

REQUEST FOR COUNCIL ACTION



CITY COUNCIL MEETING DATE:

FEBRUARY 5, 2019

TITLE:

**PUBLIC HEARING - ADOPT MITIGATED
NEGATIVE DECLARATION RESOLUTION
FOR SANTA ANA UNITED METHODIST
CHURCH PROJECT LOCATED AT 609
NORTH SPURGEON STREET; ADOPT A
RESOLUTION SUPPORTING NATIONAL
COMMUNITY RENAISSANCE OF
CALIFORNIA SUBMITTAL OF AN
APPLICATION FOR THE AFFORDABLE
HOUSING AND SUSTAINABLE
COMMUNITIES PROGRAM; AND APPROVE
DENSITY BONUS AGREEMENT
{STRATEGIC PLAN NO. 3, 2; 5, 3 & 6}**

 for

CITY MANAGER

CLERK OF COUNCIL USE ONLY:

APPROVED

- ☐ As Recommended
- ☐ As Amended
- ☐ Ordinance on 1st Reading
- ☐ Ordinance on 2nd Reading
- ☐ Implementing Resolution
- ☐ Set Public Hearing For _____

CONTINUED TO _____

FILE NUMBER _____

RECOMMENDED ACTION

1. Adopt a resolution adopting Mitigated Negative Declaration Environmental Review No. 2018-134 and a Mitigation Monitoring and Reporting Program relative to Density Bonus Agreement 2018-01.
2. Adopt a resolution supporting National Community Renaissance of California's submittal of a funding application for the Affordable Housing and Sustainable Communities Grant Program in the amount not to exceed \$20,000,000 for the Santa Ana United Methodist Church project located at 609 North Spurgeon Street, and if awarded, authorizing the City of Santa Ana to enter into an agreement with National Community Renaissance of California utilizing grant funds to construct the transportation related infrastructure for the project, subject to non-substantive changes approved by the City Manager and City Attorney.
3. Authorize the City Manager and Clerk of the Council to execute a Density Bonus Agreement with National Community Renaissance of California, or assigns, for a 55-year term, for the development of the Santa Ana United Methodist Church project located at 609 North Spurgeon Street, subject to non-substantive changes approved by the City Manager and City Attorney.

PLANNING COMMISSION ACTION

At its regular meeting on January 14, 2019, the Planning Commission considered draft Mitigated Negative Declaration No. 2018-134 and recommended approval of the Density Bonus Agreement No. 2018-01 by City Council as conditioned by a vote of 5:2 (Commissioner Nguyen and Cano opposed).

DISCUSSION

On January 15, 2019 City Council authorized the City Manager and Clerk of the Council to execute a pre-loan commitment letter with National Community Renaissance of California ("National CORE") with Mercy House Living Centers ("Mercy House") as the service provider for \$3,170,547 in Inclusionary Housing Funds for the development of the Santa Ana United Methodist Church affordable housing project located at 609 N Spurgeon Street, Santa Ana ("Legacy Square"). The Housing Authority also approved an award of eight (8) project-based vouchers and authorized the Executive Director of the Housing Authority and the Recording Secretary to execute an Agreement to enter into a Project-Based Vouchers Housing Assistance Payments Contract with National CORE for the development of the project. In order for National CORE to develop Legacy Square, the developer will need a Resolution authorizing them to pursue grant funds from the State of California; a Density Bonus Agreement authorizing them to build the number of units that they are proposing; and a Resolution adopting the required California Environmental Quality Act (CEQA) documents. A general introduction for each action is provided below with more detail thereafter.

In regards to the project financing, National CORE estimates the total development costs for the project to be \$46,729,000. A large portion of National CORE's financing for the project includes applying for up to \$20,000,000 in Affordable Housing and Sustainable Communities ("AHSC") funds made available through the State of California Department of Housing and Community Development (HCD). Administered by the Strategic Growth Council and implemented by HCD, the AHSC Program funds land-use, affordable housing, transportation, and land preservation projects to support infill and compact development that reduce greenhouse gas ("GHG") emissions. The deadline for the application is February 11, 2019. A resolution of the City Council supporting the submittal of the application for funding and, if awarded, authorizing the City to enter into an agreement with the developer for the use of the funds is included as Exhibit 1. The AHSC Implementation Agreement is included as Exhibit 2. Additional details on this Resolution and Implementation Agreement are provided below.

In regards to land use, Santa Ana Municipal Code Section 41-1607 requires that the Planning Commission review a Density Bonus Agreement when a waiver or modification from local development standards are requested pursuant to the state density bonus law. On January 14, 2019, the Planning Commission recommended approval of a resolution by a vote of 5:2 approving Density Bonus Application No. 2018-01 as conditioned. A Density Bonus Agreement is required for the project to be fully entitled. The development will be 100% affordable to households earning less than 60-percent Area Median Income or approximately \$52,470 for a family of four. The approval of Density Bonus Agreement Application No. 2019-01 as conditioned will accomplish the goal of providing affordable housing opportunities in the City consistent with the purpose of the underlying zone and applicable designation in the General Plan land use element. The approval of the Density Bonus Agreement does not bind the City in any form to provide future funding for

the development of the project, in the event the additional sources of funding do not materialize. The Density Bonus Agreement is included as Exhibit 4. Additional details on this Agreement are provided below.

Furthermore, in regards to land use, the project must comply with the provisions of CEQA requiring the evaluation of environmental impacts in connection with proposals for discretionary projects. An Initial Study and Mitigated Negative Declaration (IS/MND) with technical studies (geotechnical study, traffic study, infiltration study, Phase I Cultural Resources Inventory, Noise and Phase I site assessment), was prepared for the project. No areas of significant impact were determined from the construction or operation of the proposed project with the implementation of the mitigation measures for aesthetics, biological, cultural, noise, public services, hazards, and tribal cultural resources. In addition, a Mitigation Monitoring and Reporting Program (MMRP) has been prepared to ensure compliance with and effectiveness of the mitigation measures. The CEQA Resolution is included as Exhibit 6. Additional details on this Resolution are provided below.

This Staff Report consolidates the above three City actions required to develop the Legacy Square affordable housing project at 609 N Spurgeon Street.

Affordable Housing and Sustainable Communities Resolution and Agreement

On November 1, 2018, HCD announced the availability of approximately \$395 million in funding for the AHSC Program. The AHSC Program funds are offered through a Notice of Funding Availability that provides funding for projects that reduce GHG emissions by supporting more compact, infill development patterns, encouraging active transportation and transit usage, and protecting agricultural land from sprawl development. Funding for the AHSC Program is provided from the Greenhouse Gas Reduction Fund, an account established to receive auction proceeds from the California Cap-and-Trade Program.

The application for AHSC funds to be submitted by National CORE (the "Developer") is not to exceed \$20,000,000, of which up to \$16,465,511 is requested for the Affordable Housing Development (AHD) at Legacy Square and up to \$3,534,489 is requested for:

- Sustainable Transportation Infrastructure (STI) - capital projects that result in the improvement or addition of infrastructure that encourages mode-shift from single occupancy vehicles by enhancing: 1) public transit service, 2) pedestrian networks, or 3) bicycle networks within the defined Project Area.
- Transit-Related Amenities (TRA) - capital improvements that are publicly accessible and provide supportive amenities to pedestrians, cyclists and transit riders (i.e. bike parking, bus shelter, benches, street trees, etc.) within the defined Project Area; and
- Program (PGM) activities - New active transportation, transit ridership, and/or workforce development programs or expansion of existing programs to serve new populations.

The Legacy Square project is a 93-unit new construction affordable housing development at 609 N. Spurgeon Street in Santa Ana targeting low-income families making 30% to 60% Area Median Income (Project). The development will also include 33 units of housing with supportive services. The AHSC Grant will be for a portion of the AHD and the STI and TRA improvements related to the Project. The STI and TRA improvements around the project include Class II buffered bicycle lanes on Civic Center Boulevard between Broadway and Santiago Street, Class IV bicycle lanes

on Santiago Street between Civic Center Boulevard and the Santa Ana Regional Transportation Center (SARTC), and pedestrian and mobility improvements as shown on the map in Exhibit 3. The project is consistent with the goals set forth in the Southern California Association of Governments' 2012-2035 Regional Transportation Plan/Sustainable Communities Strategy, which places great importance on sustainable and smart growth, as well as the interconnectivity of land use and transportation planning.

The Resolution supports the submission of an application for funding under the AHSC Program (Exhibit 1). Contingent on the award of funds, the resolution authorizes the City Manager to enter into an agreement with the Developer to utilize those AHSC funds in an amount up to \$3,081,360 to develop the surrounding transportation-related improvements around the Project. The AHSC Implementation Agreement is a minimum threshold requirement for the AHSC application (Exhibit 2). The remaining \$453,129 is allocated to transit programs and transit-related amenities to build and operate a bicycle kiosk, car share program, three (3) years of transit passes for each household, and onsite urban greening components.

Density Bonus Agreement

National CORE requires approval of a Density Bonus Agreement (DBA) to allow the construction of Legacy Square (Exhibit 4). The Planning Commission recommended approval of the Density Bonus Agreement on January 14, 2019 by a vote of 5:2 (Commissioner Nguyen and Cano opposed) (Exhibit 5). As proposed, the project will take advantage of waivers from development standards and/or development concessions pursuant to California Government Code sections 65915 through 65918 and Santa Ana Municipal Code (SAMC) Section 41-1600 through 41-1607. The request satisfies the purpose and intent of the Transit Zoning Code (TZC) to promote a pedestrian-oriented environment with a mix of land uses and will provide additional affordable housing stock to an underserved segment of the region's population.

The project is proposed to be entirely affordable with ninety-two (92) units available to households earning less than 60-percent of the Area Median Income (AMI). The last remaining unit will be a dedicated manager's unit. Table 1 provides a complete breakdown of the unit affordability mix proposed by the developer for the project:

Table 1: Unit Affordability Mix

	Permanent Supportive Housing - 30% AMI	Extremely Low- Income - 30% AMI	Very Low- Income – 50% AMI	Low- Income – 60% AMI	Total
1-bedroom	30				30
2-bedroom	3	6	20	12	41
3-bedroom		5	11	5	21
3-bedroom Manager					1
Total	33	11	31	17	93

Density Bonus Calculation

The California Density Bonus law allows developers proposing five or more residential units to seek increases in base density for providing on-site housing units in exchange for providing affordable units on-site. To help make constructing on-site affordable units feasible, the law allows developers to seek up to three incentives/concessions and request an unlimited number of waivers, which are essentially variances from development standards to support the project to be developed without significant burden and without detriment to public health. The first version of the Density Bonus Law was adopted in 1979 and has since been amended various times. Recent revisions allow affordable housing developers to request incentives/concessions and/or waivers for 100-percent affordable developments, even if they do not require a numerical density bonus. Moreover, in early 2017, the law was amended to restrict the ability of local jurisdictions to require studies to “justify” the density bonus and requested incentives/waivers and places the onus on local jurisdictions to prove that the incentives/concessions or waivers are not financially warranted.

Due to the project’s 100-percent affordability rate the developer can seek up to three density bonus concessions and unlimited waivers, pursuant to Section 65915 et al. of the California Government Code (Density Bonuses and Other Incentives). In addition, the City’s Housing Opportunity Ordinance (HOO) allows developers to request up to two concessions to facilitate construction of affordable housing. Pursuant to Sec. 41-1904.1 of the HOO, the developer is requesting a 35-percent density bonus. As outlined by Table 2 below, the maximum unit yield for the 1.74-acre site using the TZC standards and both City and State density bonus is 94 units.

Table 2: Density Bonus Calculation

Density/or/Bonus	Allowed for Project	Provided
Base Density	52 units (1.74 acres x 30 units/acre base density based on Courtyard Housing type, which is the most “intense” type allowed in UN-2).	52 Units
35-Percent State Density Bonus	70 units (52 x 0.35)	+18 Units
35-Percent Bonus Provided by the Housing Opportunity Ordinance	94 units (70 x 0.35)	+24 Units
Total Units	94 units maximum	93 units proposed

The purpose of the HOO and the State Density Bonus Law is to encourage the development and availability of affordable housing by requiring the inclusion of affordable housing units within new developments. Pursuant to California Government Code sections 65915 (d)(1) and 65915 (e)(1), a local jurisdiction is limited in its ability to deny requested concessions and waivers and is preempted from denying the Density Bonus Agreement application. Although the City has analyzed the project, the conditions of approval proposed for the project are intended to address any of the project’s potential impacts. Table 3 outlines the incentives/concessions and waivers requested by the applicant.

Table 3: Requested Incentives/Concessions

TZC Standard	Requirement	Provided
Sec. 41-2020 & 41-2040 – Permitted Building Type and Architectural Style	The UN-2 land use designation only permits the Hybrid Court Building Type in certain locations.	A Hybrid Court Building Type is proposed at this location which is not permitted, pursuant to the TZC – Requires Waiver, Cal. Gov't Code Sec. 65915 (e)(1)
Sec. 41-2014 – Building Setbacks	10 feet (front), 10 feet (street side), 15 feet (rear)	0 feet (front) and 10 feet (side) – Requires Concession (1 of 2), Cal. Gov't Code Sec. 65915 (d)(1)
Sec. 41-2014 – Encroachments	Sec. 41-2014 of the TZC allows a maximum encroachment of 2'-0" into the required street side setback, subject to a minimum vertical clearance of 12'-0".	Proposed deck design encroaches 6'-0" into the required 10'-0" street side setback along Spurgeon and French Street – Requires Concession (2 of 2), Cal. Gov't Code Sec. 65915 (d)(1)

In addition, the site is parked in compliance with California Government Code Section 65915(p)(3)(A) and AB 744, and provides 1.1 spaces per unit, inclusive of handicapped and guest parking.

Analysis of the Issues

The following subsections analyze the applicant's request for the Density Bonus Agreement application.

Table 4: Analysis of the Requested Incentives/Concessions (2) and Waiver (1)

Standard	Analysis
Building Setbacks (Incentive/Concession)	Maintaining the required 10'-0" front yard setback would involve the significant loss of mixed-use space and the loss of six (6) three-bedroom units. In addition, implementing the required front yard setback standard would result in the building being set back an additional 6-7 feet from the front property line, resulting in a significant loss of parking area and common open space. In order to maintain the current proposed unit count, the developer would be required to construct an additional level, resulting in a different type of construction (steel-frame versus wood), further increasing development costs. In addition, in order to maintain the current parking count the developer would be required to construct additional parking (above- or below-grade), resulting in increased construction costs and/or a loss of additional residential units.
Encroachments (Incentive/Concession)	Maintaining the maximum encroachment of 2'-0" into the required street side setbacks would result in the significant loss of the required private open space balconies. Implementing the required standard would result in the building being setback an additional 5-6 feet along the eastern and western property lines, resulting in a significant loss of parking area, common open space and residential units. To maintain the current parking count and open space, the developer would be required to construct additional parking, resulting in increased construction costs and/or a loss of additional units.
Permitted Building Type and Architectural Style (Waiver)	The proposed building is required to be designed as one of the building types and architectural styles permitted by the UN-2 zone. Pursuant to the TZC, the building type and architectural style are considered development standards that are eligible to be waived if they physically preclude the construction of the project. The project proposes a Hybrid Courtyard Building Type and Main Street Commercial architectural style, which are only permitted in the UN-2 zone in certain locations of the TZC, but not permitted on the project site. However, if the project were designed as any other permitted building type or architectural style the project would result in a significant loss of residential units and a loss of any retail, service or office use. As a result, a waiver from the allowable building type and architectural style is required.

When analyzed cumulatively, the two requested concessions could be avoided if the project were designed using a different site plan or constructed using a different type of construction (steel-frame/Type I versus wood/Type III). If the project were designed with a multi-level parking and/or subterranean parking structure, or if the applicant used different building materials to construct a taller project, additional area on site would become available to provide open space and parking, and would allow the project to meet the required front yard setback. However, these changes would substantially increase the project's total development costs and result in a project that would exceed the maximum permitted building height, resulting in the affordable housing project becoming financially infeasible due to the significantly increased financial implications of an alternative construction type.

Key Terms in the Density Bonus Agreement

The following is a list of key terms agreed upon in the Density Bonus Agreement:

1. **Term of Agreement.** The term of the Agreement shall commence on February 5, 2019 and shall continue until the date that is fifty-five (55) years after the City issues the last certificate of occupancy for the Project.
2. **Project.** Developer shall develop, operate, and maintain the property as a ninety-three (93) unit affordable residential rental community, with ninety-two (92) affordable units and one (1) unrestricted unit (Manager's Unit). Each Affordable Unit shall be restricted to use and occupancy by an Eligible Household for a total period of no less than fifty-five (55) years
3. **Unit Mix.** No less than seventy-five (75) Affordable Units in the Project shall at all times during the term of the agreement be rented to, or held vacant and available for immediate occupancy by Very Low Income Tenants (< 50% AMI) and no less than seventeen (17) Affordable Units in the Project shall at all times be rented to, or held vacant and available for immediate occupancy by Low Income Tenants (<60% AMI).
4. **Affordable Rent Schedule.** The rents shall be determined by the regulatory agreements entered into between the developer and the California Tax Credit Allocation Committee and the California Debt Limit Allocation Committee governing the project.
5. **Selection of Tenants.** Developer shall give preference in leasing units to households that live and/or work in the City of Santa Ana or who have an active Housing Choice Voucher.
6. **Application and Financial Preparedness.** Developer shall submit for review and approval by the City a booklet to inform interested persons regarding minimum application and eligibility requirements and to assist interested persons with application and financial preparedness and eligibility for residency at the Project at the initial leasing of the units. Developer shall also work with the City to hold a minimum of two workshops to be coordinated by the Developer at least 12 months prior to the initial leasing of the units.
7. **Marketing Program.** Prior to Certificate of Occupancy, Developer shall prepare and obtain City's approval of a marketing program for the leasing of the Affordable Units at the Project.
8. **Onsite Supportive Services, Programs and Amenities.** Developer shall provide residents of the Project access to discounted or no-cost onsite supportive services, programming, and amenities that promote child development, youth development, senior independent living, and economic mobility and include but are not limited to: health and wellness services, transportation services, social activities, and physical or recreational amenities.
9. **Local Sourcing Plan.** Developer agrees to make a good faith effort to encourage contractors and suppliers to hire and procure locally. Prior to issuance of building permit, Developer shall develop and submit to the Community Development Agency a local sourcing plan for the Project targeting, to the extent feasible, the hiring of qualified workers, construction contractors, or the purchasing of goods locally within the City of Santa Ana.

10. **Maintenance.** Owner shall, at all times during the term of this Agreement, cause the Property and the Project to be maintained in a decent, safe and sanitary manner, regardless of cause of the disrepair. Owner shall be fully and solely responsible for costs of maintenance, repair, addition and improvements. City, and any of its employees, agents, contractors or designees shall have the right to enter upon the Property at reasonable times and in a reasonable manner to inspect the Project.
11. **Property Maintenance Agreement.** Developer shall execute a maintenance agreement with the City of Santa Ana prior to occupancy which shall be recorded against the property and which shall be in a form reasonably satisfactory to the City Attorney.
12. **Management Plan.** Prior to Certificate of Occupancy, Developer shall submit for the reasonable approval of the City a "Management Plan" which sets forth in detail Developer's property management duties, a tenant selection process in accordance with this Agreement, a security system and crime prevention program, the procedures for the collection of rent, the procedures for eviction of tenants, the rules and regulations for the Property and manner of enforcement, a standard lease form, an operating budget, the identity and emergency contact information of the professional property management company to be contracted with to provide onsite property management services at the Property, and other matters relevant to the management of the Property.
13. **Alternative Transportation and Energy Source, Resource Conservation, and LEED Certification.** In recognition of the City's desire to optimize the energy efficiency of the project, Developer agrees to consult with the project design team, a CABEC certified 2016 Certified Energy Analyst, a LEED AP Homes (low-rise and mid-rise), LEED AP BD+C (high rise), National Green Building Standard (NGBS) Green Verifier, or GreenPoint Rater (one person may meet both of these latter qualifications) early in the project design process to evaluate a building energy model analysis and identify and consider energy efficiency or generation measures beyond those required by the TCAC minimum construction standards.
14. **Crime Free Housing.** Developer shall work with City Staff to develop a crime free housing policy, procedure, and design plan.
15. **Onsite Parking Management Plan.** Developer shall provide onsite parking for residents and visitors of the Project and actively monitor the parking demand of the Project site. Developer shall continually monitor and take appropriate measures to manage the parking demand of the Project site to mitigate the use of offsite parking spaces on private or public properties and/or right-of-way. Prior to issuance of the Certificate of Occupancy, Developer shall submit and obtain approval from the Planning and Building Agency a Parking Management Plan.

