

WHEREAS, the General Plan and Zoning Ordinance of National City permits construction of the ninety-four (94) housing units on the Property (“Development”); and

WHEREAS, pursuant to Government Code section 65915, and Sections 18.48.030, et seq. of the National City Municipal Code, the Developer has proposed to construct and restrict the rent and occupancy of ninety-four (94) residential dwelling unit, ninety-three (93) of which will be referred to in this Agreement as “Affordable Units” and the remaining unit is the manager’s unit. The Affordable Units will be affordable to low-income and moderate-income households in exchange for four (4) incentives and concessions as follows:

1. Five foot side exterior setback from new lot line;
2. Relief from private open space provisions-No private open space;
3. Relief from balcony provisions - No balconies; and
4. Relief from unit storage requirement

(the “Incentives and Concessions”)

WHEREAS, This Agreement will serve to memorialize Developer's obligation to provide the ninety-three (93) Affordable Units, the time frame for the construction and occupancy of the Affordable Units and the restriction of the Affordable Units by the recordation of this Agreement assuring affordability for a total of fifty-five (55) years measured from the issuance of final inspection approval for the Development.

NOW, THEREFORE, in consideration of the foregoing and of the mutual terms and covenants hereinafter set forth and other good and valuable consideration, the City, Fee Owner and Developer agree as follows:

1. Acknowledgement of Incentives. Developer acknowledges and agrees that Developer is receiving the Incentives and Concessions pursuant to and in accordance with the requirements of Government Code 65915 and is not receiving an increase in density beyond what is permitted by the City's development and zoning code.

2. Developer Covenants. Pursuant to and in consideration of the Incentives and Concessions, Developer hereby agrees and covenants on behalf of itself and its successors and assigns, and each successor in interest to the Property, that at all times during the term of this Agreement thirty-six (36) one-bedroom, twenty (20) two-bedroom and nineteen (19) three-bedroom residential dwelling units on the Property shall be rented and occupied as the Low Income Units, (as defined in Section 3(b), below), and nine (9) one-bedroom, four (4) two-bedroom, and five (5) three-bedroom residential dwelling units on the Property shall be rented and occupied as Moderate Income Units (as defined in Section 3(b), below) as set forth in this Agreement. As used herein the term "Affordable Units" shall refer to the residential dwelling units on the Property which are held available strictly in accordance with the terms and conditions set forth in this Agreement.

3. Affordability Restrictions.

(a) Area Median Income. As used herein, "Area Median Income" shall mean the area median income, as adjusted for family size, for San Diego County, established periodically by the California Department of Housing and Community Development ("HCD") and published in the California Code of Regulations. In the event HCD ceases to publish an established Area Median Income as aforesaid, the City may, in its sole discretion, use any other reasonably comparable method of computing Area Median Income.

(b) Occupancy Restrictions. During the term of this Agreement, the Affordable Units shall be occupied by Low Income and Moderate Income households. Low Income household means a household whose income does not exceed the low income limits applicable to San Diego County, adjusted for household size, as published annually by HCD, earning at or below eighty percent (80%) of the Area Median Income. Moderate Income household means a household whose income does not exceed the median income limits applicable to San Diego County, adjusted for household size, as published annually by HCD, earning at or below one hundred twenty percent (120%) of the Area Median Income.

(c) Rent Amount. During the term of this Agreement: (i) the monthly rental rate for each Low Income Unit (which shall include a utility allowance based on the utility allowance schedules published annually by the Community Development Commission-Housing Authority of the City of National City) shall be set consistent with the rents as determined by the California Tax Credit Allocation Committee. The imputed household size for the Affordable Unit shall be equal to the number of bedrooms in the unit plus one. For example, the rent for a one-bedroom Affordable Unit shall be calculated using fifty percent (50%) of the Area Median Income for a 2-person household.

4. Restrictions. The following restrictions shall also be applicable to the Affordable Units:

(a) No Relationship With Developer. No Affordable Unit shall be occupied or leased to Developer or any relative (by blood or marriage) of Developer or any person employed by Developer or of any individuals who are members, principals, executives, directors, partners or shareholders of Developer or in any entity having an ownership in Developer or in the Property.

(b) No Full-Time Students. Subject to provisions of applicable federal, state, and local law (including without limitation fair housing laws), no Affordable Unit shall be occupied or leased to any household comprised exclusively of persons who are full-time students, unless such persons are eligible to file a joint federal income tax return and all such persons reside in the Affordable Unit. The term “full-time student” shall be defined as any person who will be or has been a full-time student during five calendar months of the calendar year in question at an educational institution (other than a correspondence school) with regular faculty and students.

(c) No Student Dependents. Notwithstanding the provisions of section 4(b), and subject to applicable federal, state, and local laws (including without limitation fair housing laws), no Affordable Unit shall be occupied or leased to any student dependent as defined in the U.S. Internal Revenue Code, unless the taxpayer (upon whom the student in question is dependent) resides in the same unit.

(d) No Owners of Real Property. No Affordable Unit shall be occupied or leased to any person or any household comprised of one or more persons who own real property.

(e) Liquid Asset Limitation. No Affordable Unit shall be occupied or leased to any person or household holding, directly or indirectly, liquid assets whose aggregate value exceeds, at the time of determination of eligibility, one hundred ten percent (110%) of the then-current annual Area Median Income for Low Income households and one hundred fifty percent (150%) Area Median Income for Moderate Income households. As used herein, the term “liquid assets” refers to cash and assets which are readily convertible to cash within a reasonable period, including but not limited to savings and checking accounts, certificates of deposit of any term, marketable securities, money market and similar accounts, mutual fund shares, and insurance policy cash values. The term “liquid assets” shall not include retirement funds which are not readily accessible or which cannot be accessed by the tenant without the tenant incurring a penalty.

(f) Income of Co-Tenants. The income of all co-tenants and/or occupants shall be taken into account in determining whether a tenant or prospective tenant meets the requirements of this Agreement.

(g) Eligible Tenants - Increased Income. If as a result of the annual recertification procedure described in Section 7 below any household which was previously determined to be eligible to occupy an Affordable Unit is determined to be ineligible as a result of increased income or assets, the City will provide written notification thereof, and Developer shall have one hundred eighty days (180) from the date of notification to take all reasonable steps to pursue eviction of the ineligible household. If Developer fails to act within the one hundred eighty day (180) period, the City shall require payment of a fee by Developer, provided that no fee shall be payable so long as Developer is diligently pursuing eviction of the ineligible household by appropriate proceedings. Under this fee requirement, the ineligible tenant residing in the Affordable Unit shall pay the full market rate rent, and Developer shall pay the difference between the affordable rent and the full market rate rent, as determined by the City, to the City. The period of fee payment shall in no event exceed a period of six (6) months, at which time Developer's failure to provide the Affordable Unit to a household eligible hereunder shall constitute a material default under this Agreement. Notwithstanding the foregoing, when a household occupies a unit subject to a regulatory agreement ("TCAC Regulatory Agreement") by and between Developer and the California Tax Credit Allocation Committee pursuant to Section 42 of the Internal Revenue Code, such household shall have its rent increased or shall be evicted as a result of such tenant being over income only as and when allowed by such TCAC Regulatory Agreement or by Federal law, including 26 U.S.C. §42. In the event of a conflict between the over income regulations of this Agreement and the TCAC Regulatory Agreement, the TCAC Regulatory Agreement provision shall apply.

5. Term. Pursuant to Government Code Section 65915, this Agreement shall be effective on the date of its recordation and shall remain in force until the date that is fifty-five (55) years from the date of issuance of the certificate of occupancy for the Development.

6. Deed of Trust.

(a) Execution and Recordation. Developer shall, concurrently with the execution of this Agreement, execute, acknowledge and record a deed of trust on the Property ensuring timely performance of the obligations set forth in this Agreement ("Deed of Trust"). The Deed of Trust shall be subordinated to the construction deed(s) of trust and/or permanent financing in favor of institutional lenders, as approved by the City Manager. The subordination shall be upon such terms and conditions and for such periods of time as the City Manager may approve to protect the provision of affordable housing as required by this Agreement. The City shall reconvey the Deed of Trust following the expiration of the term of this Agreement.

(b) Foreclosure on the Property. In the event of a foreclosure on the Property which eliminates the Deed of Trust, the new owner, upon five (5) days written notice from the City, shall: (i) execute, acknowledge and deliver to the City an assignment and assumption of this Agreement in a form as approved by the City, in its reasonable discretion, for recordation; (ii) execute, acknowledge and deliver to the City a deed of trust, in a form as approved by the City, in its

reasonable discretion, to be recorded against the Property, in a lien priority immediately junior to the assignment and assumption of this Agreement which will secure the performance of this Agreement; and (iii) reimburse the City for all of its attorneys' fees and costs in connection with the foregoing, including all costs, attorneys' fees, and expert witnesses fees incurred by the City in obtaining compliance by the new owner, including those incurred in litigation, if any.

7. Verification of Eligibility. No Affordable Unit shall be rented to a prospective tenant or occupied by any person unless and until the City, through its designated staff, has verified that the prospective tenant or occupant is eligible and that affordable rents will be charged in accordance with the criteria set forth in this Agreement. Developer and/or its successor in interest shall ensure that all eligibility and rent criteria are met during the term of the Agreement. Annually, on the anniversary of the initial certification of compliance, as determined by the City, during the term of this Agreement, Developer or its successor in interest shall certify to the City that the Affordable Units are being occupied by eligible tenants. Said certification shall be on forms acceptable to the City.

8. Maintenance Standards. During the term of this Agreement, Developer shall maintain the Affordable Units and the Property in a condition that satisfies the more stringent of (a) the requirements of the applicable local codes or (b) the United States Department of Housing and Urban Development's Uniform Physical Conditions Standards. The City shall have the right to inspect the Affordable Units and the Property prior to initial occupancy and periodically during the term of this Agreement, upon three business days' notice to Developer. The City shall have the right to disclose results of those inspections to the appropriate enforcement authorities. Any deficiencies in the physical condition of the Affordable Units shall be corrected by Developer at Developer's expense within thirty (30) days of the identification of such deficiency by the City and delivery of written notice of the same to Developer. Failure to maintain the unit(s) and the Property in compliance with this section shall constitute a breach of this Agreement and subject the Developer to damages as set forth in Section 12 of this Agreement.

9. Interpretation and Construction. If any provision of this Agreement or the application thereof to any person or circumstance is found to be invalid, the remainder of the provisions of this Agreement and the application of such provisions to persons or circumstances, other than those as to which it is found to be invalid, shall not be affected thereby. Nothing contained herein shall be deemed compliance with or waiver of any provision of law or conditions of approval except as expressly stated herein.

10. Indemnity. Developer agrees to indemnify, defend and hold harmless the City, the Community Development Commission-Housing Authority of the City of National City, and any and all of their respective councilmembers, commissioners, members, officers, agents, servants and employees (the "Indemnitees") from and against all claims, liens, claims of lien, losses, damages, costs, and expenses, whether direct or indirect, arising in any way from this Agreement, including the construction, sale, rental or operation of the Development, the Property and/or any of the units, or from the default by Developer in the performance of its obligations under this Agreement; provided, however, that Developer shall not be required to indemnify, defend or hold harmless any of the Indemnitees from claims, losses, damages, costs and expenses related to the sole negligence or willful misconduct of the Indemnitees.

12. Agreement Binding on Successors. The terms, covenants and conditions of this Agreement shall apply to, and shall bind the parties hereto and any successors or assignees. Developer shall not sell, transfer or otherwise dispose of the Property, any portion thereof, or any interest therein unless the proposed transferee shall have executed and delivered to the City an express written assumption of all of Developer's obligations under this Agreement, on a form reasonably acceptable to the City. Upon assignment and assumption by a successor entity, as approved by the City, Developer shall be released from all prospective liability and responsibility under the terms of this Agreement. Fee Owner and Developer each agrees that all of its obligations hereunder shall constitute covenants, which shall run with the land and shall be binding upon the Property and upon every person having any interest therein at any time and from time to time during the term of this Agreement. Further, Fee Owner and Developer each agrees that, if a court of competent jurisdiction determines that the obligations set forth herein do not qualify as covenants running with the land, they shall be enforced as equitable servitudes. Any sale or conveyance of the Property shall be made subject to this Agreement.

13. Damages; Enforcement; Remedies; Security.

(a) Standing; Equitable Remedies; Remedies Cumulative. Developer expressly agrees and declares that the City shall be the proper party to, and shall have standing to, initiate and pursue any and all actions or proceedings, at law or in equity, to enforce the provisions hereof and/or to recover damages for any event that is expressly stated to be a material default hereunder and which event remains uncured following sixty (60) days' written notice to Developer from the City (or up to one hundred twenty (120) days after notice, if actions to correct the material default have been timely initiated and are, in the reasonable opinion of the City, being diligently pursued), notwithstanding the fact that such damages or the detriment arising from such a material default that remains uncured as aforesaid may have actually been suffered by some other person or by the public at large. Further, Developer expressly agrees that injunctive relief and specific performance are proper pre-trial and/or post-trial remedies hereunder to assure compliance with this Agreement. Nothing in this Section and no recovery by the City shall restrict or limit the rights or remedies of persons or entities other than the City, against Developer in connection with the same or related acts by Developer, provided that Developer shall not be subject to duplicate awards or recoveries. The remedies set forth in this Section are cumulative and not mutually exclusive, except to the extent that their award is specifically determined to be duplicative by final order of a court of competent jurisdiction. Further, the award of damages hereunder shall not bar the exercise of police power or other governmental powers, or the pursuit of criminal, civil or administrative penalties by the City in connection with any material default under this Agreement that remains uncured as aforesaid. Developer acknowledges that a material default under this Agreement that remains uncured may constitute a violation of state law.

(b) Remedies At Law For Breach Of Rental Restrictions. In the event of any material default under the provisions hereof that remains uncured following thirty (30) days written notice to Developer from the City (or up to one hundred sixty (60) days after notice, if actions to correct the material default have been timely initiated and are, in the reasonable opinion of the City, being diligently pursued) regarding restrictions on rental of the Affordable Units, at the sole option of the City, the City shall be entitled to the following remedies at law to the extent they are not

duplicative, the election of which shall not be required and may be revoked and/or modified until immediately prior to entry of judgment:

(1) Damages For Specific Breach. The City shall be entitled to recover compensatory damages, at its sole option in the event of a material uncured default under the terms of this Agreement. If the material uncured default in question involves the violation of Section 13(b) above, the amount of such compensatory damages shall be the product of multiplying (A) the number of months that the material uncured default in question has continued until the time of trial or cure, whichever occurs first, by (B) the result of subtracting (i) the rents properly chargeable hereunder for the Affordable Units at (ii) the rents actually collected by Developer for the Affordable Units for the months in question, as reasonably determined by the City. Developer and the City agree that it would be extremely difficult or impracticable to ascertain the precise amount of actual damages accruing to the City as a result of such a material uncured default and that the foregoing formula is a fair and reasonable method of approximating such damages. The City shall be entitled to seek and to recover damages in separate actions for successive, separate breaches, which may occur during the term of this Agreement. Further, interest shall accrue on the amount of such damages from the date of the expiration of Developer's cure period for the material uncured breach in question at the rate of ten percent (10%) per annum or the maximum rate then allowed by law, whichever is less. Nothing in this section shall preclude the award of exemplary damages as allowed by law.

(2) Acceleration and Liquidation of Future Performance. At the sole option of the City, if any material default by Developer in the performance of its obligations under this Agreement remains uncured for more than ninety (90) days after written notice to Developer by the City specifying such breach in reasonable detail (or such longer period of time, not to exceed six (6) months, as may reasonably be required for Developer to cure such breach exercising reasonable diligence), Developer's obligation to perform hereunder may be accelerated by the City and declared immediately due through the payment of a liquidated sum. Developer and the City agree that it would be extremely difficult and impractical to predict the precise cost to the City of (i) locating a rental unit equivalent to the Affordable Units, (ii) procuring such unit (through purchase, lease or subsidies) at the rent discounts contemplated herein, (iii) performing the substantial administrative activities associated with replacing the Affordable Units, and (iv) inflation. Therefore, Developer and the City agree that, in the event of a material default hereunder by Developer that remains uncured as aforesaid, and upon written notice from the City to Developer that the City has elected to exercise its option to accelerate and liquidate Developer's performance hereunder in accordance with the provisions of this Section 13(b)(2), Developer shall pay, and the City shall be entitled to receive, within thirty (30) days of the City's delivery of such written notice, in complete liquidation of the City's future monetary damages and Developer's future obligations under this Agreement, a lump sum payment equal to: (A) the aggregate of the mathematical differences between the monthly rent for a "Comparable Market Rate Unit" (as determined by the City, using statistical data for units of the same size and location at the time of the breach) and the monthly rent allowable hereunder for the Affordable Units, at the date of delivery of the aforesaid written notice of election to accelerate, multiplied by (B) the number of months remaining in the term of this Agreement, from and after the date of delivery of the aforesaid written notice of election to accelerate. Developer and the City agree that acceleration is a fair and reasonable remedy for non-compliance hereunder, and that the foregoing formula represents a fair

and reasonable method of approximating and liquidating the future monetary obligations of Developer to the City hereunder for purposes of any such optional acceleration by the City. Further, such liquidated amount shall automatically commence to bear interest at the rate of ten percent (10%) per annum or the maximum rate then allowed by law, whichever is less, from and after the date that the City delivers to Developer the aforesaid written notice of the City's election to accelerate Developer's performance hereunder, until paid. Further, if Developer breaches this Section 13(b)(2), the City shall be entitled to receive all reasonable attorneys' fees, costs of suit, title insurance charges, foreclosure costs and other out-of-pocket expenses reasonably incurred in recovering such liquidated amount.

14. Monitoring Fees. Developer shall pay to the City, each year during the term of this Agreement, commencing upon completion of construction, an annual occupancy monitoring fee, as determined by the City in schedules promulgated by the City from time to time (which amount is \$215.00 per unit per year at the time of recordation of this Agreement), said fee shall be subject to revision annually. Concurrently herewith, the Developer and the Community Development Commission-Housing Authority of the City of National City are entering into a Regulatory Agreement of even date herewith. The Regulatory Agreement also requires payment of annual occupancy monitoring fee. The annual occupancy monitoring fee shall be payable under either this Agreement or the Regulatory Agreement, i.e., if the Developer pays the annual occupancy monitoring fee to the City pursuant to this Section 14, then the annual occupancy monitoring fee under the Regulatory Agreement shall be deemed satisfied for such year. Failure to timely pay such fees shall constitute a material default under this Agreement.

15. Obligations of Fee Owner. The City agrees and acknowledges that for so long as the Ground Lease remains in force, the Fee Owner shall have no obligation under this Agreement and the City shall look solely to the Developer (and any successor or assign thereto) to enforce the covenants and obligations set forth hereunder. In the event the Ground Lease is terminated prior to the expiration of its term and is not replaced with a new ground lease, the Fee Owner shall, on a going forward basis, operate the Project in accordance with the terms and conditions set forth herein.

16. General Provisions.

(a) Waiver. No provision of this Agreement, or breach of any provision, can be waived except in writing. The waiver by any party of any breach or violation of any term, covenant or condition of this Agreement or of any provisions, ordinance or law, shall not be deemed to be a waiver of any other term, covenant, condition, ordinance or law or any subsequent breach or violation of the same or of any other term, covenant, condition, ordinance or law.

(b) Costs and Attorneys' Fees. The prevailing party in any action brought to enforce the terms of this Agreement or arising out of this Agreement may recover its reasonable costs and witness, expert and attorney's fees expended in connection with such an action from the other party.

(c) Recordation. This Agreement shall be recorded in the Office of the County Recorder of the County of San Diego senior to all monetary liens. City shall not be obligated to issue permits prior to such delivery and recordation of this Agreement.

(d) Integration. The undersigned, and each of them, acknowledge and represent that no promise or inducement not expressed in this Agreement has been made in connection with this Agreement. This Agreement contains the entire agreement and understanding between the parties as to its subject matter.

(e) Ownership of the Property. Developer represents and warrants that it has obtained a Ground Lease of the Property and has full authority to execute this Agreement.

(f) Counterparts. This Agreement may be executed in any number of counterparts and, as so executed, the counterparts shall constitute one and the same Agreement. The parties agree that each such counterpart is an original and shall be binding upon all the parties, even though all of the parties are not signatories to the same counterpart.

(g) Notices. All notices given pursuant to this Agreement shall be in writing and sent to the party at its address appearing below (a) by certified or registered U.S. mail, return receipt requested, (b) overnight by a nationally recognized overnight courier such as UPS Overnight or FedEx, or (c) by personal delivery. All notices shall be effective upon receipt (or refusal to accept delivery). These addresses may be changed by any party by written notice to all other parties.

If to City: City of National City
Attention: City Manager
1243 National City Boulevard
National City, CA 91950

If to Fee Owner: SDBTC Family Housing Corp. Three
2323 D Avenue
National City, CA 91950
Attn: CEO

If to Developer: Union Tower One LP
c/o Wakeland Housing and Development Corporation
1230 Columbia Street, Suite 950
San Diego, CA 92101
Attn: President and CEO

With copies to:

Borrower's limited partners: Hudson Union Tower LP
Hudson-FM SLP LLC
c/o Hudson Housing Capital LLC
New York, NY 10111
Attention: General Counsel

with a copy to: Holland & Knight LLP
10 St. James Avenue, 12th Floor
Boston, MA 02116
Attn: Dayna M. Hutchins, Esq.

(h) Exhibits and Recitals Incorporated. All exhibits referred to in this Agreement are hereby incorporated in this Agreement by this reference, regardless of whether or not the exhibits are actually attached to this Agreement. The Recitals to this Agreement are hereby incorporated in this Agreement by this reference.

(i) Further Assurances. If Developer does not receive all of the necessary permits and approvals to construct the Development, Developer and the City agree that this Agreement and the density bonus granted herein shall be null and void and of no further force and effect and Developer and the City agree to take all reasonable steps and to execute and cause to be recorded all documents reasonably necessary to remove this Agreement and the Deed of Trust from the record chain of title to the Property.

16. Risk of Market Conditions. Developer shall bear sole responsibility for developing, constructing and marketing the units covered by this Agreement, pursuant to the approvals that the City has issued for the Development and the requirements contained in this Agreement. The City shall have no obligation to amend this Agreement, and the Developer shall reimburse the City for administrative costs associated with any modification of this Agreement that shall require the approval of the City Council of National City.

17. Signature Authority. All individuals signing this Agreement for a party which is a corporation, limited liability company, partnership or other legal entity, or signing under a power of attorney, or as a trustee, guardian, conservator, or in any other legal capacity, covenant to the other party hereto that he or she has the necessary capacity and authority to act for, sign and bind the respective entity or principal on whose behalf he or she is signing.

