



PALMDALE

a place to call home

**CITY COUNCIL
HOUSING AUTHORITY
CITY COUNCIL CHAMBERS
38300 SIERRA HIGHWAY
SUITE B
PALMDALE, CA 93550
WEDNESDAY, DECEMBER 18, 2024
5:00 PM
www.cityofpalmdaleca.gov**

WELCOME

1. CALL MEETING TO ORDER

Note: All City Council memberships are reflected in their City Council titles.

2. ROLL CALL

MAYOR BISHOP, MAYOR PRO TEM LOA, COUNCILMEMBERS OHLSEN,
BETTENCOURT, ALARCÓN
COMMISSIONERS FRAGA-SAENZ, BETTS

3. PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE

PUBLIC COMMENT RULES

“(California Government Code Section 54954.3).

(a) Every agenda for regular meetings shall provide an opportunity for members of the public to directly address the legislative body on any item of interest to the public, before or during the legislative body’s consideration of the item, that is within the subject matter jurisdiction of the legislative body, provided that no action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by subdivision (b) of Section 54954.2 [section omitted].

(b) (1) The legislative body of a local agency may adopt reasonable regulations to ensure that the intent of the subdivision (a) is carried out, including, but not limited to, regulations limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker.

(2) Notwithstanding paragraph (1), when the legislative body of a local agency limits time for public comment, the legislative body of a local agency shall provide at least twice the allotted time to a member of the public who utilizes a translator to ensure that non-English speakers receive the same opportunity to directly address the legislative body of a local agency.”

In furtherance of Section 54954.3 of the Brown Act, the public is allotted to speak a total of two (2) minutes on the entirety of the Consent Calendar, Appointment(s), New Business and Closed Session, with two (2) minutes on each Public Hearing, and, if desired, an additional two (2) minutes on items not on the agenda that are within the subject matter jurisdiction of the City Council. As specified in the Brown Act, a speaker utilizing a translator will receive twice the amount of time specified.

4. PUBLIC COMMENTS

CONSENT CALENDAR, APPOINTMENT(S), NEW BUSINESS, AND CLOSED SESSION: Now is the time for public participation on items listed on the Consent Calendar, Appointment(s), New Business, and Closed Session. Each speaker is allotted two (2) minutes in total for the entirety of the above sections.

5. HOUSING AUTHORITY CONSENT CALENDAR

All matters listed under the Housing Authority Consent Calendar will be enacted by one motion unless an item(s) is pulled by the Authority, in which case the item(s) will be removed from the Consent Calendar and will be considered separately following this portion of the Agenda.

- 5.1 Approve First Amendment to Memorandum of Understanding with the City of Palmdale to accept an increase of \$600,000 of United States Treasury Coronavirus State and Local Fiscal Recovery Funds (SLFRF) under the American Rescue Plan Act (ARPA) Funds for Development of Affordable Housing.

[SR Agrmt No. A-8029 HA First Amendment to Memorandum of Understanding.docx](#)
[Agrmt No. A-8029 HA First Amendment to Memorandum of Understanding.pdf](#)

- 5.2 Adopt Resolution No. HA 2024-007, a Resolution of the Housing Authority of the City of Palmdale approving an Exclusive Negotiation Agreement, a Letter of Loan Commitment for \$9,375,000, and a Predevelopment Loan Agreement between the Housing Authority of the City of Palmdale and Linc 4th Street Palmdale, LP for \$1,800,000 for Pre-Development Activities for a Proposed Affordable Housing Rental Development located at East Avenue Q and 4th Street East, on a portion of APN 3006-008-921.

[SR Reso. No. HA 2024-007.docx](#)
[Reso. No. HA 2024-007 TV LINC ARPA.docx](#)
[Agrmt No. A-9120 with Linc 4th Street Palmdale, LP.pdf](#)
[Agrmt No. A-9121 with Linc 4th Street Palmdale, LP.pdf](#)

- 5.3 Approve the minutes from the previous meeting.
[Minutes 12 04 2024.pdf](#)

6. CONSENT CALENDAR

All matters listed under the Consent Calendar will be enacted by one motion unless an item(s) is pulled by Council, in which case the item(s) will be removed from the Consent Calendar and will be considered separately following this portion of the Agenda.

- 6.1 Waive full reading of the Resolution(s) and/or Ordinance(s) to be considered and voted on at this meeting. (This allows for reading the title only in lieu of reciting the entire text).

- 6.2 Adopt Resolution No. CC 2024-091, a Resolution of the City Council of the City of Palmdale authorizing the City Manager to execute agreements with the California Department of Tax and Fee Administration for implementation of a local transactions and use tax; and adopt Resolution No. CC 2024-095, a Resolution of the City Council of the City of Palmdale authorizing examination of sales or transactions and use tax records.

[SR Measure PD.docx](#)

[Reso. No. CC 2024-091 Measure PD.docx](#)

[Exh A Reso. No. CC 2024-091 City Preparatory Agreement.docx](#)

[Exh B Reso. No. CC 2024-091 City Administration Agreement.docx](#)

[Reso. No. CC 2024-095 Examination of Confidential Records.docx](#)

- 6.3 Adopt Resolution Nos. SA 2024-014 and SA 2024-015, Resolutions of the Successor Agency to the Community Redevelopment Agency of the City of Palmdale approving the Recognized Obligation Payment Schedule (ROPS) and the Administrative Budget, respectively, for the period of July 1, 2025 through June 30, 2026.

[SR Successor Agency ROPS 25-26 and Administrative Budget.docx](#)

[Reso. No. SA 2024-014 ROPS.docx](#)

[Exh A Reso. No. SA 2024-014 ROPS 25-26.pdf](#)

[Reso. No. SA 2024-015 Admin Budget 25-26.docx](#)

[Exh A Reso. No. SA 2024-015 Admin Budget 25-26.pdf](#)

- 6.4 Approve Agreement with New Creation Builders, Inc. for design and build services for PN 902, Emergency Operations Center (EOC) Tenant Improvement Project, for a total not to exceed amount of \$5,113,831, includes 10% contingency and labor compliance costs for a term of 350 working days from the date of the Notice to Proceed.

[SR Agrmt No. A-8955 with New Creation Builders, Inc.docx](#)

- 6.5 Award and Approve Agreement with New Creation Builders, Inc., for design services portion of the bid (Phase One) for PN 874, South Antelope Valley Emergency Services Tenant Improvements and Relocation Project, for a total not to exceed amount of \$633,000 for a term of 330 calendar days from the date of the Notice to Proceed.

[SR Agrmt No. A-9143 with New Creation Builders, Inc.docx](#)
[Agrmt No. A-9143 with New Creation Builders, Inc.pdf](#)
[Project Map.pdf](#)

- 6.6 Adopt Resolution No. CC 2024-089, a Resolution of the City Council of the City of Palmdale setting aside portions of City-owned land (APN 3128-015-903), for right-of-way and bikeway requirements along 10th Street West and Columbia Way (Avenue M) for public road and highway purposes.

[SR Reso. No. CC 2024-089.docx](#)
[Reso. No. CC 2024-089.docx](#)
[Exh A Legal Description.pdf](#)
[Exh B Plat Map.pdf](#)

- 6.7 Adopt Resolution No. CC 2024-090, a Resolution of the City Council of the City of Palmdale authorizing the execution of a grant deed for portions of City-owned land to the California Department of Transportation for parcel 79478-1, identified in Right of Way Appraisal Map Nos. 27055-C and 27056-C.

[SR Reso. No. CC 2024-090.docx](#)
[Reso. No. CC 2024-090.docx](#)
[Appraisal Maps 27055-C and 27056-C.pdf](#)
[Grant Deed of Parcel 79478-1.pdf](#)

- 6.8 Approve First Amendment to Memorandum of Understanding with the Housing Authority of the City of Palmdale to provide an Increase of \$600,000 of United States Treasury Coronavirus State and Local Fiscal Recovery Funds (SLFRF) under the American Rescue Plan Act (ARPA) funds for development of affordable housing.

[SR Agrmt No. A-8029 City First Amendment to Memorandum of Understanding.docx](#)
[Agrmt No. A-8029 City First Amendment to Memorandum of Understanding.pdf](#)

- 6.9 Adopt Ordinance No. 1649, an Ordinance of the City Council of the Chartered City of Palmdale, California, amending Section 2.08.040 of Chapter 2.08 of Title 2 of the Palmdale Municipal Code, establishing the City Council's regular meeting day, time and place.

[Ord. No. 1649.docx](#)

7. PUBLIC HEARING

- 7.1 Adopt Resolution No. CC 2024-092, a Resolution of the City Council of the City of Palmdale calling a special election regarding alteration of the amended rate and method of apportionment of special taxes for the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 public facilities); Resolution No. CC 2024-093, a Resolution of the City Council of the City of Palmdale declaring results of special election in the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 public facilities), determining that alteration of the rate and method of apportionment of special taxes for the district is lawfully authorized, and directing recording of amended and restated notice of special tax lien; and Resolution No. CC 2024-094, a Resolution of the City Council of the City of Palmdale approving a Supplement No.1 to acquisition agreement relating to the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 public facilities) 2025 Special Tax Bonds.

[SR CFD 2022-3 RMA Amendment.docx](#)

[Reso. No. CC 2024-092 Resolution Calling Special Election.docx](#)

[Reso. No. CC 2024-093 Resolution Declaring Results of Special Election.docx](#)

[Reso. No. CC 2024-094 Approving Supp No. 1 to Acquisition Agreement.docx](#)

[Agrmt No. A-8174 Supp No. 1 to Acquisition Agreement.docx](#)

- 7.2 Adopt Ordinance No. 1647, an Ordinance of the City Council of the City of Palmdale, approving Zoning Ordinance Amendment 24-0001; and find that the request is consistent with Program Environmental Impact Report 22-002 prepared and certified in conjunction with the City's General Plan (Palmdale 2045).

[SR Ord. No. 1647.docx](#)

[Ord. No. 1647.docx](#)

8. NEW BUSINESS

- 8.1 Introduction and Adoption of Ordinance No. 1650, an Ordinance of the City Council of the City of Palmdale, amending Section 3.21 of the Palmdale Municipal Code relating to the implementation and collection of reduced transactions and use tax, and adopt Resolution No. CC 2024-096, a Resolution of the City Council of the City of Palmdale phasing the implementation of the transactions and use tax increase authorized by AB 2443 and enacted by Measure PD.

[SR Measure PD Implementation.docx](#)

[Ord. No. 1650.docx](#)

[Reso. No. CC 2024-096 Measure PD Phase Implementation.docx](#)

9. CITY MANAGER'S REPORT

10. SHERIFF'S REPORT

11. NON-AGENDA PUBLIC COMMENTS:

Now is the time for public participation on items not listed on the agenda. Each speaker is allotted two (2) minutes total.

12. **COUNCIL REPORTS, ANNOUNCEMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS**

13. **ADJOURN** meeting to January 8, 2025, at 5:00 p.m. in the City Hall Council Chamber located at 38300 Sierra Highway, Suite B, Palmdale, California.

Americans with Disabilities Act (ADA) Accommodations

In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to participate in this meeting, please contact the City Clerk's Office at (661) 267-5151 at least 48 hours prior to the meeting.

If you require oral translation, please contact the City Clerk's Office at (661) 267-5151 at least 48 hours prior to the meeting.



Housing Authority Staff Report

DATE: DECEMBER 18, 2024

TO: HONORABLE CHAIR AND COMMISSIONERS

FROM: HOUSING DEPARTMENT

DISTRICT: ALL

SUBJECT: APPROVE FIRST AMENDMENT TO MEMORANDUM OF UNDERSTANDING WITH THE CITY OF PALMDALE TO ACCEPT AN INCREASE OF \$600,000 OF UNITED STATES TREASURY CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS (SLFRF) UNDER THE AMERICAN RESCUE PLAN ACT (ARPA) FUNDS FOR DEVELOPMENT OF AFFORDABLE HOUSING

RECOMMENDATION

Staff recommends that the City Council:

1. Approve the First Amendment to Memorandum of Understanding Agreement No. A-8029 with the City of Palmdale to accept an increase of \$600,000 of United States Treasury Coronavirus SLFRF under the ARPA funds for the development of affordable housing; and,
2. Authorize the Executive Director or her designee to execute the Amendment to Memorandum of Understanding Agreement No. A-8029 with the City of Palmdale, including minimal and/or non-substantial changes.

BACKGROUND

The City was awarded \$35,445,019 from the U.S. Treasury through the Coronavirus SLFRF under the ARPA. These funds can be used for various purposes, including investing in affordable housing to help low-income residents and address the financial challenges caused by the COVID-19 pandemic. The final rules allow the City to use these funds to tackle the ongoing housing shortages worsened by the pandemic. Any program income from repaid loans can be reused for eligible purposes, but there are restrictions on when the funds can be used.

DISCUSSION

The Housing Authority assists developers with gap financing to develop and rehabilitate affordable units for eligible households with extremely low, very low, and low incomes.

The Housing Authority proposes to loan the ARPA funds granted by the City and program income received through repayment of the funds from a prior project to develop an eligible affordable housing project. The Housing Authority plans to use ARPA funds to enter into a proposed pre-development loan agreement with Linc 4th Street Palmdale, LP. This agreement will help assess the feasibility of the proposed project, design it, and apply for the necessary government approvals and financing.

FISCAL IMPACT

\$600,000; Funds are available in account 15818503-737100-1332 ARPA Affordable Housing.

STRATEGIC PLAN

Goal III: Invest in infrastructure to improve community livability and to plan and maintain safe and attractive neighborhoods, streets, and facilities.

C. Plan and maintain safe and attractive neighborhoods, streets, facilities, and public spaces with exciting programming that promotes active fun for everyone.

Prepared by:	Sophia Reyes, Director of Housing
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Ronda Perez, Executive Director
Approved as to form:	William P. Curley, III, Authority Attorney

ATTACHMENTS

Agrmt No. A-8029 First Amendment to Memorandum of Understanding

**1st AMENDMENT TO AGREEMENT A- 8029
BETWEEN THE CITY OF PALMDALE AND THE HOUSING AUTHORITY OF THE
CITY OF PALMDALE**

This 1st Amendment to Agreement No. A-8029 ("Agreement") is made and entered into by and between the City of Palmdale (hereinafter called "CITY") and THE HOUSING AUTHORITY OF THE CITY OF PALMDALE (hereinafter called "HOUSING AUTHORITY"). This Contract shall become effective on the date of the last signatory.

WHEREAS, on August 4, 2022 ("Original Agreement") the CITY and HOUSING AUTHORITY entered into an agreement to provide:

The City may provide Coronavirus Local Fiscal Recovery Funds received pursuant to the Act to the Housing Authority to undertake certain eligible activities in connection with the City's desire to respond to the impact of COVID-19 and assist in efforts to contain COVID-19 in the City for certain services as described in Exhibit "A" Project Description

WHEREAS, the parties desire to amend the Original Agreement to:

Increase the ARPA funding to the Housing Authority, amend Exhibit A and update terms within the MOU.

NOW THEREFORE, the parties agree as follows:

- 1) To increase the amount of funding by \$600,000.00 to a total of \$1,800,000.00.
- 2) To amend and replace Exhibit A to include the Transit Village Affordable Housing Project.
- 3) To update terms:
 - a) To add: WHEREAS, this Agreement shall constitute an obligation of CSLRF Funds as defined at 31 CFR 35.3.
 - b) Insert section after 12 and before 13: Contracts with Third Parties. For any procurement contracts awarded by Housing Authority in the performance of the Scope of Work, such contracts shall be procured in accordance with 2 CFR Part 200, Subpart D, and such contracts shall include the provisions of Appendix II to Part 200, Title 2.
 - c) Section 19 update Conflict of Interest reference from, CFR 570.611 to 2 CFR 200.112 and 2 CFR 200.

All other terms and conditions of the Original Agreement not amended herein, remain in full force and effect.

(REST OF PAGE INTENTIONALLY LEFT BLANK)

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

THE HOUSING AUTHORITY OF THE CITY OF PALMDALE:

SIGNATURE AREA	SIGNATURE AREA
Ronda Perez City Manager SIGNATURE AREA	Salvador Mendez Assistant City Manager

ADDRESS FOR NOTICE: CITY OF PALMDALE 38300 Sierra Highway Palmdale, CA 93550	ADDRESS FOR NOTICE: THE HOUSING AUTHORITY OF THE CITY OF PALMDALE 38250 Sierra Highway Palmdale, CA 93550
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APPROVE AS TO FORM:	APPROVE AS TO FORM:
SIGNATURE AREA	SIGNATURE AREA
William P. Curley, III City Attorney	William P. Curley, III Authority Counsel

ATTEST:	ATTEST:
SIGNATURE AREA	SIGNATURE AREA
Rochelle Scott City Clerk	Rochelle Scott Authority Secretary

----- INTERNAL USE ONLY -----

- Certificate(s) and Endorsement(s) attached
- Confirmed business name on contract with certificate(s)
- Original contract and previous amendment(s) (if any) are attached
- Attached Agreement Checklist and met all requirements



Housing Authority Staff Report

DATE: DECEMBER 18, 2024

TO: HONORABLE CHAIR AND COMMISSIONERS

FROM: HOUSING DEPARTMENT

DISTRICT: 1

SUBJECT: ADOPT RESOLUTION NO. HA 2024-007, A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF PALMDALE APPROVING AN EXCLUSIVE NEGOTIATION AGREEMENT, A LETTER OF LOAN COMMITMENT FOR \$9,375,000 AND A PREDEVELOPMENT LOAN AGREEMENT BETWEEN THE HOUSING AUTHORITY OF THE CITY OF PALMDALE AND LINC 4th STREET PALMDALE, LP FOR \$1,800,000 FOR PRE-DEVELOPMENT ACTIVITIES FOR A PROPOSED AFFORDABLE HOUSING RENTAL DEVELOPMENT LOCATED AT EAST AVENUE Q AND 4th STREET EAST, ON A PORTION OF APN 3006-008-921

RECOMMENDATION

Staff recommends that the Housing Authority of the City of Palmdale:

1. Adopt Resolution No. HA 2024-007, a Resolution of the Housing Authority of the City of Palmdale approving an Exclusive Negotiation Agreement, a Letter of Loan Commitment for \$9,375,000, and a Predevelopment Loan Agreement between the Housing Authority of the City of Palmdale and Linc 4th Street Palmdale, LP for \$1,800,000 for pre-development activities for a proposed affordable housing rental development located at East Avenue Q and 4th Street East, on a portion of APN 3006-008-921; and,
2. Authorize the Executive Director or her designee to execute Agreements Nos. A-9120 and A-9121 and the Letter of Loan Commitment with Linc 4th Street Palmdale, LP, including minimal and/or non-substantial changes.

BACKGROUND

On May 9, 2005, the former Community Redevelopment Agency of the City of Palmdale (Redevelopment Agency) approved the acquisition of 10.39 acres of vacant land on the north side of East Avenue Q between Sumac Avenue and 5th Street East for the development of affordable housing. The proposed affordable housing would consist of multi-family rental housing to be owned and operated by a non-profit organization on a

portion of the approximately 10-acre site and single-family owner-occupied townhomes on the remaining portion of the approximately 10-acre site (this remaining portion is comprised of APNs 3006-008-921 and 3006-008-922 and is referred to herein as the "Property").

The State of California Department of Housing and Community Development (HCD) approved an allocation of \$9,950,400 of Infill Infrastructure Grant (IIG) funding for the Transit Village Development. On October 24, 2011, the Redevelopment Agency and the then Developer, Community Development Associates, entered into IIG Grant Agreement 07-IIG-4212 (IIG Agreement) with HCD, requiring 202 affordable housing units consisting of 154 multi-family rental units and two (2) manager units (a total of 156 units for the multi-family portion of the affordable housing) and 46 for-sale townhomes to be built and placed into operation on the Property. HCD, the Redevelopment Agency, and the then Developer agreed to assign and have the Housing Authority of the City of Palmdale (Housing Authority) assume responsibility for the IIG award.

In June 2014, the multi-family rental units, known as Wright Brothers Court, were completed.

On July 17, 2024, HCD approved an amendment to the IIG Agreement removing the then-developer, providing for 46 units of for-sale townhomes to be rental housing, and modifying and extending the IIG's performance schedule.

DISCUSSION

On May 16, 2024, the Housing Authority released Request for Proposal No. 23-003-6400 (RFP) for Transit Village Affordable Rental Housing Development to develop affordable rental housing on the two parcels of the Property. The Housing Authority now owns these parcels, which were acquired through the assumption of housing assets from the former Redevelopment Agency.

Three responses to the RFP were received. Linc Housing Corporation (Linc) was selected as a developer through the review and interview process. Linc's response included the proposed development of 72 units of affordable housing and a manager unit (Proposed Project) utilizing approximately 2.2 acres of the Property (Site), a portion of APN 3006-008-921.

The Housing Authority proposes to commit \$1,800,000 in funding from the Department of the Treasury, Coronavirus State and Local Fiscal Recovery Funds under the American Rescue Plan Act (ARPA) for pre-development activities related to the Proposed Project. If a Disposition and Development Agreement is entered into, the Housing Authority proposes to commit Low and Moderate Income Housing Asset Funds for the development of the Proposed Project. The ARPA Funds would be loaned to Linc 4th Street Palmdale, pursuant to the proposed Predevelopment Loan Agreement. The Predevelopment Loan

Agreement provides for Linc to assess the Proposed Project's feasibility, design the Proposed Project, and apply for governmental approvals and construction financing.

In addition, the Housing Authority proposes to enter into an Exclusive Negotiation Agreement and Letter of Loan Commitment for \$9,375,000 to negotiate the terms and conditions of a Disposition and Development Agreement to be submitted for consideration by the Housing Authority Board.

The Predevelopment Loan Agreement, Exclusive Negotiation Agreement, and Letter of Loan Commitment are the early-stage agreements often entered into before a lead agency decides on the specifics of a project. Until Linc has submitted a formal application for entitlements and received City of Palmdale (City) approval for such entitlements and associated environmental review as required by the California Environmental Quality Act (CEQA), which approvals may be granted or denied in the City's sole discretion, neither the City nor the Housing Authority will have committed to approving the Proposed Project or disposing of the Site. The specific parameters of the Proposed Project are unknown at this stage. Therefore, it is premature to conduct a meaningful analysis and environmental review of the Proposed Project under CEQA. Once Linc submits the Proposed Project to the City with a formal application, the CEQA environmental review will be performed. A Disposition and Development Agreement would not be submitted to the Housing Authority Board until such CEQA environmental review has been performed.

FISCAL IMPACT

\$11,175,000; Funds are available in the amount of \$1,800,000 under the American Rescue Plan Act and \$9,375,000 in Housing Asset Funds.

STRATEGIC PLAN

Goal III: Invest in infrastructure to improve community livability

C. Plan and maintain safe and attractive neighborhoods, streets, facilities, and public spaces with exciting programming that promotes active fun for everyone.

E. Transform housing inventory to meet the changing lifestyle and market demands.

Prepared by:

Certified as to availability of Funds:

Approved by:

Approved as to form:

Sophia Reyes, Director of Housing

Janelle Samson, Director of Operations

Ronda Perez, Executive Director

William P. Curley, III, Authority Attorney

Report to Chair and Commissioners of the Housing Authority
Re: Reso No. HA 2024-007, Agrmt Nos. A-9120 & A-9121
December 18, 2024
Page 4

ATTACHMENTS

Reso. No. HA 2024-007
Agrmt No. A-9120 with Linc 4th Street Palmdale, LP
Agrmt No. A-9121 with Linc 4th Street Palmdale, LP
Ltr of Loan Commitment with Linc 4th Street Palmdale, LP
Site Map

HOUSING AUTHORITY
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. HA 2024 -007

A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF PALMDALE APPROVING AN EXCLUSIVE NEGOTIATION AGREEMENT, A LETTER OF LOAN COMMITMENT AND A PREDEVELOPMENT LOAN AGREEMENT (LINC 4TH STREET PALMDALE) BETWEEN THE HOUSING AUTHORITY OF THE CITY OF PALMDALE AND LINC 4TH STREET PALMDALE, LP FOR PRE-DEVELOPMENT ACTIVITIES FOR A PROPOSED AFFORDABLE HOUSING RENTAL DEVELOPMENT LOCATED AT EAST AVENUE Q AND 4TH STREET EAST, ON A PORTION OF APN 3006-008-921

WHEREAS, The City Council of the City of Palmdale ("City Council") adopted the Redevelopment Plans for the Merged Redevelopment Projects ("Project Area") on March 24, 1994, by Ordinances Nos. 1042, 1043, and 1044, which resulted in the allocation of property taxes from the Project Area to the former Community Redevelopment Agency of the City of Palmdale ("Redevelopment Agency") for purposes of redevelopment. On May 4, 2011, the City Council adopted the Expansion Area Amendment by Ordinance No. 1418, adding additional territory to the Merged Project Area and amending and restating the redevelopment plans into a single Amended and Restated Redevelopment Plan for the Merged Project Area. Project Area No. 2, Project Area No. 3, Project Area No. 4, and the Expansion Area collectively are referred to as the "Merged Project Area". On May 4, 2011, the City Council adopted the Expansion Area Amendment by Ordinance No. 1418, adding additional territory to the Merged Project Area and amending and restating the redevelopment plans into a single Amended and Restated Redevelopment Plan for the Merged Project Area ("Redevelopment Plan"). Project Area No. 2, Project Area No. 3, Project Area No. 4, and the Expansion Area collectively are referred to as the "Merged Project Area"; *and*

WHEREAS, The Housing Authority of the City of Palmdale ("Authority") is implementing certain proposed uses in the Merged Project Area, including low-income housing, which use will aid in carrying out the Redevelopment Plan, pursuant to its obligations under Assembly Bill No. 26 (2011-2012 1st Ex. Sess.), as amended by Assembly Bill No. 1484 (2011-2012 Regular Session), and as further amended from time to time (collectively, the "Dissolution Bills") wherein the Authority, as the designated entity, will perform the housing functions previously performed by the former Redevelopment Agency, including to carry out the purposes of the Dissolution Bills; *and*

WHEREAS, In accordance with its obligations under the Dissolution Bills, the Authority wishes to enter into a proposed Exclusive Negotiation Agreement and Letter of Loan Commitment with Linc 4th Street Palmdale, LP. The two entities propose to negotiate the terms for developing the proposed affordable rental housing to be located

at the northeast corner of East Avenue Q and 4th Street East (“Site”) and the terms and conditions for the Authority funding to be committed for the development; *and*

WHEREAS, The Authority has entered into a Memorandum of Understanding (“MOU”) with the City of Palmdale (“City”) for US Department of Treasury (“Treasury”) Coronavirus Local Fiscal Recovery Funds (“CSLRF Funds”) (A-8029) under Sections 602(b) and 603(b) of the Social Security Act as added by Section 9901 of the American Rescue Plan Act (“ARPA”) Final Rule January 27, 2022, 31 CDE par 35. As outlined by the Treasury, among the eligible uses of ARPA funds is “[d]evelopment, repair, and operation of affordable housing and services or programs to increase long-term housing security” to respond to impacts of the pandemic on households and communities. Under the “public health and negative economic impacts” eligible use category under ARPA, recipients may use ARPA funds to make loans to finance affordable housing projects. The Authority wishes to enter into a proposed Predevelopment Loan Agreement with Linc 4th Street Palmdale, LP (“Linc”) with ARPA funds received under the MOU, for pre-development activities for the proposed affordable housing rental housing development which is the subject of the Exclusive Negotiation Agreement and Letter of Loan Commitment; *and*

WHEREAS, The Predevelopment Loan Agreement, Exclusive Negotiation Agreement, and Letter of Loan Commitment are the types of early-stage agreements often entered into before a lead agency decides on the specifics of a project. Until such time as Linc has submitted a formal application for entitlements and received City approval for such entitlements and associated environmental review as required by the California Environmental Quality Act (“CEQA”), which approvals may be granted or denied in the City’s sole discretion, neither the City nor the Authority will have committed to approving the Proposed Project or disposing of the Site. The specific parameters of the Proposed Project are unknown at this stage, and therefore, it is premature to conduct a meaningful analysis and environmental review of the Proposed Project under CEQA. Once Linc submits the Proposed Project to City with a formal application, the CEQA environmental review will be performed.

NOW THEREFORE, BE IT RESOLVED, THE HOUSING AUTHORITY OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. The Authority hereby finds and determines that all of the foregoing Recitals are true and correct.

SECTION 2. The Authority hereby approves of and authorizes the Authority to enter into the proposed Exclusive Negotiation Agreement, Letter of Loan Commitment, and Predevelopment Loan Agreement with Linc 4th Street Palmdale, LP with such minor

or non-substantive changes as may be approved by the Authority Executive Director with approval as to form by Authority Legal Counsel.

SECTION 3. The Authority hereby authorizes its Executive Director, or designee, to execute the Exclusive Negotiation Agreement, Letter of Loan Commitment, and Predevelopment Loan Agreement and to execute all documents and take all actions necessary and convenient to carry out and implement the documents and to administer the Authority's obligations, responsibilities, and duties to be performed thereunder.

SECTION 4. The Authority Secretary shall certify to the adoption of this resolution.

PASSED, APPROVED and ADOPTED this 18th day of December, 2024.

Approved as to form:

Austin Bishop, Chair

ATTEST:

William P. Curley, III
Authority Attorney

Rochelle Scott,
Authority Secretary

I, Rochelle Scott, Authority Secretary of the Housing Authority of the City of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the Housing Authority of the City of Palmdale at a special meeting of said Authority held on the 18th day of December, 2024 by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Date: _____

Rochelle Scott, Authority Secretary

**PREDEVELOPMENT LOAN AGREEMENT
(LINC 4TH STREET PALMDALE)
(A-9120)**

This PREDEVELOPMENT LOAN AGREEMENT (this “**Agreement**”) is dated for reference purposes as of December 18, 2024, and is entered into by and between the HOUSING AUTHORITY OF THE CITY OF PALMDALE, a public body, corporate and politic (“**Authority**”), and LINC 4TH STREET PALMDALE, LP, a California limited partnership (“**Linc**”), with reference to the following facts:

RECITALS

A. The Authority owns certain real property comprised of approximately 4.66 acres which is generally located on the northeast corner of Avenue Q and 4th Street East in Palmdale, California (“**Site**”). The Site is generally illustrated on the Site Map attached to this Agreement as Exhibit A.

B. The Authority desires to enter into a Disposition and Development Agreement (“**DDA**”), by which the Site will be developed with rental housing units for occupancy by households at 60% AMI or less (“**Proposed Project**”).

C. In May, 2024, the Authority issued that certain Request for Proposals RFP NO. 23-003-6400 TRANSIT VILLAGE AFFORDABLE RENTAL HOUSING DEVELOPMENT (“**RFP**”), to which Linc responded with a proposal dated July 3, 2024 (“**Proposal**”). The Proposed Project is generally described in the RFP and the Proposal. Authority and Linc are entering into an Exclusive Negotiating Agreement dated on or about the date hereof (“**ENA**”), which defines the framework under which the Authority and Linc would negotiate the terms for the potential transfer of the Site via a long term ground lease to Linc to enable development of the Proposed Project, subject to the terms and conditions of the proposed DDA.

D. Until such time as Linc has submitted a formal application for entitlements and received City of Palmdale (“**City**”) approval for such entitlements and associated environmental review as required by the California Environmental Quality Act (“**CEQA**”), which approvals may be granted or denied in the City’s sole discretion, neither the City nor the Authority will have committed to approving the Proposed Project or disposing of the Site.

E. Linc will incur a number of predevelopment costs and expenses (“**Predevelopment Costs**”) in connection with assessing the Proposed Project’s feasibility, designing the Proposed Project, and applying for governmental approvals and financing necessary to construct the Proposed Project, including, without limitation, costs to obtain approval for entitlements and associated environmental review as required by CEQA.

F. The City entered into a contract with the United States of America through its Department of the Treasury (“**Treasury**”) to execute the Coronavirus Local Fiscal Recovery

Funds (the “**ARPA Funds**”) under Sections 602(b) and 603(b) of the Social Security Act as added by Section 9901 of the American Rescue Plan Act Final Rule January 27, 2022), 31 CFR Part 35), as amended or modified to from time to time (the “**Act**”).

G. Pursuant to that certain Memorandum of Understanding by and between the City and the Authority dated as of August 4, 2022 (A-8029) (“**MOU**”), the City provided ARPA Funds received pursuant to the Act to the Authority to undertake certain eligible activities in connection with the City’s desire to respond to the impact of COVID-19 and assist in efforts to contain COVID-19 in the City.

H. As outlined by the Treasury, among the eligible uses of ARPA Funds is “[d]evelopment, repair, and operation of affordable housing and services or programs to increase long-term housing security” to respond to impacts of the pandemic on households and communities. Under the “public health and negative economic impacts” eligible use category under the Act, recipients may use the ARPA Funds to make loans to finance affordable housing projects.

I. Linc has requested funding from the Authority to pay for a portion of the Predevelopment Costs as set forth in the Predevelopment Budget attached as Exhibit B, and upon satisfaction of the conditions precedent set forth in this Agreement and evidenced by a Note and an Assignment (as each are defined below), the Authority has agreed to provide a loan to Linc with a total principal amount not to exceed One Million Eight Hundred Thousand Dollars (\$1,800,000) from ARPA Funds (the “**Predevelopment Loan**”).

J. This Agreement, together with the Predevelopment Loan Promissory Note substantially in the form of the note attached as Exhibit C (“**Note**”), and the Assignment of Work Product substantially in the form of the assignment attached as Exhibit D (“**Assignment**”), sets forth the requirements of the Predevelopment Loan.

K. Authority and Linc acknowledge that this Agreement addresses partial funding for predevelopment due diligence, architectural and design services, and other predevelopment activities, and is one of the types of early-stage agreements often entered into before a lead agency decides on the specifics of a project. Authority and Linc further acknowledge that: (1) viewed in light of all the surrounding circumstances, the preliminary nature of this Agreement does not commit City or the Authority as a practical matter to approve the proposed Proposed Project or disposition of the Site; and (2) the specific parameters of the Proposed Project are unknown at this stage, and therefore, it is premature to conduct a meaningful analysis and environmental review of the Proposed Project under CEQA. Authority and Linc agree that once Linc submits the proposed Proposed Project to City with a formal application, the CEQA environmental review will be performed.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Authority and Linc agree as follows.

ARTICLE 1 LOAN PROVISIONS

1.1 Incorporation of Recitals. Authority and Linc acknowledge the truth of the foregoing recitals which are hereby incorporated into this Agreement by this reference.

1.2 Predevelopment Loan. Authority agrees to loan Linc, and Linc agrees to borrow from and repay to Authority, funds in the maximum principal amount of One Million Eight Hundred Thousand Dollars (\$1,800,000), according to the terms and conditions set forth in this Agreement:

1.2.1 Loan Proceeds. The proceeds of the Predevelopment Loan (the “**Loan Proceeds**”) shall not be disbursed unless and until Linc has supplied Authority with such documentation as Authority deems necessary to substantiate the payment of some or all of the Predevelopment Loan for eligible uses, as set forth in Section 1.2.2, below.

1.2.2 Funding Disbursement. After Linc’s satisfaction of the conditions set forth in Section 3.4 below, the Predevelopment Loan shall be funded in accordance with the following requirements:

(a) Following satisfaction of the conditions set forth herein, Authority shall disburse funds to Linc up to the loan amount, for the sole purpose of paying for those Predevelopment Costs set forth in Exhibit B.

(b) The funds will be disbursed to Linc only upon a request for disbursement by Linc and upon Authority’s approval of invoices submitted by Linc delineating work satisfactorily performed. Linc shall submit to the Authority a written request for disbursement of a specific dollar amount. The Authority shall review such request and the supporting documentation and, within fifteen (15) business days from receipt thereof, shall either (i) approve such request and make the requested disbursement, or (ii) disapprove all or a portion of such request, and notify Linc in writing of the reason for such disapproval, in which case Linc shall modify its request to correct the stated deficiency and repeat the process outlined above.

(c) Linc’s request(s) for disbursement(s) under this Agreement and actual disbursement by the Authority shall be completed no later than June 30, 2026.

(d) Nothing herein shall be deemed to require disbursement of the full amount of the Predevelopment Loan if the requirements above are not satisfied.

1.3 Term and Termination; Loan Forgiveness.

1.3.1 Term. Unless earlier terminated as expressly provided herein, the term of this Agreement (“**Term**”) shall begin on the Effective Date, and shall expire on the later of (i) December 31, 2044; or (ii) the date that is 55 years from Proposed Project permanent financing conversion if the Authority and Linc execute a DDA that incorporates the obligation to repay the Predevelopment Loan in accordance with Section 1.5 herein.

1.3.2 Termination. Authority shall have the right to terminate this Agreement upon Linc’s default under this Agreement and failure to cure within the applicable cure period specified in Section 5.1. If Authority terminates this Agreement pursuant to this Section, Authority shall be entitled to exercise its rights under the Note and the Assignment Agreement, principal and accrued interest, if any, shall be due and payable as set forth in the Note, and Linc shall promptly convey to Authority all agreements, plans, specifications, reports and studies financed by the Loan Proceeds pursuant to this Agreement.

1.3.3 Non-Recourse. The obligation to repay the Predevelopment Loan is a nonrecourse obligation of Linc and its partners. Neither Linc nor any of its general or limited partners, nor any other party, shall have any personal liability for repayment of the Predevelopment Loan. The sole recourse of the Authority with respect to repayment of the Predevelopment Loan shall be the exercise of its rights in the Assignment Agreement and any other security for the Predevelopment Loan. Notwithstanding the foregoing, the Authority may:

(a) obtain a judgment or order (including, without limitation, an injunction) requiring Linc or any other party to perform (or refrain from) specified acts other than repayment of the Predevelopment Loan; and

(b) recover directly from Linc or any other party:

(i) all damages, costs and expenses incurred by the Authority as a result of fraud or any criminal act or acts of Linc or any partner, shareholder, officer, director or employee of Linc or of any general partner of Linc or of any member of a general partner of Linc;

(ii) all damages, costs and expenses incurred by the Authority as a result of misappropriation of funds provided for payment of Predevelopment Costs, as described in this Agreement or proceeds of insurance policies or condemnation proceeds;

(iii) all amounts owing by Linc pursuant to any indemnification provided to the Authority in connection with this Agreement; and

(iv) all court costs and attorneys’ fees reasonably incurred in enforcing or collecting upon any of the foregoing exceptions (provided that the Authority shall pay Linc’s reasonable court costs and attorneys’ fees if Linc is the prevailing party in such enforcement or collection action).

1.4 No Fault Termination. If the Authority and Linc do not enter into the DDA for the Proposed Project for any reason on or prior to June 30, 2026, then either Linc or the Authority may terminate this Agreement by written notice to the other party in which case any disbursed principal and accrued interest, if any, shall be due and payable as set forth in the Note. In addition, if this Agreement is otherwise terminated not due to an uncured Linc default, then this Agreement may be terminated by Authority to the extent of any undisbursed Loan Proceeds and any disbursed principal and accrued interest, if any, shall be due and payable as set forth in the Note.

1.5 Interest. The Predevelopment Loan shall bear simple interest at the rate of three percent (3%) simple interest per annum from the date of each disbursement of Loan Proceeds. Principal and accrued interest shall be due and payable as set forth in the Note or rolled over and assumed in accordance with Section 1.5. Principal and interest may be not be prepaid in whole or in part.

1.6 DDA. If the City and Authority approve a DDA and the Proposed Project, then the DDA will address disbursement and use of any undisbursed Predevelopment Loan and any other Authority funds reserved for the construction phase of the Proposed Project. Such loan provisions shall be included in the DDA in form approved by Authority and Linc pursuant to which Loan Proceeds disbursed under this Agreement will be included as components of the total amount of the loan from the Authority for the Proposed Project. In such event, this Agreement will be restated and replaced by the DDA, the Note shall be restated and the terms for repayment of the Loan Proceeds disbursed pursuant to this Agreement will be as stated in the DDA and a new promissory note(s) executed by Linc in connection with the DDA, and the Assignment Agreement will be replaced with a new assignment agreement entered into in connection with the DDA. In addition to any other terms agreed to by Linc and the Authority, the terms of the DDA shall include the following: (a) the Term shall be extended as provided in Section 1.3.1 herein; (b) the Predevelopment Loan shall be repaid from the Authority's pro rata share (such "pro rata share" being the pro rata share of the Predevelopment Loan to all public financing provided to the Project as reasonably agreed by the Authority and Linc) of 50% of net cash flow from the Proposed Project; (c) the admission of an investor limited partner and restatement of Linc's partnership agreement; and (d) the DDA or other documents evidencing the Predevelopment Loan shall incorporate customary and commercially reasonable investor limited partner protections for projects assisted by housing tax credits under Internal Revenue Code Section 42.

ARTICLE 2 LOAN SECURITY

2.1 Promissory Note. The Predevelopment Loan shall be evidenced by a promissory note (the "**Note**") executed by Linc, in favor of the Authority in the form attached as Exhibit C, which Note shall be executed and delivered by Linc to the Authority concurrently herewith. The Note shall evidence the repayment obligations by Linc of the Predevelopment Loan.

2.2 Assignment Agreement. The Note shall be secured by the assignment to Authority of Linc's interests in and rights to any and all architectural agreements, contracts, plans, specifications, reports, and studies relating to the Site or the Proposed Project that will be financed with Loan Proceeds pursuant to an assignment agreement substantially in the form attached to this Agreement as Exhibit D that Linc shall execute and deliver to Authority concurrently with the execution of this Agreement. In accordance with Section 1.5 herein, it is contemplated that the Predevelopment Loan will be converted to long term permanent financing if the Proposed Project and DDA are approved, and that in accordance therewith, upon acquisition of the Site by long term ground lease, the Predevelopment Loan will be secured by a leasehold deed of trust against the Site and a new assignment agreement.

ARTICLE 3 USE AND DISBURSEMENT OF LOAN PROCEEDS

3.1 Use Requirements. The Loan Proceeds shall be used solely and exclusively for Predevelopment Costs for the Proposed Project as set forth in Exhibit B and such other costs related to the Proposed Project as the Authority may approve in writing in its sole discretion. As more particularly described in Exhibit B, Linc's predevelopment activities shall include, without limitation, the preparation of reports, architectural plans, and financial analyses necessary to apply for construction and permanent financing for the Proposed Project.

3.2 Change in Predevelopment Costs. Linc shall notify the Authority in a timely manner of any changes to the Predevelopment Costs to be performed under this Agreement. A written authorization by the Executive Director or designee must be obtained to make any changes to the Predevelopment Costs to be reimbursed under this Agreement.

3.3 Schedule. Linc agrees to work diligently and provide services, material, and information as needed to keep the Proposed Project on schedule in accordance with the Proposed Project Schedule attached as Exhibit E, as such may be periodically updated by Authority in consultation with Linc. Linc agrees to abide by the Proposed Project Schedule as such may be revised, subject to force majeure delays. Notwithstanding the foregoing, and for the avoidance of doubt, if Linc is unable to comply with the Proposed Project Schedule despite its good faith best efforts, such failure shall not be a default hereunder.

3.4 Conditions Precedent to Disbursement of Funds. Authority's obligation to disburse the Loan Proceeds is conditioned upon satisfaction of all of the following conditions:

3.4.1 Linc's execution and delivery to the Authority of this Agreement, the Note, and the Assignment Agreement;

3.4.2 Linc's delivery to the Authority of consents to the assignment of agreements, plans, specifications, studies, reports and other work product prepared for the Proposed Project, executed by the Proposed Project architect and the other parties preparing such plans, specifications, studies, reports and other work product in the form attached as an exhibit to the Assignment Agreement;

3.4.3 Linc's delivery to the Authority of evidence of insurance coverage in the form and in such amounts as set forth in Article 4; and

3.4.4 Linc's delivery to the Authority of certified copies of Linc's certificate of limited partnership and partnership agreement.

3.5 No Obligation to Disburse Proceeds Upon Default. Notwithstanding any other provision of this Agreement, the Authority shall have no obligation to disburse any portion of the Loan Proceeds to Linc following:

3.5.1 the failure of any of Linc's representations and warranties set forth in this Agreement to be true and correct in all material respects;

3.5.2 termination of this Agreement; or

3.5.3 the uncured occurrence of a default under this Agreement, the Note, or the Assignment Agreement.

3.6 Linc's Representations and Warranties. Linc represents and warrants to the Authority that:

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

3.6.2 Funds advanced by the Authority pursuant to this Predevelopment Loan Agreement are advanced wholly for the benefit of Linc;

3.6.3 Linc is a duly organized limited partnership, validly existing and in good standing under the laws of the State of California. Linc has all requisite power and authority to deliver and perform its obligations under this Agreement, the Note, and the Assignment Agreement;

3.6.4 The execution, delivery and performance of this Agreement, the Note, and the Assignment Agreement have been duly authorized by Linc, and this Agreement, the Note, and the Assignment Agreement, when duly executed and delivered, will constitute the valid and binding obligations of Linc enforceable in accordance with their respective terms. Linc's execution of this Agreement, the Note, and the Assignment Agreement and performance thereunder will not result in a breach of or constitute a default under any agreement, indenture or other instrument to which Linc is a party or by which Linc may be bound. The persons executing the Note, this Agreement, and the Assignment Agreement on behalf of Linc have been duly authorized to do so;

3.6.5 There are no pending or, to Linc's actual knowledge, threatened actions or

proceedings before any court or administrative agency which may adversely affect the financial condition or operation of Linc or any of its partners, members or managers or Linc's ability to carry out the obligations of Linc under this Agreement. Linc is not the subject of any action under federal or state Bankruptcy Law;

3.6.6 Linc agrees to use said funds solely to pay for the Predevelopment Costs and other costs approved by the Authority in accordance herewith; and

3.6.7 Linc is responsible for all obligations created by this Agreement and the Predevelopment Loan, including, without limitation, the repayment of all principal and interest, if any, which may become due and payable under this Agreement, the Note, and any other instruments provided for herein. No creditor or other person shall have any right or action against Authority on account of any debts, obligations, or liabilities of Linc.

3.7 No Partnership or Joint Venture. The relationship between the Authority and Linc created by this Predevelopment Loan Agreement shall not be one of partnership or joint venture, but rather shall be one of lender and borrower.

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

3.9 Conflict of Interest Prohibited. Neither Linc nor an employee, officer, director, partner or member of Linc, or immediate family member of any preceding, shall have served as an elected officer, an employee, or a City or an Authority board, council, committee or commission member, who has directly or indirectly influenced the making of this Agreement.

3.10 Audit. The Authority may conduct an audit of Linc's financial, performance and compliance records maintained in connection with Linc's obligations under this Agreement and the Note. In the event of such audit, Linc's employees shall make all such financial, performance and compliance records available to the Authority. Authority agrees to provide Linc an opportunity to discuss and respond to any findings before a final audit report is filed.

3.11 Non-Discrimination. Linc hereby agrees to take steps to ensure that Linc, as well as any person who contracts with Linc, shall not, on the basis of race, color, religion, ancestry, national origin, age, sex, pregnancy, marital status, disability, or sexual orientation be excluded from participation in the development, leasing and/or sale of the Site or the Proposed Project in violation of applicable law.

ARTICLE 4 INSURANCE PROVISIONS

4.1 Insurance Policies. During the Term, Linc shall maintain in effect and deliver to the

Authority duplicate originals or appropriate certificates and endorsements of the following insurance policies (the “**Insurance Policies**”) naming the Authority and the hereinafter defined Indemnified Parties as additional insureds:

4.1.1 Commercial General Liability Insurance: Linc shall maintain general liability insurance, to protect against loss from liability imposed by law for damages on account of personal injury, including death therefrom, suffered or alleged to be suffered by any person or persons whomsoever on or about the Site and the business of Linc on the Site, or in connection with the operation thereof, resulting directly or indirectly from any acts or activities of Linc, or any person acting for Linc, or under its respective control or direction, and also to protect against loss from liability imposed by law for damages to any property of any person occurring on or about the Site, or in connection with the operation thereof, caused directly or indirectly by or from acts or activities of Linc or its tenants, or any person acting for Linc, or under its control or direction. Such property damage and personal injury insurance shall also provide for and protect Authority and the Indemnified Parties against incurring any legal cost in defending claims for alleged loss. Such personal injury and property damage insurance shall be maintained in full force and effect during the Term: commercial general liability in a general aggregate amount of not less than Ten Million Dollars (\$10,000,000), \$10,000,000 Products and Completed Operations Aggregate, and \$5,000,000 Each Occurrence. Linc agrees that provisions of this paragraph as to maintenance of insurance shall not be construed as limiting in any way the extent to which Linc may be held responsible for the indemnification of the Authority or the Indemnified Parties or the payment of damages to persons or property resulting from Linc’s activities, activities of its tenants or the activities of any other person or persons for which Linc is otherwise responsible.

4.1.2 Commercial Automobile Liability Insurance: Linc shall maintain automobile insurance, maintained in full force and effect in an amount of not less than Five Million Dollars (\$5,000,000) combined single limit including owned (if any), non-owned and hired automobile coverage.

4.1.3 Workers’ Compensation Insurance, including Employer’s Liability Insurance: Linc shall maintain workers’ compensation insurance issued by a responsible carrier authorized under the laws of the State of California to insure employers against liability for compensation under the workers’ compensation laws now in force in California, or any laws hereafter enacted as an amendment or supplement thereto or in lieu thereof. Such workers’ compensation insurance shall cover all persons employed by Linc in connection with the Site and shall cover liability within statutory limits for compensation under any such act aforesaid, based upon death or bodily injury claims made by, for or on behalf of any person incurring or suffering injury or death in connection with the Site or the operation thereof by Linc. Notwithstanding the foregoing, Linc may, in compliance with the laws of the State of California and in lieu of maintaining such insurance, self-insure for workers’ compensation in which event Linc shall deliver to Authority evidence that such self-insurance has been approved by the appropriate State authorities.

4.1.4 All policies or certificates of insurance shall provide that such policies shall not be canceled, reduced in coverage or limited in any manner without at least thirty (30) days prior written notice to Authority. All fire and liability insurance policies shall name the Authority, the Indemnified Parties, and Linc as insureds, additional insureds, and/or loss payable parties as their interests may appear.

4.1.5 Policies providing for bodily injury and property damage coverage shall contain the following:

An endorsement extending coverage to the Housing Authority of the City of Palmdale as an additional insured, in the same manner as the named insured, as respects liability arising out of the performance of any work under the Agreement. Such insurance shall be primary insurance, as respects the interest of the Housing Authority of the City of Palmdale, and any other insurance maintained by the Housing Authority of the City of Palmdale shall be considered excess coverage and not contributing insurance with the insurance required hereunder. The certificate and endorsements shall state: "The Housing Authority of the City of Palmdale, City of Palmdale, Successor Agency of the Community Redevelopment Agency of the City of Palmdale, Palmdale Civic Authority, Industrial Development Authority of the City of Palmdale, Palmdale Airport Authority, their offices, agents, employees, attorneys and volunteers are named as additional insureds."

4.1.6 Acceptable Proof of Insurance

ACCORD Certificate of Insurance listing all coverages, limits, deductibles, and insureds; and endorsements for all applicable coverages if agent has authority to issue it; Additional Insured Form CG20101185 or CG20100707 and CG2037074 or equivalent must be provided for general liability coverage. Additional Insured Form CA0001 must be provided for automobile liability coverage.

4.1.7 The requirements as to the types and limits of insurance to be maintained by Linc are not intended to and shall not in any manner limit or qualify Linc's liabilities and obligations under this Agreement.

4.1.8 Any policy or policies of insurance that Linc elects to carry as insurance against loss or damage to its equipment and tools or other personal property used in the performance of this Agreement shall include a provision waiving the insurer's right of subrogation against the Housing Authority of the City of Palmdale.

4.1.9 Linc shall require all contractors, subcontractors and any other contracted party ("**contracted parties**") working on its behalf to provide insurance coverages and limits that are based on the scope of work and nature of risk being performed by the contracted parties. Any and all contracted parties working on behalf of Linc shall be subject to all other insurance requirements that are stated herein.

4.1.10 Linc agrees to timely pay all premiums for such insurance and, at its sole cost and expense, to comply and secure compliance with all insurance requirements necessary for the maintenance of such insurance. Linc agrees to submit endorsements and binders or certificates evidencing such insurance to Authority prior to, and as a condition of, the first disbursement of Loan Proceeds. Within thirty (30) days, if practicable, but in any event prior to expiration of any such policy, copies of renewal policies, or certificates evidencing the existence thereof, shall be submitted to Authority. All insurance herein provided for under this Section shall be provided by insurers licensed to do business in the State of California and rated A-VII or better.

4.1.11 If Linc fails or refuses to procure or maintain insurance as required by this Agreement, Authority shall have the right, but not the obligation, at Authority's election, and upon ten (10) days prior notice to Linc, to procure and maintain such insurance. The premiums paid by Authority shall be treated as a loan, due from Linc, to be paid on the first day of the month following the date on which the premiums were paid. Authority shall give prompt notice of the payment of such premiums, stating the amounts paid and the name of the insured(s).

4.1.12 Linc shall have the right in its discretion to provide the insurance coverage required by this Section through one or more umbrella policies, so long as the type and level of insurance protection to be maintained by Linc in accordance with this Section is not diminished by so doing (as reasonably determined by the Authority's Executive Director).