The Density Bonus Agreement has been signed by the developer indicating their acceptance of the terms. The agreement is not considered final until the City Council has reviewed and approved the agreement and the agreement is executed by all parties.

California Environmental Quality Act (CEQA) Resolution

Pursuant to the requirements of the California Environmental Quality Act (CEQA), an Environmental Impact Report (EIR) was prepared and certified in 2010 in order to address the potential environmental impacts associated with the Transit Zoning Code. However, development of the Legacy Square project would have potential environmental impacts to an eligible but unlisted historical resource (Sanctuary and Anderson Court Complex, 1964-1966, and the Educational Building, 1928-

1929) which was not addressed in the 2010 EIR. Therefore, an Initial Study has been prepared and a Mitigated Negative Declaration (IS/MND) Resolution is requested for approval pursuant to the requirements of CEQA (Exhibit 6). The project was found to have a less than significant impact on the following environmental categories when proposed mitigation measures are implemented:

- Aesthetics
- Biological Resources
- Cultural Resources
- Hazards and Hazardous Materials
- Noise
- Public Services
- Tribal Cultural Resources

The IS/MND's analysis determined that the above-mentioned environmental categories would cause no substantial adverse change to the environment with the inclusion of environmental commitments, or other enforceable measures, that would be adopted by the City. All mitigation measures in the original EIR and associated Mitigation Monitoring and Reporting Program (MMRP) have been enforced and are carried over within the IS/MND, with exception of Tribal Cultural Resources and Cultural Resources which required new mitigation measures.

Tribal Cultural Resources

Assembly Bill 52 (AB 52) requires meaningful consultation with California Native American Tribes on potential impacts on tribal cultural resources (TCRs), as defined in Public Resources Code Section 21074. TCRs are sites, features, places, cultural landscapes, sacred places, and objects with cultural value to a California Native American tribe that are either eligible or listed in the California Register of Historical Resources or local register of historical resources. In order minimize impacts on potential TCRs, the IS/MND outlined mitigation measure TCR-1 requiring consultation of a qualified archaeologist and the local Native American representative, if unanticipated discoveries are made during construction activities. With implementation of mitigation measure TCR-1, potential project impacts on TCRs would be less than significant.

Cultural Resources

The City has determined the Educational Building to be a "historical resource" for CEQA-compliance purposes and determined that it requires proper mitigation of potential impacts from the proposed demolition. In addition, because the Sanctuary and Anderson Court Complex has also reached the commonly recognized 50-year age threshold for potential "historical resources," and the two buildings are integral parts of the same religious establishment, the IS/MND recommends that the Sanctuary and Anderson Complex should also be considered a component of the "historical resource."

To reduce potential impacts of the proposed demolition to a less than significant level, the IS/MND outlined mitigation measure CUL-1 which is consistent with the TZC EIR which required "written and photographic recordation of the resource in accordance with the level of Historic American Building Survey (HABS) documentation that is appropriate to the significance (local, state, national) of the resource." Prior to demolition, the developer will be required to document the buildings to Historic American Building Survey (HABS) -like documentation for the historical resources slated for demolition. The HABS-like package will document in photographs and descriptive and historic narrative the historical resources slated for demolition. Documentation prepared for the package will

draw upon primary and secondary source research and available studies previously prepared for the project.

Mitigation Monitoring and Reporting Program (MMRP)

A Mitigation Monitoring and Reporting Program (MMRP) was prepared pursuant to CEQA Guidelines. The CEQA Guidelines states that, when adopting a mitigated negative declaration, the lead agency shall adopt a program for reporting on or monitoring the changes that it has either required in the project or made a condition of approval to reduce or avoid significant environmental effects. The purpose of this MMRP is to ensure compliance with and effectiveness of the mitigation measures set forth in the Legacy Square project. The MMRP prepared consists of a list of mitigation conditions and/or verifications required for incremental implementation of the project and specifies the following: (1) the responsibility for implementation; (2) the timing for implementation; (3) the mechanisms of monitoring activities, including the frequency, contact and format for reporting requirements; and (4) the content, requirements and ultimate disposition of a final MMRP.

The IS/MND's Notice of Intent (NOI) was published in the Orange County Register and posted to the County Clerk on January 8, 2019, for the required 20-day public comment period. The IS/MND was made available for public review at the City Hall Planning counter, Santa Ana Library in the Civic Center and on the City website (Exhibit 7). The public review period ended on January 29, 2019, which allowed the City to respond to any comments received and incorporate comments and responses into the IS/MND before the City Council public hearing. As of this printing, only two comments or communications from the public have been received on the IS/MND. The public comments received have been included as Exhibit 8.

If the MND and MMRP are adopted and approved, a Notice of Determination will be prepared and filed with the County Clerk of the County of Orange in a manner required by law.

Table 5: Public Notification & Community Outreach

Public Notification & Community Outreach	
Required Measures	A public notice was posted on the project site on January 4, 2019.
	Notification by mail was mailed to all property owners and occupants within 500 feet of the project site on January 4, 2019.
	Newspaper posting was published in the Orange County Reporter on January 4, 2019.
	The applicant held a Sunshine Ordinance community meeting on the evening of November 27, 2018. This meeting was publicly noticed in the OC Register, posted on the City's website, and invitation mailers were sent to all addresses within a 500-foot radius of the project site, as well as local community organizations. The meeting included a presentation on the project as well as a question and answer period to address concerns and collect feedback. Approximately 50 individuals attended the meeting.
Community Outreach & Additional Measures	The project applicant has held monthly meetings with the United Methodist Church congregation and United Methodist Church leadership to provide project updates and collect input on the design and amenities to serve the wider neighborhood. Meetings were held in 2018 on July 19th, August 26th, September 23rd, October 28th, and December 2nd. Concurrently, the applicant and the United Methodist Church have worked collaboratively regarding the coordination of relocation assistance and outreach to local nonprofit organizations to better align and leverage resources. In the last six months, the applicant has had one-on-one meetings with half a dozen local organizations to discuss the project including, but not limited to: the Ebell Club, Vecindad Lacy en Accion (VELA), Kennedy Commission, Latino Health Access, Taller San Jose Health Builders, and the Santa Ana Unified School District.

STRATEGIC PLAN ALIGNMENT

Approval of this item assists the City in meeting Goal # 3 (Economic Development) Objective # 2 of creating new opportunities for business/job growth and encourage private development through new General Plan and Zoning Ordinance policies; Goal # 5 - Community Health, Livability, Engagement & Sustainability, Objective # 3 (Facilitate diverse housing opportunities and support efforts to preserve and improve the livability of Santa Ana neighborhoods) and Objective # 6 (Focus projects and programs on improving the health and wellness of all residents).

FISCAL IMPACT

There is no fiscal impact associated with this action at this time. If the application for AHSC funding is approved, and National CORE is awarded AHSC funds for Transportation Related Infrastructure, the City of Santa Ana will enter into a contract with the Developer to utilize those funds in an amount up to \$3,081,360 to develop specific improvements of the Transportation Related Infrastructure component of the project. At that time, an appropriation adjustment will be recommended to City Council to recognize AHSC Program grant funds in revenue account no (41818002-52025) and appropriating the same to the AHSC Program expenditure account no. (41818832-66220) for the project. A local match is not required for the AHSC Program grant funds.

APPROVED AS TO FUNDS AND ACCOUNTS:



Steven A. Mendoza
Executive Director
Community Development Agency



Kathryn Downs, CPA *chg for DO*
Executive Director
Finance and Management Services Agency



Minh Thai
Executive Director
Planning and Building Agency

Exhibits:

1. Affordable Housing and Sustainable Communities Resolution
2. Affordable Housing and Sustainable Communities (AHSC) Agreement
3. Map of AHSC Grant Improvements around the Project
4. Density Bonus Agreement
5. Planning Commission Staff Report from January 14, 2019
6. Mitigated Negative Declaration Resolution
 - a. Exhibit A - Mitigation Monitoring and Reporting Program
7. Initial Study and Mitigated Negative Declaration
8. Public Comments Received

ROH – 02/05/19

RESOLUTION NO. 2019-xxx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA ANA SUPPORTING THE SUBMITTAL OF AN APPLICATION FOR FUNDING UNDER THE AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM OF NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA, AND, IF AWARDED, AUTHORIZING THE CITY TO ENTER INTO A CONTRACT WITH DEVELOPER UTILIZING THE FUNDS TO CONSTRUCT TRANSPORTATION RELATED INFRASTRUCTURE FOR THE LEGACY SQUARE PROJECT

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SANTA ANA, AS FOLLOWS:

Section 1. The City Council of the City of Santa Ana hereby finds, determines and declares as follows:

A. The Strategic Growth Council's ("SGC") Affordable Housing and Sustainable Communities ("AHSC") Program funds land-use, housing, transportation, and land preservation projects to support infill and compact development that reduces greenhouse gas ("GHG") emissions. These projects facilitate the reduction of the emissions of GHG's by improving mobility options and increasing infill development, which decrease vehicle miles traveled and associated greenhouse gas and other emissions, and by reducing land conversion, which would result in emissions of greenhouse gases.

B. On November 1, 2018, the Department of Housing and Community Development ("HCD") announced availability of approximately \$395 million in funding for the AHSC Program, also known as the Cap & Trade Program.

C. The State of California, SGC, and HCD issued a Notice of Funding Availability ("NOFA") dated November 1, 2018, under the AHSC Program, established under Division 44, Part 1 of the Public Resources Code, commencing with Section 75200. Funding for the AHSC Program is provided from the Greenhouse Gas Reduction Fund, an account established to receive Cap-and-Trade auction proceeds.

D. SGC is authorized to approve funding allocations for the AHSC Program, subject to the terms and conditions of the NOFA, Program Guidelines, Application Package, and Standard Agreement. HCD is authorized to administer the approved funding allocations of the AHSC Program.

E. On December 4, 2018, the Housing and Neighborhood Development Division recommended the award of a pre-loan commitment to the Developer of Inclusionary Housing Funds not to exceed \$3,170,547 and eight (8) HUD-VASH Project-Based Vouchers (PBVs).

Section 2. The City of Santa Ana wishes to support National Community Renaissance of California ("Developer") application to receive an allocation of \$20,000,000 in funds through the AHSC Program for the development of a multi-family new construction affordable housing development and transportation related infrastructure. The Application comprises of a request for a loan (the "AHSC Loan") not to exceed \$16,465,511 for an Affordable Housing Development (AHD) and a grant (the "AHSC Grant") in an amount not to exceed \$3,534,489 for Housing-Related Infrastructure (HRI), Sustainable Transportation Infrastructure (STI), Transit-Related Amenities (TRA) or Program (PGM) activities as defined the AHSC Program Guidelines adopted by SGC on October 29, 2018.

Section 3. If the application for AHSC funding is approved, and the Developers are awarded AHSC funds for Transportation Related Infrastructure, the City of Santa Ana will enter into a contract with the Developer to utilize those funds in an amount up to \$3,081,360 to develop specific improvements of the Transportation Related Infrastructure component of the project, which involves Class II buffered bicycle lanes on Civic Center Boulevard between Broadway and Santiago Street, Class IV bicycle lanes on Santiago Street between Civic Center Boulevard and the Santa Ana Regional Transportation Center (SARTC), and pedestrian and mobility improvements as shown in Exhibit 1.

Section 4. The City Manager, or his designee, is authorized and empowered to execute in the name of the City of Santa Ana all necessary applications, contracts, payment requests, agreements, amendments or any other documents related to, and in furtherance of, the Developer's application for the purposes of securing funds and to carry out the purposes specified in the AHSC application and agreement.

Section 5. This Resolution shall take effect immediately upon its adoption by the City Council, and the Clerk of the Council shall attest to and certify the vote adopting this Resolution.

ADOPTED this ____ day of _____, 2019.

Miguel A. Pulido
Mayor

APPROVED AS TO FORM:

Sonia R. Carvalho

City Attorney

By:  _____

Ryan O'Hodge

Assistant City Attorney

AYES: Councilmembers _____

NOES: Councilmembers _____

ABSTAIN: Councilmembers _____

NOT PRESENT: Councilmembers _____

CERTIFICATION OF ATTESTATION AND ORIGINALITY

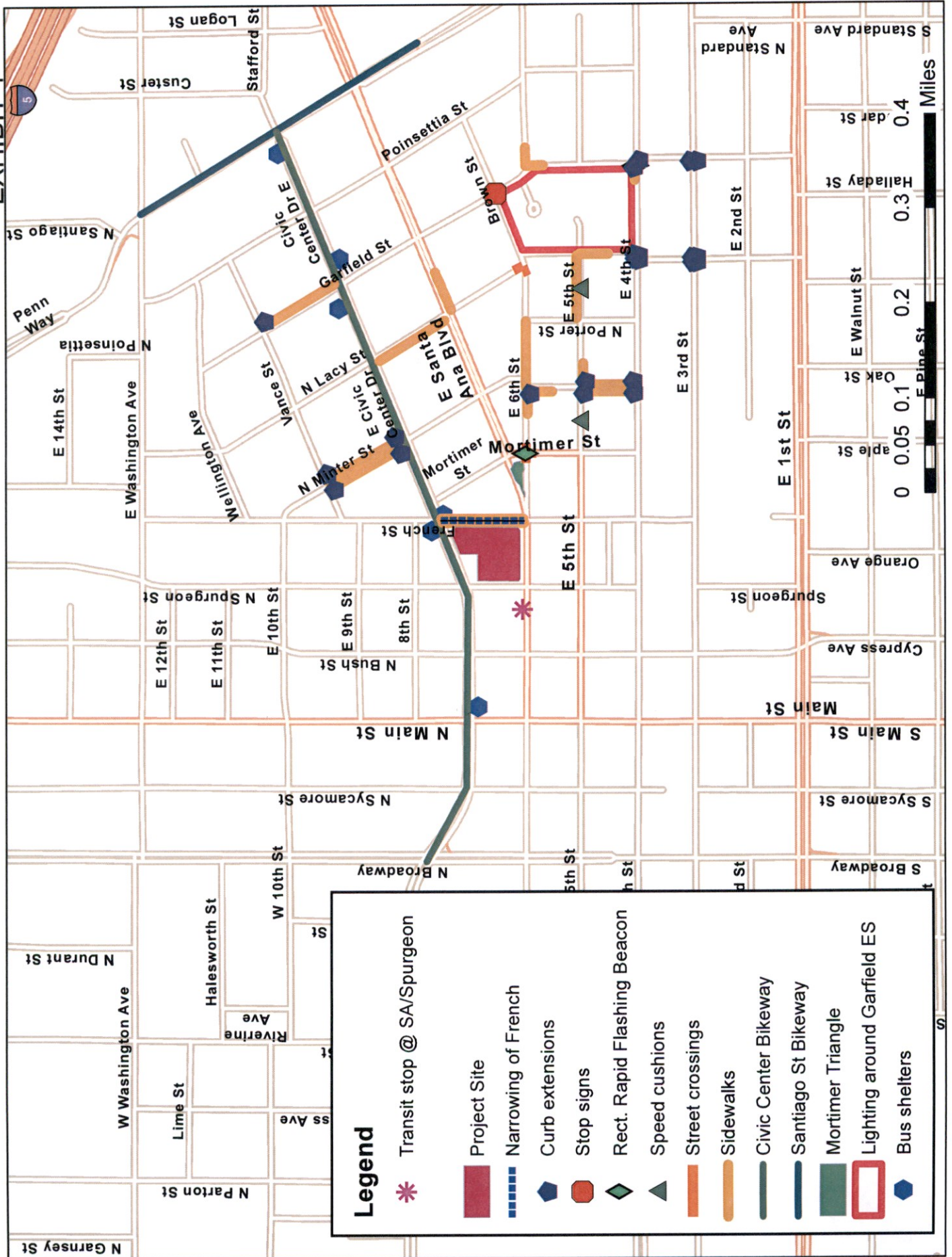
I, _____, Clerk of Council, do hereby attest to and certify the attached Resolution No. 2019-_____ to be the original resolution adopted by the City Council of the City of Santa Ana on _____, 2019.

Date: _____

Clerk of Council
City of Santa Ana

EXHIBIT 1

AHSC Funding Improvements



LEGACY SQUARE - CITY OF SANTA ANA AHSC BUDGET

Transit Improvements

STI

TRA

STI #1 -Bike Lanes

Civic Center Dr Bike lane Class II between Broadway and Santiago St	\$	200,000
Bike lanes Class IV on Santiago St between Washington Ave to Trans Ctr.	\$	160,000

STI #2 Traffic Calming

Flashing beacon @ 6th/Mortimer	\$	57,600
Speed cushion on 5th St. between Mortimer/Minter	\$	4,800
Speed cushion between Porter St./Lacy St	\$	4,800
Rapid flashing beacon @ 4th/Garfield	\$	57,600
Mortimer/6th Pocket Park	\$	200,000
French St. sidewalk widening/road diet	\$	146,560

STI#3 Improved Walkways and Crossings

Repair sidewalk at 6th St. between Minter/Porter	\$	115,200
Repair sidewalk at Santa Ana Blvd. between Lacy/alley	\$	115,200
Repair sidewalk between 5th/alley	\$	115,200
Construct sidewalk on the SE corner at 6th/Garfield	\$	115,200
Repair sidewalk NW corner @ 4th/Garfield	\$	115,200
Four (4) high visibility continental crosswalks @ 6th/Mortimer	\$	9,600
Four (4) high visibility continental crosswalks @ Garfield/Brown	\$	9,600
Two (2) high-visibility continental crosswalks at 6th /Brown/Lacy	\$	4,800
One (1) high-visibility continental crosswalk @ 6th/Garfield	\$	2,400
Four (4) high visibility continental crosswalks @ 4th/Lacy St.	\$	9,600
One (1) high-visibility continental crosswalk @ 4th/Garfield	\$	2,400
Two (2) red curb near crosswalk on NW corner at 6th/Brown	\$	19,200
Two (2) curb ramps at east end @ 6th/Garfield	\$	19,200
Four (4) curb extensions @ 4th/Lacy St.	\$	256,000
One (1) curb extension NW and SW @ 4th/Garfield	\$	64,000
Four (4) curb extensions @ 3rd/Lacy St	\$	256,000
Four (4) curb extensions @ 3rd/Garfield St	\$	256,000
Lighting improvements @ Brown/Lacy/Garfield/4th St. around Garfield Elementary	\$	631,200

TRA #1

Six (6) Bus Shelters	\$	134,000
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Subtotal

\$2,947,360

\$134,000

City STI/TRA Subtotal

\$3,081,360

AHSC IMPLEMENTATION AGREEMENT

THIS AHSC IMPLEMENTATION AND MUTUAL INDEMNITY AGREEMENT (the “Agreement”) is made and entered into as of February 5, 2019, between City of Santa Ana (“Agency”), and National Community Renaissance of California, a California nonprofit public benefit corporation (“Developer”, and collectively with the Agency, the “Parties”, or individually, a “Party”), upon the basis of the following facts, understanding and intentions of the parties:

A. The State of California, the Strategic Growth Council (“SGC”) and the Department of Housing and Community Development (“HCD”) issued a Notice of Funding Availability dated November 1, 2018 (the “AHSC NOFA”), under the Affordable Housing and Sustainable Communities (“AHSC”) Program established under Division 44, Part 1 of the Public Resources Code, commencing with Section 75200.