**CITY:
CITY OF NATIONAL CITY**

By: _____
Benjamin A. Martinez, City Manager

APPROVED AS TO FORM:

By: _____
_____, Deputy City Attorney

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

DEVELOPER:

Union Tower One LP, a California limited partnership

By: Union Tower LLC
a California limited liability company
Its: Managing General Partner

By: Wakeland Housing and Development Corporation,
a California nonprofit public benefit corporation
Its: Manager

By: _____
Rebecca Louie, President and CEO

By: NCPA Union Tower One, LLC
a California limited liability company
Its: Co-General Partner

By: SDBTC Family Housing Corp. One, a California nonprofit public benefit corporation
Its: Manager

By: _____
Jodi Barthold, Chief Financial Officer

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

FEE OWNER:

SDBTC Family Housing Corp. Three, a California corporation

By: _____
Jodi Barthold, Chief Financial Officer

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)
County of San Diego)

On _____, 2024, before me, _____, notary public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)
County of San Diego)

On _____, 2024, before me, _____, notary public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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WITNESS my hand and official seal.

Signature _____

(Seal)

ACKNOWLEDGMENT

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State of California)
)
County of San Diego)

On _____, 2024, before me, _____, notary public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT "A"

Legal Description of the Property

That certain real property located in the City of National City, County of San Diego, State of California more particularly described as follows:

Exhibit “B”

RECORDING REQUESTED BY:

COMMUNITY DEVELOPMENT
COMMISSION OF THE CITY OF
NATIONAL HOUSING AUTHORITY

AND WHEN RECORDED RETURN TO:

COMMUNITY DEVELOPMENT
COMMISSION OF THE CITY OF
NATIONAL HOUSING AUTHORITY
Records Management Department
1243 National Housing Authority Blvd.
National Housing Authority, California 91950

**REGULATORY AGREEMENT
(Union Tower)**

THIS REGULATORY AGREEMENT (“Regulatory Agreement”) is dated as of the ___ day of February, 2024, by and between Union Tower One LP, a California limited partnership (“Developer”) and the City of National City (“City”) and the Community Development Commission-Housing Authority of the City of National City (“Housing Authority”) in connection with that certain real property (“Property”) located in the City of National City, County of San Diego, California, described in Exhibit “A” attached hereto and incorporated herein by reference. The City and Housing Authority may be referred to collectively herein as the (“Lender”).

RECITALS

A. The Lender has agreed to make: (i) a loan to Developer in the original principal amount of up to of Eight Million and No/100 Dollars (\$8,000,000.00) (“Housing Fund Loan”) pursuant to that certain Construction and Permanent Financing Loan Agreement (Union Tower) (“Loan Agreement”) between the Developer and Lender of even date herewith; (ii) a loan to Developer in the original principal amount of up to of One Million Five Hundred Thousand and No/100 Dollars (\$1,500,000.00) (“HOME and HOME-ARP Loan”) pursuant to the Loan Agreement.

B. The Housing Fund Loan and HOME and HOME-ARP Loan are conditioned by the Lender in part upon the recordation of this Regulatory Agreement setting forth certain restrictions upon the use and sale of the Property. Developer shall construct two (2) new multifamily affordable housing towers (of which one will be a four-story building, and the other will be a seven-story building), which shall include an aggregate of ninety-three (93) Affordable Units, as defined below, and one (1) unrestricted manager's unit, office space, and 45 parking spaces (collectively the "Project"). The office space will consist of the entire seventh floor of the Project's seven story building (collectively the "Commercial Space"). The Housing Fund Loan is being funded entirely with funds from the Housing Authority Housing Fund. The HOME and HOME-ARP Loan is being funded with One Million Two Hundred Five Thousand Nine Hundred One and 27/100 Dollars (\$1,205,901.27) in United States Department of Housing and Urban Development HOME Investment Partnerships Program (HOME) funds and Two Hundred Ninety Four Thousand Ninety Eight and 73/100 Dollars (\$294,098.73) in HOME American Rescue Plan Program (HOME-ARP) funds. This Regulatory Agreement is intended to and does restrict the Affordable Units in accordance with all requirements of the foregoing funding programs. To the extent any law, ordinance, statute, regulation or rule applicable to the Property as a result of funding the Housing Fund Loan or HOME and HOME-ARP Loan with proceeds from any of the foregoing programs is not explicitly set forth in this Regulatory Agreement, the Developer shall nonetheless comply with such requirements. The Commercial Space shall be funded by sources that shall not include the proceeds of the HOME and HOME-ARP Loan.

NOW, THEREFORE, in furtherance of the recitals stated above, the mutual covenants set forth below, the parties agree, promise and declare as follows:

1. Restrictive Covenants. Developer agrees and covenants on behalf of itself and its successors and assigns, and each successor in interest to the Property, that at all times during the term of this Regulatory Agreement ninety-three (93) residential units at the Project shall be set aside and reserved as "Affordable Units." As used herein the term "Affordable Units" shall refer to the ninety-three (93) residential units in the Project which are owned or held available strictly in accordance with the terms and conditions set forth below.

(a) Affordable Unit Restrictions. The following restrictions shall apply to the ninety-three (93) Affordable Units, including the nine (9) floating HOME Units ("HOME Units") and two (2) floating HOME-ARP units ("HOME-ARP Units") which are subject to the applicable HOME Program regulations (24 CFR Part 92) and ARPA Regulations (31 C.F.R. Part 35). The restrictions set forth in the Table below shall establish the maximum rental rate, which shall be adjusted for household size appropriate for the unit. Rents shall also be adjusted to reflect a utility allowance.

TABLE OF RENT AND INCOME RESTRICTION CRITERIA

1	2	3	4	5	6
NUMBER OF AFFORDABLE UNITS	UNIT TYPE	MAXIMUM MONTHLY RENTS	MAXIMUM INCOME OF ELIGIBLE TENANTS	NUMBER OF HOME AFFORDABLE UNITS*	NUMBER OF HOME-ARP AFFORDABLE UNITS*
9	1- BR	1/12 th of 30% of 30% of AMI	30% of AMI		1*
18	1- BR	1/12 th of 30% of 40% of AMI	40% of AMI		
18	1- BR	1/12 th of 30% of 60% of AMI	60% of AMI	2*	
5	2- BR	1/12 th of 30% of 30% of AMI	30% of AMI		1*
9	2- BR	1/12 th of 30% of 40% of AMI	40% of AMI		
1	2- BR	1/12 th of 30% of 50% of AMI	50% of AMI	1*	
9	2- BR	1/12 th of 30% of 60% of AMI	60% of AMI	2*	
5	3- BR	1/12 th of 30% of 30% of AMI	30% of AMI		
10	3- BR	1/12 th of 30% of 50% of AMI	50% of AMI	2*	
9	3- BR	1/12 th of 30% of 60% of AMI	60% of AMI	2*	
TOTAL - 93					

*Note: Notwithstanding the foregoing table, the HOME and HOME-ARP Affordable Units are only required to be restricted at 30%, 50% and 60% of the area median income. Provided, however, other programs applicable to the Project require deeper affordability than the United States Department of Housing and Urban Development HOME and HOME-ARP programs require. Therefore, the rent and occupancy restrictions applicable to the nine (9) HOME Units and two (2) HOME-ARP Units shall be as set forth in the foregoing table. The nine (9) floating HOME Units and two (2) floating HOME-ARP Units will be restricted for twenty (20) years under the HOME and HOME-ARP Programs commencing on the date all relevant Project completion data is entered into the Department of Housing and Urban Development’s (“HUD”) Integrated Disbursement and Information System (“IDIS”). Beginning twenty (20) years after all relevant Project completion data is entered into IDIS, and for the remainder of the term of this Regulatory Agreement, the Affordable Units that were previously restricted as HOME Units and HOME-ARP Units will be subject to the restrictions applicable to the non-HOME Units and HOME-ARP Units set forth in this Regulatory Agreement.

(b) Maximum Rent To Be Collected by Developer. Except as otherwise set forth herein, in no event shall the “Total Rent,” including the portion paid by the Eligible Tenant and any other person or entity, collected by Developer for any Affordable Unit exceed the amount of rent set forth in the Table set forth in Section 1(a). The Total Rent will not include income received by Developer from the Project Based Section 8 or VASH Vouchers under a Housing Assistance Payment Contract, Tenant Based Housing Choice Vouchers, or similar rental housing subsidies from a public agency or nonprofit agency. Acceptance by Developer or its successors-in-interest, of Total Rent in excess of the maximum rent set forth in the Table and failure to reimburse Eligible Tenant or the Lender for the excess shall constitute a material breach of this Regulatory Agreement and Loan Agreement.

(c) Eligible Tenants. “Eligible Tenants” are those residential tenants whose aggregate gross annual income does not exceed the respective percentages set forth in the Table of Rent and Income Restriction Criteria set forth in Section 1(a), above, as adjusted for family size. For purposes of this Regulatory Agreement, the current annual area median income shall be the area median income defined by HUD as the then current area median income for the San Diego-Carlsbad Metropolitan Statistical Area, as adjusted for family size. When determining income eligibility, Developer shall use actual household size. When determining rents, Developer shall use the household size appropriate for the Unit as determined by the HUD. In the event HUD ceases to publish an established area median income as aforesaid, Lender may, in its sole discretion, use any other reasonably comparable method of computing adjustments in area median income. Notwithstanding anything to the contrary set forth herein, except for the Home Units when a tenant occupies a unit subject to a regulatory agreement (“TCAC Regulatory Agreement”) by and between the Developer and the California Tax Credit Allocation Committee (“TCAC”) pursuant to Section 42 of the Internal Revenue Code, the TCAC rent setting regulations shall control. There will be five (5) Very Low Home Units, which are floating units and will have rents set at the lesser of the applicable TCAC rents or the Very Low Home Rent. There will be six (6) Low HOME units, which are floating units and which will have rents set at the lesser of the applicable TCAC rent for the unit or the Low Home Rent.

(d) Section 504 Requirements. In order to comply with Section 504 of the Rehabilitation Act of 1973, not less than five (5) of the Affordable Units shall be fully handicap accessible and two (2) of the Affordable Units shall incorporate features for the visually and hearing impaired. Notwithstanding the foregoing, other requirements applicable to the Project require more handicap accessible and visually and hearing impaired units and therefore ten (10) of the Affordable Units shall be fully handicap accessible and four (4) of the Affordable Units shall incorporate features for the visually and hearing impaired, which units may be designed to serve both accessibility and visual and hearing requirements in one unit. The Project shall meet the accessibility requirements of 24 C.F.R. part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. §§12131-12189) implemented at 28 C.F.R. parts 35 and 36, as applicable. The Project shall also meet the design and construction requirements of 24 C.F.R. Section 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619). Developer agrees to comply with all of the provisions of 24 C.F.R. Section 92.251, whether or not contained in this Section.

(e) Approval of Eligible Tenants Prior to Occupancy. The eligibility of each prospective tenant under the restrictions set forth in this Regulatory Agreement shall be certified by Developer which shall submit such certification and all supporting documentation on forms provided to Developer by the Lender for a determination of tenant eligibility, prior to tenant occupancy. No Affordable Unit may be rented to a prospective tenant or occupied by any person unless and until the Lender has determined that the prospective tenant or occupant is an Eligible Tenant.

(f) Annual Requalification. Further, residential tenants shall be requalified as Eligible Tenants annually in conformance with the process described in Section 1(d), above. Upon completion of construction of the Project (the occurrence of which shall be evidenced by the placement of the Project “in service” (as such term is used in 26 U.S.C. §42)) and annually each year during of the term of this Regulatory Agreement, Developer shall certify to Lender that Developer is in compliance with this Regulatory Agreement under penalty of perjury, utilizing such forms and providing such backup documentation as requested by the Lender. Failure by Developer to timely comply with the tenant qualification and annual certification/requalification process described in this Section 1(f) shall constitute a material default under the Loan Agreement. The Lender may resort to the remedies set forth hereinbelow upon such material default, as well as any and all other remedies available at law or in equity and/or contained in the Loan Agreement (subject to the notice and cure provisions thereof, if any).

2. Affordable Marketing Plan Compliance. Eligible Tenants shall be any tenant otherwise eligible hereunder, provided that Developer has and continues to comply with the terms of its approved affirmative marketing plan and rents to those person(s) referenced in said approved plan, as such plan may be amended from time to time. Developer shall, at all times during the 20-year term of the HOME Units and HOME-ARP Units, comply with all of the provisions of 24 C.F.R. Section 92.351 and the affirmative marketing procedures adopted by the Lender, including, but not limited to, all requirements and procedures referenced in said 24 C.F.R. Section 92.351(b), as amended from time to time. Developer shall maintain records to verify compliance with the applicable affirmative marketing procedures and compliance. Such records are subject to inspection by the Lender during regular business hours upon five (5) days written notice.

3. Relationship with Developer. The term “Eligible Tenant” shall not include Developer, or any individuals who are partners of Developer, or in any entity having an interest in Developer, or the Property, or any officer, employee, agent or consultant of the Developer, or any relative (by blood or marriage) of any officer, employee, agent or consultant of the Developer. This restriction shall not preclude occupancy by resident managers in the manager’s unit.

4. No Student Dependents. Subject to provisions of applicable law (including, without limitation, fair housing laws), the term “Eligible Tenant” shall not include any student dependent as defined in the U.S. Internal Revenue Code, unless the taxpayer (upon whom the student in question is dependent) resides in the same dwelling unit.

5. Income of Co-Tenants, Etc. The income of all co-tenants and/or non-dependent occupants, shall be taken into account in determining whether a household is an Eligible Tenant hereunder.

6. Eviction/Termination of Tenancy. Subject to provisions of applicable law (including, without limitation, fair housing laws) and other restrictions applicable to the Project, in the event that a tenant who was properly certified as an Eligible Tenant at the commencement of such tenant's occupancy ceases to be eligible, for any reason other than the tenant being over income, Developer shall have the right, but not the obligation, to either (i) give thirty (30) days written notice, or such longer period as prescribed by law, to such tenant to vacate the Affordable Unit, or (ii) refuse to renew such tenant's lease. Any vacated Affordable Unit shall thereafter be rented to an Eligible Tenant. In the event that a tenant who was properly certified as an Eligible Tenant at the commencement of such tenant's occupancy ceases to be eligible, as a result of being over income, the over-income tenant shall continue to be considered an Eligible Tenant and may have such tenant's lease renewed until such time as the Eligible Tenant's tenancy has terminated, provided this continued occupancy otherwise complies with the applicable regulations as referenced below, depending upon the sources of the restrictions involved:

(a) HOME and HOME-ARP Program Restrictions. Notwithstanding Section 6(b), below, when the gross income of a tenant who occupies a HOME Unit or HOME-ARP Unit exceeds the amount allowed by the Table of Rent and Income Restriction Criteria set forth in Section 1(a), above, if and to the extent required by 24 CFR 92.252(i), that tenant shall commence paying rent equivalent to thirty percent (30%) of the tenant's adjusted income, subject to the fair market rent ceiling as set forth in 24 CFR 92.252(i). In the event the gross income of a tenant who occupies a HOME Affordable Unit exceeds 50% or 60% of AMI, the next available comparable sized and configured unit shall be designated as a HOME Unit or HOME-ARP Unit to replace the HOME or HOME-ARP Unit of the occupant in question. Notwithstanding anything to the contrary set forth in this Regulatory Agreement, the tenant shall continue to be considered an Eligible Tenant, provided this continued occupancy otherwise complies with all applicable HOME and HOME-ARP Program requirements, and the tenant shall not be evicted as a result of having income in excess of the income limits set forth herein, except as provided for in Section 92.252 of the Code of Federal Regulations, as amended from time to time. Notwithstanding anything to the contrary set forth in this Regulatory Agreement, in order to comply with 24 C.F.R. Section 92.252(i), tenants of HOME Units or HOME-ARP Units subject to the TCAC Regulatory Agreement, as defined in Section 8(c), below, shall only be evicted and must pay rent as set forth in the TCAC Regulatory Agreement and 26 U.S.C. Section 42. In the event of a conflict between the over income regulations of this Agreement and the TCAC Regulatory Agreement, the TCAC Regulatory Agreement provision shall apply.

(b) Lender Restrictions. Except as otherwise provided in Section 6(b), below, a tenant who occupies an Affordable Unit and whose income increases to an amount at or above one hundred twenty percent (120%) of the area median income as then determined by HUD at the time of recertification, shall be given one hundred eighty (180) days' notice to vacate the Affordable Unit, effective from and after the date of such failure to requalify (i.e., the recertification date, provided the tenant was properly certified originally). During the time the over-income tenant resides in the Affordable Unit, the tenant shall continue to pay the restricted rent. The tenant shall continue to be considered an "Eligible Tenant" until the tenant moves, the tenant's lease is not renewed, or the tenant is evicted, provided this continued occupancy complies with all other applicable requirements of this Regulatory Agreement.

(c) Tax Credit Funds. Notwithstanding Sections 6(a) or (b), above, or anything else to the contrary set forth in this Regulatory Agreement, when a tenant occupies a unit subject to a regulatory agreement (“TCAC Regulatory Agreement”) by and between the Developer and the California Tax Credit Allocation Committee pursuant to Section 42 of the Internal Revenue Code, such tenant shall have its rent increased or shall be evicted as a result of such tenant being over income only as and when allowed by such TCAC Regulatory Agreement or by Federal law, including 26 U.S.C. §42. In the event of conflict between the over income regulations of this Regulatory Agreement and the TCAC Regulatory Agreement, the TCAC Regulatory Agreement provisions shall apply.

7. Physical Condition of Affordable Units. After completion of construction of the Project, Developer shall continually maintain the Affordable Units in a decent, safe and sanitary condition, and in good repair as described in 24 CFR §5.703, and in a manner which satisfies the Uniform Physical Conditions Standards promulgated by the Department of Housing and Urban Development (24 CFR §5.705), as such standards are interpreted and enforced by Lender under its normal policies and procedures. Lender shall have the right to inspect the Affordable Units from time to time upon reasonable advance notice to Developer, in order to verify compliance with the foregoing maintenance covenant. Developer hereby consents to periodic inspection by Lender’s designated inspectors and/or designees during regular business hours, including the Code Enforcement Agents of the City of National City, to ensure compliance with all applicable zoning, building codes, regulations, and property standards. Developer agrees to comply with the provisions of 24 CFR 92.251, whether or not contained in this Section. Further, each Affordable Unit shall be requalified annually, as to the foregoing maintenance covenant, as part of the annual tenant requalification process described in, and to the extent applicable under, Section 4 above. Any deficiencies in the physical condition of an Affordable Unit shall be corrected by Developer at Developer’s expense within sixty (60) days of the identification of such deficiency by Lender and delivery of written notice of the same to Developer, provided if the deficiency is of a nature that it cannot be cured within such sixty (60) day period, the Developer shall have such additional time to cure as is reasonably determined by the Lender.

8. Covenants to Run With the Land. The covenants contained herein shall constitute “covenants running with the land,” and shall bind the Property and every person having an interest therein during the term of this Regulatory Agreement. Developer agrees for itself and its successors that, in the event that, for any reason whatsoever, a court of competent jurisdiction determines that the foregoing covenants do not run with the land, such covenants shall be enforced as equitable servitudes against the Property. It is expressly acknowledged that: (i) the obligations of Developer hereunder shall be deemed independent of Developer’s obligations under the Housing Fund Loan and the HOME and HOME-ARP Loan; and (ii) the covenants and restrictions set forth herein shall survive any repayment of the Housing Fund Loan or the HOME and HOME-ARP Loan.

9. Loan Payments. Annual payments as referenced in the Loan Agreement shall be made to Lender as provided therein.

10. Term. This Regulatory Agreement and the covenants and restrictions contained herein shall be effective commencing on the date this Regulatory Agreement is recorded and shall remain in full force and effect until 12:00 midnight on December 31, 2081.

11. Covenant Against Discrimination. Developer covenants on behalf of itself and its successors and assigns, and each successor in interest to the Property, not to discriminate against any tenant or prospective tenant of any Affordable Unit on the basis of their race, age, sexual orientation, gender identity, marital status, color, religion, sex, handicap, or national origin, as referenced in all applicable state, local and federal law. During the 20-year term of the HOME Units and HOME-ARP Units, the Developer shall comply with all applicable Federal requirements set forth in 24 C.F.R. part 5, subpart A, as set forth in more detail in the Loan Agreement.

12. Enforcement. Developer expressly agrees and declares that Lender or any successor public agency is a proper party and shall have standing to initiate and pursue any and all actions or proceedings, at law or in equity to enforce the provisions hereof and/or to recover damages for any default hereunder, notwithstanding the fact that such damages or the detriment arising from such default may have actually been suffered by some other person or the public at large. Further, Lender or any successor public agency shall be the proper party to waive, relinquish, release or modify the rights, covenants, obligations or restrictions contained in or arising under this Regulatory Agreement. Any cure made or tendered by a partner of Developer shall be accepted or rejected by the Lender on the same basis as if made or tendered directly by Developer.

13. Attorneys' Fees. In the event that any litigation for the enforcement or interpretation of this Regulatory Agreement, whether an action at law or arbitration or any manner of non-judicial dispute resolution to this Regulatory Agreement by reason of the breach of any condition or covenant, representation or warranty in this Regulatory Agreement, or otherwise arising out of this Regulatory Agreement, the prevailing party in such action shall be entitled to recover from the other reasonable attorneys' fees and out of pocket expenses (including expert witness fees) to be fixed by the court which shall render a judgment, as well as the costs of suit.

14. Severability. In the event that any provision or covenant of this Regulatory Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then it shall be severed from the remaining portions of this Regulatory Agreement which shall remain in full force and effect.

15. Recordation; Waiver and Amendment. This Regulatory Agreement shall be recorded in the Office of County Recorder of San Diego, California. No provision of this Regulatory Agreement, or breach of any provision, can be waived except in writing. Waiver of any provision or breach shall not be deemed to be a waiver of any other provision, or of any subsequent breach of the same or other provision. This Regulatory Agreement may be amended, modified or rescinded only in writing signed by Developer, the City Manager and the Executive Director of the Lender.

16. Remedies.

(a) Contract Governed by Laws of State of California. This Regulatory Agreement, its performance, and all suits and special proceedings under this Regulatory Agreement, shall be constituted in accordance with the laws of the State of California and Federal law, to the extent applicable. In any action, special proceeding, or other proceeding that may be brought arising out of, under or because of this Regulatory Agreement, the laws of the State of California and the United States, to the extent applicable, shall govern to the exclusion of the law of any other forum, without regard to the jurisdiction in which the action or special proceeding may be instituted.