ARTICLE 5 DEFAULT AND REMEDIES

5.1 Linc Default. The occurrence of one or more of the following events shall constitute a default under this Agreement, and Authority shall thereupon be entitled, at its option, to declare all indebtedness referred to in this Agreement immediately due and payable and Authority shall be entitled to all legal recourse against Linc and to pursue and enforce, either successively or concurrently, all rights and remedies set forth in this Agreement or any collateral instrument held by Authority or accruing to Authority by law, and such other rights and remedies as a lender may have, default being:

5.1.1 Failure of Linc to perform any of the covenants or agreements on its part contained in this Agreement or in any collateral instrument made by Linc in favor of Authority with respect to the loan evidenced by this Agreement; or the intentional or unintentional misrepresentation of any statement or warranty made by this Agreement; or

5.1.2 The filing of a complaint for receivership against Linc, or the filing of a voluntary or involuntary petition for bankruptcy or for re-organization by Linc (unless such complaint or petition be released, discharged or stayed within ninety (90) days of such filing); or if Linc shall become insolvent or make a general assignment for the benefit of creditors or consent to the appointment of a receiver of all or any of its assets, or voluntarily suspends its usual business.

Authority shall advise Linc in writing of any default under this Section and may

deliver notices of default to Linc personally, by certified mail or by registered mail. Linc shall have sixty (60) days from the date of the receipt of the notice to cure such default, except in a case where a default is not susceptible to cure within sixty (60) days, and Linc initiates cure within the sixty (60) day period and diligently pursues the cure proceedings. In this event, Linc shall have such additional time as the Authority determines is reasonably necessary to complete cure of the default but in no event longer than one hundred twenty (120) days.

5.2 Default by Authority.

5.2.1 The failure of Authority to perform any of its obligations under this Agreement shall entitle Linc to all legal recourse against the Authority and to pursue and enforce either successively or concurrently, all rights and remedies to which it may have.

5.2.2 Linc shall advise the Authority in writing of any default under this Section and Linc may deliver notices of default to the Authority personally or by certified or registered mail. The Authority shall have sixty (60) days from the date of receipt of the notice to cure the default, except in a case where a default is not susceptible to cure within sixty (60) days, and the Authority initiates cure within the sixty (60) day period and diligently pursues the cure proceedings. In this event, the Authority shall have such additional time as Linc determines is reasonably necessary to complete cure of the default but in no event longer than one hundred twenty (120) days.

ARTICLE 6 MISCELLANEOUS PROVISIONS

6.1 Conformity with Law and Safety.

6.1.1 Linc shall comply with applicable laws, ordinances, codes and regulations of governmental agencies, including federal, state, municipal and local governing bodies, having jurisdiction over this Agreement or any part hereof, and all applicable federal, state, municipal and local safety regulations.

6.1.2 Linc agrees to indemnify and save Authority harmless from any and all liability, fines, penalties and consequences arising out of any non-compliance with, or violations of, such laws, ordinances, codes, and regulations by Linc.

6.2 Assignment. Linc shall not assign its rights nor delegate its duties under this Agreement without the prior written consent of the Authority, which the Authority may withhold in its sole and absolute discretion. Any attempt at assignment or delegation in violation of this Section shall be void. The Authority shall have the full right and authority to assign all or part of its rights and delegate all or part of its duties under this Agreement.

6.3 Prevailing Wage Requirements. If required by applicable federal or state law, Linc and its contractors, subcontractors and agents shall comply with California Labor Code Section

1720 *et seq.* and the regulations adopted pursuant thereto (and if required by applicable federal law, the Davis Bacon Act and implementing regulations) (all of the foregoing, “**Prevailing Wage Laws**”), and shall be responsible for carrying out the requirements of such provisions. If applicable, Linc shall submit to Authority a plan for monitoring payment of prevailing wages and at Linc’s expense shall implement such plan and comply with all applicable reporting and recordkeeping requirements.

6.4 Indemnity. To the maximum extent permitted by law, Linc agrees to and shall defend, indemnify and hold harmless the Authority and its officers, employees, contractors, attorneys, agents, insurers and volunteers (the “**Indemnified Parties**”) from and against all claims, liabilities, losses, damages, costs or expenses (including reasonable attorneys’ fees and court costs) arising from or as a result of the death of any person or any accident, injury, loss or damage whatsoever caused to any person or the property of any person resulting or arising from or in any way connected with any of the following, provided Linc shall not be responsible for (and such indemnity shall not apply to) any gross negligence or willful misconduct of the Authority or the Indemnified Parties:

(1) The payment or requirement of payment of prevailing wages (including without limitation, all claims that may be made by contractors, subcontractors or other third party claimants pursuant to Labor Code Sections 1726 and 1781) or the requirement of competitive bidding in connection with the Proposed Project, the failure to comply with any state or federal labor laws, regulations or standards in connection with this Agreement, including but not limited to the Prevailing Wage Laws, or any act or omission of Linc related to this Agreement with respect to the payment or requirement of payment of prevailing wages or the requirement of competitive bidding, whether or not any insurance policies shall have been determined to be applicable to any such claims;

(2) The marketing of the Site or the Proposed Project;

(3) All plans or designs for improvements prepared by or on behalf of Linc or its contractors, subcontractors, agents, employees or other persons acting on Linc’s behalf, including without limitation all errors or omissions with respect to such plans or designs; or

(4) All loss or damage to Authority resulting from any inaccuracy in or breach of any representation or warranty of Linc, or resulting from any breach or default by Linc, under this Agreement.

The provisions of this Section shall survive the expiration or earlier termination of this Agreement.

6.5 Notices. Except as otherwise specified in this Agreement, all notices to be sent pursuant to this Agreement shall be made in writing, and sent to Authority and Linc at their respective addresses specified below or to such other address as a party may designate by written notice delivered to the other party in accordance with this Section. All such notices shall be sent

by: (i) personal delivery, in which case notice is effective upon delivery; (ii) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered on receipt if delivery is confirmed by a return receipt; or (iii) nationally recognized overnight courier, with charges prepaid or charged to the sender's account, in which case notice is effective on delivery if delivery is confirmed by the delivery service.

AUTHORITY: Housing Authority of the City of Palmdale
38250 N. Sierra Hwy
Palmdale, CA 93550
Attn: Executive Director

LINC: Linc 4th Street Palmdale, LP
c/o Linc Housing Corporation
3590 Elm Avenue
Long Beach, CA 90807
Attention: President

With copies to:

Gubb & Barshay LLP
235 Montgomery Street, Suite 1110
San Francisco, CA 94104
Attention: Henry Loh II

6.6 Waivers; Modification. No waiver of any breach of any covenant or provision of this Agreement shall be deemed a waiver of any other covenant or provision hereof, and no waiver shall be valid unless in writing and executed by the waiving party. An extension of time for performance of any obligation or act shall not be deemed an extension of the time for performance of any other obligation or act, and no extension shall be valid unless in writing and executed by the party granting the extension. This Agreement may be amended or modified only by a written instrument executed by Authority and Linc.

6.7 Survival. All representations made by Linc hereunder and Linc's obligations specifically identified to survive shall survive the expiration or termination of this Agreement.

6.8 Headings; Interpretation; Statutory References. The section headings and captions used herein are solely for convenience and shall not be used to interpret this Agreement. Authority and Linc acknowledge that this Agreement is the product of negotiation and compromise on Authority and Linc, and Authority and Linc agree, that since both Authority and Linc have participated in the negotiation and drafting of this Agreement, this Agreement shall not be construed as if prepared by one of Authority and Linc, but rather according to its fair meaning as a whole, as if both Authority and Linc had prepared it.

6.9 Action or Approval. Whenever action and/or approval by Authority is required under this Agreement, the Executive Director or his or her designee may act on and/or approve such matter unless specifically provided otherwise, or unless the Executive Director determines in his or her discretion that such action or approval requires referral to Housing Authority for consideration.

6.10 Acceptance of Service of Process. In the event that any legal action is commenced by Authority against Linc, service of process on Linc shall be made by personal service upon Linc (or upon an officer of Linc) and shall be valid whether made within or without the State of California, or in such manner as may be provided by law.

6.11 Rights and Remedies Are Cumulative. Authority's rights and remedies are cumulative, and the exercise by Authority of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by Linc.

6.12 Entire Agreement. This Agreement, including the Exhibits attached hereto and incorporated herein by this reference, together with the Note and Assignment, contains the entire agreement between Authority and Linc with respect to the subject matter hereof, and supersedes all prior written or oral agreements, understandings, representations or statements between Authority and Linc with respect to the subject matter hereof. If the Exhibits to this Agreement are inconsistent with this Agreement, the more restrictive requirements shall control, as determined by the Executive Director. In the event of a conflict between this Agreement and the Note, the more restrictive requirements shall control, as determined by the Executive Director.

6.13 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original and all of which taken together shall constitute one instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto having additional signature pages executed by the other party. Any executed counterpart of this Agreement may be delivered to the other party by facsimile and shall be deemed as binding as if an originally signed counterpart was delivered.

6.14 Severability. If any term, provision, or condition of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect unless an essential purpose of this Agreement is defeated by such invalidity or unenforceability.

6.15 No Third Party Beneficiaries. Except as expressly set forth herein, nothing contained in this Agreement is intended to or shall be deemed to confer upon any person, other than Authority and Linc and their respective successors and assigns, any rights or remedies hereunder.

6.16 Time of the Essence; Calculation of Time Periods. Time is of the essence for each condition, term, obligation and provision of this Agreement. Unless otherwise specified, in computing any period of time described in this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is not a business day, in which event the period shall run until the next business day. The final day of any such period shall be deemed to end at 5:00 p.m., local time at the Site. For purposes of this Agreement, a “business day” means a day that is not a day the City is closed for business, a Saturday, a Sunday, or a federal holiday or a state holiday under the laws of the State of California.

6.17 Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts of laws. Any action to enforce or interpret this Agreement shall be filed and heard in the Superior Court of Los Angeles County, California.

6.18 ARPA Provisions.

6.18.1 Linc hereby assures and certifies to the Authority that Linc will comply with the Act and all applicable Federal, State, and local laws, ordinances, regulations, policies, guidelines, and requirements as they relate to acceptance and use of ARPA Funds for this Federally assisted program. Linc understands, acknowledges, and agrees that the funding source for the Predevelopment Loan is from ARPA and as such, Linc is required to comply with the regulations associated with the ARPA Funds pursuant to 31 CFR Part 35. By executing this Agreement, Linc agrees to comply with all such regulations and reporting requirements and shall familiarize itself with those requirements, including those set forth in Exhibit F, American Rescue Plan Act, and Exhibit G, ARPA ACT Requirements.

6.18.2 Authority and Linc agree the Proposed Project shall have an affordability period of not less than twenty (20) years after the Proposed Project or assisted units are available for occupancy.

6.18.3 In contemplation that the Proposed Project may be eligible for the low-income housing credit (LIHTC) under section 42 of the Internal Revenue Code of 1986 (the “Code”):

(1) Linc agrees, as a condition for accepting the Predevelopment Loan, to waive any right to request a qualified contract (as defined in section 42(h)(6)(F) of the Code); and

(2) Linc agrees to repay any Loan Proceeds to the Authority at the time the Proposed Project may become non-compliant, after any applicable notice and cure periods, including if the Proposed Project ceases to satisfy the requirements to be a qualified low-income housing project (as defined in section 42(g) of the Code) or a qualified residential rental project (as defined in section 142(d) of the Code), or if the Proposed Project fails to comply with any of the requirements of the extended low-income housing commitment that are described in section

42(h)(6)(B)(i)-(iv) of the Code.

6.19 Prior Litigation. Reference is hereby made to the following court case: Los Angeles County Superior Court, COMMUNITY DEVELOPMENT ASSOCIATES, a California corporation; *et al.* vs. THE HOUSING AUTHORITY OF THE CITY OF PALMDALE CALIFORNIA, *et al.* and a Cross-Complaint THE HOUSING AUTHORITY OF THE CITY OF PALMDALE vs. PALMDALE TRANSIT VILLAGE TOWNHOMES, LLC, *et al.*, Case No. 18STCV06968 (“**Case**”).

In accordance with that certain Memorandum of Settlement Agreement and Mutual Release recorded against the Site on April 18, 2023 as Document No. 2023-0246869 (“**Release**”) in connection with the settlement of the Case, Linc agrees that Linc accepts the Site in an “AS-IS, WHERE-IS” condition and releases ALL PLAINTIFFS, Palmdale TOD Apartments, L.P., and the HCD Released Parties from any and all conditions, debts, liens, defects, costs, losses, expenses, delays, attorneys fees, causes of action, compensation, indemnities, claims, damages, and demands of whatever nature, whether based on contract, tort, statute, regulation or any other legal or equitable theory of recovery, which they now have or which may hereinafter accrue on account of or in any way growing out of any and all known and unknown, foreseen or unforeseen damages and/or consequences related in any way to the Site, the STANDARD AGREEMENT, or any amendment to the STANDARD AGREEMENT, including without limitation, any obligations regarding the Palmdale Transit Village, the On-Site Improvements and the Off-Site Improvements (as these terms are defined in the Complaint filed November 29, 2018 in connection with the Case and the Release).

Linc agrees that Linc shall use its best efforts to inform Linc’s contractors, sub-contractors, consultants and advisors who perform any work at the Site of the existence of the Release and its terms and conditions which release the prior Developer as set forth in the Release. Failure to provide such information shall not entitle the Authority to claim a default under this Agreement which would allow Authority to terminate this Agreement or accelerate the repayment of the Predevelopment Loan.

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6.20 Exhibits. The following Exhibits are attached to this Agreement and incorporated by this reference:

- A Site Map
- B Approved Predevelopment Activities and Budget
- C Form of Promissory Note
- D Form of Assignment Agreement
- E Proposed Project Schedule
- F American Rescue Plan Act
- G ARPA ACT Requirements

IN WITNESS WHEREOF, Authority and Linc have entered into this Agreement effective as of the date first written above.

“AUTHORITY”

THE HOUSING AUTHORITY OF THE CITY OF
PALMDALE

By: _____
Ronda Perez
Executive Director

ATTEST:

By: _____
Rochelle Scott
Authority Secretary

APPROVED AS TO FORM:

By: _____
William P. Curley, III
Authority Attorney

KANE, BALLMER & BERKMAN

By: _____
Susan Apy
Authority Special Counsel

“LINC”

LINC 4TH STREET PALMDALE, LP,
a California limited partnership

By: Linc 4th Street Palmdale, LLC,
a California limited liability company,
its general partner

By: Linc Housing Corporation,
a California nonprofit public benefit
corporation, its sole manager

By: _____
Cecilia Ngo,
Senior Vice President of
Housing Development

Predevelopment Loan Agreement
Linc 4th Street Palmdale

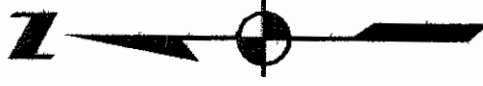
Agreement No. A-9120
Exhibit A

EXHIBIT A

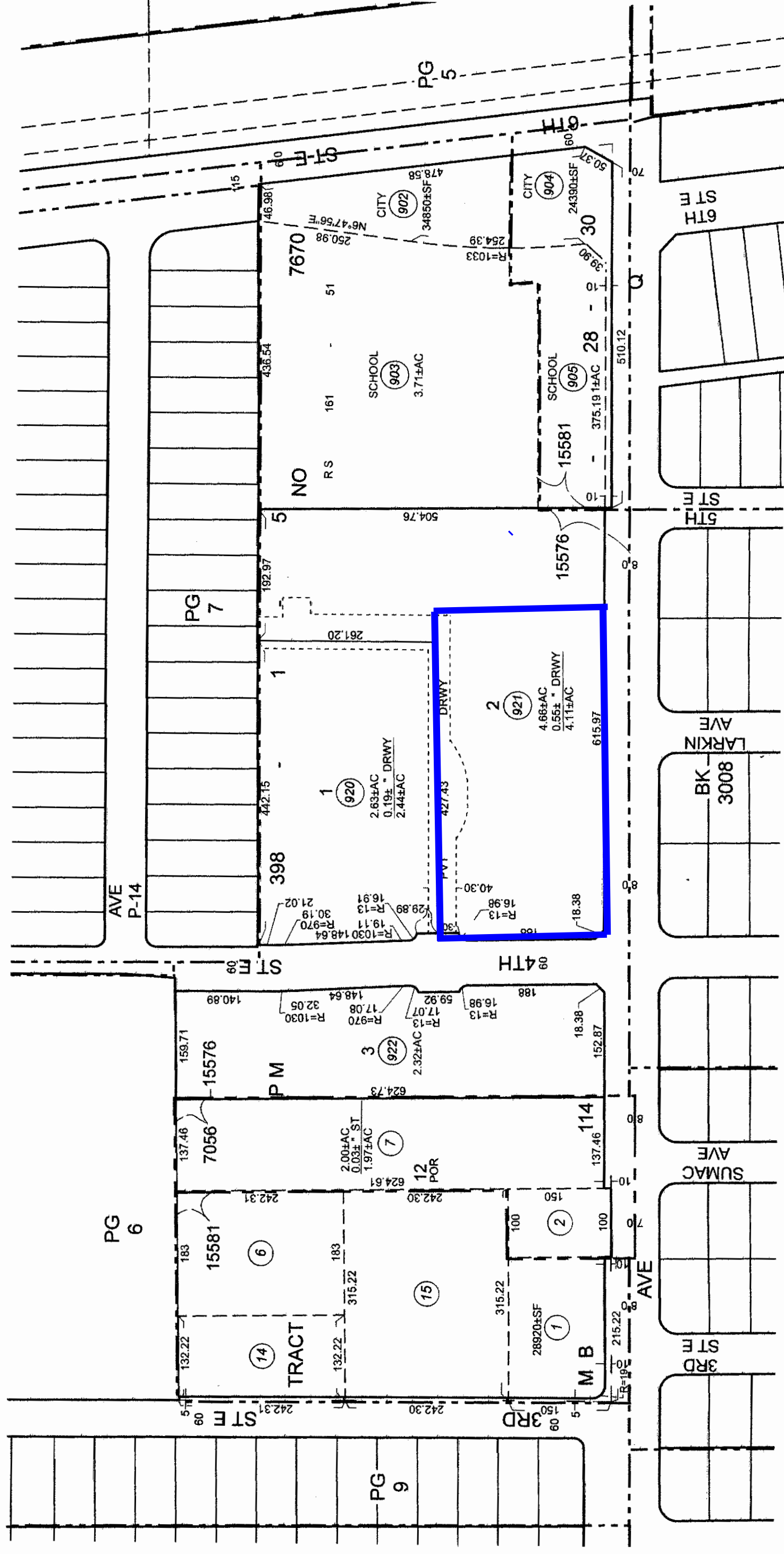
Site Map

[behind this page]

2019



MAPPING AND GIS
SERVICES
SCALE 1" = 150'



ALL 900 SERIES PARCELS ON THIS PAGE ARE ASSESSED
TO THE HOUSING AUTHORITY OF THE CITY OF
PALMDALE, UNLESS OTHERWISE NOTED.

EXHIBIT B

Approved Predevelopment Activities and Budget

[behind this page]

Exhibit B

Approved Predevelopment Activities and Budget

USES	PRE-DEV BUDGET	COST/UNIT
ARCHITECTURAL DESIGN FEES	\$560,000.00	\$7,671.23
ENGINEERING DESIGN FEES	\$400,000.00	\$5,479.45
LEGAL FEES	\$25,000.00	\$342.47
OTHER PROJECT COSTS		
Soft Costs		
Appraisal		
TCAC Fees		
Environmental Audit & Plans		
Permit Processing Fees		
Market Study		
3rd Party Construction Manager	\$906,643.00	\$12,419.77
Soils		
Survey		
Utility Fees		
Entitlement Consultant		
Financial Consultant		
Other Consultants		

TOTAL DEVELOPMENT COSTS	\$1,891,643.00	\$25,912.92
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SOURCE

TBD Pre-Dev Funds	\$91,643.00
City of Palmdale (ARPA)	\$1,800,000.00
TOTAL SOURCES	\$1,891,643.00

Predevelopment Loan Agreement
Linc 4th Street Palmdale

Agreement No. A-9120
Exhibit C

EXHIBIT C

Form of Promissory Note

[behind this page]

**PROMISSORY NOTE
SECURED BY ASSIGNMENT OF WORK PRODUCT
TO THE HOUSING AUTHORITY OF THE CITY OF PALMDALE
(A-9120)**

3%
\$1,800,000

Palmdale, California

_____, 202__

FOR VALUE RECEIVED, the undersigned LINC 4TH STREET PALMDALE, LP, a California limited partnership (“**Borrower**”), hereby promises to pay to the order of the HOUSING AUTHORITY OF THE CITY OF PALMDALE, a public body, corporate and politic (the “**Authority**”), One Million Eight Hundred Thousand Dollars (\$1,800,000) or so much thereof as may be advanced by the Authority to the Borrower as the Predevelopment Loan pursuant to that certain Predevelopment Loan Agreement between Borrower (“Linc” therein) and Authority dated as of December 18, 2024 (the “**Agreement**”), incorporated herein by this reference. Borrower shall pay interest at the rate, in the amount and at the time hereinafter provided.

1. Definitions. Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the Agreement.

2. Evidence of Repayment Obligation. This Note evidences the obligation of the Borrower to the Authority for the repayment of the Predevelopment Loan.

3. Terms of Payment. This Note is payable at the principal office of Authority, 38250 N. Sierra Hwy Palmdale, CA 93550, or at such other place as the holder hereof may inform the Borrower in writing, in lawful money of the United States.

4. Security. This Note shall be secured by the Assignment of Work Product executed by Borrower in favor of the Authority of even date herewith (“**Assignment**”).

5. Interest. This Note will bear three percent (3%) simple interest. Interest will begin to accrue on the date of each disbursement of the Predevelopment Loan.

6. Maturity Date. Unless due at an earlier time by virtue of the acceleration of the balance hereof in accordance with Section 11 hereof, all unpaid principal, plus any accrued interest, shall be due and payable by Borrower no later than the expiration of the Term, as defined in the Agreement (“**Maturity Date**”).

7. Payment Schedule. So long as no Event of Default occurs prior to the Maturity Date, Borrower shall not be obligated to make any payments of principal or interest under this Note until the “**Trigger Date**”. Trigger Date, as used herein, shall mean the date that any of the following events occurs: (a) the Authority’s governing board or the City Council of the City disapproves the execution of the DDA that is contemplated by the Agreement; or (b) the City disapproves the Proposed Project; or (c) the date the ENA expires or is terminated. Upon the Trigger Date, Authority shall provide Borrower with a repayment schedule of principal and interest payments (“**Repayment Schedule**”), which shall be attached hereto as Exhibit A, and by this reference incorporated herein.

Payments of principal and interest pursuant to the Repayment Schedule shall begin on the first day (“**Payment Date**”) of the first full month following the date the Authority provides Borrower the Repayment Schedule (“**Repayment Commencement Date**”) and shall continue thereafter each and every month on the Payment Date during the term of this Note in accordance with the Repayment Schedule. The Repayment Schedule shall amortize the amounts due and owing under this Note of principal and interest for the period commencing with the Trigger Date over the remaining term of this Note, such that final payment of the outstanding principal amount of the Loan and any accrued interest shall be due and payable in full on or before the Maturity Date.

8. Application of Payment. All payments applied to this Note will be applied first to penalties and late fees, then to interest, then to reduce the principal amount owed.

9. Prepayment. This Promissory Note may be prepaid in whole or part without penalty, fee or premium; provided, however, prepayment may not occur until the date that is at least twenty (20) years after the date of this Note to the extent prohibited under applicable ARPA rules and regulations.

10. DDA. As set forth in Section 1.5 of the Agreement, if the City and Authority approve a DDA and the Proposed Project, then the DDA will address disbursement and use of any undisbursed Predevelopment Loan and any other Authority funds reserved for the construction phase of the Proposed Project. Such loan provisions shall be included in the DDA in form approved by Authority and Borrower pursuant to which Loan Proceeds disbursed under the Agreement will be included as components of the total amount of the loan from the Authority for the Proposed Project. In such event, this Note shall be canceled and the terms for repayment of the Loan Proceeds disbursed pursuant to the Agreement will be as stated in the DDA and a new promissory note(s) executed by Borrower in connection with the DDA.

11. Acceleration Upon Event of Default.

(a) The entire unpaid principal balance and accrued interest, if any, of this Note together with any charges set forth herein, shall at the Authority’s option be immediately due and payable prior to the Maturity Date upon any of the following events of default (“**Event of Default**”):

(i) Any failure to pay, in full, any payment required under this Note within thirty (30) calendar days of written notice that such payment is due;

(ii) Any failure in the performance by Borrower of any other term, condition, provision or covenant set forth in this Note subject to the notice and cure period set forth in the Agreement;

(iii) The occurrence of any event of default under the Agreement or the Assignment, subject to notice and cure periods, if any, set forth therein;

(iv) Borrower (A) is declared by an applicable authority or declares itself insolvent or unable to pay Borrower’s debts generally as they mature, (B) makes a general assignment for the benefit of creditors, (C) admits in writing Borrower’s inability to pay Borrower’s debts generally as they mature, (D) files a petition in bankruptcy or a petition or answer seeking a

reorganization, arrangement with creditors or other similar relief under the Federal bankruptcy laws or under any other applicable law of the United States of America or any state thereof (or any of the same is filed against Borrower and is not dismissed within 90 days of filing), or (E) consents to the appointment of a trustee or receiver for it or for a substantial part of Borrower's property;

(v) Any order, judgment or decree is entered appointing, without Borrower's consent, a trustee or receiver for it or for a substantial part of Borrower's property that is not removed within ninety (90) days from such entry; or

(vi) Borrower voluntarily or involuntarily transfers or assigns, in any way, this Note, the Agreement, and/or the Assignment or any interest herein or therein without the Authority's prior written consent, which consent the Authority may withhold in its sole and absolute discretion.

(b) Notwithstanding the above, in the event of an actual or deemed entry of an order for relief with respect to Borrower under the Federal Bankruptcy Code, this Note and all interest and other amounts due hereon shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by Borrower. The Authority may exercise Authority's option to accelerate upon the occurrence of any Event of Default, regardless of any prior forbearance.

(c) The failure to exercise the remedy set forth above or any other remedy provided by law upon the occurrence of one or more of the foregoing events of default shall not constitute a waiver of the right to exercise any remedy at any subsequent time in respect to the same or any other default. The acceptance by Authority hereof of any payment which is less than the total of all amounts due and payable at the time of such payment shall not constitute a waiver of the right to exercise any of the foregoing remedies or options at that time or at any subsequent time, or nullify any prior exercise of any such remedy or option, without the express consent of Authority, except as and to the extent otherwise provided by law.

12. Default Rate of Interest. Upon the occurrence of an Event of Default the entire remaining indebtedness shall accrue interest at a rate of 10% per annum or the maximum interest rate allowed by law (the "**Default Rate**"). The parties hereto agree that the Default Rate represents a reasonable sum considering all of the circumstances existing on the date of this Note and represents a fair and reasonable estimate of the costs and damages that Authority will incur by reason of the late payment. The parties hereto further agree that proof of actual damages would be costly or inconvenient. Acceptance of any late charge shall not constitute a waiver of the default with respect to the overdue amount, and shall not prevent Authority from exercising any of the other rights and remedies available to Authority. The foregoing shall not be construed as obligating the Authority to accept any payment after its due date.

13. No Assumption. This Note shall not be assumable by the successors and assigns of Borrower without the prior written consent of Authority.

14. Waivers.

(a) Borrower hereby waives diligence, presentment, protest and demand, and notice of protest, notice of demand, notice of dishonor and notice of non-payment of this Note. Borrower

expressly agrees that this Note or any payment hereunder may be extended from time to time, and that Authority may accept further security or release any security for this Note, all without in any way affecting the liability of Borrower.

(b) No extension of time for payment of this Note or any installment hereof made by agreement by Authority with any person now or hereafter liable for payment of this note shall operate to release, discharge, modify, change or affect the original liability of Borrower under this Note, either in whole or in part.

(c) The obligations of Borrower under this Note shall be absolute and Borrower waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reason whatsoever.

15. Non-Recourse. The obligation to repay the Predevelopment Loan is a nonrecourse obligation of Borrower and its partners. Neither Borrower nor any of its general or limited partners, nor any other party, shall have any personal liability for repayment of the Predevelopment Loan. The sole recourse of the Authority with respect to repayment of the Predevelopment Loan shall be the exercise of its rights in the Assignment Agreement and any other security for the Predevelopment Loan. Notwithstanding the foregoing, the Authority may:

(a) obtain a judgment or order (including, without limitation, an injunction) requiring Borrower or any other party to perform (or refrain from) specified acts other than repayment of the Predevelopment Loan; and

(b) recover directly from Borrower or any other party:

(i) all damages, costs and expenses incurred by the Authority as a result of fraud or any criminal act or acts of Borrower or any partner, shareholder, officer, director or employee of Borrower or of any general partner of Borrower or of any member of a general partner of Borrower;

(ii) all damages, costs and expenses incurred by the Authority as a result of misappropriation of funds provided for payment of Predevelopment Costs, as described in this Agreement or proceeds of insurance policies or condemnation proceeds;

(iii) all amounts owing by Borrower pursuant to any indemnification provided to the Authority in connection with this Agreement; and

(iv) all court costs and attorneys' fees reasonably incurred in enforcing or collecting upon any of the foregoing exceptions (provided that the Authority shall pay Borrower's reasonable court costs and attorneys' fees if Borrower is the prevailing party in such enforcement or collection action).

16. Miscellaneous Provisions.

(a) All notices to Authority or Borrower shall be given in the manner and at the addresses set forth in the Agreement, or to such addresses as Authority and Borrower may hereinafter designate.

(b) Borrower promises to pay all costs and expenses, including reasonable attorney's fees, incurred by Authority in the enforcement of the provision of this Note, regardless of whether suit is filed to seek enforcement.

(c) This Note may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

(d) This Note shall be governed by and construed in accordance with the laws of the State of California.

(e) The times for the performance of any obligations hereunder shall be strictly construed, time being of the essence.

(f) If the rights created by this Note are held by a court of competent jurisdiction to be invalid or unenforceable as to any part of the obligations described herein, the remaining obligations must be completely performed and paid.

IN WITNESS WHEREOF, Borrower has executed this Note effective as of the date first written above.

Borrower

Linc 4th Street Palmdale, LP,
a California limited partnership

By: Linc 4th Street Palmdale, LLC,
a California limited liability company, its general partner

By: Linc Housing Corporation,
a California nonprofit public benefit corporation,
its sole manager

By: _____
Cecilia Ngo,
Senior Vice President of Housing Development

Predevelopment Loan Agreement
Linc 4th Street Palmdale

Agreement No. A-9120
Exhibit D

EXHIBIT D

Form of Assignment Agreement

[behind this page]

**ASSIGNMENT OF WORK PRODUCT
TO THE HOUSING AUTHORITY OF THE CITY OF PALMDALE
(A-9120)**

This ASSIGNMENT OF WORK PRODUCT (the “**Assignment**”) is entered into as of _____, 202__ (the “**Effective Date**”) by and between the HOUSING AUTHORITY OF THE CITY OF PALMDALE, a public body, corporate and politic (“**Authority**”), and LINC 4TH STREET PALMDALE, LP, a California limited partnership (“**Assignor**”). The Authority and the Assignor are collectively referred to herein as the “Parties.”

RECITALS

A. Pursuant to the terms of that certain Predevelopment Loan Agreement dated as of December 18, 2024, by and between the Assignor and the Authority (the “**Loan Agreement**”), the Assignor desires to assign to the Authority, and the Authority desires to accept from the Assignor, the assignment of the Assignor’s right, title, and interest in and under those agreements, contracts, and other work product described below and incurred by the Assignor in connection with the Proposed Project, as defined in the Loan Agreement.

B. The consent to such assignments by various third parties may be required substantially in the form shown in Schedule 1 or otherwise reasonably approved by the Authority (the “**Consent**”).

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises of the Parties and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties mutually agree as follows:

TERMS

1. Assignment by Assignor. The Assignor assigns and delegates to the Authority, and the Authority accepts from the Assignor, all of the Assignor’s right, title, and interest in and obligations under the following:

(a) all architectural designs, construction, engineering, and consulting contracts, including any and all amendments, modifications, supplements, addenda and general conditions (collectively, the “**Project Agreements**”) previously or later entered into by the Assignor and any Contractor (as defined below) pertaining to the development of the Proposed Project;

(b) all plans and specifications, shop drawings, working drawings, reports, studies, amendments, modifications, changes, supplements, general conditions, addenda and work product (collectively, the “**Reports, Plans and Specifications**”) previously or later prepared by the Assignor or any Contractor pertaining to the development of the Proposed Project;

(c) all land use approvals, conditional use permits, building permits and other governmental entitlements and approvals of any nature obtained for the Proposed Project (collectively, the “**Government Approvals**”); and

(d) all financing or other applications and all other tangible documents, except those of a

proprietary or confidential nature pertaining to the development of the Proposed Project (“**General Documents**”).

For purposes of this Assignment, the term “**Contractor**” means any architect, contractor, engineer, consultant, or other person or entity entering into Project Agreements with the Assignor (other than attorney agreements for the provision of legal services) and/or preparing Reports, Plans and Specifications or other documents for the Assignor with respect to the Proposed Project. Such Project Agreements, Reports, Plans and Specifications, Government Approvals, and General Documents, will be collectively referred to in this Assignment as the “**Collateral Documents**”. It is intended that all Collateral Documents, whenever produced, be assigned through this Assignment to the Authority as security for the Predevelopment Loan, and the applicable Consent executed. The Assignor will periodically provide the Authority a list of all Collateral Documents.

2. Consent. The Assignor agrees to obtain and deliver to the Authority, such consents to the assignment of Collateral Documents as may be required by the terms of the Collateral Documents or as otherwise requested by the Authority substantially in the form shown in Schedule 1 or otherwise reasonably approved by the Authority. This Assignment and any consents to this Assignment will not relieve the Assignor of the Assignor’s obligations under the Collateral Documents.

3. Purpose. This Assignment is made to secure: (i) payment to the Authority of all sums owing under the Note, dated the same date as the Effective Date of this Assignment and made by the Assignor to the order of the Authority, and any and all additional advances, modifications, extensions, renewals, and amendments of the Note; and (ii) payment and performance by the Assignor of all the Assignor’s obligations under the Loan Agreement. Notwithstanding anything to the contrary herein or in the Loan Agreement, this Assignment shall only become effective upon the initial draw under the Loan Agreement.

4. No Assumption of Obligations. The Assignor agrees that the Authority does not assume any of the Assignor’s obligations or duties under any Collateral Documents, including, but not limited to, the obligation to pay for the preparation of any Collateral Documents. The Authority will not be responsible for any default, liability, or obligation of the Assignor under the Collateral Document occurring prior to the time the Authority exercises the Authority’s rights under this Assignment. For purposes of clarity, Assignor shall at all times remain liable for the payment of the preparation of any Collateral Documents assigned to Authority hereunder. Notwithstanding the foregoing, if, following assignment of the Collateral Documents to the Authority, Authority requires or request additional scope of work, studies or actions by the Contractors on the Collateral Documents, the costs of said additional scope of work shall be an Authority obligation.

5. Attorney-In-Fact. The Assignor irrevocably appoints the Authority as the Assignor’s attorney-in- fact, which power is coupled with an interest, so that the Authority will have the right to demand, receive, and enforce any and all of the Assignor’s rights with respect to the Collateral Documents, and to perform any and all acts in the name of the Assignor or in the name of the Authority with the same force and effect as if performed by the Assignor in the absence of this Assignment, upon the occurrence of: (i) a default under the Loan Agreement by the Assignor (after notice and opportunity to cure) or an event which, with notice or the passage of time or both, would constitute a default under the Loan Agreement, or (ii) an Event of Default under the Note by the Assignor (after notice and opportunity to cure) or an event which, with notice or the passage of time or both, would constitute an Event of Default under the Note, or (iii) any termination of the Loan

V4 12.3.24

Agreement. Until such occurrences, the Assignor will be entitled to exercise all rights pertaining to the Collateral Documents.

6. Representations and Warranties. The Assignor represents and warrants to the Authority that: (i) no previous assignment(s) of the Assignor's right or interest in or to the Collateral Documents has or have been made; (ii) the Assignor has done no act nor omitted to do any act that might prevent the Authority from exercising any of the rights, powers and privileges conferred by the Collateral Documents; and (iii) the copy of each Collateral Document provided by the Assignor to the Authority is the complete and entire agreement between the parties to those Collateral Documents in all material respects.

7. Governing Law. This Assignment is governed by the laws of the State of California, except to the extent that federal law preempts the laws of the State of California. The Assignor consents to the jurisdiction of any federal or state court within the State of California having proper venue for the filing and maintenance of any action arising under this Assignment and agrees that the prevailing party in any such action will be entitled, in addition to any other recovery, to reasonable attorneys' fees and costs.

8. Binding Upon Successors and Assigns. This Assignment is binding upon and will inure to the benefit of the heirs, legal representatives, successors-in-interest, and assigns of the Assignor and the Authority; provided, however, this Section 8 may not be construed and is not intended to waive the restrictions on assignment, sale, transfer, mortgage, pledge, hypothecation, or encumbrance by the Assignor contained in the Loan Agreement.

9. Remedies. In the event of the Assignor's default under this Assignment, the Authority may exercise all or any one or more of the Authority's rights and remedies available under this Assignment, at law or in equity. Such rights and remedies will be cumulative and concurrent, and may be enforced separately, successively or together, and the exercise of any particular right or remedy will not in any way prevent the Authority from exercising any other right or remedy available to the Authority.

10. Capitalized Terms. Capitalized terms used but not defined in this Assignment have the meanings set forth in the Predevelopment Loan Agreement.

11. Headings. Section headings contained in this Assignment are inserted as a matter of convenience and for ease of reference only and will be disregarded for all other purposes, including the construction or enforcement of this Assignment or any of the provisions of this Assignment.

12. No Agency or Partnership. Nothing contained in this Assignment will constitute the Authority as a joint venturer, partner or agent of the Assignor, or render the Authority liable for any debts, obligations, acts, omissions, representations or contracts of the Assignor.

13. Further Assurances. The Assignor will at any time and from time to time, promptly execute and deliver all further instruments and documents, and take all further action that may be reasonably necessary or desirable, or that the Authority may reasonably request, in order to protect any right or interest granted by this Assignment or to enable the Authority to exercise and enforce the Authority's rights and remedies under this Assignment.

14. Termination. This Assignment will terminate, and the security of the Authority under this Assignment will be released upon the earlier of the Assignor's repayment in full of the Predevelopment Loan or as set forth in Section 1.5 of the Loan Agreement.

15. Counterparts. This Assignment may be executed in counterparts by the Parties, each of which will be deemed to be an original, and all such counterparts will constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have entered into this Assignment Agreement effective as of the date first written above.

“AUTHORITY”

THE HOUSING AUTHORITY OF THE CITY OF
PALMDALE

By: _____
Ronda Perez
Executive Director

ATTEST:

By: _____
Roxanne Faber
Authority Secretary

APPROVED AS TO FORM:

By: _____
William P. Curley, III
Authority Attorney

KANE, BALLMER & BERKMAN

By: _____
Susan Apy
Authority Special Counsel

“ASSIGNOR”

LINC 4TH STREET PALMDALE, LP,
a California limited partnership

By: Linc 4th Street Palmdale, LLC,
a California limited liability company,
its general partner

By: Linc Housing Corporation,
a California nonprofit public benefit
corporation, its sole manager

By: _____
Cecilia Ngo,
Senior Vice President of
Housing Development

Schedule 1

FORM OF CONSENT

_____, a _____ (the “**Contractor**”) consents to the foregoing Assignment, of which this Consent is a part, and acknowledges that at present there exist no unpaid claims presently due to the Contractor, except as disclosed to the Authority, arising out of the preparation and delivery to the Assignor of the Collateral Documents for which the Contractor is responsible and/or the performance of the Contractor’s obligations under any Project Agreement.

The Contractor agrees that if, at any time, the Authority, pursuant to the Authority’s rights, elects to undertake or cause the completion of any of the predevelopment activities for the Proposed Project, and gives the Contractor written notice of such election; then, so long as the Contractor has received, receives, or continues to receive the compensation called for under the applicable Project Agreement, the Authority may, at the Authority’s option, use and rely on the Collateral Documents for the purposes for which the Collateral Documents were prepared, and the Contractor will continue to perform the Contractor’s obligations under the applicable Project Agreement for the benefit and account of the Authority in the same manner as if performed for the benefit or account of the Assignor in the absence of this Assignment.

The Contractor further agrees that, in the event of a breach by the Assignor of the applicable Project Agreement, or any agreement entered into with the Contractor in connection with the Collateral Documents, so long as the Assignor’s interest in the applicable Project Agreement and Collateral Documents is assigned to the Authority, the Contractor will give written notice to the Authority. The Authority will have sixty (60) days from the receipt of such written notice of default to remedy or cure said default; provided, however, nothing in this Consent will require the Authority to cure said default or to undertake completion of the predevelopment activities.

The Contractor warrants and represents that the Contractor has no knowledge of any prior assignment(s) of any interest in either the applicable Project Agreement or the Collateral Documents. Except as otherwise defined in this Consent, the terms used in this Consent will have the meanings given them in the foregoing Assignment or the Loan Agreement, as applicable.

Execution Date: _____ By: _____
Name: _____
Title: _____

Title of Contract: _____

Date of Contract: _____

EXHIBIT E

Proposed Project Schedule

[behind this page]

Exhibit E
Proposed Project Schedule

Site Control	12/18/2024
Apply Soft Financing 1 (City of Palmdale)	12/1/2024
Secure Soft Financing 1 (City of Palmdale)	12/31/2024
Apply Soft Financing 2 (LACDA)	1/1/2025
Secure Soft Financing 2 (LACDA)	4/1/2025
All Discretionary Entitlements Received	6/1/2025
TCAC Application Submittal Date	7/2/2025
TCAC Award Date	10/2/2025
Construction Finance Closing	3/1/2026
Temporary Certificate of Occupancy (TCO)	12/1/2027
Lease-Up Complete	6/1/2028
Conversion to Perm Financing Date	7/1/2028
8609 Approval Date	6/1/2029

Predevelopment Loan Agreement
Linc 4th Street Palmdale

Agreement No. A-9120
Exhibit F

EXHIBIT F

American Rescue Plan Act

[behind this page]

AMERICAN RESCUE PLAN ACT

Bidder/Proposer acknowledges and understands that it is bidding/proposing on a project with a source of funding coming from the Coronavirus State and Local Fiscal Recovery Funds established under the American Rescue Plan Act (31 CFR Part 35) (ARPA). With ARPA funding the regulations dictate, among other things, the purpose, eligible use of the funds, and compliance with specific reporting requirements. All of these can be found at 31 CFR Part 35 (Regulations), which Regulations are incorporated herein and made a part of this Request for Bids/Proposals. Said regulations will also be incorporated into the contract with the successful bidder.

Bidder/Proposer by submitting a bid/proposal is agreeing to be bound by the requirements set out in the Regulations. This includes submitting quarterly reports by the 15th of the month following the end of each quarter to the Director of Finance. The reports must include, but is not limited to, the use of the funds, documentation/receipts of the funds spent, description of the project and status of completion of the project.

In addition to compliance with ARPA, as a recipient of federal funds, the Bidder/Proposer, and any and all of its subcontractors, must ensure that they do not deny benefits, services or otherwise discriminate on the basis of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity) in accordance with Title VI of the Civil Rights Act of 1964, Public Law 88-352, 42 U.S.C. 2000d-1 et seq., and the Department's implementing regulations, 31 CFR part 22; Section 504 of the Rehabilitation Act of 1973 (Section 504), Public Law 93-112, as amended by Public Law 93-516, 29 U.S.C. 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. 1681 et seq., and the Department's implementing regulations, 31 CFR part 28; Age Discrimination Act of 1975, Public Law 94-135, 42 U.S.C. 6101 et seq., and the Department implementing regulations at 31 CFR part 23. Bidder/Proposer will also be required to submit data showing compliance with the above.

Bidder/Proposer, in any contract issued, will also be required to comply with Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards found at 2 CFR Part 200 Appendix II.

Predevelopment Loan Agreement
Linc 4th Street Palmdale

Agreement No. A-9120
Exhibit G

EXHIBIT G

ARPA ACT Requirements

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ARPA ACT REQUIREMENTS

RECITAL:

On March 11, 2021, the American Rescue Plan Act (“ARP Act”) was signed into law. The ARP Act was intended to provide increased aid to individuals, families, businesses, and governments affected by the COVID-19 pandemic. The ARP Act established and funded the Coronavirus State and Local Fiscal Recovery Funds (the “CSLFRF”), which included two hundred forty (240) billion dollars for state, territorial, local, and Tribal governments that are being used to fight the pandemic and accelerate local economic recovery.

MANDATORY CONTRACT PROVISIONS FOR ARP ACT EXPENDITURES:

Procurement processes for expenditures using American Rescue Plan Act (ARPA) funds generally follow state and local rules. In most cases, city procurement policies will satisfy the federal requirements. One notable difference is that federal procurement regulations mandate specific contract provisions in certain circumstances. There are no requirements for contracts or expenditures of less than \$10,000. However, using ARPA funds for contracts in excess of \$10,000 triggers the mandatory contract provisions in 2 CFR Part 200, Appendix II.

Most contract provisions are required only on those exceeding \$100,000 or those for construction projects of any amount. However, mandatory contract provisions will apply if a city obligates ARPA funds to a contract that exceeds \$100,000.

For ease of administration, below is an explanation of the mandatory contract provisions and model language necessary for compliance with federal law disclosures.

2 C.F.R. PART 200: APPENDIX II, CONTRACT PROVISIONS

- For contracts over \$10,000, cities must include a provision that addresses termination for cause and convenience by the local government, including the process for termination and the basis for settlement.
- For contracts over \$100,000, cities must include a provision that addresses administrative, contractual, or legal remedies if a contractor violates or breaches the contract, including sanctions and penalties for the breach.
- In accepting the ARPA award, local governments agreed to include an EEO statement in any federally assisted construction contract defined in 41 CFR Part 60-1.3. A federally assisted construction contract is defined as follows:
 - Any agreement or modification thereof between any applicant and a person for construction work which is paid for in whole or in part with funds obtained from the government or borrowed on the credit of the government pursuant to any federal program involving a grant, contract, loan, insurance, or guarantee, or undertaken pursuant to any federal program involving such grant, contract, loan, insurance, or guarantee, or any application or modification thereof approved by the government for a grant, contract, loan, insurance, or guarantee under which the applicant itself participates in the construction work.

EQUAL EMPLOYMENT OPPORTUNITY:

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:

1. *Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.*

2. *The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.*
3. *The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.*
4. *The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.*
5. *The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.*
6. *The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.*
7. *In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part, and the contractor may be declared ineligible for further government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.*
8. *The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any*

subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event a contractor becomes involved in or is threatened with litigation with a subcontractor or vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

Contracts that are in excess of \$100,000 and involve the employment of mechanics or laborers must include provisions requiring compliance with the Contract Work Hours and Safety Standards Act as follows:

(1) Overtime requirements: No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such a workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such a workweek.

(2) Violation: liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (1) of this section, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory) for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The City of Palmdale shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower-tier subcontracts. The prime

contractor shall be responsible for compliance by any subcontractor or lower-tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this section.

Contracts and subgrants in excess of \$150,000 must contain a provision that requires the non-federal award to agree to comply with all applicable standards, orders, or regulations of the Clean Air Act and Federal Water Pollution Control Act.

CLEAN AIR ACT

(1) The contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.

(2) The contractor agrees to report each violation to the City of Palmdale and understands and agrees that the City of Palmdale will, in turn, report each violation as required to assure notification to the Treasury Department and the appropriate Environmental Protection Agency Regional Office.

(3) The contractor agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with American Rescue Plan Act funding.

FEDERAL WATER POLLUTION CONTROL ACT

(1) The contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.

(2) The contractor agrees to report each violation to the City of Palmdale and understands and agrees that the City of Palmdale will, in turn, report each violation as required to assure notification to the Treasury Department and the appropriate Environmental Protection Agency Regional Office.

(3) The contractor agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with American Rescue Plan Act funds.

Federal Water Pollution Control Act

(1) The contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.

(2) The contractor agrees to report each violation to the City of Palmdale and understands and agrees that the City of Palmdale will, in turn, report each violation as required to assure notification to the Treasury Department and the appropriate Environmental Protection Agency regional office.

(3) The contractor agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with American Rescue Plan Act funds.

Cities cannot award a contract to parties listed on the governmentwide exclusions in the System for Award Management (SAM) listed at www.sam.gov.

Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352: Contractors that apply for a bid or award exceeding \$100,000 must file the required certification that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency. Cities should include the Byrd Anti-Lobbying contract clause is as follows:

Contractors who apply or bid for an award of \$100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier, up to the recipient.

TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable.

1. Recipient ensures its current and future compliance with Title VI of the Civil Rights Act of 1964, as amended, which prohibits exclusion from participation, denial of the benefits of, or subjection to discrimination under programs and activities receiving federal financial assistance, of any person in the United States on the ground of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury Title VI regulations at 31 CFR Part 22 and other pertinent executive orders such as Executive Order 13166, directives, circulars, policies, memoranda, and/or guidance documents.
2. Recipient acknowledges that Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency," seeks to improve access to federally assisted programs and activities for individuals who, because of national origin, have Limited English proficiency (LEP). Recipient understands that denying a person access to its programs, services, and activities because of LEP is a form of national origin discrimination prohibited under Title VI of the Civil Rights Act of 1964 and the Department of the Treasury's implementing regulations. Accordingly, Recipient shall initiate reasonable steps, or comply with the Department of the Treasury's directives, to ensure that LEP persons have meaningful access to its

programs, services, and activities. Recipient understands and agrees that meaningful access may entail providing language assistance services, including oral interpretation and written translation where necessary, to ensure effective communication in the Recipient's programs, services, and activities.

3. Recipient agrees to consider the need for language services for LEP persons when Recipient develops applicable budgets and conducts programs, services, and activities. As a resource, the Department of the Treasury has published its LEP guidance at 70 FR 6067. For more information on taking reasonable steps to provide meaningful access for LEP persons, please visit <http://www.lep.gov>.
4. Recipient acknowledges and agrees that compliance with the assurances constitutes a condition of continued receipt of federal financial assistance and is binding upon Recipient and Recipient's successors, transferees, and assignees for the period in which such assistance is provided.
5. Recipient acknowledges and agrees that it must require any sub-grantees, contractors, subcontractors, successors, transferees, and assignees to comply with assurances 1-4 above, and agrees to incorporate the following language in every contract or agreement subject to Title VI and its regulations between the Recipient and the Recipient's sub-grantees, contractors, subcontractors, successors, transferees, and assignees:

The sub-grantee, contractor, subcontractor, successor, transferee, and assignee shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this contract (or agreement). Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the Department of the Treasury's Title VI regulations, 31CFR Part 22, and herein incorporated by reference and made a part of this contract or agreement.

6. Recipient understands and agrees that if any real property or structure is provided or improved with the aid of federal financial assistance by the Department of the Treasury, this assurance obligates the Recipient, or in the case of a subsequent transfer, the transferee, for the period during which the real property or structure is used for a purpose for which the federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is provided, this assurance obligates the Recipient for the period during which it retains ownership or possession of the property.

7. Recipient shall cooperate in any enforcement or compliance review activities by the Department of the Treasury of the aforementioned obligations. Enforcement may include investigation, arbitration, mediation, litigation, and monitoring

of any settlement agreements that may result from these actions. The Recipient shall comply with information requests, on-site compliance reviews and reporting requirements.

8. Recipient shall maintain a complaint log and inform the Department of the Treasury of any complaints of discrimination on the grounds of race, color, or national origin, and limited English proficiency covered by Title VI of the Civil Rights Act of 1964 and implementing regulations and provide, upon request, a list of all such reviews or proceedings based on the complaint, pending or completed, including outcome. Recipient also must inform the Department of the Treasury if Recipient has received no complaints under Title VI.

9. Recipient must provide documentation of an administrative agency's or court's findings of non-compliance of Title VI and efforts to address the non-compliance, including any voluntary compliance or other agreements between the Recipient and the administrative agency that made the finding. If the Recipient settles a case or matter alleging such discrimination, the Recipient must provide documentation of the settlement. If Recipient has not been the subject of any court or administrative agency finding of discrimination, please so state.

10. If the Recipient makes sub-awards to other agencies or other entities, the Recipient is responsible for ensuring that sub-recipients also comply with Title VI and other applicable authorities covered in this document. State agencies that make sub-awards must have in place standard grant assurances and review procedures to demonstrate that they are effectively monitoring the civil rights compliance of sub-recipients.

The United States of America has the right to seek judicial enforcement of the terms of this assurances document and nothing in this document alters or limits the federal enforcement measures that the United States may take in order to address violations of this document or applicable federal law.

Under penalty of perjury, the undersigned official(s) certifies that official(s) has read and understood the Recipient's obligations as herein described, that any information submitted in conjunction with this assurances document is accurate and complete, and that the Recipient is in compliance with the aforementioned nondiscrimination requirements.

ARPA Regulations, 31 CFR Part 35 ("Regulations") are incorporated herein and made a part of this Contract.

CONTRACTOR agrees to be bound by the reporting requirements set out in the Regulations. This includes submitting quarterly reports by the 15th of the month following the end of each quarter to the Director of Finance. The reports must include, but is not limited to, the use of the funds, documentation/receipts of the funds spent, description of the project and status of completion of the project. The Director of Finance may require additional information of CONTRACTOR for compliance with ARPA Regulations.