B. Developer is applying for AHSC funds in response to the AHSC NOFA to provide funding for (A) construction of Legacy Square, a 93-unit affordable housing project located at 609 N. Spurgeon Street in the City of Santa Ana (the “Housing Project”); (B) the construction of certain housing related infrastructure (the “HRI Improvements”); (C) the construction of certain sustainable transportation infrastructure (the “STI Improvements”); (D) the construction of certain transit related amenities (the “TRA Improvements”); and (E) certain costs related to educational programs (the “AHSC Programs”). These improvements are described in more detail in the Final Application to be submitted by February 11, 2019 (collectively, the “AHSC Application”).

C. The AHSC Application seeks an award to the Developer in an aggregate amount of \$20,000,000 in AHSC funds including a loan (the “AHSC Loan”) not to exceed \$16,465,511 for an Affordable Housing Development (AHD) and a grant (the “AHSC Grant”) in an amount not to exceed \$3,534,489 for Housing-Related Infrastructure (HRI), Sustainable Transportation Infrastructure (STI), Transit-Related Amenities (TRA) or Program (PGM) activities as defined the AHSC Program Guidelines adopted by SGC on October 29, 2018. The AHSC Grant funds will be disbursed to the Developer. If awarded AHSC Grant funds, up to \$3,081,360 thereof shall be transferred to the City for the purpose of constructing STI Improvements and TRA Improvements as shown in Exhibit 1.

D. The Agency and Developer are required to enter into this Agreement in order to comply with the specific AHSC Program Threshold Requirement stated in Section 106 (a) 12 (A) of the 2018 AHSC Program Guidelines dated October 29, 2018 (the “Transportation Agency Prior Experience Threshold Requirement”). This section of the guidelines dictates that applicants must demonstrate prior experience by providing evidence of at least two prior projects that are similar to the proposed AHSC project in scope and size, which have been completed by the applicant, or joint applicant, during the ten (10) years preceding the application due date. This section of the guidelines also states that the applicants may demonstrate the requisite experience by using the past experience of work completed of a non-applicant so long as the applicants can provide an executed agreement with that specific non-applicant for the completion of the related work in the AHSC Application for which funding is sought. The purpose of this Agreement is to, amongst other things, comply with the Transportation Agency Prior Experience Threshold Requirement.

E. The Agency is a non-applicant, but, as set forth herein, shall implement the specific STI Improvements and TRA Improvements, included in the AHSC Application as set out in **Exhibit 1** attached hereto (collectively, the “Transit Obligations”).

F. The Developer shall be responsible for constructing and developing the Housing Project, HRI Improvements, Educational Programs and TRAs or STI’s not included in Exhibit 1 (together, the “Developer Obligations”), and for all costs and expenses related thereto and the Agency shall be responsible for developing and constructing the Transit Obligations, and for all costs expenses related thereto. In connection with the AHSC Grant and AHSC Loan, Developer is required to enter into standard agreements, disbursement agreements, and regulatory agreements with HCD where Developer will be liable for the full and timely performance by the parties to complete the obligations set forth therein, including completion of the Housing Project, completion of the HRI, STI and TRA Improvements, and funding of the AHSC Programs, as described in the AHSC Application. The AHSC Application and all standard agreements, disbursement agreements, regulatory agreements and any other agreements required by HCD in connection with the AHSC Grant and AHSC Loan shall be collectively referred to herein as the “AHSC Documents”.

NOW, THEREFORE, in consideration of the recitals, covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

AGREEMENT

1. Obligations. The Agency shall complete the Transit Obligations in accordance with the terms of the AHSC Documents and the approved design and construction documents. The Developer shall, in its sole responsibility, complete the Developer Obligations in accordance with the terms of the AHSC Documents and the approved design and construction documents.

2. Indemnification.

(a) Agency Indemnity. Agency shall indemnify, defend, protect, and hold harmless the Developer and its affiliates, directors, officers, partners, members, agents and employees (each, a “**Developer Indemnified Party**”) against any and all third-party suits, actions, claims, causes of action, liabilities, costs, and expenses (including attorneys’ fees) as incurred (collectively “**Damages**”) arising out of or in connection with Agency’s performance of or failure to perform the Transit Obligations and/or obligations hereunder, in the manner and within the time periods, and to otherwise perform any covenants, set forth in the AHSC Documents applicable to the Transit Obligations or its obligations hereunder. However, in no event shall a Developer Indemnified Party be indemnified hereunder for any Damages resulting from such party’s sole negligence or willful misconduct. Agency agrees to pay all of the costs and expenses of the Developer Indemnified Parties, including attorneys’ fees, which may be incurred in any effort to enforce any term of this Agreement, including, but not limited to, all such costs and expenses which may be incurred by any Developer Indemnified Party in any legal action, reference or arbitration proceeding brought by HCD or other third party.

(b) Developer Indemnity. Developer shall indemnify, defend, protect, and hold harmless the Agency and its affiliates, directors, officers, partners, members, agents and

employees (each, an “**Agency Indemnified Party**”) against any and all Damages arising out of or in connection with Developer’s performance of or failure to perform its Developer Obligations to complete construction and development of the Housing Development, in the manner and within the time periods, and to otherwise perform any covenants, set forth in the AHSC Documents. However, in no event shall the Agency Indemnified Party be indemnified hereunder for any Claims resulting from such party’s sole negligence or willful misconduct. Developer agrees to pay all of the costs and expenses of the Agency Indemnified Party, including attorneys’ fees, which may be incurred in any effort to enforce any term of this Agreement, including, but not limited to, all such costs and expenses which may be incurred by any Agency Indemnified Party in any legal action, reference or arbitration proceeding brought by HCD or other third party.

(c) Notwithstanding the generality of the foregoing, neither party is liable to the other party (including any person or entity claiming through the other party) for the other party’s lost profits or special, incidental, indirect, consequential, or exemplary damages arising out of or in any manner connected with this agreement or its subject matter, regardless of the form of action and whether or not the non-claiming party has been informed of, or otherwise might have anticipated, the possibility of damages. However, the limitations of liability set forth in this section 2(c) or elsewhere in this agreement do not apply to, or take into account, damages: (i) resulting from the gross negligence, bad faith, or the willful or intentional misconduct of a party or its personnel; or (ii) stemming from personal injury, death, or property damage caused by a party or its personnel.

3. Schedule of Performance; Progress Reports. The Agency shall comply with the schedule of performance set forth on Exhibit 2 attached hereto for the completion of the Transit Obligations hereunder (the “Schedule of Performance”).

4. Cost Overruns. Developer shall be responsible for paying all costs required to complete the Housing Project, irrespective of whether such costs exceeds the AHSC Loan and the portion of the AHSC Grant designated for the HRI Improvements. Agency shall be responsible for paying all costs required for the Transit Obligations irrespective of whether such costs exceed the portion of the AHSC Grant designated for the Transit Obligations.

5. Disbursement of AHSC Grant Funds. Developer and Agency agree that the AHSC Grant funds shall be disbursed directly to the Partnership.

6. Notices. Formal notices, demands, and communications between the parties shall be sufficiently given if, and shall not be deemed given unless, dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered by express delivery service, return receipt requested, or delivered personally, to the principal office of the parties as follows:

Agency:
City Manager
City of Santa Ana
20 Civic Center Plaza,
Santa Ana, CA 92701

Developer:
Michael Finn
Chief Financial Officer
National Community Renaissance of California
9421 Haven Avenue
Rancho Cucamonga, CA 91730

7. Events of Default. The occurrence of any of the following events shall constitute an “Event of Default” under this Agreement:

(a) A Party fails to perform any of its obligations under this Agreement, and does not cure such failure within 30 days after written notice of such failure has been delivered to the defaulting party; or

(b) A Party purports to revoke this Agreement or this Agreement becomes ineffective for any reason (other than by virtue of the application of clauses (i) or (ii) of Section 8).

8. Termination. This Agreement shall terminate upon the earlier of: (i) completion of the all obligations under the AHSC Documents; or (ii) mutual agreement of the parties hereto; or (iii) the occurrence of an Event of Default.

9. Third Party Beneficiary. The Partnership shall be a third party beneficiary of this Agreement and shall be entitled to the rights and benefits hereunder and may enforce the provisions hereof as if it were a party to this Agreement.

10. Miscellaneous.

(a) Nothing in this Agreement shall be construed to limit any claim or right which any party may otherwise have at any time against an indemnifying Party under Section 2 or any other person arising from any source other than this Agreement, including any claim for fraud, misrepresentation, waste, or breach of contract other than this Agreement, and any rights of contribution or indemnity under any federal or state environmental law or any other applicable law, regulation, or ordinance.

(b) If any party delays in exercising or fails to exercise any right or remedy against a Party, that alone shall not be construed as a waiver of such right or remedy. All remedies of any Party against the other Party are cumulative.

(c) This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective representatives, heirs, executor, administrators, successors, and assigns. This Agreement may not be amended except by a written instrument executed by the parties hereto.

(d) This Agreement shall be deemed to have been delivered and accepted in the State of California and governed exclusively by the internal substantive laws of the State of California as the same may exist at the date hereof. The parties hereto hereby agree that any action hereon between the parties hereto and their successors in interest may be maintained in a

court of competent jurisdiction located in the State of California, and consent to the jurisdiction of any such California court for the purposes connected herewith.

(e) Each party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person other than the parties hereto and the Partnership.

(f) This Agreement may be executed in multiple counterpart copies, any one of which when duly executed, with all formalities hereof, shall be fully binding and effective as the original of this Agreement.

(g) This Agreement shall be effective as of the date first written above, provided however that in the event that the Developer does not receive an award of the AHSC Loan and AHSC Grant, this Agreement shall automatically terminate and be of no further force or effect.


(h) The provisions of this Agreement that, by their nature and content, must survive the completion, rescission, termination, or expiration of this Agreement in order to achieve the fundamental purposes of this Agreement will so survive and continue to bind the Parties. Without limiting the generality of the foregoing, the Parties specifically acknowledge that the provisions of Section 2 will survive and continue to bind the Parties.

[Signatures on following page]

Each of the undersigned hereby executes this Agreement in the spaces provided below to evidence their respective agreement to the terms of this Agreement.

Agency:

By: _____
Name: _____
Its: _____

APPROVED AS TO FORM


RYAN O. HODGE
Assistant City Attorney

Developer:

National Community Renaissance of California

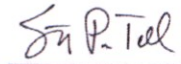
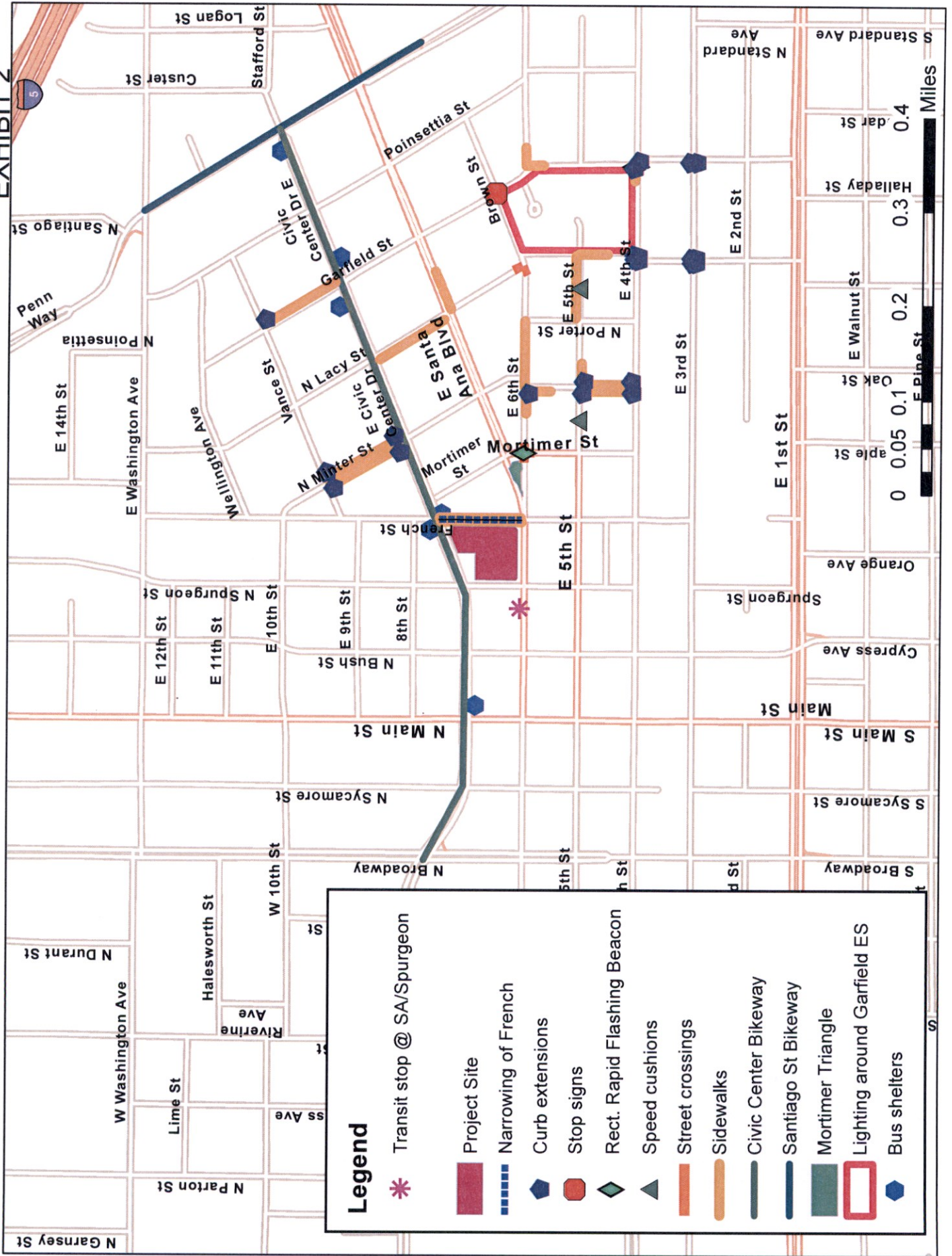
By: 
Name: Steve PonTell
Its: President and Chief Executive Officer

EXHIBIT 1

Transit Obligations



LEGACY SQUARE - CITY OF SANTA ANA AHSC BUDGET

Transit Improvements	STI	TRA
STI #1 -Bike Lanes		
Civic Center Dr Bike lane Class II between Broadway and Santiago St	\$ 200,000	
Bike lanes Class IV on Santiago St between Washington Ave to Trans Ctr.	\$ 160,000	
STI #2 Traffic Calming		
Flashing beacon @ 6th/Mortimer	\$ 57,600	
Speed cushion on 5th St. between Mortimer/Minter	\$ 4,800	
Speed cushion between Porter St./Lacy St	\$ 4,800	
Rapid flashing beacon @ 4th/Garfield	\$ 57,600	
Mortimer/6th Pocket Park	\$ 200,000	
French St. sidewalk widening/road diet	\$ 146,560	
STI#3 Improved Walkways and Crossings		
Repair sidewalk at 6th St. between Minter/Porter	\$ 115,200	
Repair sidewalk at Santa Ana Blvd. between Lacy/alley	\$ 115,200	
Repair sidewalk between 5th/alley	\$ 115,200	
Construct sidewalk on the SE corner at 6th/Garfield	\$ 115,200	
Repair sidewalk NW corner @ 4th/Garfield	\$ 115,200	
Four (4) high visibility continental crosswalks @ 6th/Mortimer	\$ 9,600	
Four (4) high visibility continental crosswalks @ Garfield/Brown	\$ 9,600	
Two (2) high-visibility continental crosswalks at 6th /Brown/Lacy	\$ 4,800	
One (1) high-visibility continental crosswalk @ 6th/Garfield	\$ 2,400	
Four (4) high visibility continental crosswalks @ 4th/Lacy St.	\$ 9,600	
One (1) high-visibility continental crosswalk @ 4th/Garfield	\$ 2,400	
Two (2) red curb near crosswalk on NW corner at 6th/Brown	\$ 19,200	
Two (2) curb ramps at east end @ 6th/Garfield	\$ 19,200	
Four (4) curb extensions @ 4th/Lacy St.	\$ 256,000	
One (1) curb extension NW and SW @ 4th/Garfield	\$ 64,000	
Four (4) curb extensions @ 3rd/Lacy St	\$ 256,000	
Four (4) curb extensions @ 3rd/Garfield St	\$ 256,000	
Lighting improvements @ Brown/Lacy/Garfield/4th St. around Garfield Elementary	\$ 631,200	
TRA #1		
Six (6) Bus Shelters		\$ 134,000
Subtotal	\$2,947,360	\$134,000
City STI/TRA Subtotal	\$3,081,360	

EXHIBIT 2

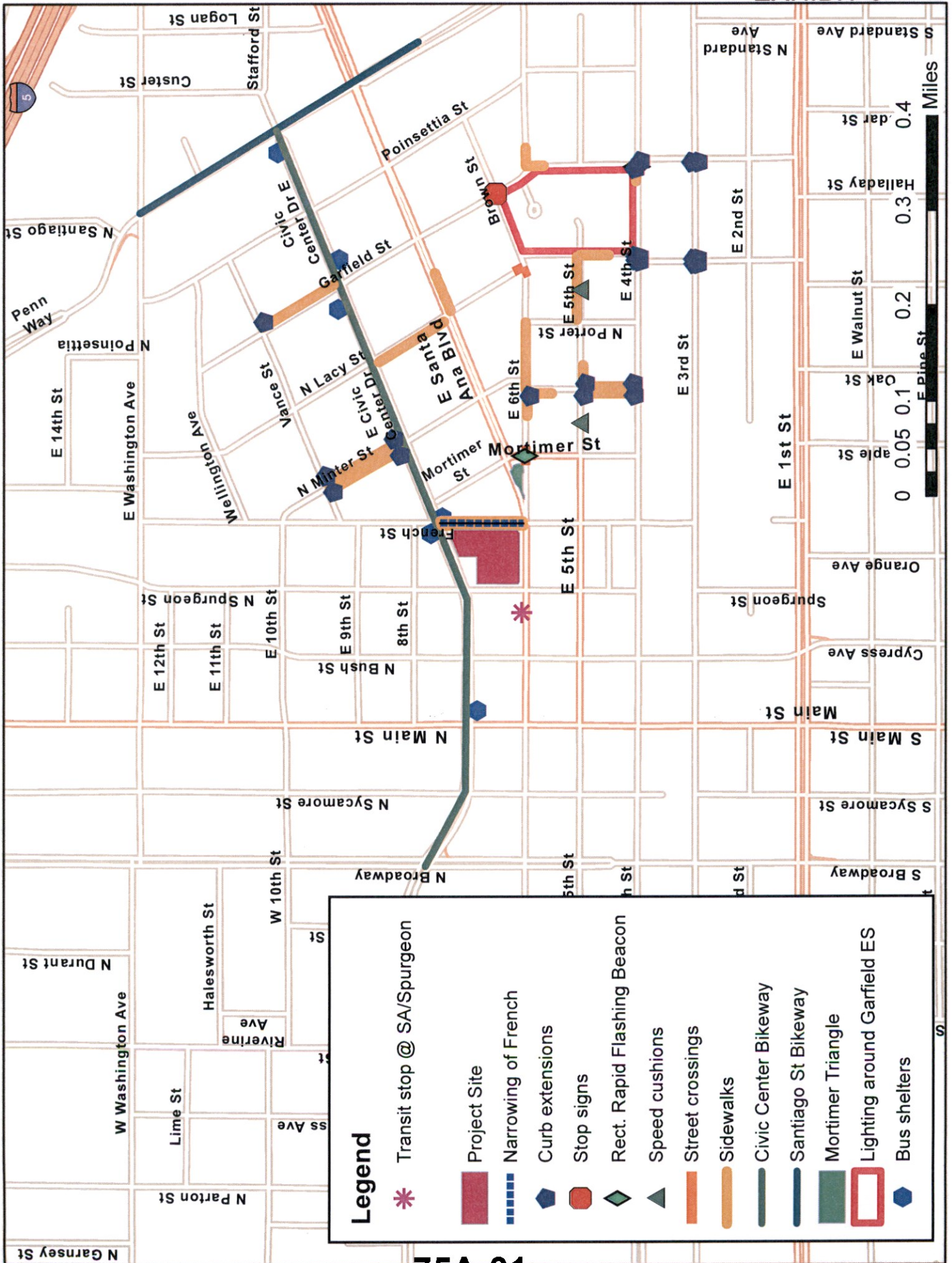
Schedule of Performance

Exhibit 2: Schedule of Performance

Note: It is acknowledged that some of the following milestones may have already been achieved. For those milestones which have previously been met, the month and year completed has been provided. For those milestones not yet completed, a projected completion date (MM/YY) for each of the applicable items is provided below.