(b) Standing, Equitable Remedies; Cumulative Remedies. Developer expressly agrees and declares that Lender or any successor or public agency shall be the proper party and shall have standing to initiate and pursue any and all actions or proceedings, at law or in equity, to enforce the provisions hereof and/or to recover damages for any default hereunder, notwithstanding the fact that such damages or the detriment arising from such a default may have actually been suffered by some other person or by the public at large. Further, Developer expressly agrees that receivership, injunctive relief and specific performance are proper pre-trial and/or post-trial remedies hereunder, and that, upon any default, and to assure compliance with this Regulatory Agreement. Nothing in this Section 16(b), and no recovery to Lender, shall restrict or limit the rights or remedies of persons or entities other than Lender, against Developer in connection with the same or related acts by Developer. The remedies set forth in this Section are cumulative and not mutually exclusive, except the extent that their award is specifically determined to be duplicative by final order of a court of competent jurisdiction.

(c) Remedies at Law for Breach of Tenant Restrictions. In the event of any material default hereunder regarding restrictions on the operation and the transfer of the Property (excluding Permitted Transfers) and the expiration of any applicable cure period provided under the Loan Agreement, Lender shall be entitled to, in addition to any and all other remedies available at law or in equity: (i) declare all of the Housing Fund Loan and HOME and HOME-ARP Loan to be all due and payable; and (ii) recover compensatory damages. The amount of such compensatory damages shall be the product of multiplying: (A) the number of months that the default in question has continued until the time of trial by (B) the result of subtracting the rents properly chargeable hereunder for the Affordable Units in question from the amount actually charged for those Affordable Units. Developer and Lender agree that it would be extremely difficult or impracticable to ascertain the precise amount of actual damages accruing to Lender as a result of such a default and that the foregoing formula is a fair and reasonable method of approximating such damages. Lender shall be entitled to seek and to recover damages in separate actions for successive and separate breaches which may occur. Further, interest shall accrue on the amount of such damages from the date of the breach in question at the rate of ten percent (10%) per annum or the maximum rate then allowed by law, whichever is less.

17. Lender's Approval of Property Manager. At all times that this Regulatory Agreement is in force and effect, and Lender has served a thirty (30) day written notice of deficiencies in the property management for the Project, which deficiencies have not been rectified by Developer within the thirty (30) day period (unless such deficiency is not reasonably capable of being cured within such thirty (30) day period, then such reasonable amount of time as is needed not to exceed one hundred twenty (120) days, provided Developer commences cure within such thirty (30) day period and continues to diligently pursue cure), then, Lender shall have the right, in its reasonable

discretion upon thirty (30) days written notice: (i) to require the retention of a professional property management firm to manage the Project; (ii) to approve, in advance and in writing, the retention of any such property management firm, including the terms of the contract governing such retention; and (iii) to require Developer to terminate any such property management firm, provided that such termination shall comply with the termination provisions of the management contract in question, and to require that Developer retain a replacement professional property management firm, acceptable to the Developer, in its reasonable discretion. Developer shall cooperate with Lender to effectuate Lender's rights. The Lender approves Hyder & Company as the initial property management firm for the residential portion of the Project.

18. Lease Provisions. Developer shall not include any of the provisions described in 24 C.F.R. §92.253(b) in any lease for any part of the Property.

(a) All Affordable Units. Developer agrees that it will include in all of its leases and cause its successors in interest to include in all of their leases the following provision:

Additional Lease Provisions/Annual Income Verification. Lessee/Tenant agrees, upon written request from the Landlord or the City of National City ("City"), to certify under penalty of perjury the accuracy of all information provided in connection with the examination or reexamination of annual income of the tenant's household. Further, tenant agrees that the annual income and other eligibility requirements are substantial and material obligations of the tenancy and that the tenant will comply promptly with all requests for information with respect to the tenancy from the landlord and/or City. Further, tenant acknowledges that tenant's failure to provide accurate information regarding such requirements (regardless of whether such inaccuracy is intentional or unintentional) or the refusal to comply with the request for information with respect thereto, shall be deemed a violation of this lease provision, and a material breach of the tenancy and shall constitute cause for immediate termination of the tenancy.

(b) HOME and HOME-ARP Affordable Units. Developer agrees that it will include the following provision in all of its leases of HOME Units and HOME-ARP Units:

Term of Lease for HOME and HOME-ARP Program Restricted Units. Tenant has been made aware by Landlord that the unit being leased was assisted with HOME or HOME-ARP funds. Under the provisions of 24 C.F.R. §92.253, a lease must be for a period of not less than one (1) year unless the parties agree by mutual agreement that the term of the lease be less. The Tenant acknowledges by initialing in the space below that it has been made aware of the provisions of 24 C.F.R. §92.253.

19. Section 42 of the Internal Revenue Code.

(a) Section 42(h)(6)(E)(ii) of the Internal Revenue Code does not permit the eviction or termination of tenancy (other than for good cause) of an existing tenant of any low-income unit

or any increase in the gross rent with respect to such unit not permitted under Section 42 for three (3) years after the date the Property is acquired by foreclosure or deed in lieu of foreclosure.

(b) Notwithstanding anything to the contrary contained herein or in the Agreement or any of the Loan Documents, the Lender acknowledges that pursuant to Section 42 of the Internal Revenue Code, the Project will be subject to a regulatory agreement by and between Developer and the California Tax Credit Allocation Committee (“TCAC Regulatory Agreement”). The Lender further acknowledges and agrees that the terms and conditions of the TCAC Regulatory Agreement may impose rental restrictions that are more strict than the restrictions set forth herein, and compliance by Developer of any such stricter rental restrictions set forth in the TCAC Regulatory Agreement shall not constitute a default hereunder or under the Loan Agreement.

20. Notices. Notices under this Regulatory Agreement shall be in writing and sent (a) by certified or registered U.S. mail, return receipt requested, (b) overnight by a nationally recognized overnight courier such as UPS Overnight or FedEx, or (c) by personal delivery. All notices shall be effective upon receipt (or refusal to accept delivery). All notices shall be delivered to the following addresses (which addresses may be changed by written notice):

Lender: Housing Authority of the City of National City
1243 National City Blvd.
National City, CA 91950
Attn: Executive Director

Developer: Union Tower One LP
c/o Wakeland Housing and Development Corporation
1230 Columbia Street, Suite 950
San Diego, CA 92101
Attn: President and CEO

With copies to: NCPA Union Tower One, LLC
2323 D Avenue
National City California 91950
Attn. CEO

Borrower’s limited partners:
Hudson Union Tower LP
Hudson-FM SLP LLC
630 Fifth Avenue, 28th Floor
New York, NY 10111
Attn: General Counsel

20. Monitoring Fees. Commencing upon completion of construction, the Developer shall pay to Lender an annual occupancy monitoring fee (“Annual Loan Monitoring Fee”), as determined by Lender schedules printed by Lender from time to time (which amount is \$215.00 per unit per year at the time of recordation of this Agreement), said fee shall be subject to revision annually.

The schedule of monitoring fees may be requested from Lender. Annual Loan Monitoring Fees shall be paid to Lender annually within thirty (30) days after Lender provides a written invoice for the same. Concurrently herewith, the Developer and the City of National City are entering into an Affordable Housing Density Bonus Agreement (“Density Bonus Agreement”) of even date herewith. The Density Bonus Agreement also requires payment of annual occupancy monitoring fee. The annual occupancy monitoring fee shall be payable under either this Agreement or the Density Bonus Agreement, i.e., if the Developer pays the annual occupancy monitoring fee to the Lender pursuant to this Section 20, then the annual occupancy monitoring fee under the Density Bonus Agreement shall be deemed satisfied for such year. Failure to timely pay the Annual Loan Monitoring Fee shall constitute a material default under the terms and conditions of the Agreement and this Agreement. The Annual Loan Monitoring Fee shall be paid to Lender as a consideration for the lending of funds by Lender to Developer.

21. Signature Authority. All individuals signing this Regulatory Agreement for a party which is a corporation, limited liability company, partnership or other legal entity, or signing under a power of attorney, or as a trustee, guardian, conservator, or in any other legal capacity, covenant to the Lender that they have the necessary capacity and authority to act for, sign and bind the respective entity or principal on whose behalf they are signing.

22. Agreements Concerning the Commercial Space. The Developer will hold its interest in the Property as a ground lessee under a ground lease (“Ground Lease”). The Developer agrees that the Commercial Space shall be built without application of any of the Housing Fund Loan proceeds to the Commercial Space or its construction. The Lender acknowledges that the source of funds for the construction of the Commercial Space shall be from the ground lessor or its affiliate, who will also be a tenant of Developer under a master lease for the Commercial Space. The Lender agrees that Developer shall have the right to lease the Commercial Space, to be the ground lessor (or its affiliate, and their successors, collectively the “Master Tenant”) and that Master Tenant can sublease it to a commercial user. The master lease shall provide to Master Tenant the right, subsequent to the completion of the construction of the Project, to: (1) with Developer’s cooperation, pursue and achieve the conversion of the project to a condominium project, so that the Commercial Space can be conveyed to the Master Tenant, and owned separately in fee from the Affordable Units in the project, with reasonable rights to use all areas of the project other than the Affordable Units, to use the remainder of the project to support the Commercial Space, and to use the common areas of the project for ordinary common area uses including ingress and egress; and (2) be conveyed the fee interest in the Commercial Space without being subject to this Agreement. The Lender agrees to release the Commercial Space from this Agreement and terminate this Agreement as an encumbrance affecting the Commercial Space, provided that the conveyance of the Commercial Space is made subject to a declaration of covenants conditions and restrictions, or a recorded agreement serving a similar function (collectively “CC&RS”) which CC&Rs shall, among other things, require the grantee of the Commercial Space: (i) not interfere with the operation of the remainder of the Project as an affordable housing project, (ii) pay a fair share of the costs of the maintenance and operation of (a) the project’s common areas and (b) the building in which the Commercial Space is located; and (iii) pay for all operation, maintenance repair and reconstruction costs associated with the Commercial Space. The parties hereto further agree that the CC&Rs to be recorded against the fee interest in the Property shall be subject to the reasonable consent of the Lender not to be unreasonably withheld or delayed. The Lender agrees

that should it foreclose and acquire Developer's interest in the Property, that it will continue to be bound by the terms and provisions of this Section 22 and that the provision of this section 22 shall survive any foreclosure on the Property or any termination of this Agreement, and that the provision of this section 22 are provided for the purpose of giving the person who has caused the funding for the construction of the Commercial Space the benefit of funding the construction of the Commercial Space. During the term of the master lease for the Commercial Space, or until its earlier termination, provided that the Master Tenant under the master lease attorns to Lender if it becomes the landlord under the master lease, such foreclosure shall not terminate the master lease and Lender shall not disturb the Master Tenant or its subtenant(s) unless after the time of foreclosure, the Master Tenant is in default under the master lease and Lender notifies the Master Tenant, in writing, that there is a breach of the master lease and it will be terminated by Lender if such default is not cured within the time applicable to curing such a default, as provided for under the master lease.

DEVELOPER:

Union Tower One LP, a California limited partnership

By: Union Tower LLC
a California limited liability company
Its: Managing General Partner

By: Wakeland Housing and Development Corporation,
a California nonprofit public benefit corporation
Its: Manager

By: _____
Rebecca Louie, President and CEO

By: NCPA Union Tower One, LLC
a California limited liability company
Its: Co-General Partner

By: SDBTC Family Housing Corp. One, a California nonprofit public benefit corporation
Its: Manager

By: _____
Jodi Barthold, Chief Financial Officer

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

HOUSING AUTHORITY:

Community Development Commission-Housing Authority of the City of National City

By: _____
Benjamin A. Martinez, Executive Director

CITY:

City of National City

By: _____
Benjamin A. Martinez, City Manager

Approved as to form:

By: _____
Barry J. Schultz, City Attorney

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)
County of San Diego)

On _____, 2024, before me, _____, notary public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)
County of San Diego)

On _____, 2024, before me, _____, notary public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

Exhibit "A"

Property Legal Description

That certain real property situated in the City of National City, County of San Diego, State of California, described as follows:

Exhibit “C”

DO NOT DESTROY THIS NOTE: WHEN PAID, THIS NOTE AND THE DEED OF TRUST SECURING IT MUST BE SURRENDERED TO TRUSTEE FOR CANCELLATION BEFORE RECONVEYANCE WILL BE MADE.

PROMISSORY NOTE
(Union Tower-Housing Authority Housing Fund)
(“Note”)

National City, California

February __, 2024

1. Principal and Interest. For value received, Union Tower One LP, a California limited partnership (“Maker”), in consideration of that certain Construction and Permanent Financing Loan Agreement (Union Tower) (“Loan Agreement”) of even date herewith between the Maker and the Community Development Commission-Housing Authority of the City of National City (“Housing Authority”), Maker promises to pay to the Housing Authority, or order, at 140 East 12th Street, National City, California 91950-3312, or such other place as the holder may from time to time designate by written notice to Maker, the principal sum of Eight Million and No/100 Dollars (\$8,000,000.00), or so much as is advanced, together with accrued interest from the date disbursed at the rate of three percent (3%) simple interest per annum, except in the event of a default under this Note or any of the Loan Documents, as defined below, past any applicable notice and cure period, in which event ten percent (10%) simple interest shall be deemed to have accrued from the date of such default. This Note is made pursuant to the Loan Agreement and the Deed of Trust (“Deed of Trust”), being executed concurrently herewith, to be recorded in the office of the County Recorder of San Diego County. The Loan Agreement, this Note, the Deed of Trust and Regulatory Agreement (as defined in the Loan Agreement), together with any and all other documents executed in connection therewith, are sometimes collectively referred to herein as the “Loan Documents.” All capitalized terms which are not defined herein shall have the meaning ascribed to them in the Loan Agreement.

2. Term of Loan, Due Date and Right of Prepayment. Payments shall be due and payable as follows:

(a) On May 31, 2027 (for calendar 2026), and annually on May 31 of each year thereafter through the end of the term described in (b) below, Maker shall make annual payments to the Housing Authority under this Note in an amount equal to 17.37% of the Residual Receipts, as defined herein, for the immediately previous calendar year (on a form acceptable to the Housing Authority in its sole discretion). Concurrently herewith the Housing Authority is making a loan to Maker in the original principal amount of up to of One Million Five Hundred Thousand and No/100 Dollars (\$1,500,000.00) (“HOME and HOME-ARP Loan”). The HOME and HOME-ARP Loan shall also be repayable out of Residual Receipts. Residual Receipts shall be allocated first to this Note until paid in full, then to the HOME and HOME-ARP Loan until paid in full.

(b) All principal and unpaid interest shall be due and payable by the Maker to the Housing Authority on December 31, 2081.

(c) Except as otherwise set forth in the Loan Agreement, all principal and unpaid interest shall be due and payable concurrently with the refinancing of any loan or other obligation secured all or in part by the Property, as defined in the Deed of Trust.

(d) All principal and accrued interest shall be due and payable by the Maker to the Housing Authority upon acceleration of this Note pursuant to Section 4, below.

(e) Except as otherwise permitted by the Loan Agreement, all principal and accrued interest shall be due and payable by the Maker to the Housing Authority upon any sale, transfer, conveyance or further encumbrance of all or any part of the Property, as defined in the Deed of Trust, which is not consented to by the Housing Authority in writing.

“Residual Receipts” shall mean Gross Income less Operating Expenses, calculated on a calendar year basis, as provided herein. All calculations of Residual Receipts shall be subject to verification and approval by the Housing Authority.

“Gross Income” shall mean all gross income of Maker from all residential and non-residential components of the Project, as such term is defined in the Loan Agreement, and any other income to Maker derived from the Property, and the proceeds of any sale, financing or refinancing of all or any portion of Property or the sale, transfer or conveyance of Maker. Provided, however, that Gross Income shall not include (i) insurance proceeds or condemnation proceeds; (ii) security deposits or other tenant deposits; (iii) equity contributions to Maker made by the partners of Maker; (iv) disbursements from operating or replacement reserves; or (v) interest earned on project reserves. Interest earned (if any) on project reserves shall accrue to the applicable project reserve account and shall only be used for the purposes for which the reserve was established.

“Operating Expenses” shall mean actual, reasonable and customary costs, taxes, fees and expenses directly attributable to the operation, maintenance and management of the Project, to the extent approved by Housing Authority in Maker’s annual operating budget, expressly including, but not limited to, the following: (i) required non-contingent debt service payments (including issuer fees, bond fees, trustee fees and similar fees) on any loans permitted to be secured by the Property that is senior to the Deed of Trust, which have been approved by the Housing Authority; (ii) the annual deposit to the replacement reserve which shall be \$47,000.00, and any other scheduled deposits and/or replenishments to reserves; (iii) all current and unpaid general and limited partner partnership fees (all fees payable to all general partners and limited partners of the Maker), which shall not exceed \$36,500.00 (escalating at 3% annually on a cumulative basis if not paid in prior years) per year in the aggregate; (iv) water, sewer, electrical, gas, and other utility-type charges for the Project; (v) costs to operate and maintain the Project; (vi) insurance premiums; (vii) expenses incurred in connection with the management and operation of the Project (including property management fees which are approved by the Housing Authority); (viii) capital expenditures to the Project to comply with applicable laws or otherwise to improve the operation or management of the Project to the extent such capital expenditures are not made from reserves and are approved by the Housing Authority in writing or by approval of the applicable budget setting forth such capital expenditures prior to Maker undertaking such capital expenditures; (ix) payment of any unpaid tax credit adjusters owed to Maker’s limited partner; (x) payments to Deferred Developer Fee, as defined in the Loan Agreement; and (xi) the City of National City’s and the Housing Authority’s annual monitoring fees as required pursuant to the Regulatory Agreement and that certain Density Bonus Agreement between the Housing Authority and Maker, among others and the County of San Diego Health and Human Services Agency’s annual monitoring fees as required in connection with its loan to Maker.

This Note may be prepaid in whole or in part at any time and, from time to time, without notice, premium or penalty. Any payment, including any prepayment, shall be allocated first to unpaid interest and then to principal. Except as permitted by the Loan Agreement, should the undersigned sell, convey, transfer, further encumber, or dispose of the Property described in the Deed of Trust securing this Note, or any part of it, or any interest in it, without first obtaining the written consent of Housing

Authority, or the then holder of this Note, which consent shall be granted or withheld in the reasonable discretion of the Housing Authority, then all obligations secured by this Note may be declared due and payable, at the option of Housing Authority, or the then holder of this Note. The Housing Authority reserves the right to approve all sales, transfers, conveyances, additional encumbrances, or dispositions of the Property, unless otherwise provided in the Loan Agreement. Consent to one transaction of this type will not constitute a waiver of the right to require consent to future or successive transactions.

3. Security for Note. This Note is secured by the Deed of Trust of even date herewith executed by Maker, which creates a lien on the Property described therein, and by the Loan Documents, including the Security Agreement.

4. Acceleration Upon Default. In the event of any default under the terms of the Loan Documents, or acceleration of any prior or subsequent loans, notes and/or deeds of trust, at the option of the holder of this Note, beyond any applicable notice and cure periods set forth therein (including notice to Maker's limited partner), all principal and interest under this Note shall immediately become due and payable, without further notice. Failure to exercise such remedy shall not constitute a waiver of the right to exercise it in the event of any subsequent default. Without limiting any other events of default contained herein, or in any of the Loan Documents, the failure to complete construction of the Project substantially in accordance with the plans and specifications and place the Project "in service" (as such term is used in 26 U.S.C. §42) on or before December 31, 2026, shall be considered an event of default entitling the Housing Authority to accelerate the payment of principal and interest hereunder, as provided in this Section 4. Time is of the essence.

5. Payment and Interest Calculation. Principal and interest shall be payable in lawful money of the United States of America. Interest shall be computed based on a 360-day year and 30-day month. Payments shall be applied to interest first and then to any unpaid principal balance.

6. Incorporation of the Loan Agreement. The provisions of the Loan Agreement are expressly incorporated into this Note by this reference.

7. Waiver. Maker hereby waives diligence, presentment, protest and demand, notice of protest, dishonor and nonpayment of this Note, and expressly agrees that, without in any way affecting the liability of Maker hereunder, the Housing Authority may extend any maturity date or the time for payment of any installment due hereunder, accept additional security, release any party liable hereunder and release any security now or hereafter securing this Note. Maker further waives, to the full extent permitted by law, the right to plead any and all statutes of limitations as a defense to any demand on this Note, or on any Deed of Trust, security agreement, guaranty or other agreement now or hereafter securing this Note.

8. Recourse During Construction and Non-Recourse After Completion.

(a) Prior to the timely placement of the Project "in service" (as such term is used in 26 U.S.C. §42) (i.e., on or before December 31, 2026), in any action brought to enforce the obligations of Maker under this Note or the Loan Documents, the judgment or decree shall be enforceable against Maker, in addition to any collateral security for the payment of this Note, and Housing Authority may seek any deficiency judgment against Maker.

(b) Following the timely placement of the Project "in service" (as such term is used in 26 U.S.C. §42) (i.e., on or before December 31, 2026), nothing contained herein shall be deemed to cause

Maker (or any of its partners) to be personally liable for any of the obligations evidenced hereby, and the Housing Authority shall not seek any personal or deficiency judgment on such obligations, and the sole remedy of the Housing Authority with respect to repayment of the loan evidenced by this Note shall be against the Property.

(c) Notwithstanding Section 8(b), above, Maker shall indemnify, defend, protect and hold the Housing Authority harmless from and against any and all loss, damage, liability, action, cause of action, cost or expense incurred by the Housing Authority as a result of any (i) fraud or material misrepresentation by Maker under or in connection with the loan evidenced by this Note or any Loan Document; (ii) intentional bad faith waste of the Property; (iii) losses resulting from Maker's failure to maintain insurance as required under the Deed of Trust or the Loan Documents; and (iv) misapplication of any rents, security deposits, insurance proceeds, condemnation awards or any other proceeds derived from the collateral security in a manner prohibited by the Loan Documents. The Housing Authority shall promptly provide Maker with written notice of any event for which Maker has an indemnification obligation as provided in this Section 8(c).

(d) Notwithstanding anything to the contrary contained herein, Maker's obligation to indemnify the Housing Authority as set forth in Section 8(c), above, shall be personal, recourse obligations of the Maker and in the event of any breach of such obligations, the Housing Authority shall have the right to proceed directly against the Maker to recover any and all losses, damages, liabilities, actions, causes of action, costs and expenses resulting from such breach and the right to bring any action and to institute any proceedings to obtain a deficiency judgment in or following after foreclosure for any and all losses, damages, liabilities, actions, causes of action, costs and expenses resulting from such breach.

9. Late Charge. In addition to the foregoing, if any installment due hereunder is not paid within fifteen (15) days from the date due, Maker promises to pay a "late charge" of five percent (5%) of the installment so overdue to defray the expense incident to handling any such delinquent payment or payments.

10. Severability. If any provision of this Note is determined to be void by court of competent jurisdiction, such determination shall not affect any other provision of this Note, and such other provisions shall remain in full force and effect.