CONTRACTOR, in the performance of this Contract and as a sub-recipient of ARPA funds, as well as all of its subcontractors, must comply with the following:

1. CONTRACTOR, and any and all of its subcontractors, must ensure that they do not deny benefits, services or otherwise discriminate on the basis of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity) in accordance with Title VI of the Civil Rights Act of 1964, Public Law 88-352, 42 U.S.C. 2000d-1 et seq., and the Department's implementing regulations, 31 CFR part 22; Section 504 of the Rehabilitation Act of 1973 (Section 504), Public Law 93-112, as amended by Public Law 93-516, 29 U.S.C. 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. 1681 et seq., and the Department's implementing regulations, 31 CFR part 28; Age Discrimination Act of 1975, Public Law 94-135, 42 U.S.C. 6101 et seq., and the Department implementing regulations at 31 CFR part 23. CONTRACTOR will be required to submit data showing compliance with the above.
2. Universal Identifier and System for Award Management (SAM), 2 C.F.R. Part 25, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 25 is hereby incorporated by reference.
3. Reporting Subaward and Executive Compensation Information, 2 C.F.R. Part 170, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference.
4. OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement), 2 C.F.R. Part 180, including the requirement to include a term or condition in all lower-tier covered transactions. (2 C.F.R. Part 180, subpart B) and that the award is subject to 2 C.F.R. Part 180 and Treasury's implementing regulation at 31 C.F.R. Part 19.
5. The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards found at 2 CFR Part 200 Appendix II.
6. Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference.
7. Governmentwide Requirements for Drug-Free Workplace, 31 C.F.R. Part 20.
8. New Restrictions on Lobbying, 31 C.F.R. Part 21
9. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. §§ 4601-4655) and implementing regulations.
10. Section 2 CFR 200.323 regarding Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (EPA guidelines at 40 CFR Part 247).
11. Section 200.322 of 2 CFR 200.322, Domestic preferences for procurements.
12. Generally applicable federal environmental laws and regulations.

**EXCLUSIVE NEGOTIATION AGREEMENT
(LINC 4TH STREET PALMDALE)
(A-9121)**

This EXCLUSIVE NEGOTIATION AGREEMENT (this “**Agreement**”) is dated as of December 18, 2024 and is entered by and between LINC 4TH STREET PALMDALE, LP, a California limited partnership (“**Linc**”), and HOUSING AUTHORITY OF THE CITY OF PALMDALE, a public body, corporate and politic (“**Authority**”). Linc and the Authority are each a “**Party**” and collectively, the “**Parties**.”

RECITALS

WHEREAS, the Authority owns certain real property comprised of approximately 4.66 acres which is generally located on the northeast corner of Avenue Q and 4th Street East in Palmdale, California (“**Site**”). The Site is a portion of APN 3006-008-921 and is generally illustrated on the Site Map attached to this Agreement as Exhibit A and incorporated herein by reference.

WHEREAS, in May, 2024, the Authority issued that certain Request for Proposals RFP NO. 23-003-6400 TRANSIT VILLAGE AFFORDABLE RENTAL HOUSING DEVELOPMENT (“**RFP**”), to which Linc responded with a proposal dated July 3, 2024 (“**Proposal**”).

WHEREAS, the development of the Site with the improvements described in the Proposal to provide approximately seventy-two (72) rental housing units for occupancy by households with incomes between 30% and 60% of Area Median Income in Los Angeles County and one manager’s unit for no less than 55 years is referred to herein as the “**Proposed Project**.”

WHEREAS, the Site was acquired by the Authority’s predecessor-in-interest using Low and Moderate Income Housing Funds.

WHEREAS, the Proposal includes the Conceptual Site Plan attached to this Agreement as Exhibit B and incorporated herein by reference, and Linc’s qualifications and financial projections to ground lease the Site from the Authority and develop the Site with the Proposed Project.

WHEREAS, Linc proposes to develop the Proposed Project with financing that may include low income housing tax credits, Low and Moderate Income Housing Asset Funds, a conventional bank loan, a loan from the Los Angeles County Development Authority, and other private and public funding sources.

WHEREAS, after careful review of all submittals, representatives from the Authority recommended Linc as the one development team with the best proposal and the developer to negotiate with exclusively to develop the Proposed Project.

WHEREAS, the Authority and Linc have reached agreement on the terms and conditions of a commitment from the Authority to provide financial assistance to the Proposed Project, consisting of a loan of prepaid rent in an amount equal to the current appraised fair market value of the Site and

construction to permanent loans of approximately \$7,375,000, consisting of Low and Moderate Income Housing Asset Funds (“**Loan Commitment**”).

WHEREAS, the Authority and Linc wish to negotiate the terms and conditions of a Disposition and Development Agreement (“**DDA**”) for consideration by the Authority Board, which DDA would be consistent with the Loan Commitment, this Agreement, the RFP, and the Proposal and would provide for the long term ground lease of the Site to Linc and the design, financing, construction, and operation of the Proposed Project for a minimum of 55 years or, subject to approval and agreement by the Authority in a DDA, such longer time period as may be reasonably required to make affordable housing tax credit financing possible.

WHEREAS, this Agreement is in furtherance of the public purposes set forth in the Community Redevelopment Law of the State of California, Sections 33000 *et seq.* of the California Health and Safety Code (the “**Redevelopment Law**”) and the Housing Authorities Law, Sections 34200 *et seq.* of the California Health and Safety Code (the “**Housing Authorities Law**”).

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the Authority and Linc agree as follows:

A. **Recitals**

The Recitals set forth above are true and accurate, and incorporated herein.

B. **Purpose**

The Parties acknowledge and agree that this Agreement is for the sole purpose of setting forth the objectives of the Parties and stating the intention of the Parties to negotiate exclusively and, if their negotiations are successful, to enter into a DDA with a long term ground lease of the Site.

C. **Term**

1. This Agreement will automatically terminate on December 31, 2025, subject to extension and termination provisions expressly provided herein (“**Term**”). Subject to the approval of the Authority Executive Director or designee, the Term may be extended for two periods not to exceed an additional ninety (90) calendar days each upon Linc’s request, for a total extended period of one hundred eighty (180) calendar days. Any such extension shall be granted, if at all, in the sole and absolute discretion of the Authority Executive Director or designee and upon such terms and conditions as the Executive Director or designee deems appropriate.

2. Linc proposes to apply for an allocation of low income housing tax credits (“**Tax Credits**”) from the California Tax Credit Allocation Committee (“**CTCAC**”).

3. Linc will have opportunities to obtain a preliminary allocation of Tax Credits for the Proposed Project during the Term. Linc must submit an application in the first application funding round in 2025 it is able to do so.

4. If the Proposed Project obtains a preliminary allocation of Tax Credits and the DDA is signed and submitted by Linc prior to the end of the Term, then this Agreement will be extended for another thirty (30) calendar days from the date of such submittal to enable the Authority Board to determine whether it desires to enter into such a DDA and authorize the Authority Executive Director to execute the DDA.

5. During the Term of this Agreement, the Parties will perform their obligations as set forth in this Agreement and will negotiate diligently and in good faith. During the Term of this Agreement, the Authority will not solicit or entertain offers or proposals from other parties concerning the Site.

6. In the event any of the following events occurs which is beyond the control of Linc, the Parties shall reasonably cooperate with each other with regard to any necessary extension of the Term of this Agreement: acts of God, strikes, lockouts, labor disputes, judicial orders, enemy or hostile governmental actions, civil commotions, or fire or other casualty, nonperformance by Authority that prevents the performance of Linc, and other causes beyond the control of Linc that prevent the performance of Linc; provided, however, that the Parties agree that the inability to secure or to obtain financing, lack of funding, or inability to pay bills or debts shall not be considered to be events which are “beyond the control of Linc” triggering this requirement.

D. **Negotiations**

1. The Authority and Linc will negotiate the terms and conditions of a mutually acceptable DDA which will provide for Linc’s ground lease of the Site and design and ownership of the improvements through the term of the ground lease, and the financing, construction, ownership, and operation of the Proposed Project to provide affordable rental housing for households with affordability restrictions from 30% to 60% of the Area Median Income and to be compatible with and enhance the neighborhood.

2. During the term of this Agreement and prior to a DDA, the Authority and Linc will negotiate a mutually acceptable Lease Option, which will set forth the terms and conditions for Linc’s exercise of an option to lease the Site from the Authority (“**Lease Option**”) and which would be presented to the Authority Board for approval. If a Lease Option is successfully negotiated, references in this Agreement to Authority Board approval, and Authority execution, of the Loan Commitment will be deemed to refer to both the Loan Commitment and the Lease Option. Notwithstanding anything to the contrary herein, Linc and the Authority may elect to not negotiate the Lease Option as an intermediary step and instead negotiate the DDA.

3. The Proposed Project will be consistent with the description set forth in the Recitals above, Linc’s Proposal, and the Conceptual Site Plan, subject to changes or revisions to the Proposed Project as mutually agreed to by the Authority and Linc or as may be required after completing CEQA review of the Proposed Project. The DDA will include a schedule of performance providing for the timely satisfaction of all conditions precedent to the closing of construction financing and the timely commencement and completion of construction and lease up of the units.

4. Linc will be responsible for any relocation costs of the Proposed Project arising under the Uniform Relocation Act and the California Relocation Assistance Act.

5. Linc will be solely responsible for all development costs of the Proposed Project (except for the Authority loan for Linc's lease of the Site and the loan for development costs, the amounts, terms and conditions to be negotiated during the Term of this Agreement). Linc acknowledges that neither the Authority nor the City of Palmdale (the "**City**") nor any of their officers, employees or agents has provided any direct or indirect information which in any way would indicate that the Proposed Project is or is not subject to the State of California's prevailing wage requirements.

6. Linc agrees to reimburse the Authority for its legal costs related to the Proposed Project which will be reimbursed to the Authority at closing of construction financing and permanent financing, as applicable.

7. Negotiations will address, among other items, the form, amount and terms (including the repayment terms), and lien priority of the Authority's assistance to the Proposed Project; the essential terms and conditions of a ground lease between the Authority and Linc; the scope and schedule of development; and mitigation measures during construction.

8. Negotiations will also address the affordability restrictions to be placed on the Proposed Project, which restrictions must be senior in priority to the construction and permanent financing, and will address the provisions that will be required in tenant leases and the Authority's required forms for monitoring resident income and unit affordability. Linc will be obligated to pay an annual compliance monitoring fee to the Authority.

9. Linc will provide the Authority with a detailed preliminary financial analysis for the Proposed Project containing matters typically contained in such analyses, including without limitation, a detailed preliminary development cost budget, proposed rents and a detailed preliminary operating income and expense estimate. The financial analysis will be used to evidence the financial feasibility of the Proposed Project and to assist in the negotiation of terms regarding the financing of the Proposed Project. The analysis will describe the proposed amount and uses of any financial assistance requested to be provided by the Authority. The Parties acknowledge that the financial analysis and budgets will continue to be refined in accordance with the DDA.

10. The DDA shall require the submittal of documentation of all proposed property acquisition and construction loans and owner equity needed to carry out the proposed financing. Linc agrees to make continuing full disclosure to Authority of its proposed method of financing the Proposed Project, including the financing of any off-site improvements that are required to obtain the necessary development rights for the Proposed Project.

11. Linc agrees that it will submit to the Authority a substantially complete and final copy of its application for Tax Credits Authority at least two (2) business days before submittal to CTCAC, and the complete and final copy of its application when submitted to CTCAC.

12. The DDA will set forth the terms and conditions of the Authority's financial assistance, including repayment terms, security for the Authority loans and priority in relation to other Proposed Project financing. The DDA will also set forth Linc's obligation to submit quarterly and/or annual

financial statements for the Proposed Project, which will include calculations of residual receipts payments on the Authority loans, and will prescribe appropriate penalties for late submittals.

13. The DDA shall include a scope of development setting forth the number and size of the housing units, the total square feet of ancillary facilities and the design parameters for the Proposed Project, consistent with the Conceptual Site Plan and the Proposal.

14. The Authority will have the right to reasonably approve Linc's selection of the general contractor, architect, major subcontractors, construction lender, permanent lender, tax credit investor, Davis Bacon wage compliance consultant, if applicable, and other lenders, and service providers, including but not limited to the property manager. The Authority will also have the right to reasonably review and approve any and all contracts and agreements with such entities for the Proposed Project.

15. The Authority's financial assistance to the Proposed Project will be predicated on the right of designated representatives of the Authority to participate in construction meetings during the construction of the Proposed Project and to reasonably approve proposed finishes, colors, fixtures, and like matters.

16. The DDA will contain such other provisions as may be customary in such Authority agreements and such other provisions as the Authority and Linc will determine to be necessary or appropriate to facilitate the Proposed Project.

17. If the negotiations hereunder culminate in a DDA, such agreements become effective only after and if each has been duly executed by Linc, has been duly considered and approved by the Authority Board, and has been duly executed by the Authority. The Authority will reasonably cooperate with Linc to enable Linc to meet its deadlines; however, neither the Authority nor the City is obligated to expedite any reviews, approvals, notices, meetings or other matters, and nothing contained in this Agreement will be construed to limit the Authority's or the City's discretion in their activities in connection with the Proposed Project.

18. The Authority reserves final discretion and approval as to a Lease Option and a DDA and all proceedings and decisions in connection therewith. This Agreement is not and will not be construed as a commitment of funds or a grant of development rights or land use entitlements to construct the Proposed Project. By its execution of this Agreement, the Authority is not committing itself or agreeing to perform any acts or activities that require the subsequent independent exercise of discretion by the Authority, the City of Palmdale or any agency or department thereof. Execution of this Agreement by the Parties is merely an agreement to conduct a period of exclusive negotiations and to prepare recommendations to the Authority Board in accordance with the terms hereof, reserving for subsequent Authority action the final discretion and approval regarding the execution of a Lease Option and a DDA and all proceedings and decisions in connection therewith. Any Lease Option or DDA resulting from negotiations pursuant to this Agreement will become effective only if and after consideration and approval by the Authority Board following performance of all legally required procedures. Each Party assumes the risk that, notwithstanding this Agreement and good faith negotiations, the Authority and Linc might not enter into a Lease Option or a DDA due to their failure to agree upon essential terms of a transaction or because of a decision by the Authority Board not to authorize their execution.

E. **Proposal of Plans and Environmental Review**

1. Under the DDA, Linc will be required to obtain all Discretionary Approvals (as defined below) for the Proposed Project. Linc, at its sole cost and expense, will submit to the City and the Authority such plans and other information as are necessary to conduct the review for the Proposed Project that the City and the Authority determine must be completed prior to the submittal of the DDA for Authority approval. Such plans and other information will be for the entire Site and Proposed Project and all off-site improvements to be developed by Linc. Linc will be solely responsible for paying any and all costs and expenses associated with its preparation of such plans and other information and with the review and processing of the plans and other information by the City and the Authority.

2. Linc understands that detailed design and development objectives of the Authority for the Proposed Project will be specified in the DDA and actual development will conform to these standards as well as any applicable conditions imposed by the City in connection with the approval of the Proposed Project. All drawings, plans and specifications for the Proposed Project will be subject to the approval of the Authority and City entitlement bodies (“**Discretionary Approvals**”).

3. The Parties will cooperate to facilitate timely review and revision of Linc’s documents and plans.

4. Under the DDA, Linc, at its sole cost and expense, will be responsible for any compliance with CEQA in connection with the development of the Site and the Proposed Project. Linc will be solely responsible for paying any and all costs and expenses (taking into account the availability of applicable CEQA exemptions) associated with any request by Linc for the Authority to comply with applicable CEQA requirements (including, without limitation, any required Environmental Impact Report and/or other required environmental documents) or as otherwise required by the City as part of the City’s standard process. Linc will respond fully and in a timely manner to requests for information from the Authority and any of its consultants. The provision of any funds to the Proposed Project is conditioned on the Authority’s and the City’s determination to proceed with, modify or cancel the Proposed Project based on the results of the subsequent environmental review. Linc must not undertake or unconditionally commit any funds to physical or choice-limiting actions, including but not limited to, property acquisition, demolition, movement, rehabilitation, conversion, repair or construction prior to the Proposed Project receiving environmental clearance.

5. Authority and Linc acknowledge that this Agreement is one of the types of early-stage agreements often entered into before a lead agency decides on the specifics of a project. Authority and Linc further acknowledge that: (a) viewed in light of all the surrounding circumstances, the preliminary nature of this Agreement does not commit City or the Authority as a practical matter to approve the Proposed Project or disposition of the Site; and (b) the specific parameters of the Proposed Project are unknown at this stage, and therefore, it is premature to conduct a meaningful analysis and environmental review of the Proposed Project under CEQA. Authority and Linc agree that once Linc submits the Proposed Project to City with a formal application, the CEQA environmental review will be performed.

F. **Site Investigations and Due Diligence**

1. Linc will be solely responsible for determining the scope of and paying for all necessary

testing of the Site for hazardous materials pursuant to all applicable laws, statutes, rules and regulations. Under the DDA, Linc will also be responsible for making the Site usable for the Proposed Project as a result of any site conditions including, without limitation, flood zones, Alquist-Priolo Earthquake Fault Zoning Act, and similar matters, as applicable.

2. Linc agrees to make full disclosure to the Authority of all pertinent information in its possession or under its control concerning Linc, the Site and the Proposed Project. Studies and reports generated by Linc's testing for hazardous materials will be made available to the Authority and the City without representation or warranty. Each Party will deliver to the other Party to this Agreement all reports within their possession or under their control regarding hazardous materials relating to the Site.

3. During the Term of this Agreement, the Authority will deliver without representation or warranty existing information, studies, reports, site and construction plans or other documents in the Authority's possession which Linc may reasonably request to facilitate the Proposed Project design. The Authority will endeavor to deliver such material within ten (10) business days of receipt of written request.

4. Upon the Authority's written request, to the extent in Linc's possession and without representation or warranty, Linc will cooperate with the Authority by providing preliminary title reports, market studies, soils reports, surveys, phase I environmental report and additional information and data relating to the Site, the Proposed Project, the proposed financing, as the Authority may reasonably request. Linc retains any ownership rights Linc may have of documents and reports submitted to the Authority.

5. During the Term of this Agreement, Linc will have the right to examine, inspect and investigate the Site to determine whether its condition is acceptable to Linc, which right will be subject to the terms and conditions set forth in a right of entry agreement with the Authority, substantially in the form attached hereto as Exhibit C and incorporated herein by reference ("**Right of Entry**"). The Authority Executive Director or designee shall have the right to enter into the Right of Entry on behalf of the Authority.

6. From time to time as reasonably requested by the Authority, but not less often than monthly, Linc agrees to make oral and/or written progress reports advising the Authority on all matters related to the development of the Proposed Project, including financial feasibility analyses, construction cost estimates, marketing studies, and similar due diligence matters.

7. The Authority reserves the right, during the Term of this Agreement, to request reasonable additional information and data from Linc which the Authority considers necessary for review and evaluation of the Proposed Project and Linc agrees to provide such information and data in a timely manner. All information regarding Linc's business practice which may be provided to the Authority, and identified as such to the Authority, will remain confidential to the extent permissible by law including, without limitation, the California Public Records Act. If, at the request of Linc, the Authority is required to defend an action under the California Public Records Act with regard to a request for disclosure of any of the documents or reports related to the Proposed Project, Linc will defend and indemnify the Authority and the City from all costs and expenses of such defense, including reasonable attorney fees and costs arising out of such action.

G. **General Provisions**

1. Except as otherwise may be mutually agreed to in writing by the Parties, neither the Authority nor the City will be liable for any costs and expenses associated with the preparation of any reports to be prepared by Linc or the planning or development of the Site pursuant to or arising from this Agreement.

2. The Authority will not be liable for any real estate commissions or brokerage fees related to the Site or the Proposed Project. The Authority and Linc each represents it has not engaged a broker, agent or finder in connection with this transaction. Linc agrees to defend, hold harmless and indemnify the Authority and the City from any claim by any broker, agent or finder retained, or claimed to have been retained, by Linc. The Authority and the City agree to defend, hold harmless and indemnify Linc from any claim by any broker, agent or finder retained, or claimed to have been retained, by the Authority or the City.

3. Linc understands the Authority is entering into this Agreement based on the experience and qualifications of Linc and of the key individuals representing or employed by Linc as of the date of this Agreement. Therefore, Linc will not assign, sell or otherwise transfer any or all of its rights under this Agreement, or interest herein, without the prior written approval of the Authority. Further, no voluntary or involuntary successor in interest of Linc will acquire any rights or powers under this Agreement except as expressly set forth herein. For the reasons cited herein, Linc represents and agrees for itself and any successor in interest that prior to the expiration of the Term, and without the prior written approval of the Authority (which the Authority may withhold in its sole and absolute discretion), there will be no significant change in the management or control of Linc or with respect to the identity of the parties in control of Linc, by any method or means. Linc will promptly notify the Authority of all changes whatsoever in the identity of the parties in control of or exercising the management of Linc, or the degree of control or management, of which it or any of its officers have been notified or otherwise have knowledge or information. This Agreement may be terminated by the Authority if there is any significant change (voluntary or involuntary) in membership, management or control, of Linc, or the persons in control of Linc. For purposes of this paragraph, a significant change will mean any change in the identity of the Manager or President (or similar person or persons having ultimate control over the day to day management of Linc), or the appointment of a receiver or trustee to operate or exercise direct or indirect control over any portion of or interest in Linc. Periodic, routine changes in membership that cumulatively affect less than 50% of the membership of the Linc's board of directors will not be considered a "significant change." This Agreement may not be assigned by Linc without the express prior written consent of the Authority (which the Authority may withhold in its sole and absolute discretion). If there is an assignment of this Agreement, or change in the management or control of Linc which the Authority does not approve, the Authority may terminate this Agreement and exercise any other rights of the Authority.

4. The entities comprising the partnership and the general partners, the individuals serving as officers and directors of those entities and the form of the limited partnership agreement(s) will be subject to the Authority's reasonable approval.

5. The Lease Option and DDA will be subject to the approval of the Authority Board. The Authority and Linc expressly acknowledge and agree they do not intend, by their execution of this

Agreement, to benefit any persons or entities not signatory to this Agreement, including, without limitation, any brokers representing the Parties to this transaction. No person or entity not a signatory to this Agreement will have any rights or causes of action against any of the Parties hereto arising out of or due to such Party's entry into this Agreement.

6. If, upon the expiration of the Term of this Agreement, the Parties have not each approved and executed a DDA, then this Agreement will automatically terminate.

7. Either Party may terminate this Agreement prior to the expiration of the Term if the other Party fails to negotiate in good faith. The Party seeking to terminate this Agreement will first provide written notice to the other Party, stating the facts on which the Party seeking to terminate is basing its contention that the other Party has failed to negotiate in good faith, and providing a reasonable time, but not less than ten (10) calendar days, to correct the matter.

8. In the event of an uncured default under this Agreement, the sole remedy of the non-defaulting Party will be to terminate this Agreement. Following such termination, no Party will have any further rights, remedies or obligations under this Agreement except those which survive termination. No Party will have any liability to the other for monetary damages or specific performance for the breach of this Agreement, or failure to reach agreement on a Lease Option or a DDA, and each Party hereby waives and releases any such rights or claims it may otherwise have at law or at equity.

9. Upon the expiration or any termination of this Agreement, Linc will have no further rights regarding the subject matter of this Agreement or all or any part of the Site and the Authority will be free to negotiate with any other persons or entities with regard to all or any part of the Site.

10. Any notice personally delivered (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), will be deemed received on the documented date of receipt; and any notice that is sent by registered or certified mail, postage prepaid, return-receipt requested will be deemed received on the date of receipt thereof.

If to the Authority:

The Housing Authority of the City of Palmdale
38250 N. Sierra Hwy
Palmdale, CA 93550
Attn: Executive Director

With a copy to:

Kane, Ballmer & Berkman
515 S. Figueroa St., Suite 780
Los Angeles, California 90071
Attn: Susan Apy

If to Linc:

Linc 4th Street Palmdale, LP
c/o Linc Housing Corporation
3590 Elm Avenue
Long Beach, CA 90807
Attention: President

With a copy to:

Gubb & Barshay LLP
235 Montgomery Street, Suite 1110
San Francisco, CA 94104
Attention: Henry Loh II

11. No member, official, or employee of the Authority or the City will have any personal interest, direct or indirect, in this Agreement, nor will any such member, official or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is, directly or indirectly, interested. Linc warrants that it has not paid or given, and will not pay or give to, directly or indirectly, any Authority or City employee or official any money or other consideration at all, whether or not connected in any way with the subject matter of this Agreement. Further, Linc warrants that it has no knowledge of any financial interest of any Authority or City employee or official in Linc, directly or indirectly, or in any person or entity affiliated with Linc, or in any transaction in which Linc has been involved. During this Agreement's Term, Linc will inform the Authority about any possible conflict of interest that may arise as a result of any change in circumstances.

12. This Agreement will not obligate any Party to enter into any particular agreement. The Parties do not intend this Agreement to be a purchase agreement, ground lease, license, option or similar contract. Nor do the Parties intend to be bound in any way by this Agreement except during the Term of this Agreement and then only as expressly set forth herein. By execution of this Agreement, the Authority is not committing itself to or agreeing to undertake acquisition, disposition, or exercise of control over any portion of the Site nor is Linc committing itself to undertake the acquisition of any portion of the Site or the development, financing, or construction of the Proposed Project.

13. This Agreement may be executed in counterparts, each of which when so executed will be deemed an original, and all of which, when taken together, will constitute but one and the same instrument.

14. This Agreement represents the entire agreement of the Parties hereto and integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements, oral or written, between the Parties with respect to development of the Site.

15. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the Party to be charged, and all amendments and modifications hereto must be in writing and signed by the appropriate authorities of the Parties. Except as otherwise expressly provided

in this Agreement, any failure or delay by any Party in asserting any of its rights or remedies as to any default will not operate as a waiver of said default or of any rights or remedies in connection therewith or of any subsequent default or any rights or remedies in connection therewith, or deprive such Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

16. This Agreement and the legal relations between the Parties will be governed by, interpreted under, construed and enforced in accordance with, the internal laws of the State of California without reference to the rules governing the conflict of laws. This Agreement is made and entered into in the County of Los Angeles, California, and any legal actions or proceedings arising from or related to this Agreement will be brought in the County of Los Angeles.

17. The Authority and Linc in no way intend for this Agreement to give rise to or create any relationship of partnership, joint venture, or any other form of association of any kind or nature between them.

18. This Agreement is in all respects intended by each Party hereto to be deemed and construed to have been jointly prepared by the Parties and the Parties hereby expressly agree that any uncertainty or ambiguity existing herein will not be interpreted against either of them. Except as expressly limited by this paragraph, all of the applicable rules of interpretation of contracts will govern the interpretation of any uncertainty or ambiguity of this Agreement.

19. The headings and captions of the various sections and paragraphs of this Agreement have been inserted only for the purpose of convenience and are not a part of this Agreement and will not be deemed in any manner to modify, explain, expand or restrict any of the provisions of this Agreement.

20. Every provision of this Agreement is intended to be severable. If any provision of this Agreement or the application of any provision hereof to any Party or circumstance is declared to be illegal, invalid or unenforceable for any reason whatsoever by a court of competent jurisdiction, such invalidity will not affect the other terms and provisions hereof or the application of the provision in question to any other Party or circumstance, all of which will continue in full force and effect.

21. Linc warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement.

22. No member, official, officer, or employee of a Party to this Agreement will be personally liable to any other Party to this Agreement, or any successor in interest to such Party, in the event of any default or breach or for any amount which may become due to such Party or to its successor, or on any obligations under the terms of this Agreement.

23. Each Party to this Agreement covenants and agrees that it will not discriminate against any employees or applicants for employment because of race, color, religion, creed, national origin, ancestry, sex, gender/gender-identity, sexual orientation, age, disability, medical condition, or marital status.

24. Linc hereby consents to use by the Authority and City of images of the Proposed Project, its models, plans and other graphical representations of the Proposed Project and its various elements (“**Proposed Project Images**”) in connection with marketing, public relations, and special events, websites, presentations, and other uses required by the Authority and/or City in connection with the Proposed Project. Such right to use the Proposed Project Images will not be assignable by the Authority or City to any other party (including, without limitation, any private party) without Linc’s prior written consent. Use by the Authority and the City of Proposed Project Images, Linc’s name or the names of their affiliates will be subject to prior approval, which will not be unreasonably withheld or delayed. For any Proposed Project Images provided to the Authority or the City by Linc, Linc will use reasonable efforts to obtain any rights and/or consents from any third parties necessary to provide these Proposed Project Image use rights.

IN WITNESS WHEREOF, the Parties have entered into this Agreement effective as of the date first written above.

“AUTHORITY”

THE HOUSING AUTHORITY OF THE CITY OF
PALMDALE

By: _____
Ronda Perez
Executive Director

ATTEST:

By: _____
Rochelle Scott
Authority Secretary

APPROVED AS TO FORM:

By: _____
William P. Curley, III
Authority Attorney

KANE, BALLMER & BERKMAN

By: _____
Susan Apy
Authority Special Counsel

“LINC”

LINC 4TH STREET PALMDALE, LP,
a California limited partnership

By: Linc 4th Street Palmdale, LLC,
a California limited liability company,
its general partner

By: Linc Housing Corporation,
a California nonprofit public benefit
corporation, its sole manager

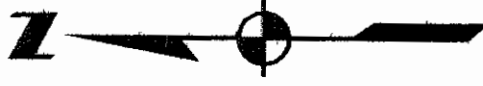
By: _____
Cecilia Ngo,
Senior Vice President of
Housing Development

EXHIBIT A

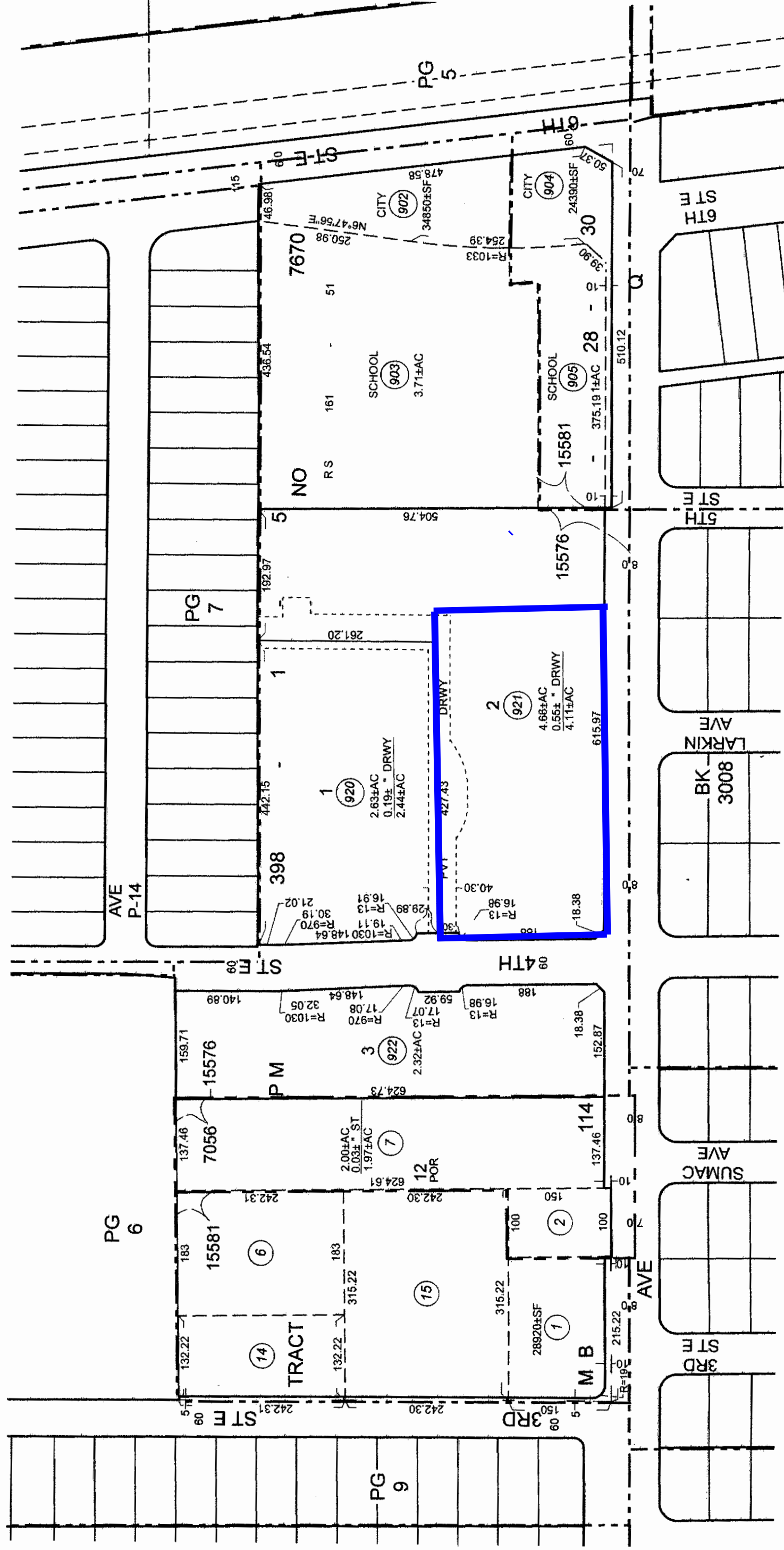
Site Map

[behind this page]

2019



MAPPING AND GIS
SERVICES
SCALE 1" = 150'

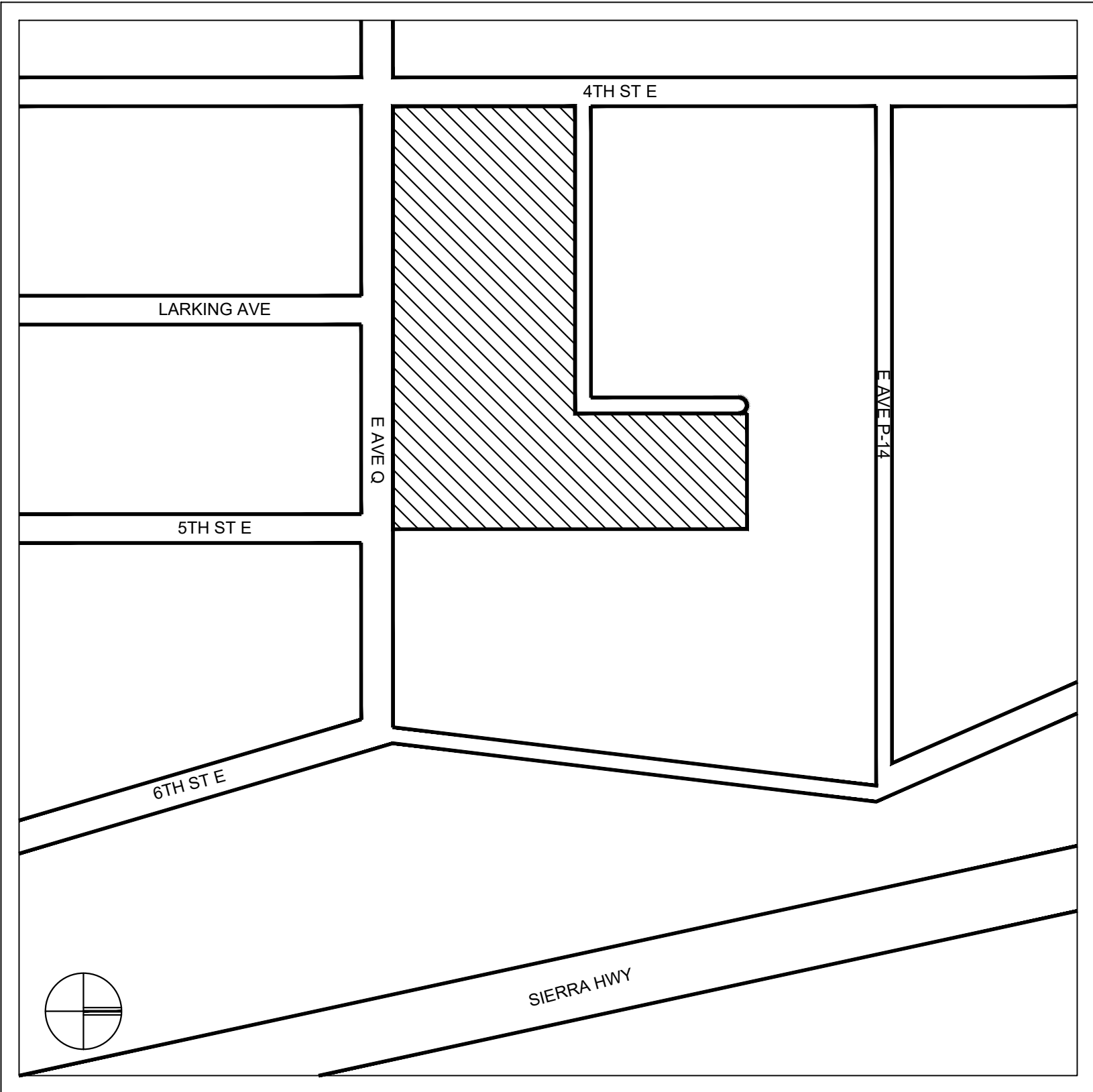


ALL 900 SERIES PARCELS ON THIS PAGE ARE ASSESSED
TO THE HOUSING AUTHORITY OF THE CITY OF
PALMDALE, UNLESS OTHERWISE NOTED.

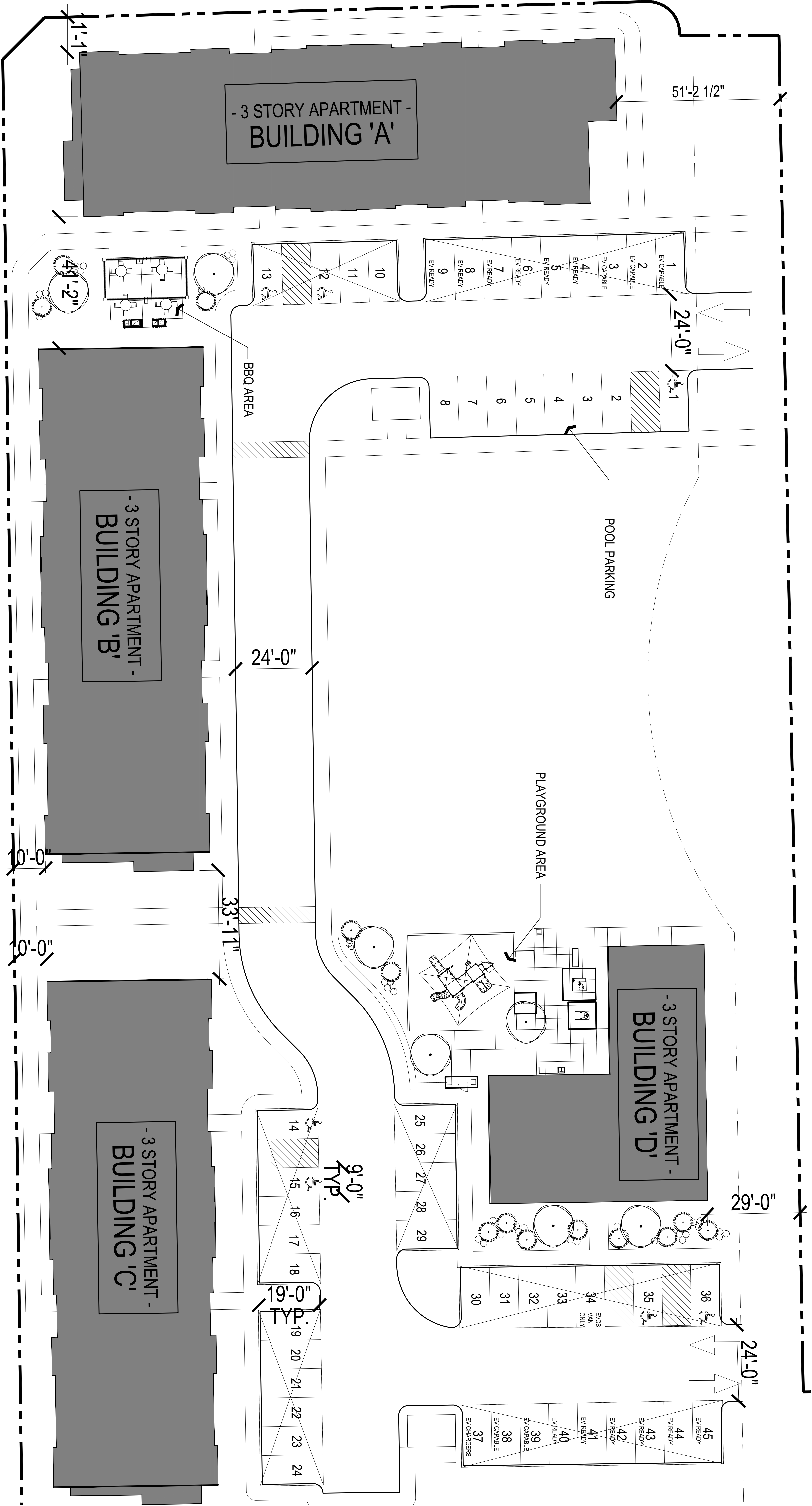
EXHIBIT B

Conceptual Site Plan

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VICINITY MAP (Not to Scale)



SITE INFORMATION:

ADDRESS: 4TH ST. E. & E. O AVE.
PALMDALE, CA 93550
APN: 3006-008-921
ACREAGE: 4.66 AC (2.20 AC PROGRAMMED)
LOT AREA: 203,366 SF (+/-96,000 SF PROGRAMMED)
PROPOSED UNITS: 72 UNITS
PROPOSED DENSITY: 15.4 DU/AC 32.7 DU/AC ON PROGRAMMED AREA
PROPOSED HEIGHT: 35'-5"

BUILDING COUNT:
BUILDING 'A' (3 STORIES) - (12) 1-BDRMS, (6) 2-BDRM, (6) 3-BDRM
BUILDING 'B' (3 STORIES) - (12) 1-BDRMS, (6) 2-BDRM, (6) 3-BDRM
BUILDING 'C' (3 STORIES) - (12) 1-BDRMS, (6) 2-BDRM, (6) 3-BDRM
BUILDING 'D' - (2 STORIES) - COMMUNITY ROOM, (1) 2-BDRM
TOTAL BUILDING COUNT: 4 BLDGS

BUILDING AREA:

BUILDING 'A': 8,140 SF
FIRST FLOOR: 7,978 SF
SECOND FLOOR: 7,978 SF
THIRD FLOOR: 7,978 SF
TOTAL AREA: 24,096 SF
RESIDENTIAL: 20,125 SF
CIRCULATION: 3,972 SF

BUILDING AREA CONT'D:

BUILDING 'B': 8,140 SF
FIRST FLOOR: 7,978 SF
SECOND FLOOR: 7,978 SF
THIRD FLOOR: 7,978 SF
TOTAL AREA: 24,096 SF
RESIDENTIAL: 20,125 SF
CIRCULATION: 3,972 SF

BUILDING 'C': 8,140 SF
FIRST FLOOR: 7,978 SF
SECOND FLOOR: 7,978 SF
THIRD FLOOR: 7,978 SF
TOTAL AREA: 24,096 SF
RESIDENTIAL: 20,125 SF
CIRCULATION: 3,972 SF

UNIT MIX:

PLAN 1: 1BR/1BA (682 Sq. Ft.): 36 UNITS
PLAN 2: 2BR/1BA (815 Sq. Ft.): 19 UNITS
PLAN 3: 3BR/2BA (1,102 Sq. Ft.): 18 UNITS
TOTAL 73 UNITS

SETBACKS:

	WEST	NORTH	SOUTH	EAST
PROVIDED	11'-1"	29'-0"	10'-0"	162'-6"

CARPORT COVERED PARKING:

PROVIDED: 45 SPACES (6 ADA)
FUTURE EV CHARGER: 2 SPACES (1 ADA)
EV CARPABLE: 5 SPACES
EV READY: 12 SPACES

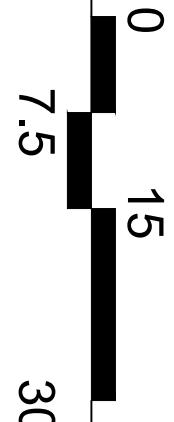
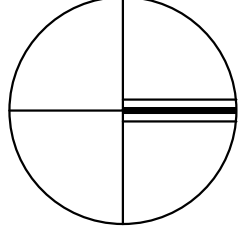
OTHER PARKING:

RESERVED FOR POOL: 8 (1 ADA) - NOT COUNTED

SHEET INDEX

	SITE OVERVIEW
A-0	CONCEPTUAL ENLARGED SITE PLAN
A-1	UNIT PLANS
A-2	BLDG. COMPOSITES
A-3	BLDG. COMPOSITES
A-4	BLDG. COMPOSITES
A-5	BLDG. COMPOSITES
A-6	ROOF PLAN
A-7	EXTERIOR ELEVATION
A-8	SECTION

NOTES:
1. PHOTOVOLTAIC PANELS SHALL BE PROVIDED TO MEET CODE MINIMUM.
2. THIS IS A PUBLICLY FUNDED HOUSING PROJECT AND MUST COMPLY WITH CALIFORNIA BUILDING CODE CHAPTER 11B.



Conceptual Enlarged Site Plan

4th St. Apts.

Palmdale, CA

Linc Housing Corporation

D33 Design + Planning

3590 Elm Ave.
Long Beach, CA 90807
562.684.1120

31866 Camino Capistrano
San Juan Capistrano, CA
949.230.4537

A-1

07.01.2024

EXHIBIT C

Form of Right of Entry

[behind this page]

**RIGHT OF ENTRY
(LINC 4TH STREET PALMDALE)
(A-9121)**

THIS RIGHT OF ENTRY AGREEMENT (“**Agreement**”), dated as of _____, 202__ (“**Effective Date**”), is entered into by and between LINC 4TH STREET PALMDALE, LP, a California limited partnership (“**Linc**”), and the HOUSING AUTHORITY OF THE CITY OF PALMDALE, a public body, corporate and politic (“**Authority**”). Linc and the Authority are referred to herein individually as a “**Party**” and collectively as the “**Parties**”.

RECITALS

A. The Authority holds fee title to certain real property hereinafter defined as the “**Site**” and Linc desires to lease the Site from the Authority for the proposed development and operation of approximately 73 units of affordable rental housing (the “**Proposed Project**”).

B. The Authority and Linc have entered into an Exclusive Negotiation Agreement dated as of December 18, 2024 (“**ENA**”) to negotiate, among other things, the terms of the Authority’s lease of the Site to Linc.

C. The Authority and Linc desire that Linc have an opportunity to conduct due diligence on the Site, which may include performing physical tests, to determine the condition of the Site with regard to the Proposed Project. The term “**Linc’s Representatives**” shall mean and include Linc’s agents, contractors, licensees, employees, and invitees.

NOW THEREFORE, the Parties agree as follows:

1. Parties to the Agreement.

(a) The Authority is a public body, corporate and politic, exercising governmental functions and powers and organized and existing under the Housing Authorities Law of the State of California, Section 34200, *et seq.* of the California Health and Safety Code. The principal office of the Authority is located at 38250 N. Sierra Hwy, Palmdale, CA 93550, Attn: Executive Director, or such other location of which notice is given pursuant to this Agreement. “**Authority**” as used in this Agreement includes the Authority and any assignee of or successor to its rights, powers and responsibilities.

(b) The principal office of Linc is located at Linc 4th Street Palmdale, LP, c/o Linc Housing Corporation, 3590 Elm Avenue, Long Beach, CA 90807 Attention: Cecilia Ngo, Senior Vice President of Housing Development, with a copy to Gubb & Barshay LLP, 235 Montgomery Street, Suite 1110, San Francisco, CA 94104, Attention: Henry Loh II, or such other location of which notice is given pursuant to this Agreement.

2. Description of Site.

The Authority is the owner of certain real property comprised of approximately 4.66 acres which is generally located on the northeast corner of Avenue Q and 4th Street East in Palmdale, California, which is a portion of APN 3006-008-921, and is illustrated by the Site Map in Exhibit A, which is attached to this Agreement and hereby incorporated by reference (the “**Site**”).

3. Grant of Right of Entry.

(a) Subject to and conditioned upon the terms and conditions of this Agreement, the Authority grants to Linc and its authorized agents a non-exclusive right of entry (the “**Right of Entry**”) to perform the following acts on the Site: (1) conduct any reasonable, due diligence with respect to the Property, including but not limited to: (x) reviewing plans, specifications, permits, approvals, reports, leases, contracts, files and records relating to the ownership, construction, development, financing, permitting and marketing of the Property; and (y) performing invasive testing, surveys and inspections with respect to the environmental and physical condition of the Property, (2) (obtain soil samples and make surveys and tests necessary to determine the suitability of the Site for the development of the Proposed Project; and (3) conduct reasonable investigations on and beneath the Site and all improvements thereon to determine the presence of Hazardous Materials. As used herein, the phrase “**Hazardous Materials**” means any substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any governmental requirements is defined as “hazardous” or harmful to the environment.

(b) Linc and Linc’s Representatives may not use the Site for any other purpose or business without obtaining the Authority’s prior written consent.

4. Term.

The Right of Entry granted herein shall commence on the Effective Date and shall automatically expire together with this Agreement, without need for further notice of any kind, upon the expiration or earlier termination of the ENA, unless otherwise mutually extended beforehand by the Parties in writing or earlier terminated in accordance with its terms (the “**Term**”).

5. Compliance With Laws.

Linc, at its expense, shall comply with all applicable federal, state, and local laws, ordinances, regulations, rules, and orders with respect to the Site. Linc and Linc’s Representatives shall not permit to be placed upon the Site any gasoline or any hazardous, toxic or explosive material, waste or substance unless such items are used in the ordinary course of Linc’s and Linc’s Representatives’ permitted activities under the Right of Entry. The term “hazardous” shall include any substance, material, waste pollutant, contaminant, or matter now or hereafter regulated by any environmental law, rule or regulation. Linc and Linc’s Representatives shall conduct all of its operations on the Site in connection with this Agreement at Linc’s sole cost and expense.

6. Reports and Studies.

In consideration of the Authority's granting of the Right of Entry, Linc shall promptly provide the Authority with a copy of all reports and test results arising from the Right of Entry upon written request from the Authority, without creating any liability for Linc or the preparer of such reports. Notwithstanding the aforementioned, Linc retains all ownership rights of all documents and reports submitted to the Authority pursuant to this Agreement.

7. Right of Entry Nonassignable.

This Right of Entry is personal to Linc and shall not be assigned. Any attempt to assign the Right of Entry shall be void *ab initio* and shall be of no force or effect.

8. Relationship Between the Authority and Linc

The Authority is granting the Right of Entry to Linc as an accommodation. Nothing contained in this Agreement shall be deemed or construed to create the relationship of principal and agent or of owner and contractor or of partnership or of joint venture or of any association between the Authority and Linc other than that of licensor and licensee. No legal title or leasehold interest in the Site is created or vested in Linc by the grant of the Right of Entry.

9. Nonexclusive Right of Entry.

The Right of Entry is nonexclusive. Nothing contained herein shall be construed to restrict or prevent the entry onto and use of the Site during the Term of this Agreement by the Authority, the City of Palmdale, or their agents, consultants, assigns and/or their other licensees.

10. Surrender.

On or before the expiration or termination date for this Agreement, Linc shall remove all of its and Linc's Representatives' personal property from the Site and shall fill any excavations made by Linc and/or Linc's Representatives and shall surrender possession of the Site to the Authority in its original condition, normal wear and tear excepted.

11. Removal of Liens.

Under no circumstance whatsoever shall any lien, including any mechanic's lien, stop notice, materialmen's lien, or any lien for goods, labor, material, services or work delivered or performed on the Site, attach to or encumber the Site. If any mechanic's lien, stop notice, materialmen's lien, or any other lien is filed for work done or claimed to have been done or for materials or services furnished or claimed to have been furnished, arising from activities conducted by Linc and/or Linc's Representatives on the Site under this Right of Entry then such lien shall be discharged by Linc at its sole cost and expense in a timely manner no later than ninety (90) days thereafter whether by payment, release, or posting of a bond or other similar assurance. In the event Linc fails to discharge any lien within the aforementioned timeframe, the Authority may, in its sole and complete discretion, bond or discharge the same by paying the amount claimed to be

due, and Linc shall reimburse the Authority for all sums paid by the Authority under this Section, together with reasonable attorneys' fees and costs, plus interest on those sums, fees, and costs from the date of payment at the highest rate allowed by law.

12. Release and Indemnity.

Linc, as a material part of the consideration to be rendered to the Authority for the granting of the Right of Entry, for itself and its successors and assigns, hereby agrees:

(a) to indemnify, defend, protect and hold the Authority, the City of Palmdale, and their respective officers, employees, attorneys, agents, insurers and volunteers (collectively, the "**Indemnified Parties**"), free and harmless from any and all loss, liability, claims, damages and expenses (including, but not limited to, reasonable attorneys' fees and costs) arising from the exercise of the Right of Entry by Linc and/or Linc's Representatives, including, but not limited to:

- (1) any and all risks of or exposure to any loss or liability arising from activities conducted by Linc and/or Linc's Representatives on the Site arising from activities conducted by Linc and/or Linc's Representatives under the Right of Entry and this Agreement;
- (2) any and all claims arising from or relating to the transportation, storage, handling or use of any material taken from the Site pursuant to the Right of Entry, or from any substance, known or unknown, emanating or derived therefrom; and
- (3) any and all claims for damage to the Site, any improvements thereon, or to the property or person of any third party, alleged to have been caused by, or in any way connected with activities conducted by Linc and/or Linc's Representatives with respect to the physical properties of the Site by Linc and/or Linc's Representatives or any material taken from the Site by Linc and/or Linc's Representatives pursuant to the Right of Entry.

The foregoing undertaking of indemnity shall apply regardless of whether the loss, liability, claims, damages and expenses were in part contributed to by the acts or omissions of any Indemnified Party; provided, however, that nothing herein shall be interpreted as obligating Linc to indemnify an Indemnified Party for an Indemnified Party's gross negligence or willful misconduct. Such undertaking of indemnity shall survive the termination of this Agreement for any reason. Notwithstanding the foregoing, Linc shall have no obligation to indemnify an Indemnified Party for loss, liability, claims, damages and expenses arising from Linc's or Linc's Representatives' mere discovery of hazardous substances already present on the Site prior to the commencement of this Agreement, so long as neither Linc nor any of Linc's Representatives has contributed to the placement, release or migration of such pre-existing hazardous substances.