STI MILESTONES	
STI Capital Project Milestone Schedule	Date
Executed binding agreement between the Recipient and developer of the proposed development detailing the terms and conditions of the Project development	07/19
Site Control of site(s) by proposed developer.	07/19
Completion of all necessary environmental clearances, including those required under CEQA and NEPA.	12/19
Obtaining all necessary and discretionary public land use approvals.	12/19
Submission of Final Construction Drawings and Specifications to the appropriate local permitting authority.	12/20
Commencement of construction.	09/21
Construction completion and closeout.	04/22
Program funds fully disbursed.	06/22

TRA MILESTONES	
TRA Capital Project Milestone Schedule	Date
Executed binding agreement between the Recipient and developer of the proposed development detailing the terms and conditions of the Project development.	07/19
Site Control of site(s) by proposed developer.	07/19
Completion of all necessary environmental clearances, including those required under CEQA and NEPA.	12/19
Obtaining all necessary and discretionary public land use approvals.	12/19
Submission of Final Construction Drawings and Specifications to the appropriate local permitting authority.	12/20
Commencement of construction.	09/21
Construction completion and closeout.	04/22
Program funds fully disbursed.	06/22



RECORDING REQUESTED BY:
AND WHEN RECORDED MAIL TO:

City of Santa Ana
Clerk of the Council
20 Civic Center Plaza (M-30)
P.O. Box 1988
Santa Ana, California 92702
Attention: Clerk of the Council

*Free Recording pursuant to
Government Code 27383*

DENSITY BONUS HOUSING AGREEMENT

This DENSITY BONUS HOUSING AGREEMENT ("Agreement"), made and entered into this 5th day of February, 2019 ("Effective Date"), by and between the City of Santa Ana, a charter city and municipal corporation of the State of California ("City"), and National Community Renaissance of California, a California nonprofit public benefit corporation, or its assignee, ("Developer"). City and Developer are sometimes referred to collectively as the "Parties" and individually as a "Party."

RECITALS

A. Santa Ana United Methodist Church is the owner of certain property located within the City of Santa Ana, County of Orange, State of California, commonly known as 609 North Spurgeon Street, Santa Ana, California, and legally described as set forth in Exhibit A attached hereto and incorporated herein by this reference as if set forth in full ("Property").

B. Developer has entered into an agreement for a long-term ground lease with property owner.

C. Developer is proposing to develop a ninety-three (93) unit affordable apartment complex on the Property as more particularly set forth in Density Bonus Application No. 2018-01 ("Project"). Without the density bonuses, Developer would only be permitted to build fifty-one (51) units on the Property.

D. Santa Ana Municipal Code sections 41-1600, *et seq.* ("City Density Bonus for Affordable Housing"), and California Government Code sections 65915, *et seq.* ("State Density Bonus Law"), set forth a process to provide increased residential densities to property owners who guarantee that a portion of their residential development will be available to low income, very low-income, or senior (also known as "qualified") households. These regulations are intended to materially assist the housing industry in providing adequate and affordable housing for all economic segments of the community and to provide a balance of housing opportunities for very low-income, low income and senior households throughout the city.

E. Additionally, the City's Housing Opportunity Ordinance provides inclusionary

housing development incentives for production of affordable units on-site. Specifically, Santa Ana Municipal Code section 41-1904.1 includes a density bonus concession up to a maximum of thirty-five percent (35%) to provide affordable housing options for residents of the City of Santa Ana.

F. For the purpose of implementing State Density Bonus Law, City Density Bonus for Affordable Housing, and City Housing Opportunity Ordinance concessions in response to Developer's request for two (2) density bonuses, as well as additional concessions and incentives, Developer has agreed to restrict ninety-two (92) Units in the Project, except for one (1) manager's unit, to Eligible Households, which includes Very Low Income and Low Income Tenants.

G. The Project complies with the affordable housing requirements set forth in the State Density Bonus Law, City Density Bonus for Affordable Housing, and City Housing Opportunity Ordinance. For purposes of this Agreement, the Project shall be the "housing development" as defined in the State Density Bonus Law.

H. In light of the purpose of the State Density Bonus Law, City Density Bonus for Affordable Housing, and City Housing Opportunity Ordinance, and the express provisions of Government Code section 65915(n), as well as Santa Ana Municipal Code section 41-1904.1, the City has determined to grant Developer's application for density bonuses and related concessions and incentives.

I. This Agreement, and the exhibits attached hereto and incorporated herein by reference, is intended to set forth the terms and conditions for the implementation of the Project's requirement to provide affordable housing units in exchange for receiving the Density Bonus Units and additional concessions and incentives set forth herein.

J. The Developer has paid the City's Density Bonus Setup fee in the amount of \$46,705.86.

NOW, THEREFORE, in consideration of the above recitals, which are incorporated herein by this reference, and of the mutual covenants contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS AND EXHIBITS

1.1 Definitions. In addition to the terms that may be defined elsewhere in this Agreement, the following terms when used in this Agreement shall be defined as follows:

1.1.1 **"Adjusted for family size appropriate to the unit"** shall have the meaning set forth in Section 42(g)(2)(C)(i) and (ii) of the Internal Revenue Code of 1986, as amended from time to time, in administering the low income housing tax credit program.

1.1.2 **"Affordable Rent"** means the maximum Monthly Rent that may be charged to and paid by an Eligible Household for the Affordable Units, as required by the terms of this Agreement.

1.1.3 **"Affordable Rent Schedule"** means a rent schedule established as of the date of issuance of an occupancy permit (exclusive of tenant utility payments or security deposits) for the required number/percentage of the total number of units in the Project which are to be rented or available for rent to very low or low income tenants. Said Affordable Rent Schedule shall be established at the time of the issuance of the occupancy permit ("Initial Rent Schedule") and shall be created in accordance with the Orange County, California Primary Metropolitan Statistical Area ("PMSA") as published by the United States Department of Housing and Urban Development ("HUD"), adjusted for family size appropriate to the unit.

1.1.4 **"Affordable Units"** means ninety-two (92) units which shall be comprised of thirty (30) one (1) bedroom Units, forty-one (41) two (2) bedroom Units, and twenty-two (22) three (3) bedroom Units of which one (1) will be an Unrestricted Unit (i.e. one (1) manager's unit).

1.1.5 **"Agreement"** means this Density Bonus Housing Agreement.

1.1.6 **"Base Units"** means the fifty-one (51) Units that Developer would be authorized to develop on the Property without application of the State Density Bonus Law and City Housing Opportunity Ordinance density bonus.

1.1.7 **"City"** means the City of Santa Ana, California

1.1.8 **"City Council"** means the City Council of the City of Santa Ana.

1.1.9 **"City Attorney"** means the City Attorney for the City of Santa Ana.

1.1.10 **"City Manager"** means the City Manager for the City of Santa Ana.

1.1.11 **"City's Planning Commission"** means the Planning Commission for the City of Santa Ana.

1.1.12 **"Density Bonus Housing Agreement Term"** means the period during which this Agreement shall be in full force and effect, as provided for in Section 6.1 below.

1.1.13 **"Density Bonus Units"** means the forty-two (42) Units in addition to the Base Units that Developer shall develop pursuant to the density allowance in the State Density Bonus Law, the City Housing Opportunity Ordinance density bonus, and the terms and conditions of this Agreement, of which Developer would not be entitled to develop without providing the Affordable Units.

1.1.14 **"Developer"** means National Community Renaissance of California, and its permitted successors and assigns to all or any part of the Property.

1.1.15 **"Effective Date"** means the date the City Council of City approves this Agreement and from then on this Agreement shall be in full force and effect.

1.1.16 **"Eligible Household"** means a Household whose income does not exceed the qualifying limit for a "very low income tenant" or "lower income tenant" as defined herein, which means persons and families whose income does not exceed the qualifying limit for very low income or lower income households.

1.1.17 **"Household"** means all persons residing in a Unit.

1.1.18 **"Low Income Tenant"** means persons and families whose income does not exceed eighty percent (80%) area median income for the Orange County, California PMSA, adjusted for household size appropriate to the unit, as published by the California Tax Credit Allocation Committee.

1.1.19 **"Median Income"** means the Orange County, California area median income, adjusted for family size appropriate to the unit, as periodically published by the California Tax Credit Allocation Committee.

1.1.20 **"Monthly Rent"** means the total of monthly payments for (a) use and occupancy of each Affordable Unit and land and facilities associated therewith, (b) any separately charged fees or service charges assessed by Developer which are required of all tenants, other than security deposits, application fees or credit check fees (c) a reasonable allowance for an adequate level of service of utilities not included in (a) or (b) above, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuels, but not including telephone or cable service, and (d) possessory interest taxes or other fees or charges assessed for use of the land and facilities associated therewith by a public or private entity other than Developer. In the event that certain utility charges are paid by the landlord rather than the tenant, no utility allowance shall be deducted from the rent for that type of utility charge.

1.1.21 **"Project"** means that certain residential development as more particularly described in Recital C and Section 2 of this Agreement.

1.1.22 **"Property"** means that certain real property more particularly described in the legal description in Exhibit A and improvements thereon.

1.1.23 **"State Density Bonus Law"** means Government Code sections 65915, et seq., as they exist on the Effective Date.

1.1.24 **"Unit"** means a residential dwelling unit within the Project to be constructed by Developer pursuant to this Agreement.

1.1.25 **"Unrestricted Units"** means the Units within the Project to be constructed by Developer to a Household without restriction (i.e. —one (1) manager's unit).

1.1.26 **"Very Low Income Tenant"** means persons and families whose income does not exceed fifty (50%) of the area median income for the Orange County, California PMSA, adjusted for household size, as published by the California Tax Credit Allocation Committee.

1.2 Exhibits. The following documents are attached to, and by this reference made a part of, this Agreement:

1.2.1 Exhibit A – Legal Description of the Property

1.2.2 Exhibit B – Tenant Verification

1.2.3 Exhibit C – Resolution No. 2019-XX

2. DEVELOPMENT OF THE PROPERTY

2.1 Project. Developer shall develop, operate, and maintain the Property as a ninety-three (93) Unit affordable residential rental community, with ninety-two (92) Affordable Units and one (1) Unrestricted Unit.

2.2 Density Bonus. The Project shall have ninety-three (93) Units, to be rented, occupied, operated, and maintained pursuant to the terms and conditions of this Agreement. Developer understands and agrees that Developer is utilizing a thirty-five percent (35%) density bonus increase provided by the State Density Bonus Law (51 Base Units x 35% = 18 State Density Bonus Units) for a total of 69 units, as well as a thirty-five percent (35%) density bonus provided by the City's Housing Opportunity Ordinance (69 Units x 35% = 24 City Density Bonus Units). Developer shall not construct or develop, or otherwise claim a right to construct or develop, more than forty-two (42) State and/or City Density Bonus Units on the Property.

2.3 Development Concessions and Incentives. As set forth in the City entitlements, Developer petitioned for and was granted the following concessions and incentives as part of the approval of Density Bonus Agreement No. 2019-01 for the Project:

2.3.1 The parking requirements for the Project shall be reduced in accordance with Government Code Section 65915(p)(3)(A), such that the total of all parking spaces required for the Project shall not exceed 92 spaces.

2.3.2 The development standards for this Project shall be waived in accordance with Government Code Section 65915(e)(1), such that the Hybrid Courtyard Building Type shall be a permitted building type for the project.

2.3.3 The building setback requirements for the Project shall be reduced in accordance with Government Code Section 65915 (d)(1), such that the minimum required front yard setback shall be 0'-0" feet.

2.3.4 The maximum allowable encroachments into required setbacks for the Project shall be increased in accordance with Government Code Section 65915 (d)(1), such that the maximum allowable encroachment shall not exceed 6'-0" into required setbacks.

2.4 In exercising the rights granted to the developer under AB 744 the parking requirements for the Project shall be reduced in accordance with Government Code Section

65915(p)(3)(A), such that the total of all parking spaces required for the Project shall not exceed 92 spaces.

2.5 No Further Concessions or Incentives. Developer acknowledges and agrees that the waivers and incentives set forth in section 2.3 above fully satisfy any duty City may have under the Santa Ana Municipal Code, the Density Bonus Law, or any other law or regulation applicable to the Project, to provide any development incentive or to waive any building, zoning, or other requirement. By this Agreement, Developer releases any and all claims Developer may have against City in any way relating to or arising from City's obligation to waive requirements of or provide development incentives pursuant to any state, federal, or local law, rule, or regulation applicable to the Project.

2.6 Unrestricted Unit. The Project, for purposes of this Agreement, may have no more than one (1) Unrestricted Unit (i.e. –one (1) manager's unit) with unit sizes as may be determined by the Developer.

2.7 Affordable Units. The Project, for purposes of this Agreement, shall have no less than ninety-two (92) Units designated as Affordable Units pursuant to the terms and conditions of this Agreement. The Affordable Units shall be consistent with all City approvals, and shall be located throughout the Project.

2.8 Minimum Development Standards for Affordable Units. The Affordable Units shall be constructed with the same exterior appearance and interior features, fixtures, and amenities, and shall use the same type and quality of materials as provided for the Unrestricted Unit.

2.9 Permits and Processing; Compliance with Laws. Developer at its sole cost and expense shall secure or cause to be secured any and all permits that may be required by City or any other federal, state, or local governmental entity having or claiming jurisdiction over the Property or Project. Upon securing any and all permits, Developer shall carry out and perform the development, operation, and maintenance of the Project in conformity with all applicable federal, state, and local laws and regulations, and all conditions of approval issued by the City Council and City's Planning Commission for the Project. Any changes to the Project shall be reviewed by the City to determine compliance with this Agreement. If any changes to the Project shall materially alter the ability of Developer to comply with any terms of this Agreement in City's sole determination, then City shall have the option to declare this Agreement null and void in its sole discretion.

2.10 Relocation Prior to Development of Project. If relocation is required prior to the completion of development of the Project, Developer shall have the sole and exclusive responsibility for providing relocation assistance and paying all relocation costs as may be required to comply with applicable federal and state laws and regulations. In addition to any other indemnity provided by Developer under this Agreement, Developer shall indemnify, defend (with counsel of City's choosing and the consent of Developer, which shall not be unreasonably withheld, and which may be joint defense counsel upon City's and Developer's consent), and hold harmless City and all of its officials, officers, employees, representatives, volunteers and agents from any and all

alleged or actual claims, causes of action, liabilities, and damages from any third party for relocation assistance, benefits and costs prior to the completion of the development of the Project.

2.11 Local Sourcing Plan. Developer agrees to make a good faith effort to encourage contractors and suppliers to hire and procure locally, to the extent that it is cost effective and does not delay the overall project development schedule. Prior to issuance of building permit, Developer shall develop and submit to the Community Development Agency (the "CDA") a local sourcing plan for the Project targeting, to the extent feasible, the hiring of qualified workers, construction contractors, or the purchasing of goods locally within the City of Santa Ana. The plan must be reviewed and approved by the CDA which if not granted or denied within five (5) Business Days, shall be deemed approved (with such approval not to be unreasonably withheld) and be implemented for the construction of the project prior to issuance of Building Permit.

2.12 Mechanic's Liens; Indemnification. Developer shall take all actions reasonably necessary to remove any future mechanic's liens or other similar liens (including design professional liens) against the Property or Project, or any part thereof, by reason of work, labor, services, or materials supplied or claimed to have been supplied to Developer or anyone holding the Property or Project, or any part thereof, through or under Developer. Prior to the recording of this Agreement (or memorandum thereof) pursuant to Section 4.1 below, Developer shall provide evidence from the Title Company of any new recordings against the Property or Project. City hereby reserves all rights to post notices of non-responsibility and any other notices as may be appropriate upon a filing of a mechanic's lien. In addition to any other indemnity provided by Developer under this Agreement, Developer shall indemnify, defend (with counsel of City's choosing and the consent of Developer, which shall not be unreasonably withheld, and which may be joint defense counsel upon City's and Developer's consent), and hold harmless City and all of its officials, officers, employees, representatives, volunteers and agents from any and all alleged or actual claims, causes of action, liabilities, and damages from any third party by reason of a mechanic's lien or work, labor, services, or materials supplied or claimed to have been supplied to Developer or anyone holding the Property or Project, or any part thereof, through or under Developer.

3. AFFORDABILITY

3.1 Total Affordability Term. Each Affordable Unit shall be restricted to use and occupancy by an Eligible Household for a total period of no less than fifty-five (55) years ("Total Affordability Term"). The Total Affordability Term for an Affordable Unit shall commence on the date that the Affordable Unit receives all required occupancy permits from the City. By way of explanation of the foregoing two sentences, it is possible that the Total Affordability Period for one Affordable Unit will neither commence on the same date nor terminate on the same date as another Affordable Unit, and it is possible that the Total Affordability Terms for all Affordable Units will commence on different days and terminate on different days.

3.2 Memorializing Commencement of Total Affordability Term. Developer shall keep detailed records of the commencement date of the Total Affordability Term for each Affordable Unit. City shall have the right to review and verify said records to ensure that the commencement date specified by Developer for an Affordable Unit coincides with the date that the initial

Affordable Unit received all permits from City required for occupancy of the Unit. In the event that a conflict exists between the date specified by Developer for the commencement of the Total Affordability Term for an Affordable Unit and the date specified by City's issuance of all required permits for occupancy of the Unit, the date specified by City's issuance of all required permits for occupancy of the Unit shall control.

3.3 Levels of Affordability.

3.3.1 Very Low Income Tenants. Developer covenants that no less than seventy-five (75) Affordable Units in the Project shall at all times during the Density Bonus Housing Agreement Term be rented to, or held vacant and available for immediate occupancy by Very Low Income Tenants, at a rent that does not exceed thirty percent (30%) of fifty percent (50%) of the area median income, as adjusted for household size appropriate to the unit, including an allowance for utilities.

3.3.2 Low Income Tenants. Developer covenants that no less than seventeen (17) Affordable Units in the Project shall at all times during the Density Bonus Housing Agreement Term be rented to, or held vacant and available for immediate occupancy by Lower Income Tenants, at a rent that does not exceed thirty percent (30%) of sixty percent (60%) of the area median income, as adjusted for household size appropriate to the unit, including an allowance for utilities.

3.4 Affordable Rental Schedule. The Affordable Rental Schedule shall be determined by the regulatory agreements entered into between the Developer and the California Tax Credit Allocation Committee (CTCAC) and the California Debt Limit Allocation Committee (CDLAC) governing the project.

4. OWNERSHIP AND OPERATION OF THE PROJECT BY OWNER

4.1 Recording of Documents. No later than issuance of building permits for the Project, Developer and the City shall record or cause to be recorded in the Official Records for Orange County, California, an executed original of this Agreement. City shall cooperate with Developer in promptly executing in recordable form this Agreement. Upon the date of recording, the terms and conditions of this Agreement shall be binding upon and run with the Property and the Project. It is the express intent and agreement between the Parties that this Agreement shall remain binding and enforceable against the Property, the Project, and the Units to ensure compliance with the State Density Bonus Law, City Density Bonus Law, and the City Housing Opportunity Ordinance, and to ensure the continued supply of Affordable Units in the Project.