11. Non-Waiver. No delay in demanding or failure to demand performance hereunder shall constitute a waiver by the Housing Authority of its right to subsequently demand such performance or to exercise any remedies for any default hereunder. Further, in order to be effective, any waiver of any of the Housing Authority's rights and remedies hereunder shall be expressed in a writing signed by the Housing Authority. Further waiver by the Housing Authority of any right hereunder shall not constitute a waiver of any other right, including but not limited to the right to exercise any and all remedies for a different or subsequent event of default hereunder.

12. Replacement Note. The undersigned agrees that, in the event that this Note shall become lost or stolen, upon request of the Housing Authority, the undersigned shall execute a replacement note incorporating the terms hereof, provided that the Housing Authority shall furnish a written agreement to indemnify the undersigned against all losses, costs, and damages arising from a duplicative demand for payment under this Note.

13. Interpretation. This Note shall be governed and interpreted in accordance with applicable California law.

14. Signature Authority. All individuals signing this Note for a party which is a corporation, limited liability company, partnership or other legal entity, or signing under a power of attorney, or as a trustee, guardian, conservator, or in any other legal capacity, covenant to the Housing Authority that they have the necessary capacity and authority to act for, sign and bind the respective entity or principal on whose behalf they are signing.

MAKER:

Union Tower One LP, a California limited partnership

By: Union Tower LLC
a California limited liability company
Its: Managing General Partner

By: Wakeland Housing and Development Corporation,
a California nonprofit public benefit corporation
Its: Manager

By: _____
Rebecca Louie, President and CEO

By: NCPA Union Tower One, LLC
a California limited liability company
Its: Co-General Partner

By: SDBTC Family Housing Corp. One, a California nonprofit public benefit corporation
Its: Manager

By: _____
Jodi Barthold, Chief Financial Officer

Exhibit “D”

RECORDING REQUESTED BY:

COMMUNITY DEVELOPMENT
COMMISSION OF THE CITY OF
NATIONAL CITY

AND WHEN RECORDED RETURN TO:

COMMUNITY DEVELOPMENT
COMMISSION OF THE CITY OF
NATIONAL CITY

Records Management Department
1243 National City Blvd.
National City, California 91950

DEED OF TRUST
(Union Tower)

THIS DEED OF TRUST (“Deed of Trust”) is dated as of the ___ day of February, 2024, by and among Union Tower One LP, a California limited partnership (“Trustor”), whose address is c/o Wakeland Housing and Development Corporation, 1230 Columbia Street, Suite 950, San Diego, California 92101, Commonwealth Land Title Company (“Trustee”) and the City of National City and Community Development Commission-Housing Authority of the City of National City (“collectively, the Beneficiary”), whose address is 140 East 12th Street, National City, California 91950-3312.

TRUSTOR HEREBY irrevocably grants, transfers, and assigns to Trustee, in trust, with power of sale, a leasehold interest in that certain real property (“Property”) in the City of National City, County of San Diego, State of California, described as:

(See Legal Description - Exhibit “A”)

FOR THE PURPOSE OF SECURING:

(a) Payment of the indebtedness evidenced by that certain Promissory Note (Union Tower-Housing Authority Housing Fund) of even date herewith executed by Trustor, in the principal sum of Eight Million and No/100 Dollars (\$8,000,000.00), and any renewal, extension, or modification of the promissory note (“Housing Authority Note”);

(b) Payment of the indebtedness evidenced by that certain Promissory Note (Union Tower-HOME and HOME-ARP Funds) of even date herewith executed by Trustor, in the principal sum of One Million Five Hundred Thousand and No/100 Dollars (\$1,500,000.00), and any renewal, extension, or modification of the promissory note (“HOME and HOME-ARP Note”);

(c) Any additional sums and interest that may hereafter be loaned to the then record owner of the Property by Beneficiary, when evidenced by another note or notes reciting that it or they are so secured;

(d) The performance of each agreement contained in this Deed of Trust;

(e) The performance of each agreement of Trustor under that certain Construction and Permanent Financing Loan Agreement (Union Tower) of even date herewith, by and between Trustor and Beneficiary on file in the Office of Beneficiary (“Loan Agreement”); and

(f) The performance of each agreement and covenant of Trustor under that certain Regulatory Agreement (Union Tower) of even date herewith and recorded concurrently herewith affecting the Property (“Regulatory Agreement”); and

(g) The performance of each agreement and covenant of Trustor under that certain Affordable Housing Density Bonus Agreement (Union Tower) of even date herewith and recorded concurrently herewith affecting the Property (“Density Bonus Agreement”).

A. TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

1. Maintenance and Repair. To keep the Property in good condition and repair, ordinary wear and tear excepted; not to remove or demolish any buildings on the Property (other than any planned demolition contemplated in the plans and specifications); ~~to~~ complete or restore promptly and in good and workmanlike manner any building that may be constructed, damaged, or destroyed on the Property; to pay when due all claims for labor performed and materials furnished for the Property unless such claims are being contested by Borrower in good faith and such claims have been bonded over or otherwise secured against to Beneficiary’s satisfaction; to comply with all laws affecting the Property or requiring any alterations or improvements to be made on the Property; not to commit or permit waste of the Property; not to commit, suffer, or permit any act upon the Property in violation of law; and to cultivate, irrigate, fertilize, fumigate, prune, and do all other acts that from the character or use of the Property may be reasonably necessary.

2. Fire Insurance. To provide, maintain, and (subject to the rights of senior lenders) deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary as its interest may appear. Subject to the rights of any senior lenders, the amount collected under any fire or other property insurance policy may be applied by Beneficiary to any amounts secured by this Deed of Trust and in any order determined by Beneficiary, or at the option of Beneficiary the entire amount so collected or any part of that amount may be released to Trustor. This application or release shall not cure or waive any default or notice of default under this Deed of Trust or invalidate any

act done pursuant to such a notice. Notwithstanding the foregoing, but subject to the rights of senior lenders, in the event of any fire or other casualty to the Property, Trustor shall have the right to rebuild the Property, and to use all available insurance proceeds therefor, provided that (a) such proceeds are sufficient to rebuild the Property in a manner that provides adequate security to Beneficiary for repayment of the indebtedness secured hereby or if such proceeds are insufficient then Trustor shall have funded any deficiency, (b) Beneficiary shall have the right to approve (which shall not be unreasonably withheld, conditioned or delayed) plans and specifications for any major rebuilding and the right to approve (which shall not be unreasonably withheld, conditioned or delayed) disbursements of insurance proceeds for rebuilding under a construction escrow or similar arrangement, and (c) no material default by Trustor then exists hereunder or under the Loan Agreement, Density Bonus Agreement, Regulatory Agreement, Housing Authority Note or HOME and HOME-ARP Note which would not be cured by rebuilding. If the casualty affects only part of the Property and total rebuilding is not feasible, then, subject to the rights of senior lenders, proceeds may be used for partial rebuilding and partial repayment of the indebtedness secured hereby in a manner that provides adequate security to Beneficiary for repayment of the remaining indebtedness secured hereby.

3. Defense of Security. To appear in and defend any action or proceeding purporting to affect the security of this Deed of Trust or the rights or powers of Beneficiary, or Trustee; and to pay all costs and expenses in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

4. Payment of Liens and Taxes. To pay all taxes and assessments affecting the Property prior to such payments becoming due, including assessments on appurtenant water stock, all encumbrances, charges, and liens, with interest, on the Property or any part of the Property, which appear to be prior or superior to this Deed of Trust; and all costs, fees, and expenses of this Deed of Trust. If Trustor fails to make any payment or to do any act as provided in this Deed of Trust, then Beneficiary or Trustee may (but is not obligated to) make the payment or do the act in the required manner and to the extent deemed necessary by Beneficiary or Trustee to protect the security of this Deed of Trust. The performance by Beneficiary or Trustee of such an act shall not require notice to or demand upon Trustor and shall not release Trustor from any obligation under this Deed of Trust. Beneficiary or Trustee shall also have the following related rights and powers: to enter upon the Property for the foregoing purposes; to appear in and defend any action or proceeding purporting to affect the security of this Deed of Trust or the rights or powers of Beneficiary or Trustee; to pay, purchase, contest, or compromise any encumbrance, charge, or lien that in the judgment of either appears to be prior or superior to this Deed of Trust.

5. Reimbursement of Costs. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to this Deed of Trust, with interest from date of expenditure at the amount allowed by law in effect at the date of this Deed of Trust, and to pay any amount demanded by Beneficiary (up to the maximum allowed by law at the time of the demand) for any statement regarding the obligation secured by this Deed of Trust.

6. Use. That Trustor will not permit or suffer the use of any of the Property for any purpose other than the use for which the same was intended at the time this Deed of Trust was executed. The Beneficiary hereby acknowledges that a portion of the Property shall be office space consisting of the entire seventh floor of one building will be subleased by the Trustor to SDBTC Family Housing Corp Three, a California corporation.

7. Incorporation of Agreements. The Housing Authority Note, HOME and HOME-ARP Note, Loan Agreement, Density Bonus Agreement and Regulatory Agreement are incorporated herein by reference and made a part of this Deed of Trust, although not attached. Copies are on file in the office of the Beneficiary.

8. Performance of Other Obligations. To perform, in a timely manner, each agreement and covenant by and between Trustor on any and all notes, loans and deeds of trust that are senior and/or junior to this Deed of Trust. A default in any of these obligations after the expiration of any applicable notice or cure period shall constitute a default under this Deed of Trust.

B. THE PARTIES AGREE THAT:

9. Condemnation Award. Any award of damages in connection with any taking or condemnation, or for injury to the Property by reason of public use, or for damages for private trespass or injury to the Property, is hereby assigned and shall be paid to Beneficiary (subject to the rights of any senior lenders), as its interest may appear as further security for all obligations secured by this Deed of Trust. Upon receipt of such proceeds, Beneficiary shall apply or release them in the same manner and with the same effect as provided in Section 2 of this Deed of Trust for the disposition of proceeds of fire or other insurance.

10. Waiver of Late Payments. By accepting payment of any sum secured by this Deed of Trust after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure to pay any amounts secured by this Deed of Trust.

11. Trustee's Powers. Upon written request of Beneficiary, Trustee may (a) reconvey all or any part of the Property; (b) consent to the making and recording, or either, of any map or plat of all or any part of the Property; (c) join in granting any easement on the Property; or (d) join in or consent to any extension agreement or any agreement subordinating the lien, encumbrance, or charge of this Deed of Trust. Trustee need not provide Trustor with notice before taking any of the foregoing actions, and shall not be liable for the proper performance of the act. The exercise by Trustee of any of the foregoing powers shall not affect the personal liability of any person with respect to the obligations secured by this Deed of Trust, or the lien of this Deed of Trust on the remaining property as security for the repayment of the full amount secured by this Deed of Trust.

12. Full Reconveyance. Upon written request of Beneficiary stating that all obligations secured by this Deed of Trust have been performed in full, surrender of this Deed of Trust, the Housing Authority Note and HOME and HOME-ARP Note, and any other notes secured by this Deed of Trust to Trustee for cancellation and retention, and payment of Trustee's fees and charges, Trustee shall reconvey, without warranty, the Property then subject to this Deed of Trust. The recitals in the reconveyance shall be conclusive proof of the truthfulness of the recitals. The grantee in the reconveyance may be described as "the person or persons legally entitled thereto."

13. Assignment of Rents. As additional security, Trustor hereby gives to and confers upon Beneficiary the right, power, and authority during the continuance of this Deed of Trust, to collect the rents, issues, and profits of the Property, but reserves the right, prior to any default, which continues beyond any applicable notice and cure periods, by Trustor in payment of any amounts secured by this Deed of Trust or in the performance of any agreement under this Deed of Trust, to collect and retain these rents, issues, and profits as they become due and payable. Upon any such uncured default, Beneficiary may, without notice and without regard to the adequacy of the security for the amounts secured by this Deed of Trust, either personally or by agent or court-appointed receiver, do the following: enter upon and take possession of the Property or any part of the Property; sue for or otherwise collect all rents, issues, and profits, including those past due and unpaid; and apply these rents, issues, and profits, less costs and expenses of operation and collection, upon any amounts secured by this Deed of Trust, in any order determined by Beneficiary. The exercise of the foregoing rights by Beneficiary shall not cure or waive any default or notice of default under this Deed of Trust or invalidate any act done pursuant to such a notice.

14. Default; Foreclosure. Upon material default by Trustor in the payment of any amounts secured by this Deed of Trust or in the performance of any obligation under the Housing Authority Note, HOME and HOME-ARP Note, Loan Agreement, Density Bonus Agreement, Regulatory Agreement or this Deed of Trust, after the expiration of any and all applicable notice or cure periods, Beneficiary may declare all sums secured by this Deed of Trust immediately due and payable by delivering to Trustee a written declaration of default and demand for sale and a written notice of default and election to sell the Property. Trustee shall cause the notice of default and election to sell to be recorded. After the required time period has lapsed following the recordation of the notice of default, and after notice of sale has been given as required by law, Trustee, without demand on Trustor, shall sell the Property at the time and place specified in the notice of sale, either as a whole or in separate parcels, and in any order determined by Trustee, at public auction to the highest bidder for cash in lawful money of the United States, payable at the time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at the time and place of sale, and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to the purchaser at the auction its deed conveying the Property sold, but without any covenant or warranty, express or implied. The recital in the deed of any matter or fact shall be conclusive proof of the truthfulness of the recital. Any person, including Trustor, Trustee, or Beneficiary, may purchase at the sale. After deducting all costs, fees, and expenses of Trustee and Beneficiary under this section, including costs of procuring evidence of title incurred in connection with the sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms of this Deed of Trust, not then repaid, with accrued interest at the amount allowed by law in effect at the date of this

Deed of Trust; all other sums then secured by this Deed of Trust; and the remainder, if any, to the person or persons legally entitled to the remaining proceeds. Notwithstanding anything to the contrary contained herein, Beneficiary hereby agrees that Trustor's limited partners shall each have the right, but not the obligation, to cure any defaults of Trustor hereunder, and the Beneficiary agrees to accept cures tendered by Trustor's limited partners on the same basis as if made or tendered by Trustor.

15. Due on Sale or Further Encumbrance. Except for Permitted Transfers or as otherwise provided in the Loan Agreement, should Trustor agree to or actually sell, convey, transfer, or dispose of, or further encumber the Property, or any part of it, or any interest in it, without first obtaining the written consent of the Beneficiary, then all obligations secured by this Deed of Trust may be declared due and payable, at the option of the Beneficiary. Consent to one transaction of this type will not constitute a waiver of the right to require consent to future or successive transactions.

16. General Provisions. This Deed of Trust applies to, inures to the benefit of, and binds all parties to this Deed of Trust and their heirs, legatees, devisees, administrators, executors, successors, and assigns. The term "Beneficiary" shall mean the holder and owner, including pledgee, of the Housing Authority Note or HOME and HOME-ARP Note, whether or not named as a beneficiary in this Deed of Trust, and the heirs, legatees, devisees, administrators, executors, and assigns of any such person. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

17. Acceptance by Trustee. Trustee accepts this Deed of Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party to this Deed of Trust of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

18. Substitution of Trustees. Beneficiary, or any successor in ownership of any obligations secured by this Deed of Trust, may from time to time, by written instrument, substitute a successor or successors to any Trustee named in or acting under this Deed of Trust. The substitution instrument shall contain the name of the original Trustor, Trustee, and Beneficiary under this Deed of Trust, the book and page where this Deed of Trust is recorded, and the name and address of the new Trustee. When executed by Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where the Property is situated, the substitution instrument shall be conclusive proof of proper substitution of the successor Trustee or Trustees. Any successor Trustee or Trustees shall, without conveyance from the predecessor Trustee, succeed to all its title, estate, rights, powers, and duties.

19. Cumulative Powers and Remedies. The powers and remedies conferred in this Deed of Trust are concurrent and cumulative to all other rights and remedies provided in this Deed of Trust or given by law. These powers and remedies may be exercised singly, successively, or together, and as often as deemed necessary.

20. Conclusiveness of Recitals. The recitals contained in any reconveyance, trustee's deed, or any other instrument executed by Trustee from time to time under the authority of this Deed of Trust or in the exercise of its powers or the performance of its duties under this Deed of Trust, shall be conclusive evidence of their truth, whether stated as specific and particular facts, or in general statements or conclusions. Further, the recitals shall be binding and conclusive upon Trustor, its heirs, executors, administrators, successors, and assigns, and all other persons.

21. Co-Trustees. If two or more persons are designated as Trustee in this Deed of Trust, any, or all, power granted in this Deed of Trust to Trustee may be exercised by any of those persons, if the other person or persons are unable, for any reason, to act. Any recital of this inability in any instrument executed by any of those persons shall be conclusive against Trustor and Trustor's heirs and assigns.

22. Request for Notices of Default and Sale. In accordance with Section 2924b of the California Civil Code, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under any deeds of trust executed by Trustor concerning the Property be mailed to:

Housing Authority of the City of National City
140 East 12th Street
National City, CA 91950-3312
Attn: Executive Director

The Trustor requests that a copy of any notice of default and of any notice of sale under this Deed of Trust be mailed to Trustor at the address of Trustor set forth above.

NOTICE: A copy of any notice of default and of any notice of sale will be sent only to the address contained in this recorded request. If your address changes, a new request must be recorded.

23. Inspections. Trustor shall permit Beneficiary and its agents or representatives, to inspect the Property at any and all reasonable times upon reasonable advance notice and subject to the rights of tenants. Inspections shall be conducted so as not to interfere with the tenants' use and enjoyment of the Property or the general operation of the Property.

24. Hazardous Materials Defined. For purposes of this Deed of Trust, "Hazardous Materials" mean and include any hazardous, toxic or dangerous waste, substance or material including, without limitation, flammable explosives, radioactive materials, asbestos, hazardous wastes, toxic substances and any materials or substances defined as hazardous materials, hazardous substances or toxic substances in (or for purposes of) the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), as amended (42 U.S.C. §9601, *et seq.*), the Hazardous Materials Transportation Act (49 U.S.C. §1801, *et seq.*), the Resource Conservation and Recovery Act (42 U.S.C. §6901, *et seq.*), and those substances defined as hazardous wastes in §25117 of the California Health and Safety Code or as hazardous substances in §25316 of the California Health and Safety Code or in any regulations promulgated under either such law, any so-called "Superfund" or "Superlien" law, or any other federal, state or local statute, law,

ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect.

25. Trustor's Hazardous Materials Representations and Warranties and Indemnity. In addition to the general and specific representations, covenants and warranties set forth in this Deed of Trust or otherwise, Trustor represents, covenants and warrants, with respect to Hazardous Materials, as follows:

(a) Except as may otherwise be set forth in the Phase 1 and Phase 2, neither Trustor nor, to the best knowledge of Trustor, any other person, has ever caused or permitted any Hazardous Materials to be manufactured, placed, held, located or disposed of on, under or at the Property or any part thereof, and neither the Property nor any part thereof, or any property adjacent thereto, has ever been used (whether by Trustor or, to the best knowledge of Trustor, by any other person) as a manufacturing site, dump site or storage site (whether permanent or temporary) for any Hazardous Materials. "Hazardous Materials" for purposes of this Section 25 shall not include substances typically used in the ordinary course of developing, operating and maintaining apartment complexes in California or small amounts of chemicals, cleaning agents and the like commonly employed in routine household uses in a manner typical of occupants in other similar residential properties, provided that such substances are used in accordance with all applicable laws.

(b) Trustor hereby agrees to indemnify Beneficiary, its officers, employees, contractors and agents, and hold Beneficiary, its officers, employees, contractors and agents harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against Beneficiary, its officers, employees, contractors or agents for, with respect to, or as a direct or indirect result of, the presence or use, generation, storage, release, threatened release or disposal of Hazardous Materials on or under the Property or the escape, seepage, leakage, spillage, discharge, emission or release of any Hazardous Materials from the Property (including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under CERCLA, any so-called "Superfund" or "Superlien" law, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards of conduct concerning any Hazardous Materials) regardless of whether or not caused by or within the control of Trustor. The foregoing indemnification shall not apply to any liability resulting from (i) an event that occurs after a transfer of the Property due to any foreclosure sale (judicial or nonjudicial) or a deed in lieu of foreclosure, or (ii) acts or omissions of Beneficiary or its agents.

(c) Except as may otherwise be set forth in the Phase 1 and Phase 2, Trustor has not received any notice of (i) the happening of any event involving the use, spillage, discharge, or cleanup of any Hazardous Materials ("Hazardous Discharge") affecting Trustor or the Property or (ii) any complaint, order, citation or notice with regard to air emissions, water discharges, noise emissions or any other environmental, health or safety matter affecting Trustor or the Property ("Environmental Complaint") from any person or entity, including, without limitation, the United States Environmental Protection Agency ("EPA"). If Trustor receives any such notice after the

date hereof, then Trustor will give, within seven (7) business days thereafter, oral and written notice of same to Beneficiary.

(d) Without limitation of Beneficiary's rights under this Deed of Trust, Beneficiary shall have the right, but not the obligation, at any and all reasonable times and upon reasonable advance notice to enter onto the Property or to take such other actions as it deems necessary or advisable to clean up, remove, resolve or minimize the impact of, or otherwise deal with, any such Hazardous Materials or Environmental Complaint upon its receipt of any notice from any person or entity, including without limitation, the EPA, asserting the existence of any Hazardous Materials in violation of applicable law or an Environmental Complaint on or pertaining to the Property which, if true, could result in an order, suit or other action against Trustor affecting any part of the Property by any governmental agency or otherwise which, in the sole opinion of Beneficiary, could jeopardize its security under this Deed of Trust. All reasonable costs and expenses incurred by Beneficiary in the exercise of any such rights shall be secured by this Deed of Trust and shall be payable by Trustor upon demand together with interest thereon at a rate equal to the highest rate payable under the Housing Authority Note and HOME and HOME-ARP Note.

(e) The foregoing representation, covenants, indemnities and warranties shall be continuing and shall be true and correct for the period from the date hereof to the release of this Deed of Trust (whether by satisfaction of the obligations secured hereby or foreclosure or action in lieu thereof), and these representations, covenants, indemnities and warranties shall survive such release.

26. Choice of Law. This Deed of Trust shall be governed by and construed in accordance with the laws of the State of California.

27. Authority to Sign. All individuals signing this Deed of Trust for a party which is a corporation, limited liability company, partnership or other legal entity, or signing under a power of attorney, or as a trustee, guardian, conservator, or in any other legal capacity, covenant to the Beneficiary that they have the necessary capacity and authority to act for, sign and bind the respective entity or principal on whose behalf they are signing.

28. Notices to Trustor and Trustor's Limited Partner. Any notices delivered to Trustor pursuant to this Deed of Trust shall be sent to Trustor, with a copy to Trustor's limited partner, at the addresses set forth in the Loan Agreement.

29. Permitted Refinancings. Trustor shall be permitted to refinance the Permanent Loan and any other loan senior to this Deed of Trust at or before its maturity date on commercially reasonable terms in an amount equal to or less than the then-outstanding principal balance of such loan (the "Refinanced Loan"), and Beneficiary and Trustee agree that this Deed of Trust and the other documents evidencing and/or securing the obligations hereunder shall remain subordinate to any such Refinanced Loan.