(b) Except to the extent of an Indemnified Party's gross negligence or willful misconduct, to fully and finally release the Indemnified Parties from any and all claims, demands, actions, or suits of any kind or nature arising out of Linc's and/or Linc's Representatives' activities on the

Site during the Term of this Agreement, including, but not limited to, rights or claims for implied contribution or indemnity, or any claim or liability based or asserted pursuant to any law or ordinance which seeks to impose any liability or damage whatsoever upon any Indemnified Party arising from the execution and/or performance of this Agreement, or from any of its terms.

In connection with the foregoing release, Linc hereby acknowledges that it has been advised by legal counsel and is familiar with the provisions of California Civil Code, section 1542, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Linc, being aware of such code section, agrees to expressly waive any rights it may have thereunder, as well as under any other statute or common law principles of similar effect.

_____ Initials of Linc's authorized signatory

13. Insurance.

During the Term, Linc shall maintain insurance coverages and policies in the amounts and otherwise comply with all of the terms and conditions as required in Article 4 of that certain Predevelopment Loan Agreement entered into by and between Authority and Linc dated as of December ___, 2024 ("**Loan Agreement**"). Article 4 of the Loan Agreement and all of the terms and conditions therein are incorporated herein by reference. Linc agrees to submit endorsements and binders or certificates evidencing such insurance to Authority prior to, and as a condition of, first entering onto the Site pursuant to this Agreement.

14. Authority's Authorized Representative.

Unless otherwise specified or the context requires otherwise, all references to the Authority in this Agreement and its attachments shall mean the Authority's Executive Director or any officer or employee of the Authority to whom the Executive Director or the Board of the Authority delegates authority to perform, carry out and/or enforce this Agreement. Unless otherwise specified or the context requires otherwise, all references to the Authority's Executive Director shall mean the Executive Director or his or her designee.

15. Notices, Demands And Communications Between The Parties.

Formal notices, demands and communications between the Authority and Linc shall be sufficiently given if dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of the Authority and Linc. Such written notices, demands and communications may be sent in the same manner to such other addresses as either Party may from time to time designate by mail. Any notice that is transmitted by electronic facsimile transmission followed by delivery of a “hard” copy, shall be deemed delivered upon its transmission; any notice that is personally delivered (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), shall be deemed received on the documented date of receipt by the recipient; and any notice that is sent by registered or certified mail, postage prepaid, return receipt required shall be deemed received on the date of receipt thereof.

16. Conflict of Interest.

To the extent prohibited by law, no member, official or employee of the Authority shall have any personal interest, direct or indirect, in this Agreement nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested. Linc warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement.

17. Non-liability of Officials and Employees.

(a) No member, official or employee of the Authority or the City of Palmdale shall be personally liable to Linc or any of the Linc’s Representatives, or any successor in interest, in the event of any default or breach by the Authority or for any amount which may become due to Linc or any of the Linc’s Representatives or on any obligations under the terms of this Agreement.

(b) No member, official or employee of Linc shall be personally liable to the Authority, or any successor in interest, in the event of any default or breach by Linc or for any amount which may become due to the Authority or its successor or on any obligations under the terms of this Agreement. This release shall not apply in the event of fraud, waste or intentional damage by Linc or any agent, member, official, or employee of Linc.

18. Interpretation of Agreement; Terminology; Application of Law.

This Agreement has been negotiated at arm’s length and between persons sophisticated and knowledgeable in the matters addressed herein. In addition, each Party has been given the opportunity to consult with experienced and knowledgeable legal counsel. Accordingly, any rule of law (including Civil Code section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the Party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effectuate the purpose and intent of the Parties to this Agreement. This Agreement shall be construed and

enforced in accordance with the internal laws of California and not the principles regarding conflict of laws, except to the extent that Federal law preempts State law.

When the context so requires when used in this Agreement, the masculine gender shall be deemed to include the feminine and neuter gender and the neuter gender shall be deemed to include the masculine and feminine gender. When the context so requires when used in this Agreement, the singular shall be deemed to include the plural. The paragraph and section headings have been used for convenience only, and shall not be used in the interpretation hereof.

19. Waivers.

A waiver by the Authority or Linc of any term, covenant, or condition herein contained shall not be a waiver of such term, covenant, or condition on any subsequent breach. All waivers must be in writing and signed by the appropriate representatives of the Authority or Linc, as applicable.

20. Time of the Essence.

Time is of the essence in this Agreement and each and all of its provisions in which performance is a factor.

21. Attorneys' Fees and Costs.

If any action or proceeding is brought by any Party against any other Party under this Agreement, whether for interpretation, enforcement or otherwise, the prevailing Party shall be entitled to recover all costs and expenses, including the reasonable fees of its attorney and any expert witnesses in such action or proceeding. This provision shall also apply to any post-judgment action by either Party, including without limitation efforts to enforce a judgment.

22. Severability.

Any provision of this Agreement that shall prove to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

23. Entire Understanding Of The Parties; Amendments.

This Agreement, including any document or instrument incorporated herein by reference, contains a complete and final expression of the agreement between the Authority and Linc relating to this Agreement, and there are no promises, representations, agreements, warranties, or inducements either express or implied other than as are set forth in this Agreement. Any and all previous discussions or agreements between the Authority and Linc with respect to this Agreement, whether oral or written, are superseded by this Agreement. No amendment, change, or addition to, or waiver of termination of, this Agreement or any part hereof shall be valid unless in writing and signed by the Authority and Linc.

24. No Third Party Beneficiaries.

The Parties to this Agreement acknowledge and agree that the provisions of this Agreement are for the sole benefit of the Authority, the City of Palmdale and Linc, and not for the benefit, directly or indirectly, of any other person or entity, except as otherwise expressly provided herein.

25. Further Assurances.

Each of the Parties hereto shall execute and deliver any and all additional papers, documents and other assurances, and shall do any and all necessary acts and things in connection with the performance of their obligations hereunder and to carry out the intent and agreements of the Parties.

26. Execution in Counterparts.

This Agreement may be executed in several counterparts and all such executed counterparts shall constitute one agreement, binding on all of the Parties hereto, notwithstanding that all of the Parties hereto are not signatories to the original or to the same counterpart. This Agreement shall not be binding unless and until all Parties hereto have executed this Agreement.

27. Authority to Sign.

The individual executing this Agreement on behalf of Linc hereby represents that he has full authority to do so and to bind Linc to perform pursuant to the terms and conditions of this Agreement.

28. Prior Litigation. Reference is hereby made to the following court case: Los Angeles County Superior Court, COMMUNITY DEVELOPMENT ASSOCIATES, a California corporation; *et al.* vs. THE HOUSING AUTHORITY OF THE CITY OF PALMDALE CALIFORNIA, *et al.* and a Cross-Complaint THE HOUSING AUTHORITY OF THE CITY OF PALMDALE vs. PALMDALE TRANSIT VILLAGE TOWNHOMES, LLC, *et al.*, Case No. 18STCV06968 (“Case”).

In accordance with that certain Memorandum of Settlement Agreement and Mutual Release recorded against the Site on April 18, 2023 as Document No. 2023-0246869 (“**Release**”) in connection with the settlement of the Case, Linc agrees that Linc accepts the Site in an “AS-IS, WHERE-IS” condition and releases ALL PLAINTIFFS, Palmdale TOD Apartments, L.P., and the HCD Released Parties from any and all conditions, debts, liens, defects, costs, losses, expenses, delays, attorneys fees, causes of action, compensation, indemnities, claims, damages, and demands of whatever nature, whether based on contract, tort, statute, regulation or any other legal or equitable theory of recovery, which they now have or which may hereinafter accrue on account of or in any way growing out of any and all known and unknown, foreseen or unforeseen damages and/or consequences related in any way to the Site, the STANDARD AGREEMENT, or any amendment to the STANDARD AGREEMENT, including without limitation, any obligations regarding the Palmdale Transit Village, the On-Site Improvements and the Off-Site Improvements (as these terms are defined in the Complaint filed November 29, 2018 in connection with the Case

and the Release).

Linc agrees that Linc shall use its best efforts to inform Linc’s contractors, sub-contractors, consultants and advisors who perform any work at the Site of the existence of the Release and its terms and conditions which release the prior Developer as set forth in the Release. Failure to provide such information shall not entitle the Authority to claim a default under this Agreement which would allow Authority to terminate this Agreement or the Right of Entry granted herein.

IN WITNESS WHEREOF, the Parties have entered into this Agreement effective as of the date first written above.

“AUTHORITY”

THE HOUSING AUTHORITY OF THE CITY OF
PALMDALE

By: _____
Ronda Perez
Executive Director

ATTEST:

By: _____
Roxanne Faber
Authority Secretary

APPROVED AS TO FORM:

By: _____
William P. Curley, III
Authority Attorney

KANE, BALLMER & BERKMAN

By: _____
Susan Apy, Authority Special Counsel

“LINC”

LINC 4TH STREET PALMDALE, LP,
a California limited partnership

By: Linc 4th Street Palmdale, LLC,
a California limited liability company,
its general partner

By: Linc Housing Corporation,
a California nonprofit public benefit
corporation, its sole manager

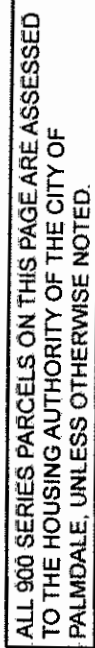
By: _____
Cecilia Ngo,
Senior Vice President of
Housing Development

EXHIBIT A

Site Map

[behind this page]

**MAPPING AND GIS
SERVICES
SCALE 1" = 150'**



December 18, 2024

LINC 4TH STREET PALMDALE, LP
c/o Linc Housing Corporation
3590 Elm Avenue
Long Beach, CA 90807
Attention: Cecilia Ngo, Senior Vice President of Housing Development

Re: Loan Commitment in the amount of up to \$9,375,000
 Approx 4.66 acres located in the northeast corner of Avenue Q and 4th Street East
 Palmdale, California
 A portion of APN 3006-008-921

Dear Ms Ngo:

On behalf of the Housing Authority of the City of Palmdale (“**Housing Authority**”), I am pleased to inform you that the Housing Authority has approved a commitment to make a loan in the approximate amount of up to \$9,375,000 (consisting of up to \$2,000,000 for land, and a \$7,375,000 development loan) (the “**Loan**”) to LINC 4TH STREET PALMDALE, LP, a California limited partnership, referred to as the “**Borrower**”, for the development of affordable rental housing plus one manager’s unit and ancillary facilities (the “**Proposed Project**”) on the site generally described as approximately 4.66 acres generally located on the northeast corner of Avenue Q and 4th Street East in Palmdale, California, which is a portion of APN 3006-008-921 (“**Site**”). As noted below, this commitment is contingent on the Proposed Project being awarded Low Income Housing Tax Credits and is subject to the terms and conditions set forth in this letter.

Unless otherwise agreed to in writing by the Housing Authority in its sole discretion, the Housing Authority’s approval of this financing commitment is subject to and contingent upon the following terms and conditions. In addition, the Loan shall be subject to standard underwriting requirements in effect at the time the Loan is made.

This commitment will expire at 5 p.m. on December 31, 2025, subject to extension and termination provisions expressly provided herein (“**Term**”). Subject to the approval of the Housing Authority Executive Director or designee, the Term may be extended for two periods not to exceed an additional ninety (90) calendar days each upon Linc’s request, for a total extended period of one hundred eighty (180) calendar days. Any such extension shall be granted, if at all, in the sole and

absolute discretion of the Housing Authority Executive Director or designee and upon such terms and conditions as the Executive Director or designee deems appropriate.

TERMS AND CONDITIONS

1. The Proposed Project will consist of Borrower's ground lease of the Site and the new construction of approximately 73 units of rental housing. At least thirty percent (30%) of the affordable units must be occupied by and restricted to extremely low income households (30% AMI) at rents that do not exceed the applicable affordable rent specified in Health & Safety Code section 50053 for extremely low income households. The remaining units (with the exception of one management unit) must be occupied by and restricted to lower income households pursuant to the California Tax Credit Allocation Committee (60% of Los Angeles County area median income or lower), at affordable rents provided that rents for these units shall not exceed the affordable rent for a household at 59% AMI under Health & Safety Code section 50053. All units shall be restricted for a minimum of fifty-five (55) years, but no less than the term of the ground lease.
2. This loan commitment is contingent upon the Housing Authority receiving evidence reasonably acceptable to it that Borrower has or will obtain adequate and appropriate financing for the Project, which may include a reservation of Low Income Housing Tax Credits from the California Tax Credit Allocation Committee ("CTCAC").
3. The Housing Authority Loan will be an amount equal to the aggregate of (a) the lesser of (I) appraised value of the land and (II) \$2,000,000; and (b) a development loan in the original principal amount of \$7,375,000, each with a term of 55 years or such longer period as mutually agreed upon and simple interest at 3% per annum (or such higher rate on the land portion of the loan if requested by Linc) from the date of disbursal. Payments on the Housing Authority Loan shall be payable exclusively from the Housing Authority's pro rata share (as a percentage of public financing as mutually agreed to by the Housing Authority and Linc) of 50% (subject to adjustment proposed by Borrower and approved by the Housing Authority) of annual residual receipts, net sale proceeds and net refinancing proceeds, or upon such other repayment terms mutually agreed to by the Housing Authority and Linc. The terms of the Residual Receipts obligation, including identification of all of Borrower's obligations having a priority over the Housing Authority's right to receive Residual Receipts, will be set forth in the promissory note(s) to be attached to the hereinafter defined DDA.
4. This commitment is based on Borrower's current estimates of total development costs, including demolition costs. Borrower will be responsible, without cost to the Housing Authority, for any additional sources of funds that may be needed to complete the Proposed Project. Borrower agrees that the Housing Authority Loan will be reduced to the extent the

Proposed Project is eligible for additional funding not needed to pay Proposed Project costs and to the extent that, upon completion, there are cost savings Proposed Project costs (all as to be set forth in more detail in the DDA).

5. Borrower will ground lease the Site for a term of 55 years or such longer period as mutually agreed upon by Lessor and Lessee and required by the tax credit investor, upon terms and conditions approved by the Housing Authority.
6. This letter is not intended to describe all of the requirements, terms, conditions and documents necessary for the Housing Authority Loan. A Disposition and Development Agreement, including the form of promissory note, deed of trust and related documents, (together, the “**DDA**”) will be prepared, and is subject to execution by the Borrower prior to its consideration by the governing body of the Housing Authority. The final form of the DDA approved by Borrower shall be subject to the discretionary approval of Housing Authority and shall include all provisions and attachments customarily included in Housing Authority disposition and development agreements.
7. The Borrower must comply with all applicable requirements relating to each funding source. The DDA will set forth all conditions precedent to the disbursement of the Housing Authority Loan.
8. The Proposed Project must be constructed in accordance with all applicable laws, rules and regulations.
9. The Borrower must comply with State Prevailing Wage and/or Federal Davis-Bacon requirements, as applicable.
10. Borrower must prepare and submit a “sources and uses” Proposed Project budget for approval by the Housing Authority as an attachment to the DDA. Line item estimates of the uses of funds must be supported by such documentation, including appraisals and construction cost estimates, as may reasonably be required by the Housing Authority Executive Director. The final sources and uses of funds for the Proposed Project must be consistent with the approved Proposed Project budget except as otherwise approved by the Housing Authority Executive Director. The Housing Authority Loan will be disbursed to pay or reimburse Borrower for payment of costs in the approved Proposed Project budget in accordance with disbursement procedures and requirements to be included in the DDA.
11. The Borrower must submit an audited cost certification following completion of construction and after the completion of construction must submit for each year during the term of the Housing Authority Loan an annual audited income and expense statement, balance sheet and statement of all changes in financial position, signed by an authorized officer of Borrower.

12. The Housing Authority Loan will be evidenced by a limited-recourse promissory note(s) (subject to customary non-recourse carve-outs), and will be secured by a leasehold deed of trust and other customary loan documents, which will be subordinated to senior construction and permanent loan deeds of trust, provided the senior lender(s) agree to provide the Housing Authority with reasonable notice and cure rights that protect the Housing Authority's investment in the event of a default by Borrower.
13. The Housing Authority Loan promissory note(s) will include definitions of "residual receipts" and related terms, consistent with other Housing Authority residual receipts loan documents.
14. The Housing Authority Loan documents will contain mutually agreeable provisions prohibiting certain direct or indirect transfers of Borrower's interests in the Site, the Proposed Project and/or the DDA without the reasonable prior written consent of the Housing Authority Executive Director.
15. The Housing Authority Loan documents will describe events of default which will permit the Housing Authority, after notice and opportunity to cure, to pursue appropriate remedies, including acceleration of the Housing Authority Loan. These events may include, but are not limited to, failure to complete the development of the Proposed Project as required by the DDA, failure to comply with use restrictions, prohibited transfers of interests in the Borrower or in the Proposed Project without the reasonable prior consent of the Housing Authority, failure to comply with terms and conditions of the DDA, note or deed of trust, and similar occurrences.
16. At the closing, the Housing Authority will receive an ALTA lender's policy of title insurance, showing the Housing Authority deed of trust junior in priority only to deeds of trust to which the Housing Authority has agreed to subordinate its interests.
17. The Proposed Project must have received all discretionary approvals and all land use entitlements necessary for its development Proposed Project and must pay all City fees in connection therewith and must obtain all discretionary approvals for the Proposed Project. Such entitlements, approvals and permits must be consistent with the Proposed Project as approved by the Housing Authority.
18. The Borrower must prepare and submit a scope of development for approval by the Housing Authority as an attachment to the DDA. The scope of development must be consistent with the Proposed Project description contained in the Exclusive Negotiation Agreement dated on or about the date hereof by and between the Housing Authority and Borrower. The Housing Authority Executive Director will have the right to review and approve all design drawings and plans for the Proposed Project. All plans for the construction of the Proposed Project will be subject to applicable City of Palmdale design review approval procedures, and must be consistent with and a logical evolution of the

scope of development, except as otherwise approved by the Housing Authority Executive Director. The Housing Authority's financial assistance to the Proposed Project will be predicated on the right of designated representatives of the Housing Authority to participate in construction meetings during the construction of the Proposed Project and to approve proposed finishes, colors, fixtures, and like matters.

19. The Proposed Project and the approval of the DDA will be subject to compliance with all applicable environmental requirements (e.g., CEQA or NEPA). The Borrower, at its sole cost and expense, will be responsible for compliance with CEQA in connection with the development of the Property and the Proposed Project. The Borrower will be solely responsible for paying any and all costs and expenses (taking into account the availability of applicable CEQA exemptions) associated with the Housing Authority's compliance with applicable CEQA requirements (including, without limitation, any required Environmental Impact Report and/or other required environmental documents). The Borrower will respond fully and in a timely manner to requests for information from the Housing Authority and any of its consultants. The provision of any funds to the Proposed Project is conditioned on the Housing Authority's and the City's determination to proceed with, modify or cancel the Proposed Project based on the results of the subsequent environmental review. Developer must not undertake or unconditionally commit any funds to physical or choice-limiting actions, including property acquisition, demolition, movement, rehabilitation, conversion, repair or construction prior to the Proposed Project receiving environmental clearance.
20. The Borrower, at its sole cost and expense, must comply with the requirements of all relocation laws applicable to the Proposed Project, including, but not limited to, the Uniform Relocation Act and the California Relocation Assistance Act.
21. The Borrower's general contractor, architect, construction lender, permanent lender, tax credit investor(s), relocation consultant, Davis Bacon wage compliance consultant, if applicable, and other lenders, consultants and service providers, including but not limited to the property manager, will be subject to the reasonable approval of the Housing Authority's Executive Director. The Housing Authority will also have the right to review and approve any and all contracts and agreements with such entities for the Proposed Project.
22. The DDA shall provide a schedule of performance providing for the timely satisfaction of all conditions precedent to the closing and the timely commencement and completion of construction, and evidence of financing consistent with the DDA and sufficient to completely finance the development of the Proposed Project.
23. At the closing, the Borrower must execute an Agreement Containing Covenants, restricting for at least 55 years the maximum income of tenants and the maximum rents that may be charged to tenants, which will be recorded in senior position against Borrower's interest in

the Site. The Agreement Containing Covenants will require Housing Authority approvals of the housing management company and the management plans relating to the management and operation of the Proposed Project and will set forth the Borrower's compliance reporting obligations.

24. The Borrower will cooperate with the Housing Authority by providing preliminary title reports, market studies, soils reports, surveys, phase I environmental report and additional information and data relating to the Site, the Proposed Project, the proposed financing or the Borrower, as the Housing Authority may reasonably request.
25. The Borrower must indemnify and hold the Housing Authority harmless for any costs relating to hazardous materials affecting the Site. Prior to the closing, Borrower must submit to the Housing Authority a Phase 1 Environmental Site Assessment. Borrower will conduct such additional environmental testing as may be necessary to determine that hazardous materials are not present on the Site, or that any hazardous materials on the Site may be remediated without adversely affecting the feasibility of the Proposed Project. The Borrower must execute an environmental indemnity in favor of the Housing Authority similar to the form of environmental indemnity used in other Housing Authority transactions.
26. Borrower must submit for Housing Authority approval all applicable corporate and partnership or limited liability formation documents, agreements with the tax credit investor, evidence of good standing, and authorizing resolutions.
27. Borrower must obtain and maintain policies of insurance in the form and in the amounts required by the Housing Authority, not including earthquake insurance, naming the Housing Authority as an additional insured or loss payee, as applicable, and meeting the insurance requirements customarily included in Housing Authority disposition and development agreements.
28. Prior to closing of construction financing, the Borrower must obtain and submit evidence of insurance, additional insured and loss payee endorsements, evidence of financing commitments, copies of construction loan documents and such other documentation as required by the DDA.

[remainder of page left intentionally blank]

[signatures on following page]

Letter of Commitment
Linc 4th Street Palmdale
December 18, 2024

Resolution No. HA 2024-007
Page 7

If you have any questions, please do not hesitate to call Sophia Reyes at 661-267-5164. Please acknowledge your consent to the foregoing terms and conditions by signing and returning a copy of this letter.

Sincerely,

“AUTHORITY”

THE HOUSING AUTHORITY OF THE CITY OF PALMDALE

By: _____
Ronda Perez
Executive Director

ATTEST:

By: _____
Rochelle Scott
Authority Secretary

APPROVED AS TO FORM:

By: _____
William P. Curley, III
Authority Attorney

KANE, BALLMER & BERKMAN

By: _____
Susan Apy
Authority Special Counsel

[remainder of page left intentionally blank]

[signatures on following page]

Letter of Commitment
Linc 4th Street Palmdale
December 18, 2024

Resolution No. HA 2024-007
Page 8

Linc 4th Street Palmdale, LP, hereby acknowledges and consents to all of the terms and conditions set forth in this letter.

Linc 4th Street Palmdale, LP,
a California limited partnership

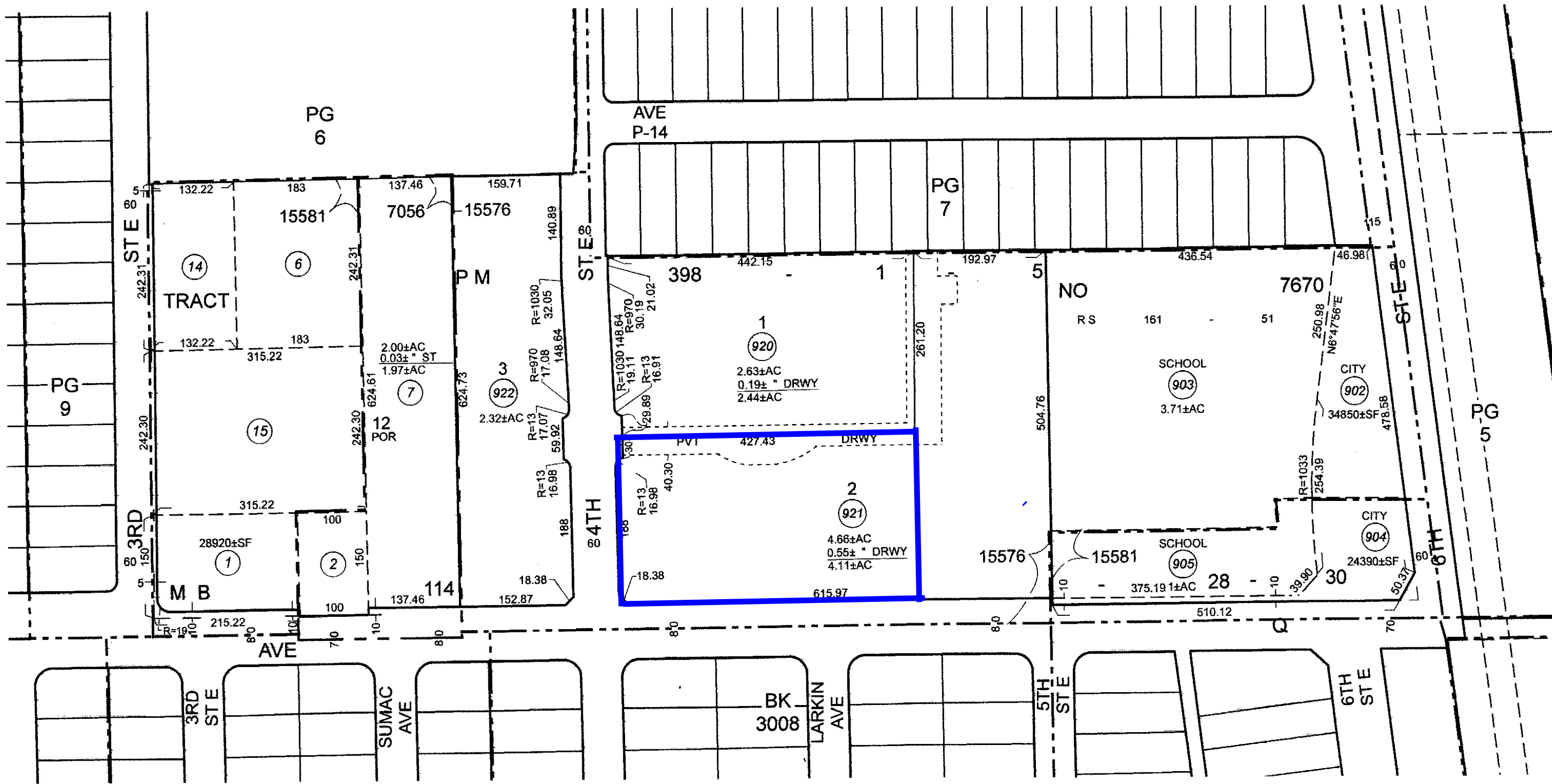
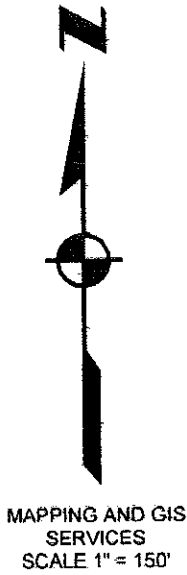
By: Linc 4th Street Palmdale, LLC,
a California limited liability company,
its general partner

By: Linc Housing Corporation,
a California nonprofit public benefit corporation,
its sole manager

Date: _____

By: _____
Cecilia Ngo,
Senior Vice President of Housing Development

2019



ALL 900 SERIES PARCELS ON THIS PAGE ARE ASSESSED TO THE HOUSING AUTHORITY OF THE CITY OF PALMDALE, UNLESS OTHERWISE NOTED.

**MINUTES
CITY COUNCIL/SA/HA
CITY HALL COUNCIL CHAMBER
38300 SIERRA HIGHWAY, SUITE B
PALMDALE, CALIFORNIA
DECEMBER 4, 2024**

www.cityofpalmdale.org

1) CALL MEETING TO ORDER

Mayor Bishop called the meeting to order at 5:11 pm.

Note: All City Council memberships are reflected in their City Council titles.

**2) ROLL CALL MAYOR BISHOP, MAYOR PRO TEM LOA, COUNCILMEMBERS
OHLSEN, BETTENCOURT, ALARCÓN COMMISSIONERS FRAGA-SAENZ,
BETTS**

PRESENT: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón, Christina Fraga-Saenz, Dianne Betts.

ABSENT: None.

3) PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE

Members of Palmdale Vital Intervention and Directional Alternatives (VIDA) led the pledge of allegiance.

Mayor Bishop announced the meeting would be adjourned in memory of former City Manager Jim Purtee.

4) PRESENTATIONS

**4.1) Update regarding Certificate in Applied Positive Psychology (CAPP)
Program's Third Cohort.**

Deputy City Manager Lopez presented a PowerPoint and discussed a few of the Impact Projects that emerged from the CAPP Program. She also recognized the program participants.

The program participants made a presentation to the Council.

Council spoke in support of the CAPP Program.

**5) PUBLIC COMMENTS
CONSENT CALENDAR, APPOINTMENT(S), NEW BUSINESS, AND CLOSED
SESSION:**

Public Comment: Rodger Soderstedt spoke about mental health and homeless programs.

6) HOUSING AUTHORITY CONSENT CALENDAR

6.1) Approve the Housing Authority of the City of Palmdale's 2023-24 Annual Report prepared pursuant to California Health & Safety Code §34176.1; and direct staff to post the information on the City's website.

6.2) Approve the minutes from the previous meeting.

Motion: Approve all items listed under the Housing Authority Consent Calendar.
Moved by Andrea Alarcón, seconded by Christina Fraga-Saenz.

Vote: Motion carried (7-0)

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón, Christina Fraga-Saenz, Dianne Betts.

Mayor Bishop adjourned the Housing Authority at 5:38 pm.

7) CONSENT CALENDAR

7.1) Waive full reading of the Resolution(s) and/or Ordinance(s) to be considered and voted on at this meeting. (This allows for reading the title only in lieu of reciting the entire text).

7.2) Receive and File the Monthly Investment Activity Reports for October 2024.

7.3) Approve Second Amendment to Agreement with The Wellbeing Lab dba Louis Alloro, LLC, to provide four additional one-day Youth Mental Health & Wellbeing Summits and a fourth cohort of the Certificate In Applied Positive Psychology (CAPP) Program, increasing the Agreement by \$300,000 for a total not to exceed amount of \$745,000 for a term of September 30, 2026.

7.4) Receive and file the Special Tax Annual Report for CFD 2003-1 (Anaverde), CFD 05-1 (Trade and Commerce), CFD 16-1 (Joshua Ranch Water Supply and Maintenance Services), and CFD 2022-1 (Citywide Maintenance and Services) in accordance with Senate Bill 165, Section 53411 of the California Government Code.

7.5) Approve the minutes from the previous meeting.

Motion: Approve all items listed under the Consent Calendar.
Moved by Andrea Alarcón, seconded by Eric Ohlsen.

Vote: Motion carried (5-0)

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón.

8) NEW BUSINESS

- 8.1) Rotation of Incumbents serving as Mayor and Mayor Pro Tem.
City Attorney Curley presented this item.

Council acknowledged and confirmed Councilmember Richard J. Loa as Mayor and Councilmember Laura Bettencourt as Mayor Pro Tem for the 2025 calendar year.

9) PRESENTATION OF A PLAQUE TO MAYOR BISHOP AND CEREMONIAL PASSING OF THE GAVEL

City Manager Perez and the Councilmembers presented a plaque to Mayor Bishop and there was a ceremonial passing of the gavel to Mayor Pro Tem Loa.

10) RESOLUTION RECITING ELECTION RESULTS

- 10.1) Adopt Resolution No. CC 2024-088, a Resolution of the City Council of the City of Palmdale California, reciting the fact of the General Municipal Election held on November 5, 2024, declaring the result and such other matters as provided by law.

City Clerk Scott presented Resolution No. CC 2024-088 declaring the election results.

Public Comments: None.

Motion: Adopt Resolution No. CC 2024-088, a Resolution of the City Council of the City of Palmdale California, reciting the fact of the General Municipal Election held on November 5, 2024, declaring the result and such other matters as provided by law.

Moved by Eric Ohlsen, seconded by Richard J. Loa.

Vote: Motion carried (5-0)

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón.

11) ADMINISTRATION OF OATH OF OFFICE

City Clerk Faber administered the oath of office to Councilmembers Austin Bishop and Richard J. Loa.

12) CITY MANAGER'S REPORT

City Manager Perez announced there would be a Christmas Carol performance at the Palmdale Playhouse, Friday, December 6; a Jolly Holiday event at Marie Kerr Park Amphitheater Saturday, December 7; the Annual Christmas Parade will be held on Palmdale Boulevard on Saturday, December 14; Palmdale Boulevard off ramps will be closed beginning 9 am on Monday, December 9 through 6 am on Monday, December 16; and the City is taking reservations for Santa's Workshop.

13) COUNCIL REPORTS, ANNOUNCEMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Mayor Pro Tem Loa commented on the 2024 Election and thanked the voters for coming out to vote. He also spoke about his meeting with Assemblyman Carrillo to address the 5150 hold mental health issue and his conversations with Supervisor Barger and Senator Valladares.

Councilmember Ohlsen attended a ribbon cutting at Yellen Park for the youth soccer teams and the military balls that were held. He also congratulated the elected councilmembers and spoke about Measure PD.

Councilmember Alarcón congratulated Mayor Bishop on his election and thanked him for his year of service as mayor. She also congratulated Mayor Pro Tem Loa on his election. She spoke about the AV Alta ribbon cutting and the upcoming Kicks for Kids event on December 21 at McAdam Park.

Mayor Bishop spoke about attending the soccer field ribbon cutting and the Caltrans North Los Angeles County Safety and Mobility improvement scoping meeting for the 14 freeway.

14) NON-AGENDA PUBLIC COMMENTS:

The following individuals provided public input: Eugene Hernandez commented on the Biden administration; David Harris spoke about the 5150 mental health hold, the tree lighting ceremony, and complimented Mayor Bishop on his service to the public; Ms. Jasmine spoke in opposition to AV Youth Build and requested that the City look into the funding provided to that organization; Rocio Castellanos of LA Care announced the Winter Family Festival on Saturday, December 21 at McAdams Park; Lou Walker, AV NAN, spoke regarding educational challenges in the Antelope Valley; Marsha Furman spoke regarding the election and requested review of the public speaking arrangements on the agenda; Xavier Flores spoke regarding a breakfast meeting he attended held by LA Care for the Sheriff's Department to discuss immigration enforcement and asked if Council would be holding an educational forum on this topic; Christina Fraga-Saenz announced on November 30 Highland High School and Palmdale High School won their CIF Southern Section; and a veteran (no name) spoke regarding his partnership with AV BOGA and announced an event to be held by Vet Projects on Sunday, December 8.

Councilmember Ohlsen spoke about the Palmdale Knight's Youth football teams winning their division.

Councilmember Alarcón announced the True Memories Car Club will host a toy drive at the Home Depot on 47th Street East.

Mayor Pro Tem Loa announced that the Antelope Valley Transit Authority (AVTA) will host the 2024 Holiday Drive Thru Grocery and Toy Giveaway on December 21. He encouraged coordination among organizations that host events.

15) ADJOURNMENT

Mayor Bishop adjourned the meeting, in memory of former City Manager Jim Purtee, at 6:29 pm to December 18, 2024, at 5:00 p.m. in the City Hall Council Chamber located at 38300 Sierra Highway, Suite B, Palmdale, California.

PASSED, APPROVED, and ADOPTED this 18th day of December 2024.

Austin Bishop, Mayor

ATTEST:

Rochelle Scott, City Clerk



City Council Staff Report

DATE: DECEMBER 18, 2024

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: OPERATIONS DEPARTMENT
FINANCE DIVISION

DISTRICT: ALL

SUBJECT: ADOPT RESOLUTION NO. CC 2024-091, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE AUTHORIZING THE CITY MANAGER TO EXECUTE AGREEMENTS WITH THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION FOR IMPLEMENTATION OF A LOCAL TRANSACTIONS AND USE TAX, AND ADOPT RESOLUTION NO. CC 2024-095, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE AUTHORIZING EXAMINATION OF SALES OR TRANSACTIONS AND USE TAX RECORDS

RECOMMENDATION

Staff recommends that the City Council:

1. Adopt Resolution No. CC 2024-091, a Resolution of the City Council of the City of Palmdale authorizing the City Manager to execute agreements with the California Department of Tax and Fee Administration for implementation of a local transactions and use tax; and,
2. Adopt Resolution No. CC 2024-095, a Resolution of the City Council of the City of Palmdale authorizing the examination of sales or transactions and use tax records; and,
3. Authorize the City Manager or her designee to execute all agreements and associated documents, including minimal and/or non-substantive changes.

BACKGROUND

On July 10, 2024, the City Council approved Resolution No. CC 2024-070 placing a local Transactions and Use Tax measure ("Measure PD") on the November 5, 2024 ballot for voter consideration.

On November 5, 2024, the City of Palmdale voters passed Measure PD with 54.99% of the total votes in favor of the Measure. Staff is requesting the CDTFA to administer the collection and distribution of this tax and allow the City of Palmdale and third-party consultant, Hinderliter, de Llamas & Associates (HdL), to examine the sales, use, and transaction tax records. Collection of this new revenue will commence on April 1, 2025.

DISCUSSION

The CDTFA is already providing administration services for the collection, distribution, and reporting of the 1% Bradley Burns tax and the 0.75% Measure AV tax. The CDTFA is requesting a new agreement for the one-time preparation and ongoing administration of the 0.75%, or $\frac{3}{4}$ of a cent, Measure PD sales, transactions and use tax. In addition to the agreements, the CDTFA is requesting a list of City Staff authorized to examine the sales, transactions and use tax records, and requests to name a third-party consultant firm, if applicable.

FISCAL IMPACT

\$175,000; The CDTFA Preparatory Fees are a one-time cost to the City and is not to exceed \$175,000. Administration Fees for CDTFA services are ongoing, and such amounts shall be deducted from the taxes collected by the CDTFA for the City.

STRATEGIC PLAN

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

- C. Involve and expand engagement to enhance public oversight and transparency.

Prepared by:	Janelle Samson, Director of Operations
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Ronda Perez, City Manager
Approved as to form:	William P. Curley, III, City Attorney

ATTACHMENTS

Reso. No. CC 2024-091
Exh A Reso. No. CC 2024-091 City Preparatory Agreement
Exh B Reso. No. CC 2024-091 City Administration Agreement
Reso. No. CC 2024-095

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2024-091

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE
AUTHORIZING THE CITY MANAGER TO EXECUTE AGREEMENTS
WITH THE CALIFORNIA DEPARTMENT OF TAX AND FEE
ADMINISTRATION FOR IMPLEMENTATION OF A LOCAL
TRANSACTIONS AND USE TAX.

WHEREAS, on July 10, 2024, the City Council approved Ordinance No. 1644 amending the City Municipal Code and providing for a local transactions and use tax; and

WHEREAS, the California Department of Tax and Fee Administration (Department) administers and collects the transactions and use taxes for all applicable jurisdictions within the state; and

WHEREAS, the Department will be responsible to administer and collect the transactions and use tax for the City; and

WHEREAS, the Department requires that the City enter into a "Preparatory Agreement" and an "Administration Agreement" prior to implementation of said taxes; and

WHEREAS, the Department requires that the City Council authorize the agreements.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Palmdale that the "Preparatory Agreement" attached as Exhibit A and the "Administrative Agreement" attached as Exhibit B are hereby approved and the City Manager is hereby authorized to execute each agreement.

SECTION 1. The City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED and **ADOPTED** this _____ day of _____, _____.

Approved as to form:

Austin Bishop, Mayor

ATTEST:

William P. Curley, III
City Attorney

Rochelle Scott, City Clerk

I, Rochelle Scott, City Clerk of the City of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 18 day of December, 2024 by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Date: _____

Rochelle Scott, City Clerk

**AGREEMENT FOR PREPARATION TO ADMINISTER AND OPERATE
CITY'S TRANSACTIONS AND USE TAX ORDINANCE**

In order to prepare to administer a transactions and use tax ordinance adopted in accordance with the provision of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, the City of Palmdale, hereinafter called *City*, and the CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION, hereinafter called *Department*, do agree as follows:

1. The Department agrees to enter into work to prepare to administer and operate a transactions and use tax in conformity with Part 1.6 of Division 2 of the Revenue and Taxation Code which has been approved by a majority of the electors of the City and whose ordinance has been adopted by the City.

2. City agrees to pay to the Department at the times and in the amounts hereinafter specified all of the Department's costs for preparatory work necessary to administer the City's transactions and use tax ordinance. The Department's costs for preparatory work include costs of developing procedures, programming for data processing, developing and adopting appropriate regulations, designing and printing forms, developing instructions for the Department's staff and for taxpayers, and other appropriate and necessary preparatory costs to administer a transactions and use tax ordinance. These costs shall include both direct and indirect costs as specified in Section 11256 of the Government Code.

3. Preparatory costs may be accounted for in a manner which conforms to the internal accounting and personnel records currently maintained by the Department. The billings for costs may be presented in summary form. Detailed records of preparatory costs will be retained for audit and verification by the City.

4. Any dispute as to the amount of preparatory costs incurred by the Department shall be referred to the State Director of Finance for resolution, and the Director's decision shall be final.

5. Preparatory costs incurred by the Department shall be billed by the Department periodically, with the final billing within a reasonable time after the operative date of the ordinance. City shall pay to the Department the amount of such costs on or before the last day of the next succeeding month following the month when the billing is received.

6. The amount to be paid by City for the Department's preparatory costs shall not exceed one hundred seventy-five thousand dollars (\$175,000) (Revenue and Taxation Code Section 7272.)

7. Communications and notices may be sent by first class United States mail or through email at jsservices@cdtfa.ca.gov. If and when communications and notices may include confidential information, communications and notices must be sent through encrypted email at jsservices@cdtfa.ca.gov or by mail. Communications and notices to be sent to the Department shall be addressed to:

California Department of Tax and Fee Administration
P.O. Box 942879 MIC: 27
Sacramento, California 94279-0027

Attention: Administrator
Local Revenue Branch

Communications and notices to be sent to City shall be addressed to:

City of Palmdale

38300 Sierra Hwy.

Palmdale, CA 93550

8. The date of this agreement is the date on which it is approved by the Department of General Services. This agreement shall continue in effect until the preparatory work necessary to administer City's transactions and use tax ordinance has been completed and the Department has received all payments due from City under the terms of this agreement.

CITY OF PALMDALE

CALIFORNIA DEPARTMENT OF TAX
AND FEE ADMINISTRATION

By _____
(Signature)

By _____
Administrator
Local Revenue Branch

Ronda Perez
(Typed Name)

Date: _____

City Manager
(Title)

Date: _____

**AGREEMENT FOR STATE ADMINISTRATION
OF CITY TRANSACTIONS AND USE TAXES**

The City Council of the City of Palmdale has adopted, and the voters of the City of Palmdale (hereafter called “City” or “District”) have approved by the required majority vote, the City of Palmdale Transactions and Use Tax Ordinance (hereafter called “Ordinance”), a copy of which is attached hereto. To carry out the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code and the Ordinance, the California State Department of Tax and Fee Administration, (hereinafter called the “Department”) and the City do agree as follows:

**ARTICLE I
DEFINITIONS**

Unless the context requires otherwise, wherever the following terms appear in the Agreement, they shall be interpreted to mean the following:

1. "District taxes" shall mean the transactions and use taxes, penalties, and interest imposed under an ordinance specifically authorized by Revenue and Taxation code Section 7265, and in compliance with Part 1.6, Division 2 of the Revenue and Taxation Code.
2. "City Ordinance" shall mean the City's Transactions and Use Tax Ordinance referred to above and attached hereto, Ordinance No. 1644, as amended from time to time, or as deemed to be amended from time to time pursuant to Revenue and Taxation Code Section 7262.2.

**ARTICLE II
ADMINISTRATION AND COLLECTION
OF CITY TAXES**

A. Administration. The Department and City agree that the Department shall perform exclusively all functions incident to the administration and operation of the City Ordinance.

B. Other Applicable Laws. City agrees that all provisions of law applicable to the administration and operation of the Department Sales and Use Tax Law which are not inconsistent with Part 1.6 of Division 2 of the Revenue and Taxation Code shall be applicable to the administration and operation of the City Ordinance. City agrees that money collected pursuant to the City Ordinance may be deposited into the State Treasury to the credit of the Retail Sales Tax Fund and may be drawn from that Fund for any authorized purpose, including making refunds, compensating and reimbursing the Department pursuant to Article IV of this Agreement, and transmitting to City the amount to which City is entitled.

C. Transmittal of money.

1. For the period during which the tax is in effect, and except as otherwise provided herein, all district taxes collected under the provisions of the City Ordinance shall be transmitted to City periodically as promptly as feasible, but not less often than twice in each calendar quarter.

2. For periods subsequent to the expiration date of the tax whether by City's self-imposed limits or by final judgment of any court of the State of California holding that City's ordinance is invalid or void, all district taxes collected under the provisions of the City Ordinance shall be transmitted to City not less than once in each calendar quarter.

3. Transmittals may be made by mail or electronic funds transfer to an account of the City designated and authorized by the City. A statement shall be furnished at least quarterly indicating the amounts withheld pursuant to Article IV of this Agreement.

D. Rules. The Department shall prescribe and adopt such rules and regulations as in its judgment are necessary or desirable for the administration and operation of the City Ordinance and the distribution of the district taxes collected thereunder.

E. Preference. Unless the payor instructs otherwise, and except as otherwise provided in this Agreement, the Department shall give no preference in applying money received for state sales and use taxes, state-administered local sales and use taxes, and district transactions and use taxes owed by a taxpayer, but shall apply moneys collected to the satisfaction of the claims of the State, cities, counties, cities and counties, redevelopment agencies, other districts, and City as their interests appear.

F. Security. The Department agrees that any security which it hereafter requires to be furnished by taxpayers under the State Sales and Use Tax Law will be upon such terms that it also will be available for the payment of the claims of City for district taxes owing to it as its interest appears. The Department shall not be required to change the terms of any security now held by it, and City shall not participate in any security now held by the Department.

G. Records of the Department.

When requested by resolution of the legislative body of the City under section 7056 of the Revenue and Taxation Code, the Department agrees to permit authorized personnel of the City to examine the records of the Department, including the name, address, and account number of each seller holding a seller's permit with a registered business location in the City, pertaining to the ascertainment of transactions and use taxes collected for the City. Information obtained by the City from examination of the Department's records shall be used by the City only for purposes related to the collection of transactions and use taxes by the Department pursuant to this Agreement.

H. Annexation. City agrees that the Department shall not be required to give effect to an annexation, for the purpose of collecting, allocating, and distributing District transactions and use taxes, earlier than the first day of the calendar quarter which commences not less than two months after notice to the Department. The notice shall include the name of the county or counties annexed to the extended City boundary. In the event the City shall annex an area, the boundaries of which are not coterminous with a county or counties, the notice shall include a description of the area annexed and two maps of the City showing the area annexed and the location address of the property nearest to the extended City boundary on each side of every street or road crossing the boundary.

ARTICLE III

ALLOCATION OF TAX

A. Allocation. In the administration of the Department's contracts with all districts that impose transactions and use taxes imposed under ordinances, which comply with Part 1.6 of Division 2 of the Revenue and Taxation Code:

1. Any payment not identified as being in payment of liability owing to a designated district or districts may be apportioned among the districts as their interest appear, or, in the discretion of the

Department, to all districts with which the Department has contracted using ratios reflected by the distribution of district taxes collected from all taxpayers.

2. All district taxes collected as a result of determinations or billings made by the Department, and all amounts refunded or credited may be distributed or charged to the respective districts in the same ratio as the taxpayer's self-declared district taxes for the period for which the determination, billing, refund or credit applies.

B. Vehicles, Vessels, and Aircraft. For the purpose of allocating use tax with respect to vehicles, vessels, or aircraft, the address of the registered owner appearing on the application for registration or on the certificate of ownership may be used by the Department in determining the place of use.

ARTICLE IV

COMPENSATION

The City agrees to pay to the Department as the State's cost of administering the City Ordinance such amount as is provided for by law. Such amounts shall be deducted from the taxes collected by the Department for the City.

ARTICLE V

MISCELLANEOUS PROVISIONS

A. Communications. Communications and notices may be sent by first class United States mail to the addresses listed below, or to such other addresses as the parties may from time to time designate or through email at jservices@cdtfa.ca.gov. If and when communications and notices may include confidential information, communications and notices must be sent through encrypted email at jservices@cdtfa.ca.gov or by mail.

Communications and notices to be sent to the Department shall be addressed to:

California State Department of Tax and Fee Administration
P.O. Box 942879
Sacramento, California 94279-0027

Attention: Administrator
Local Revenue Branch

Communications and notices to be sent to the City shall be addressed to:

City of Palmdale

38300 Sierra Hwy

Palmdale, CA 93550

Unless otherwise directed, transmittals of payment of District transactions and use taxes will be sent to the address above.

B. Term. The date of this Agreement is the date on which it is approved by the Department of General Services. The Agreement shall take effect on January 1, 2025. This Agreement shall continue until December 31 next following the expiration date of the City Ordinance, and shall thereafter be renewed automatically from year to year until the Department completes all work necessary to the administration of the City Ordinance and has received and disbursed all payments due under that Ordinance.

C. Notice of Repeal of Ordinance. City shall give the Department written notice of the repeal of the City Ordinance not less than 110 days prior to the operative date of the repeal.

ARTICLE VI
ADMINISTRATION OF TAXES IF THE
ORDINANCE IS CHALLENGED AS BEING INVALID

A. Impoundment of funds.

1. When a legal action is begun challenging the validity of the imposition of the tax, the City shall deposit in an interest-bearing escrow account, any proceeds transmitted to it under Article II. C., until a court of competent jurisdiction renders a final and non-appealable judgment that the tax is valid.

2. If the tax is determined to be unconstitutional or otherwise invalid, the City shall transmit to the Department the moneys retained in escrow, including any accumulated interest, within ten days of the judgment of the trial court in the litigation awarding costs and fees becoming final and non-appealable.

B. Costs of administration. Should a final judgment be entered in any court of the State of California, holding that City's Ordinance is invalid or void, and requiring a rebate or refund to taxpayers of any taxes collected under the terms of this Agreement, the parties mutually agree that:

1. Department may retain all payments made by City to Department to prepare to administer the City Ordinance.

2. City will pay to Department and allow Department to retain Department's cost of administering the City Ordinance in the amounts set forth in Article IV of this Agreement.

3. City will pay to Department or to the State of California the amount of any taxes plus interest and penalties, if any, that Department or the State of California may be required to rebate or refund to taxpayers.

4. City will pay to Department its costs for rebating or refunding such taxes, interest, or penalties. Department's costs shall include its additional cost for developing procedures for processing the rebates or refunds, its costs of actually making these refunds, designing and printing forms, and

developing instructions for Department's staff for use in making these rebates or refunds and any other costs incurred by Department which are reasonably appropriate or necessary to make those rebates or refunds. These costs shall include Department's direct and indirect costs as specified by Section 11256 of the Government Code.

5. Costs may be accounted for in a manner, which conforms to the internal accounting, and personnel records currently maintained by the Department. The billings for such costs may be presented in summary form. Detailed records will be retained for audit and verification by City.

6. Any dispute as to the amount of costs incurred by Department in refunding taxes shall be referred to the State Director of Finance for resolution and the Director's decision shall be final.

7. Costs incurred by Department in connection with such refunds shall be billed by Department on or before the 25th day of the second month following the month in which the judgment of a court of the State of California holding City's Ordinance invalid or void becomes final. Thereafter Department shall bill City on or before the 25th of each month for all costs incurred by Department for the preceding calendar month. City shall pay to Department the amount of such costs on or before the last day of the succeeding month and shall pay to Department the total amount of taxes, interest, and penalties refunded or paid to taxpayers, together with Department costs incurred in making those refunds.

CITY OF PALMDALE

CALIFORNIA STATE DEPARTMENT OF
TAX AND FEE ADMINISTRATION

By _____
(Signature)

Ronda Perez
(Typed Name)

City Manager
(Title)

(Date)

By _____
Administrator
Local Revenue Branch

Date: _____

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2024-095

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE
AUTHORIZING EXAMINATION OF SALES OR TRANSACTIONS AND
USE TAX RECORDS

WHEREAS, pursuant to Ordinance Number 1644, the City of Palmdale (City) entered into a contract with the California Department of Tax and Fee Administration (Department) to perform all functions incident to the administration and collection of sales and use taxes; and

WHEREAS, the City Council of the City of Palmdale deems it desirable and necessary for authorized officers, employees, and representatives of the City to examine confidential sales or transactions and use tax records of the Department pertaining to sales or transactions and use taxes collected by the Department for the City pursuant to that contract; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Department records, and Section 7056.5 of the California Revenue and Taxation Code establishes criminal penalties for the unlawful disclosure of information contained in, or derived from, the sales or transactions and use tax records of the Department.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF PALMDALE HEREBY RESOLVES AS FOLLOWS:

SECTION 1. That the City Manager, Assistant City Manager, Director of Operations, Deputy Director of Finance, City Treasurer, Deputy City Treasurer, Finance Manager, Assistant Finance Manager, Senior Financial Analyst, Financial Analyst, or other officer or employee of the City designated in writing by the City Manager or designee to the California Department of Tax and Fee Administration (CDTFA) is hereby appointed to represent the City with authority to examine sales or transactions and use tax records of the Department pertaining to sales or transactions and use taxes collected for the City by the Department pursuant to the contract between the City and the Department.

SECTION 2. That the City Manager, or other officer or employee of the City designated in writing by the City Manager to the Department, is hereby appointed to represent the City with the authority to examine those sales, use, and transactions tax records of the Department, for the purposes related to the following governmental functions of the City:

- (a) City Administration
- (b) Finance, Revenue Management and Budgeting
- (c) Economic and Community Development
- (d) Planning
- (e) Business License

The information obtained by examination of Department records shall be used only for those governmental functions of the City listed above.