4.2 Rental of Units. Upon the completion of construction of the Project and receipt by Developer of all required permits for the occupancy of the Units, Developer shall rent or cause to be rented each Affordable Unit for the Total Affordability Term for such Affordable Unit in accordance with the terms and conditions set forth in this Agreement, which provide among other terms and conditions for the rental of each Affordable Unit at an Affordable Rent to an Eligible Household for the Total Affordability Term.

4.3 Location of Affordable Units. During the Density Bonus Housing Agreement Term, the Affordable Units shall be disbursed throughout the Project in accordance with the terms and conditions set forth in this Agreement.

4.4 Occupancy Levels. The number of persons permitted to occupy each Affordable Unit shall not exceed the occupancy permitted pursuant to the requirements of the United States Department of Housing and Urban Development. In the event that a household residing in an Affordable Unit exceeds the permitted number of persons, then that household shall be placed on the waiting list for the appropriate-sized unit and be eligible for transfer when that unit becomes available. If the household refuses to transfer to the appropriate-sized unit then the Owner will have grounds to terminate that household's lease.

4.5 Use of the Property. All uses conducted on the Property, including, without limitation, all activities undertaken by the Developer pursuant to this Agreement, shall conform to all applicable provisions of the Santa Ana Municipal Code and other applicable federal, state, and local laws, rules, and regulations. The Project shall at all times during the term of this Agreement be used as an apartment complex and none of the Affordable Units in the Project shall at any time be utilized on a transient basis, nor shall the Property or any portion thereof ever be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium or rest home, or be converted to condominium ownership. All of the community facilities and any social programs provided to the Project's residents shall be available on an equal, nondiscriminatory basis to residents of all Affordable Units at the Project.

4.6 Maintenance. Owner shall, at all times during the term of this Agreement, cause the Property and the Project to be maintained in a decent, safe and sanitary manner, regardless of cause of the disrepair. Owner shall be fully and solely responsible for costs of maintenance, repair, addition and improvements. City, and any of its employees, agents, contractors or designees shall have the right to enter upon the Property at reasonable times and in a reasonable manner to inspect the Project. If at any time Developer fails to maintain the Project or the Property in accordance with this Agreement and such condition is not corrected within five (5) days after written notice from City with respect to debris and waste material, or thirty (30) days after written notice from City with respect to general maintenance, landscaping and building improvements, then City, in addition to whatever remedy it may have at law or at equity, shall have the right to enter upon the applicable portion of the Project or the Property and perform all acts and work necessary to protect, maintain, and preserve the Project and the Property, and to attach a lien upon the Property, or to assess the Property, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by City and/or costs of such cure, including a reasonable administrative charge, which amount shall be promptly paid by Developer to City upon demand.

4.6.1 Property Maintenance Agreement. Subject to review and applicability by the Planning and Building Agency (the "PBA"), the CDA, the Public Works Agency (the "PWA"), and the City Attorney to ensure that the property and all improvements located thereupon are properly maintained, Developer (and the leasehold interest owner of the property upon which the authorized use and/or authorized improvements are located if different from the applicant) shall execute a maintenance agreement with the City of Santa Ana prior to occupancy which shall be recorded against the property and which shall be in a form reasonably satisfactory to the City

Attorney. The maintenance agreement shall contain covenants, conditions and restrictions relating to the following:

(a) Compliance with operational conditions applicable during any period(s) of construction or major repair (e.g., proper screening and securing of the construction site; implementation of proper erosion control, dust control and noise mitigation measure; adherence to approved project phasing etc.);

(b) Compliance with ongoing operational conditions, requirement and restrictions as applicable, the proper storage and disposal of trash and debris, and/or restrictions on certain uses;

(c) Ongoing compliance with approved design and construction parameters, signage parameters and restrictions as well as landscape designs, as applicable;

(d) Ongoing maintenance, repair and upkeep of the Property and all improvements located thereupon (including but not limited to controls on the proliferation of trash and debris about the Property; the proper and timely removal of graffiti; the timely maintenance, repair and upkeep of damaged, vandalized and/or weathered buildings, structures and/or improvements; the timely maintenance, repair and upkeep of exterior paint, parking striping, lighting and irrigation fixtures, walls and fencing, publicly accessible bathrooms and bathroom fixtures, landscaping and related landscape improvements and the like, as applicable);

(e) If Developer and the leasehold interest owner of the property are different (e.g., if the applicant is a tenant or licensee of the property or any portion thereof), both the applicant and the leasehold interest owner of the property shall be signatories to the maintenance agreement and both shall be jointly and severally liable for compliance with its terms;

(f) The maintenance agreement shall further provide that any party responsible for complying with its terms shall not assign its ownership interest in the property or any interest in any lease, sublease, license or sublicense, unless the prospective assignee agrees in writing to assume all of the duties and obligations and responsibilities set forth under the maintenance agreement;

(g) The maintenance agreement shall contain provisions relating to the enforcement of its conditions by the City and shall also contain provisions authorizing the City to recover costs and expenses which the City may incur arising out of any enforcement and/or remediation efforts which the City may undertake in order to cure any deficiency in maintenance, repair or upkeep or to enforce any restrictions or conditions upon the use of the property. The maintenance agreement shall further provide that any unreimbursed costs and/or expenses incurred by the City to cure a deficiency in maintenance or to enforce use restrictions shall become a lien upon the property in an amount equivalent to the actual costs and/or expense incurred by the City; and,

(h) The execution and recordation of the maintenance agreement shall be a condition precedent to the issuance of the Certification of Occupancy.

4.7 Marketing Program. Each Affordable Unit shall be leased to Eligible Households selected by Developer who meet all of the requirements provided herein. Prior to Certificate of Occupancy, Developer shall prepare and obtain City's approval, which approval shall not be unreasonably withheld, of a marketing program for the leasing of the Affordable Units at the Project ("Marketing Program"). The leasing of the Housing Units shall thereafter be marketed in accordance with the Marketing Program as the same may be amended from time to time with City's prior written approval, which approval shall not unreasonably be withheld. Upon request, Developer shall provide City with periodic reports with respect to the leasing of the Affordable Units.

4.8 Management Plan. Prior to Certificate of Occupancy, Developer shall submit for the reasonable approval of City a "Management Plan" which sets forth in detail Developer's property management duties, a tenant selection process in accordance with this Agreement, a security system and crime prevention program, the procedures for the collection of rent, the procedures for eviction of tenants, the rules and regulations for the Property and manner of enforcement, a standard lease form, an operating budget, the identity and emergency contact information of the professional property management company to be contracted with to provide onsite property management services at the Property ("Property Manager"), and other matters relevant to the management of the Property. The Management Plan shall require Developer to adhere to a fair lease and grievance procedure. The management of the Property shall be in compliance with the Management Plan as approved by City.

If City determines that the performance of the Property Manager is deficient based upon the standards set forth in the approved Management Plan and in this Agreement, City shall provide written notice to Developer of such deficiencies and Developer shall use its best efforts to correct such deficiencies. In the event that such deficiencies have not been cured within thirty (30) days, or, if cure is not reasonably possible within 30 days, then unless actions to commence a cure are taken within 30 days and continued thereafter with diligence, City shall have the right to require Developer to immediately remove and replace the Property Manager with another property manager or property management company which is reasonably acceptable to the City Manager, which is not related to or affiliated with Developer, and which has not less than five (5) years experience in property management, including significant experience managing housing facilities of the size, quality and scope of the Project.

4.9 Selection of Tenants.

4.9.1 Developer shall be responsible for the selection of tenants for the Affordable Units in compliance with lawful and reasonable criteria and the requirements of this Agreement. Developer agrees that all of Affordable Units will be available to qualifying residents.

4.9.2 Local preference for Santa Ana residents and workers in tenant selection shall be a requirement of the Project. Subject to applicable laws and regulations governing nondiscrimination and preferences in housing occupancy required by the State of California, the

Developer shall give preference in leasing units to households that live and/or work in the City of Santa Ana or who have an active Housing Choice Voucher issued by the Housing Authority of the City of Santa Ana or any other Public Housing Authority.

4.9.3 Prior to the rental or lease of an Affordable Unit to a tenant(s), Developer shall require the tenant(s) to execute a written lease and to complete a Tenant Income Verification Form (in substantially the form attached hereto as Exhibit B) certifying that the tenant(s) occupying the Affordable Unit is/are an Eligible Household and otherwise meet(s) the eligibility requirements established for the Affordable Unit. Developer shall verify the income of the tenant(s) as set forth herein.

4.10 Income Verification and Certification. Owner covenants to City that it will at all times abide by all specific compliance standards set forth in the regulatory agreements entered into between the Owner and the California Tax Credit Allocation Committee (CTCAC) and the California Debt Limit Allocation Committee (CDLAC), including but not limited to such standards as relate to the number of very-low and low income affordable units by number of bedrooms, standards for qualifying household incomes and other qualifying criteria. Owner shall provide City with a certified copy of each of the recorded Regulatory Agreements applicable to the Project. The compliance standards set forth in said Regulatory Agreements are hereby incorporated by reference as fully set forth herein. In the event of a conflict between this Agreement and the Regulatory Agreements: (1) the more stringent requirement shall prevail if such interpretation eliminates the relevant conflict; or (2) the Regulatory Agreements, or any of them, shall prevail.

Developer agrees to make a good faith effort to verify that the income and asset statement provided by an applicant in an income certification is accurate by taking at least one of the following steps as a part of the verification process: (1) obtain three months consecutive pay stubs for the most recent pay period, (2) obtain an income tax return for the most recent tax year, (3) obtain an income verification form from the applicant's current employer, (4) obtain an income verification form from the Social Security Administration and/or the California Department of Social Services if the applicant receives assistance from either of such agencies, or (5) if the applicant is unemployed and has no such tax return, obtain another form of independent verification.

4.11 Monitoring and Recordkeeping. Throughout the Term of this Agreement, Developer shall annually complete and submit to City a Certification of Continuing Program Compliance in the form provided by City. Owner agrees to pay a reasonable fee, as set by City resolution, for the purpose of paying the actual costs associated with the City's obligation to monitor Owner's compliance with the affordability restrictions contained in this Agreement related to the Density Bonus units, not to exceed monitoring costs for up to 82 units. The City shall first start with the review of all reports and monitoring prepared by Owner for the California Tax Credit Allocation Committee (CTCAC) and the California Debt Limit Allocation Committee (CDLAC) each year. Representatives of City shall be entitled to enter the Property if necessary after review of above documentation, upon at least forty-eight (48) hour notice, to monitor compliance with this Agreement, and shall be entitled to inspect the records of the Project and to conduct an independent audit or inspection of such records at the Property, or, if unavailable at the Property, at a location within the City that is reasonably acceptable to the City. Developer agrees to

cooperate with City in making the Property and the records of the Project available for such inspection or audit. Developer agrees to maintain each record of the Project for no less than five (5) years after creation of each such record.

Developer shall allow the City to conduct annual inspections of each of the Affordable Units on the Property after the date of construction completion, with reasonable notice. Developer shall cure any defects or deficiencies found by the City while conducting such inspections within ten (10) Business Days of written notice thereof, or such longer period as is reasonable within the sole discretion of the City.

4.12 Application and Financial Preparedness. Developer shall submit for review and approval by the CDA and the PBA, a booklet completed by the Developer at least 12 months prior to the initial leasing of the units. This booklet can be made available at the Property Manager's office or at another location agreed upon by the Owner, the CDA, and the PBA. The purpose of this booklet is to inform interested persons regarding minimum application and eligibility requirements and to assist interested persons with application and financial preparedness and eligibility for residency at the Project at the initial leasing of the units. Developer shall also work with CDA to hold a minimum of two workshops to be coordinated by the Developer at least 12 months prior to the initial leasing of the units.

4.13 Onsite Supportive Services, Programs and Amenities. Throughout the Term of this Agreement, and to the extent such can be coordinated with and largely supplied by philanthropic and other social welfare providers, Developer shall provide residents of the Project access to discounted or no-cost onsite supportive services, programming, and amenities that promote child development, youth development, senior independent living, and economic mobility and include but are not limited to: health and wellness services, transportation services, social activities, and physical or recreational amenities.

4.14 Alternative Transportation and Energy Source, Resource Conservation, and LEED Certification. While not a condition of the project's Density Bonus, in recognition of the City's desire to optimize the energy efficiency of the project, Developer agrees to consult with the project design team, a CABEC certified 2016 Certified Energy Analyst, a LEED AP Homes (low-rise and mid-rise), LEED AP BD+C (high rise), National Green Building Standard (NGBS) Green Verifier, or GreenPoint Rater (*one person may meet both of these latter qualifications*) early in the project design process to evaluate a building energy model analysis and identify and consider energy efficiency or generation measures beyond those required by the TCAC minimum construction standards. Prior to the meeting, the energy analyst shall complete an initial energy model based on either current T24 standards or, if the project is eligible, the California Utility Allowance Calculator using best available information on the project. To the extent financially feasible for the project, Developer agrees to incorporate and optimize energy efficient building materials, methods, and amenities.

4.15 Reserved.

4.16 Onsite Property Manager. The Project shall to have 24-hour on-site Property Management services and personnel. Up-to-date 24-hour contact information for the on-site personnel shall be provided to the following City agencies on an ongoing basis:

- (a) Police Department
- (b) Fire Department
- (c) Planning and Building Agency
- (d) Community Development Agency

4.17 Emergency Evacuation Plan. Developer shall submit and obtain approval of an Emergency Evacuation Plan (the EEP) from City Police and Fire Protection agencies prior to issuance of a Certificate of Occupancy. Up-to-date 24-hour emergency contact information for the on-site personnel shall be provided to the City on an ongoing basis and the approved EEP shall be kept onsite and also be submitted to the following City Agencies:

- (a) Police Department
- (b) Fire Department
- (c) Planning and Building Agency
- (d) Community Development Agency

4.18 Crime Free Housing. Developer shall work with City Staff to develop a crime free housing policy, procedure, and design plan (the "CFH Plan"). Developer shall submit and obtain approval from the PBA the CFH Plan meeting the requirements of this Subsection 4.18 prior to issuance of the Certificate of Occupancy. The approved CFH Plan shall be implemented and administered by Property Management.

4.19 Onsite Parking Management Plan. Developer shall provide onsite parking for residents and visitors of the Project and actively monitor the parking demand of the Project site. Developer shall continually monitor and take appropriate measures to manage the parking demand of the Project site to mitigate the use of offsite parking spaces on private or public properties and/or right-of-way. Prior to issuance of the Certificate of Occupancy, Developer shall submit and obtain approval from the PBA a Parking Management Plan (the "PMP") meeting the requirements of this Subsection 4.21. The approved PMP shall be adhered to and be enforced by the Project at all times.

5. [INTENTIONALLY RESERVED]

6. TERM OF THIS AGREEMENT

6.1 Term. The term of this Agreement ("Density Bonus Housing Agreement Term") shall commence on the Effective Date and shall continue until the date that is fifty-five (55) years after the City issues the last certificate of occupancy for the Project.

7. DEFAULT AND TERMINATION; INDEMNIFICATION

7.1 Default. Subject to the Force Majeure provisions of Section 9.14 of this Agreement, failure or delay by any Party to perform any term or provision of this Agreement, which is not cured within thirty (30) days after receipt of written notice from the other Party

specifying the default (or such other period specifically provided herein), constitutes a default under this Agreement; provided, however, if such default is of the nature requiring more than thirty (30) days to cure, the defaulting Party shall avoid default hereunder by commencing to cure within such thirty (30) day period, and thereafter diligently pursuing such cure to completion within an additional sixty (60) days following the conclusion of such thirty (30) day period (for a total of ninety (90) days). Except as required to protect against further damages, the injured Party may not institute proceedings against the Party in default until the time for cure has expired. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default.

7.2 Rights and Remedies Cumulative. The rights and remedies of the Parties are cumulative, and the exercise by either Party of one or more of its 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 the other Party.

7.3 Indemnification. In addition to any other indemnity specifically provided in this Agreement, Developer agrees to defend (with counsel of City's choosing and the consent of Developer, which shall not be unreasonably withheld, and which may be joint defense counsel upon City's and Developer's consent) indemnify and hold harmless City and its respective officers, officials, agents, employees, representatives, and volunteers (collectively, "Indemnitees") from and against any loss, liability, claim, or judgment arising from any act or omission of Developer in connection with its obligations under this Agreement, except to the extent caused by the active negligence or willful misconduct of Indemnitees.

8. ASSIGNMENT; COVENANTS RUN WITH THE LAND

8.1 Assignment by Developer.

8.1.1 Prohibited Transfers or Assignments. Except as authorized in Section 8.1.2 below, Developer shall not sell, transfer, or assign the Property or Project in whole or in part, or transfer or assign Developer's rights and obligations in this Agreement, without City's prior written approval, which shall not be unreasonably withheld. Except for Permitted Transfers set forth in Section 8.1.2 below, Developer shall: (i) notify City in writing of the sale, transfer, or assignment of all or any portion of the Property, and (ii) deliver to City an assignment and assumption agreement (or other agreement) in a form approved by City and executed by Developer and its transferee/assignee pursuant to which Developer's transferee/assignee assumes all of Developer's covenants and obligations set forth herein with respect to the Property or the portion thereof so transferred. Any request for transfer or assignment of the Agreement by Developer shall require the payment of fees or a deposit to compensate the City for approximate expenses incurred by Developer to City, as applicable, for the City's review of the request.

8.1.2 Permitted Transfer. Notwithstanding the provisions of Section 8.1.1 above, the following actions shall constitute permitted transfers of Developer's interest in the Property or Project or Developer's rights and obligations under this Agreement, in whole or in part, without City's prior written approval (each a "**Permitted Transfer**" and collectively, the "**Permitted Transfers**"; "**Transfer**" shall include sale, transfer,

assignment or, as indicated, grant of any lesser interest or grant of an encumbrance): (a) transfer of all or any portion of Developer's ground leasehold interest in the Property, or Developer's interest hereunder, to a limited partnership the general partner of which is Developer, a nonprofit entity affiliated with Developer, or a limited liability company of which Developer or a nonprofit entity affiliated with Developer is the manager, and such limited partnership has been formed to be an entity to receive capital contributions resulting from the syndication of federal low-income tax credits which may be awarded to Developer, the Project or to such limited partnership (such limited partnership is referred to herein as a **"Tax Credit Limited Partnership"**); (b) the granting of any temporary or permanent easements, rights, licenses or rights-of-way which are necessary to facilitate construction of the improvements constituting the Project, providing only that the grant of such easements, rights, licenses or rights-of-way must be in furtherance of the development of the Project; (c) recordation of a memorandum of ground lease, and, as may be applicable, one or more reciprocal easement agreements between Developer and the owner of fee title to the Property relating to common use and maintenance of the Property or other similar matters; (d) the pledge of the ground leasehold interest of Developer or of a successor Tax Credit Limited Partnership as security for financing necessary to acquire and/or construct and/or operate the affordable housing project on the Property including necessary construction and/or permanent loans; (e) a Transfer only to a person or entity that as of the date of Transfer holds an equity interest in the entity whose equity interest is being transferred; (f) a collateral pledge of the equity interest of the Tax Credit Limited Partnership to a lender providing construction and/or permanent loans for the Project; (g) issuance of previously unissued or new equity interests in a Tax Credit Limited Partnership that increase the amount of outstanding equity interests therein by less than 10%; (h) a Transfer by the tax credit investor of its limited partnership interest in a Tax Credit Limited Partnership to a syndicated equity fund for the purposes of syndication of the tax credit equity; (i) removal of the general partner of the Tax Credit Limited Partnership by the tax credit investor in accordance with the Partnership Agreement of the Tax Credit Limited Partnership and replacement of such general partner with a general partner which is the tax credit investor or an affiliated entity or, if different, with a general partner reasonably approved by the City, approval of which shall not be unreasonably withheld; (j) the grant and exercise of an option and/or right of first refusal from the tax credit investor to the general partner of the Tax Credit Limited Partnership in accordance with the Partnership Agreement upon the anticipated exit of the tax credit investor from the Tax Credit Limited Partnership at or around the expiration of the tax credit compliance period; or (k) a Transfer or sale of the Property and Project at approximately the end of the tax credit compliance period established by virtue of the award of tax credits to the Tax Credit Limited Partnership, the Developer or for the Project, or at the end of a later tax credit compliance period arising from subsequent issuance of tax credits, in which or which is: (i) not a sale to an unrelated or unaffiliated third party, but is a Transfer or sale to a new limited partnership satisfying the requirements of subparagraph (a) above or is Developer or a nonprofit entity affiliated with Developer, (ii) the purchase or Transfer as funded in part by an award of new tax credits or tax exempt bonds or other similar financing source, (iii) the Transfer or purchase occurs in order to buy out the equity interest of the tax credit investor or its successor in interest in the Tax Credit Limited Partnership as well as to generate funding

to renovate, repair and/or reposition the Property and the Project, (iv) all affordability restrictions in favor of the City which are contained in this Agreement remain in senior position to such new financing and remain unchanged, (v) such Transfer/sale will reasonably yield to the seller at closing only enough cash proceeds to pay off senior obligations to institutional lenders and to pay the exit cost of the tax credit investor and any additional sale proceeds to the seller thereunder from such Transfer/sale would be evidenced by a residual receipts promissory note in such principle amount, bearing interest at a rate not-to-exceed 3% simple interest per annum, held by the selling entity or general partner of the selling entity which residual receipts promissory note is secured by a deed of trust on the leasehold interest in the Property (which deed of trust will also be treated as a permitted encumbrance under this Agreement) but which would be junior to the deeds of trust securing a new loan from an institutional lender as well as to the deeds of trust securing loan obligations assumed by such new owner.