30. Subordination to Tax Credit Regulatory Agreement. Beneficiary agrees that this Deed of Trust is and shall be subordinate to the "extended low-income housing commitment" (as such term is defined in Section 42(h)(6)(B) of the Internal Revenue Code of 1986, as amended) recorded

against the Property in favor of the California Tax Credit Allocation Committee (the “Tax Credit Extended Use Agreement”) provided that such Tax Credit Extended Use Agreement, by its terms, terminates upon foreclosure or a transfer of the property by instrument in lieu of foreclosure subject to the restrictions on tenant evictions and rent increases set forth in Section 42(h)(6)(E)(ii) of the Internal Revenue Code of 1986, as amended.

TRUSTOR:

Union Tower One LP, a California limited partnership

By: Union Tower LLC
a California limited liability company
Its: Managing General Partner

By: Wakeland Housing and Development Corporation,
a California nonprofit public benefit corporation
Its: Manager

By: _____
Rebecca Louie, President and CEO

By: NCPA Union Tower One, LLC
a California limited liability company
Its: Co-General Partner

By: SDBTC Family Housing Corp. One, a California nonprofit public benefit corporation
Its: Manager

By: _____
Jodi Barthold, Chief Financial Officer

Exhibit "A"

Property Description

That certain real property situated in the City of National City, County of San Diego, State of California, described as follows:

Exhibit “E”

**SECURITY AGREEMENT
(Union Tower)**

THIS SECURITY AGREEMENT (“Agreement”) is dated as of the __ day of February, 2024, by and between Union Tower One LP, a California limited partnership (“Borrower”) and the City of National City and the Community Development Commission-Housing Authority of the City of National City (collectively, the “Lender”).

RECITALS

A. Lender has agreed to make: (i) a loan in the original principal amount of up to Eight Million and No/100 Dollars (\$8,000,000.00) (“Housing Authority Loan”) to Borrower as described in that certain Construction and Permanent Financing Loan Agreement (Union Tower-Housing Authority Housing Fund) (“Loan Agreement”) of even date herewith by and between the Borrower and Lender, which Housing Authority Loan is evidenced by that certain Eight Million and No/100 Dollars (\$8,000,000.00) Promissory Note (Union Tower-Housing Authority Housing Fund) (“Housing Authority Note”) of even date herewith made by Borrower in favor of the Lender; and (ii) a loan in the original principal amount of up to One Million Five Hundred Thousand and No/100 Dollars (\$1,500,000.00) (“HOME and HOME-ARP Loan”) to Borrower as described in the Loan Agreement, which HOME and HOME-ARP Loan is evidenced by that certain One Million Five Hundred Thousand and No/100 Dollars (\$1,500,000.00) Promissory Note (Union Tower-HOME and HOME-ARP Funds) (“HOME and HOME-ARP Note”) of even date herewith made by Borrower in favor of the Lender. The Housing Authority Loan and HOME and HOME-ARP Loan are secured by secured by that certain Deed of Trust (Union Tower) (“Deed of Trust”) of even date herewith recorded against the Borrower’s ground lease interest in that certain real property (“Property”) more particularly described in the Deed of Trust. The Loan Agreement, Housing Authority Note, HOME and HOME-ARP Note, Deed of Trust and this Agreement may be referred to collectively herein as the “Loan Documents.”

B. Borrower and the Lender desire that the Housing Authority Loan, HOME and HOME-ARP Loan, Housing Authority Note and HOME and HOME-ARP Note should be further secured by certain personal property owned by Borrower and the Property.

AGREEMENT

NOW, THEREFORE, for valid consideration, Borrower and the Lender agree, pledge and covenant as follows:

1. Grant of Security Interest. Borrower hereby grants to the Lender a security interest, in the following described personal property (“Collateral”):

SEE EXHIBIT “1” ATTACHED HERETO FOR DESCRIPTION OF COLLATERAL

2. Attachment of Security Interest. The security interest hereby created shall attach immediately upon execution of this Agreement by Borrower and shall secure the payment of the

Housing Authority Loan, HOME and HOME-ARP Loan, Housing Authority Note and HOME and HOME-ARP Note according to the terms of the Loan Agreement.

3. Proceeds Included. Borrower also hereby grants to the Lender a security interest in and to any and all additions and modifications to, replacements and substitutions for, and products, proceeds, and interest from the Collateral on any sale, transfer, exchange or other disposition thereof. However, nothing in this Section 3 shall be deemed to constitute a grant of authority to Borrower to sell, transfer, exchange or otherwise dispose of the Collateral without the prior written consent of the Lender other than in the ordinary course of Borrower's business.

4. Warranties of Borrower. Borrower represents and warrants to Lender that:

(a) Borrower is or will be the full legal owner of the Collateral and except for any senior or subordinate lenders, no other person or entity has or will have any right, title, interest or claim in or to the Collateral or any part thereof, except for the security interest created herein, or created pursuant to those certain deeds of trust and security agreements securing loans to borrower that are senior or junior to the Deed of Trust and that were duly approved by the Lender, and/or security interests in the Collateral granted by Borrower with the knowledge and approval of Lender, in its reasonable discretion.

(b) Some or all of the Collateral is or will be located at the Property, and once so located, it will not, during the continuance of this Agreement, be removed from the Property without the prior written consent of Lender, except obsolete items other than in the ordinary course of Borrower's business. If the Collateral is moved or upon any default, which continues beyond any applicable notice and cure periods, of this Agreement by Borrower, at Lender's written request, at its own cost and expense, shall assemble the Collateral wherever in San Diego County the Lender requests the Collateral to be assembled.

5. Duty to Maintain. Borrower shall maintain the Collateral, and each part or item thereof, in good order and repair, ordinary wear and tear excepted, at Borrower's own cost and expense, and shall not use the Collateral or allow the Collateral to be used in a manner which is likely to result in deterioration of the Collateral to a degree beyond that associated with normal usage and ordinary "wear and tear."

6. Insurance. Borrower shall keep the Collateral, and all parts and items thereof, insured, at Borrower's own cost and expense, in an amount equal to the full replacement cost value of the Collateral. Such insurance policy shall cover all insurable risks to which the Collateral might foreseeably be exposed, and shall be issued by an insurance carrier acceptable to Lender, and shall provide that the loss payable thereunder shall be paid to Borrower, Lender and to any senior secured party, as their respective interests may appear. Notwithstanding the foregoing, this Section 6 shall not be deemed to require a separate insurance policy covering the Collateral, if equivalent coverage first satisfactory to Lender is provided as part of the insurance maintained by Borrower with respect to the Project (as defined in the Loan Agreement).

7. Taxes. Borrower shall be solely liable for any taxes or assessments which are levied or assessed against the Collateral and shall ensure the prompt payment of same.

8. Disposition of Collateral. Except for personal property in the ordinary course of business or as otherwise allowed by the Loan Agreement, the Borrower shall not (without the prior written consent of Lender), sell, transfer, encumber, hypothecate, exchange or otherwise dispose of the Collateral until the Housing Authority Loan and HOME and HOME-ARP Loan are fully and finally paid, except Borrower may replace items of collateral in the ordinary course of business with items of equal or greater value.

9. Right to Inspect. Lender, through its agents or employees, shall have the right to enter the Project at normal business hours upon reasonable advance notice (of not less than 48 hours) and intervals to inspect and take inventory of the Collateral, provided the same does not unnecessarily infringe upon the operation of the Project or the rights of the tenants.

10. Right to Make Payments. Lender shall be entitled, but not obligated, to pay, on behalf of Borrower, after giving written notice to Borrower and ten (10) days from receipt of the notice in which to make payment, any costs or expenses reasonably necessary to keep the Collateral fully insured, properly repaired or maintained, and lien free, which costs or expenses Borrower should have paid pursuant to this Agreement but failed to do so. The Lender shall have the right to enter the Project, subject to the rights of the tenants, at normal business hours upon reasonable advance notice (of not less than 48 hours) and intervals, to perform such acts as it may deem necessary for the maintenance or protection of the Collateral. Any monies expended or expenses incurred under this Section 10 shall be secured by the security interest created by this Agreement, and shall be due and payable to Lender by Borrower, together with interest thereon at the lesser of ten percent (10%) per annum or the maximum rate permitted by law, on demand.

11. Assignment by Lender. With prior notice to the Borrower, the Lender may assign its rights hereunder and its security interest created herein to another public agency. In the event of such an assignment, Lender's assignee shall be entitled, upon written notice to Borrower of such assignment, to all performance required of Borrower under this Agreement, and to all payments and monies secured by this Agreement.

12. Default. If Borrower fails to perform any obligation provided for in this Agreement or to pay any obligation secured by this Agreement as such obligation comes due, after any notice or cure periods provided herein or in any unexpired Loan Documents, then Borrower shall be in default of this Agreement, and Lender shall be entitled to all of the rights and remedies afforded secured parties under applicable provisions of Division 9 of the California Commercial Code on the date of this Agreement, excluding the right to any deficiency judgment against Borrower. Further, Lender may also:

(a) Enter the Project to take possession of the Collateral, provided that the Collateral shall not be removed from the Project unless such removal is reasonably necessary to protect the Collateral from destruction or unauthorized removal by Borrower or some third party; or

(b) Enter the Project and dispose of the Collateral, in the manner provided by the California Commercial Code; and

Borrower: Union Tower One LP
c/o Wakeland Housing and Development Corporation
1230 Columbia Street, Suite 950
San Diego, CA 92101
Attn. President & CEO

with a copy to: NCPA Union Tower One, LLC
2323 D Avenue
National City, CA 91950
Attn: CEO

With copies to:
Borrower's limited partners: Hudson Union Tower LP
Hudson-FM SLP LLC
c/o Hudson Housing Capital LLC
New York, NY 10111
Attention: General Counsel

with a copy to: Holland & Knight LLP
10 St. James Avenue, 12th Floor
Boston, MA 02116
Attn: Dayna M. Hutchins, Esq.

18. Certain Requirements Superior. All provisions of this Agreement shall be subject and subordinate to:

(a) The rights of lenders under the documents evidencing the Construction Loan and Permanent Loan and the rights of the California Department of Housing and Community Development under its financing for the Project.

(b) Any and all federal, state and local statutes and regulations applicable to the Project, the Collateral, Housing Authority Loan or HOME and HOME-ARP Loan; and

(c) The provisions of the Loan Agreement secured by this Agreement, to the extent of any inconsistency between it and this Agreement.

19. Severability. If any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, then such provision shall be severed from the rest of this Agreement and the remaining provisions shall remain in full force and effect.

20. Construction of Agreement. The provisions contained in this Agreement shall not be construed in favor of or against either Borrower or the Lender, but shall be construed as if both parties prepared this Agreement. This Agreement shall be construed in accordance with the laws of the State of California.

21. Counterparts. This Agreement may be executed in any number of counterparts and, as so executed, the counterparts shall constitute one and the same Agreement. Borrower and the Lender

agree that each such counterpart is an original and shall be binding upon all of the parties, even though all of the parties are not signatories to the same counterpart.

22. Exhibits and Recitals Incorporated. All exhibits referred to in this Agreement are hereby incorporated in this Agreement by this reference, regardless of whether or not the exhibits are actually attached to this Agreement. The Recitals to this Agreement are hereby incorporated in this Agreement by this reference.

23. Signature Authority. All individuals signing this Agreement for a party which is a corporation, limited liability company, partnership or other legal entity, or signing under a power of attorney, or as a trustee, guardian, conservator, or in any other legal capacity, covenant to one another that they have the necessary capacity and authority to act for, sign and bind the respective entity or principal on whose behalf they are signing.

BORROWER:

Union Tower One LP, a California limited partnership

By: Union Tower LLC
a California limited liability company
Its: Managing General Partner

By: Wakeland Housing and Development Corporation,
a California nonprofit public benefit corporation
Its: Manager

By: _____
Rebecca Louie, President and CEO

By: NCPA Union Tower One, LLC
a California limited liability company
Its: Co-General Partner

By: SDBTC Family Housing Corp. One, a California nonprofit public benefit corporation
Its: Manager

By: _____
Jodi Barthold, Chief Financial Officer

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

HOUSING AUTHORITY:

Community Development Commission-Housing Authority of the City of National City

By: _____
Benjamin A. Martinez, Executive Director

CITY:

City of National City

By: _____
Benjamin A. Martinez, City Manager

Approved as to form:

By: _____
Barry J. Schultz, City Attorney

**EXHIBIT “1”
TO SECURITY AGREEMENT**

BORROWER: **Union Tower One LP**

LENDER: **Community Development Commission-
Housing Authority of the City of National City and
City of National City**

The following described property and any and all proceeds thereof, whether Borrower now or hereafter has any right, title or interest in, on, about or concerning the real property (the “Property”) described in the Security Agreement.

(a) Tangible Property. All existing and future goods and tangible personal property located on the Property or whenever located and used or useable in connection with the use, operation or occupancy of the Property or in construction of any improvements now or hereafter located on the Property (“Improvements”), including, but not limited to, all appliances, furniture and furnishings, fittings, materials, supplies, equipment and fixtures, and all building material, supplies, and equipment now or hereafter delivered to the Property and installed or used or intended to be installed or used therein whether stored on the Property or elsewhere; and all renewals or replacements thereof or articles in substitution thereof, but excluding equipment owned by third parties and located on the property, such as cable television equipment, laundry equipment and solar power equipment.

(b) General Intangibles. All general intangibles relating to design, development, operation, management and use of the Property and construction of the improvements, including, but not limited to, (i) all names under which or by which the Property of the improvements may at any time be operated or known, all rights to carry on business under any such names or any variant thereof, and all goodwill in any way relating to the Property, (ii) all permits, licenses, authorizations, variances, land use entitlement, approvals and consents issued or obtained in connection with the construction of the Improvements, (iii) all permits, licenses, approvals, consents, authorizations, franchises and agreements issued or obtained in connection with the use, occupancy or operation of the Property, (iv) all rights as a declarant (or its equivalent) under any covenants, conditions and restrictions or other matters now or hereafter of record affecting the Property, (v) all materials prepared for filing or filed with any governmental agency, (vi) all rights under any contract in connection with the development, design, use, operation, management and construction of the Property, and (vii) all books and records prepared and kept in connection with the acquisition, construction, operation and occupancy of the Property and the Improvements.

(c) Contracts. All construction, service, engineering, consulting, leasing, architectural, design and other similar contracts of any nature (including, without limitation, those of any general contractors, subcontractors and materialmen), as such may be modified, amended or supplemented from time to time, concerning the design, construction, management, operation, occupancy, use, and/or disposition of any portion of or all of the Property.

(d) Plans and Reports. All architectural, design and engineering drawings, plans, specifications, working drawings, shop drawings, general conditions, addenda, soil tests and reports feasibility studies, appraisals, engineering reports, building permits, grading permits, and other permits to construct the Project, as defined in the Loan Agreement, environmental reports and similar materials relating to any portion of or all of the Property and all modifications, supplements and amendments thereto, including without limitation, those more specifically described in the Loan Agreement between the Borrower and the Lender.

(e) Sureties. All payment and performance bonds or guarantees and any and all modifications and extensions thereof relating to the Property.

(f) Payments. All reserves, deferred payments, deposits, refunds, cost savings, letters of credit and payments of any kind relating to the construction, design, development, operation, occupancy, use and disposition of all or any portion of the Property, including, without limitation, any property tax rebates now owing or hereafter payable to Borrower, or reimbursement or other payments now or hereafter payable to Borrower on account of prepayments or overpayments of fees or payment of costs of infrastructure improvements that benefit real property other than the Property.

(g) Financing Commitments. All proceeds of the loan made by the Lender to the Borrower and any commitment by any lender to extend permanent or additional construction financing to the Borrower relating to the Property and all tax credits for the Project.

(h) Claims. All proceeds and claims arising on account of any damage to or taking of the Property or any part thereof, and all causes of action and recoveries for any loss of diminution in the value of the Property.

(i) Insurance. All policies of, and proceeds resulting from, insurance relating to the Property or any of the above collateral, and any and all riders, amendments, extensions, renewals, supplements, or extensions thereof, and all proceeds thereof, whether or not the proceeds are from policies of insurance required by the Lender.

(j) Deposits. All deposits made with or other security given to utility companies by Borrower with respect to the Property and the improvements, and all advance payments of insurance premiums made by Borrower with respect thereto and claims or demands relating to insurance and all deposit accounts whenever located.

(k) Stock. All shares of stock or other evidence of ownership of any part of the Property that is owned by Borrower in common with others, including all water stock relating to the Property, if any, and all documents or rights of membership in any owners' or members' association or similar group having responsibility for managing or operating any part of the Property, and all the general partnership interests in Borrower.

(l) Proceeds. All proceeds, whether cash, promissory notes, contract rights or otherwise, of the sale or other disposition of all or any part of the estate of Borrower in the Property now or hereafter existing thereon.

(m) Sale Contracts. All sales contracts, escrow agreements and broker's agreements concerning the sale of any or all of the Property, and all amendments thereto and all amounts deposited into escrow for payment to Borrower.

(n) Leases and Rents. All the leases, income, rents, issues, deposits, receipts, profits and proceeds, and accounts receivable generated from the leasing, use and operation, of the Property and the Collateral to which Borrower may be entitled, whether now due, past due, or to become due.

(o) Other. Without limiting the above items, all Goods, Accounts, Documents, Instruments, Money, Financial Assets, Investment Properties, Chattel Paper and General Intangibles, as those terms are defined in the Uniform Commercial Code from time to time in effect in the State of California.

Exhibit “F”

**UNSECURED ENVIRONMENTAL INDEMNITY AGREEMENT
(Union Tower)**

THIS UNSECURED ENVIRONMENTAL INDEMNITY AGREEMENT (“Indemnity”) is dated as of the ___ day of February, 2024, by and between Union Tower One LP, a California limited partnership (“Indemnitor”), to and for the benefit of the City of National City and the Community Development Commission-Housing Authority of the City of National City (collectively, the “Lender”), its successors and assigns and, to the extent not otherwise referenced, the Indemnified Parties (as hereinafter defined).

RECITALS

A. Lender has agreed to make: (i) a loan in the original principal amount of up to Eight Million and No/100 Dollars (\$8,000,000.00) (“Housing Authority Loan”) to Indemnitor as described in that certain Construction and Permanent Financing Loan Agreement (Union Tower-Housing Authority Housing Fund) (“Loan Agreement”) of even date herewith by and between the Indemnitor and Lender, which Housing Authority Loan is evidenced by that certain Eight Million and No/100 Dollars (\$8,000,000.00) Promissory Note (Union Tower-Housing Authority Housing Fund) of even date herewith made by Indemnitor in favor of the Lender; and (ii) a loan in the original principal amount of up to One Million Five Hundred Thousand and No/100 Dollars (\$1,500,000.00) (“HOME and HOME-ARP Loan”) to Indemnitor as described in the Loan Agreement, which HOME and HOME-ARP Loan is evidenced by that certain that certain One Million Five Hundred Thousand and No/100 Dollars (\$1,500,000.00) Promissory Note (Union Tower-HOME and HOME-ARP Funds) of even date herewith made by Indemnitor in favor of the Lender. All capitalized terms used but not defined herein have the definitions set forth in the Loan Agreement. The Housing Authority Loan and HOME and HOME-ARP Loan are secured by, among other things, a Deed of Trust and a Security Agreement executed by Indemnitor in favor of Lender. The Deed of Trust encumbers the Indemnitor’s ground lease interest that certain real property described on Exhibit A attached hereto (such property along with any other property encumbered by the Deed of Trust, now or at any time in the future, shall be referred to herein as the “Property”).

B. The execution and delivery of this Indemnity by the Indemnitor to the Lender is a condition to Lender’s entry into the Loan Agreement. Lender is making the Housing Authority Loan and HOME and HOME-ARP Loan in reliance upon this Indemnity.

C. This Indemnity is unsecured and is separate from the security and other collateral being delivered by Indemnitor in connection with the making of the Housing Authority Loan and HOME and HOME-ARP Loan.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and of Lender making the Housing Authority Loan and HOME and HOME-ARP Loan, and other valuable consideration, the receipt of which is hereby acknowledged, Indemnitor agrees as follows:

1. Indemnity.

(a) Subject to Sections 2, 3 and 4 below, Indemnitor hereby agrees to defend, protect, indemnify and hold harmless Lender, Lender’s affiliates, directors, officers, shareholders, agents and

employees, and Lender's participants, successors and assigns specified in Section 4 hereof (hereinafter, collectively, the "Indemnified Parties"), from and against, and shall reimburse the Indemnified Parties for, any and all actual out-of-pocket costs, expenses or losses arising from any claim, liability, damage, injunctive relief, injury to person, property or natural resources, fine, penalty, action, and cause of action (collectively, "Costs and Liabilities"), incurred by or asserted against any Indemnified Party and arising directly or indirectly, in whole or in part, out of the release, discharge, deposit or presence, or alleged or suspected release, discharge, deposit or presence, of any Hazardous Materials at, on, within, under, about or from the Property, or in or adjacent to any part of the Property, or in the soil, groundwater or soil vapor on or under the Property, or elsewhere in connection with the transportation of Hazardous Materials to or from the Property in violation of any Hazardous Materials Laws, whether or not known to Indemnitor or Indemnified Parties, whether foreseeable or unforeseeable, regardless of the source of such release, discharge, deposit or presence or, except as expressly provided to the contrary in Sections 2 and 4 hereof, regardless of when such release, discharge, deposit or presence occurred or is discovered. Without limiting the generality of the foregoing indemnity, such Costs and Liabilities shall include, without limitation, all actual out-of-pocket costs incurred by Indemnified Parties in connection with (i) determining whether the Property is in compliance with this Indemnity and with all applicable Hazardous Materials Laws or the amount of money required to remediate any environmental contamination, and causing the Property to be or become in compliance, with all applicable Hazardous Materials Laws, (ii) any removal or remediation of any kind and disposal of any Hazardous Materials present at, on, under or within the Property or released from the Property to the extent required by applicable Hazardous Materials Laws in effect at the time of such removal, remediation or disposal, and (iii) repair of any damage to the Property or any other property caused by any removal, remediation or disposal. The foregoing indemnification shall not apply to any liability resulting from (i) an event that occurs after a transfer of the Property due to any foreclosure sale (judicial or nonjudicial) or a deed in lieu of foreclosure or following repayment of the Loan, or (ii) acts or omissions of any Indemnified Party. If an Indemnified Party does not acquire title to the Property by foreclosure or a deed in lieu of foreclosure, this Agreement will terminate on the date that is ten (10) years after the repayment, forgiveness or other termination or cancellation of the Loan.