SECTION 3. 41 That Hinderliter, de Llamas & Associates is hereby designated to examine the sales or transactions and use tax records of the Department pertaining to sales or transactions and use taxes collected for the City by the Department. The person or entity designated by this section meets all of the following conditions, which are also included in the contract between the City and the Hinderliter de Llamas & Associates:

- a) has an existing contract with the City to examine those sales or transactions and use tax records;
- b) is required by that contract to disclose information contained in, or derived from, those sales or transactions and use tax records only to the officer or employee authorized under Section 1 of this resolution to examine the information.
- c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract;
- d) is prohibited by that contract from retaining the information contained in, or derived from those sales or transactions and use tax records, after that contract has expired.

The information obtained by examination of Department records shall be used only for purposes related to the collection of City sales, use and transactions taxes by the Department pursuant to the contract between the City and the Department and for purposes relating to the governmental functions of the City listed in section 2 of this resolution.

SECTION 4. That this resolution supersedes all prior resolutions of the City Council of the City of Palmdale adopted pursuant to subdivision (b) of Revenue and Taxation Code section 7056.

SECTION 5. The City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED and ADOPTED this 18th day of December, 2024.

Approved as to form:

Austin Bishop, Mayor

ATTEST:

William P. Curley, III
City Attorney

Rochelle Scott, City Clerk

I, Rochelle Scott, City Clerk of the City of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 18 day of December, 2024 by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Date: _____

Rochelle Scott, City Clerk



Successor Agency Staff Report

DATE: DECEMBER 18, 2024

TO: HONORABLE CHAIR AND DIRECTORS

FROM: OPERATIONS DEPARTMENT
FINANCE DIVISION

DISTRICT: ALL

SUBJECT: ADOPT RESOLUTION NOS. SA 2024-014 AND SA 2024-015, RESOLUTIONS OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND THE ADMINISTRATIVE BUDGET, RESPECTIVELY, FOR THE PERIOD OF JULY 1, 2025 THROUGH JUNE 30, 2026

RECOMMENDATION

Staff recommends that the Successor Agency to the Community Redevelopment Agency of the City of Palmdale:

1. Adopt Resolution No. SA 2024-014 approving the Recognized Obligation Payment Schedule (ROPS 25-26) for the period of July 1, 2025 through June 30, 2026.
2. Adopt Resolution No. SA 2024-015 approving the Administrative Budget for the Period of July 1, 2025 through June 30, 2026 (Administrative Budget 2025-26).

BACKGROUND

Assembly Bill 1X 26 (AB 26) was signed by the Governor on June 28, 2011, and upheld as constitutional by the California Supreme Court. On June 27, 2012, the Governor signed Assembly Bill 1484 (AB 1484). AB 26 and AB 1484 (together the Dissolution Bills) made sweeping changes to California Redevelopment Law, eliminating redevelopment agencies statewide, establishing successor agencies, and requiring the successor agencies to pay, perform, and enforce the enforceable obligations of the former redevelopment agencies and to wind down the affairs of the former redevelopment agencies.

Administrative Budget

Section 34177(j) of the Dissolution Bills requires the Successor Agency to prepare an Administrative Budget annually and submit it to the Los Angeles County Fifth Supervisorial District Consolidated Oversight Board for approval.

Section 34177(k) of the Dissolution Bills further requires the Successor Agency to provide the Los Angeles County Auditor-Controller the administrative cost estimates from its approved Administrative Budget to be paid from property tax revenues deposited in the Redevelopment Property Tax Trust Fund.

Health & Safety Code Section 34171(b)(3) states that commencing July 1, 2016, the administrative cost allowance shall be up to 3 percent of the actual property tax distributed to the successor agency by the county auditor-controller in the preceding fiscal year for payment of approved enforceable obligations, reduced by the successor agency's administrative cost allowance and loan repayments made to the city pursuant to Section 34191.4(b) during the preceding fiscal year, subject to a minimum of \$250,000, unless such amount is reduced by the Oversight Board or by agreement between the successor agency and the State Department of Finance ("Department of Finance"). Staff has estimated this amount and allocated it to various Successor Agency costs as detailed in Exhibit A to Resolution No. SA 2024-014.

Recognized Obligation Payment Schedule (ROPS)

Section 34177(l) of the Dissolution Bills requires the Successor Agency to prepare a Recognized Obligation Payment Schedule (ROPS) listing the enforceable obligations of the former Redevelopment Agency annually.

Section 34177(l) further requires that (i) the ROPS shall be submitted to the county administrative officer, the Los Angeles County Auditor-Controller (Auditor-Controller) and the State Department of Finance (Department of Finance) at the same time that the Successor Agency submits the ROPS to the Los Angeles County Fifth Supervisorial District Consolidated Oversight Board for approval; (ii) the ROPS shall be submitted to and duly approved by the Los Angeles County Fifth Supervisorial District Consolidated Oversight Board; (iii) the approved ROPS shall be posted on the Successor Agency's website; and (iv) the approved ROPS shall be submitted to the Auditor-Controller, the State Controller and the State Department of Finance.

Section 34180 of the Dissolution Bills (Section 34180) requires certain successor agency actions to be approved by the oversight board, including Section 34180(c) "Setting aside of amounts in reserves as required by indentures, trust indentures, or similar documents governing the issuance of outstanding redevelopment agency bonds." The attached ROPS 25-26 details amounts in accordance with Section 34180(c).

The attached ROPS 25-26 also includes an enforceable obligation for the repayment of the Educational Revenue Augmentation Fund (ERAF) and Supplemental Educational Revenue Augmentation Fund (SERAF) loans borrowed from the former Redevelopment Agency's Low and Moderate Income Housing Fund.

Senate Bill No. 107 (section 14 of Chapter 325, Statutes of 2015) states that the Successor Agency's Oversight Board continues to exist and will only cease to exist after all of its indebtedness has been repaid, and thus, requires that the City's Successor Agency's Oversight Board approve ROPS 25-26.

DISCUSSION

The attached Resolution Nos. SA 2024-014 and SA 2024-015 seek approval of the Recognized Obligation Payment Schedule (ROPS) 25-26 and the Administrative Budget 25-26.

Approval of the ROPS and the Administrative Budget will allow the City to remain in compliance with AB 26 and AB 1484 (together the Dissolution Bills), and to submit the information timely to the county administrative officer, the Los Angeles County Auditor-Controller (Auditor-Controller) and the State Department of Finance (Department of Finance). Simultaneously, the Successor Agency submits the ROPS to the Los Angeles County Fifth Supervisorial District Consolidated Oversight Board for approval.

Upon approval from the Los Angeles County Fifth Supervisorial District Consolidated Oversight Board, and the State Department of Finance, the City may then incorporate the requested administrative budgets and payments from the ROPS into its annual budget for Fiscal Year 2025-26.

FISCAL IMPACT

The Administrative Budget for the period of July 1, 2025 through June 30, 2026 totals \$321,605. These funds will be included in various line items in Program 20 of Fund 460 in the fiscal year 2025-26 budget and are included on the ROPS. These funds will be used to reimburse the City for its staff hours.

The total payments estimated during the one-year period of ROPS 25-26 is \$17,110,708, of which \$11,523,210 is expected to be funded by Redevelopment Property Tax Trust Funds (RPTTF) to be received from the Los Angeles County Auditor-Controller (including Administrative Cost Allowance), \$5,499,275 is from reserve balance funds received in the prior year, and \$88,223 is from other funds. Amounts are to be budgeted in various areas of the Successor Agency and Housing Successor Agency budgets.

STRATEGIC PLAN

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

A. Manage resources, costs, and liabilities to ensure the City's long-term fiscal health.

Prepared by:	Janelle Samson, Director of Operations
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Ronda Perez, Executive Director
Approved as to form:	William P. Curley, III, General Counsel

ATTACHMENTS

Reso. No. SA 2024-014 ROPS
Exh A Palmdale Annual ROPS 25-26
Reso. No. SA 2024-015 Administrative Budget
Exh A Administrative Budget 25-26

SUCCESSOR AGENCY
TO THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF PALMDALE
CALIFORNIA
RESOLUTION NO. SA 2024-014

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY
REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE APPROVING
THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) FOR
THE PERIOD OF JULY 1, 2025 THROUGH JUNE 30, 2026.

WHEREAS, The Community Redevelopment Agency of the City of Palmdale (“Redevelopment Agency”) was a redevelopment agency in the City of Palmdale (“City”), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with SECTION 33000) of Division 24 of the California Health and Safety Code) (“Redevelopment Law”); and

WHEREAS, The Redevelopment Agency was responsible for the administration of redevelopment activities within the City; and

WHEREAS, Assembly Bill 1X 26 (“AB 26”) was signed by the Governor on June 28, 2011 and upheld to be constitutional by the California Supreme Court on December 29, 2011; and

WHEREAS, AB 26 made certain changes to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code), including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) (“Part 1.85”) to Division 24 of the California Health and Safety Code (“Health and Safety Code”); and

WHEREAS, On February 1, 2012, as a result of the Supreme Court’s decision, all California redevelopment agencies were dissolved, successor agencies were established as successor agencies to the former redevelopment agencies pursuant to Health and Safety Code Section 34173, and successor agencies are tasked with paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and winding down the affairs of the former redevelopment agencies; and

WHEREAS, On June 27, 2012, the Governor of California signed Assembly Bill 1484 (“AB 1484”) into law, making several substantive and technical amendments to AB 26 (AB 26 and AB 1484 together referred to as the “Dissolution Bills”); and

WHEREAS, On January 4, 2012, the City Council adopted Resolution No. CC 2012-002 declaring itself as the Successor Agency to the Community Redevelopment Agency of the City of Palmdale (“Successor Agency”) upon the dissolution of the Redevelopment Agency; and

WHEREAS, On April 4, 2012 the City Council, acting in its capacity as the Successor Agency, adopted Resolution No. CC 2012-041 SA naming itself the "Successor Agency to the Community Redevelopment Agency of the City of Palmdale", the sole name by which it will exercise its powers and fulfill its duties pursuant to Part 1.85 of AB 26, and establishing itself as a separate legal entity with rules and regulations that will apply to the governance and operations of the Successor Agency; and

WHEREAS, pursuant to Health and Safety Code Section 34179 (q), commencing on and after July 1, 2018, the County of Los Angeles, where more than 40 oversight boards were created by the Dissolution Act, shall have five consolidated oversight boards, each encompassing the five supervisorial districts; and

WHEREAS, the Fifth Supervisorial District Consolidated Oversight Board ("Fifth District Consolidated Oversight Board") has jurisdiction over the Successor Agency of the Former Redevelopment Agency to the City of Palmdale and

WHEREAS, the Fifth District Consolidated Oversight Board will hold a regular/special meeting on or about January 9, 2025; and

WHEREAS, Health & Safety Code SECTION 34177(l) ("SECTION 34177(l)") requires the Successor Agency to prepare a forward-looking Recognized Obligation Payment Schedule (ROPS) listing the enforceable obligations of the former Redevelopment Agency that are due in the next annual period; and

WHEREAS, SECTION 34177(l), as amended by AB 1484, also provides that (i) the ROPS shall be submitted to the county administrative officer, the Los Angeles County Auditor-Controller ("Auditor-Controller") and the State Department of Finance ("Department of Finance") at the same time that the Successor Agency submits the ROPS to the Los Angeles County Fifth Supervisorial District Consolidated Oversight Board for approval; (ii) the ROPS shall be submitted to and duly approved by the Los Angeles County Fifth Supervisorial District Consolidated Oversight Board; (iii) the approved ROPS shall be posted on the Successor Agency's website; and (iv) the approved ROPS shall be submitted to the Auditor-Controller, the State Controller and the State Department of Finance; and

WHEREAS, Health & Safety Code Section 34179.7 (o) (1), requires the Successor Agency to prepare a forward-looking, annual Recognized Obligation Payment Schedule (ROPS) listing the enforceable obligations of the former Redevelopment Agency that are due in the next annual period and submitting an oversight board approved annual ROPS to the Department of Finance and Auditor-Controller by February 1, 2025; and

WHEREAS, Health and Safety Code Section 34183(a) provides that the Auditor-Controller disburse funds to successor agencies on June 1, 2025 and January 2, 2026 based on ROPS 25-26 in accordance with the prescribed order of priority and the

Dissolution Bills require that such disbursements be made as and when necessary for the Successor Agency to repay and perform enforceable obligations when due; and

WHEREAS, Health and Safety Code Section 34180 (“Section 34180”) requires certain successor agency actions to be approved by the oversight board, including Section 34180(c) “Setting aside of amounts in reserves as required by indentures, trust indentures, or similar documents governing the issuance of outstanding redevelopment agency bonds”; and

WHEREAS, the attached ROPS 25-26 (Exhibit A) details amounts in accordance with Section 34180(c); and

WHEREAS, the Successor Agency now desires to approve ROPS 25-26 which is attached hereto and incorporated herein by reference; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW THEREFORE, BE IT RESOLVED, THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. The Board of Directors hereby finds and determines that the foregoing recitals are true and correct.

SECTION 2. The Board of Directors hereby approves the setting aside of funds as detailed in ROPS 25-26 in accordance with Section 34180(c) to comply with bond documents.

SECTION 3. The adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency of any rights the Successor Agency may have to challenge the effectiveness and/or legality of all or any portion of the Dissolution Bills through administrative or judicial proceedings

SECTION 4. The ROPS 25-26 (Exhibit A), which is attached hereto and incorporated by reference, is hereby approved and adopted.

SECTION 5. The Executive Director, or designee, is hereby authorized and directed to make any and all non-substantive changes to the approved ROPS to conform to any changes or to address further guidance or direction from the Department of Operations, or to address any other new information, including but not limited to new report forms, and such revised ROPS shall be considered approved by the Successor Agency.

SECTION 6. The Executive Director, or designee, is hereby authorized and directed to: (i) submit the Successor Agency approved ROPS 25-26 to the Los Angeles

County Fifth Supervisorial District Consolidated Oversight Board for its review and approval and to concurrently submit ROPS 25-26 to the county administrative officer, the Auditor-Controller and the Department of Finance; (ii) submit the Los Angeles County Fifth Supervisorial District Consolidated Oversight Board approved ROPS 25-26 to the Auditor Controller, the State Controller, the Department of Finance and any and all other entities as necessary or appropriate; (iii) post the Los Angeles County Fifth Supervisorial District Consolidated Oversight Board approved ROPS 25-26 on the City's website; and (iv) take any and all other actions and execute any and all such other documents as are necessary, convenient or appropriate to comply with the Dissolution Bills, and to effectuate the intent of this Resolution on behalf of the Successor Agency.

SECTION 7. This Resolution shall take effect immediately upon its adoption.

SECTION 8. The Agency Secretary shall certify to the adoption of this resolution.

PASSED, APPROVED and ADOPTED this 18th day of December, 2024.

Approved as to form:

Austin Bishop, Chair

ATTEST:

William P. Curley, III
General Counsel

Rochelle Scott,
Agency Secretary

I, Rochelle Scott, Agency Secretary of the Successor Agency to the Community Redevelopment Agency of the City of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the Successor Agency at a regular meeting of said Agency held on the 18th day of December, 2024 by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Date: _____

Rochelle Scott, Agency Secretary

Recognized Obligation Payment Schedule (ROPS 25-26) - Summary
Filed for the July 1, 2025 through June 30, 2026 Period

Successor Agency: Palmdale

County: Los Angeles

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	25-26A Total (July - December)	25-26B Total (January - June)	ROPS 25-26 Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ 5,222,498	\$ 365,000	\$ 5,587,498
B Bond Proceeds	-	-	-
C Reserve Balance	5,134,275	365,000	5,499,275
D Other Funds	88,223	-	88,223
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 3,419,192	\$ 8,104,018	\$ 11,523,210
F RPTTF	3,097,587	8,104,018	11,201,605
G Administrative RPTTF	321,605	-	321,605
H Current Period Enforceable Obligations (A+E)	\$ 8,641,690	\$ 8,469,018	\$ 17,110,708

Certification of Oversight Board Chairman:

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

Name Title

/s/ _____
Signature Date

Palmdale
Recognized Obligation Payment Schedule (ROPS 25-26) - ROPS Detail
July 1, 2025 through June 30, 2026

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 25-26 Total	ROPS 25-26A (Jul - Dec)					25-26A Total	ROPS 25-26B (Jan - Jun)					25-26B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$69,616,123		\$17,110,708	\$-	\$5,134,275	\$88,223	\$3,097,587	\$321,605	\$8,641,690	\$-	\$365,000	\$-	\$8,104,018	\$-	\$8,469,018
6	Loan from Housing for SERAF	SERAF/ ERAF	05/05/ 2010	11/30/2036	Housing Authority for deposit into Housing Asset Fund	Statutory Obligation FY 2009-10 SERAF - Merged Proj Area	Merge	1,920,491	N	\$350,000	-	-	-	350,000	-	\$350,000	-	-	-	-	-	\$-
7	Loan from Housing for SERAF	SERAF/ ERAF	03/02/ 2011	02/28/2034	Housing Authority for deposit into Housing Asset Fund	Statutory Obligation FY 2010-11 SERAF - Proj Area No 1	PA 1	521,581	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
8	Loan from Housing for SERAF	SERAF/ ERAF	03/02/ 2011	11/30/2036	Housing Authority for deposit into Housing Asset Fund	Statutory Obligation FY 2010-11 SERAF - Merged Proj Area	Merge	1,867,705	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
13	2010 Tax Alloc Ref Notes(\$27.5M)	Bonds Issued On or Before 12/ 31/10	12/23/ 1998	03/01/2026	AC Warnack Trust/ Shaughne S. Warnack Trust	Notes issued for non-housing projects	PA 1	3,120,481	N	\$3,120,481	-	-	88,223	1,287,107	-	\$1,375,330	-	-	-	1,745,151	-	\$1,745,151
14	2010 Tax Alloc Ref Notes(\$27.5M)	Reserves	12/23/ 1998	03/01/2026	AC Warnack Trust/ Shaughne S. Warnack Trust	Bond Covenants - H&S Code Sec 34171(d)(1)(A)	PA 1	-	Y	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
23	2002 Tax Alloc Bonds (\$5.3M)	Bonds Issued On or Before 12/ 31/10	08/20/ 2002	12/01/2032	US Bank	Bonds issued for non-housing projects	Merge	7,565,000	N	\$975,000	-	975,000	-	-	-	\$975,000	-	-	-	-	-	\$-
24	2002 Tax Alloc Bonds (\$5.3M)	Reserves	08/20/ 2002	12/01/2032	US Bank	Bond Covenants - H&S Code Sec 34171(d)(1)(A)	Merge	970,000	N	\$970,000	-	-	-	-	-	\$-	-	-	-	970,000	-	\$970,000
30	Bond Administration Fees	Fees	06/15/ 1993	09/01/2034	US Bank	Fiscal Agent/ Trustee fees on Bond issues	Merge	107,000	N	\$12,000	-	-	-	8,200	-	\$8,200	-	-	-	3,800	-	\$3,800
32	Arbitrage Calculation Reports	Fees	07/16/ 2002	09/01/2034	BondLogistix LLC	Arbitrage rebate calc svcs	Merge	29,400	N	\$6,200	-	-	-	6,200	-	\$6,200	-	-	-	-	-	\$-
35	Bond Disclosure	Fees	05/24/ 2004	09/01/2034	NBS	Disclosure reporting	Merge	82,000	N	\$9,000	-	-	-	-	-	\$-	-	-	-	9,000	-	\$9,000

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 25-26 Total	ROPS 25-26A (Jul - Dec)					25-26A Total	ROPS 25-26B (Jan - Jun)					25-26B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
	Reports (A-0695)					services																
37	Agency Financial Audit (A-2844)	Fees	07/01/2009	09/01/2034	Eide Bailly	Audit services - annually required by bond documents H&S Code Sec 34171(d)(1)(A)	Merge	117,000	N	\$12,600	-	-	-	6,300	-	\$6,300	-	-	-	6,300	-	\$6,300
39	Prop Tax Consulting Svcs (A-3220) - Merge	Fees	09/01/2010	09/01/2034	HdL Coren & Cone	Property Tax Consulting Services - data required for annual Bond Disclosures H&S Code Sec 34171(d)(1)(A)	Merge	117,000	N	\$13,000	-	-	-	6,500	-	\$6,500	-	-	-	6,500	-	\$6,500
62	Property Assessments	Property Maintenance	07/01/2025	06/30/2026	COP - Streetlight Maint Dist	Streetlight Maint. Dist. Assessments - Costs of maintaining assets prior to disposition, allowable by H&S Code Sec 34171(d)(1)(F).	PA 1	600	N	\$600	-	-	-	300	-	\$300	-	-	-	300	-	\$300
65	Property Assessments/ Spec Taxes	Property Maintenance	07/01/2025	06/30/2026	CFD 05-1	Special Tax Assessment - CFD 05-1 - Costs of maintaining assets prior to disposition, allowable by H&S Code Sec 34171(d)(1)(F).	Merge	93,000	N	\$93,000	-	-	-	46,500	-	\$46,500	-	-	-	46,500	-	\$46,500
66	Property Assessments - PA 1	Property Maintenance	07/01/2025	06/30/2026	COP-Park Maint & Rec Impv Dist	Park Maint & Rec Impv Assessments - Costs of maintaining assets prior to disposition, allowable by H&S Code Sec 34171(d)(1)(F).	PA 1	100	N	\$100	-	-	-	50	-	\$50	-	-	-	50	-	\$50
68	Property Assessments - PA 1	Property Maintenance	07/01/2025	06/30/2026	AV Mosquito & Vector Control	Mosquito Abatement Assessments - Costs of	PA 1	10	N	\$10	-	-	-	5	-	\$5	-	-	-	5	-	\$5

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 25-26 Total	ROPS 25-26A (Jul - Dec)					25-26A Total	ROPS 25-26B (Jan - Jun)					25-26B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
						maintaining assets prior to disposition, allowable by H&S Code Sec 34171(d)(1)(F).																
76	DDA Transit Vlg Townhomes (A-1977)	OPA/DDA/ Construction	07/10/ 2007	12/31/2061	Palmdale Transit Village Townhomes, LLC	Transit Village townhome development	Housing	65,000	N	\$65,000	-	-	-	-	-	\$-	-	65,000	-	-	-	\$65,000
80	DDA Transit Vlg Townhomes (A-1977)	OPA/DDA/ Construction	07/10/ 2007	12/31/2061	Palmdale Transit Village Townhomes, LLC	Reimbursement to Developer of Parks & Rec Impact Fees	Housing	300,000	N	\$300,000	-	-	-	-	-	\$-	-	300,000	-	-	-	\$300,000
160	Commission charges	Property Dispositions	07/01/ 2025	06/30/2026	Various	Costs of commission relating to sale of Successor Agency land to developers	PA1/ Merge	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
161	Escrow Services	Property Dispositions	07/01/ 2025	06/30/2026	Various	Escrow Service costs relating to sale of Successor Agency land to developers	PA1/ Merge	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
162	Title Services	Property Dispositions	07/01/ 2025	06/30/2026	Various	Title Service costs relating to sale of Successor Agency land to developers	PA1/ Merge	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
163	Appraisal Services	Property Dispositions	07/01/ 2025	06/30/2026	Various	Appraisal Service costs relating to sale of Successor Agency land to developers	PA1/ Merge	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
170	Agency Adminstrative Cost Allowance	Admin Costs	07/01/ 2025	06/30/2026	City of Palmdale	SA Overhead and Administrative Costs	PA1/ Merge	321,605	N	\$321,605	-	-	-	-	321,605	\$321,605	-	-	-	-	-	\$-
175	Tax Allocation Refunding Bonds, 2016 Series A	Refunding Bonds Issued After 6/27/12	04/26/ 2016	09/01/2034	US Bank	Bonds issued to refund 1998, 1999 and 2003 Bonds	PA1/ Merge	17,695,219	N	\$2,942,750	-	1,949,156	-	649,719	-	\$2,598,875	-	-	-	343,875	-	\$343,875
176	Tax Allocation	Reserves	04/26/	09/01/2034	US Bank	Reserve for	PA1/	1,990,406	N	\$1,990,406	-	-	-	-	-	\$-	-	-	-	1,990,406	-	\$1,990,406

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 25-26 Total	ROPS 25-26A (Jul - Dec)					25-26A Total	ROPS 25-26B (Jan - Jun)					25-26B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
	Refunding Bonds, 2016 Series A		2016			Next ROPS Period Debt Service per Indenture	Merge															
177	Tax Allocation Refunding Bonds, 2016 Series B	Refunding Bonds Issued After 6/27/12	06/23/2016	09/01/2034	US Bank	Bonds issued to refund 2003C, 2003D, 2004A, 2004 Sub, 2005E, 2005F and 2009 Bonds	PA1/ Merge	30,329,469	N	\$3,525,900	-	2,210,119	-	736,706	-	\$2,946,825	-	-	-	579,075	-	\$579,075
178	Tax Allocation Refunding Bonds, 2016 Series B	Reserves	06/23/2016	09/01/2034	US Bank	Reserve for Next ROPS Period Debt Service per Indenture	PA1/ Merge	2,403,056	N	\$2,403,056	-	-	-	-	-	\$-	-	-	-	2,403,056	-	\$2,403,056

Palmdale
Recognized Obligation Payment Schedule (ROPS 25-26) - Report of Cash Balances
July 1, 2022 through June 30, 2023
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (I), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.							
A	B	C	D	E	F	G	H
	ROPS 22-23 Cash Balances (07/01/22 - 06/30/23)	Fund Sources					Comments
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	
1	Beginning Available Cash Balance (Actual 07/01/22) RPTTF amount should exclude "A" period distribution amount.	527,875	2	365,000	245,170	452,756	
2	Revenue/Income (Actual 06/30/23) RPTTF amount should tie to the ROPS 22-23 total distribution from the County Auditor-Controller	17,300	7		88,223	10,715,846	
3	Expenditures for ROPS 22-23 Enforceable Obligations (Actual 06/30/23)	30	7		177,072	10,807,667	
4	Retention of Available Cash Balance (Actual 06/30/23) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	545,145	2	365,000	68,098	323,020	
5	ROPS 22-23 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 22-23 PPA form submitted to the CAC		No entry required			37,915	
6	Ending Actual Available Cash Balance (06/30/23) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$-	\$88,223	\$-	Col F applied to ROPS 25-26 Item 13

Palmdale
Recognized Obligation Payment Schedule (ROPS 25-26) - Notes
July 1, 2025 through June 30, 2026

Item #	Notes/Comments
6	
7	
8	
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30	
32	
35	
37	
39	
62	LRPMP # 14, 15, 16
65	LRPMP # 14, 15, 16
66	LRPMP # 14, 15, 16
68	LRPMP # 14, 15, 16
76	Funded in a prior year and SA allowed to retain as a reserve for expenditure in 24-25B; not likely to be spent until 25-26 so included again as reserve in this ROPS
80	Funded in a prior year and SA allowed to retain as a reserve for expenditure in 24-25B; not likely to be spent until 25-26 so included again as reserve in this ROPS
160	
161	
162	
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SUCCESSOR AGENCY
TO THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF PALMDALE
CALIFORNIA
RESOLUTION NO. SA 2024-015

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY
REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE APPROVING
THE ADMINISTRATIVE BUDGET FOR THE PERIOD OF JULY 1, 2025
THROUGH JUNE 30, 2026 (ADMINISTRATIVE BUDGET 25-26).

WHEREAS, The Community Redevelopment Agency of the City of Palmdale (“Redevelopment Agency”) was a redevelopment agency in the City of Palmdale (“City”), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with SECTION 33000) of Division 24 of the California Health and Safety Code) (“Redevelopment Law”); and

WHEREAS, The Redevelopment Agency was responsible for the administration of redevelopment activities within the City; and

WHEREAS, Assembly Bill 1X 26 (“AB 26”) was signed by the Governor on June 28, 2011 and upheld to be constitutional by the California Supreme Court on December 29, 2011; and

WHEREAS, AB 26 made certain changes to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code), including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) (“Part 1.85”) to Division 24 of the California Health and Safety Code (“Health and Safety Code”); and

WHEREAS, On February 1, 2012, as a result of the Supreme Court’s decision, all California redevelopment agencies were dissolved, successor agencies were established as successor agencies to the former redevelopment agencies pursuant to Health and Safety Code Section 34173, and successor agencies are tasked with paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and winding down the affairs of the former redevelopment agencies; and

WHEREAS, On June 27, 2012, the Governor of California signed Assembly Bill 1484 (“AB 1484”) into law, making several substantive and technical amendments to AB 26 (AB 26 and AB 1484 together referred to as the “Dissolution Bills”); and

WHEREAS, On January 4, 2012, the City Council adopted Resolution No. CC 2012-002 declaring itself as the Successor Agency to the Community Redevelopment Agency of the City of Palmdale (“Successor Agency”) upon the dissolution of the Redevelopment Agency; and

WHEREAS, On April 4, 2012 the City Council, acting in its capacity as the Successor Agency, adopted Resolution No. CC 2012-041 SA naming itself the "Successor Agency to the Community Redevelopment Agency of the City of Palmdale", the sole name by which it will exercise its powers and fulfill its duties pursuant to Part 1.85 of AB 26, and establishing itself as a separate legal entity with rules and regulations that will apply to the governance and operations of the Successor Agency; and

WHEREAS, pursuant to Health and Safety Code Section 34179 (q), commencing on and after July 1, 2018, the County of Los Angeles, where more than 40 oversight boards were created by the Dissolution Act, shall have five consolidated oversight boards, each encompassing the five supervisorial districts; and

WHEREAS, the Fifth Supervisorial District Consolidated Oversight Board ("Fifth District Consolidated Oversight Board") has jurisdiction over the Successor Agency of the Former Redevelopment Agency to the City of Palmdale and

WHEREAS, the Fifth District Consolidated Oversight Board will hold a regular/special meeting on or about January 9, 2025; and

WHEREAS, Health and Safety Code Section 34177(j) ("Section 34177(j)") requires the Successor Agency to prepare an administrative budget for the period July 1, 2025 through June 30, 2026 and submit the administrative budget to the Los Angeles County Fifth Supervisorial District Consolidated Oversight Board for approval. The administrative budget shall include all of the following: (i) estimated amounts for Successor Agency administrative costs for the upcoming annual fiscal period; (ii) proposed sources of payment for Successor Agency administrative costs; and (iii) proposals for arrangements for administrative and operations services provided by the City or other entity; and

WHEREAS, Health and Safety Code Section 34177(k) ("Section 34177(k)") requires the Successor Agency to provide to the Los Angeles County Auditor-Controller for the period July 1, 2025 through June 30, 2026 the administrative cost estimates from its approved administrative budget that are to be paid from property tax revenues (i.e. former tax increment revenues) deposited in the County's Redevelopment Property Tax Trust Fund established for the Successor Agency; and

WHEREAS, Health & Safety Code SECTION 34179.7 (o) (1), requires the Successor Agency to prepare a forward-looking, annual Recognized Obligation Payment Schedule (ROPS) listing the enforceable obligations of the former Redevelopment Agency that are due in the next annual period and submitting an oversight board approved annual ROPS to the Department of Finance and Auditor-Controller by February 1, 2025; and

WHEREAS, Health & Safety Code Section 34171(b)(3) states that, the administrative cost allowance shall be up to 3 percent of the actual property tax

distributed to the successor agency by the county auditor-controller in the preceding fiscal year for payment of approved enforceable obligations, reduced by the successor agency's administrative cost allowance and loan repayments made to the city pursuant to Section 34191.4(b) during the preceding fiscal year, subject to a minimum of \$250,000, unless such amount is reduced by the Oversight Board or by agreement between the successor agency and the State Department of Finance ("Department of Finance"); and

WHEREAS, Staff of the Successor Agency seeks the Successor Agency's approval of the administrative budget for the period of July 1, 2025 through June 30, 2026 ("Administrative Budget 25-26"), in the form attached to this Resolution as Exhibit A, and the Successor Agency's authorization to submit the approved Administrative Budget 25-26 to the Los Angeles County Fifth Supervisorial District Consolidated Oversight Board for its approval and to forward the information required by Section 34177(k) to the Los Angeles County Auditor-Controller; and

WHEREAS, All other legal prerequisites to the adoption of this Resolution have occurred.

NOW THEREFORE, BE IT RESOLVED, THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. The Board of Directors hereby finds and determines that the foregoing recitals are true and correct.

SECTION 2. The adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency of any rights the Successor Agency may have to challenge the effectiveness and/or legality of all or any portion of the Dissolution Bills through administrative or judicial proceedings.

SECTION 3. The Successor Agency's Administrative Budget 25-26 that is attached hereto as Exhibit A is hereby approved and adopted.

SECTION 4. The Executive Director, or designee, is hereby authorized and directed to: i) submit the approved Administrative Budget 25-26 to the Los Angeles County Fifth Supervisorial District Consolidated Oversight Board for its review and approval; and ii) submit to the Los Angeles County Auditor-Controller the administrative cost estimates from Administrative Budget 25-26 that are to be paid from property tax revenues deposited in the County's Redevelopment Property Tax Trust Fund established for the Successor Agency; and iii) take any and all other actions and execute any and all such other documents as are necessary, convenient or appropriate to comply with the Dissolution Bills and to effectuate the intent of this Resolution on behalf of the Successor Agency

SECTION 5. This Resolution shall take effect immediately upon its adoption

SECTION 6. The Agency Secretary shall certify the adoption of this resolution.

PASSED, APPROVED and ADOPTED this 18th day of December, 2024.

Approved as to form:

Austin Bishop, Chair

ATTEST:

William P. Curley, III
General Counsel

Rochelle Scott,
Agency Secretary

I, Rochelle Scott, Agency Secretary of the Successor Agency to the Community Redevelopment Agency of the City of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the Successor Agency at a regular meeting of said Agency held on the 18th day of December, 2024 by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Date: _____

Rochelle Scott, Agency Secretary

Exhibit A to Resolution No. SA 2024-015

Successor Agency to the Community Redevelopment Agency
of the City of Palmdale Administrative Budget
For the Period of July 1, 2025 through June 30, 2026

Item	Successor Agency		Notes
Direct Project Management Cost			
Required Bond Documents			
Salaries & Benefits			\$ 17,754
Operations Department	Hours	Rate	
Director of Operations	10	\$ 322	\$ 3,218
Senior Financial Analyst	40	\$ 188	\$ 7,524
Senior Account Clerk	35	\$ 114	\$ 3,977
Purchasing Senior Buyer	20	\$ 152	\$ 3,034
Development Agreement Obligations			
Salaries & Benefits			\$ 81,932
Operations Department	Hours	Rate	
Director of Operations	30	\$ 322	\$ 9,654
Senior Financial Analyst	40	\$ 188	\$ 7,524
Senior Account Clerk	30	\$ 114	\$ 3,409
City Attorney's Office			
City Attorney	25	\$ 350	\$ 8,750
Senior Administrative Assistant	30	\$ 128	\$ 3,851
City Clerk's Office			
City Clerk	10	\$ 235	\$ 2,345
City Clerk	15	\$ 235	\$ 3,518
Economic Development Department			
Director of Economic Development	50	\$ 322	\$ 16,090
Economic Development Manager	70	\$ 245	\$ 17,165
Senior Administrative Assistant	75	\$ 128	\$ 9,626
Property Disposition Project Cost			
Salaries & Benefits			\$ 80,457
Operations Department	Hours	Rate	
Director of Operations	15	\$ 322	\$ 4,827
Senior Financial Analyst	20	\$ 188	\$ 3,762
Purchasing Senior Buyer	40	\$ 152	\$ 6,068
City Attorney's Office			
City Attorney	20	\$ 350	\$ 7,000
Senior Administrative Assistant	30	\$ 128	\$ 3,851
City Clerk's Office			
City Clerk	15	\$ 235	\$ 3,518
City Clerk	20	\$ 235	\$ 4,690
Economic Development Department			
Director of Economic Development	60	\$ 322	\$ 19,308
Economic Development Manager	70	\$ 245	\$ 17,165
Senior Administrative Assistant	80	\$ 128	\$ 10,268
Total Direct Cost			\$ 180,142
Administrative Cost			
Salaries & Benefits			\$ 61,376
City Manager's Office	Hours	Rate	
City Manager	10	\$ 456	\$ 4,561
Operations Department			
Director of Operations	20	\$ 322	\$ 6,436
Senior Financial Analyst	55	\$ 188	\$ 10,346
Senior Account Clerk	60	\$ 114	\$ 6,818
City Attorney's Office			
City Attorney	15	\$ 350	\$ 5,250
Senior Administrative Assistant	25	\$ 128	\$ 3,209

Exhibit A to Resolution No. SA 2024-015

Successor Agency to the Community Redevelopment Agency
of the City of Palmdale Administrative Budget
For the Period of July 1, 2025 through June 30, 2026

Item			Successor Agency	Notes
City Clerk's Office				
City Clerk	20	\$ 235	\$ 4,690	
City Clerk	40	\$ 235	\$ 9,380	
Economic Development Department				
Director of Economic Development	10	\$ 322	\$ 3,220	
Economic Development Manager	20	\$ 245	\$ 4,900	
Senior Administrative Assistant	20	\$ 128	\$ 2,567	
Cont Svc - Agency Attorney			\$ 10,000	
Cont Svc-Professional Svcs			\$ 13,700	
Cont Svc - Legal Advertising			\$ 2,500	
Cont Svc-Landscape Maintenance			\$ 400	
Cont Svc - Document Center & Copier Lease			\$ 600	
Liability Insurance			\$ 4,000	
Training			\$ 436	
Postage			\$ 100	
Utilities - Water			\$ 300	
Utilities - Gas			\$ 550	
Utilities - Electric			\$ 10,000	
				Related to Bond Issuance on Building Construction.Bonds maturing on September 1, 2029.
Rent			\$ 37,500	
Total Administrative Cost			<u>\$ 141,462</u>	
Total Direct and Administrative Cost			<u><u>\$ 321,605</u></u>	
Administrative Allowance			<u>\$ 321,605</u>	
Excess/(Shortage) of Allowance			<u>\$ 0</u>	



City Council Staff Report

DATE: DECEMBER 18, 2024

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: PUBLIC WORKS
CAPITAL IMPROVEMENT PROGRAM DIVISION

DISTRICT: 1

SUBJECT: APPROVE AGREEMENT WITH NEW CREATION BUILDERS, INC. FOR DESIGN AND BUILD SERVICES FOR PN 902, EMERGENCY OPERATION CENTER (EOC) TENANT IMPROVEMENT PROJECT, FOR A TOTAL NOT TO EXCEED AMOUNT OF \$5,113,831, INCLUDES 10% CONTINGENCY AND LABOR COMPLIANCE COSTS FOR A TERM OF 350 WORKING DAYS FROM THE DATE OF THE NOTICE TO PROCEED

RECOMMENDATION

Staff recommends that the City Council:

1. Approve Agreement No. A-8955 with New Creation Builders, Inc. for design and build services for PN 902, Emergency Operations Center (EOC) Tenant Improvement Project for a not to exceed amount of \$5,113,831; includes a 10% contingency of \$397,736 and compliance labor cost of \$22,815 for a term of 350 working days from the date of the Notice to Proceed; and,
2. Authorize the City Manager or her designee to execute Agreement No. A-8955 with New Creation Builders, Inc. including minimal and/or non-substantial changes.

BACKGROUND

The City has identified a space in the Aero Building located at 38255 9th Street East to use as the EOC to provide emergency operations and support during declared local, state, and national emergencies. The identified space is currently vacant and includes the desired space to house EOC equipment and staff.

As the City's population grows and the complexity of potential incidents increases, the current EOC lacks the physical infrastructure to support a full-scale, coordinated response. It is also limited in size, which hinders its capacity to house the critical personnel, equipment, and technology essential for managing large-scale emergencies.

The proposed EOC will be equipped to accommodate up to 36 operational workstations, ensuring the City is fully prepared to respond to any incident that may threaten public health and safety, infrastructure, or essential services. Additionally, the center's layout will be designed to enhance communication flow, enabling various departments to coordinate efforts seamlessly during high-stakes incidents. Response personnel will be able to work in a cohesive environment that enables swift information sharing and decision-making, allowing rapid assessment and addressing of evolving situations in real time.

The design and construction of an EOC will improve the effectiveness of emergency services as Palmdale grows. It will also provide a plan to coordinate emergencies with hospitals, schools, major businesses, utilities, the Red Cross, churches, and other service providers to work together and train in preparation for a coordinated response during a major event.

DISCUSSION

On July 25, 2024, a Request for Qualifications (RFQ) was released on PlanetBids to procure a design/build team to design and build the required improvements to the proposed location. Seventy-two prospective bidders downloaded the bid documents. On August 27, 2024, one proposal was received, and the City reviewed, vetted, and interviewed the design/build team. The price proposal incorporated most of the basic needs for the emergency operations center included in the RFQ.

Staff recommends the award of a design-build agreement to New Creation Builders, Inc.

FISCAL IMPACT

\$5,113,831; This project is funded in FY 2024-25 using ARPA funds and Community Project Funding/Congressional Directed Spending in Account # F0010. Congressional Directed Spending funds of \$1,312,500 will be used for the design portion, and ARPA funds will be used for construction for \$3,801,331.

Scope of Work	Cost
Agreement No. A-8955 for Design/Build	\$4,693,280
Total Contingency (10% of Construction Costs)	\$397,736
Labor Compliance	\$22,815
Total Project Costs	\$5,113,831

STRATEGIC PLAN

Goal I: Maintain effective public safety and protection for life, property, and the environment.

B. Be prepared to protect life, property, and the environment in the event of catastrophic disasters and emergencies.

Prepared by:	Leonardo Torres, P.E., Director of Public Works
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Ronda Perez, City Manager
Approved as to form:	William P. Curley, III, City Attorney

ATTACHMENTS

Agrmt No. A-8955 with New Creation Builders, Inc.

AGREEMENT NO. A- 8955
CONSTRUCTION CONTRACT
BETWEEN THE CITY OF PALMDALE AND NEW CREATION BUILDERS, INC.

THIS CONTRACT ("Contract") is made and entered into by and between City of Palmdale, a public entity ("City"), and NEW CREATION BUILDERS, INC., a Corporation ("Contractor"). Contractor and City are collectively referred to herein as the "parties." This Contract shall become effective on the date of the last signatory.

1 Scope of Work

Contractor shall complete the Project in accordance with this Contract. Contractor shall furnish all materials and perform all work required for the completion of the following Project:

The Project will be located at 38255 9th Street East, Palmdale, CA 93550.

The project scope includes the design, engineering, permitting and renovations of a section of the existing courthouse building to transform it into a fully functional EOC including modifications necessary to the existing building for seismic and ADA compliance.

The EOC will consist of a single-story structure of approximately 10,000 square feet, with separate locker rooms with showers, training/meeting room, operations/media room, break room with kitchen, central emergency operations room, IT server room, and ADA compliant walkways, doorways, and ramps.

Other appurtenances include but are not limited to an emergency power generator capable of carrying full load of all site/station circuits, parking lot striping, all furniture, fixtures, equipment, HVAC, roofing, if needed, landscape and hardscape. The Project design and materials will be functional as well as compatible with the character of the City's vision.

The project to be proposed in the RFP will include all design, engineering, permits, grading, construction, material, labor, special observation, inspection, testing, verification, procurement and installation of all equipment. D-B-E will be responsible for obtaining all required permits, including federal, state, and local governance as well as coordination with all utilities and other regulatory agencies, start-up and commissioning required for occupancy and operations. The final proposal must be the total cost for delivery of the entire project and all of its related elements, and no further payment will be allowed, therefore.

2 Standard Specifications

Standard Specifications for City projects are those contained in the 2021 Greenbook edition of the "Standard Specifications for Public Works Construction" (the "Greenbook"). Except as otherwise expressly provided herein, the Standard Specifications shall control the general provisions, construction materials, and construction methods for this Contract (except as amended by the Plans for the Project), the General Specifications for the Project, the Special Provisions for the Project, any technical specifications for the Project, and any other contract documents.

3 Compensation

City shall pay Contractor the total, all-inclusive, NOT-TO-EXCEED amount of four million six hundred nity three thousand two hundred eighty Dollars (\$4693280.00) for the construction of the Project. This amount shall cover all expenses for labor, materials, and any and all other costs incurred by Contractor to satisfactorily construct the Project. Unless otherwise provided in the bid documents or agreed upon by the parties, Contractor shall submit detailed, monthly invoices for work actually performed.

4 Completion Date

The construction of the Project shall commence upon Contractor being given a written notice to proceed, and shall be completed within 350 working days.

5 Payment and Performance Bonds; Guaranty

Unless otherwise expressly provided in the bid documents, prior to commencing work, Contractor shall provide a payment bond and performance bond, each in an amount equal to 100% of the Contract price. The bond forms required to be executed are attached hereto and incorporated by reference herein. Pursuant to the bid documents for this Project, the Contractor is required to provide a written guaranty of Contractor's work. In furtherance thereof, Contractor shall execute the written form of Guaranty attached hereto and incorporated by reference herein.

6 Licenses

At all times during the term of this Contract, Contractor shall possess a valid and current Class A Contractor's License **or Specialty Contractor License consisting of Class N/A license** to perform the required work ("Work"). Contractor's DIR registration number is C2142922. Contractor hereby certifies that it holds the required license(s).

7 Subcontracting

Subject to any self-performance requirements herein, Contractor may subcontract any portion of the work required by this Contract to other persons or firms, and Contractor submitted with its bid a list of those subcontractors who will perform work in an amount in excess of one-half of one percent (1%) of the Contractor's total bid, in compliance with the Subletting and Subcontracting Fair Practices Act, California Public Contract Code § 4100, et seq. Only such listed subcontractors may perform on this Project.

8 Non-Assignability

Neither this Contract nor any rights, title, interest, duties or obligations under this Contract may be assigned, transferred, conveyed or otherwise disposed of by Contractor without the prior written consent of City.

9 Administration

This Contract will be administered by the Public Works Department of the City. The Director of Public Works or his or her designee shall be considered the Project Administrator and shall have the authority to act for the City under this Contract.

10 Indemnification

To the maximum extent permitted by law, Contractor shall indemnify, protect, defend and hold harmless the City, its Board of Director, the City's officers, employees, agents, volunteers, and representatives ("Indemnitees") with respect to any and all claims, suits, actions, stop notices, liabilities and/or damages, including related expenses, attorney's fees and costs, based on, arising out of, or in any way related to the work undertaken by Contractor pursuant to this Contract, and in connection with the Project.

11 Liability Insurance

11.1 Without limiting Contractor's indemnification of City, as described in paragraph 10, and unless modified by City, Contractor shall obtain, provide and maintain, at its own expense, during the term of this Contract, a policy or policies of insurance, satisfactory to the City, from insurance carriers admitted to do business in the State of California and rated in A.M. Best's Insurance Guide with a rating of A:VII or better, which contain the coverage described below.

11.1.1 Commercial General Liability

- \$5,000,000.00 limit on a per occurrence basis
- \$10,000,000.00 general aggregate limit
- Policy shall include a per project aggregate

11.1.2 Commercial Automobile Liability

- \$5,000,000.00 combined single limit including owned, non-owned and hired automobile coverage

11.1.3 Workers' Compensation and Employer's Liability

- Workers' Compensation -- coverage as required by the State of California
- Employer's Liability -- \$1,000,000.00 each accident
 - \$1,000,000.00 policy limit bodily injury
 - \$1,000,000.00 each employee bodily injury by disease

11.1.4 Environmental/Contractor's Pollution Liability*

- \$2,000,000.00 limit on a per occurrence basis
- \$5,000,000.00 general aggregate limit

1.1.5 Professional Liability (Errors & Omissions)*

- \$5,000,000.00 limit on a per occurrence basis
- \$10,000,000.00 general aggregate limit

1.1.6 Cyber Liability*

- \$5,000,000.00 limit on a per occurrence basis

11.2 Policies providing for bodily injury and property damage coverage shall contain the following:

A. An endorsement extending coverage to the City as an additional insured, as respects liability arising out of the performance of any work under the Contract. Such insurance shall be primary insurance, as respects the interest of the City, and any other insurance maintained by the City shall be considered excess coverage and not contributing insurance with the insurance required hereunder. The certificates shall state: "The City of Palmdale, Successor Agency to the Community Redevelopment Agency of the City of Palmdale, Palmdale Civic Authority, Housing Authority, Industrial Development Authority, Airport Authority, their officers, agents, employees and volunteers are named as additional insured".

B. "Severability of Interest" Clause.

11.3 Promptly upon execution of this Contract, and prior to commencement of any work, CONTRACTOR shall deliver to CITY certificates of insurance and endorsements to all required policies demonstrating that CONTRACTOR has the required coverage and showing the required named insured. Within five (5) days of written request from CITY, CONTRACTOR shall deliver to CITY full and complete copies of all insurance policies required by this Contract.

11.4 Said Certificates of Insurance shall provide that thirty (30) days' prior written notice of cancellation shall be given to the City in the event of cancellation and/or reduction in coverage of any nature.

11.5 The required policies of insurance shall be endorsed to waive all rights of subrogation. Contractors waives all rights of subrogation.

11.6 Acceptable Proof of Insurance:

A. ACORD Certificate of Insurance listing all coverage, limits, deductibles and insured; and endorsements for all applicable coverage if agent has authority to issue it; or additional insured Form CG20100704 and CG20370704 or equivalent must be provided for general liability coverage. Additional insured form CA0001 must be provided for automobile liability coverage.

B. Binders of insurance for all coverage. Agents must confirm that policy endorsements have been ordered from the respective insurance companies. Upon issuance, policy endorsements and a corresponding Certificate of Insurance listing all insurers and coverage must be submitted to the City Attorney.

C. *When pollution/environmental liability, professional liability (errors & omissions) and /or cyber liability coverage is provided on a "claims made basis", CONTRACTOR will continue to renew the insurance for a period of five (5) years after this Agreement expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement, and will cover CONTRACTOR, or its officers, employees, or agents during the time this Agreement was in effect.

11.7 The requirements as to the types and limits of insurance to be maintained by CONTRACTOR are not intended to and shall not in any manner limit or qualify CONTRACTOR's liabilities and obligations under this Contract.

11.8 Any policy or policies of insurance that CONTRACTOR elects to carry as insurance against loss or damage to its equipment and tools or other personal property used in the performance of this Contract shall include a provision waiving the insurer's right of subrogation against CITY.

11.9 Notwithstanding any other provision of this Contract, CITY may immediately terminate this Contract if, at any time CONTRACTOR fails to maintain the required insurance for any period of time or fails to comply with any of the insurance requirements listed above.

11.10 CONTRACTOR shall require any and all subcontractors working on its behalf to provide insurance coverages and limits that are based on the scope of work and nature of risk being performed by the subcontractor. Any and all subcontractors working on behalf of CONTRACTOR shall be subject to all other insurance requirements that are stated herein.

Any deviation in this requirement will be CONTRACTOR's sole risk. CONTRACTOR's insurance requirements in Section 11 will not be impacted and/or limited by such deviation.

12 State Labor Code

12.1 This Contract calls for work to be performed constituting public works. Contractor and all subcontractors shall pay the general prevailing rate of per diem wages as determined and as published by the State Director of the Department of Industrial Relations pursuant to Article 2 of Chapter 1 of Part 7, of Division 2 of the State Labor Code, including, but not limited to, Sections 1770, 1771, 1773, 1773.2 and 1774.

12.2 This is a public work and requires the payment of prevailing wages for the work or craft in which the worker is employed for any public work done under the contract by Contractor or by any subcontractor pursuant to Section 1771 of the Labor Code. Pursuant to the provisions of Section 1773 of the Labor Code of the State of California, the City has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in this locality for each craft, classification, or type of workman needed to execute this contract from the Director of the Department of Industrial Relations. These rates are on file with the City or may be obtained at <http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm>.

Contractor shall post a copy of such wage rates at the job site and shall pay the adopted prevailing wage rates as a minimum. Contractor shall comply with the provisions of Sections 1775, 1776, 1777.5, 1777.6, and 1813 of the Labor Code. Pursuant to the provisions of 1775 of the Labor Code, Contractor shall forfeit to the City, as a penalty, not more than \$200.00 for each calendar day, or portion thereof, for each laborer, worker, or mechanic employed, paid less than the stipulated prevailing rates for any work done under this Contract, by him or by any subcontractor under him, in violation of the provisions of this Agreement.

12.3 Contractors and subcontractors who are ineligible to bid for work on, or be awarded, a public works project pursuant to Labor Code Sections 1777.1 and 1777.7 are prohibited from bidding on, being awarded, or performing work as a subcontractor, on this Project pursuant to Public Contract Code Section 6109.

12.4 Contractor's attention is directed to the provisions in Sections 1774, 1775, 1776, 1777.5 and 1777.6 of the Labor Code. Contractor shall comply with the provisions in these Sections. The statutory provisions for penalties for failure to comply with the State's wage and hours laws will be enforced. Pursuant to Section 1775 of the Labor Code, the Contractor and any subcontractors, shall, as a penalty to the City forfeit the prescribed amounts per calendar day, or portion thereof, for each worker paid less than the prevailing wage rates.

12.5 Pursuant to Labor Code Section 1771.4, the Project is subject to compliance monitoring and enforcement by the California Department of Industrial Relations.

12.6 Each Contractor and subcontractor shall furnish the records specified in Labor Code Section 1776 directly to the State Labor Commissioner at least monthly in the format prescribed by the State Labor Commissioner.