8.1.3 Sale of Property/Change of Use: Developer agrees and declares that the Property and the Project shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, operated, sold, and approved subject to all obligations set forth or incorporated in this Agreement, all of which are for the purpose of enhancing and protecting the value and attractiveness of the Property and the Project. All of the obligations set forth or incorporated in this Agreement shall constitute covenants which run with the land and shall be binding on Developer and its successors and assigns, and all parties having or acquiring any right, title or interest in, or to any part of the Property or Project. Developer further understands and agrees that the Density Bonus permit approvals received for this Project have been made on the condition that Developer and all subsequent owners, or other successors and assigns of the Property and/or Project lease and rent the Units in accordance with the terms and conditions stipulated in Sections 4, 5 and 6 of this Agreement for a term of 55 consecutive years commencing upon the date that the Project is first occupied.

8.1.4 Subsequent Assignment. As used in this Agreement, the term "Developer" shall be deemed to include any such transferee or assignee after the date such sale, transfer, or assignment occurs in compliance with this Agreement.

8.1.5 Unpermitted Assignments Void. Any sale, transfer, or assignment made in violation of this Agreement shall be null and void, and City shall have the right to pursue any right or remedy at law or in equity to enforce the provisions of the restriction against unpermitted sales, transfers, or assignments.

8.2 Covenants Run with the Land. The Property shall be held, sold, conveyed, hypothecated, encumbered, used, occupied and improved subject to the covenants, conditions, and restrictions set forth herein. The covenants, conditions, restrictions, reservations, equitable servitudes, liens and charges set forth in this Agreement shall run with the Property and shall be binding upon Developer and all persons having any right, title or interest in the Property, or any part thereof, their heirs, and successive owners and assigns, shall inure to the benefit of City and its successors and assigns, and may be enforced by City and its successors and assigns. The covenants established in this Agreement shall, without regard to technical classification and designation, be binding for the benefit and in favor of City and its successors and assigns, and the

parties hereto expressly agree that this Agreement and the covenants herein shall run in favor of City, without regard to whether City is or remains an owner of any land or interest therein to which such covenants relate. However, all such covenants and restrictions shall be deemed to run in favor of all real property owned by City which real property shall be deemed the benefited property of such covenants and this Agreement shall create equitable servitudes and covenants appurtenant to all real property owned by City and running with the Property in accordance with the provisions of Civil Code Section 1468. City is deemed the beneficiary of the terms and provisions of this Agreement and of the covenants running with the land, for and in its own right and for the purposes of protecting the interests of the community and other parties, public or private, in whose favor and for whose benefit this Agreement and the covenants running with the land have been provided. Developer hereby declares its understanding and intent that the burden of the covenants set forth herein touch and concern the land and that the Developer's interest in the Property is rendered less valuable thereby. Developer hereby further declares its understanding and intent that the benefit of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Property by the citizens of City and by furthering the health, safety, and welfare of the residents of City.

9. MISCELLANEOUS

9.1 Entire Agreement. This Agreement and all of its exhibits and attachments set forth and contain the entire understanding and agreement of the parties, and there are no oral or written representations, understandings or ancillary covenants, undertakings or agreements which are not contained or expressly referred to herein. No testimony or evidence of any such representations, understandings or covenants shall be admissible in any proceeding of any kind or nature to interpret or determine the terms or conditions of this Agreement.

9.2 Amendment. Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance approved by the City Council and signed on behalf of each Party. Any requested alteration, change or modification of the Agreement by Developer shall require the payment of fees or deposit by Developer to City, as applicable, for the City's review of the request. Each alteration, change, or modification to this Agreement shall be recorded against the Property in the Official Records of Orange County, California.

9.3 Notices.

9.3.1 Delivery. As used in this Agreement, "notice" includes, but is not limited to, the communication of notice, request, demand, approval, statement, report, acceptance, consent, waiver, appointment or other communication required or permitted hereunder. All notices shall be in writing and shall be considered given either: (i) when delivered in person to the recipient named below; or (ii) on the date of delivery shown on the return receipt, after deposit in the United States mail in a sealed envelope as either registered or certified mail with return receipt requested, and postage and postal charges prepaid, and addressed to the recipient named below; or (iii) two (2) days after deposit in the United States mail in a sealed envelope, first class mail and postage prepaid, and addressed to the recipient named below; or (iv) one (1) day after deposit with a known and reliable next-day document delivery service (such as Federal Express), charges

prepaid and delivery scheduled next-day to the recipient named below, provided that the sending party receives a confirmation of delivery from the delivery service provider; or (v) the first business day following the date of transmittal of any facsimile and/or electronic transmission, provided confirmation of successful facsimile transmittal is retained by the sending Party or the sending Party does not receive notice that an electronic transmission could not be delivered. All notices shall be addressed as follows:

If to City:	City of Santa Ana Community Development Agency 20 Civic Center Plaza (M-26) P.O. Box 1988 Santa Ana, California 92702 Attention: Housing Manager
With a copy to:	Office of the City Attorney City of Santa Ana 20 Civic Center Plaza, 7th Floor (M-29) Santa Ana, California 92702
If to Developer:	National Community Renaissance of California 9421 Haven Avenue Rancho Cucamonga, California 91730

Upon request, a Party Will confirm data for facsimile and electronic transmission. Counsel for a Party can give notice with the same effect as if the notice was given by a Party.

9.3.2 Change of Address. Either Party may, by notice given at any time, require subsequent notices to be given to another person or entity, whether a party or an officer or representative of a party, or to a different address, or both. Notices given before actual receipt of notice of change shall not be invalidated by the change.

9.4 Severability. If any term, provision, covenant or condition of this Agreement shall be determined invalid, void or unenforceable, the remainder of this Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to perform, taking into consideration the purposes of this Agreement.

9.5 Interpretation and Governing Law. This Agreement and any dispute hereunder shall be governed and interpreted in accordance with the laws of the State of California without regard to conflict of law principles. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the Parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be employed in interpreting this Agreement, all Parties having been represented by counsel in the negotiation and preparation hereof.

9.6 Section Headings. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

9.7 Singular and Plural. As used herein, the singular of any word includes the plural, and vice versa, as context so dictates. Masculine, feminine, and neuter forms of any word include the other as context so dictates.

9.8 Joint and Several Obligations. If at any time during the term of this Agreement the Property and/or Project is owned, in whole or in part, by more than one Developer, all obligations of such Developer under this Agreement shall be joint and several, and the default of any such Developer shall be the default of all such Developers.

9.9 Time of Essence. Time is of the essence in the performance of the provisions of this Agreement as to which time is an element.

9.10 Computation of Days. Unless otherwise specified in this Agreement or any Exhibit attached hereto, use of the term "days" shall mean calendar days. For purposes of this Agreement and all Exhibits attached hereto, "business days" shall mean every day of the week except Saturdays, Sundays, official State holidays as recognized in Government Code Section 19853(a) or successor statute, and any days in which Santa Ana City Hall is closed for business.

9.11 Waiver. Failure by a Party to insist upon the strict performance of any of the provisions of this Agreement by the other Party, or the failure by a Party to exercise its rights upon the default of the other Party, shall not constitute a waiver of such Party's right to insist and demand strict compliance by the other Party with the terms of this Agreement thereafter.

9.12 Non-Discrimination. Except as necessary to comply with the provisions of this Agreement and of recorded regulatory agreements on the Project, in performing its obligations under this Agreement, Developer shall not discriminate because of race, color, creed, religion, sex, marital status, sexual orientation, age, national origin, ancestry, or disability, as defined and prohibited by applicable law, in the recruitment, selection, training, utilization, promotion, termination or other related activities. Developer affirms that it is an equal opportunity employer and shall comply with all applicable federal, state and local laws and regulations.

9.13 Third Party Beneficiaries. No person or entity, other than City and Developer shall have any right of action based upon any provision of this Agreement.

9.14 Force Majeure. Neither Party shall be deemed to be in default where failure or delay in performance of any of its obligations under this Agreement is caused by floods, earthquakes, other Acts of God, fires, wars, riots or similar hostilities, strikes and other labor difficulties beyond the Party's control (including the Party's employment force), court actions (such as restraining orders or injunctions), or other causes beyond the Party's control, including delays by any governmental entity (although the City may not benefit from this provision for a delay that results from City's failure to perform its obligations under this Agreement), or an insurance company of either party. If any such events shall occur, the term of this Agreement and the time for performance by either Party of any of its obligations hereunder may be extended by the written agreement of the Parties for the period of time that such events prevented such performance.

9.15 Mutual Covenants. The covenants contained herein are mutual covenants and also constitute conditions to the concurrent or subsequent performance by the Party benefited thereby of the covenants to be performed hereunder by such benefited Party.

9.16 Successors in Interest. The burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to, all permitted successors in interest to the Parties to this Agreement. All provisions of this Agreement shall be enforceable as equitable servitudes and constitute covenants running with the land. Each covenant to do or refrain from doing some act hereunder with regard to development of the Property: (a) is for the benefit of and is a burden upon every portion of the Property; (b) runs with the Property and each portion thereof; and (c) is binding upon each Party and each successor in interest approved pursuant to this Agreement during ownership of the Property or any portion thereof.

9.17 Counterparts. This Agreement may be executed by the Parties in counterparts, which counterparts shall be construed together and have the same effect as if all of the Parties had executed the same instrument.

9.18 Jurisdiction and Venue. Any action at law or in equity under this Agreement or brought by a Party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed and tried in the Superior Court of the County of Orange, State of California, and the Parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court.

9.19 Project as a Private Undertaking. It is specifically understood and agreed by and between the Parties hereto that the development of the Project is a private development, that neither Party is acting as the agent of the other in any respect hereunder, and that each Party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. No partnership, joint venture or other association of any kind is formed by this Agreement. The only relationship between City and Developer is that of a government entity regulating the development of private property and the developer of such property.

9.20 Further Actions and Instruments. Each of the Parties shall cooperate with and provide reasonable assistance to the other to the extent contemplated hereunder in the performance of all obligations under this Agreement and the satisfaction of the conditions of this Agreement. Upon the request of either Party at any time, the other Party shall promptly execute, with acknowledgment or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of this Agreement to carry out the intent and to fulfill the provisions of this Agreement or to evidence or consummate the transactions contemplated by this Agreement. City hereby authorizes City Manager to take such other actions and negotiate and execute any additional agreements as may be necessary or proper to fulfill the City's obligations under this Agreement. The City Manager may delegate her or his powers and duties under this Agreement to an authorized management level employee of the City.

9.21 Estoppel Certificate. Within ten (10) business days following a written request by any of the Parties, the other Party shall execute and deliver to the requesting Party a statement

certifying that (i) either this Agreement is unmodified and in full force and effect or there have been specified (date and nature) modifications to the Agreement, but it remains in full force and effect as modified; and (ii) either there are no known current uncured defaults under this Agreement or that the responding Party alleges that specified (date and nature) defaults exist. The statement shall also provide any other reasonable information requested. The failure to timely deliver this statement shall constitute a conclusive presumption that this Agreement is in full force and effect without modification, except as may be represented by the requesting Party, and that there are no uncured defaults in the performance of the requesting Party, except as may be represented by the requesting Party.

9.22 No Subordination. City's approval of the necessary land use entitlements that authorize Developer to develop, operate, and maintain the Project was based upon Developer's obligation to provide the Affordable Units pursuant to the State Density Bonus Law, City Density Bonus Law, City Housing Opportunity Ordinance, and the terms and conditions of this Agreement. For the Term of the Density Bonus Housing Agreement, this Agreement shall have priority over any and all mortgages, deeds of trust, and other similar forms of secured financing recorded against the Property or any portion thereof. Developer expressly understands and acknowledges that state law requires preservation of affordability covenants in connection with the approval of this density bonus project.

9.23 Attorneys' Fees and Costs. If either Party to this Agreement commences an action against the other Party to this Agreement arising out of or in connection with this Agreement, the prevailing Party shall be entitled to recover reasonable attorneys' fees, expert witness fees, costs of investigation, and costs of suit from the losing Party.

9.24 Authority to Execute. The person or persons executing this Agreement on behalf of each Party warrants and represents that he or she/they have the authority to execute this Agreement on behalf of his or her/their corporation, partnership or business entity and warrants and represents that he or she/they has/have the authority to bind the Party to the performance of its obligations hereunder.

{Signatures on following page}

IN WITNESS WHEREOF, the parties hereto have caused this Density Bonus Housing Agreement to be executed on the date set forth at the beginning of this Agreement.

ATTEST:

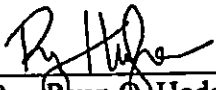
CITY OF SANTA ANA

NORMA MITRE
Acting Clerk of the Council

STEVEN A. MENDOZA
Acting City Manager

APPROVED AS TO FORM

Sonia R. Carvalho
City Attorney

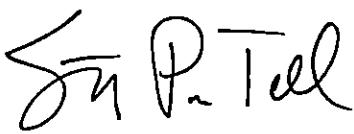


By: Ryan O. Hodge
Assistant City Attorney

RECOMMENDED FOR APPROVAL:

Steven A. Mendoza
Executive Director
Community Development Agency

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA, A CALIFORNIA
NONPROFIT PUBLIC BENEFIT CORPORATION**



By: Steve PonTell, President and Chief Executive Officer (title)

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SANTA ANA IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL A:

ALL THOSE PORTIONS OF LOTS 4 AND 5 OF THE THOMAS ADDITION TO SANTA ANA, IN THE CITY OF SANTA ANA, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 19, PAGE 17 OF MISCELLANEOUS RECORDS OF LOS ANGELES COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE CENTER LINE INTERSECTION OF STAFFORD STREET AND FRENCH STREET AS SHOWN ON A MAP OF THE FRUIT ADDITION TO SANTA ANA EAST, IN THE CITY OF SANTA ANA, RECORDED IN BOOK 5, PAGE 186, MISCELLANEOUS RECORDS OF LOS ANGELES COUNTY, CALIFORNIA;

THENCE ALONG SAID CENTER LINE OF FRENCH STREET SOUTH $00^{\circ} 15' 06''$ WEST A DISTANCE OF 99.95 FEET;

THENCE NORTH $89^{\circ} 44' 54''$ WEST A DISTANCE OF 30.00 FEET TO THE INTERSECTION OF THE WEST LINE OF FRENCH STREET WITH A LINE PARALLEL WITH AND DISTANT 15.00 FEET SOUTHERLY, MEASURED AT RIGHT ANGLES, FROM THE NORTH LINE OF SAID LOT 5, BEING THE TO THE TRUE POINT OF BEGINNING;

THENCE CONTINUING ALONG SAID PARALLEL LINE NORTH $89^{\circ} 44' 54''$ WEST A DISTANCE OF 91.29 FEET;

THENCE NORTH $63^{\circ} 48' 21''$ EAST A DISTANCE OF 61.60 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 25.00 FEET;

THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE $116^{\circ} 26' 45''$ AN ARC DISTANCE OF 50.81 FEET TO A TANGENT LINE, BEING SAID WEST LINE OF FRENCH STREET;

THENCE ALONG SAID WEST LINE, SOUTH $00^{\circ} 15' 06''$ WEST, A DISTANCE OF 5.05 FEET TO THE TO THE TRUE POINT OF BEGINNING.

PARCEL B:

THE SOUTH 35 FEET OF LOT 5 AND THE NORTH 20 FEET OF LOT 8 OF THE THOMAS ADDITION TO SANTA ANA, IN THE CITY OF SANTA ANA, COUNTY OF ORANGE,

STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 19, PAGE 17 OF MISCELLANEOUS RECORDS OF LOS ANGELES COUNTY, CALIFORNIA.

EXCEPT THEREFROM THAT PORTION OF SAID LOT 5 DESCRIBED IN THE DEED TO THE CITY OF SANTA ANA, A MUNICIPAL CORPORATION, RECORDED FEBRUARY 25, 1974 IN BOOK 11081, PAGE 466 OF OFFICIAL RECORDS OF ORANGE COUNTY, CALIFORNIA.

PARCEL C:

THE SOUTH 30 FEET OF LOT 8 AND THE NORTH 20 FEET OF LOT 9 OF THOMAS' ADDITION TO SANTA ANA, IN THE CITY OF SANTA ANA, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 19, PAGE 17 OF MISCELLANEOUS RECORDS OF LOS ANGELES COUNTY, CALIFORNIA.

PARCEL D:

THE NORTH 20 FEET OF LOT TWELVE AND THE SOUTH 30 FEET OF LOT 9 OF THE THOMAS ADDITION TO SANTA ANA, IN THE CITY OF SANTA ANA, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 19, PAGE 17 OF MISCELLANEOUS RECORDS OF LOS ANGELES COUNTY, CALIFORNIA.

PARCEL E:

LOT ELEVEN AND THE SOUTH 14 FEET OF LOT TEN OF THE THOMAS ADDITION TO SANTA ANA, IN THE CITY OF SANTA ANA, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 19, PAGE 17 OF MISCELLANEOUS RECORDS OF LOS ANGELES COUNTY, CALIFORNIA.

PARCEL F:

THOSE PORTIONS OF LOTS 12 AND 13 OF THOMAS' ADDITION TO SANTA ANA, IN THE CITY OF SANTA ANA, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 19, PAGE 17 OF MISCELLANEOUS RECORDS OF LOS ANGELES COUNTY, CALIFORNIA, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EASTERLY LINE OF SAID LOT 13, DISTANT THEREON 15 FEET NORTH OF THE SOUTHEAST CORNER OF SAID LOT 13,

AND RUNNING THENCE NORTHERLY ALONG THE EASTERLY LINE OF SAID LOTS 13 AND 12, A DISTANCE OF 65 FEET;

THENCE WESTERLY, PARALLEL WITH THE SOUTHERLY LINE OF SAID LOT 12, 125 FEET TO THE WESTERLY LINE OF SAID LOT 12;

THENCE SOUTHERLY ALONG THE WESTERLY LINE OF SAID LOTS 12 AND 13, 65 FEET;

THENCE EASTERLY 125 FEET TO THE POINT OF BEGINNING.

PARCEL G:

BEGINNING AT A POINT 85 FEET NORTH OF THE SOUTHEAST CORNER OF LOT 19 OF THOMAS' ADDITION TO SANTA ANA, IN THE CITY OF SANTA ANA, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 19, PAGE 17 OF MISCELLANEOUS RECORDS OF LOS ANGELES COUNTY, CALIFORNIA;

THENCE NORTH 55 FEET;

THENCE WEST 125 FEET;

THENCE SOUTH 55 FEET;

THENCE EAST 125 FEET TO THE POINT OF BEGINNING, BEING THE SOUTH 15 FEET OF LOT 13, THE NORTH 40 FEET OF LOTS 18 AND 19 AND THE NORTH 40 FEET OF THE EAST ONE-HALF OF LOT 17 OF SAID ADDITION.