(b) Upon demand by any Indemnified Party, Indemnitor shall defend any investigation, action or proceeding in connection with any claim or liability, or alleged claim or liability, that would, if determined adversely to such Indemnified Party, be covered by the foregoing indemnification provisions, such defense to be at Indemnitor's sole cost and expense and by counsel reasonably approved by such Indemnified Party, which counsel may, without limiting the rights of an Indemnified Party pursuant to the next succeeding sentence of this Section 1(b), also represent Indemnitor in such investigation, action or proceeding. If any Indemnified Party determines reasonably and in good faith that its defense by Indemnitor is being conducted in a manner which is prejudicial to its interests, such Indemnified Party may elect to conduct its own defense through counsel of its own choosing and at the expense of Indemnitor.

(c) As used herein, the term "Hazardous Materials" means and includes any flammable, explosive, or radioactive materials or hazardous, toxic or dangerous wastes, substances or related materials or any other chemicals, materials or substances, exposure to which is prohibited, limited or regulated by any federal, state, county, regional or local authority or which, even if not so regulated, may or could pose a hazard to the health and safety of the occupants of the Property or of property adjacent to the Property, including, but not limited to, asbestos, PCBs, petroleum products and byproducts, substances defined or listed as "hazardous substances" or "toxic substances" or similarly identified in, pursuant to, or for purposes of, the California Solid Waste Management, Resource Recovery and Recycling Act (California Government Code §66700 et seq.), the Comprehensive

Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. §9601, et seq.), the Hazardous Materials Transportation Act (49 U.S.C. §1801, et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §6901, et seq.), Section 25117 or Section 25316 of the California Health & Safety Code; and any so-called “Superfund” or “Superlien” law, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material; or any substances or mixture regulated under the Toxic Substance Control Act of 1976, as now or hereafter amended (15 U.S.C. §2601 et seq.); and any “toxic pollutant” under the Clean Water Act, as now or hereafter amended (33 U.S.C. §1251 et seq.); and any hazardous air pollutant under the Clean Air Act, as now or hereafter amended (42 U.S.C. §7901 et seq.). Notwithstanding the above, the term “Hazardous Materials” shall not include small amounts of chemicals, cleaning agents and the like commonly employed in routine residential apartment uses in a manner typical of occupants or owners in other similar residential properties, provided that such substances are used in compliance with applicable laws. The term “Hazardous Materials Laws” means any federal, state or local law, code, statute, ordinance, rule, regulation, rule of common law or guideline relating to Hazardous Materials now or hereafter enacted or promulgated (collectively, and including, without limitation, any such laws which require notice of the use, presence, storage, generation, disposal or release of any Hazardous Materials to be provided to any party).

2. Time Limits on Claims. Notwithstanding the foregoing provisions:

(a) No claim shall be made hereunder by any Indemnified Party unless and until any one of the following events shall have occurred: (i) repayment in full of both the Housing Authority Loan and HOME and HOME-ARP Loan (as evidenced by the release and reconveyance of the Deed of Trust); or (ii) vesting of title to the Property in Lender or any Indemnified Party through judicial or non-judicial foreclosure or acceptance of a deed in lieu thereof.

(b) Indemnitor shall not have any obligation under this Indemnity to an Indemnified Party with respect to any Costs and Liabilities that, prior to the first to occur of the events described in Section 2(a)(i) or (ii) above: (i) were actually known to Lender; (ii) were liquidated in amount, or were otherwise readily determinable in amount without undue delay; and (iii) would have been lawfully and properly includable as part of the secured indebtedness under the Deed of Trust in an action for a deficiency judgment following a judicial foreclosure sale of the Property.

(c) If any Indemnified Party or any affiliate of any Indemnified Party has acquired ownership of the Property through foreclosure or deed in lieu of foreclosure, the obligations of Indemnitor hereunder shall apply, without limitation, to all Costs and Liabilities that arise out of or are attributable to, whether directly or indirectly, ownership of the Property or any part thereof by any Indemnified Party or any such affiliate, or to the position of such Indemnified Party or such affiliate as an owner in the chain of title to the Property or any part thereof.

(d) If the Housing Authority Loan and HOME and HOME-ARP Loan have both been repaid in full, whether by voluntary payment or by foreclosure or deed in lieu of foreclosure, the obligations of Indemnitor hereunder shall continue to apply, without limitation, to all Costs and Liabilities that arise out of or are attributable to, whether directly or indirectly, any claim or allegation against an Indemnified Party relating to any act or omission of such Indemnified Party in respect of the Housing Authority Loan, HOME and HOME-ARP Loan or the Property, or in connection with any exercise of such Indemnified Party’s rights under any of the Loan Documents, as defined below.

3. Acts of Indemnified Parties.

(a) Notwithstanding anything to the contrary herein, Indemnitor shall not be liable hereunder to an Indemnified Party to the extent of that portion of any Costs and Liabilities which Indemnitor establishes is attributable to other property owned by an Indemnified Party or the gross negligence or affirmative act of such Indemnified Party, its agent or any successor in interest of an Indemnified Party at the Property which causes (i) the release, discharge, deposit or presence, or alleged or suspected release, discharge, deposit or presence of a Hazardous Material at the Property, or (ii) material aggravation of a then existing Hazardous Material condition or occurrence at the Property, if and only if, in either such case referred to in (i) or (ii) above, such act was in violation of any Hazardous Materials Laws or was carried out without reasonable care under the circumstances.

(b) In addition, Indemnitor shall not be liable hereunder for that portion of any Costs and Liabilities which Indemnitor establishes is attributable to the introduction and initial release, discharge or deposit, or alleged or suspected introduction, initial release, discharge or deposit of a Hazardous Material at the Property by any party, other than Indemnitor or an affiliate of Indemnitor, at any time after Indemnitor's ownership interest in the Property terminates. Notwithstanding the foregoing, but subject to Sections 2 and 3(a) above and Section 4 below, the liability of Indemnitor hereunder shall otherwise remain in full force and effect after Lender or such affiliate of Lender so acquires title to the Property, including without limitation with respect to any Hazardous Materials which are discovered at the Property after the date Lender or such affiliate of Lender acquires title but which were actually introduced to the Property prior to the date of such acquisition.

4. Indemnified Parties. This Indemnity and Indemnitor's obligations hereunder shall inure to the benefit of and be enforceable only by (a) Lender, Lender's directors, officers, agents and employees, (b) any person or entities to which any Lender participates, assigns or sells all or any portion of its interest in the Housing Authority Loan, HOME and HOME-ARP Loan, or which otherwise succeeds to the interest of Lender under the Deed of Trust, whether by purchase or otherwise, and (c) any affiliate of Lender which acquires title to the Property at a foreclosure sale or by deed in lieu of foreclosure.

5. Unsecured Obligations. The obligations of Indemnitor hereunder are unsecured. This Indemnity is not intended to be, nor shall it be, secured by the Deed of Trust or any other instrument or agreement executed by Indemnitor or any other entity or person in favor of Lender or any Indemnified Party relating to the Housing Authority Loan or HOME and HOME-ARP Loan (except for any guaranty) (such documents together with the Deed of Trust being referred to collectively herein as the "Loan Documents"). The obligations of Indemnitor under this Indemnity are independent of any indemnification or other obligations of Indemnitor under the Loan Documents with respect to any Hazardous Materials. The rights and remedies of the Indemnified Parties under this Indemnity shall be in addition to any other rights and remedies of such Indemnified Parties under the Loan Documents. In no event shall any provision of this Indemnity be deemed to be waiver of or to be in lieu of any right or claim, including without limitation any right of contribution or other right of recovery, that any person entitled to enforce this Indemnity might otherwise have against Indemnitor under any Hazardous Materials Laws. Any sums payable hereunder shall not be deemed to be based upon any diminution in or other impairment of the value of any collateral held by Lender to secure the Housing Authority Loan or HOME and HOME-ARP Loan.

6. Interest on Unpaid Amounts. Any amount claimed hereunder by an Indemnified Party not paid by Indemnitor within sixty (60) days after written demand made by such Indemnified Party and

accompanied by a reasonable summary of the amounts claimed, shall bear interest at the rate of ten percent (10%) per annum.

7. Limitations on Liability. The liability of Indemnitor under this Indemnity shall in no way be limited or impaired by (a) any amendment or modification of the provisions of any of the Loan Documents; (b) except as set forth in Sections 2, 3 and 4, any participation in or sale or assignment of the Loan Documents or any sale or transfer of all or part of the Property; (c) the release of Indemnitor or any person or entity from performance or observance of any of the agreements, covenants, terms, or conditions contained in any of the Loan Documents by operation of law; and, in any such case, whether with or without notice to Indemnitor and with or without consideration. Except as provided in Sections 2, 3 and 4, Indemnitor's obligations hereunder shall in no way be impaired, reduced or released by reason of (i) an Indemnified Party's omission or delay in exercising any right described herein or (ii) any act or omission of an Indemnified Party in connection with any notice, demand, warning, or claim regarding violations of codes, laws or ordinances governing the Property.

8. Recourse Obligations. Notwithstanding anything to the contrary in the Loan Documents, Indemnitor shall be personally liable on a recourse basis for the obligations of Indemnitor set forth herein.

9. Successors and Assigns. This Indemnity shall be continuing, irrevocable and binding upon each of the persons and entities comprising Indemnitor and their respective heirs, successors, and assigns.

10. Inconsistencies. In the event of any inconsistencies or conflicts between the terms of this Indemnity and the terms of the other Loan Documents (including any exculpatory language contained therein), the terms of this Indemnity shall control.

11. Separate Causes of Action. A separate right of action hereunder shall arise each time an Indemnified Party acquires knowledge of any matter described herein. Separate and successive actions may be brought hereunder to enforce any of the provisions hereof at any time and from time to time. No action hereunder shall preclude any subsequent action.

12. Severability. If any provision of this Indemnity shall be determined to be unenforceable in any circumstances by a court of competent jurisdiction, then the balance of this Indemnity nevertheless shall be enforceable, and the subject provision shall be enforceable in all other circumstances.

13. Notices. All notices under this Indemnity shall be in writing and sent by (a) certified or registered mail, return receipt requested, (b) by a nationally recognized overnight courier such as UPS or FedEx, or (c) by personal delivery. All notices shall be delivered to the following addresses (which addresses may be changed by written notice):

Lender: Community Development Commission-
Housing Authority of the City of National City
140 East 12th Street
National City, California 91950-3312
Attn: Executive Director

Indemnitor: Union Tower One LP
c/o Wakeland Housing and Development Corporation
1230 Columbia Street, Suite 950
San Diego, CA 91950-3312
Attn. President & CEO

With copies to: NCPA Union Tower One, LLC
2323 D Avenue
National City, CA 91950
Attn: CEO

Indemnitor's limited partners: Hudson Union Tower LP
Hudson-FM SLP LLC
c/o Hudson Housing Capital LLC
New York, NY 10111
Attention: General Counsel

with a copy to: Holland & Knight LLP
10 St. James Avenue, 12th Floor
Boston, MA 02116
Attn: Dayna M. Hutchins, Esq

14. Governing Law. This Indemnity shall be governed by and construed in accordance with the laws of the State of California.

15. Counterparts. This Indemnity may be executed in any number of counterparts and, as so executed, the counterparts shall constitute one and the same agreement. The parties agree that each such counterpart is an original and shall be binding upon all the parties, even though all of the parties are not signatories to the same counterpart.

16. Exhibits and Recitals Incorporated. All exhibits referred to in this Indemnity, if any, are hereby incorporated in this Indemnity by this reference, regardless of whether or not the exhibits are actually attached to this Indemnity. The Recitals to this Indemnity are hereby incorporated in this Agreement by this reference.

17. Signature Authority. All individuals signing this Indemnity for a party which is a corporation, limited liability company, partnership or other legal entity, or signing under a power of attorney, or as a trustee, guardian, conservator, or in any other legal capacity, covenant to the Lender that they have the necessary capacity and authority to act for, sign and bind the respective entity or principal on whose behalf they are signing.

18. Cure by Limited Partners. Notwithstanding anything to the contrary contained in this Indemnity, Lender hereby agrees that Indemnitor's limited partners shall each have the right, but not the obligation, to cure any defaults of Indemnitor hereunder and Lender hereby agrees to accept cures tendered by Indemnitor's limited partner on the same basis as if made or tendered by Indemnitor.

IN WITNESS WHEREOF, this Indemnity is executed as of the day and year above written.

INDEMNITOR:

Union Tower One LP, a California limited partnership

By: Union Tower LLC
a California limited liability company
Its: Managing General Partner

By: Wakeland Housing and Development Corporation,
a California nonprofit public benefit corporation
Its: Manager

By: _____
Rebecca Louie, President and CEO

By: NCPA Union Tower One, LLC
a California limited liability company
Its: Co-General Partner

By: SDBTC Family Housing Corp. One, a California nonprofit public benefit corporation
Its: Manager

By: _____
Jodi Barthold, Chief Financial Officer

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

LENDER:

HOUSING AUTHORITY:

Community Development Commission-Housing Authority of the City of National City

By: _____
Benjamin A. Martinez, Executive Director

CITY:

City of National City

By: _____
Benjamin A. Martinez, City Manager

Approved as to form:

By: _____
Barry J. Schultz, City Attorney

Exhibit "A"

Property Description

That certain real property situated in the City of National City, County of San Diego, State of California, described as follows:

Exhibit “G”

DO NOT DESTROY THIS NOTE: WHEN PAID, THIS NOTE AND THE DEED OF TRUST SECURING IT MUST BE SURRENDERED TO TRUSTEE FOR CANCELLATION BEFORE RECONVEYANCE WILL BE MADE.

PROMISSORY NOTE
(Union Tower-HOME and HOME-ARP Funds)
(“Note”)

National City, California

February __, 2024

1. Principal and Interest. For value received, Union Tower One LP,, a California limited partnership (“Maker”), in consideration of that certain Construction and Permanent Financing Loan Agreement (Union Tower) (“Loan Agreement”) of even date herewith between the Maker and the City of National City (“City”), Maker promises to pay to the City, or order, at 140 East 12th Street, National City, California 91950-3312, or such other place as the holder may from time to time designate by written notice to Maker, the principal sum of One Million Five Hundred Thousand and No/100 Dollars (\$1,500,000.00), or so much as is advanced, together with accrued interest from the date disbursed at the rate of three percent (3%) simple interest per annum, except in the event of a default under this Note or any of the Loan Documents, as defined below, past any applicable notice and cure period, in which event ten percent (10%) simple interest shall be deemed to have accrued from the date of such default. This Note is made pursuant to the Loan Agreement and the Deed of Trust (“Deed of Trust”), being executed concurrently herewith, to be recorded in the office of the County Recorder of San Diego County. The Loan Agreement, this Note, the Deed of Trust and Regulatory Agreement (as defined in the Loan Agreement), together with any and all other documents executed in connection therewith, are sometimes collectively referred to herein as the “Loan Documents.” All capitalized terms which are not defined herein shall have the meaning ascribed to them in the Loan Agreement.

2. Term of Loan, Due Date and Right of Prepayment. Payments shall be due and payable as follows:

(a) On May 31, 2027 (for calendar 2026), and annually on May 31 of each year thereafter through the end of the term described in (b) below, Maker shall make annual payments to the City under this Note in an amount equal to 17.37% of the Residual Receipts, as defined herein, for the immediately previous calendar year (on a form acceptable to the City in its sole discretion). Concurrently herewith the Community Development Commission-Housing Authority of the City of National City is making a loan to Maker in the original principal amount of up to of Eight Million and No/100 Dollars (\$8,000,000.00) (“Housing Authority Loan”). The Housing Authority Loan shall also be repayable out of Residual Receipts. Residual Receipts shall be allocated first to the Housing Authority Loan until paid in full, then to this Note until paid in full.

(b) All principal and unpaid interest shall be due and payable by the Maker to the City on December 31, 2081.

(c) Except as otherwise set forth in the Loan Agreement, all principal and unpaid interest shall be due and payable concurrently with the refinancing of any loan or other obligation secured all or in part by the Property, as defined in the Deed of Trust.

(d) All principal and accrued interest shall be due and payable by the Maker to the City upon acceleration of this Note pursuant to Section 4, below.

(e) Except as otherwise permitted by the Loan Agreement, all principal and accrued interest shall be due and payable by the Maker to the City upon any sale, transfer, conveyance or further encumbrance of all or any part of the Property, as defined in the Deed of Trust, which is not consented to by the City in writing.

“Residual Receipts” shall mean Gross Income less Operating Expenses, calculated on a calendar year basis, as provided herein. All calculations of Residual Receipts shall be subject to verification and approval by the City.

“Gross Income” shall mean all gross income of Maker from all residential and non-residential components of the Project, as such term is defined in the Loan Agreement, and any other income to Maker derived from the Property, and the proceeds of any sale, financing or refinancing of all or any portion of Property or the sale, transfer or conveyance of Maker. Provided, however, that Gross Income shall not include (i) insurance proceeds or condemnation proceeds; (ii) security deposits or other tenant deposits; (iii) equity contributions to Maker made by the partners of Maker; (iv) disbursements from operating or replacement reserves; or (v) interest earned on project reserves. Interest earned (if any) on project reserves shall accrue to the applicable project reserve account and shall only be used for the purposes for which the reserve was established.

“Operating Expenses” shall mean actual, reasonable and customary costs, taxes, fees and expenses directly attributable to the operation, maintenance and management of the Project, to the extent approved by City in Maker’s annual operating budget, expressly including, but not limited to, the following: (i) required non-contingent debt service payments (including issuer fees, bond fees, trustee fees and similar fees) on any loans permitted to be secured by the Property that is senior to the Deed of Trust, which have been approved by the City; (ii) the annual deposit to the replacement reserve which shall be \$47,000.00, and any other scheduled deposits and/or replenishments to reserves; (iii) all current and unpaid general and limited partner partnership fees (all fees payable to all general partners and limited partners of the Maker), which shall not exceed \$36,500.00 (escalating at 3% annually on a cumulative basis if not paid in prior years) per year in the aggregate; (iv) water, sewer, electrical, gas, and other utility-type charges for the Project; (v) costs to operate and maintain the Project; (vi) insurance premiums; (vii) expenses incurred in connection with the management and operation of the Project (including property management fees which are approved by the City); (viii) capital expenditures to the Project to comply with applicable laws or otherwise to improve the operation or management of the Project to the extent such capital expenditures are not made from reserves and are approved by the City in writing or by approval of the applicable budget setting forth such capital expenditures prior to Maker undertaking such capital expenditures; (ix) payment of any unpaid tax credit adjusters owed to Maker’s limited partner; (x) payments to Deferred Developer Fee, as defined in the Loan Agreement; and (xi) the City of National City’s and the City’s annual monitoring fees as required pursuant to the Regulatory Agreement and that certain Density Bonus Agreement between the City

and Maker, among others and the County of San Diego Health and Human Services Agency's annual monitoring fees as required in connection with its loan to Maker.

This Note may be prepaid in whole or in part at any time and, from time to time, without notice, premium or penalty. Any payment, including any prepayment, shall be allocated first to unpaid interest and then to principal. Except as permitted by the Loan Agreement, should the undersigned sell, convey, transfer, further encumber, or dispose of the Property described in the Deed of Trust securing this Note, or any part of it, or any interest in it, without first obtaining the written consent of City, or the then holder of this Note, which consent shall be granted or withheld in the reasonable discretion of the City, then all obligations secured by this Note may be declared due and payable, at the option of City, or the then holder of this Note. The City reserves the right to approve all sales, transfers, conveyances, additional encumbrances, or dispositions of the Property, unless otherwise provided in the Loan Agreement. Consent to one transaction of this type will not constitute a waiver of the right to require consent to future or successive transactions.

3. Security for Note. This Note is secured by the Deed of Trust of even date herewith executed by Maker, which creates a lien on the Property described therein, and by the Loan Documents, including the Security Agreement.

4. Acceleration Upon Default. In the event of any default under the terms of the Loan Documents, or acceleration of any prior or subsequent loans, notes and/or deeds of trust, at the option of the holder of this Note, beyond any applicable notice and cure periods set forth therein (including notice to Maker's limited partner), all principal and interest under this Note shall immediately become due and payable, without further notice. Failure to exercise such remedy shall not constitute a waiver of the right to exercise it in the event of any subsequent default. Without limiting any other events of default contained herein, or in any of the Loan Documents, the failure to complete construction of the Project substantially in accordance with the plans and specifications and place the Project "in service" (as such term is used in 26 U.S.C. §42) on or before December 31, 2026, shall be considered an event of default entitling the City to accelerate the payment of principal and interest hereunder, as provided in this Section 4. Time is of the essence.

5. Payment and Interest Calculation. Principal and interest shall be payable in lawful money of the United States of America. Interest shall be computed based on a 360-day year and 30-day month. Payments shall be applied to interest first and then to any unpaid principal balance.

6. Incorporation of the Loan Agreement. The provisions of the Loan Agreement are expressly incorporated into this Note by this reference.

7. Waiver. Maker hereby waives diligence, presentment, protest and demand, notice of protest, dishonor and nonpayment of this Note, and expressly agrees that, without in any way affecting the liability of Maker hereunder, the City may extend any maturity date or the time for payment of any installment due hereunder, accept additional security, release any party liable hereunder and release any security now or hereafter securing this Note. Maker further waives, to the full extent permitted by law, the right to plead any and all statutes of limitations as a defense

to any demand on this Note, or on any Deed of Trust, security agreement, guaranty or other agreement now or hereafter securing this Note.

8. Recourse During Construction and Non-Recourse After Completion.

(a) Prior to the timely placement of the Project “in service” (as such term is used in 26 U.S.C. §42) (i.e., on or before December 31, 2026), in any action brought to enforce the obligations of Maker under this Note or the Loan Documents, the judgment or decree shall be enforceable against Maker, in addition to any collateral security for the payment of this Note, and City may seek any deficiency judgment against Maker.

(b) Following the timely placement of the Project “in service” (as such term is used in 26 U.S.C. §42) (i.e., on or before December 31, 2026), nothing contained herein shall be deemed to cause Maker (or any of its partners) to be personally liable for any of the obligations evidenced hereby, and the City shall not seek any personal or deficiency judgment on such obligations, and the sole remedy of the City with respect to repayment of the loan evidenced by this Note shall be against the Property.

(c) Notwithstanding Section 8(b), above, Maker shall indemnify, defend, protect and hold the City harmless from and against any and all loss, damage, liability, action, cause of action, cost or expense incurred by the City as a result of any (i) fraud or material misrepresentation by Maker under or in connection with the loan evidenced by this Note or any Loan Document; (ii) intentional bad faith waste of the Property; (iii) losses resulting from Maker’s failure to maintain insurance as required under the Deed of Trust or the Loan Documents; and (iv) misapplication of any rents, security deposits, insurance proceeds, condemnation awards or any other proceeds derived from the collateral security in a manner prohibited by the Loan Documents. The City shall promptly provide Maker with written notice of any event for which Maker has an indemnification obligation as provided in this Section 8(c).