12.7 Sections 1774 and 1775 require the Contractor and all subcontractors to pay not less than the prevailing wage rates to all workmen employed in the execution of the Contract and specify forfeitures and penalties for failure to do so. The minimum wages to be paid are those determined by the State Director of the Department of Industrial Relations. Section 1776 requires the Contractor and all subcontractors to keep accurate payroll records, specifies the contents thereof, their inspection and duplication procedures and certain notices required of the Contractor pertaining to their location.

12.8 Section 1777.5 of the Labor Code requires Contractor or subcontractor employing workers in any apprenticeable occupation to apply to the Joint Apprenticeship Committee nearest the site of the public works project, which administers the apprenticeship program in that trade for a certificate of approval. The certificate will also fix the ratio of apprentices to journeymen to be used in the performance of the Contract. The Contractor is required to make contributions to funds established for the administration of apprenticeship programs if he employs registered apprentices or journeymen in any apprenticeable trade and if other contractors on the public works site are making such contributions. Information relative to apprenticeship standards, contributions, wage schedules and other requirements may be obtained from the State Director of Industrial Relations or from the Division of Apprenticeship Standards. Section 1777.6 of the Labor Code provides that it shall be unlawful to refuse to accept otherwise qualified employees as registered apprentices solely on the grounds of race, religious creed, color, national origin, ancestry, sex, or age.

12.9 Eight hours labor constitutes a legal day's work, as set forth in Labor Code Section 1810. The statutory provisions for penalties for failure to comply with the State's wage and hour laws will be enforced as set forth in Labor Code Section 1813.

13 Antitrust Claims

In entering into this Agreement, Contractor offers and agrees to assign to the City all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the California Business and Professions Code) arising from purchases of goods, services, or materials pursuant to the Agreement. This assignment shall be made and become effective at

the time the City tenders final payment to Contractor without further acknowledgment by the parties.

14 Trenching and Excavations

Pursuant to Public Contract Code Section 7104, if the Project involves trenching more than four (4) feet deep, Contractor shall promptly and before the following conditions are disturbed notify the City in writing of any:

14.1 Material that Contractor believes may be material that is hazardous waste, as defined in California Health and Safety Code Section 25117, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law; and/or

14.2 Subsurface or latent physical conditions at the site differing from those indicated; and/or

14.3 Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract.

14.4 As required by Labor Code Section 6705 and in addition thereto, whenever work under the Contract that involves an estimated expenditure in excess of twenty-five thousand dollars (\$25,000) for the excavation of any trench or trenches five (5) feet or more in depth, Contractor shall submit for acceptance by City in advance of excavation, a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation, of such trench or trenches. If such plan varies from the shoring system standards established by the Construction Safety Orders of the Division of Industrial Safety, the plan shall be prepared by a registered civil or structural engineer employed by Contractor, and all costs therefor shall be included in the price of the Contract. Nothing in this provision shall be deemed to allow the use of a shoring, sloping, or other protective system less effective than that required by the Construction Safety Orders. Nothing in this provision shall be construed to impose tort liability on the City or on any City officer, agent, consultant, representative, or employee. All plans, processing and shoring costs are Contractor's responsibility and must be included in Contractor's bid.

15 Location of Existing Elements

Pursuant to Government Code Sections 4216 to 4216.9, the methods used and costs involved to locate existing elements, points of connection and all construction methods are Contractor's sole responsibility. Accuracy of information furnished, as to existing conditions, is not guaranteed. Contractor, at its sole expense, must make all investigations necessary to determine locations of existing elements, which may include, without limitation, contacting U.S.A. alert and other private underground

locating firm(s), and/or utilizing potholes, specialized locating equipment and/or hand trenching.

16 Third Party Claims

Pursuant to Public Contract Code Section 9201, the City has full authority to compromise or otherwise settle any claim relating to this Contract at any time. The City shall timely notify Contractor of the receipt of any third-party claim relating to the Contract. The City shall be entitled to recover its reasonable costs incurred in providing the notification required by Public Contract Code Section 9201(b).

17 Non-Collusion

Contractor hereby certifies that this bid is genuine and not a sham or collusive, or made in the interest or on behalf of any person or business not herein named. Contractor further certifies that Contractor has not directly or indirectly induced or solicited any other bidder to furnish a sham bid, or any other person or business to refrain from bidding, and Contractor has not in any manner sought by collusion to secure itself an advantage over any other bidder. Contractor also affirms that it has signed and submitted with its bid to the City a Non-collusion Declaration as required by Public Contract Code Section 7106.

18 Conflicts of Interest

Contractor agrees not to accept any employment or representation during the term of this Contract or within twelve (12) months after completion of the work under this Contract which is or may likely make Contractor "financially interested," as provided in Government Code Section 1090 and 87100, in any decisions made by City on any matter in connection with which Contractor has been retained pursuant to this Contract.

19 Audit

The City or its representative shall have the option of inspecting and/or auditing all records and other written materials used by Contractor in preparing its billings to the City as a condition precedent to any payment to Contractor. Contractor will promptly furnish documents requested by the City. Additionally, pursuant to Government Code Section 8546.7, if this Contract involves the expenditure of public funds in excess of ten thousand dollars (\$10,000), Contractor shall be subject to State Auditor examination and audit at the request of the City or as part of any audit of the City, for a period of three (3) years after final payment under this Contract.

20 Substitute Security

Pursuant to Public Contract Code Section 22300, the substitution of securities for any moneys withheld by the City to ensure performance under a contract is permitted, except where financing will be provided by the Farmers Home Administration of the United States Department of Agriculture pursuant to the Consolidated Farm and

Rural Development Act (7 U.S.C. Sec. 1921 *et seq.*) or where federal regulations or policies, or both, do not allow the substitution of securities. At the request and expense of Contractor, securities equivalent to the amount withheld shall be deposited with the City, or with a state or federally chartered bank in the State of California as the escrow agent, that shall then pay those moneys to Contractor. Upon satisfactory completion of the Contract, the securities shall be returned to Contractor.

Alternatively, Contractor may request and the City shall make payment of retentions earned directly to the escrow agent at the expense of Contractor. At the expense of Contractor, Contractor may direct the investment of the payments into securities, and Contractor shall receive the interest earned on the investments upon the same terms provided for securities deposited by Contractor. Upon satisfactory completion of the Contract, Contractor shall receive from the escrow agent all securities, interest, and payments received by the escrow agent from the City, pursuant to the terms of this section.

Securities eligible for investment shall include those listed in California Government Code Section 16430, bank or savings and loan certificates of deposit, interest-bearing demand deposit accounts, standby letters of credit, or any other security to which Contractor and the City agree in writing. Contractor shall be the beneficial owner of any securities substituted for moneys withheld and shall receive any interest thereon.

If Contractor elects to receive interest on moneys withheld in retention by the City, it shall, at the request of any subcontractor performing more than five percent (5%) of Contractor's total bid, make that option available to the subcontractor regarding any moneys withheld in retention by Contractor from the subcontractor. If Contractor elects to receive interest on any moneys withheld in retention by the City, then the subcontractor shall receive the identical rate of interest received by Contractor on any retention moneys withheld from the subcontractor by Contractor, less any actual pro rata costs associated with administering and calculating that interest. In the event that the interest rate is a fluctuating rate, the rate for the subcontractor shall be determined by calculating the interest rate paid during the time that retentions were withheld from the subcontractor. If Contractor elects to substitute securities in lieu of retention, then, by mutual consent of Contractor and its subcontractor, the subcontractor may substitute securities in exchange for the release of moneys held in retention by Contractor. No Contractor shall require any subcontractor to waive any provision of this paragraph.

The escrow agreement for security deposits in lieu of retention shall be substantially similar to the form provided in Public Contract Code Section 22300(f).

21 Claims Dispute Resolution

In the event of any dispute or controversy with the City over any matter whatsoever, the Contractor shall not cause any delay or cessation in or of Work, but shall proceed

with the performance of the Work in dispute. The Contractor shall retain any and all rights provided that pertain to the resolution of disputes and protests between the parties. The Disputed Work will be categorized as an “unresolved dispute” and payment, if any, shall be as later determined by mutual agreement or a court of law. The Contractor shall keep accurate, detailed records of all Disputed Work, claims and other disputed matters.

All claims arising out of or related to the Contract documents or this Project, and the consideration and payment of such claims, are subject to the Government Claims Act (Government Code Section 810 et seq.) with regard to filing claims. All such claims are also subject to Public Contract Code Section 9204 and Public Contract Code Section 20104 et seq. (Article 1.5), where applicable. This Contract hereby incorporates those provisions as though fully set forth herein. Thus, the Contractor or any Subcontractor must file a claim in accordance with the Government Claims Act as a prerequisite to filing a construction claim in compliance with Section 9204 and Article 1.5 (if applicable), and must then adhere to Section 9204 and Article 1.5 (as applicable), pursuant to the definition of “claim” as individually defined therein.

22 Non-discrimination and Equal Employment Opportunity

22.1 In performance of this Contract, CONTRACTOR shall not discriminate against any employee, subcontractor, or applicant for employment because of sex, color, race, religion, ancestry, national origin, disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sexual orientation, age, gender, gender identity, gender expression, genetic information, or military and veteran status.

CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their sex, color, race, religion, ancestry, national origin, disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sexual orientation, age, gender, gender identity, gender expression, genetic information, or military and veteran status. Affirmative action relating to employment shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

22.2 The provisions of subsection 16.1 above shall be included in all solicitations or advertisements placed by or on behalf of CONTRACTOR for personnel to perform any services under this Contract. CITY shall have access to all documents, data and records of CONTRACTOR and its subcontractors for purposes of determining compliance with the equal employment opportunity and non-discrimination provisions of this Section, and all applicable provisions of Executive Order No. 11246 which is incorporated herein by this reference. A copy of Executive Order No. 11246 is available for inspection at, and on file with, the Palmdale City Clerk’s Office.

23 Integration

This Contract supersedes any and all agreements, either oral or written, between the parties hereto with respect to the construction of the Project by Contractor for City and contains all of the covenants and agreements between the parties with respect to the construction of the Project. Each party to this Contract acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made with regard to the construction of the Project by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement, or promise regarding work not contained in this Contract shall be valid or binding. Any modification or amendment of this Contract will be effective only if it is in writing and signed by the parties to this Contract. Any changes to the work required by this Contract will be by change order signed by the parties.

24 Governing Law

This Contract will be governed by and construed in accordance with the laws of the State of California without reference to change of venue laws. Any legal action in which enforcement of the terms and conditions of this Contract is requested, or in which it is alleged that a breach of this Contract has taken place, shall be filed and prosecuted in the County of Los Angeles, California.

25 Successors and Assigns

The terms and conditions of this Contract shall be binding on the successors and assigns of the parties to this Contract.

26 Exhibits

The exhibits and attachments referenced in this Contract are attached hereto and incorporated herein by this reference as though set forth in full in the Contract.

27 Authority to Sign

The person or persons executing this Contract on behalf of the Contractor warrant and represent that they have the authority to execute this Contract on behalf of the Contractor and have the authority to bind Contractor to the construction of the Project.

28 Time is of the Essence

Time is of the essence in every provision of this Agreement in which time to perform is a factor.

29 American Rescue Plan Funding

CONTRACTOR, understands, acknowledges, and agrees that the funding source for its work is from the American Rescue Plan, Coronavirus State and Local Fiscal Recovery Funds (collectively "ARPA") and as such, CONTRACTOR is required to

comply with the regulations associated with ARPA funds pursuant to 31 CFR Part 35. Those regulations and reporting requirements are set forth in Exhibit “A” attached hereto and incorporated herein by reference. By executing this Contract, CONTRACTOR agrees to comply with all such regulations and reporting requirements and shall familiarize itself with those requirements.

30 Community Project Funding (Earmarks)

CONTRACTOR understands, acknowledges and agrees that the funding source for its work is from the Community Project Funding, (“CPF”), CFDA number 14.25114.251, and as such, CONTRACTOR is required to comply with the regulations associated with CPF funds in accordance with the Consolidated Appropriations Act, 2024, P.L. 118-42 and the further Consolidated Appropriations Act, 2024, P.L. 118-47). Those regulations and reporting requirements are set forth in Exhibit “B” attached hereto and incorporated herein by reference. By executing this Contract CONTRACTOR agrees to comply with all such regulations and reporting requirements and shall familiarize itself with those requirements.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE

NEW CREATION BUILDERS, INC.

SIGNATURE AREA

SIGNATURE AREA

Ronda Perez Date
City Manager

Jimmy Chung Date
President

SIGNATURE AREA

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38300 Sierra Hwy.
Palmdale, CA 93550

ADDRESS FOR NOTICE:
NEW CREATION BUILDERS, INC.
17809 Clark Ave.
Bellflower, CA 90706

APPROVE AS TO FORM:

SIGNATURE AREA

William P. Curley, III
City Attorney

ATTEST:

ATTEST: If Corporation

SIGNATURE AREA

SIGNATURE AREA

Roxanne Faber
City Clerk

Secretary

[Signatures of contractor must be notarized. Obtain two corporate signatures if contractor is a corporation.]

EXHIBIT “A” ARPA REQUIREMENTS

RECITAL:

On March 11, 2021, the American Rescue Plan Act (“ARP Act”) was signed into law. The ARP Act was intended to provide increased aid to individuals, families, businesses, and governments affected by the COVID-19 pandemic. The ARP Act established and funded the Coronavirus State and Local Fiscal Recovery Funds (the “CSLFRF”), which included two hundred forty (240) billion dollars for state, territorial, local, and Tribal governments that are being used to fight the pandemic and accelerate local economic recovery.

MANDATORY CONTRACT PROVISIONS FOR ARP ACT EXPENDITURES:

Procurement processes for expenditures using American Rescue Plan Act (ARPA) funds generally follow state and local rules. In most cases, city procurement policies will satisfy the federal requirements. One notable difference is that federal procurement regulations mandate specific contract provisions in certain circumstances. There are no requirements for contracts or expenditures of less than \$10,000. However, using ARPA funds for contracts in excess of \$10,000 triggers the mandatory contract provisions in 2 CFR Part 200, Appendix II.

Most contract provisions are required only on those exceeding \$100,000 or those for construction projects of any amount. However, mandatory contract provisions will apply if a city obligates ARPA funds to a contract that exceeds \$100,000.

For ease of administration, below is an explanation of the mandatory contract provisions and model language necessary for compliance with federal law disclosures.

2 C.F.R. PART 200: APPENDIX II, CONTRACT PROVISIONS

- For contracts over \$10,000, cities must include a provision that addresses termination for cause and convenience by the local government, including the process for termination and the basis for settlement.
- For contracts over \$100,000, cities must include a provision that addresses administrative, contractual, or legal remedies if a contractor violates or breaches the contract, including sanctions and penalties for the breach.
- In accepting the ARPA award, local governments agreed to include an EEO statement in any federally assisted construction contract defined in 41 CFR Part 60-1.3. A federally assisted construction contract is defined as follows:
 - Any agreement or modification thereof between any applicant and a person for construction work which is paid for in whole or in part with funds obtained from the government or borrowed on the credit of the government pursuant to any federal program involving a grant, contract, loan, insurance, or guarantee, or undertaken pursuant to any federal program involving such grant, contract, loan, insurance, or guarantee, or any application or modification thereof approved by the government

for a grant, contract, loan, insurance, or guarantee under which the applicant itself participates in the construction work.

EQUAL EMPLOYMENT OPPORTUNITY:

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:

- 1. Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.*
- 2. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.*
- 3. The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.*
- 4. The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.*
- 5. The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.*
- 6. The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary*

of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

- 7. In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part, and the contractor may be declared ineligible for further government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.*
- 8. The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:*

Provided, however, that in the event a contractor becomes involved in or is threatened with litigation with a subcontractor or vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

Contracts that are in excess of \$100,000 and involve the employment of mechanics or laborers must include provisions requiring compliance with the Contract Work Hours and Safety Standards Act as follows:

(1) Overtime requirements: No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such a workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such a workweek.

(2) Violation: liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (1) of this section, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory) for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The City of Palmdale shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower-tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower-tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this section.

Contracts and subgrants in excess of \$150,000 must contain a provision that requires the non-federal award to agree to comply with all applicable standards, orders, or regulations of the Clean Air Act and Federal Water Pollution Control Act.

CLEAN AIR ACT

(1) The contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.

(2) The contractor agrees to report each violation to the City of Palmdale and understands and agrees that the City of Palmdale will, in turn, report each violation as required to assure notification to the Treasury Department and the appropriate Environmental Protection Agency Regional Office.

(3) The contractor agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with American Rescue Plan Act funding.

FEDERAL WATER POLLUTION CONTROL ACT

(1) The contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.

(2) The contractor agrees to report each violation to the City of Palmdale and understands and agrees that the City of Palmdale will, in turn, report each violation as required to assure notification to the Treasury Department and the appropriate Environmental Protection Agency Regional Office.

(3) The contractor agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with American Rescue Plan Act funds.

Federal Water Pollution Control Act

(1) The contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.

(2) The contractor agrees to report each violation to the City of Palmdale and understands and agrees that the City of Palmdale will, in turn, report each violation as required to assure notification to the Treasury Department and the appropriate Environmental Protection Agency regional office.

(3) The contractor agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with American Rescue Plan Act funds.

In order to contract with the City, all parties must:

- (a) Be registered in SAM.gov (<https://sam.gov/content/home>); and*
- (b) Maintain an active SAM registration with current information, including information on a recipient's immediate and highest-level owner and subsidiaries; and*
- (c) Provide its unique entity identifier to the City before a contract is executed; and*
- (d) Not have an active exclusion record on SAM.gov which would indicate the entity has been debarred.*

As of April of 2022, all entities doing business with the federal government must use a Unique Entity ID created in SAM.gov. The federal government has stopped using the DUNS number to uniquely identify entities.

.....
Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352: Contractors that apply for a bid or award exceeding \$100,000 must file the required certification that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency. Cities should include the Byrd Anti-Lobbying contract clause is as follows:

Contractors who apply or bid for an award of \$100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier, up to the recipient.

BUY AMERICA PREFERENCE IN FEDERAL FINANCIAL ASSISTANCE PROGRAMS FOR INFRASTRUCTURE – RESTORE ACT

On November 15, 2021, President Biden signed into law the Infrastructure Investment and Jobs Act ("IIJA"), Pub. L. No. 117-58, which includes the Build America, Buy America Act ("the Act"). Pub. L. No. 117-58, §§ 70901-52. The Act strengthens Made in America Laws and will bolster America's industrial base, protect national security,

and support high-paying jobs. The Act requires that no later than May 14, 2022—180 days after the enactment of the IIJA—the head of each covered Federal agency shall ensure that “none of the funds made available for a Federal financial assistance program for infrastructure, including each deficient program, may be obligated for a project unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States.”

RESTORE Act - Buy America Preference | U.S. Department of the Treasury.”

TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable.

1. Recipient ensures its current and future compliance with Title VI of the Civil Rights Act of 1964, as amended, which prohibits exclusion from participation, denial of the benefits of, or subjection to discrimination under programs and activities receiving federal financial assistance, of any person in the United States on the ground of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury Title VI regulations at 31 CFR Part 22 and other pertinent executive orders such as Executive Order 13166, directives, circulars, policies, memoranda, and/or guidance documents.
2. Recipient acknowledges that Executive Order 13166, “Improving Access to Services for Persons with Limited English Proficiency,” seeks to improve access to federally assisted programs and activities for individuals who, because of national origin, have Limited English proficiency (LEP). Recipient understands that denying a person access to its programs, services, and activities because of LEP is a form of national origin discrimination prohibited under Title VI of the Civil Rights Act of 1964 and the Department of the Treasury’s implementing regulations. Accordingly, Recipient shall initiate reasonable steps, or comply with the Department of the Treasury’s directives, to ensure that LEP persons have meaningful access to its programs, services, and activities. Recipient understands and agrees that meaningful access may entail providing language assistance services, including oral interpretation and written translation where necessary, to ensure effective communication in the Recipient’s programs, services, and activities.
3. Recipient agrees to consider the need for language services for LEP persons when Recipient develops applicable budgets and conducts programs, services, and activities. As a resource, the Department of the Treasury has published its LEP guidance at 70 FR 6067. For more information on taking reasonable steps to provide meaningful access for LEP persons, please visit <http://www.lep.gov>.
4. Recipient acknowledges and agrees that compliance with the assurances constitutes a condition of continued receipt of federal financial assistance and is binding upon Recipient and Recipient’s successors, transferees, and assignees for the period in which such assistance is provided.

5. Recipient acknowledges and agrees that it must require any sub-grantees, contractors, subcontractors, successors, transferees, and assignees to comply with assurances 1-4 above, and agrees to incorporate the following language in every contract or agreement subject to Title VI and its regulations between the Recipient and the Recipient's sub-grantees, contractors, subcontractors, successors, transferees, and assignees:

The sub-grantee, contractor, subcontractor, successor, transferee, and assignee shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this contract (or agreement). Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this contract or agreement.

6. Recipient understands and agrees that if any real property or structure is provided or improved with the aid of federal financial assistance by the Department of the Treasury, this assurance obligates the Recipient, or in the case of a subsequent transfer, the transferee, for the period during which the real property or structure is used for a purpose for which the federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is provided, this assurance obligates the Recipient for the period during which it retains ownership or possession of the property.

7. Recipient shall cooperate in any enforcement or compliance review activities by the Department of the Treasury of the aforementioned obligations. Enforcement may include investigation, arbitration, mediation, litigation, and monitoring of any settlement agreements that may result from these actions. The Recipient shall comply with information requests, on-site compliance reviews and reporting requirements.

8. Recipient shall maintain a complaint log and inform the Department of the Treasury of any complaints of discrimination on the grounds of race, color, or national origin, and limited English proficiency covered by Title VI of the Civil Rights Act of 1964 and implementing regulations and provide, upon request, a list of all such reviews or proceedings based on the complaint, pending or completed, including outcome. Recipient also must inform the Department of the Treasury if Recipient has received no complaints under Title VI.

9. Recipient must provide documentation of an administrative agency's or court's findings of non-compliance of Title VI and efforts to address the non-compliance, including any voluntary compliance or other agreements between the Recipient and the administrative agency that made the finding. If the Recipient settles a case or matter alleging such discrimination, the Recipient must provide documentation of the

settlement. If Recipient has not been the subject of any court or administrative agency finding of discrimination, please so state.

10. If the Recipient makes sub-awards to other agencies or other entities, the Recipient is responsible for ensuring that sub-recipients also comply with Title VI and other applicable authorities covered in this document. State agencies that make sub-awards must have in place standard grant assurances and review procedures to demonstrate that they are effectively monitoring the civil rights compliance of subrecipients.

The United States of America has the right to seek judicial enforcement of the terms of this assurances document and nothing in this document alters or limits the federal enforcement measures that the United States may take in order to address violations of this document or applicable federal law.

Under penalty of perjury, the undersigned official(s) certifies that official(s) has read and understood the Recipient's obligations as herein described, that any information submitted in conjunction with this assurances document is accurate and complete, and that the Recipient is in compliance with the aforementioned nondiscrimination requirements.

ARPA Regulations, 31 CFR Part 35 ("Regulations") are incorporated herein and made a part of this Contract.

CONTRACTOR agrees to be bound by the reporting requirements set out in the Regulations. This includes submitting quarterly reports by the 15th of the month following the end of each quarter to the Director of Finance. The reports must include, but is not limited to, the use of the funds, documentation/receipts of the funds spent, description of the project and status of completion of the project. The Director of Finance may require additional information of CONTRACTOR for compliance with ARPA Regulations.

CONTRACTOR, in the performance of this Contract and as a sub-recipient of ARPA funds, as well as all of its subcontractors, must comply with the following:

1. CONTRACTOR, and any and all of its subcontractors, must ensure that they do not deny benefits, services or otherwise discriminate on the basis of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity) in accordance with Title VI of the Civil Rights Act of 1964, Public Law 88-352, 42 U.S.C. 2000d-1 et seq., and the Department's implementing regulations, 31 CFR part 22; Section 504 of the Rehabilitation Act of 1973 (Section 504), Public Law 93-112, as amended by Public Law 93-516, 29 U.S.C. 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. 1681 et seq., and the Department's implementing regulations, 31 CFR part 28; Age Discrimination Act of 1975, Public Law 94-135, 42 U.S.C. 6101 et seq., and the Department implementing regulations at 31 CFR part 23. CONTRACTOR will be required to submit data showing compliance with the above.

2. Universal Identifier and System for Award Management (SAM), 2 C.F.R. Part 25, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 25 is hereby incorporated by reference.
3. Reporting Subaward and Executive Compensation Information, 2 C.F.R. Part 170, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference.
4. OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement), 2 C.F.R. Part 180, including the requirement to include a term or condition in all lower-tier covered transactions. (2 C.F.R. Part 180, subpart B) and that the award is subject to 2 C.F.R. Part 180 and Treasury's implementing regulation at 31 C.F.R. Part 19.
5. The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards found at 2 CFR Part 200 Appendix II.
6. Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference.
7. Governmentwide Requirements for Drug-Free Workplace, 31 C.F.R. Part 20.
8. New Restrictions on Lobbying, 31 C.F.R. Part 21
9. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. §§ 4601-4655) and implementing regulations.
10. Section 2 CFR 200.323 regarding Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (EPA guidelines at 40 CFR Part 247).
11. Section 200.322 of 2 CFR 200.322, Domestic preferences for procurements.
12. Generally applicable federal environmental laws and regulations.

----- INTERNAL USE ONLY -----

- ☐ Certificate(s) and Endorsement(s) attached
- ☐ Confirmed business name on contract with certificate(s)
- ☐ Attached notarized bond(s), Worker's Compensation Certificate, and Guaranty
- ☐ Attached Agreement Checklist and met all requirements



City Council Staff Report

DATE: DECEMBER 18, 2024

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: PUBLIC WORKS DEPARTMENT
CAPITAL IMPROVEMENT PROGRAM DIVISION

DISTRICT: ALL

SUBJECT: AWARD AND APPROVE AGREEMENT WITH NEW CREATION BUILDERS, INC., FOR DESIGN SERVICES PORTION OF THE BID (PHASE ONE) FOR PN 874, SOUTH ANTELOPE VALLEY EMERGENCY SERVICES TENANT IMPROVEMENTS AND RELOCATION PROJECT, FOR A TOTAL NOT TO EXCEED AMOUNT OF \$633,000 FOR A TERM OF 330 CALENDAR DAYS FROM THE DATE OF THE NOTICE TO PROCEED

RECOMMENDATION

Staff recommends that the City Council:

1. Award the design portion of the bid (Phase One);
2. Approve Agreement No. A-9143 with New Creation Builders, Inc. for design services for PN 874, South Antelope Valley Emergency Services Tenant Improvements and Relocation Project, for a total not to exceed amount of \$633,000 for a term of 330 calendar days from the date of the Notice to Proceed; and,
3. Authorize the City Manager or her designee to execute Agreement No. A-9143 with New Creation Builders, Inc., including minimal and/or non-substantial changes.

BACKGROUND

For over 40 years, South Antelope Valley Emergency Services (SAVES) has supported the working poor, disadvantaged, emancipated youth, the homeless, and senior citizens in the South Antelope Valley by providing food, short-term shelter, clothing, transportation passes, and programs such as holiday meal preparation, gift baskets, and back-to-school assistance. SAVES serves about 6,000 clients each year, steadily increasing, having tripled in the past decade. To keep up with the growing demand, expansion is essential.

Additionally, SAVES receives more donated food and items, requiring extra storage space, and currently uses off-site storage to manage this need. To better serve the community, SAVES needs more space for various services, including:

- Storing over 900,000 pounds of donations each year;
- Expanding donation services such as clothing, household items, and toys;
- Offering healthy living classes;
- Connecting clients with local resource providers and advisors;
- Organizing annual food and toy drives.

Larger facilities will also improve SAVES' ability to respond to emergencies like natural disasters, pandemics, or economic downturns, enhancing preparedness and resilience.

SAVES' daily operations and staffing are funded through the City's Community Development Block Grant (CDBG), public service funds, Emergency Food and Shelter grants, and Measure AV funding. Food is provided through a partnership with the Los Angeles Regional Food Bank and federal programs.

On August 3, 2022, the City Council approved the acquisition of real property located at 38820 3rd Street East (APN 3006-008-925) and two adjacent parcels (APN 3006-008-923 and APN 3006-008-924). The acquired building is an 8,250-square-foot prefabricated metal warehouse that will house a portion of the SAVES facility.

On September 19, 2023, John A. Martin & Associates, Inc. completed an evaluation of the existing prefabricated metal building, also known as a "Butler Building", for structural and seismic integrity. The report's conclusion identified a series of structural deficiencies and provided a list of recommended actions for structural strengthening.

DISCUSSION

On August 26, 2024, the City released a design-build Request For Proposals (RFP) to solicit services from architects and builders to relocate the existing SAVES operations to the new site and to design the necessary tenant improvements.

The RFP was advertised for eight weeks, with a bid closing date of October 23, 2024. Two bids were received and only one was deemed responsive. The RFP stipulated that the project has a Guaranteed Maximum Price (GMP) for each phase of the project. Phase 1 (Design) GMP is \$700,000, and Phase 2 (Construction) GMP is \$7,000,000, for a total project GMP of \$7,700,000.

Bidders	Base Bid Amount
New Creation Builders, Inc.	\$7,633,000
Del Amo Construction	\$11,200,000

New Creation Builders, Inc. is the low and responsive bidder. Staff reviewed the bid proposals, references, and required attachments and determined their submitted documents were compliant.

Staff recommends awarding the design portion of the bid to New Creation Builder, Inc. and approving the overall project scope and fees. Phase two for construction will be brought back for the Council's consideration and approval.

FISCAL IMPACT

\$633,000; This project is funded using ARPA funds in Account No. F0178158-724525. Sufficient funds are budgeted for the design portion of the project and are available in FY 2024-25. Funding for the project's second phase will be secured through the proposed CDBG Section 108 Loan and awarded at a later council meeting.

STRATEGIC PLAN

Goal IV: Maintain a desirable community where everyone wants to live, work and play.

B. Provide inclusive access to a variety of supportive services that build a resilient and healthy community.

Prepared by:	Leonardo Torres, P.E., Director of Public Works
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Ronda Perez, City Manager
Approved as to form:	William P. Curley, III, City Attorney

ATTACHMENTS

Agrmt No. A-9143 with New Creation Builders, Inc.
Project Map

AGREEMENT NO. A-9143
CONTRACT FOR DESIGN PROFESSIONAL SERVICES
BETWEEN THE CITY OF PALMDALE AND NEW CREATION BUILDERS, INC.
ARPA FUNDING

THIS CONTRACT FOR DESIGN PROFESSIONAL SERVICES ("Contract" herein) is made and entered into by and between the City of Palmdale a public body corporate and politic, (hereinafter called "CITY") and NEW CREATION BUILDERS, INC. (hereinafter called "PROJECT DESIGNER"). This Contract shall become effective on the date of the last signatory.

RECITALS

WHEREAS, City desires to engage PROJECT DESIGNER to perform certain technical and professional services, as provided herein, in connection with that certain project identified as PN 874 SAVES Tenant Improvements and Relocation - Phase I.

WHEREAS, PROJECT DESIGNER represents that PROJECT DESIGNER has the expertise and is qualified to perform the services described in this Contract and is duly registered under the laws of the State of California.

WHEREAS, PROJECT DESIGNER desires to accept such engagement.

NOW, THEREFORE, the parties agree as follows:

1 DESCRIPTION OF WORK

1.1 The City hereby engages PROJECT DESIGNER, and PROJECT DESIGNER accepts such engagement, to perform the following design professional services in a manner satisfactory to CITY:

PROJECT DESIGNER shall include construction documents for:

- a) Architectural;
- b) Interior design;
- c) Structural;
- d) Mechanical-Electrical-Plumbing;
- e) Fire-Life-Safety;
- f) IT Engineering;
- g) Acoustical;
- h) Civil Engineering; and,
- i) Landscape disciplines.

In addition, PROJECT DESIGNER shall include traffic engineering as part of the CEQA-Planning approval process.

As required by the Request For Proposal ("RFP"), PROJECT DESIGNER shall

provide the following services and features and perform all the elements stated in the RFP Appendix 1, Scope of Work:

- a) Use the existing warehouse as the primary SAVES storage facility;
- b) Construct prefabricated new structure as primary office and client service center;
- c) Connect the two spaces that allow pallet jacks/rolling carts to transport supplies between buildings on a concrete surface;
- d) Provide ample parking for visitors and staff; and,
- e) Provide truck access to the loading/receiving area.

PROJECT DESIGNER's complete proposal is attached as Exhibit "B".

This Contract covers the Design Phase (Phase I) of Project No. 874 SAVES Tenant Improvements and Relocation project as outlined in the RFP.

PROJECT DESIGNER shall complete all work described in the Description of Work for Phase I and submit Phase I final deliverables within Three Hundred and Thirty (330) Calendar days of the written Authorization to Proceed.

The Construction Phase (Phase II) is contingent upon the CITY securing additional funding, issuing a written Authorization to Proceed with Phase II, and will be addressed under separate Contract once funding is secured.

PROJECT DESIGNER shall be substantially completed with Phase II Construction by October 31, 2026.

1.2 Project deliverables shall be reviewed and approved by CITY to determine acceptable completion. CITY shall have the right to review and inspect the work during the course of its performance at such times as may be specified by CITY.

1.3 PROJECT DESIGNER shall not accept any change of scope, or change in contract provisions, unless issued in writing, as a contract change order or amendment and signed by CITY. Any extensions of time must be mutually agreed upon in writing and executed by both parties.

1.4 CITY shall provide to PROJECT DESIGNER, without charge, all data, program information, including reports, records, maps, and other information, now in CITY's possession, which may facilitate the timely performance of the work.

1.5 CONTRACTOR, understands, acknowledges, and agrees that the funding source for its work is from the American Rescue Plan, Coronavirus State and Local Fiscal Recovery Funds (collectively "ARPA") and as such, CONTRACTOR is required to comply with the regulations associated with ARPA funds pursuant to 31 CFR Part

35. Those regulations and reporting requirements are set forth in Exhibit “A” attached hereto and incorporated herein by reference. By executing this Contract, CONTRACTOR agrees to comply with all such regulations and reporting requirements and shall familiarize itself with those requirements.

2 CITY PROJECT MANAGER

To provide the design professional services required by this Contract, PROJECT DESIGNER shall act under the authority and approval of a Project Manager appointed by the Director of Public Works/designee. The City Project Manager will oversee the work under this Contract, assist PROJECT DESIGNER with any necessary information, audit billings, and approve payments. PROJECT DESIGNER shall channel reports, deliverables and special requests through the City Project Manager.

3 PROJECT DESIGNER’S KEY PERSONNEL

PROJECT DESIGNER’s Team and Key Personnel are as follows:

Arthur Magtibay, VP, Project Executive

Zuriel Crisosstomo, Construction Project Manager

Rod Cayabyab, QA / QC Manager

Edward Lok Ng, BOA Architecture, Architect, LEED AP, Project Manager

This Design Professional Services Contract has been awarded to PROJECT DESIGNER based on its representation that those personnel and subcontractors listed above will perform the portions of the work listed above. PROJECT DESIGNER shall not deviate nor substitute any of these team members without prior written approval by CITY.

4 COMMENCEMENT AND COMPLETION OF WORK

The services for the Project shall commence when CITY, acting by and through its Project Manager, issues a written authorization to proceed. PROJECT DESIGNER shall complete all work described in the Description of Work and submit final deliverables within Three Hundred and Thirty (330) calendar days of said authorization. PROJECT DESIGNER shall have no claim for compensation for any services or work, which has not been authorized by CITY’s authorization to proceed.

5 TAXES

5.1 PROJECT DESIGNER shall pay all sales, consumer, use, and other similar taxes required to be paid by PROJECT DESIGNER in accordance with state and local laws.

5.2 PROJECT DESIGNER is an independent contractor and shall have no power or authority to incur any debt, obligation, or liability on behalf of CITY. No person

employed by PROJECT DESIGNER or acting on its behalf, in connection with this Contract shall be considered the Agent or employee of CITY.

5.3 PROJECT DESIGNER shall be required to obtain a current City of Palmdale business license, as required by the Palmdale Municipal Code, before an Authorization to Proceed is issued.

6 PATENT FEES AND ROYALTIES

PROJECT DESIGNER shall pay all license fees and royalties and assume all costs incident to the use, in the performance of the work or the incorporation in the work of any invention, design, process, product or device which is the subject of patent rights or copyrights held by others. If a particular invention, design, process, product or device is specified by CITY for use in the performance of the work and if, to the actual knowledge of CITY, its use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by CITY in the contract documents. PROJECT DESIGNER shall indemnify and hold harmless CITY and anyone directly or indirectly employed by CITY from and against all claims, damages, losses and expenses (including attorneys' fees) arising out of any infringement of patent rights or copyrights incident to the use in the performance of the work, or resulting from the incorporation in the work of any invention, design, process, product or device not specified by CITY, and shall defend all such claims in connection with any alleged infringement of such rights.

7 STANDARDS OF PERFORMANCE

7.1 PROJECT DESIGNER shall be responsible for the completeness and accuracy of its services and work and documents resulting there from, and CITY shall not be responsible for discovering deficiencies therein. PROJECT DESIGNER shall correct any such deficiencies or errors without additional compensation and without cost to CITY, except to the extent any such deficiency is directly attributable to deficiencies in CITY-furnished information.

7.2 PROJECT DESIGNER shall be familiar with CITY's Standard Details and Specifications and other relevant CITY regulations. PROJECT DESIGNER shall ensure there are no conflicts among the Contract Documents including, but not limited to, the CITY's Standard Specifications and Special Provisions for Construction Contracts, the plans and specifications prepared by PROJECT DESIGNER, any standard details or specifications incorporated therein by reference, and the Construction Contract.

8 PROJECT DESIGNER'S PERSONNEL

8.1 All services required under this Contract shall be performed by PROJECT DESIGNER, or under PROJECT DESIGNER's direct supervision, and all personnel shall possess the qualifications, permits and licenses required by State and local law to perform such services.

8.2 PROJECT DESIGNER shall be solely responsible for the satisfactory work performance of all personnel engaged in performing services required by this Contract, and compliance with all reasonable performance standards established by CITY.

8.3 PROJECT DESIGNER shall be responsible for payment of all PROJECT DESIGNER's employees' and subcontractor's wages and benefits and shall comply with all requirements pertaining to the employer's liability, workers' compensation, unemployment insurance, and Social Security.

8.4 PROJECT DESIGNER shall indemnify and hold harmless CITY, and its respective officers, agents and employees from and against all claims, demands, damages or costs arising from PROJECT DESIGNER's acts or omissions with respect to any liability, damages, claims, costs and expenses of any nature arising from alleged violations of personnel practices.

8.5 PROJECT DESIGNER shall pay, if required by applicable law, not less than the general prevailing hourly wage rates, as determined by the Director of the Department of Industrial Relations pursuant to the California Labor Code, for each craft, classification, or type of worker needed to perform the Contract. Copies of the prevailing rate of per diem wages are on file in the office of the Director of Public Works.

9 COMPENSATION

9.1 For all of work and services including the various phases of tasks as described in Section 1, Scope of Services, CITY shall pay to PROJECT DESIGNER an amount not to exceed the sum of Six Hundred and Thirty-Three Thousand dollars (\$633000.00), as follows:

Phase I - Design:

PROJECT DESIGNER shall submit to CITY an itemized invoice monthly for services provided the prior month.

PROJECT DESIGNER's Price Proposal spreadsheet with detailed line item costs for Phase I attached as Exhibit "C".

PROJECT DESIGNER shall perform no work in excess of the total contract price without prior approval of CITY. Total contract price includes expenses related to travel to and from CITY to meet with City and to appear before City Council or any other board or commission of CITY.

9.2 An application and certification for payment form must be submitted to CITY which shall include the following: a clear, detailed invoice reflecting hours being billed for, a summary sheet showing percentage of work completed to date, amount/percent

billed to date and current status of all tasks within the project; any/all backup documentation supporting the above items. Work schedule updates must also be included in the monthly progress payment requests.

9.3 PROJECT DESIGNER shall maintain adequate records and shall permit inspection and audit by CITY of PROJECT DESIGNER's charges under this Contract. PROJECT DESIGNER shall make such records available to CITY during normal business hours upon reasonable notice. Nothing herein shall convert such records into public records, and they will be available only to CITY and any specified public agencies. Such records shall be maintained by PROJECT DESIGNER for one (1) year following completion of the work under this Contract unless a longer period of time is required by state or federal law, in which event PROJECT DESIGNER shall retain its records for the time required by such laws.

9.4 No payment made hereunder by CITY to PROJECT DESIGNER, shall be construed as an acceptance by CITY of any work or materials, nor as evidence of satisfactory performance by PROJECT DESIGNER of its obligations under this Contract.

10 INDEMNIFICATION

To the fullest extent of the law, and consistent with Civil Code section 2782.8, PROJECT DESIGNER agrees to defend, indemnify, hold free and harmless the CITY, its elected and appointed officials, officers, agents and employees, at PROJECT DESIGNER's sole expense, from and against any and all claims, demands, actions, suits or other legal proceedings brought against CITY, its elected and appointed officials, officers, agents, and employees to the extent arising out of, pertaining to, or relating to the negligence, recklessness, or willful misconduct of the PROJECT DESIGNER, its employees, and/or authorized subcontractors, in performing design professional services pursuant to this Agreement. The defense obligation provided for hereunder shall apply without any advance showing of negligence, recklessness or willful misconduct of the PROJECT DESIGNER, its employees, and/or authorized subcontractors, but shall be required whenever any claim, action, complaint, or suit asserts as its basis the negligence, recklessness, or willful misconduct of PROJECT DESIGNER, its employees, and/or authorized subcontractors, and/or whenever any claim, action, complaint or suit asserts liability against the CITY, its elected and appointed officials, officers, agents, and employees based upon such negligence, recklessness, or willful misconduct, whether or not the PROJECT DESIGNER, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the PROJECT DESIGNER shall not be liable for the defense or indemnification of the CITY for claims, actions, complaints or suits arising out of the sole or active negligence or willful misconduct of the CITY. Further, in no event shall the cost to defend charged to the design professional exceed the design professional's proportionate percentage of fault, unless otherwise specified in Civil Code section

2782.8. This provision shall supersede and replace all other indemnity provisions contained either in the CITY's specifications or PROJECT DESIGNER's Proposal, which shall be of no force and effect.

11 INSURANCE

11.1 PROJECT DESIGNER, at its expense, shall maintain in effect at all times during the performance of work under this Contract not less than the following coverage and limits of insurance, which shall be maintained with insurers listed "A" or better in the Best's Insurance Guide and authorized to do business in the State of California. **Proof of Insurance, as identified in Section 11.8, must be reviewed, and accepted by the City Attorney.**

11.1.1 Workers' Compensation and Employer's Liability

- Workers' Compensation -- coverage as required by the State of California
- Employer's Liability --
 - \$1,000,000 each accident
 - \$1,000,000.00 policy limit bodily injury
 - \$1,000,000.00 each employee bodily injury by disease

11.1.2 Professional Liability (Errors & Omissions) Insurance*

- \$5,000,000 limit on a per occurrence basis
- \$10,000,000 general aggregate limit

11.1.3 Commercial General Liability

- \$2,000,000.00 limit on per occurrence basis
- \$4,000,000.00 general aggregate limit

11.1.4 Commercial Automobile Liability

- \$1,000,000.00 combined single limit including owned, non-owned and hired automobile coverage

11.2 All of PROJECT DESIGNER's policies shall contain an endorsement providing that written notice shall be given to CITY at least thirty (30) calendar days prior to termination, cancellation or reduction of coverage in the policy.

11.3 Policies providing for bodily injury and property damage coverage shall contain the following:

- A. An endorsement extending coverage to the City as an additional insured, in the same manner as the named insured, as respects liability arising out of the performance of any work under the Contract. Such insurance shall be primary insurance, as respects the interest of the City, and any other insurance maintained by the City shall be considered excess coverage and not contributing insurance with the insurance required hereunder. The Certificate and endorsements shall state that: "The City of Palmdale, City of Palmdale in

its capacity as the Successor Agency to the CRA, Palmdale Civic Authority, Housing Authority, Industrial Development Authority, Airport Authority, their officers, agents, employees and volunteers are named as additional insured”.

B. “Severability of Interest” clause.

11.4 Promptly on execution of this Contract, and prior to commencement of any work, PROJECT DESIGNER shall deliver to CITY certificates of insurance and endorsements to all required policies demonstrating that PROJECT DESIGNER has the required coverage and showing the required named insureds. Within five (5) days of written request from CITY, PROJECT DESIGNER shall deliver to CITY full and complete copies of all insurance policies required by this Contract.

11.5 The requirements as to the types and limits of insurance to be maintained by PROJECT DESIGNER are not intended to and shall not in any manner limit or qualify PROJECT DESIGNER’s liabilities and obligations under this Contract.

11.6 Any policy or policies of insurance that PROJECT DESIGNER elects to carry as insurance against loss or damage to its equipment and tools or other personal property used in the performance of this Contract shall include a provision waiving the insurer’s right of subrogation against CITY.

11.7 All insurance coverages must be maintained throughout the duration of this Contract.

11.8 Acceptable Proof of Insurance:

11.8.1 ACORD Certificate of Insurance listing all coverages, limits, deductibles and insureds; and endorsements for all applicable coverages if agent has authority to issue it; Additional insured Form CG20101185 or CG20100707 and CG20370704 or equivalent must be provided for general liability coverage. Additional insured form CA0001 must be provided for automobile liability coverage.

11.8.2 Agents must confirm that policy endorsements have been ordered from the respective insurance companies. Upon issuance, policy endorsements listing all insurers must be submitted to the City Attorney.

11.8.3 *When professional (E&O) liability coverage is provided on a “claims made basis”, PROJECT DESIGNER will continue to renew the insurance for a period of five (5) years after this Agreement expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement, and will cover PROJECT DESIGNER, or its officers, employees, or agents during the time this Agreement was in effect.

11.9 Notwithstanding any other provision of this Contract, CITY may immediately terminate this Contract if, at any time PROJECT DESIGNER fails to maintain the required insurance for any period of time or fails to comply with any of the insurance requirements listed above.

11.10 PROJECT DESIGNER shall require any and all subcontractor's working on its behalf to provide insurance coverages and limits that are based on the scope of work and nature of risk being performed by the subcontractor. Any and all subcontractors working on behalf of PROJECT DESIGNER shall be subject to all other insurance requirements that are stated herein.

Any deviation in this requirement will be PROJECT DESIGNER's sole risk. PROJECT DESIGNER's insurance requirements in Section 11 will not be impacted and/or limited by such deviation.

12 TERMINATION WITHOUT CAUSE

City reserves the right to terminate this Contract or any part thereof for its sole convenience with fifteen (15) days written notice. In the event of such termination, PROJECT DESIGNER shall immediately stop all work hereunder, and shall immediately cause any of its suppliers and sub-consultants to cease such work. PROJECT DESIGNER shall also surrender to CITY all finished or unfinished documents or programs and other materials, which shall be City's property. As compensation in full for services performed to the date of such termination, the PROJECT DESIGNER shall receive an amount equal to the value of the work completed as of the termination date in accordance with the fee schedule or as negotiated between the parties. In no event shall the amount payable upon termination exceed the total maximum compensation provided for in this Contract.

13 TERMINATION FOR CAUSE

13.1 If the City determines that the PROJECT DESIGNER has failed to supply an adequate working force, or to provide services of proper quality, or has failed in any other respect to satisfactorily perform the services specified in this Contract, the City shall give written notice to the PROJECT DESIGNER specifying all defaults to be remedied within thirty (30) days. Such notice shall set forth the basis for the City's dissatisfaction and suggest corrective measures. If, after thirty days, the PROJECT DESIGNER has failed to implement the corrective measures, the City may elect to terminate this Contract, in whole or in part.

13.2 In the event the City terminates this Contract in whole or in part as provided herein above, the City may procure, upon such terms and in such manner, as it may deem appropriate, services similar to those terminated.

13.3 If this Contract is terminated as provided above, the City may require the PROJECT DESIGNER to provide all finished or unfinished documents, data, studies, software, drawings, maps, photographs, reports, etc., prepared by the PROJECT DESIGNER. Upon such termination, the PROJECT DESIGNER shall be paid an amount equal to the value of the services provided and work performed as of the date of termination. Such payment by the City may take into consideration the costs associated with hiring another PROJECT DESIGNER to complete the services. In the

event no new PROJECT DESIGNER is employed, the PROJECT DESIGNER shall be paid an amount equal to the value of the work performed. In ascertaining the value of the work performed up to the date of termination, consideration shall be given to both completed work and work in progress, to complete and incomplete drawings, and to other documents when such are delivered to CITY, and to authorized reimbursement expenses.

The above is in addition to any other remedies available by law or equity to the City.

13.4 If, after notice of termination of the Contract under the provisions of this Section 13, it is determined, for any reason, that the PROJECT DESIGNER was not in default, or that the default was excusable, then the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Section 12.

14 DISPUTE RESOLUTION

All claims, disputes, and other matters in question between CITY and PROJECT DESIGNER arising out of, or relating to this Contract, or the breach thereof shall, to the extent reasonably feasible, be resolved through good faith negotiations between the parties.

15 OWNERSHIP OF DOCUMENTS

All documents, including, but not limited to, tracings, drawings, plans, specifications, original mylars, estimates, field notes, investigations, design analysis and studies which are prepared in the performance of this Contract are to be, and remain the property of, CITY. PROJECT DESIGNER shall furnish CITY, upon its request, originals or reproducible or electronic copies of technical specifications and of all other documents listed above. PROJECT DESIGNER shall endorse, by his professional seal, all plans and data furnished by him.

16 RE-USE OF DOCUMENTS

The parties agree the documents, drawings, specifications, and designs, although the property of CITY, are prepared for a specific project and are not intended nor represented by PROJECT DESIGNER to be suitable for re-use for any other project. Any reuse without written verification or adaptation by PROJECT DESIGNER for the specific purpose intended will be at CITY's sole risk and without liability or legal exposure to PROJECT DESIGNER.

17 SUBCONTRACTING, DELEGATION AND ASSIGNMENT

17.1 PROJECT DESIGNER shall not delegate, subcontract or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of CITY; provided, however, that claims for money due or to become due to PROJECT DESIGNER from CITY under this Contract may be assigned to a bank, trust company or other financial institution without such approval. Any proposed delegation,

assignment or subcontract shall provide a description of the services covered, identification of the proposed assignee, delegee or subcontractor, and an explanation of why and how the same was selected, including the degree of competition involved. Any proposed agreement with an assignee, delegee or subcontractor shall include the following:

- A. The amount involved, together with PROJECT DESIGNER's analysis of such cost or price; and
- B. A provision requiring that any subsequent modification or amendment shall be subject to the prior written consent of CITY.
- C. The requirement to hire only those persons authorized by federal law to work in the United States.

17.2 Any assignment, delegation or subcontract shall be made in the name of PROJECT DESIGNER and shall not bind or purport to bind CITY and shall not release PROJECT DESIGNER from any obligations under this Contract including, but not limited to, the duty to properly supervise and coordinate the work of employees, assignees, delegees and subcontractors. No such assignment, delegation or subcontract shall result in any increase in the amount of total compensation payable to PROJECT DESIGNER under this Contract.

18 NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY

18.1 In performance of this Contract, PROJECT DESIGNER shall not discriminate against any employee, subcontractor, or applicant for employment because of sex, color, race, religion, ancestry, national origin, disability, medical condition, marital status, sexual orientation, or age. PROJECT DESIGNER will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, ancestry, sex, national origin, handicap, or age. Affirmative action relating to employment shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

18.2 The provisions of subsection 18.1 above shall be included in all solicitations or advertisements placed by or on behalf of PROJECT DESIGNER for personnel to perform any services under this Contract. CITY shall have access to all documents, data and records of PROJECT DESIGNER and its subcontractors for purposes of determining compliance with the equal employment opportunity and non-discrimination provisions of this Section, and all applicable provisions of Executive Order No. 11246 which is incorporated herein by this reference. A copy of Executive Order No. 11246 is available for inspection at, and on file with, the Palmdale City Clerk's Office.

19 FINANCIAL INTEREST CERTIFICATION

19.1 PROJECT DESIGNER warrants that no person has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee; and that no officer or employee of the CITY has any interest, financially or otherwise, in PROJECT DESIGNER's firm.

19.2 For breach or violation of this warranty, CITY shall have the right to annul this Contract without liability, or at its discretion to deduct from the Contract Price or consideration, the full amount of such commission, percentage, brokerage or contingent fee.

20 CONFLICT OF INTEREST

20.1 PROJECT DESIGNER stipulates that its officers and employees do not now have a conflict of interest and it further agrees for itself, its officers and its employees that it will not contract for or accept employment for the performance of any work or services with any individual business, corporation or government unit that would create a conflict of interest in the performance of its obligations pursuant to this Contract or which would cause PROJECT DESIGNER to be "financial interested" (as provided in California Government Code Section 1090 et seq. or 87100 et seq.) in any contract or decision made by CITY on any matter.

20.2 PROJECT DESIGNER shall not employ any City official or employee to perform any work required pursuant to this Contract.

20.3 If PROJECT DESIGNER is a registered professional engineer or licensed land surveyor and the scope of work requires PROJECT DESIGNER's recommendation of the actual formula to spread the costs of an assessment district's improvements, then PROJECT DESIGNER shall not participate in making that recommendation if the additional elements set forth in Government Code section 87100.1(c) apply. Those additional elements are: (1) PROJECT DESIGNER has received income of \$250 or more for professional services in connection with any parcel included in the benefit assessment district within 12 months prior to the creation of the district; and (2) the district includes other parcels in addition to those parcels for which PROJECT DESIGNER received the income. In the event a conflict of interest does arise in that context, City shall select a different PROJECT DESIGNER to recommend the actual formula to spread the costs of the assessment district's improvements and the costs of such services shall be deducted from the compensation to be paid to PROJECT DESIGNER.