PARCEL H:

LOTS 14, 15, 16 AND 17 AND THE SOUTH 85 FEET OF LOTS 18 AND 19 OF THOMAS' ADDITION TO SANTA ANA, IN THE CITY OF SANTA ANA, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 19, PAGE 17 OF MISCELLANEOUS RECORDS OF LOS ANGELES COUNTY, CALIFORNIA.

EXCEPTING THEREFROM THE NORTH 40 FEET OF THE EAST 25 FEET OF SAID LOT 17

APN(s): 398-236-03, 398-236-04

EXHIBIT B

TENANT VERIFICATION

EXHIBIT B

INCOME COMPUTATION AND CERTIFICATION

NOTE TO APARTMENT OWNER: This form is designed to assist you in computing Annual Income in accordance with the method set forth in the Department of Housing and Urban Project ("HUD") Regulations (24 CFR 813). You should make certain that this form is at all times up to date with the HUD Regulations.

Re:

Santa Ana, California

I/We, the undersigned state that I/we have read and answered fully, frankly and personally each of the following questions for all persons who are to occupy the unit being applied for in the above apartment project. Listed below are the names of all persons who intend to reside in the unit:

1. Name of Members of the <u>Household</u>	2. Relationship to Head of <u>Household</u>	3. <u>Age</u>	4. Social Security <u>Number</u>	5. Place of <u>Employment</u>
_____	HEAD	_____	_____	_____
_____	SPOUSE	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Income Computation

6. The total anticipated income, calculated in accordance with the provisions of this Certification, of all persons over the age of 18 years listed above for the 12-month period beginning the date that I/we plan to move into a unit is \$_____.

Included in the total anticipated income listed above are:

(a) all wages and salaries, overtime pay, commissions, fees, tips and bonuses and other compensation for personal services, before payroll deductions;

(b) the net income from the operation of a business or profession or from the rental of real or personal property (without deducting expenditures for business expansion or amortization of capital indebtedness or any allowance for depreciation of capital assets),

(c) interest and dividends (including income from assets excluded below);

(d) the full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including any lump sum payment for the delayed start of a periodic payment;

EXHIBIT 4

(e) payments in lieu of earnings, such as unemployment and disability compensation, workmen's compensation and severance pay;

(f) the maximum amount of public assistance available to the above persons other than the amount of any assistance specifically designated for shelter and utilities;

(g) periodic and determinable allowances, such as alimony and child support payments and regular contributions and gifts received from persons not residing in the dwelling;

(h) all regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is the head of the household or spouse; and

(i) any earned income tax credit to the extent that it exceeds income tax liability.

Excluded from such anticipated income are:

(a) casual, sporadic or irregular gifts;

(b) amounts which are specifically for or in reimbursement of medical expenses;

(c) lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and workmen's compensation), capital gains and settlement for personal or property losses;

(d) amounts of educational scholarships paid directly to the student or the educational institution, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books and equipment. Any amounts of such scholarships or payments to veterans not used for the above purposes are to be included in income;

(e) special pay to a household member who is away from home and exposed to hostile fire;

(f) relocation payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;

(g) foster child care payments;

(h) the value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1977;

(i) payments to volunteers under the Domestic Volunteer Service Act of 1973;

(j) payments received under the Alaska Native Claims Settlement Act;

(k) income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes;

(l) payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program;

EXHIBIT 4

- (m) payments received from the Job Training Partnership Act;
- (n) income derived from the disposition of funds of the Grand River Band of Ottawa Indians;
- (o) the first \$2,000.00 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Court of Claims; and
- (p) at the discretion of Housing Authority of the City of Santa Ana all other income exclusions recognized by the HUD Section 8 Certificate and Voucher Programs.

7. Do the persons whose income or contributions are included in item 6 above:

(a) have savings, stocks, bonds, equity in real property or other form of capital investment (excluding the values of necessary items of personal property such as furniture and automobiles and interests in Indian trust land)?

No _____ Yes _____

(b) have they disposed of any assets (other than at a foreclosure or Credit Bankruptcy sale) during the last two years at less than fair market value?

No _____ Yes _____

(c) If the answer to (a) or (b) above is yes, does the combined total value of all such assets owned or disposed of by all such persons total more than \$5,000?

No _____ Yes _____

(d) If the answer to (c) above is yes, state:

(1) the amount of income expected to be derived from such assets in the 12-month period beginning on the date of initial occupancy in the unit that you propose to rent:

\$ _____

(2) the amount of such income, if any, that was included in item 6 above:

\$ _____

8. (a) Are all of the individuals who propose to reside in the unit full-time students*?

No _____ Yes _____

*A full-time student is an individual enrolled as a full-time student during each of 5 calendar months during the calendar year in which occupancy of the unit begins at an educational organization which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of students in attendance and is not an individual pursuing a full-time course of institutional or farm training under the supervision of an accredited agent of such an educational organization or of a state or political subdivision thereof.

(b) If the answer to 8(a) is yes, is at least 1 of the proposed occupants of the unit a husband and wife entitled to file a joint federal income tax return?

No _____ Yes _____

9. Neither myself nor any other occupant of the unit I/we propose to rent is the owner of the rental housing project in which the unit is located (hereinafter the "Owner"), has any family relationship to the Owner; or owns directly or indirectly any interest in the Owner. For purposes of this paragraph, indirect ownership by an individual shall mean ownership by a family member, ownership by a corporation, partnership, estate or trust in proportion to the ownership or beneficial interest in such corporation, partnership, estate or trustee held by the individual or a family member; and ownership, direct or indirect by a partner of the individual.

10. This certificate is made with the knowledge that it will be relied upon by the Borrower to determine maximum income for eligibility to occupy the unit, and I/we declare that all information set forth herein is true, correct and complete and based upon information I/we deem reliable and that the statement of total anticipated income contained in paragraph 6 is reasonable and based upon such investigation as the undersigned deemed necessary.

11. I/we will assist the Owner in obtaining any information or documents required to verify the statements made herein, including either an income verification from my/our present employer(s) or copies of federal tax returns for the immediately preceding calendar year.

12. I/we acknowledge that I/we have been advised that the making of any misrepresentation or misstatement in this declaration will constitute a material breach of my/our agreement with the Owner to lease the unit and will entitle the Owner to prevent or terminate my/our occupancy of the unit by institution of an action for ejection or other appropriate proceedings.

I/we declare under penalty of perjury that the foregoing is true and correct.

Executed this _____ day of _____ in the City of _____, California.

Applicant

Applicant

[Signature of all persons over the age of 18 years listed in number 2 above required]

EXHIBIT 4

FOR COMPLETION BY APARTMENT OWNER ONLY:

1. calculation of eligible income:
 - a. Enter amount entered for entire household in 6 above: \$_____
 - b. (1) If answer to 7(c) above is yes, enter the total amount entered in 7(d)(1), subtract from that figure the amount entered in 7(d)(2) and enter the remaining balance (\$_____);

(2) Multiply the amount entered in 7(c) times the current passbook savings rate to determine what the total annual earnings on the amount in 7(c) would be if invested in passbook savings (\$_____), subtract from that figure the amount entered in 7(d)(2) and enter the remaining balance (\$_____);

(3) Enter at right the greater of the amount calculated under (1) or (2) above: \$_____
 - c. TOTAL ELIGIBLE INCOME
Line 1.a plus line 1.b(3)): \$_____
2. The amount entered in 1.c:
_____ Qualifies the applicant(s) as a Low Income Tenant(s).

_____ Does not qualify the applicant(s) as a Low Income Tenant(s).
3. Number of apartment unit assigned: _____
Bedroom Size: _____ Rent: \$_____
4. This apartment unit [was/was not] last occupied for a period of 31 consecutive days by persons whose aggregate anticipated annual income as certified in the above manner upon their initial occupancy of the apartment unit qualified them as Low Income Tenants.
5. Method used to verify applicant(s) income:

_____ Employer income verification.

_____ Copies of tax returns.

_____ Other (_____)

Manager

INCOME VERIFICATION
(for employed persons)

The undersigned employee has applied for a rental unit located in a project financed under the Housing Authority of the City of Santa Ana Multifamily Housing Revenue Bond Program for persons of low income. Every income statement of a prospective tenant must be stringently verified. Please indicate below the employee's current annual income from wages, overtime, bonuses, commissions or any other form of compensation received on a regular basis.

Annual wages _____ Overtime _____ Bonuses _____
Commissions _____

Total current income _____

I hereby certify that the statements above are true and complete to the best of my knowledge.

Signature _____

Date _____

Title _____

I hereby grant you permission to disclose my income to _____ in order that they may determine my income eligibility for rental of an apartment located in their project which has been financed under the Housing Authority of the City of Santa Ana Multifamily Revenue Bonds.

Signature

Date

Please sent to:

INCOME VERIFICATION
(for self-employed persons)

I hereby attaché copies of my individual federal and state income tax returns for the immediately preceding calendar year and certify that the information shown in such income tax returns is true and complete to the best of my knowledge.

Signature

Date

EXHIBIT C

RESOLUTION NO. 2019-01

RESOLUTION NO. 2019-01

LS 1.14.19

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SANTA ANA APPROVING DENSITY BONUS AGREEMENT APPLICATION NO. 2018-01 AS CONDITIONED FOR A NEW MIXED-USE FAMILY AFFORDABLE RENTAL RESIDENTIAL AND COMMERCIAL DEVELOPMENT FOR THE PROPERTY LOCATED 609 NORTH SPURGEON STREET

BE IT RESOLVED BY THE PLANNING COMMISSION OF THE CITY OF SANTA ANA AS FOLLOWS:

Section 1. The Planning Commission of the City of Santa Ana hereby finds, determines and declares as follows:

1. Alexa Washburn, representing National Community Renaissance of California ("National CORE", hereinafter referred to as "Applicant"), is requesting approval of Density Bonus Agreement Application No. 2018-01, as conditioned, to allow the construction of a new mixed-use 93-unit family affordable rental residential and commercial development at 609 North Spurgeon Street.
2. The Transit Zoning Code was adopted in 2010 to provide the zoning necessary to support the long-term development of a successful transit program. The regulating plan, which establishes land uses and development standards, allows a variety of housing and commercial projects, including mixed-use residential communities, live/work units, service and retail, and professional offices.
3. The California Density Bonus law allows developers to seek increases in base density for providing on-site housing units in exchange for providing affordable units on site. To help make constructing on-site affordable units feasible, the law allows developers to seek incentives/concessions or waivers that would help the project be built without significant burden and without detriment to public health.
4. On January 14, 2019, the Planning Commission of the City of Santa Ana held a duly noticed public hearing regarding the density bonus application and at that time considered all testimony, written and oral.
5. Section 41-1607 of the Santa Ana Municipal Code (SAMC) requires an application for a density bonus agreement containing deviations (incentives/concessions and/or waivers) to be approved by the Planning Commission.

6. The Planning Commission determines that the following findings, which must be established in order to grant this Density Bonus Agreement application pursuant to SAMC Section 41-1607, have been established for Density Bonus Agreement No. 2018-01 to allow construction of the proposed project:

1. The proposed development will materially assist in accomplishing the goal of providing affordable housing opportunities in economically balanced communities throughout the city.

The proposed development will provide 92 affordable rental family housing units, contributing toward the City's rental housing stock to serve the needs of diverse and underserved populations. The area in which the project is proposed, the Transit Zoning Code, currently contains an affordable mixed-use community and market-rate multi-family housing. The construction of this project will contribute toward an economically balanced community by providing housing for different demographic and income levels in an area rich with employment opportunities, commercial development, and market-rate housing.

2. The development will not be inconsistent with the purpose of the underlying zone or applicable designation in the general plan land use element.

The project site is in an area already identified in both the City's Zoning Code (the Transit Zoning Code) and General Plan (the Land Use and Housing elements) for new residential communities. Moreover, the City's General Plan land use designation for the project site is Urban Neighborhood which applies to primarily residential areas with pedestrian oriented commercial uses, schools and small parks. This designation allows for a mix of residential uses and housing types, such as mid to low rise multiple family, townhouses and single-family dwellings; with some opportunities for live work, neighborhood serving retail and service, public spaces and use, and other amenities. Lastly, the proposed density of 53.4 units is below the density bonus provisions in the California Density Bonus Law for family-oriented projects (35-percent density bonus) and in the City's Housing Opportunity Ordinance (35-percent density bonus).

3. The deviation is necessary to make it economically feasible for the Applicant to utilize a density bonus authorized for the development pursuant to section 41-1603.

The proposed project requires two deviations through incentives/concessions: building setbacks (front) and encroachments, as well as one deviation through a waiver in permitted building types and architectural styles. The three deviations are described as follows:

First, maintaining the required 10'-0" front yard setback would involve the significant loss of mixed-use space and the loss of six (6) three-bedroom units at approximately 1,185 sq. ft. In addition, implementing the required front yard setback standard would result in the building being set back an additional 6-7 feet from the front property line, resulting in a significant loss of parking area and common open space. In order to maintain the current proposed unit count, the Applicant would be required to construct an additional level, resulting in a different type of construction (steel-frame versus wood), further increasing development costs. In addition, in order to maintain the current parking count the developer would be required to construct additional parking either above- or below-grade, resulting in increased construction costs and/or a loss of additional residential units.

Second, maintaining the maximum encroachment of 2'-0" into the required street side setbacks would result in the significant loss of the required private open space balconies. In addition, implementing the required standard would result in the building being setback an additional 5-6 feet along the eastern and western property lines, resulting in a significant loss of parking area, common open space and residential units. In order to maintain the current parking count and open space, the Applicant would be required to construct additional parking, resulting in increased construction costs and/or a loss of additional residential units.

Third, the proposed building is required to be designed as one of the building types and architectural styles permitted by the UN-2 zone. Pursuant to the TZC, the building type and architectural style are considered development standards that are eligible to be waived if they physically preclude the construction of the project. The project proposes a Hybrid Courtyard Building Type and Main Street Commercial architectural style which are only permitted in the UN-2 zone in certain locations of the TZC, but not permitted on the project site. However, if the project were designed as any other permitted building type or architectural style the project would result in a significant

loss of residential units and a loss of any retail, service or office use. As a result, a waiver from the allowable building type and architectural style is required so the development standards do not physically preclude the construction of the project.

The two requested concessions could be avoided if the project were constructed using a different site plan and building type. If the project were designed with a multi-level parking and/or subterranean parking structure, or if the Applicant used different building materials (non-combustible, Type I) to construct a taller project, additional area on site would become available to provide parking and to meet the required front yard setback. However, these changes would increase development costs, resulting in the affordable housing project becoming financially infeasible due to the significantly increased financial implications of using Type I construction.

7. The Applicant agrees to indemnify, hold harmless, and defend the City of Santa Ana, its officials, officers, agents, and employees, from any and all liability, claims, actions or proceedings that may be brought arising out of its approval of this project, and any approvals associated with the project, including, without limitation, any environmental review or approval, except to the extent caused by the sole negligence of the City of Santa Ana.

Section 2. In accordance with the California Environmental Quality Act (CEQA), Sections 15070 to 15075 of the CEQA Guidelines, an Initial Study and Mitigated Negative Declaration (IS/MND) has been prepared which discloses the environmental impacts associated with implementing the proposed project and includes mitigation measures that can reduce potential impacts to the extent possible or to below a level of significance. Impacts from components such as agriculture and forestry resources, air quality, geology and soils, greenhouse gas emissions, hydrology and water quality, land use and planning, mineral resources, population and housing, recreation, transportation and traffic, and utilities and service systems were found to have no impacts or impacts considered less than significant. However, the project was found to have a less than significant impact on the following environmental categories when proposed mitigation measures are implemented: aesthetics, biological resources, cultural resources, hazards and hazardous materials, noise, public services, and tribal cultural resources.

The IS/MND's analysis determined that the above-mentioned environmental categories would cause no substantial adverse change to the environment with the inclusion of environmental commitments, or other enforceable measures, that would be adopted by the City. All mitigation measures in the original Transit Zoning Code (TZC) EIR and associated Mitigation Monitoring and Reporting Program (MMRP) have been enforced and are carried over within the IS/MND, with exception of Tribal Cultural

Resources and Cultural Resources which required new mitigation measures. A traffic impact analysis was performed to analyze any potential changes in area traffic as a result of the proposed development. The study concluded that no additional significant impacts would trigger the requirement for additional environmental review.

Assembly Bill 52 (AB 52) requires meaningful consultation with California Native American Tribes on potential impacts on tribal cultural resources (TCRs), as defined in Public Resources Code Section 21074. TCRs are sites, features, places, cultural landscapes, sacred places, and objects with cultural value to a California Native American tribe that are either eligible or listed in the California Register of Historical Resources or local register of historical resources. In order minimize impacts on potential TCRs, the IS/MND outlined mitigation measure TCR 1 requiring consultation of a qualified archaeologist and the local Native American representative, if unanticipated discoveries are made during construction activities. With implementation of mitigation measure TCR 1, potential project impacts on TCRs would be less than significant.

A cultural resources study was also performed to analyze the two existing buildings of the First United Methodist Church of Santa Ana, the Sanctuary and Anderson Court Complex (1964-1966) and the Educational Building (1928-1929) located on the property. The study included systematic field recordation of the existing buildings on the property, historical background research on the buildings, and consultation with local historical organizations. The study determined the Educational Building to be a "historical resource" for CEQA-compliance purposes and determined that it requires proper mitigation of potential impacts from the proposed demolition. In addition, because the Sanctuary and Anderson Court Complex have also reached the commonly recognized 50-year age threshold for potential "historical resources," and the two buildings are integral parts of the same religious establishment that has occupied this location for more than a century, the Sanctuary and Anderson Complex should also be considered a component of the "historical resource."

To reduce potential impacts of the proposed demolition to a less than significant level, the IS/MND outlined mitigation measures consistent with the Transit Zoning Code EIR which required "written and photographic recordation of the resource in accordance with the level of Historic American Building Survey (HABS) documentation that is appropriate to the significance (local, state, national) of the resource." In addition, prior to demolition, the developer will be required to document the buildings to Historic American Building Survey (HABS) -like documentation for the historical resources slated for demolition. The HABS-like package will document in photographs and descriptive and historic narrative the historical resources slated for demolition. Documentation prepared for the package will draw upon primary and secondary source research and available studies previously prepared for the project. Specifically, the specifications for the HABS-like package will include photographs focusing on the historical resources/features slated for demolition, with overview and context photographs for the campus and adjacent setting. In addition, the historian or architectural historian will prepare descriptive and historic narrative of the historical resources/features slated for demolition with physical descriptions detailing each

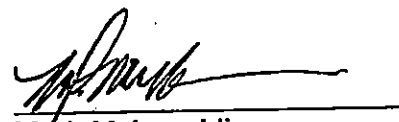
resource, elevation by elevation, with accompanying photographs, and information on how the resource fits within the broader campus during its period of significance.

As outlined in the accompanying staff report, the project is consistent with the City's General Plan and the Transit Zoning Code regulating plan. Further, it is consistent with the density bonus provisions outlined in the City's Housing Opportunity Ordinance. The project site is located within city limits and is less than five acres in size. It is already in an urbanized setting surrounded by urban uses, and the project has not been identified as habitat for endangered, rare or threatened species.

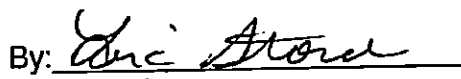
Section 3. The Planning Commission of the City of Santa Ana, after conducting the public hearing, hereby approves the Density Bonus Agreement Application No. 2018-01 as conditioned in Exhibit A attached hereto and incorporated as though fully set forth herein. This decision is based upon the evidence submitted at the above said hearing, which includes, but is not limited to: the public testimony, written and oral, all of which are incorporated herein by this reference.