(d) Notwithstanding anything to the contrary contained herein, Maker’s obligation to indemnify the City as set forth in Section 8(c), above, shall be personal, recourse obligations of the Maker and in the event of any breach of such obligations, the City shall have the right to proceed directly against the Maker to recover any and all losses, damages, liabilities, actions, causes of action, costs and expenses resulting from such breach and the right to bring any action and to institute any proceedings to obtain a deficiency judgment in or following after foreclosure for any and all losses, damages, liabilities, actions, causes of action, costs and expenses resulting from such breach.

9. Late Charge. In addition to the foregoing, if any installment due hereunder is not paid within fifteen (15) days from the date due, Maker promises to pay a “late charge” of five percent (5%) of the installment so overdue to defray the expense incident to handling any such delinquent payment or payments.

10. Severability. If any provision of this Note is determined to be void by court of competent jurisdiction, such determination shall not affect any other provision of this Note, and such other provisions shall remain in full force and effect.

11. Non-Waiver. No delay in demanding or failure to demand performance hereunder shall constitute a waiver by the City of its right to subsequently demand such performance or to exercise any remedies for any default hereunder. Further, in order to be effective, any waiver of any of the City's rights and remedies hereunder shall be expressed in a writing signed by the City. Further waiver by the City of any right hereunder shall not constitute a waiver of any other right, including but not limited to the right to exercise any and all remedies for a different or subsequent event of default hereunder.

12. Replacement Note. The undersigned agrees that, in the event that this Note shall become lost or stolen, upon request of the City, the undersigned shall execute a replacement note incorporating the terms hereof, provided that the City shall furnish a written agreement to indemnify the undersigned against all losses, costs, and damages arising from a duplicative demand for payment under this Note.

13. Interpretation. This Note shall be governed and interpreted in accordance with applicable California law.

14. Signature Authority. All individuals signing this Note for a party which is a corporation, limited liability company, partnership or other legal entity, or signing under a power of attorney, or as a trustee, guardian, conservator, or in any other legal capacity, covenant to the City that they have the necessary capacity and authority to act for, sign and bind the respective entity or principal on whose behalf they are signing.

MAKER:

Union Tower One LP, a California limited partnership

By: Union Tower LLC
a California limited liability company
Its: Managing General Partner

By: Wakeland Housing and Development Corporation,
a California nonprofit public benefit corporation
Its: Manager

By: _____
Rebecca Louie, President and CEO

By: NCPA Union Tower One, LLC
a California limited liability company
Its: Co-General Partner

By: SDBTC Family Housing Corp. One, a California nonprofit public benefit corporation
Its: Manager

By: _____
Jodi Barthold, Chief Financial Officer

RESOLUTION NO. 2024 -

RESOLUTION OF THE COMMUNITY DEVELOPMENT COMMISSION-HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY, CALIFORNIA, (1) APPROVING THE CONSTRUCTION AND PERMANENT FINANCING LOAN AGREEMENT FOR THE UNION TOWER PROJECT (“PROJECT”), LOCATED AT 2312 F AVENUE IN NATIONAL CITY, WITH THE BORROWER, UNION TOWER ONE LP, A CALIFORNIA LIMITED PARTNERSHIP; AND (2) AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE PROJECT RELATED DOCUMENTS.

WHEREAS, a Notice of Funding Availability (NOFA) for up to \$10,000,000 for the funding of affordable housing in National City was included in the Housing Authority’s Strategic Plan that was approved by the Community Development Commission-Housing Authority of the City of National City, California (“Housing Authority”) on August 3, 2021; and

WHEREAS, the NOFA made approximately \$10 million in total funds available for all capital requests for new construction, acquisition with rehabilitation, or rehabilitation of affordable housing serving households earning up to 60% of the Area Median Income (AMI) for rental projects and households earning up to 80%-120% of the AMI for homeownership projects. Capital funds are from the Housing Authority’s Housing Fund and are subject only to the conditions set forth in the NOFA; and

WHEREAS, after the release of the NOFA on October 14, 2021, a total of two (2) applications were received by the November 19, 2021 deadline.

WHEREAS, a request for \$8,000,000 was made by Wakeland Housing and Development Corporation for the Union Tower Project for 94 affordable housing units to be developed at 2312 F Avenue in National City, California.

WHEREAS, the Housing Authority issued Addendum No. 1 to the NOFA on April 7, 2022 to include a financial feasibility and gap analysis of the two applications to help determine the funding recommendations; and

WHEREAS, the Housing Authority conditionally awarded a loan to the Union Tower Project in the amount of \$8,000,000, per Resolution 2022-85, based on standard underwriting criteria and loan processing, including executing the loan documents at the construction loan closing; and

WHEREAS, the Union Tower Project has secured its financing, including remaining gap funding sources; and

WHEREAS, Housing Authority staff and its financial consultants completed an underwriting of the final loan amounts; and

WHEREAS, the General Counsel of the Housing Authority has drafted the Construction and Permanent Financing Loan Agreement and “Exhibits A-G.”

NOW, THEREFORE, COMMUNITY DEVELOPMENT COMMISSION-HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

Section 1: Community Development Commission-Housing Authority of the City of National City authorizes the Construction and Permanent Financing Loan Agreement and “Exhibits A-F” for funding requested through the Affordable Housing Notice of Funding Availability (“NOFA”) released on October 14, 2021, in the amount of Eight Million Dollars (\$8,000,000) per Resolution 2022-85 to the Union Tower Affordable Housing Project.

Section 2: Community Development Commission-Housing Authority of the City of National City authorizes the Executive Director of the Housing Authority or his designee to execute the Construction and Permanent Financing Loan Agreement and “Exhibits A-F.”

Section 3: City of National City City Council previously authorized by a Resolution dated February 6, 2024, the City Manager or his designee to execute the HUD HOME and HOME-ARP Agreement from the Substantial Amendment to the 2023-2024 Annual Action Plan, to fully implement the activities funded under said Plan, as part of the Construction and Permanent Financing Loan Agreement Exhibit “A” and Promissory Note Exhibit “G.”

Section 4: The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of the original Resolution.

PASSED and ADOPTED this 6th day of February, 2024.

Ron Morrison, Mayor

ATTEST:

Shelley Chapel, MMC, City Clerk

APPROVED AS TO FORM:

Barry J. Schultz, City Attorney



AGENDA REPORT

Department: Housing Authority
Prepared by: Angelita Palma, Housing Programs Manager
Meeting Date: Tuesday, February 6, 2024
Approved by: Benjamin A. Martinez, City Manager

SUBJECT:

Proposed Amendment to the Local Preference for CDC-HA Assisted Affordable Housing Projects.

RECOMMENDATION:

Adopt the Resolution Entitled, "Resolution of the Community Development Commission-Housing Authority (CDC-HA) of the City of National City, California, Amending Its Local Preference Policy to Require Any CDC-HA Assisted Housing Projects to Follow the Local Preference Policy and to Further Align With Federal and State Regulations."

BOARD/COMMISSION/COMMITTEE PRIOR ACTION:

Not Applicable.

EXPLANATION:

Existing Policy | On June 7, 2016, the Community Development Commission-Housing Authority of the City of National City adopted a Local Preference Policy per Resolution 2016-38 ("Existing Policy"). The Resolution was adopted to meet local housing needs to ensure that current residents of National City are provided the opportunity to rent new affordable housing within the City limits. The Existing Policy gives preference to applicant households that are currently residents of the City of National City to rent new affordable housing development projects in the City of National City with units restricted at or below 80% of Area Median Income (AMI) and subject to a 55-year ground lease with the Community Development Commission-Housing Authority.

Purpose | The Local Preference Policy aims to establish a meaningful way to meet local needs for affordable housing in the City of National City and prevent displacement often caused by new developments. The Community Housing Commission-Housing Authority of the City of National City (CDC-HA) aims to ensure that residents of the City of National City are provided every opportunity to rent any CDC-HA assisted new affordable housing units. Amending the Existing Policy will open up more opportunities to require local preference for CDC-HA assisted affordable units.

Proposed Policy | The proposed amendment to the Existing Policy includes removing and adding requirements for a new affordable housing project in the City of National City. Related Policy references include California Government Code §7061 and §8899.50 and the Code of Federal Regulations (CFR) Housing and Urban Development Title 24 § 200.610. In compliance with Assembly Bill 686, the proposed amendment to the Existing Policy will be a meaningful action to affirmatively further fair housing by addressing the disparity in housing needs and expanding access to affordable housing opportunities for National City residents. Through this, it will

transform racially and ethnically concentrated areas of poverty into areas of opportunity, and it will foster and maintain compliance with civil rights and fair housing laws.

The amendment to the Existing Policy would *remove*:

- 1) The Ground Lease requirement;
- 2) Units available for eligible tenants on a first-come, first-served basis; and
- 3) The definition and determination of current residents.¹

The amendment to the Existing Policy would additionally *require*:

- 1) That it apply to *Any* CDC-HA assisted new affordable housing project in the City of National City;
- 2) Eligible tenants be randomly selected for a unit to have an equal chance of being chosen;
- 3) An Affirmative Fair Housing Marketing Plan per 24 CFR 200.610; and
- 4) A project be subject to all FHA and related laws.

Staff Recommendation: Staff recommends the Community Development Commission-Housing Authority Board adopt the Proposed Local Preference Policy.

FINANCIAL STATEMENT:

No financial impact.

RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:

Housing and Community Development

ENVIRONMENTAL REVIEW:

This is not a project under CEQA and is therefore not subject to environmental review.CCR15378; PRC 21065.

PUBLIC NOTIFICATION:

Agenda Report posted within 72 hours of meeting date and time in accordance with Brown Act.

ORDINANCE:

Not Applicable

EXHIBITS:

- Exhibit A - Existing Local Preference Policy
- Exhibit B - Proposed Local Preference Policy – Markup
- Exhibit C - Proposed Local Preference Policy – Clean
- Exhibit D - Resolution and Exhibit

¹ The definitions of a City of National City resident and how to qualify eligible applicants can be found in the National City Housing Authority Administrative Manual.

RESOLUTION NO. 2016 – 38

RESOLUTION OF THE COMMUNITY DEVELOPMENT COMMISSION-HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY ADOPTING A LOCAL PREFERENCE POLICY FOR NEW AFFORDABLE HOUSING DEVELOPMENT PROJECTS IN THE CITY OF NATIONAL CITY FOR THE INITIAL LEASE-UP OF ALL UNITS RESTRICTED AT OR BELOW 80% OF AREA MEDIAN INCOME AND SUBJECT TO A GROUND LEASE WITH THE COMMUNITY DEVELOPMENT COMMISSION-HOUSING AUTHORITY WITH A TERM OF AT LEAST 55 YEARS, AND GIVING PREFERENCE TO APPLICANT HOUSEHOLDS THAT ARE CURRENTLY RESIDENTS OF NATIONAL CITY TO RENT SAID PROJECTS

WHEREAS, in trying to meet local housing needs, the Community Housing Commission – Housing Authority of the City of National City desires to implement a Local Preference Policy (the “Policy”) to insure that current residents of the City of National City are provided the opportunity to rent new affordable housing in National City; and

WHEREAS, the Policy gives preference to applicant households that are currently residents of National City to the maximum extent allowed by law to rent new affordable housing development projects in the City of National City for the initial lease-up of all units restricted at or below 80% of area median income subject to a ground lease with the Community Development Commission-Housing Authority with a term of at least 55 years.

NOW, THEREFORE, BE IT RESOLVED that the Community Development Commission-Housing Authority of the City of National City hereby adopts the National City Local Preference Policy giving preference to applicant households that are currently residents of National City for the initial lease-up of all units restricted at or below 80% of area median income subject to a ground lease with the Community Development Commission-Housing Authority with a term of at least 55 years. Said Policy is attached as Exhibit “A” and will be incorporated into the CDC-HA Administrative Manual.

PASSED and ADOPTED this 7th day of June, 2016.



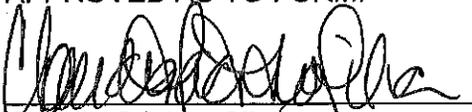
Ron Morrison, Chairman

ATTEST:



Leslie Deese, Secretary

APPROVED AS TO FORM:



Claudia Gacitua Silva
General Counsel

EXHIBIT "A"

Local Preference Policy for New Affordable Housing in the City of National City Targeting Households at-or-below 80% of Area Median Income and Subject to a Ground Lease with a Term of at Least 55 Years.

In trying to meet local housing needs, it is an objective of Community Housing Commission-Housing Authority of the City of National City to insure that current residents of the City of National City are provided the opportunity to rent new affordable housing in National City.

This policy explains the local preference that the CDC-HA will require for new affordable housing projects ("Projects") that have Restricted Units at or below 80% of area median income and are subject to a Ground Lease with the CDC-HA with a term of at least 55 years:

The Project will give preference to applicant households that are currently residents of National City to the maximum extent allowed by law. Current residents are defined as currently having primary residency in National City which can be further determined by the Project Owner ("Owner") by home visits and requests for written verification from landlords. The local preference will only apply to the initial lease-up of all of the Restricted Units in the Project. Once all initial leases have been executed on all Restricted Units under 80% of area median income for the Project, the local preference shall not be enforced.

Owner shall maintain a list of Applicants who have filed a complete application with Owner to rent a Restricted Unit in the Project and who have incomes which would qualify them as an Eligible Tenant, and Owner shall offer to rent appropriately-sized units on the above-referenced priority basis to the maximum extent allowed by law. Should multiple tenants be equally eligible and qualified to rent a unit, Owner shall rent available Restricted Units to Eligible Tenants on a first-come, first-served basis.

Projects subject to this Policy may also be subject to other preferences that may take precedent over the local residency preference addressed in this Policy. Other preference may take precedent as may be required by certain agreements with the CDC-HA or by State or Federal Law.

The Policy is effective as of the date of adoption of the Resolution.

<u>Community Development Commission-Housing Authority of the City of National City</u>	
TITLE: Local Preference Policy	
ADOPTED: June 7, 2016	AMENDED: February 6, 2024

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~~Community Development Commission-Housing Authority of the City of National City~~
First Amendment to the Local Preference Policy
Community Development Commission-Housing Authority of the City of National City

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~~Purpose: Local Preference Policy for New Affordable Housing in the City of National City Targeting Households at or below 80% of Area Median Income and Subject to a Ground Lease with a Term of at Least 55 Years.~~

~~It is the purpose of the Local Preference Policy in trying to establish a meaningful way to meet local needs for housing affordable housing in the City of National City ("City") and prevent displacement often caused by new developments. It is the needs, it is an objective of the Community Housing Commission--Housing Authority of the City of National City (CDC-HA) to ensure that current residents of the City of National City are provided an the opportunity to rent any CDC-HA assisted CDC-HA assisted new affordable housing in the National City. The Policy explains the CDC-HA assisted new affordable housing project requirements.~~

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Policy:

~~The Local Preference Policy ("Policy") requirements apply to (1) any CDC-HA assisted new affordable housing project ("Project") in the City of National City; (2) with that have R restricted u units at or below 80% of area median income, and; (3) is are subject to a Ground Lease with the CDC-HA with a term of at least 55 years.~~

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- ~~Applicable The Projects will give preference to applicant households that are currently residents of the National City to the maximum extent allowed by law.~~
- ~~The Policy applies to the Current Residents are defined as an individual or family currently or previously having primary residency in National City, for at least six months. This which can be further determined by the Project Owner ("Owner") by through, but not limited to, home visits and request for written verification from landlords, utility bills, and federal, state, and local benefit documentation.~~
- ~~The local preference will only apply to the initial lease-up of all of all the R restricted U units, in the Project.~~
- ~~Eligible tenants should be randomly selected for a unit to have an equal chance of being chosen.~~
- ~~The Project shall include an Affirmative Fair Housing Marketing Plan per 24 CFR 200.610.~~
- ~~Once all initial units have leases have been executed on all Restricted Units under 80% of area median income for the Project, the local preference shall no longer apply.~~

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Community Development Commission-Housing Authority of the City of National City

TITLE: Local Preference Policy

ADOPTED: June 7, 2016

AMENDED: February 6, 2024

- Projects subject to this Policy may also be subject to other preferences that take precedence, such as Low-Income Housing Tax Credits rules, tax-exempt bond rules, and any other funding-driven restrictions.
- This Policy is subject to all FHA and related laws. Modifications shall be made as required by law.
- ~~shall not be enforced.~~
~~Owner shall maintain a list of Applicants who have filed a complete application with Owner to rent a Restricted Unit in the Project and who have incomes which would qualify them as an Eligible Tenant, and Owner shall offer to rent appropriately sized units on the above referenced priority basis to the maximum extent allowed by law. Should multiple tenants be equally eligible and qualified to rent a unit, the Owner shall rent available Restricted Units to eEligible fTenants on a first come, first served basis.~~
- ~~Projects subject to this Policy may also be subject to other preferences that may take precedent precedence over the local residency preference addressed in this Policy.~~
 - ~~Other preference preferences taking may take precedent precedence as may be required by certain agreements with the CDC HA or by State or Federal Law.~~

The Policy is effective as of the date of the CDC-HA adoption of Board the Resolution adopting the same.

Appointing Authority:

Community Housing Commission- Housing Authority of the City of National City

Related Policy References

California Government Code §7061

California Government Code §8899.50

Code of Federal Regulations Title 24 § 200

California Assembly Bill 686

Prior Policy Amendments:

June 7, 2016 (Resolution No. 2016-38)

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Community Development Commission-Housing Authority of the City of National City	
TITLE: Local Preference Policy	
ADOPTED: June 7, 2016	AMENDED: February 6, 2024

Purpose:

It is the purpose of the Local Preference Policy to establish a meaningful way to meet local needs for affordable housing in the City of National City (“City”) and prevent displacement often caused by new developments. It is the objective of the Community Housing Commission-Housing Authority of the City of National City (CDC-HA) to ensure that residents of the City of National City are provided an opportunity to rent any CDC-HA assisted new affordable housing in the City. The Policy explains the CDC-HA assisted new affordable housing project requirements.

Policy:

The Local Preference Policy (“Policy”) requirements apply to (1) any CDC-HA assisted new affordable housing project (“Project”) in the City of National City; (2) with restricted units at or below 80% of area median income, and; (3) is subject to a term of at least 55 years.

- Applicable Projects will give preference to applicant households that are residents of the National City to the maximum extent allowed by law.
- The Policy applies to the initial lease-up of all the restricted units in the Project. Eligible tenants should be randomly selected for a unit to have an equal chance of being chosen.
- The Project shall include an Affirmative Fair Housing Marketing Plan per 24 CFR 200.610.
- Once all initial units have been executed for the Project, the local preference shall no longer apply.
- Projects subject to this Policy may also be subject to other preferences that take precedence, such as Low-Income Housing Tax Credits rules, tax-exempt bond rules, and any other funding-driven restrictions.
- This Policy is subject to all FHA and related laws. Modifications shall be made as required by law.

The Policy is effective as of the date of the CDC-HA Board Resolution adopting the same.

Appointing Authority:

Community Housing Commission- Housing Authority of the City of National City

Related Policy References

California Government Code §7061
California Government Code §8899.50
Code of Federal Regulations Title 24 § 200
California Assembly Bill 686

Prior Policy Amendments:

June 7, 2016 (Resolution No. 2016-38)

RESOLUTION NO. 2024 -

RESOLUTION OF THE COMMUNITY DEVELOPMENT COMMISSION-HOUSING AUTHORITY (CDC-HA) OF THE CITY OF NATIONAL CITY, CALIFORNIA AMENDING ITS LOCAL PREFERENCE POLICY TO REQUIRE ANY CDC-HA ASSISTED HOUSING PROJECTS TO FOLLOW THE LOCAL PREFERENCE POLICY AND TO FURTHER ALIGN WITH FEDERAL AND STATE REGULATIONS.

WHEREAS, in trying to meet local housing needs, it is an objective of the Community Housing Commission- Housing Authority (CDC-HA) of the City of National City to ensure that current residents of the City of National City are provided the opportunity to rent new affordable housing in National City; and

WHEREAS, the CDC-HA established a Local Preference Policy (“Policy”) per Resolution 2016-38; and

WHEREAS, the CDC-HA staff proposed an amendment to the existing Policy to remove 1) the Ground Lease requirement; 2) units available for eligible tenants on a first-come, first-served basis; and 3) the definition and determination of current residents; and

WHEREAS, the CDC-HA staff proposed the amendment to the existing Policy that would additionally require 1) that it apply to any CDC-HA assisted new affordable housing project in the City of National City; 2) eligible tenants be randomly selected for a unit to have an equal chance of being chosen; 3) an Affirmative Fair Housing Marketing Plan per 24 CFR 200.610; and 4) a project be subject to all FHA and related laws.

NOW, THEREFORE, COMMUNITY DEVELOPMENT COMMISSION-HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

Section 1: Community Development Commission-Housing Authority hereby approves the amendment to the “Local Preference Policy,” attached hereto.

Section 2: The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of the original Resolution.

PASSED and ADOPTED this 6th day of February, 2024.

Ron Morrison, Mayor

ATTEST:

Shelley Chapel, MMC, City Clerk

APPROVED AS TO FORM:

Barry J. Schultz, City Attorney

Community Development Commission-Housing Authority of the City of National City	
TITLE: Local Preference Policy	
ADOPTED: June 7, 2016	AMENDED: February 6, 2024

Purpose:

It is the purpose of the Local Preference Policy to establish a meaningful way to meet local needs for affordable housing in the City of National City (“City”) and prevent displacement often caused by new developments. It is the objective of the Community Housing Commission-Housing Authority of the City of National City (CDC-HA) to ensure that residents of the City of National City are provided an opportunity to rent any CDC-HA assisted new affordable housing in the City. The Policy explains the CDC-HA assisted new affordable housing project requirements.

Policy:

The Local Preference Policy (“Policy”) requirements apply to (1) any CDC-HA assisted new affordable housing project (“Project”) in the City of National City; (2) with restricted units at or below 80% of area median income, and; (3) is subject to a term of at least 55 years.

- Applicable Projects will give preference to applicant households that are residents of the National City to the maximum extent allowed by law.
- The Policy applies to the initial lease-up of all the restricted units in the Project. Eligible tenants should be randomly selected for a unit to have an equal chance of being chosen.
- The Project shall include an Affirmative Fair Housing Marketing Plan per 24 CFR 200.610.
- Once all initial units have been executed for the Project, the local preference shall no longer apply.
- Projects subject to this Policy may also be subject to other preferences that take precedence, such as Low-Income Housing Tax Credits rules, tax-exempt bond rules, and any other funding-driven restrictions.
- This Policy is subject to all FHA and related laws. Modifications shall be made as required by law.

The Policy is effective as of the date of the CDC-HA Board Resolution adopting the same.