20.4 To the extent required by the City Manager/designee, PROJECT DESIGNER shall complete and file with the City Clerk a Form 700 Statement of Economic Interests disclosing any reportable property interests, income, gifts, investments, or business positions.

21 COMPLIANCE WITH LAW

21.1 PROJECT DESIGNER shall comply with all state and federal laws, including but not limited to, the requirement to hire only those persons authorized by federal law to work in the United States. If PROJECT DESIGNER uses any subcontractors to complete this Contract, this same requirement shall be included in all subcontracts and strictly enforced by PROJECT DESIGNER.

21.2 The law of the state of California shall govern this Contract. The venue of any legal action, either formal or informal, shall be the County of Los Angeles.

22 NOTICES

Any notice required under this Contract shall be in writing, addressed to the appropriate party at its address on the signature page and given personally or by registered or certified mail postage prepaid, or by a commercial courier service. All notices shall be effective upon the date of receipt.

23 ENTIRE CONTRACT AND AMENDMENTS

23.1 This Contract is the complete agreement between the parties and supersedes all prior proposals, agreements, and understandings between the parties and may not be modified or terminated orally.

23.2 No attempted waiver of any of the provisions hereof, nor any modification in the nature, extent or duration of the work to be performed by PROJECT DESIGNER hereunder, shall be binding unless in writing and signed by the party against whom the same is sought to be enforced.

23.3 The failure of any party to enforce against another party any provision of this Contract shall not constitute a waiver of that party's right to enforce such a provision at a later time, and shall not serve to vary the terms of this Contract.

24 ATTORNEY'S FEES

If any action at law or in equity is brought to enforce or interpret any provisions of this Contract, the prevailing party in such action shall be entitled to reasonable attorney's fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

NEW CREATION BUILDERS, INC.:

SIGNATURE AREA

SIGNATURE AREA

Ronda Perez
City Manager

Jimmy Chung
President

SIGNATURE AREA

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38250 Sierra Highway
Palmdale, CA 93550

ADDRESS FOR NOTICE:
NEW CREATION BUILDERS, INC.
17809 Clark Avenue
Bellflower, CA 90706

APPROVE AS TO FORM:

SIGNATURE AREA

William P. Curley, III
City Attorney

ATTEST:

SIGNATURE AREA

Roxanne Faber
City Clerk

EXHIBIT “A” ARPA REQUIREMENTS

RECITAL:

On March 11, 2021, the American Rescue Plan Act (“ARP Act”) was signed into law. The ARP Act was intended to provide increased aid to individuals, families, businesses, and governments affected by the COVID-19 pandemic. The ARP Act established and funded the Coronavirus State and Local Fiscal Recovery Funds (the “CSLFRF”), which included two hundred forty (240) billion dollars for state, territorial, local, and Tribal governments that are being used to fight the pandemic and accelerate local economic recovery.

MANDATORY CONTRACT PROVISIONS FOR ARP ACT EXPENDITURES:

Procurement processes for expenditures using American Rescue Plan Act (ARPA) funds generally follow state and local rules. In most cases, city procurement policies will satisfy the federal requirements. One notable difference is that federal procurement regulations mandate specific contract provisions in certain circumstances. There are no requirements for contracts or expenditures of less than \$10,000. However, using ARPA funds for contracts in excess of \$10,000 triggers the mandatory contract provisions in 2 CFR Part 200, Appendix II.

Most contract provisions are required only on those exceeding \$100,000 or those for construction projects of any amount. However, mandatory contract provisions will apply if a city obligates ARPA funds to a contract that exceeds \$100,000.

For ease of administration, below is an explanation of the mandatory contract provisions and model language necessary for compliance with federal law disclosures.

2 C.F.R. PART 200: APPENDIX II, CONTRACT PROVISIONS

- For contracts over \$10,000, cities must include a provision that addresses termination for cause and convenience by the local government, including the process for termination and the basis for settlement.
- For contracts over \$100,000, cities must include a provision that addresses administrative, contractual, or legal remedies if a contractor violates or breaches the contract, including sanctions and penalties for the breach.
- In accepting the ARPA award, local governments agreed to include an EEO statement in any federally assisted construction contract defined in 41 CFR Part 60-1.3. A federally assisted construction contract is defined as follows:
 - Any agreement or modification thereof between any applicant and a person for construction work which is paid for in whole or in part with funds obtained from the government or borrowed on the credit of the government pursuant to any federal program involving a grant, contract, loan, insurance, or guarantee, or undertaken pursuant to any federal program involving such grant, contract, loan, insurance, or guarantee, or any application or modification thereof approved by the government

for a grant, contract, loan, insurance, or guarantee under which the applicant itself participates in the construction work.

EQUAL EMPLOYMENT OPPORTUNITY:

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:

- 1. Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.*
- 2. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.*
- 3. The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.*
- 4. The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.*
- 5. The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.*
- 6. The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his*

books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

7. *In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part, and the contractor may be declared ineligible for further government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.*
8. *The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:*

Provided, however, that in the event a contractor becomes involved in or is threatened with litigation with a subcontractor or vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

Contracts that are in excess of \$100,000 and involve the employment of mechanics or laborers must include provisions requiring compliance with the Contract Work Hours and Safety Standards Act as follows:

(1) *Overtime requirements: No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such a workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such a workweek.*

(2) *Violation: liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (1) of this section, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory) for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted*

to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The City of Palmdale shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower-tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower-tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this section.

Contracts and subgrants in excess of \$150,000 must contain a provision that requires the non-federal award to agree to comply with all applicable standards, orders, or regulations of the Clean Air Act and Federal Water Pollution Control Act.

CLEAN AIR ACT

(1) The contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.

(2) The contractor agrees to report each violation to the City of Palmdale and understands and agrees that the City of Palmdale will, in turn, report each violation as required to assure notification to the Treasury Department and the appropriate Environmental Protection Agency Regional Office.

(3) The contractor agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with American Rescue Plan Act funding.

FEDERAL WATER POLLUTION CONTROL ACT

(1) The contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.

(2) The contractor agrees to report each violation to the City of Palmdale and understands and agrees that the City of Palmdale will, in turn, report each violation as required to assure notification to the Treasury Department and the appropriate Environmental Protection Agency Regional Office.

(3) *The contractor agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with American Rescue Plan Act funds.*

Federal Water Pollution Control Act

(1) *The contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.*

(2) *The contractor agrees to report each violation to the City of Palmdale and understands and agrees that the City of Palmdale will, in turn, report each violation as required to assure notification to the Treasury Department and the appropriate Environmental Protection Agency regional office.*

(3) *The contractor agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with American Rescue Plan Act funds.*

In order to contract with the City, all parties must:

- (a) Be registered in SAM.gov (<https://sam.gov/content/home>); and*
- (b) Maintain an active SAM registration with current information, including information on a recipient's immediate and highest-level owner and subsidiaries; and*
- (c) Provide its unique entity identifier to the City before a contract is executed; and*
- (d) Not have an active exclusion record on SAM.gov which would indicate the entity has been debarred.*

As of April of 2022, all entities doing business with the federal government must use a Unique Entity ID created in SAM.gov. The federal government has stopped using the DUNS number to uniquely identify entities.

.....
Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352: Contractors that apply for a bid or award exceeding \$100,000 must file the required certification that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency. Cities should include the Byrd Anti-Lobbying contract clause is as follows:

Contractors who apply or bid for an award of \$100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier, up to the recipient.

**BUY AMERICA PREFERENCE IN FEDERAL FINANCIAL ASSISTANCE
PROGRAMS FOR INFRASTRUCTURE – RESTORE ACT**

On November 15, 2021, President Biden signed into law the Infrastructure Investment and Jobs Act (“IIJA”), Pub. L. No. 117-58, which includes the Build America, Buy America Act (“the Act”). Pub. L. No. 117-58, §§ 70901-52. The Act strengthens Made in America Laws and will bolster America’s industrial base, protect national security, and support high-paying jobs. The Act requires that no later than May 14, 2022—180 days after the enactment of the IIJA—the head of each covered Federal agency shall ensure that “none of the funds made available for a Federal financial assistance program for infrastructure, including each deficient program, may be obligated for a project unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States.”
RESTORE Act - Buy America Preference | U.S. Department of the Treasury.”

TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable.

1. Recipient ensures its current and future compliance with Title VI of the Civil Rights Act of 1964, as amended, which prohibits exclusion from participation, denial of the benefits of, or subjection to discrimination under programs and activities receiving federal financial assistance, of any person in the United States on the ground of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury Title VI regulations at 31 CFR Part 22 and other pertinent executive orders such as Executive Order 13166, directives, circulars, policies, memoranda, and/or guidance documents.
2. Recipient acknowledges that Executive Order 13166, “Improving Access to Services for Persons with Limited English Proficiency,” seeks to improve access to federally assisted programs and activities for individuals who, because of national origin, have Limited English proficiency (LEP). Recipient understands that denying a person access to its programs, services, and activities because of LEP is a form of national origin discrimination prohibited under Title VI of the Civil Rights Act of 1964 and the Department of the Treasury’s implementing regulations. Accordingly, Recipient shall initiate reasonable steps, or comply with the Department of the Treasury’s directives, to ensure that LEP persons have meaningful access to its programs, services, and activities. Recipient understands and agrees that meaningful access may entail providing language assistance services, including oral interpretation and written translation where necessary, to ensure effective communication in the Recipient’s programs, services, and activities.
3. Recipient agrees to consider the need for language services for LEP persons when Recipient develops applicable budgets and conducts programs, services, and activities. As a resource, the Department of the Treasury has published its LEP guidance at 70 FR 6067. For more information on taking reasonable steps to provide meaningful access for LEP persons, please visit <http://www.lep.gov>.
4. Recipient acknowledges and agrees that compliance with the assurances constitutes a condition of continued receipt of federal financial assistance and is

binding upon Recipient and Recipient's successors, transferees, and assignees for the period in which such assistance is provided.

5. Recipient acknowledges and agrees that it must require any sub-grantees, contractors, subcontractors, successors, transferees, and assignees to comply with assurances 1-4 above, and agrees to incorporate the following language in every contract or agreement subject to Title VI and its regulations between the Recipient and the Recipient's sub-grantees, contractors, subcontractors, successors, transferees, and assignees:

The sub-grantee, contractor, subcontractor, successor, transferee, and assignee shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this contract (or agreement). Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this contract or agreement.

6. Recipient understands and agrees that if any real property or structure is provided or improved with the aid of federal financial assistance by the Department of the Treasury, this assurance obligates the Recipient, or in the case of a subsequent transfer, the transferee, for the period during which the real property or structure is used for a purpose for which the federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is provided, this assurance obligates the Recipient for the period during which it retains ownership or possession of the property.

7. Recipient shall cooperate in any enforcement or compliance review activities by the Department of the Treasury of the aforementioned obligations. Enforcement may include investigation, arbitration, mediation, litigation, and monitoring of any settlement agreements that may result from these actions. The Recipient shall comply with information requests, on-site compliance reviews and reporting requirements.

8. Recipient shall maintain a complaint log and inform the Department of the Treasury of any complaints of discrimination on the grounds of race, color, or national origin, and limited English proficiency covered by Title VI of the Civil Rights Act of 1964 and implementing regulations and provide, upon request, a list of all such reviews or proceedings based on the complaint, pending or completed, including outcome. Recipient also must inform the Department of the Treasury if Recipient has received no complaints under Title VI.

9. Recipient must provide documentation of an administrative agency's or court's findings of non-compliance of Title VI and efforts to address the non-compliance, including any voluntary compliance or other agreements between the Recipient and the administrative agency that made the finding. If the Recipient settles a case or matter alleging such discrimination, the Recipient must provide documentation of the

settlement. If Recipient has not been the subject of any court or administrative agency finding of discrimination, please so state.

10. If the Recipient makes sub-awards to other agencies or other entities, the Recipient is responsible for ensuring that sub-recipients also comply with Title VI and other applicable authorities covered in this document. State agencies that make sub-awards must have in place standard grant assurances and review procedures to demonstrate that they are effectively monitoring the civil rights compliance of subrecipients.

The United States of America has the right to seek judicial enforcement of the terms of this assurances document and nothing in this document alters or limits the federal enforcement measures that the United States may take in order to address violations of this document or applicable federal law.

Under penalty of perjury, the undersigned official(s) certifies that official(s) has read and understood the Recipient's obligations as herein described, that any information submitted in conjunction with this assurances document is accurate and complete, and that the Recipient is in compliance with the aforementioned nondiscrimination requirements.

ARPA Regulations, 31 CFR Part 35 ("Regulations") are incorporated herein and made a part of this Contract.

CONTRACTOR agrees to be bound by the reporting requirements set out in the Regulations. This includes submitting quarterly reports by the 15th of the month following the end of each quarter to the Director of Finance. The reports must include, but is not limited to, the use of the funds, documentation/receipts of the funds spent, description of the project and status of completion of the project. The Director of Finance may require additional information of CONTRACTOR for compliance with ARPA Regulations.

CONTRACTOR, in the performance of this Contract and as a sub-recipient of ARPA funds, as well as all of its subcontractors, must comply with the following:

1. CONTRACTOR, and any and all of its subcontractors, must ensure that they do not deny benefits, services or otherwise discriminate on the basis of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity) in accordance with Title VI of the Civil Rights Act of 1964, Public Law 88-352, 42 U.S.C. 2000d-1 et seq., and the Department's implementing regulations, 31 CFR part 22; Section 504 of the Rehabilitation Act of 1973 (Section 504), Public Law 93-112, as amended by Public Law 93-516, 29 U.S.C. 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. 1681 et seq., and the Department's implementing regulations, 31 CFR part 28; Age Discrimination Act of 1975, Public Law 94-135, 42 U.S.C. 6101 et seq., and the Department implementing regulations at 31 CFR part 23. CONTRACTOR will be required to submit data showing compliance with the above.

2. Universal Identifier and System for Award Management (SAM), 2 C.F.R. Part 25, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 25 is hereby incorporated by reference.
3. Reporting Subaward and Executive Compensation Information, 2 C.F.R. Part 170, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference.
4. OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement), 2 C.F.R. Part 180, including the requirement to include a term or condition in all lower-tier covered transactions. (2 C.F.R. Part 180, subpart B) and that the award is subject to 2 C.F.R. Part 180 and Treasury's implementing regulation at 31 C.F.R. Part 19.
5. The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards found at 2 CFR Part 200 Appendix II.
6. Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference.
7. Governmentwide Requirements for Drug-Free Workplace, 31 C.F.R. Part 20.
8. New Restrictions on Lobbying, 31 C.F.R. Part 21
9. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. §§ 4601-4655) and implementing regulations.
10. Section 2 CFR 200.323 regarding Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (EPA guidelines at 40 CFR Part 247).
11. Section 200.322 of 2 CFR 200.322, Domestic preferences for procurements.
12. Generally applicable federal environmental laws and regulations.

----- INTERNAL USE ONLY -----

- ☐ Certificate(s) and Endorsement(s) attached
- ☐ Confirmed business name on contract with certificate(s)
- ☐ Attached Agreement Checklist and met all requirements

Project Map

East Ave Q/ 3rd Street East





City Council Staff Report

DATE: DECEMBER 18, 2024

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: PUBLIC WORKS DEPARTMENT
ENGINEERING DIVISION

DISTRICT: 1

SUBJECT: ADOPT RESOLUTION NO. CC 2024-089, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE SETTING ASIDE PORTIONS OF CITY-OWNED LAND (APN 3128-015-903), FOR RIGHT-OF-WAY AND BIKEWAY REQUIREMENTS ALONG 10TH STREET WEST AND COLUMBIA WAY (AVENUE M) FOR PUBLIC ROAD AND HIGHWAY PURPOSES

RECOMMENDATION

Staff recommends that the City Council:

1. Adopt Resolution No. CC 2024-089, a Resolution of the City Council of the City of Palmdale setting aside portions of City-owned land (APN 3128-015-903), for right-of-way and bikeway requirements along 10th Street West and Columbia Way (Avenue M) for public road and highway purposes; and,
2. Authorize the Mayor to execute Resolution No. CC 2024-089, a Resolution of the City Council of the City of Palmdale accepting the set-aside easement for portions of City-owned land (APN 3128-015-903), for right-of-way and bikeway requirements along 10th Street West and Columbia Way (Avenue M) for public road and highway purposes.

BACKGROUND

On March 7, 2023, the City processed a lot line adjustment to reconfigure City-owned parcels with the Antelope Valley Business Park Specific Plan, thus creating an 8.40-acre corner parcel at the southeast corner of 10th Street West and Columbia Way (Avenue M). The City owns this undeveloped parcel in fee and is identified as Assessor Parcel No. 3128-015-903. As part of entitlement for the Palmdale DC Industrial project, under Minor Modification No. 22-057 and Site Plan Review 21-005, the developer is conditioned to provide street improvements along the frontages of this City-owned parcel.

DISCUSSION

Under the Palmdale DC Industrial project (currently under construction), the intersection of 10th Street West and Columbia Way (Avenue M) will be built out and constructed to ultimate conditions. As described in Exhibits 'A' and 'B', these roadway improvements will provide roadway widening, drainage upgrades, bike lanes, traffic signal modifications, and street lighting along 10th Street West and Columbia Way (Avenue M). Resolution No. CC 2024-089 will authorize the public use of portions of APN 3128-015-903 for road and highway purposes.

FISCAL IMPACT

\$0; There is no fiscal impact to the City as the developer is completing all roadway and bikeway improvements along 10th Street West and Columbia Way (Avenue M).

STRATEGIC PLAN

Goal III: Invest in infrastructure to improve community livability.

- A. Seek innovative, cost effective, customer focused methods of service delivery.

Goal IV: Maintain a desirable community where everyone wants to live, work and play.

- B. Provide inclusive access to a variety of supportive services that build a resilient and healthy community.

Prepared by:	Leonardo Torres, P.E., Director of Public Works
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Ronda Perez, City Manager
Approved as to form:	William P. Curley, III, City Attorney

ATTACHMENTS

Reso. No. CC 2024-089
Exh A Legal Description
Exh B Plat Map

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2024-089

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE
SETTING ASIDE PORTIONS OF CITY-OWNED LAND (APN 3128-015-
903), FOR RIGHT-OF-WAY AND BIKEWAY REQUIREMENTS ALONG
10TH STREET WEST AND COLUMBIA WAY (AVENUE M) FOR PUBLIC
ROAD AND HIGHWAY PURPOSES

WHEREAS, the City owns the real property identified as APN 3128-015-903 in
fee title, and

WHEREAS, a portion of this real property is required for public road and
highway purposes as described in Exhibit 'A' and as shown on the attached Exhibit 'B';
and

NOW THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF
PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS
FOLLOWS:

SECTION 1. The City Council hereby finds and determines that portions of City-
owned parcel (APN 3128-015-903), as described in Exhibit 'A' and as shown on Exhibit
'B', are necessary for public road and highway purposes and hereby sets aside the
same for public road and highway purposes as authorized by the Streets and Highway
Code of the State of California.

SECTION 2. The City Council hereby directs the City Clerk to submit a certified
copy of this Resolution to the Los Angeles County Recorder for recordation.

PASSED, APPROVED and ADOPTED this _____ day of _____, _____.

Approved as to form:

Austin Bishop, Mayor

ATTEST:

William P. Curley, III
City Attorney

Rochelle Scott, City Clerk

I, Rochelle Scott, City Clerk of the City of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the _____ day of _____, 20____ by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Date: _____

Rochelle Scott, City Clerk

EXHIBIT "A"
LEGAL DESCRIPTION
ROADWAY EASEMENT

THAT PORTION OF LOT B OF CERTIFICATE OF COMPLIANCE FOR LOT LINE ADJUSTMENT NO. 684, IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, RECORDED MARCH 7, 2023, AS INSTRUMENT NO. 20230142845 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWESTERLY CORNER OF LOT A OF SAID CERTIFICATE OF COMPLIANCE FOR LOT LINE ADJUSTMENT NO. 684,

THENCE ALONG THE WESTERLY LINE OF SAID LOT A, NORTH 00°04'03" EAST 1418.67 FEET TO THE SOUTHWESTERLY CORNER OF SAID LOT B, BEING ALSO THE **TRUE POINT OF BEGINNING**;

THENCE ALONG THE WESTERLY, NORTHERLY AND EASTERLY LINES OF SAID LOT B THE FOLLOWING SEVEN (7) COURSES:

- 1) NORTH 00°04'03" EAST 493.80 FEET,
- 2) NORTH 44°47'28" EAST 25.61 FEET,
- 3) NORTH 00°11'32" WEST 4.89 FEET,
- 4) NORTH 89°52'41" EAST 509.12 FEET,
- 5) NORTH 00°11'32" WEST 6.00 FEET,
- 6) NORTH 89°52'41" EAST 372.92 FEET AND,
- 7) SOUTH 00°00'00" WEST 65.00 FEET TO A LINE PARALLEL WITH AND 65.00 FEET SOUTHERLY OF THE NORTHERLY LINE OF SAID LOT B;

THENCE LEAVING SAID EASTERLY LINE, WESTERLY ALONG SAID PARALLEL LINE SOUTH 89°52'41" WEST 41.27 FEET;

THENCE LEAVING LAST SAID PARALLEL LINE NORTH 45°07'19" WEST 8.49 FEET TO A LINE PARALLEL WITH AND 59.00 FEET SOUTHERLY OF THE NORTHERLY LINE OF SAID LOT B;

THENCE WESTERLY ALONG LAST SAID PARALLEL LINE SOUTH 89°52'41" WEST 302.50 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 324.00 FEET;

THENCE LEAVING LAST SAID PARALLEL LINE WESTERLY 45.52 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 08°02'57";

THENCE NORTH 82°04'22" WEST 36.35 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 276.00 FEET;

THENCE WESTERLY 38.77 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 08°02'57" TO A LINE PARALLEL WITH AND 42.00 FEET SOUTHERLY OF THE NORTHERLY LINE OF SAID LOT B;

THENCE WESTERLY ALONG LAST SAID PARALLEL LINE SOUTH 89°52'41" WEST 354.88 FEET;

THENCE LEAVING LAST SAID PARALLEL LINE SOUTH 44°58'22" WEST 65.70 FEET TO A LINE PARALLEL WITH AND 29.00 FEET EASTERLY OF THE WESTERLY LINE OF SAID LOT B;

THENCE ALONG LAST SAID PARALLEL LINE SOUTH 00°04'03" WEST 428.51 FEET TO THE POINT ALONG SOUTHERLY LINE OF SAID LOT B;

EXHIBIT "A"
LEGAL DESCRIPTION
ROADWAY EASEMENT

THENCE WESTERLY ALONG SAID SOUTHERLY LINE NORTH 90°00'00" WEST 29.00 FEET TO THE **TRUE POINT OF BEGINNING.**

CONTAINING AN AREA OF 1.365 ACRES, MORE OR LESS.

SEE EXHIBIT "B" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

THIS LEGAL DESCRIPTION WAS PREPARED BY ME OR UNDER MY DIRECTION.

Jeffrey J. Lenherr

5/23/2024

JEFFREY J. LENHERR
P.L.S. 9305

DATE



EXHIBIT "B"

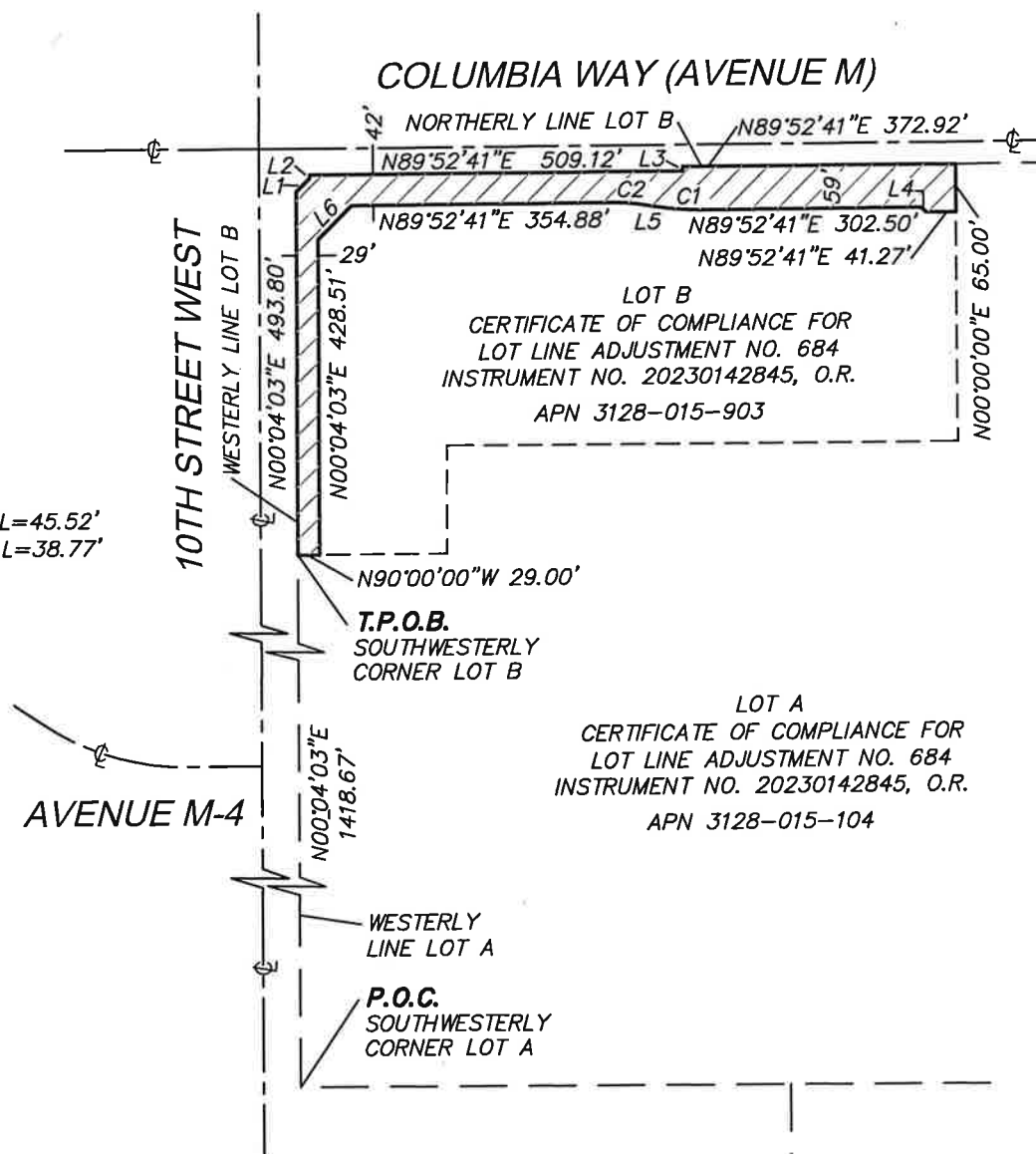
ROADWAY EASEMENT

LINE DATA

L1 N44°47'28"E 25.61'
 L2 N00°11'32"W 4.89'
 L3 N00°11'32"W 6.00'
 L4 N45°07'19"W 8.49'
 L5 N82°04'22"W 36.35'
 L6 N44°58'22"E 65.70'

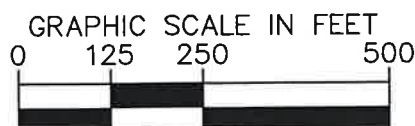
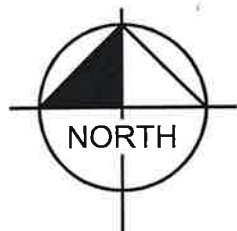
CURVE DATA

C1 $\Delta=8^{\circ}02'57''$ $R=324.00'$ $L=45.52'$
 C2 $\Delta=8^{\circ}02'57''$ $R=276.00'$ $L=38.77'$



LEGEND

NO.	NUMBER
O.R.	OFFICIAL RECORDS
P.O.B.	POINT OF BEGINNING
P.O.C.	POINT OF COMMENCEMENT
R/W	RIGHT OF WAY
SQ. FT.	SQUARE FEET
	CENTER LINE
	PROPOSED ROADWAY EASEMENT
	AREA= 1.364 ACRES
	PROPERTY LINE
	TIES



SCALE: 1" = 250'

Kimley»Horn

1100 TOWN AND COUNTRY ROAD, SUITE 700, ORANGE, CA 92668
 PHONE: 657-452-0200
 jeff.lenherr@kimley-horn.com

PREPARED BY ME OR UNDER MY DIRECTION

Jeffrey J. Lenherr

JEFFREY J. LENHERR
 P.L.S. 9305

5/23/2023



File: K:\ORA_SURV\2022\195380004.1 - Columbia Way - Palmdale\Mapping\Closures\Right of Way - Lot B.txt 5/23/2024, 9:38:24 AM

Name: Lot B

North: 2056883.33' East: 6517298.12'

Segment #1 : Line

Course: N00°04'03"E Length: 493.80'
North: 2057377.13' East: 6517298.70'

Segment #2 : Line

Course: N44°47'28"E Length: 25.61'
North: 2057395.31' East: 6517316.74'

Segment #3 : Line

Course: N00°11'32"W Length: 4.89'
North: 2057400.20' East: 6517316.73'

Segment #4 : Line

Course: N89°52'41"E Length: 509.12'
North: 2057401.28' East: 6517825.84'

Segment #5 : Line

Course: N00°11'32"W Length: 6.00'
North: 2057407.28' East: 6517825.82'

Segment #6 : Line

Course: N89°52'41"E Length: 372.92'
North: 2057408.08' East: 6518198.74'

Segment #7 : Line

Course: S00°00'00"E Length: 65.00'
North: 2057343.08' East: 6518198.74'

Segment #8 : Line

Course: S89°52'41"W Length: 41.27'
North: 2057342.99' East: 6518157.47'

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Segment #9 : Line

Course: N45°07'19"W Length: 8.49'
North: 2057348.98' East: 6518151.46'

Segment #10 : Line

Course: S89°52'41"W Length: 302.50'
North: 2057348.34' East: 6517848.96'

Segment #11 : Curve

Length: 45.52' Radius: 324.00'
Delta: 008°02'57" Tangent: 22.80'
Chord: 45.48' Course: N86°05'50"W
Course In: N00°07'19"W Course Out: S07°55'38"W
RP North: 2057672.33' East: 6517848.27'
End North: 2057351.43' East: 6517803.58'

Segment #12 : Line

Course: N82°04'22"W Length: 36.35'
North: 2057356.44' East: 6517767.58'

Segment #13 : Curve

Length: 38.77' Radius: 276.00'
Delta: 008°02'57" Tangent: 19.42'
Chord: 38.74' Course: N86°05'50"W
Course In: S07°55'38"W Course Out: N00°07'19"W
RP North: 2057083.08' East: 6517729.52'
End North: 2057359.08' East: 6517728.93'

Segment #14 : Line

Course: S89°52'41"W Length: 354.88'
North: 2057358.33' East: 6517374.05'

Segment #15 : Line

Course: S44°58'22"W Length: 65.70'
North: 2057311.85' East: 6517327.62'

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Segment #16 : Line

Course: S00°04'03"W Length: 428.51'
North: 2056883.34' East: 6517327.11'

Segment #17 : Line

Course: N90°00'00"W Length: 29.00'
North: 2056883.34' East: 6517298.11'

Perimeter: 2828.32' Area: 1.365acres
Error Closure: 0.01 Course: N67°51'36"W
Error North: 0.002 East: -0.005

Precision 1: 282826.00



City Council Staff Report

DATE: DECEMBER 18, 2024

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: PUBLIC WORKS DEPARTMENT
ENGINEERING DIVISION

DISTRICT: 4

SUBJECT: ADOPT RESOLUTION NO. CC 2024-090, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE AUTHORIZING THE EXECUTION OF A GRANT DEED FOR PORTIONS OF CITY-OWNED LAND TO THE CALIFORNIA DEPARTMENT OF TRANSPORTATION FOR PARCEL 79478-1, IDENTIFIED IN RIGHT OF WAY APPRAISAL MAP NOS. 27055-C AND 27056-C

RECOMMENDATION

Staff recommends that the City Council:

1. Adopt Resolution No. CC 2024-090, a Resolution of the City Council of the City of Palmdale authorizing the execution of a grand deed for portions of City-owned land to the California Department of Transportation (Caltrans) for Parcel 79478-1, identified in Right of Way Appraisal Map Nos. 27055-C and 27056-C;
2. Authorize the Mayor to execute Resolution No. CC 2024-090, a Resolution of the City Council of the City of Palmdale authorizing the execution of a grant deed for portions of City-owned land to Caltrans for Parcel 79478-1, identified in Right of Way Appraisal Map Nos. 27055-C and 27056-C; and,
3. Authorize the Mayor to execute a grant deed for portions of City-owned land to Caltrans for Parcel 79478-1, identified in Right of Way Appraisal Map Nos. 27055-C and 27056-C.

BACKGROUND

On October 17, 2007, the City received a 1.47-acre parcel of land along State Route 138/47th Street East from Hoprock Palmdale, LLC, a Delaware company. This property was given to the City as part of the developer's obligation to provide land for road use, as required by the approval conditions of Tentative Parcel Map No. 66322 and Conditional Use Permit No. 06-03. This parcel's improvements include pavement

widening, curb and gutter, sidewalk, drainage, traffic signal modifications, and street lighting. The City was responsible for purchasing the required land before construction and transferring ownership to Caltrans after the improvements were accepted. Caltrans has notified the City to relinquish this parcel for highway use.

DISCUSSION

Caltrans has conducted a right-of-way appraisal of said property under Appraisal Map Nos. 27055-C and 27056-C and has sent the City Certificate of Sufficiency for Parcel 79478-1. As part of the appraisal process, Caltrans has completed its environmental review and submitted the Hazardous Materials Disclosure Document. The legal description of Parcel 79478-1 is consistent with the grant deed accepted by the City. Resolution No. CC 2024-090 will approve the transfer of ownership of Parcel 79478-1 to Caltrans.

FISCAL IMPACT

\$0; The City will not experience a fiscal impact, as maintenance responsibilities along the portion of Highway 138/47th Street East will transfer to Caltrans.

STRATEGIC PLAN

Goal III: Invest in infrastructure to improve community livability.

- A. Seek innovative, cost effective, customer focused methods of service delivery.

Prepared by:

Leonardo Torres, P.E.,
Director of Public Works

Certified as to availability of Funds:

Janelle Samson, Director of Operations

Approved by:

Ronda Perez, City Manager

Approved as to form:

William P. Curley, III, City Attorney

ATTACHMENTS

Reso No. CC 2024-090
Certificate of Sufficiency for EA23961
Appraisal Maps 27055-C and 27056-C
Grant Deed of Parcel 79478-1

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2024-090

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE
AUTHORIZING THE EXECUTION OF A GRANT DEED FOR PORTIONS
OF CITY-OWNED LAND TO THE CALIFORNIA DEPARTMENT OF
TRANSPORTATION (CALTRANS) FOR PARCEL 79478-1, IDENTIFIED IN
RIGHT OF WAY APPRAISAL MAP NOS. 27055-C AND 27056-C

WHEREAS, the City owns the real property, in fee title, identified in the recorded grant deed document on October 17, 2007 from Hoprock Palmdale, LLC, per instrument number 2007236615; and

WHEREAS, this City owned-parcel has been identified by Caltrans as Parcel 79478-1, consisting of 1.47 acres located adjacent to Caltrans right-of-way along State Route 138/47th Street East, north of Avenue R; and,

WHEREAS, all constructed roadway improvements within Parcel 79478-1 have been permitted and inspected to Caltrans satisfaction; and,

WHEREAS, Parcel 79478-1 cannot serve as anything other than street right-of-way; and,

WHEREAS, Caltrans has requested that Parcel 79478-1 be relinquished by the City for to take over maintenance obligations of the parcel; and,

NOW THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. The City Council hereby finds and determines that Parcel 79478-1 shall be granted to Caltrans, as identified under Appraisal Map Nos. 27055-C AND 27056-C and authorizes the Mayor to execute the grant deed to Caltrans for processing and recordation in substantially the form presented.

PASSED, APPROVED and ADOPTED this _____ day of _____, _____.

Approved as to form:

Austin Bishop, Mayor

ATTEST:

William P. Curley, III
City Attorney

Rochelle Scott, City Clerk

I, Rochelle Scott, City Clerk of the City of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the _____ day of _____, 20____ by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Date: _____

Rochelle Scott, City Clerk

[illegible]

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GRANTOR NOTES

Areas shown exclude underlying fee in the adjoining public way.
Accesses
Indicates Underlying Fee (UF) Area
Indicates Indeterminate UF
TITLE CODES:
A=Access Rights Only
F=Fee
E=Easement (Ease)
TCE=Temp Construction Ease
T=Other Temp Ease (see Remarks)
O=Other (see Remarks)

NOTES

Coordinates and bearings are on GCS 1983(1991.35) Zone . Distances and stationing are grid distances. Divide by to obtain ground distances.
All distances are in feet unless otherwise noted.

LEGEND

Access Prohibited

Access Superseded

Existing R/W Superseded

Access Opening (Private)

Indicates Road Bearing

Indicates Found Monument as noted

Indicates calculated point. (Does not imply monument set)

Title to State

Required for Others

STATE OF CALIFORNIA

CALIFORNIA STATE TRANSPORTATION AGENCY

DEPARTMENT OF TRANSPORTATION

RIGHT OF WAY

APPRAISAL MAP

MAP NO. 27056-C

FOR PREVIOUS R/W INFORMATION SEE
MAP(S) F-4206-A5 & P2-5713-2

FEET

</

Recording Requested by
DEPARTMENT OF TRANSPORTATION

When recorded, Mail to:
STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION
District 7, Right of Way Division
Office of R/W Engineering
100 South Main Street, MS 13
Los Angeles, CA 90012

RWPS:
Written by:
Checked by:

R/W Map No.
Date
(Full Take)

APN _____ Space above this line for Recorder's Use E.A. _____

Location here

INTERSTATE

GRANT DEED

District	County	Route	Post	Number

STATE BUSINESS: Free

This instrument is exempt from Filing Fees (Govt. Code § 6103), Recording Fees (Govt. Code § 27383), and from Documentary Transfer Tax (Rev. & Tax Code § 11922).

By _____

City of Palmdale, a Charter City,

a corporation organized and existing under and by virtue of the laws of the State of California,

hereinafter called GRANTOR, hereby grants to the State of California, Department of Transportation, hereinafter called STATE, all that real property in the City of Palmdale, County of Los Angeles, State of California, described as follows:

See Exhibit A, attached.

Include appropriate clauses from Section 6.10.00.00 of RW Manual.

****Include additional parcel numbers here with (*) if more than fit in box above.***

Number

EXHIBIT "A"

LEGAL DESCRIPTION

**IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA,
BEING THAT PORTION OF PARCEL A OF LOT LINE ADJUSTMENT NO. 627
RECORDED SEPTEMBER 15, 2006 AS DOCUMENT NO. 06-2056337, OF OFFICIAL
RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BEING
MORE PARTICULARLY DESCRIBED AS FOLLOWS:**

BEGINNING AT THE NORTHEAST CORNER OF SAID PARCEL A; THENCE ALONG THE NORTH LINE OF SAID PARCEL A SOUTH 89°31'45" WEST, 45.82 FEET; THENCE, LEAVING SAID NORTH LINE, SOUTH 00°28'15" EAST, 26.28 FEET; THENCE SOUTH 45°28'15" EAST, 29.70 FEET TO A LINE PARALLEL WITH AND 29.00 FEET WESTERLY OF THE EAST LINE OF SAID PARCEL A; THENCE, ALONG SAID PARALLEL LINE, SOUTH 00°28'15" EAST, 291.38 FEET; THENCE, LEAVING SAID PARALLEL LINE, SOUTH 04°17'34" WEST, 48.17 FEET TO A LINE PARALLEL WITH AND 33.00 FEET WESTERLY OF THE EAST LINE OF SAID PARCEL A; THENCE, ALONG SAID PARALLEL LINE, SOUTH 00°28'15" EAST, 135.62 FEET; THENCE, LEAVING SAID PARALLEL LINE, SOUTH 43°11'49" WEST, 60.83 FEET; THENCE SOUTH 00°28'15" EAST, 6.00 FEET; THENCE SOUTH 21°04'28" EAST, 71.04 FEET; THENCE SOUTH 00°28'15" EAST, 6.00 FEET; THENCE SOUTH 43°25'31" EAST, 30.82 FEET TO A LINE PARALLEL WITH AND 29.00 FEET WESTERLY OF THE EAST LINE OF SAID PARCEL A; THENCE, ALONG SAID PARALLEL LINE, SOUTH 00°28'15" EAST, 175.51 FEET; THENCE, LEAVING SAID PARALLEL LINE, SOUTH 07°41'56" WEST, 28.15 FEET TO A LINE PARALLEL WITH AND 33.00 FEET WESTERLY OF THE EAST LINE OF SAID PARCEL A; THENCE, ALONG SAID PARALLEL LINE, SOUTH 00°28'15" EAST, 229.57 FEET; THENCE, LEAVING SAID PARALLEL LINE, SOUTH 44°31'45" WEST, 59.40 FEET; THENCE SOUTH 00°28'15" EAST, 8.00 FEET; THENCE SOUTH 36°47'53" EAST, 42.20 FEET; THENCE SOUTH 00°28'15" EAST, 6.00 FEET; THENCE SOUTH 43°25'31" EAST, 39.62 TO A LINE PARALLEL WITH AND 23.00 FEET WESTERLY OF THE EAST LINE OF SAID PARCEL A; THENCE, ALONG SAID PARALLEL LINE, SOUTH 00°28'15" EAST, 70.44 FEET; THENCE, LEAVING SAID PARALLEL LINE, SOUTH 04°17'34" WEST, 120.42 FEET TO A LINE PARALLEL WITH AND 33.00 FEET WESTERLY OF THE EAST LINE OF PARCEL A; THENCE, ALONG SAID PARALLEL LINE, SOUTH 00°28'15" EAST, 269.37 FEET; THENCE, LEAVING SAID PARALLEL LINE, SOUTH 45°55'50" WEST, 41.73 FEET TO A LINE PARALLEL WITH AND 63.00 FEET NORTHERLY OF THE CENTERLINE OF AVENUE "R"; THENCE SOUTH 02°19'55" WEST, 63.00 FEET TO THE SOUTH LINE OF SAID PARCEL A; THENCE ALONG SAID SOUTH LINE, SOUTH 87°40'05" EAST, 66.38 FEET TO THE SOUTHEAST CORNER OF SAID PARCEL A; THENCE, LEAVING SAID SOUTH LINE, NORTH 00°28'15" WEST, 1685.02 FEET TO THE BEGINNING OF A CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 950.00 FEET; THENCE, NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 05°22'37" AN ARC LENGTH OF 89.15 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL CONTAINS 1.47 ACRES, MORE OR LESS.

This real property description has been prepared by me, or under my direction, in conformance with the Professional Land Surveyors' Act.

Signature _____
Licensed Land Surveyor

Date _____

Number

Dated: _____

[Name of Corporation]

[Name of Grantor]
[Title]

[Name of Grantor]
[Title]

This is to certify that the State of California, acting by and through the Department of Transportation (according to Section 27281 of the Government Code), accepts for public purposes the real property described in this deed and consents to its recordation.

Dated _____

By _____
Director of Transportation

By _____
Attorney in Fact



City Council Staff Report

DATE: DECEMBER 18, 2024

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: HOUSING DEPARTMENT

DISTRICT: ALL

SUBJECT: APPROVE FIRST AMENDMENT TO MEMORANDUM OF UNDERSTANDING WITH THE HOUSING AUTHORITY OF THE CITY OF PALMDALE TO PROVIDE AN INCREASE OF \$600,000 OF UNITED STATES TREASURY CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS (SLFRF) UNDER THE AMERICAN RESCUE PLAN ACT (ARPA) FUNDS FOR DEVELOPMENT OF AFFORDABLE HOUSING

RECOMMENDATION

Staff recommends that the City Council:

1. Approve the First Amendment to Memorandum of Understanding No. A-8029 with the Housing Authority of the City of Palmdale (Housing Authority) to provide an increase of \$600,000 of the United States Treasury Coronavirus SLFRF under the ARPA funds for the development of affordable housing; and,
2. Authorize the Executive Director or her designee to execute the First Amendment to Memorandum of Understanding Agreement No. A-8029 with the Housing Authority of the City of Palmdale, including minimal and/or non-substantial changes.

BACKGROUND

The City was awarded \$35,445,019 from the U.S. Treasury through the Coronavirus SLFRF under the ARPA. These funds can be used for various purposes, including investing in affordable housing to help low-income residents and address the financial challenges caused by the COVID-19 pandemic. The final rules allow the City to use these funds to tackle the ongoing housing shortages worsened by the pandemic. Any program income from repaid loans can be reused for eligible purposes, but there are restrictions on when the funds can be used.

DISCUSSION

The Housing Authority assists developers with gap financing to develop and rehabilitate affordable units for eligible households with extremely low, very low, and low incomes.

The Housing Authority proposes to loan the ARPA funds granted by the City and program income received through repayment of the funds from a prior project to develop an eligible affordable housing project. The Housing Authority plans to use ARPA funds to enter into a proposed pre-development loan agreement with Linc 4th Street Palmdale, LP. This agreement will help assess the feasibility of the proposed project, design it, and apply for the necessary government approvals and financing.

FISCAL IMPACT

\$600,000; ARPA funds are available.

STRATEGIC PLAN

Goal III: Invest in infrastructure to improve community livability and to plan and maintain safe and attractive neighborhoods, streets, and facilities.

C. Plan and maintain safe and attractive neighborhoods, streets, facilities, and public spaces with exciting programming that promotes active fun for everyone.

Prepared by:	Sophia Reyes, Director of Housing
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Ronda Perez, City Manager
Approved as to form:	William P. Curley, III, City Attorney

ATTACHMENTS

Agrmt No. A-8029 First Amendment to Memorandum of Understanding

**1st AMENDMENT TO AGREEMENT A- 8029
BETWEEN THE CITY OF PALMDALE AND THE HOUSING AUTHORITY OF THE
CITY OF PALMDALE**

This 1st Amendment to Agreement No. A-8029 ("Agreement") is made and entered into by and between the City of Palmdale (hereinafter called "CITY") and THE HOUSING AUTHORITY OF THE CITY OF PALMDALE (hereinafter called "HOUSING AUTHORITY"). This Contract shall become effective on the date of the last signatory.

WHEREAS, on August 4, 2022 ("Original Agreement") the CITY and HOUSING AUTHORITY entered into an agreement to provide:

The City may provide Coronavirus Local Fiscal Recovery Funds received pursuant to the Act to the Housing Authority to undertake certain eligible activities in connection with the City's desire to respond to the impact of COVID-19 and assist in efforts to contain COVID-19 in the City for certain services as described in Exhibit "A" Project Description

WHEREAS, the parties desire to amend the Original Agreement to:

Increase the ARPA funding to the Housing Authority, amend Exhibit A and update terms within the MOU.

NOW THEREFORE, the parties agree as follows:

- 1) To increase the amount of funding by \$600,000.00 to a total of \$1,800,000.00.
- 2) To amend and replace Exhibit A to include the Transit Village Affordable Housing Project.
- 3) To update terms:
 - a) To add: WHEREAS, this Agreement shall constitute an obligation of CSLRF Funds as defined at 31 CFR 35.3.
 - b) Insert section after 12 and before 13: Contracts with Third Parties. For any procurement contracts awarded by Housing Authority in the performance of the Scope of Work, such contracts shall be procured in accordance with 2 CFR Part 200, Subpart D, and such contracts shall include the provisions of Appendix II to Part 200, Title 2.
 - c) Section 19 update Conflict of Interest reference from, CFR 570.611 to 2 CFR 200.112 and 2 CFR 200.

All other terms and conditions of the Original Agreement not amended herein, remain in full force and effect.

(REST OF PAGE INTENTIONALLY LEFT BLANK)

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

THE HOUSING AUTHORITY OF THE CITY OF PALMDALE:

SIGNATURE AREA

SIGNATURE AREA

Ronda Perez
City Manager

SIGNATURE AREA

SIGNATURE AREA

Salvador Mendez
Assistant City Manager

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38300 Sierra Highway
Palmdale, CA 93550

ADDRESS FOR NOTICE:
THE HOUSING AUTHORITY OF THE CITY OF PALMDALE
38250 Sierra Highway
Palmdale, CA 93550

APPROVE AS TO FORM:

APPROVE AS TO FORM:

SIGNATURE AREA

SIGNATURE AREA

William P. Curley, III
City Attorney

William P. Curley, III
Authority Counsel

ATTEST:

ATTEST:

SIGNATURE AREA

SIGNATURE AREA

Rochelle Scott
City Clerk

Rochelle Scott
Authority Secretary

----- INTERNAL USE ONLY -----

- Certificate(s) and Endorsement(s) attached
- Confirmed business name on contract with certificate(s)
- Original contract and previous amendment(s) (if any) are attached
- Attached Agreement Checklist and met all requirements

ORDINANCE NO. 1649

AN ORDINANCE OF THE CITY COUNCIL OF THE CHARTERED CITY OF PALMDALE, CALIFORNIA, AMENDING SECTION 2.08.040 OF CHAPTER 2.08 OF TITLE 2 OF THE PALMDALE MUNICIPAL CODE, ESTABLISHING THE CITY COUNCIL'S REGULAR MEETING DAY, TIME AND PLACE.

I. Intent of the City Council

- a) The City Council is a strict supporter of the open meeting law known and referenced as the Brown Act. The Brown Act is a transparency driven law that requires all non-privileged city business to be conducted in public so that all can follow, participate in and communicate upon the business of the City.

As business meetings under the Brown Act, it is clear that the intent and focus of public business meetings is to conduct the business affairs of the City rather than such meetings being town halls, study sessions or opinion gathering sessions. The Brown Act makes clear that nonbusiness items, regardless of the source, are not to be discussed, resolved or acted upon by the City Council as they are not accepted and agendaized business matters. Speakers are provided public comment rights, but those are primarily directed to properly agendaized, rather than ad hoc topics or issues.

- b) The business, adjudicative and legislative items the City Council addresses generally are in relation to business which the City is contracting with, regulating or taking legislative actions that apply to the business entity, industry or group that are most able to participate during normal 8 am – 5 pm, Monday through Friday, working hours. The interaction between the City Council and those directly involved in the business matters is best conducted during these regular business hours.
- c) All legal conditions precedent to the adoption of this Ordinance have occurred as required by law.

II. Ordinance

Now, Therefore:

The City Council of the City of Palmdale does ordain as follows:

1. In all respects as set forth in Part I, Intent of the City Council, which section is hereby incorporated by reference herein.
2. Section “2.08.040 – Regular meeting day, time and place” shall be revoked and removed in its entirety and replaced with a new Section 2.08.040 of Chapter 2.08 of Title 2 of the Palmdale Municipal Code, to read, in words and figures, as follows:

“2.08.040 Regular meeting day, time, and place.

Regular meetings of the City Council will be held on the first and third Tuesday of each month. Meetings of the City Council shall be held at 38300 Sierra Highway, Suite B, Palmdale, California. The closed session will begin at 2:00 p.m., followed by the regular meeting at 3:00 p.m. If all closed session items are not addressed by 3:00 pm, the closed session will resume after the regular meeting. If all matters on the agenda for any regular meeting have not been considered by the City Council, then the regular meeting may be adjourned to the next succeeding Tuesday, at the same time and at the same location, unless a different day, time or location is specified in the order of adjournment. When so adjourned, each adjourned meeting shall be a regular meeting for all purposes. Notice of all meetings of the City Council, whether regular, adjourned, special, or emergency, will be given in the manner required by state statute (Brown Act or successor law). When a regular Tuesday meeting of the City Council falls on an election day or a national or state holiday and City offices are scheduled to be closed, then such meetings shall not be held and will be deemed adjourned for all purposes with no further action required by the City Council or the City Clerk except such written notices of adjournment as may be required by law. The ordinances codified in this section shall take effect 30 days after adoption.”

3. This Ordinance, being an administrative regulation only, has no foreseeable adverse impact on the environment and pursuant to Section 15061 (b) (3) of the State CEQA Guidelines is exempt from further evaluation under the California Environmental Quality Act of 1970, as amended.
4. Any Ordinance previously enacted by the City Council shall, to the extent of any conflict, be deemed repealed and provided that each section or element of any Ordinance that is non-conflicting shall remain in full force and effect.
5. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is held for any reason to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or portions be declared invalid or unconstitutional.
6. The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same to be published and posted pursuant to the provisions of law in that regard and this Ordinance shall take effect 30 days after adoption.

PASSED, APPROVED and ADOPTED this 18th day of December, 2024.

Austin Bishop, Mayor

APPROVED AS TO FORM:

ATTEST:

William P. Curley, III
City Attorney

Rochelle Scott, City Clerk

I, Rochelle Scott, City Clerk of the City of Palmdale, California, do hereby certify that the foregoing Ordinance was duly introduced, passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 18th day of December 2024 effective on the 17th day of January 2025 by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Date: _____
Rochelle Scott, City Clerk



City Council Staff Report

DATE: DECEMBER 18, 2024

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: OPERATIONS DEPARTMENT
FINANCE DIVISION

DISTRICT: ALL

SUBJECT: ADOPT RESOLUTION NO. CC 2024-092, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE CALLING SPECIAL ELECTION REGARDING ALTERATION OF THE AMENDED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES FOR THE CITY OF PALMDALE COMMUNITY FACILITIES DISTRICT NO. 2022-3 (RITTER RANCH PHASE 1 PUBLIC FACILITIES); RESOLUTION NO. CC 2024-093, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE DECLARING RESULTS OF SPECIAL ELECTION IN THE CITY OF PALMDALE COMMUNITY FACILITIES DISTRICT NO. 2022-3 (RITTER RANCH PHASE 1 PUBLIC FACILITIES), DETERMINING THAT ALTERATION OF THE RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES FOR THE DISTRICT IS LAWFULLY AUTHORIZED, AND DIRECTING RECORDING OF AMENDED AND RESTATED NOTICE OF SPECIAL TAX LIEN; AND RESOLUTION NO. CC 2024-094, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE APPROVING A SUPPLEMENT NO. 1 TO ACQUISITION AGREEMENT RELATING TO THE CITY OF PALMDALE COMMUNITY FACILITIES DISTRICT NO. 2022-3 (RITTER RANCH PHASE 1 PUBLIC FACILITIES) 2025 SPECIAL TAX BONDS.