Appointing Authority:

Community Housing Commission- Housing Authority of the City of National City

Related Policy References

California Government Code §7061
California Government Code §8899.50
Code of Federal Regulations Title 24 § 200
California Assembly Bill 686

Prior Policy Amendments:

June 7, 2016 (Resolution No. 2016-38)



AGENDA REPORT

Department: Finance
Prepared by: Paul Valadez, Budget Manager
Meeting Date: Tuesday, February 6, 2024
Approved by: Benjamin A. Martinez, City Manager

SUBJECT:

Fiscal Year 2023 Budget Review

RECOMMENDATION:

Accept and file this report, and adopt the resolution ratifying budget adjustments as detailed in Exhibit A of this report.

BOARD/COMMISSION/COMMITTEE PRIOR ACTION:

Not Applicable.

EXPLANATION:

BACKGROUND

As part of the City of National City's Strategic Plan objective to provide consistent financial reports, this staff report to City Council presents an update on the City's financial operations for the fiscal year ending June 30, 2023.

DISCUSSION

Budgets are projections based on known and anticipated future revenues and expenditures. Throughout the year, staff monitor and analyze revenues and expenditures, develop projections, and provide periodic financial reports to the City Council, City Manager, and department directors. The totals presented herein for fiscal year 2023 are a summary of the actual revenues and expenditures, and their impact on fund balance compared to the corresponding budgeted amounts for the year. The amounts in this report are unaudited and subject to change upon completion of the City's Annual Comprehensive Financial Report.

Fiscal Year 2023

The fiscal year 2023 adopted budget projected an increase of \$364,000 to the General Fund unassigned fund balance. Through a combination of overall cost savings and unanticipated increases in revenues, however, the unassigned fund balance grew by \$3.5 million. The variances between budgeted and actual revenues and expenditures and the impacts on fund balance are summarized below.

Revenues

The City receives revenues from various sources, some of which, such as taxes and fees, provide unrestricted cash that may be used at the City's discretion. Other revenues are reserved for

specified purposes, for example, grant funds received for capital projects. Actual General Fund revenues, including transfers from other funds, for fiscal year 2023, listed by source in the table below, were more than their combined budgeted total by approximately \$4 million.

Fiscal Year-End Revenue Totals

Revenue Source	FY23 Adjusted Budget ¹	FY23 Actual ³	Variance
Sales & Use Tax	\$23,905,000	\$22,979,943	\$(925,057)
District Transactions & Use Tax	14,951,000	15,470,285	519,285
Property Tax ²	2,497,353	2,565,499	68,146
Property Tax in Lieu of VLF	8,223,000	8,265,143	42,143
Other Revenues	15,871,750	20,176,931	4,305,181
Transfers In	2,005,500	2,005,500	-
Total	\$67,453,603	\$71,463,301	\$4,009,698

¹ adopted budget, plus budget adjustments

² reflects reduction for property tax allocation to the Library and Parks Maintenance funds

³ actual amounts are unaudited

The budgeted amounts for Sales & Use tax and District Transactions Tax were based on projections provided by the City’s sales tax consultant. Retail sales activity in Sales & Use Tax fell short of the budgeted amount by \$900,000 due to several industry groups experiencing lower than expected receipts. The autos-transportation group experienced lower returns as high interest rates lowered sales volume, general consumer goods saw weak collections as consumer confidence waned, and the City’s share of state and county pools saw a drop in returns when compared to the previous year.

This shortfall was partially mitigated by the District Transactions & Use Tax, which finished the year at \$500,000 above the budgeted level. Combined, sales related revenue came in \$400,000 below budget.

Property Tax and Property tax in lieu of VLF (vehicle license fee) saw a combined 1.0% increase above the budgeted amount, with a net impact of \$110,000 between the two revenue sources. Both Property Tax and Property tax in lieu of VLF have grown year over year and are projected to continue to steadily grow into the future as property values continue to rise.

Revenues in the “Other Revenues” category ended the year above budget by \$4.3 million, which is attributable to a combination of projected positive and negative variances in the various individual accounts. The primary contributor to the variance in this category was \$1.0 million in deferred revenue posted from the State of California Health Care Services for the Las Palmas Pool and Wellness Center. Other accounts that significantly exceeded budgeted amounts include the transient lodging tax (\$900,000), the various franchise fees (\$500,000), rental payments for City owned land (\$300,000), school district contract reimbursements (\$200,000) and residual balance payments from the Successor Agency (\$200,000). These increases were tempered by a decrease in overtime reimbursements (-\$500,000) and utility company permits (-\$300,000).

Expenditures

As of June 30, 2023, General Fund expenditures, including transfers to other funds, totaled \$66.3 million, \$7.9 million less than the adjusted budget of \$74.2 million. Expenditure variances are summarized by category in the table below.

FY 2023 Year-End Expenditure Totals

Expenditure Type	FY23 Adjusted Budget¹	FY23 Actuals²	Variance
Personnel Services	\$ 44,839,890	\$44,595,219	\$244,671
Maintenance & Operations	10,279,441	8,076,736	2,202,706
Capital Outlay	338,743	330,406	8,337
Capital Improvement Projects	7,667,649	2,396,265	5,271,384
Internal Service Charges	8,506,822	8,381,822	125,000
Transfers Out	2,561,032	2,561,032	-
Total	\$74,193,578	\$66,341,479	\$7,852,098

1 adopted budget total, plus budget amendments, encumbrances, & capital projects appropriations carried forward from previous fiscal year(s)

2 actuals are unaudited

Personnel costs make up approximately 61% of the General Fund’s budget. They ended the fiscal year under budget by \$200,000. While vacant authorized positions contributed to salary and benefit savings of \$2.7 million, costs related to overtime requirements, primarily in the Police and Fire departments, exceeded budgeted amounts by \$2.0 million. In addition, the costs for worker’s compensation insurance was \$400,000 greater than the budget.

Maintenance & Operations (“M&O”) savings of \$2.2 million were realized across various accounts, but particularly in Contract Services (\$1.2 million), Professional Services (\$500,000), and Emergency Animal Treatment (\$100,000).

The capital projects category had a variance of \$5.3 million between the budget and actuals. This \$5.3 million does not represent savings. Rather, it is unspent monies on specifically authorized capital improvement projects that are still ongoing. The unspent appropriations were carried over to the fiscal year 2024 budget and are reflected in the assigned fund balance component of the fund balance table included in this report.

Net Impact on Overall Fund Balance

The table below combines the above revenue and expenditure tables to compare the adjusted budget’s impact on fund balance to the actual impact on fund balance. Actual fiscal year 2023 revenues, expenditures, and transfers resulted in an estimated increase of \$5.1 million in the overall fund balance of the General Fund, as compared to the adjusted budgeted usage of \$6.7 million (primarily a combination of carry-overs from fiscal year 2022, and budget adjustments authorized during the year). This variance is due to the unspent capital projects appropriations and operational savings discussed above. As discussed further below, fund balance is divided into five categories, non-spendable, restricted, committed, assigned, and unassigned.

Fund Balance Change – Actual vs Budget (Estimated)

	Adjusted Budget	Actual	Variance
Revenues	\$65,448,103	\$69,457,801	\$4,009,698
Transfers In	2,005,500	2,005,500	-
Total Revenues & Transfers In	\$67,453,603	\$71,463,301	\$4,009,698
Expenditures	\$71,632,546	\$63,780,447	\$(7,852,098)

Transfers Out	2,561,032	2,561,032	-
Total Expenditures & Transfers Out	\$74,193,578	\$66,341,479	\$(7,852,099)
Fund Balance Gain/(Usage)	\$(6,739,975)	\$5,121,822	\$11,861,797
Beginning Fund Balance	\$57,063,602	\$57,063,602	-
Ending Fund Balance	\$50,323,627	\$62,185,424	-

In accordance with Governmental Accounting Standards Board (“GASB”) Statement Number 54, fund balance is classified into the aforementioned categories based primarily on the extent to which its use of resources is constrained. The table below reflects the estimated changes in each category of fund balance within the General Fund from June 30, 2022 to June 30, 2023. The balances are dependent not only upon the results of operations, i.e., revenues and expenditures, but also upon changes in such things as liabilities accrued for employee benefits and unspent appropriations carried over to the succeeding fiscal year.

Components of Fund Balance (Estimated)

	FY 22	FY 23	Change
Non-spendable	\$3,966,629	\$3,982,518	\$15,899
Restricted	9,546,733	9,956,428	409,695
Committed	15,680,000	15,680,000	-
Assigned	8,400,717	9,604,056	1,203,339
Unassigned	19,469,523	22,962,422	3,492,899
Total	\$57,063,602	\$62,185,424	\$5,121,822

Summary of fund balance changes by category:

Non-spendable – fund balance representing assets which are not in spendable form. This is primarily land held for resale (\$3.9 million), but also includes inventories and prepaid expenses (\$0.073 million). The latter category is up approximately \$16,000.

Restricted – category with spending constraints stipulated either “externally” by the provider of the assets or by law. For the City, the primary components of this category are the Section 115 trusts for pension and other post-employment benefit obligations (OPEB). There is a \$0.4 million increase in the amount of restricted fund balance as a result of investment gains in the two 115 trusts during FY 2023.

Committed – total of resources which have internally imposed restrictions mandated by formal action of the City Council. This category comprises the City’s Economic Contingency Reserve (\$12,800,000) and the Facilities Maintenance Reserve (\$2,880,000). The amount is unchanged from FY 2022.

Assigned – assets constrained by the City’s intent that they be used for specific purposes but not meeting the more strict criteria for classification as restricted or committed. The total amount is up by \$1.2 million over FY 2022. The primary components are amounts set aside for compensated absences and those carried over for capital projects and open purchase orders. The compensated absences total for FY 2023 is \$4.3 million, up \$0.4 million from FY 2022. The amount of carry-overs can vary from year to year depending upon the projects underway. Carry-overs total \$5.3 million for FY 2023, up \$0.8 million from FY 2022.

Unassigned – total of spendable amounts not allocated to the other fund balance categories and which is available for use at the City Council’s discretion. Unassigned fund balance

shows an increase of \$3.5 million over FY 2022 to \$23.0 million. City Council Policy #201 specifies maintaining the unassigned fund balance at a target level of 10% of budgeted operating expenditures. With a General Fund operating budget for FY 2024 of \$67.5 million, the FY 2023 unassigned fund balance exceeds the target level by \$16.25 million. It should be noted that the FY 2024 adopted General Fund budget anticipates a use of unassigned fund balance in the amount of \$1.05 million for one-time items, still leaving a significant cushion in the unassigned fund balance category.

Ratification of Budget Adjustments

Normally, staff requests budget adjustments in advance based on known or projected funding requirements that require additional appropriations. In some instances, the need isn't known until the end of the fiscal year. For fiscal year 2023, expenditure requirements exceeded appropriations as summarized below and detailed in Exhibit A. Budget adjustments have been made by staff to correct the shortfalls and staff seeks ratification by the City Council of these adjustments.

Library Fund - \$68,461
EMT – D Revolving Fund - \$54,460
Security and Alarm Regulation Fund - \$14,856
Pension Obligation Bonds - \$2,750
Library Bonds Debt Service Fund - \$1,560

The funding for these appropriations is from the available fund balance of the respective funds with the exception of the Pension Obligation fund, which will be made whole with a \$2,750 transfer from the General Fund in fiscal year 2024.

FINANCIAL STATEMENT:

The City's General Fund experienced a \$3.5 million increase in fund balance in fiscal year 2023 that will allow the City to maintain or exceed targets for key reserves. The greatest contributors to the increase in fund balance were better than budgeted revenues, coupled with operational savings. Per City Council Policy #201, the status of these reserves will be reviewed and presented to the City Council as part of the budget development process for fiscal year 2025.

RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:

Balanced Budget and Economic Development

ENVIRONMENTAL REVIEW:

This is not a project under CEQA and is therefore not subject to environmental review.CCR15378; PRC 21065.

PUBLIC NOTIFICATION:

Agenda Report posted within 72 hours of meeting date and time in accordance with Brown Act.

ORDINANCE:

Not Applicable

EXHIBITS:

Exhibit A – Budget Adjustment Detail
Exhibit B – Resolution

**Budget Adjustment Ratification Request
Fiscal Year 2023**

Fund/Explanation	Expenditure
Library Fund	
Personnel Services appropriation to cover additional hourly wages in Library	\$ 68,461
EMT - D Revolving Fund	
Personnel Services appropriation for additional paramedic differential pay	\$ 54,460
Security and Alarm Regulation Fund	
Appropriation for professional services offset by unanticipated false alarm fine revenue	\$ 14,856
Pension Obligation Bond fund	
Appropriation for continuing bond disclosure services	\$ 2,750
Library Bonds Debt Service Fund	
Appropriation for continuing bond disclosure services	\$ 1,560

RESOLUTION NO. 2024 -

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY, CALIFORNIA,
RATIFYING VARIOUS FISCAL YEAR 2023 BUDGET ADJUSTMENTS**

WHEREAS, on June 7, 2022, the City Council of the City of National City adopted Resolution No. 2022-97, adopting the budget for fiscal year 2023; and

WHEREAS, as part of the 4th quarter review process, certain fund's expenditures exceeded budget through the end of fiscal year 2023; and

WHEREAS, the 4th quarter budget review was presented to the City Council and members of the public on February 6, 2024; and

WHEREAS, the City Manager has requested ratification of the Fiscal Year 2023 Budget Adjustments ("Exhibit 'A'").

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NATIONAL CITY, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

Section 1: That the City Council ratifies the budget adjustments to the Fiscal Year 2023 Budget as shown in Exhibit A.

Section 2: That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED and ADOPTED this 6th day of February, 2024.

Ron Morrison, Mayor

ATTEST:

Shelley Chapel, MMC, City Clerk

APPROVED AS TO FORM:

Barry J. Schultz, City Attorney



AGENDA REPORT

Department: City Manager's Office
Prepared by: Benjamin A. Martinez, City Manager
Meeting Date: Tuesday, February 6, 2024
Approved by: Benjamin A. Martinez, City Manager

SUBJECT:

Reorganization of the City Manager's Office, Departments, and Divisions

RECOMMENDATION:

For the purpose of reorganizing the City Manager's Office, Departments, and Divisions, the City Manager requests authorization to add the following staff positions:

- Deputy City Manager (2)
- Assistant Community Development Director
- Finance Director
- City Librarian
- Executive Assistant III (Council Offices of Molina and Bush)

Furthermore, the City Manager requests authorization to vacate the following staff positions:

- Assistant City Manager
- Director of Administrative Services
- Housing Director
- Human Resources Director
- Library & Community Services Director
- Planning Manager

It is anticipated these actions will create a more efficient organization more adept to meet the needs of the community while achieving significant cost savings.

BOARD/COMMISSION/COMMITTEE PRIOR ACTION:

Not Applicable.

EXPLANATION:

The FY 2023-24 City Budget authorized the Assistant City Manager and Library & Community Services Director positions. Since the beginning of the fiscal year, the Assistant City Manager and Library & Community Services Director positions have become vacant. Freezing both the Library & Community Services Director and Assistant City Manager positions, and authorizing two (2) Deputy City Manager positions will reorganize the responsibilities of the City Manager's Office and place broader operational authority to the Deputy City Managers.

The creation of two (2) Deputy City Manager positions would benefit the City Manager's Office, the entire organizational structure, and the citizens we serve, in the following ways:

- (1) **Division of Responsibilities:** With two (2) Deputy City Managers, responsibilities would be divided based on expertise or functional areas. This allows for a more focused approach to managing various aspects of municipal operations, i.e., one (1) Deputy City Manager could be responsible for administrative functions like Human Resources and Finance, while the other would oversee Community Development and Public Works.
- (2) **Increased Efficiency:** The workload of a City Manager can be overwhelming, especially in larger or a busy municipality like National City. Having two (2) Deputies allows for a more efficient distribution of tasks.
- (3) **Redundancy and Continuity:** In the absence of the City Manager, having two (2) Deputy City Managers provides redundancy and continuity. This is important for maintaining stable leadership during vacation, illness, or other temporary absences. It ensures that crucial decision-making and operations continue smoothly without disruption.
- (4) **Diverse Skill Sets:** Different Deputy City Managers bring diverse skill sets and perspectives. This diversity is valuable in addressing complex issues and finding innovative solutions. For instance, one (1) Deputy excels in financial management while the other has a strong community engagement and development background.
- (5) **Succession Planning:** Having multiple Deputy City Managers allows for better succession planning. If one (2) Deputy is groomed to eventually take over as the City Manager, the organization can ensure a smooth transition in leadership. This is crucial for maintaining stability and continuity in municipal governance.
- (6) **Enhanced Communications:** The presence of multiple Deputy City Managers will improve communication channels within the organization. Each Deputy would serve as a point of contact for specific departments or functions, streamlining communication and fostering collaboration.
- (7) **Flexibility and Adaptability:** Different situations may require different leadership approaches. The organization gains flexibility and adaptability in responding to diverse challenges with two (2) Deputies. The City Manager can delegate responsibilities based on the specific needs and priorities of the municipality.
- (8) **Strategic Planning:** Two (2) Deputy City Managers can contribute to more comprehensive strategic planning. They can work collaboratively with the City Manager to develop and implement strategic initiatives, ensuring a well-rounded approach considering various facets of municipal governance.

The departmental reorganization represented in Exhibit A, complements and serves the two (2) Deputy City Manager strategies, and will open the door to greater opportunities for our employees as well. In addition, the reorganization represents an organizational alignment that is more efficient and will increase our level of customer service.

The City Manager is committed to providing the community the highest level of customer service possible while being fiscally responsible. The restructuring of the City Manager's Office with two (2) Deputy City Managers, the positions requested, and the departmental reorganization is critical to meeting those goals and vision.

FINANCIAL STATEMENT:

The projected savings from his reorganization will be approximately \$170,000.

RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:

Balanced Budget and Economic Development

ENVIRONMENTAL REVIEW:

This is not a project under CEQA and is therefore not subject to environmental review.CCR15378; PRC 21065.

PUBLIC NOTIFICATION:

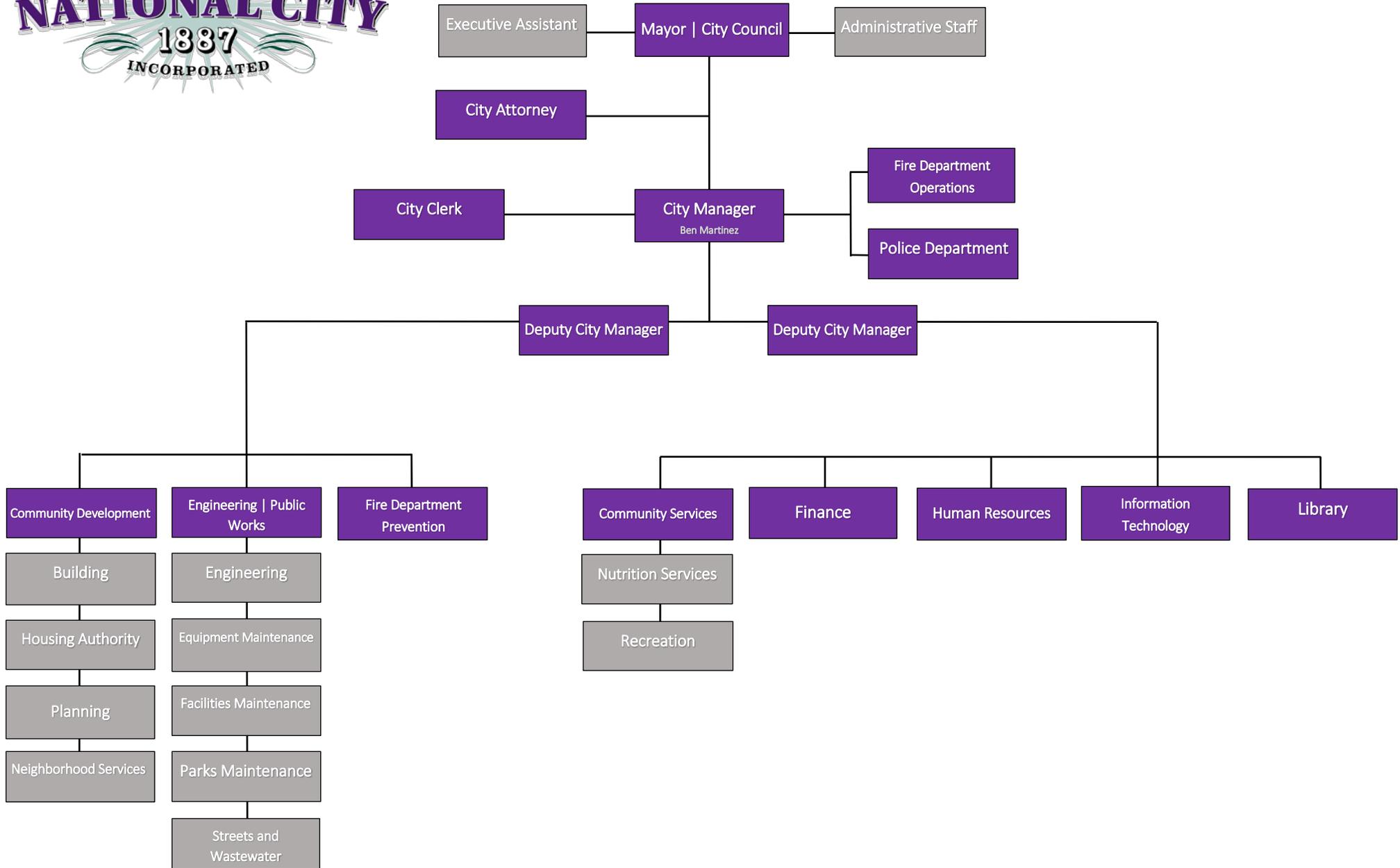
The Agenda Report was posted within 72 hours of the meeting date and time in accordance with the Ralph M. Brown Act.

ORDINANCE:

Not Applicable

EXHIBIT:

Exhibit A – 2024 Organizational Chart





CITY COUNCIL ITEM REQUEST

The City Council Item Request Form is for members of the City Council to submit written requests to the City Manager's Office for inclusion of an item on a future City Council Meeting Agenda. At the meeting where the initial written request is heard, discussion should be limited to whether the item should be added to an agenda and a date, not the merit of the item. A majority vote of the City Council is required for the item to be added to a future City Council Meeting Agenda for action.

Requesting Member of City Council: Council Member Rodriguez

Today's Date: Tuesday, January 30th 2024

Is this matter considered Time-Sensitive by another entity deadline? Yes

WRITTEN REQUEST

I, Council Member Rodriguez hereby request that the following item be placed on the National City Council meeting agenda for consideration on Tuesday, February 6th. Ordinance attached as part of the request.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY, EXERCISING THE CITY'S POLICE POWER TO PROHIBIT RESIDENTIAL EVICTIONS WITHOUT JUST CAUSE, RIGHT OF RETURN AND TEMPORARY RELOCATION IN RESPONSE TO WEATHER CREATED STATE OF EMERGENCY