RECOMMENDATION

Staff recommends that the City Council:

1. Conduct the public hearing to accept public testimony on the proposed alteration of the Rate and Method of Apportionment of Special Taxes for the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities) pursuant to City Council Resolution No. CC 2024-081;
2. Adopt Resolution No. CC 2024-092, a Resolution of the City Council of the City of Palmdale calling special election regarding alteration of the Amended Rate

and Method of Apportionment of Special Taxes for the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities);

3. Conduct special alteration election;
4. Adopt Resolution No. CC 2024-093, a Resolution of the City Council of the City of Palmdale declaring results of special election in the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities) determining that alteration of the Rate and Method of Apportionment of Special Taxes for the District is lawfully authorized, and directing recording of Amended and Restated Notice of Special Tax Lien; and,
5. Adopt Resolution No. CC 2024-094, a Resolution of the City Council of the City of Palmdale approving a Supplement No. 1 to Acquisition Agreement relating to the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities) 2025 Special Tax Bonds.

BACKGROUND

In September 2022, RdR Development Holdings, LLC (RdR), the property owner and master developer of the Ritter Ranch property (Project), requested that the City form a new community facilities district for the Phase 1 property portion of the Project to fund public infrastructure and improvements necessary for the development of that first phase (Phase 1). Phase 1 is expected to include up to 1,180 residential units. The City formed the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities) (CFD 2022-3) in late 2022. At the same time, the City formed the City of Palmdale Community Facilities District No. 2022-2 (CFD 2022-2) to pay for City services required as a result of the development of Phase 1.

Since the formation of CFD 2022-3, RdR has been involved in discussions with homebuilders and has developed different strategies over time with respect to the tax rates to be levied in Phase 1. RdR has requested that the City proceed with altering the current Amended and Restated Rate and Method of Apportionment of Special Taxes prior to the approval of the first series of Special Tax Bonds for CFD 2022-3 (Bonds), expected to be issued in the coming months.

DISCUSSION

During the CFD 2022-3 formation process, special tax rates were established pursuant to a Rate and Method of Apportionment of Special Taxes (2022 RMA), which is the document that governs how special taxes will be levied on property within CFD 2022-3. The special tax rates for CFD 2022-3 to pay for Bonds issued to fund public facilities were designed so that the total property tax burden on each dwelling unit will not exceed 2% of the projected/assumed assessed value of such property. This tax burden

incorporates all ad valorem taxes – the 1% general levy and any school, college, or AVEK general obligation bond tax levy – as well as any special assessments or fees included on the property tax bill. These additional special assessments also include the special taxes for the City's Services CFD 2022-2, which is contiguous with the property in CFD 2022-3.

By early 2024, RdR had filed Tentative Tract Maps and had a clear idea of the lot sizes in Phase 1. Further, home prices had declined and, to calculate any adjustments to the maximum CFD 2022-3 special tax rates, the City commissioned a new Price Point Study (2023 PPS) to determine a reasonable sales price for each unit type proposed for Phase 1. As a result of the prices shown in the 2023 PPS, as well as adjustments needed resulting from better lot size information, special tax rates were reduced, and lot size adjustments were made to the 2022 RMA. In addition, RdR requested an additional special tax reduction to be applied to the first three tracts they expected to sell to merchant builders. The City's Special Tax Consultant prepared an Amended and Restated Rate and Method of Apportionment of Special Tax ("Amended RMA") to take these various factors into account and include the special tax rate adjustments. The Amended RMA was approved in March 2024.

Since March 2024, RdR has continued their discussions with merchant builders. Although the overall concept is the same – provide lower taxes for the initial tracts to be sold to homebuilders, the specific tracts that RdR may want to market first may change. To that end, it is beneficial to remove the three specific tracts designated with lower tax rates from the Amended RMA and provide for a tract-by-tract reduction in tax rates administratively when the marketing plan is more clearly defined in early 2025. Achieving this flexibility requires the approval of a Second Amended and Restated Rate and Method of Apportionment of Special Tax (Second Amended and Restated RMA).

The City Council adopted a resolution of consideration to alter the Amended RMA for CFD 2022-3 on November 6, 2024, and set December 18, 2024, as the date to hold the required public hearing and complete the alteration process.

Alteration of RMA

The staff recommends that the City Council hold a public hearing to accept public testimony on the proposed alteration of the RMA. After conducting the public hearing, staff recommends that the City Council adopt Resolution No. CC 2024-092, which:

- alters the RMA, and,
- submits the alteration of the RMA to the qualified elector of the territory within CFD 2022-3.

After the Resolution is adopted, the City Clerk will conduct the special election and open the ballot submitted by RdR, the qualified landowner elector.

Once the affirmative ballot is cast, staff recommends that the City Council adopt Resolution No. CC 2024-093, which:

- declares the results of the special annexation election,
- determines the validity of the prior proceedings, and,
- directs recording of a second amendment to the Amended and Restated Notice of Special Tax Lien.

After the adoption of this resolution, the alteration proceedings will be complete.

Supplement to Acquisition Agreement

The City Council approved the issuance of the first series of Bonds on November 20, 2024. The infrastructure expected to be funded with this current series of Bonds includes street improvements, domestic water facilities, and sewer and storm drain facilities. The entire list of facilities authorized to be funded by the Bonds is listed in the Acquisition Agreement Supplement and is also being considered at this meeting. The City and RdR are parties to an Acquisition Agreement, dated as of November 1, 2022, relating to the construction by RdR of some of the infrastructure for CFD 2022-3. The parties are required to approve a Supplement No. 1 to Acquisition Agreement (Acquisition Agreement Supplement) to update the type of facilities to be financed and the budget for the infrastructure to be constructed by the RdR.

FISCAL IMPACT

\$0; there is no fiscal impact associated with the proposed action.

Special taxes levied on undeveloped property or developed homes within CFD 2022-3 will pay debt service on Bonds issued to finance public facilities necessary to proceed with the proposed residential development of up to 1,180 new dwelling units. The special taxes levied on property in CFD 2022-3 have no fiscal impact on the City.

The cost of the preparation of the Second Amended and Restated RMA is paid from funds deposited with the City by RdR for this purpose.

STRATEGIC PLAN

Goal III: Invest in infrastructure to improve community livability.

- A. Seek innovative, cost-effective, customer-focused methods of service delivery.
- C. Plan and maintain safe and attractive neighborhoods, streets, facilities, and public spaces with exciting programming that promotes active fun for everyone.

Report to Mayor and City Council

Re: Adopt Resolutions CC 2024-092, CC 2024-093 and CC 2024-094

December 18, 2024

Page 5

Prepared by:

Janelle Samson, Director of Operations

Certified as to availability of Funds:

Janelle Samson, Director of Operations

Approved by:

Ronda Perez, City Manager

Approved as to form:

William P. Curley, III, City Attorney

ATTACHMENTS

Reso. No. CC 2024-092

Reso. No. CC 2024-093

Reso. No. CC 2024-094

Agrmt No. A-8174 Supplement No. 1 to Acquisition Agreement

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2024-092

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE
CALLING SPECIAL ELECTION REGARDING ALTERATION OF THE
AMENDED RATE AND METHOD OF APPORTIONMENT OF SPECIAL
TAXES FOR THE CITY OF PALMDALE COMMUNITY FACILITIES
DISTRICT NO. 2022-3 (RITTER RANCH PHASE 1 PUBLIC FACILITIES)

WHEREAS, on November 6, 2024, this City Council adopted Resolution No. CC 2024-081 entitled “A Resolution of the City Council of the City of Palmdale of Consideration to Alter the Rate and Method of Apportionment of Special Taxes for the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities)” (the “Resolution of Consideration”), proposing to alter the rate and method of apportionment of the special taxes, as amended (the “Rate and Method”) for the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities) (the “District”), all pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, constituting Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the “Act”); and

WHEREAS, the Resolution of Consideration, which makes reference to the map of the boundaries of the District, and which contains a proposed second amended and restated rate and method of apportionment for the District (the “Second Amended Rate and Method”), is on file with the City Clerk and the provisions thereof are incorporated herein by this reference as if fully set forth herein; and

WHEREAS, the owner of all of the property in the District, RdR Development Holdings, LLC, has requested that the City Council take the actions necessary to alter the Amended Rate and Method; and

WHEREAS, on the date hereof, the City Council held a noticed public hearing as required by the Act and the Resolution of Consideration relative to the proposed changes to the Second Amended Rate and Method; and

WHEREAS, at said hearing all property owners and any other interested persons with respect to the District desiring to be heard on all matters pertaining to the proposed changes to the Second Amended Rate and Method were heard and a full and fair hearing was held; and

WHEREAS, written protests with respect to the proposed changes to the Second Amended Rate and Method have not been filed with the City Clerk by fifty percent (50%) or more of any registered voters residing within the territory of the District or property

owners of one-half (1/2) or more of the area of land within the District and not exempt from the levy of the special tax; and

WHEREAS, the proposition of the approval of the changes to the Second Amended Rate and Method shall be submitted to the qualified elector of the District as required by the Act.

NOW THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. The proposed changes to the Rate and Method of the special tax to be levied within the District by the Second Amended Rate and Method has not been precluded by majority protest pursuant to Section 53337 of the Act.

SECTION 3. All prior proceedings taken by the City Council in connection with the proposed alteration of the Second Amended Rate and Method for the District, as set forth in the Resolution of Consideration, have been duly considered and are hereby found and determined to be valid and in conformity with the requirements of the Act

SECTION 4. Subject to the approval of the qualified elector of the District at the special election referred to below, the Rate and Method is hereby altered by the Second Amended and Restated Rate and Method of Apportionment of Special Taxes specified in the Resolution No. CC 2024-081 of the City Council adopted November 6, 2024, and shall be the Second Amended Rate and Method set forth in Exhibit A attached to the Resolution of Consideration.

SECTION 5. Pursuant to Sections 53338(a) and 53326 of the Act, the issue of the approval of the Second Amended Rate and Method shall be submitted to the qualified elector of the District at an election called therefor as provided below.

SECTION 6. The ballot measure shall be in the form attached hereto as Exhibit A and by this reference incorporated herein, and said form of ballot is hereby approved.

SECTION 7. The City Council hereby finds that fewer than 12 persons have been registered to vote within the territory of the District for each of the ninety (90) days preceding the close of the public hearing heretofore conducted and concluded by the City Council for the purposes of these proceedings. Accordingly, and pursuant to Section 53326 of the Act, the City Council finds that for purposes of these proceedings, the sole qualified elector for the District is the sole owner of the land within the District and that the vote shall be by said landowner, having one vote for each acre or portion of an acre such landowner owns in the District as of the close of the public hearing.

SECTION 8. The City Council hereby calls a special election to consider the measure described in Section 6 above, which election shall be held immediately

following adoption of this Resolution in the City Council Chambers. The Acting City Clerk is hereby designated as the official to conduct said election. It is hereby acknowledged that the City Clerk has on file a copy of this Resolution, a map of the boundaries of the District,

SECTION 9. The voted ballot shall be returned to the City Clerk immediately following adoption of this Resolution, and when the sole qualified elector has voted, the election shall be closed.

SECTION 10. Pursuant to Sections 53326(b) and 53327 of the Act, the election shall be conducted by mail ballot pursuant to applicable provisions of the Act and of the California Elections Code.

SECTION 11. The City Council acknowledges that the City Clerk has caused to be delivered to the sole qualified elector of the District a ballot in the form set forth in Exhibit "A" hereto.

The ballot was accompanied by all supplies and written instructions necessary to the use and return of the ballot. The envelope to be used to return the ballot was enclosed with the ballot, had the return postage prepaid, and contained the following: (a) the name and address of the landowner, (b) a declaration, under penalty of perjury, stating that the voter is owner of record or authorized representative of the landowner entitled to vote and is the person whose name appears on the envelope, (c) the printed name, signature and address of the voter, (d) the date of signing and place of execution of the declaration pursuant to clause (b) above, and (e) a notice that the envelope contains an official ballot and is to be opened only by the canvassing board.

Analysis and arguments with respect to the ballot measure have been waived by the landowner voter, by means of the waiver contained in its voted ballot, all as permitted by Section 53327(b) of the Act. The City Council hereby concurs in said waiver.

SECTION 12. The City Clerk shall accept the ballot of the qualified elector in the City Council Chambers upon and prior to the adoption of this Resolution, whether said ballot be personally delivered or received by mail. The City Clerk shall have available a ballot which may be marked at said location on the election day by said qualified elector.

SECTION 13. The City Council hereby further finds that the provision of Section 53326 of the Act requiring a minimum of 90 days following the adoption of the resolution of calling the election to elapse before the special election is for the protection of the qualified elector of the District. The voted ballot of the sole qualified elector of the District contains a waiver of the time for said special election. Accordingly, this City Council finds and determines that if the qualified elector submits its voted ballot in the election, the qualified elector will have agreed to the shortened time for the election and will thereby have been fully protected in these proceedings. This City Council also finds and determines that the City Clerk has concurred in the shortened time for the election.

SECTION 14. The City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED and ADOPTED this 18th day of December, 2024.

Approved as to form:

Austin Bishop, Mayor

ATTEST:

William P. Curley, III
City Attorney

Rochelle Scott, City Clerk

I, Rochelle Scott, City Clerk of the City of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 18th day of December 2024 by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Date: _____
Rochelle Scott, City Clerk

EXHIBIT A
OFFICIAL BALLOT
SPECIAL ELECTION
CITY OF PALMDALE COMMUNITY FACILITIES DISTRICT NO. 2022-3
(RITTER RANCH PHASE 1 PUBLIC FACILITIES)

This ballot is for a special, landowner election. You must return this ballot in the enclosed postage paid envelope to the office of the City Clerk of the City of Palmdale no later than immediately after adoption of the resolution of the City Council of the City calling said election, currently scheduled for December 18, 2024, either by mail or in person. The City Clerk's office is located at 38300 Sierra Highway, Suite A, Palmdale, California, 93550.

To vote, mark a cross (X) in the voting square after the word "YES" or after the word "NO". All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void.

If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Palmdale and obtain another.

BALLOT MEASURE: Shall the second amended rate and method of apportionment of the special taxes for the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities) be adopted as described in Resolution No. CC 2024-081 of the City Council of the City of Palmdale adopted November 6, 2024, entitled "A Resolution of the City Council of the City of Palmdale of Consideration to Alter the Rate and Method of Apportionment of Special Taxes for the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities)"?	Yes	☐
	No	☐

By execution in the space provided below, you also indicate your desire to have this election occur as soon as practicable and, accordingly, your waiver of any requirement for notice of or any time limit pertaining to the conduct of the election, and your waiver of any requirement for analysis and arguments with respect to the ballot measure.

Number of Votes:	236
Property Owner:	RdR Development Holdings, LLC, a Delaware limited liability company
By:	PHCC LLC (d/b/a Preston Hollow Community Capital), its sole member
By:	_____
Name:	_____
Title:	_____

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2024-093

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE
DECLARING RESULTS OF SPECIAL ELECTION IN THE CITY OF
PALMDALE COMMUNITY FACILITIES DISTRICT NO. 2022-3 (RITTER
RANCH PHASE 1 PUBLIC FACILITIES), DETERMINING THAT
ALTERATION OF THE RATE AND METHOD OF APPORTIONMENT OF
SPECIAL TAXES FOR THE DISTRICT IS LAWFULLY AUTHORIZED,
AND DIRECTING RECORDING OF AMENDED AND RESTATED NOTICE
OF SPECIAL TAX LIEN

WHEREAS, in proceedings heretofore conducted by this City Council pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, constituting Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"), on this date this City Council adopted a resolution entitled "A Resolution of the City Council of the City of Palmdale Calling Special Election Regarding Alteration of the Second Amended Rate and Method of Apportionment of Special Taxes for the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities)" (the "Resolution Calling Election"), calling for a special election of the qualified elector within the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities) (the "District"); and

WHEREAS, pursuant to the terms of the Resolution Calling Election, which are by this reference incorporated herein, the special election was held on this date, and the City Clerk has on file a Canvass and Statement of Results of Election, a copy of which is attached hereto as Attachment A; and

WHEREAS, this City Council has reviewed said Canvass and hereby approves it.

NOW THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. The issue presented at said special election was the alteration of the second amended rate and method of apportionment of the special taxes to be levied within the District, as described in the Resolution Calling Election.

SECTION 2. The results of the special election are as set forth in said Canvass on file with the City Clerk, and attached to this Resolution as Attachment A, which is incorporated herein by this reference. Pursuant to said Canvass on file with the City Clerk, the issue presented at the special election was approved by the sole qualified elector of the District.

SECTION 3. The City Council hereby determines that the alteration of the second amended rate and method of apportionment of the special taxes for the District, as described in the Resolution Calling Election, is lawfully authorized.

SECTION 4. The City Clerk is hereby directed to execute and cause to be recorded in the office of the County Recorder of the County of Los Angeles an amended and restated notice of special tax lien with respect to the District, in substantially the form attached hereto as Attachment B, said recording to occur no later than fifteen days following adoption by this City Council of this Resolution.

SECTION 5. It is hereby found that all prior proceedings and actions taken by the City Council with respect to the District and the alteration of the [amended] rate and method of apportionment of special taxes for the District, were valid and in conformity with the Act.

SECTION 6. The City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED and ADOPTED this 18th day of December, 2024.

Approved as to form:

Austin Bishop, Mayor

ATTEST:

William P. Curley, III
City Attorney

Rochelle Scott, City Clerk

I, Rochelle Scott, City Clerk of the City of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 18th day of December, 2024 by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Date: _____

Rochelle Scott, City Clerk

ATTACHMENT A

CANVASS OF RETURNS AND STATEMENT OF RESULT OF SPECIAL ELECTION

City of Palmdale Community Facilities District No. 2022-3
(Ritter Ranch Phase 1 Public Facilities)

I hereby certify that on December 18, 2024, I canvassed the returns of the election held on December 18, 2024 in the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities), and that the total number of ballots cast in said election and the total number of votes cast for and against the measure are as follows, and that the totals as shown for and against the measure are full, true and correct:

	Qualified Eligible <u>Voters</u>	Voters <u>Cast</u>	<u>YES</u>	<u>NO</u>
City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities) Special Election, December 18, 2024	236	236	☐	☐

BALLOT MEASURE: Shall the second amended rate and method of apportionment of the special taxes for the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities) be altered as described in Resolution No. CC 2024-081 of the City Council of the City of Palmdale adopted November 6, 2024, entitled “A Resolution of the City Council of the City of Palmdale of Consideration to Alter the Rate and Method of Apportionment of Special Taxes for the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities)”?

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND this 18th day of December, 2024.

By: _____
City Clerk, City of Palmdale

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2024-094

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE
APPROVING A SUPPLEMENT NO. 1 TO ACQUISITION AGREEMENT
RELATING TO THE CITY OF PALMDALE COMMUNITY FACILITIES
DISTRICT NO. 2022-3 (RITTER RANCH PHASE 1 PUBLIC FACILITIES)
2025 SPECIAL TAX BONDS

WHEREAS, the City Council of the City of Palmdale (the “City”) has conducted proceedings under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the “Act”), to form the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities) (the “District”), to authorize the levy of special taxes upon the land within the District, and to issue bonds secured by said special taxes to finance public facilities authorized to be funded by the District (the “Facilities”); and

WHEREAS, the City Council has determined that it is in the best interest of the owners of property in the District for the City to issue the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities) 2025 Special Tax Bonds (the “2025 Bonds”) to provide financing for the Facilities; and

WHEREAS, the City, for the District, and RdR Development Holdings, LLC (the “Master Developer”) are parties to an Acquisition Agreement (A-8174), dated as of November 1, 2022 (the “Original Agreement”) relating to the construction by the Master Developer of some of the Facilities; and

WHEREAS, the City Council now desires to approve Supplement No. 1 to Acquisition Agreement No. A-8174 (“Supplement No. 1”) to update the listed Facilities and Discrete Components in the Original Agreement, and to extend the effective date of the Original Agreement.

NOW THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. Supplement No. 1 to Acquisition Agreement. Supplement No. 1, in the form presented at this meeting, is hereby approved by the City Council. The Mayor, the City Manager, and the Director of Operations (each, a “Designated Officer”), each acting alone, are hereby authorized, for and in the name and on behalf of the City, to execute and deliver Supplement No. 1 in said form together with such additions thereto or changes therein as are approved by the Designated Officer executing Supplement No. 1 upon consultation with the City Attorney and Bond Counsel, the approval of such

additions or changes to be conclusively evidenced by the execution and delivery of Supplement No. 1 by a Designated Officer.

SECTION 2. Official Actions. All actions heretofore taken by the officers and agents of the City with respect to the execution and delivery of Supplement No. 1, are hereby approved, confirmed, and ratified, and the proper officers of the City are hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful execution and delivery of Supplement No. 1 in accordance with this Resolution, and any certificate, agreement, and other document described in the documents herein approved.

SECTION 3. The City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED and ADOPTED this 18th day of December, 2024.

Approved as to form:

Austin Bishop, Mayor

ATTEST:

William P. Curley, III
City Attorney

Rochelle Scott, City Clerk

I, Rochelle Scott, City Clerk of the City of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 18th day of December, 2024 by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Date: _____
Rochelle Scott, City Clerk

SUPPLEMENT NO. 1 TO ACQUISITION AGREEMENT

(A-8174)

by and between the

CITY OF PALMDALE, CALIFORNIA

and

RDR DEVELOPMENT HOLDINGS, LLC

dated as of December 1, 2024

relating to:

**City of Palmdale
Community Facilities District No. 2022-3
(Ritter Ranch Phase 1 Public Facilities)**

THIS SUPPLEMENT NO. 1 TO ACQUISITION AGREEMENT No. A-8174, dated as of December 1, 2024 (this “Supplement No. 1”), is by and between the City of Palmdale, California, a charter city and municipal corporation (the “City”), for the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities) (the “CFD”); and (ii) RdR Development Holdings, LLC, a Delaware limited liability company (the “Developer”), and amends Acquisition Agreement No. A-8174, dated as of November 1, 2022 (the “Original Agreement”), by and between the City, for the CFD, and the Developer. Capitalized terms used in this Supplement No. 1 and not otherwise defined herein have the meanings given to such terms in Section 1.01 of the Original Agreement.

RECITALS:

A. The City, for the CFD, and the Developer desire to replace Exhibit B to the Original Agreement with Exhibit A to this Supplement No. 1 to reflect changes to the budget for the Facilities and Discrete Components thereof listed in said Exhibit B that have occurred since the Original Agreement was executed, and to amend the Original Agreement to update the address of the Developer for notices in Section 10.05 of the Original Agreement.

B. This Supplement No. 1 is a “Supplement,” as defined in the Original Agreement.

AGREEMENT:

In consideration of the premises, and for other consideration the receipt and sufficiency of which are hereby acknowledged, the City, for the CFD, and the Developer, hereby agree as follows:

SECTION 1. Recitals. The City and the Developer agree that the foregoing recitals are true and correct.

SECTION 2. Amendments to Original Agreement. The Original Agreement is hereby amended as follows:

(a) The address for the Developer to receive notices in Section 10.05 of the Original Agreement is hereby amended to be as follows: RdR Development Holdings, LLC, c/o PHCC LLC, 2121 North Pearl Street, Suite 600, Dallas, Texas 75201, Attention: John Dinan, General Counsel.

(b) The definition of “Facilities” in the Original Agreement is hereby amended in its entirety to read:

i. “Facilities” means those Eligible Facilities financed with Bonds listed in Exhibit B hereto, as amended from time.

(c) Section 5.06 of the Original Agreement is hereby amended by adding thereto, as subsection F. thereof, the following:

i. Requirement for Joint Community Facilities Agreements. Notwithstanding any other provision of this Acquisition Agreement,

the City shall not use, or be required to use, proceeds of any series of the Bonds deposited to the Improvement Fund, or any earnings thereon, to finance any facilities to be owned or operated by Los Angeles County Water Works District No. 40, Antelope Valley Region, or the Antelope Valley–East Kern Water Agency, unless the City has entered into a joint community facilities agreement described in Section 53316.2 of the Act with such respective agency prior to the adoption of a resolution by the City Council authorizing the issuance of such series of the Bonds. It is hereby acknowledged that the City Council had not entered into a joint community facilities agreement with either such entities prior to the adoption of Resolution No. CC 2024-02 authorizing the issuance of the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities) 2025 Special Tax Bonds.

(d) Section 5.06 of the Original Agreement is hereby amended in its entirety to read as follows:

- i. If, for any reason, the City does not issue the first series of the Bonds for the CFD by December 31, 2025, this Acquisition Agreement shall terminate and be null and void and of no further effect. If not terminated pursuant to the preceding sentence, and unless otherwise agreed to in writing by the parties hereto, the provisions of Articles IV and V of this Acquisition Agreement shall terminate on December 31, 2031; and, from and after such date, the City shall have no further obligation to pay the Purchase Price of any Facilities or Discrete Components thereof hereunder.

(e) Exhibit B to the Original Agreement is hereby amended and restated in whole to be as set forth in Exhibit A hereto.

SECTION 3. Governing Law. This Supplement No. 1 shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and performed in such State.

SECTION 4. Ratification and Reaffirmation of Original Agreement. Except as hereby expressly amended, the Original Agreement shall remain in full force and effect; and the Original Agreement, as amended hereby, is ratified and confirmed.

SECTION 5. Interpretation. In the event of any conflict between the provisions of the Original Agreement and the provisions of this Supplement No. 1, the provisions of this Supplement No. 1 shall control.

SECTION 6. Interpretation of Supplement No. 1. Captions used in this Supplement No. 1 are for convenience of reference only and shall not affect the interpretation or of meaning of this Supplement No. 1 or of the Original Agreement.

SECTION 7. Successors and Assigns. This Supplement No. 1 shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

SECTION 8. Counterparts. This Supplement No. 1 may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document. The delivery of an executed counterpart of this Supplement No. 1 by facsimile or PDF or similar attachment to an email shall constitute effective delivery of such counterpart for all purposes with the same force and effect as the delivery of an original, executed counterpart.

IN WITNESS WHEREOF, the parties hereto have executed this Supplement No. 1 as of the day and year first-above written.

	CITY OF PALMDALE, CALIFORNIA, for the CITY OF PALMDALE COMMUNITY FACILITIES DISTRICT NO. 2022-3 (RITTER RANCH PHASE 1 PUBLIC FACILITIES) By: _____ Ronda Perez, City Manager
Attest: By: _____ Rochelle Scott, City Clerk	
Approved as to form: By: _____ William P. Curley III, City Attorney	
	RDR DEVELOPMENT HOLDINGS, LLC, a Delaware limited liability company By: PHCC LLC (d/b/a Preston Hollow Community Capital), its sole member By: _____ Name: _____ Title: _____

EXHIBIT A TO SUPPLEMENT NO. 1 TO ACQUISITION AGREEMENT

EXHIBIT B TO ACQUISITION AGREEMENT

DESCRIPTION OF FACILITIES, DISCRETE COMPONENTS AND BUDGETED COSTS

Facility	Discrete Component	Discrete Component Budget
<u>Sewer Facilities</u> Sanitary Sewer Facilities, including but not limited to construction and installation of sewer lines and related appurtenances.	Elizabeth Lake Road Ranch Center Drive from ELR to Westland Avenue Drive Westland Avenue from Ranch Center Drive to Avenue S City Ranch Road Red Tail Drive from City Ranch Road Park View Drive Avenue S Extension from Westlund to Park 50% Offsite Sewer in Ana Verde In Future Bridge Road within Anaverde - L=2,480 LF Avenue S from Westland Drive to 650 East Intract 51604 - Streets KK, OO, LL, NN, JJ, W, PP, X Intract 51605 - Streets W, T, R, P, X, Q, S, U, V, W Intract 51606 - Streets L, M, N, O, K Intract 51607 - Streets E, F, D, J, I, G, H Intract 52116 - Streets UU, TT, SS, QQ, RR Intract 52093 - Streets FF, DD, CC, BB, AA, EE, II, HH, GG Intract 63145-1 - Streets A thru O	\$218,316 34,255 31,231 36,417 13,900 19,721 380,445 1,164,266 12,065 1,024,067 1,275,239 619,946 745,527 423,057 885,920 1,024,038
	TOTAL, SEWER FACILITIES	\$7,908,411
<u>Storm Drain Facilities</u> Storm Drain Facilities, including but not limited to construction and installation of pipes, inlets, basins and treatment facilities.	Water Quality Basins Basins Westland Avenue from Ranch Center Drive to Existing Outlet Structure Intract 51604 - Streets KK, OO, LL, NN, JJ, W, PP, X Intract 51605 - Streets W, T, R, P, X, Q, S, U, V, W Intract 51606 - Streets L, M, N, O, K Intract 51607 - Streets E, F, D, J, I, G, H Intract 52116 - Streets UU, TT, SS, QQ, RR Intract 52093 - Streets FF, DD, CC, BB, AA, EE, II, HH, GG Intract 63145-1 - Streets A thru O	\$342,755 47,441 337,292 0 498,804 124,832 156,863 229,815 433,353
	TOTAL, STORM DRAIN FACILITIES	\$2,171,155
<u>Street Improvements</u> Street Improvements, including but not limited to construction and installation of streets, curbs, gutters, medians, sidewalks, traffic signals, street signs, street lights, entry monuments and appurtenances.	Elizabeth Ranch Road Redtail Drive, City Ranch Road, Ranch Center Drive Parkview Drive & Westland Drive Avenue S between Westlund and Parkview Avenue S, (100% Completion North Half) Traffic Signalization - Elizabeth Lake Road Intract 51604 - Streets KK, OO, LL, NN, JJ, W, PP, X Intract 51605 - Streets W, T, R, P, X, Q, S, U, V, W Intract 51606 - Streets L, M, N, O, K Intract 51607 - Streets E, F, D, J, I, G, H Intract 52116 - Streets UU, TT, SS, QQ, RR Intract 52093 - Streets FF, DD, CC, BB, AA, EE, II, HH, GG Intract 63145-1 - Streets A thru O Street Lights - Elizabeth Ranch Road Parkway Street Lights - Redtail Drive, City Ranch Drive, Ranch Center Drive Street Lights - Avenue S	\$2,683,019 2,775,768 1,164,806 880,792 2,820,749 658,539 1,671,076 1,584,709 1,090,081 1,268,277 869,329 1,421,025 2,194,090 2,202,420 3,196,477 558,415
	TOTAL, STREET IMPROVEMENTS	\$27,039,573

<u>Landscape Within Right of Way</u> Installation of Landscaping and related irrigation improvements in public rights of way.	Elizabeth Ranch Road - West to Joshua Ranch Entrance Ranch Center Drive, Center Ranch Road, Westland, Parkview, Redtail Road Avenue S	\$3,611,124 6,543,357 1,261,267
	TOTAL, STREETSCAPE	\$11,415,749
<u>Public Parks</u> Construction and development of parks, parkways and trails and related appurtenances.	Community Park, Active - PA-5T - 1A Community Park, Active - PA-5T - 1B Neighborhood Park - Active - PA-5F - 1A Neighborhood Park - Active - PA-5U - 1B Trails	\$1,888,446 4,452,555 4,032,064 2,246,355 568,531
	TOTAL, PARKS AND TRAILS	\$13,187,951
<u>Los Angeles County Water Facilities Water Works</u> Domestic water facilities, including but not limited to construction and installation of water distribution, treatment and storage facilities, pump stations, irrigation lines and related appurtenances.	Water Tank - 3,000,000 MG - Pressure Zone 3240 Water Pump Station - O-12 & 25th Street West Water Transmission Main - 36" Transmission Main in 25th Street West from Avenue O14 to Rancho Vista Blvd Water Tank Access Road Domestic Water - Ranch Center Drive from ELR to Westland Avenue Domestic Water - Westland Avenue North - from Ranch Center Drive to 1B Domestic Water - Westland Avenue South - from 1A to Avenue S Domestic Water - City Ranch Road from Ranch Center Drive, West to End Domestic Water - City Ranch Road from Ranch Center Drive, East to End Domestic Water - Red Tail Drive from City Ranch Road Domestic Water - Park View Drive from Westland Drive Convert Raw Water Line in Ranch Center Drive to water district standards and connect to potable Intract 51604 - Streets KK, OO, LL, NN, JJ, W, PP, X Intract 51605 - Streets W, T, R, P, X, Q, S, U, V, W Intract 51606 - Streets L, M, N, O, K Intract 51607 - Streets E, F, D, J, I, G, H Intract 52116 - Streets UU, TT, SS, QQ, RR Intract 52093 - Streets FF, DD, CC, BB, AA, EE, II, HH, GG Intract 63145-1 - Streets A thru O	\$8,662,544 12,133,390 1,484,243 3,421,899 10,335 5,388 658,974 14,403 3,431 12,556 24,955 405,964 1,159,390 1,433,747 887,097 1,972,387 596,126 1,118,440 1,400,527
	TOTAL, LACWWD FACILITIES	\$35,405,797
<u>AVEK Water Facilities Pump Station</u> Domestic water facilities, including but not limited to construction and installation of water distribution, treatment and storage facilities, pump stations, irrigation lines and related appurtenances.	Water Turn Out - O-12 & 25th Street West , Portion of Pump Station and 36" water Line in 25th West	\$3,534,465
	TOTAL, AVEK FEES	\$3,534,465



City Council Staff Report

DATE: DECEMBER 18, 2024

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT
PLANNING DIVISION

DISTRICT: ALL

SUBJECT: ADOPT ORDINANCE NO. 1647, APPROVING ZONING ORDINANCE AMENDMENT 24-0001 AND FINDING THAT THE PROJECT IS CONSISTENT WITH PROGRAM ENVIRONMENTAL IMPACT REPORT 22-002 PREPARED AND CERTIFIED IN CONJUNCTION WITH THE CITY'S GENERAL PLAN (PALMDALE 2045)

RECOMMENDATION

Staff recommends that the City Council:

1. Receive public testimony regarding proposed Ordinance No. 1647;
2. Adopt Ordinance No. 1647 approving Zoning Ordinance Amendment (ZOA) 24-0001; and,
3. Find that the request is consistent with Program Environmental Impact Report (PEIR) 22-002 prepared and certified in conjunction with the City's General Plan (Palmdale 2045)

BACKGROUND

On September 21, 2022, Palmdale 2045 was adopted by the City Council and replaced the previously adopted General Plan (1993). State law requires that the regulations governing the use and development of lands within the municipal limits of a city be consistent with the adopted General Plan for that city. ZOA 21-007 was adopted by the City Council on March 15, 2023, which amended Title 17 of the Palmdale Municipal Code (PMC) to implement the vision of Palmdale 2045 as well as support new land use patterns and future development. Since then, staff identified minor amendments to Title 17, which are necessary to address review procedures and streamline review processes for City projects.

On November 21, 2024, the Planning Commission adopted Resolution No. PC-2024-023 recommending City Council approval of ZOA 24-0001.

DISCUSSION

Section 500 of the Palmdale City Charter grants the City of Palmdale full authority to regulate local land use and public facilities. As such, City staff is requesting a streamlined approval process for City projects. The proposed ZOA would allow the City Manager or her designee to approve these projects administratively at her discretion. Approval of the proposed ZOA would expedite the review and approval process for City projects, ultimately preserving staff resources, time, and reducing project costs.

TABLE 1 - GENERAL PLAN CONSISTENCY

Element	Goal, Objective, or Policy	Standard Met?	Justification*
Public Facilities, Services, and Infrastructure	PFSI-1: Maintain superior public facilities to support the Palmdale community.	Yes	The proposed amendment will enable the City Manager, or their designee, to approve City projects administratively, simplifying the review process. City projects play a crucial role in enhancing our community by not only upgrading existing facilities but also expanding services to meet the evolving needs of residents.

ENVIRONMENTAL REVIEW

PEIR 22-002 (State Clearinghouse # 2021060494) was prepared and certified by the City Council (Resolution No. CC 2022-096) on September 21, 2022, for approval of the City's General Plan (Palmdale 2045). As part of the environmental analysis, PEIR 22-002 also considered the adoption and implementation of the Comprehensive Zoning Code and Map update. Staff review has determined that a subsequent or supplemental PEIR as described in California Environmental Quality Act (CEQA) Guidelines Sections 15162, 15163, or 15164, is not required because the proposed ZOA would not require major revisions of the PEIR, there are no significant changes in circumstances and there is no new information of substantial importance that will involve new significant environmental effects or increase the severity of previously identified significant effects. Any future projects would be required to go through separate environmental reviews as this ZOA only amends procedures for City projects. As such, staff concluded that the request is consistent with the previous PEIR in accordance with CEQA Guidelines and has determined that no additional environmental analysis is required.

FISCAL IMPACT

\$0; There is no proposed development; therefore, this action has no fiscal impact.

STRATEGIC PLAN

Goal IV: Maintain a desirable community where everyone wants to live, work, and play.

- A. Support opportunities to celebrate rich traditions and diverse cultures in the community.

Prepared by:	Megan Taggart, Acting Director of Economic and Community Development
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Ronda Perez, City Manager
Approved as to form:	William P. Curley, III, City Attorney

ATTACHMENT

Ord. No. 1647

CITY OF PALMDALE, A CHARTER CITY,
COUNTY OF LOS ANGELES, CALIFORNIA
ORDINANCE NO. 1647

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALMDALE APPROVING ZONING ORDINANCE AMENDMENT 24-0001 AND FINDING THAT THE PROJECT IS CONSISTENT WITH PROGRAM ENVIRONMENTAL IMPACT REPORT 22-002 PREPARED AND CERTIFIED IN CONJUNCTION WITH THE CITY'S GENERAL PLAN (PALMDALE 2045)

A. INTENT OF THE CITY COUNCIL:

1. The City of Palmdale (City) has filed an application that applies to the City and the City's sphere of influence, requesting approval of Zoning Ordinance Amendment (ZOA) 24-0001, to streamline review procedures for City projects, as indicated in Exhibits A and B (hereinafter referred to as "Application"); and
2. State law requires that the regulations governing the use and development of lands within the municipal limits of a city be consistent with the adopted General Plan for that city. On September 21, 2022, the City Council adopted a comprehensive update to the General Plan (Palmdale 2045), which required a comprehensive update to Title 17 of the Palmdale Municipal Code (PMC); and
3. On March 15, 2023, the City Council of the City of Palmdale adopted Ordinance No. 1603 a comprehensive Zoning Code and Map update; and
4. On August 16, 2023, the City Council of the City of Palmdale adopted Ordinance Nos. 1613 and 1614 which identified minor amendments to the PMC necessary to address inconsistencies, clarify review procedures, correct typographical errors and section references, as well as update the associated Zoning Map; and
5. On December 6, 2023, the City Council of the City of Palmdale adopted Ordinance No. 1627 which identified minor amendments to Title 17 necessary to address inconsistencies and clarify review procedures; and
6. On February 7, 2024, the City Council of the City of Palmdale adopted Ordinance No. 1639 which amended the Noise Element of the General Plan, the Development Standards for Mixed-Use zones, the Land Use map, and Zoning map to address inconsistencies and clarify review procedures; and
7. On November 21, 2024, the Planning Commission of the City of Palmdale adopted Resolution No. PC-2024-023 recommending City Council approval of the Application; and

8. On December 18, 2024, the City Council of the City of Palmdale conducted a duly noticed public hearing. All legal prerequisites to the adoption of this Ordinance have occurred.

B. ORDINANCE

THE CITY COUNCIL OF THE CITY OF PALMDALE DOES ORDAIN AS FOLLOWS:

SECTION 1. The City Council hereby specifically finds that all the facts set forth in the Recitals, Part A of this Ordinance, are true and correct.

SECTION 2. The City Council hereby finds as follows with respect to the environmental document:

- A PEIR 22-002 (State Clearinghouse #2021060494) was prepared and certified by the City Council (Resolution No. CC 2022-096) on September 21, 2022, for approval of the City's General Plan (Palmdale 2045). As part of the environmental analysis, PEIR 22-002 also considered the adoption and implementation of the Comprehensive Zoning Code and Map update. Staff review has determined that a subsequent or supplemental PEIR as described in California Environmental Quality Act (CEQA) Guidelines Sections 15162, 15163, or 15164, is not required because the proposed ZOA modifies language in the recently adopted General Plan and Title 17 of the PMC. The amendment includes review procedures to streamline City projects and would not require major revisions of the PEIR, there are no significant changes in circumstances and there is no new information of substantial importance that will involve new significant environmental effects or increase the severity of previously identified significant effects. Any future projects would be required to go through separate environmental reviews as this ZOA is only amending procedures for City projects. As such, staff concluded that the request is consistent with the previous PEIR in accordance with CEQA Guidelines and has determined that no additional environmental analysis is required.
- B The custodian of records for the environmental document and all other materials which constitute the record of proceedings upon which the Planning Commission's decision is based is the Planning Manager of the City of Palmdale. These documents are available for public review in the Planning Division of the City of Palmdale located at 38250 Sierra Highway, Palmdale, California 93550, telephone (661) 267-5200.
In addition, the Final PEIR is available at: https://palmdale2045gp.org/wp-content/uploads/2022/10/PalmdaleGP_FinalEIRAppendicesResponsetoCommentsFindingofFactandStatementofOverridingConsiderations.pdf.

SECTION 3. Based upon substantial evidence presented to the City Council during the above-referenced December 18, 2024, public hearing, including public testimony, and written and oral staff report, this Commission specifically finds as follows:

- A. The proposed ZOA conforms with the goals, objectives, and policies of the General Plan.
- B. The proposed ZOA is necessary to implement the General Plan and to provide public safety, convenience and/or general welfare.

The proposed project will amend the Zoning Ordinance to streamline review procedures for City projects. City projects typically include upgrades to City facilities or the expansion of services within City facilities. The proposed amendment is consistent with the goals, objectives, and policies of the General Plan and are necessary to provide public safety, convenience, and/or general welfare because this amendment will, ultimately preserving staff resources, time and, reducing project costs.

SECTION 4. Based on the findings and conclusions outlined in paragraphs 1, 2, and 3 the City Council approves ZOA 24-0001, as shown in Exhibit A and B finds that the project is consistent with PEIR 22-002 prepared and certified for Palmdale 2045.

SECTION 5. Severability. If any section, subsection, subdivision, paragraph, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof, irrespective of the fact that any one or more subsections, subdivisions, paragraphs, sentences, clauses, or phrases be declared unconstitutional, or invalid, or ineffective, provided the basic purposes of this Ordinance and the benefits to the City and the public are not substantially impaired.

SECTION 6. All legal prerequisites and pre-conditions to introducing, enacting, and adopting this Ordinance have occurred as required by law and policy.

SECTION 7. The City Clerk shall certify the adoption of this ordinance and shall cause this ordinance to be published or posted as required by law.

PASSED, APPROVED and ADOPTED this 18th day of December, 2024.

Approved as to form:

Austin Bishop, Mayor

ATTEST:

William P. Curley, III
City Attorney

Rochelle Scott, City Clerk

I, Rochelle Scott, City Clerk of the City of Palmdale, California, do hereby certify that the foregoing Ordinance was duly introduced, passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 18th day of December 2024 effective on the 20th day of January 2025 by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Date: _____

Rochelle Scott, City Clerk

EXHIBIT A

GENERAL PLAN CONSISTENCY

Element	Goal, Objective, or Policy	Standard Met?	Justification*
Public Facilities, Services, and Infrastructure	PFSI-1: Maintain superior public facilities to support the Palmdale community.	Yes	The proposed amendment will enable the City Manager, or their designee, to approve City projects administratively, simplifying the review process. City projects play a crucial role in enhancing our community by not only upgrading existing facilities but also expanding services to meet the evolving needs of residents. Approving this ZOA would remove bureaucratic obstacles preventing the City from providing high-quality public facilities for Palmdale residents.

EXHIBIT B

17.20.140 City Project Review.

All City projects that would otherwise require Planning Commission approval under this Title shall be reviewed and determined by the City Manager, or his or her designee, and may be approved administratively.



City Council Staff Report

,DATE: DECEMBER 18, 2024

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: OPERATIONS DEPARTMENT
FINANCE DIVISION

DISTRICT: ALL

SUBJECT: INTRODUCTION AND ADOPTION OF ORDINANCE NO. 1650, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALMDALE AMENDING SECTION 3.21 OF THE PALMDALE MUNICIPAL CODE RELATING TO THE IMPLEMENTATION AND COLLECTION OF REDUCED TRANSACTIONS AND USE TAX, AND ADOPT RESOLUTION NO. 2024-096, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE PHASING THE IMPLEMENTATION OF THE TRANSACTIONS AND USE TAX INCREASE AUTHORIZED BY AB 2443 AND ENACTED BY MEASURE PD.

RECOMMENDATION

Staff recommends that the City Council:

1. Introduce and Adopt Ordinance No. 1650, an Ordinance of the City Council of the City of Palmdale amending Section 3.21 of the Palmdale Municipal Code relating to the implementation and collection of reduced transactions and use tax; and,
2. Adopt Resolution No. CC 2024-096, a Resolution of the City Council of the City of Palmdale phasing the implementation of the transactions and use tax increase authorized by AB 2443 and enacted by Measure PD.

BACKGROUND

On November 3, 2020, voters passed Measure AV, which enacted Chapter 3.21 of the Palmdale Municipal Code and established an additional sales tax of 0.75% within the City of Palmdale ("City") to fund essential services including, but not limited to, street repair, addressing homelessness, emergency response, public safety, maintaining local businesses, protecting water resources, and programs for seniors, veterans, mental health and the community.

On November 5, 2024, the City of Palmdale voters passed Measure PD, which amended Chapter 3.21 of the Palmdale Municipal Code and established an automatic increase of the City's Transactions and Use Tax if, whenever, and to the extent permitted by applicable law. Measure PD establishes the City's Transactions and Use Tax as the maximum rate permitted by law, but is silent as to how, when, and to what extent the City must implement and collect the maximum rate, or whether, in the alternative, the City may phase, defer, or otherwise implement and collect a lower rate.

DISCUSSION

This proposed ordinance adds a new Section 3.21.035 to the Palmdale Municipal Code that authorizes the City Council, by resolution or other action, to phase, defer, or otherwise implement and collect a rate that is lower than the full rate established by Sections 3.21.040 and/or 3.21.060. Notwithstanding any such phasing, deferral, or other reduced collection, the rates established by Sections 3.21.040 and 3.21.060 shall remain the City's authorized, approved, and established Transactions and Use Tax rates. The City Council may exercise its authority, under this proposed ordinance only as and to the extent permitted by law. Nothing in this proposed ordinance authorizes the City Council to impose a tax rate increase that would exceed the maximum rates established by Sections 3.21.040 and 3.21.060 or require voter approval.

The proposed resolution defers until January 1, 2028, the implementation and collection of one-quarter (1/4); and defers until January 1, 2029, the implementation and collection of the final one-quarter (1/4) of the 1% transactions and use tax increase authorized by AB 2443 and enacted by Measure PD (i.e., 0.5%).

FISCAL IMPACT

The fiscal impact associated with this action is unknown at this time.

STRATEGIC PLAN

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

- C. Involve and expand engagement to enhance public oversight and transparency.

Prepared by:	Janelle Samson, Director of Operations
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Ronda Perez, City Manager
Approved as to form:	William P. Curley, III, City Attorney

ATTACHMENTS

Ord. No. 1650
Reso. No. CC 2024-096

CITY OF PALMDALE, A CHARTER CITY,
COUNTY OF LOS ANGELES, CALIFORNIA
ORDINANCE NO. 1650

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALMDALE
AMENDING SECTION 3.21 OF THE PALMDALE MUNICIPAL CODE
RELATING TO IMPLEMENTATION AND COLLECTION OF REDUCED
TRANSACTIONS AND USE TAX

A. INTENT OF THE CITY COUNCIL:

1. On November 3, 2020, voters passed Measure AV, which enacted Chapter 3.21 of the Palmdale Municipal Code and established an additional sales tax of 0.75% within the City of Palmdale ("City") to fund essential services including street repair, addressing homelessness, emergency response, public safety, maintaining local businesses, protecting water resources, and programs for seniors, veterans, mental health and the community, thereby increasing the total sales tax rate in the City from 9.5% to 10.25%; and
2. On November 5, 2025, voters passed Measure PD, which enacted Chapter 3.21 of the Palmdale Municipal Code and established an automatic increase of the City's Transactions and Use Tax if, whenever, and to the extent permitted by applicable law; and
3. Measure PD established the City's Transactions and Use Tax as the maximum permitted by law, but is silent as to how, when, and to what extent the City must implement and collect the maximum rate, or whether, in the alternative, the City may phase, defer, or otherwise implement and collect a lower rate.

B. ORDINANCE

THE CITY COUNCIL OF THE CITY OF PALMDALE DOES ORDAIN AS FOLLOWS:

SECTION 1. Recitals. The above recitals are true and correct and constitute a substantive part of this ordinance.

SECTION 2. Amendment of Municipal Code. Section 3.21.035 of the Palmdale Municipal Code is hereby added to read as follows:

3.21.035 Implementation and collection of maximum rates.

The City Council may, by resolution or other action phase, defer or otherwise implement and collect a rate that is lower than the full rate established

by Sections 3.21.040 and/or 3.21.060. Notwithstanding any such phasing, deferral, or other reduced collection, the rates established by Sections 3.21.040 and 3.21.060 shall remain the City's authorized, approved, and established Transactions and Use Tax rates. The City Council may exercise its authority under this Section 3.21.035 only as to the extent permitted by law. Nothing in Section 3.21.035 authorizes the City Council to impose a rate increase that would exceed the maximum rates established by Sections 3.21.040 and 3.21.060 or require voter approval.

SECTION 3. Severability. If any section, subsection, subdivision, paragraph, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof, irrespective of the fact that any one or more subsections, subdivisions, paragraphs, sentences, clauses, or phrases be declared unconstitutional, or invalid, or ineffective, provided the basic purposes of this Ordinance and the benefits to the City and the public are not substantially impaired.

SECTION 4. All legal prerequisites and pre-conditions to introducing, enacting, and adopting this Ordinance have occurred as required by law and policy.

SECTION 5. The City Clerk shall certify the adoption of this ordinance and shall cause this ordinance to be published or posted as required by law.

PASSED, APPROVED and ADOPTED this 18th day of December, 2024

Approved as to form:

Austin Bishop, Mayor

ATTEST:

William P. Curley, III
City Attorney

Rochelle Scott, City Clerk

I, Rochelle Scott, City Clerk of the City of Palmdale, California, do hereby certify that the foregoing Ordinance was duly introduced, passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the _____ day of _____, 20__ effective on the _____ day of _____, 20__ by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Date: _____

Rochelle Scott, City Clerk

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2024-096

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE
TO PHASE IMPLEMENTATION OF THE TRANSACTIONS AND USE TAX
INCREASE AUTHORIZED BY AB 2443 AND ENACTED BY MEASURE
PD.

WHEREAS, Assembly Bill 2443 (“AB 2443”), an immediately effective urgency statute approved by the Governor on September 29, 2024, added Section 7287.13 to the California Revenue and Taxation Code, and authorizes the City of Palmdale to impose a transactions and use tax for general or specific purposes at a rate of no more than 1% that would, in combination with all other applicable taxes, exceed the limit established in Section 7251.1 of the California Revenue and Taxation Code; and

WHEREAS, on November 5, 2024, voters passed Measure PD (“Measure PD”), which amended Chapter 3.21 of the Palmdale Municipal Code and established an automatic increase of the City’s Transaction and Use Tax if, whenever, and to the extent permitted by applicable law; and

WHEREAS, Measure PD imposes and enacts for general purposes the 1% transactions and use tax authorized by AB 2443 (the “AB 2443 Increase”), but is silent as to how, when, and to what extent the City must actually implement and collect the full AB 2443 Increase amount, or whether the City may phase or defer all or any portion thereof; and

WHEREAS, on December 18, 2024, the City Council approved and enacted Ordinance No. 1650, which authorizes the City Council to, by resolution or other action, phase, defer, or otherwise implement and collect a transactions and use tax that is lower than the full rate established by Section 3.21.040 and Section 3.21.060 of the Palmdale Municipal Code, which includes the AB 2443 Increase; and

WHEREAS, the City Council desires to exercise its authority to defer a portion of the AB 2443 Increase, as set forth below.

NOW THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. The City Council hereby finds and determines that the foregoing recitals are true and correct. The recitals are hereby incorporated into the operative provisions of the Resolution by this reference.

SECTION 2. One-quarter (1/4) of the 1% transactions and use tax increase authorized by AB 2443 and enacted by Measure PD shall be deferred and to not take effect until January 1, 2028.

SECTION 3. One-quarter (1/4) of the 1% transactions and use tax increase authorized by AB 2443 and enacted by Measure PD shall be deferred and to not take effect until January 1, 2029 .

SECTION 4. The City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED and ADOPTED this _____ day of _____, _____.

Approved as to form:

Austin Bishop, Mayor

ATTEST:

William P. Curley, III
City Attorney

Rochelle Scott, City Clerk

I, Rochelle Scott, City Clerk of the City of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 18 day of December, 2024 by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Date: _____
Rochelle Scott, City Clerk