ADOPTED this 14th day of January, 2019 by the following vote:

AYES:	Commissioners:	ALDERETE, BENAVIDES, CONTRERAS-LEO, MCLOUGHLIN, VERINO (5)
NOES:	Commissioners:	CANO, NGUYEN (2)
ABSENT:	Commissioners:	
ABSTENTIONS:	Commissioners:	


 Mark McLoughlin
 Chairperson

APPROVED AS TO FORM:
 Sonia R. Carvalho, City Attorney

By: 
 Lisa Storck
 Assistant City Attorney

CERTIFICATE OF ATTESTATION AND ORIGINALITY

I, SARAH BERNAL Recording Secretary, do hereby attest to and certify the attached Resolution No. 2019-01 to be the original resolution adopted by the Planning Commission of the City of Santa Ana on January 14, 2019.

Date: 1/14/19

Sarah Bernal
Recording Secretary
City of Santa Ana

EXHIBIT A

Conditions for Approval for Density Bonus Agreement Application No. 2018-01

Density Bonus Agreement Application No. 2018-01 is approved subject to compliance, to the reasonable satisfaction of the Planning Manager, with applicable sections of the Santa Ana Municipal Code, the California Administrative Code, the California Building Standards Code, and all other applicable regulations. In addition, it shall meet the following conditions of approval:

The Applicant must comply with each and every condition listed below prior to exercising the rights conferred by the Density Bonus Agreement.

The Applicant must remain in compliance with all conditions listed below throughout the life of the development project. Failure to comply with each and every condition may result in the revocation/termination of the Density Bonus Agreement.

A. Planning Division

1. All proposed site improvements must conform to the Development Project Review approval of DP No. 2018-44.
2. Any amendment to the DP No. 2018-44, including modifications to approved materials, finishes, architecture, site plan, landscaping, unit count, mix, and square footages must be submitted to the Planning Division for review. At that time, staff will determine if administrative relief is available or if the Development Project Review must be amended.
3. A residential property manager shall live on site, and the Applicant and onsite management shall at all times maintain a 24-hour emergency contact and contact information on file with the City.
4. All mechanical equipment shall be screened from view from public and courtyard areas.
5. A final detailed amenity plan must be reviewed and approved prior to issuance of any building permits. The plan shall include details on the hardscape design, lighting concepts and outdoor furniture for amenity, plaza, or courtyard areas as well as an installation plan. The exact specifications for these items are subject to the review and approval by the Planning Division.
6. Prior to installation of landscaping, the Applicant shall submit photos and specifications of all trees to be installed on the project site for review and approval by the Planning Division. Specifications shall include, at a minimum, the species, box size (24 inches minimum), brown trunk height (10-foot minimum), and name and location of the supplier.

7. After project occupancy, landscaping and hardscape materials must be maintained as shown on the approved landscape plans.
8. Prior to issuance of building permits, the Applicant shall submit a construction schedule and staging plan to the Planning Division for review and approval. The plan shall include construction hours, staging areas, parking and site security/screening during project construction.

REQUEST FOR Planning Commission Action



PLANNING COMMISSION MEETING DATE:

JANUARY 14, 2019

TITLE:

**PUBLIC HEARING – DENSITY BONUS AGREEMENT
APPLICATION NO. 2018-01 TO ALLOW CONSTRUCTION
OF A 93-UNIT AFFORDABLE MULTI-FAMILY
RESIDENTIAL PROJECT WITHIN THE TRANSIT ZONING
CODE AT 609 NORTH SPURGEON STREET –
NATIONAL COMMUNITY RENAISSANCE OF
CALIFORNIA, APPLICANT {STRATEGIC PLAN NOS. 3,
2; 5, 3}**

Prepared by Pedro Gomez


Executive Director

PLANNING COMMISSION SECRETARY

APPROVED

- ☐ As Recommended
☐ As Amended
☐ Set Public Hearing For _____

DENIED

- ☐ Applicant's Request
☐ Staff Recommendation

CONTINUED TO _____


Planning Manager

RECOMMENDED ACTION

Adopt a resolution approving Density Bonus Agreement Application No. 2018-01 as conditioned.

Executive Summary

Alexa Washburn, representing National Community Renaissance of California ("National CORE"), is requesting approval of a density bonus agreement (DBA) to allow the construction of an affordable 93-unit rental family-oriented, mixed-use commercial and residential community known as Legacy Square. As proposed, the project will take advantage of waivers from development standards and/or development concessions through the density bonus agreement pursuant to California Government Code sections 65915 through 65918 and Santa Ana Municipal Code (SAMC) Section 41-1600 through 41-1607. The request satisfies the purpose and intent of the Transit Zoning Code (TZC) to promote a pedestrian-oriented environment with a mix of land uses and will provide additional affordable housing stock to an underserved segment of the region's population. As a result, staff recommends approval of the DBA.

Table 1: Project and Location Information

Item	Information
Project Address	609 North Spurgeon Street
Nearest Intersection	French Street and Santa Ana Boulevard
General Plan Designation	Urban Neighborhood (UN)
Zoning Designation	Transit Zoning Code (SD-84) with Urban Neighborhood 2 (UN-2) land use designation
Surrounding Land Uses	Single- and Multi-Family Residential (North)
	Commercial and Religious Institution (East)
	Multi-Family Residential (South)
	Spurgeon Station Post Office/Commercial (West)

Item	Information	
Site Size	1.74 acres combined	
Existing Site Development	The site contains two existing church buildings and a large surface parking lot	
Use Permissions	Mixed-use projects permitted by right by the UN-2 designation; DBA will address concessions and waiver	
Zoning Code Sections Affected	Uses	UN-2, Table 2A – Use Standards
	Development Standards	UN-2, Sec. 41-2014; Sec. 41-2020; Sec. 41-2025

Project Description

The project includes demolition of two church structures and construction of an affordable rental mixed-use community, consisting of 93 residential units, 7,267 square feet of flex mixed-use space and a 2,576-square-foot community center. The project will contain a 4-story building with two-story townhomes and flats/apartment units over an at-grade parking area with a total of 102 parking stalls to accommodate residents, visitors and staff. The project will include 30 one-bedroom units, 41 two-bedroom units, and 22 three-bedroom units, ranging in size from 612 to 1,742 square feet. Seven of the two-bedroom units and seven of the three-bedroom units will be two-story townhomes accessible from the street while the remaining 79 units will be flats/typical apartment units located on the 2nd, 3rd and 4th floors over the ground level parking. All units will contain full kitchens, bedrooms, bathrooms, in-unit storage, and open/common (living) areas.

Open space will be provided through a publicly-accessible entry plaza and grand staircase entry along Santa Ana Boulevard leading to an interior courtyard. The design and layout of the proposed building creates several unique outdoor areas within the courtyard including both passive and active spaces and amenities. The project's flex mixed-use space area and leasing office will also front Santa Ana Boulevard, activating the street frontage and interfacing with the proposed Santa Ana Streetcar platform to be located at the corner of Santa Ana Boulevard and French Street. The proposed community center and laundry rooms will provide additional amenities to residents and visitors.

The project features a modern Main Street Commercial and Mission Revival architectural style common of many multiple-family or mixed-use residential communities under construction in Santa Ana and the region. The Main Street modern design complements the OC Streetcar and activate the street frontage, while the Mission Revival respects and complements the surrounding neighborhoods. The proposed materials include smooth stucco finishes, brick veneer, metal awnings and railing trim, wood post/railings, Tierra y Fuego Mexican Tile accents, and a clay mission style roof. Additionally, the design incorporates a color palette that would consist of earth-tone colors, contrasted with the accent brick veneer bases and Mexican tile accents. Overall, the project will include solid materials that will ensure that the project ages well for the duration of the building's lifetime.

Affordability Mix

The project was originally proposed as a mixed-income project with eighty-one (81) units proposed as affordable to households earning less than 60-percent of the Area Median Income (AMI), integrated with 10-percent market rate units. However, upon review by the Community

Redevelopment and Housing Commission the unit mix was changed. The project is now proposed to be entirely affordable with ninety-two (92) units available to households earning less than 60-percent AMI, of which thirty-three (33) units will be set-aside for Permanent Supportive Housing. The last remaining unit will be a dedicated manager unit. Table 2 provides a complete breakdown of the unit affordability mix proposed by the developer for the project.

Table 2: Unit Affordability Mix

Income Limit Category	1-Bedroom	2-Bedroom	3-Bedroom	Total
Permanent Supportive Housing (>30% AMI)	30	3		33
Extremely Low Income (>30% AMI)			5	5
Very Low Income (>40% AMI)		60		6
Very Low Income (>50% AMI)		20	11	31
Low Income (>60% AMI)		12	5	17
Exempt Manager's Unit			1	1
Total	30	41	22	93

Density Bonus

The California Density Bonus law allows developers proposing five or more residential units to seek increases in base density for providing on-site housing units in exchange for providing affordable units on site. To help make constructing on-site affordable units feasible, the law allows developers to seek up to three incentives/concessions and an unlimited number of waivers, which are essentially variances from development standards that would help the project be built without significant burden and without detriment to public health. The first version of the Density Bonus Law was adopted in 1979 and has since been amended at various times. Recent revisions allow affordable housing developers to request incentives/concessions and/or waivers for 100-percent affordable developments, even if they do not require a numerical density bonus. Moreover, in early 2017, the law was amended to restrict the ability of local jurisdictions to require studies to "justify" the density bonus and requested incentives/waivers and places the onus on local jurisdictions to prove that the incentives/concessions or waivers are not financially warranted.

Due to the project's 100-percent affordability rate the developer can seek up to three density bonus concessions and unlimited waivers, pursuant to Section 65915 et al. of the California Government Code (Density Bonuses and Other Incentives). In addition, the City's Housing Opportunity Ordinance (HOO) allows developers to request up to two concessions to facilitate construction of affordable housing. Pursuant to Sec. 41-1904.1 of the HOO, the developer is requesting a 35-percent density bonus. As outlined by Table 3 below, the maximum unit yield for the 1.74-acre site using the TZC standards and both City and State density bonus is 94 units.

Table 3: Density Bonus Calculation

Density or Bonus	Allowed for Project	Provided
Base Density	52 units (1.74 acres x 30 units/acre base density based on Courtyard Housing type, which is the most "intense" type allowed in UN-2).	52 Units

35-Percent State Density Bonus	70 units (52 x 0.35)	+18 Units
35-Percent Bonus Provided by the Housing Opportunity Ordinance	94 units (70 x 0.35)	+24 Units
Total Units	94 units maximum	93 units proposed

The purpose of the HOO and the State Density Bonus Law is to encourage the development and availability of affordable housing by requiring the inclusion of affordable housing units within new developments. Pursuant to California Government Code sections 65915 (d)(1) and 65915 (e)(1), a local jurisdiction is limited in its ability to deny requested concessions and waivers and is preempted from denying the Density Bonus Agreement application. Although the City has analyzed the project and has identified several areas of concern, the conditions of approval proposed for the project are intended to address any of the project's potential impacts. Table 4 outlines the incentives/concessions and waivers requested by the applicant.

Table 4: Requested Incentives/Concessions

TZC Standard	Requirement	Provided
Sec. 41-2020 & 41-2040 – Permitted Building Type and Architectural Style	The UN-2 land use designation only permits the Hybrid Court Building Type in certain locations.	A Hybrid Court Building Type is proposed at this location which is not permitted, pursuant to the TZC – Requires Waiver, Cal. Gov't Code Sec. 65915 (e)(1)
Sec. 41-2014 – Building Setbacks	10 feet (front), 10 feet (street side), 15 feet (rear)	0 feet (front) and 10 feet (side) – Requires Concession (1 of 2), Cal. Gov't Code Sec. 65915 (d)(1)
Sec. 41-2014 – Encroachments	Sec. 41-2014 of the TZC allows a maximum encroachment of 2'-0" into the required street side setback, subject to a minimum vertical clearance of 12'-0".	Proposed deck design encroaches 6'-0" into the required 10'-0" street side setback along Spurgeon and French Street – Requires Concession (2 of 2), Cal. Gov't Code Sec. 65915 (d)(1)

In addition, the site is parked in compliance with California Government Code Section 65915(p)(3)(A) and provides 1.1 spaces per unit, inclusive of handicapped and guest parking.

Analysis of the Issues

Pursuant to Section 41-1607 of the SAMC, an application for a density bonus agreement is required to be approved by the Planning Commission for any project containing "deviations" (incentives/concessions and/or waivers). The Planning Commission's review of the density bonus agreement is based on the following findings:

1. The proposed development will materially assist in accomplishing the goal of providing affordable housing opportunities in economically balanced communities throughout the city.
2. The development will not be inconsistent with the purpose of the underlying zone or applicable designation in the general plan land use element.

3. The deviation is necessary to make it economically feasible for the applicant to utilize a density bonus authorized for the development pursuant to section 41-1603.

Because the project does not require a Site Plan Review Application, review and analyzes of the proposed project's land use, site planning and architectural design is not within the Planning Commission's purview. Therefore, the following subsections analyze the applicant's request for the Density Bonus Agreement application only.

Table 5: Analysis of the Requested Incentives/Concessions (2) and Waiver (1)

Standard	Analysis
Building Setbacks (Incentive/Concession)	Maintaining the required 10'-0" front yard setback would involve the significant loss of mixed-use space and the loss of six (6) three bedroom units. In addition, implementing the required front yard setback standard would result in the building being set back an additional 6-7 feet from the front property line, resulting in a significant loss of parking area and common open space. In order to maintain the current proposed unit count, the developer would be required to construct an additional level, resulting in a different type of construction (steel-frame versus wood), further increasing development costs. In addition, in order to maintain the current parking count the developer would be required to construct additional parking (above- or below-grade), resulting in increased construction costs and/or a loss of additional residential units.
Encroachments (Incentive/Concession)	Maintaining the maximum encroachment of 2'-0" into the required street side setbacks would result in the significant loss of the required private open space balconies. Implementing the required standard would result in the building being setback an additional 5-6 feet along the eastern and western property lines, resulting in a significant loss of parking area, common open space and residential units. To maintain the current parking count and open space, the developer would be required to construct additional parking, resulting in increased construction costs and/or a loss of additional units.
Permitted Building Type and Architectural Style (Waiver)	The proposed building is required to be designed as one of the building types and architectural styles permitted by the UN-2 zone. Pursuant to the TZC, the building type and architectural style are considered development standards that are eligible to be waived if they physically preclude the construction of the project. The project proposes a Hybrid Courtyard Building Type and Main Street Commercial architectural style which are only permitted in the UN-2 zone in certain locations of the TZC, but not permitted on the project site. However, if the project were designed as any other permitted building type or architectural style the project would result in a significant loss of residential units and a loss of any retail, service or office use. As a result, a waiver from the allowable building type and architectural style is required.

When analyzed cumulatively, the two requested concessions could be avoided if the project were designed using a different site plan or constructed using a different type of construction (steel-frame/Type I versus wood/Type III). If the project were designed with a multi-level parking and/or subterranean parking structure, or if the applicant used different building materials to construct a taller project, additional area on site would become available to provide open space and parking, and would allow the project to meet the required front yard setback. However, these changes would increase development costs and result in a project that would exceed the maximum permitted building height, resulting in the affordable housing project becoming financially infeasible due to the significantly-increased financial implications of an alternative construction type.

California Environmental Quality Act (CEQA) Analysis

Pursuant to the requirements of the California Environmental Quality Act (CEQA), an Environmental Impact Report (EIR) was prepared and certified in 2010 in order to address the potential environmental impacts associated with the Transit Zoning Code. However, development of the Legacy Square project would have potential environmental impacts to an eligible but unlisted historical resource (Sanctuary and Anderson Court Complex, 1964-1966, and the Educational Building, 1928-1929) which was not addressed in the 2010 EIR. Therefore, an Initial Study and Mitigated Negative Declaration (IS/MND) has been prepared pursuant to the requirements of CEQA and has been attached to this report as Exhibit 11. The project was found to have a less than significant impact on the following environmental categories when proposed mitigation measures are implemented:

- Aesthetics
- Biological Resources
- Cultural Resources
- Hazards and Hazardous Materials
- Noise
- Public Services
- Tribal Cultural Resources

The IS/MND's analysis determined that the above-mentioned environmental categories would cause no substantial adverse change to the environment with the inclusion of environmental commitments, or other enforceable measures, that would be adopted by the City. All mitigation measures in the original EIR and associated Mitigation Monitoring and Reporting Program (MMRP) have been enforced and are carried over within the IS/MND, with exception of Tribal Cultural Resources and Cultural Resources which required new mitigation measures.

Tribal Cultural Resources

Assembly Bill 52 (AB 52) requires meaningful consultation with California Native American Tribes on potential impacts on tribal cultural resources (TCRs), as defined in Public Resources Code Section 21074. TCRs are sites, features, places, cultural landscapes, sacred places, and objects with cultural value to a California Native American tribe that are either eligible or listed in the California Register of Historical Resources or local register of historical resources. In order minimize impacts on potential TCRs, the IS/MND outlined mitigation measure TCR-1 requiring consultation of a qualified archaeologist and the local Native American representative, if unanticipated discoveries are made during construction activities. With implementation of mitigation measure TCR-1, potential project impacts on TCRs would be less than significant.

Cultural Resources

The City has determined the Educational Building to be a "historical resource" for CEQA-compliance purposes and determined that it requires proper mitigation of potential impacts from the proposed demolition. In addition, because the Sanctuary and Anderson Court Complex has also reached the commonly recognized 50-year age threshold for potential "historical resources," and the two buildings are integral parts of the same religious establishment, the IS/MND recommends that the Sanctuary and Anderson Complex should also be considered a component of the "historical resource."

To reduce potential impacts of the proposed demolition to a less than significant level, the IS/MND outlined mitigation measure CUL-1 which is consistent with the TZC EIR which required "written and photographic recordation of the resource in accordance with the level of Historic American Building Survey (HABS) documentation that is appropriate to the significance (local, state, national) of the resource." Prior to demolition, the developer will be required to document the buildings to Historic American Building Survey (HABS) -like documentation for the historical resources slated for demolition. The HABS-like package will document in photographs and descriptive and historic narrative the historical resources slated for demolition. Documentation prepared for the package will draw upon primary and secondary source research and available studies previously prepared for the project.

The IS/MND's Notice of Intent (NOI) was published in the Orange County Register and posted to the County Clerk on January 8, 2019, for the required 20-day public comment period. The IS/MND is also available for public view at the City Hall Planning counter, Santa Ana Library in the Civic Center and on the City website. The public review period ends on January 29th, which will allow the City to respond to any comments received and incorporate comments and responses into the IS/MND before the City Council public hearing, tentatively scheduled on February 5th. As of this printing, no comments or communications from the public have been received on the IS/MND.

Table 5: Strategic Plan Alignment and Public Notification & Community Outreach

Strategic Plan Alignment, and Public Notification & Community Outreach	
Strategic Plan Alignment	
Goal(s) and Policy(s)	Approval of this item supports the City's efforts to meet Goal No. 3 (Economic Development) Objective No. 2 of creating new opportunities for business/job growth and encourage private development through new General Plan and Zoning Ordinance policies. The item also supports Goal 5 (Community Health, Livability, Engagement & Sustainability) Objective No. 3 to facilitate diverse housing opportunities and support efforts to preserve and improve the livability of Santa Ana neighborhoods.
Public Notification & Community Outreach	
Required Measures	<p>A public notice was posted on the project site on January 4, 2019.</p> <p>Notification by mail was mailed to all property owners and occupants within 500 feet of the project site on January 4, 2019.</p> <p>Newspaper posting was published in the Orange County Reporter on January 4, 2019.</p> <p>The applicant held a Sunshine Ordinance community meeting on the evening of November 27, 2018. This meeting was publicly noticed in the OC Register, posted on the City's website, and invitation mailers were sent to all addresses within a 500-foot radius of the project site, as well as local community organizations. The meeting included a presentation on the project as well as a question and answer period to address concerns and collect feedback. Approximately 50 individuals attended the meeting. Notes from the meeting are attached to this report as Exhibit 9.</p>
Community Outreach & Additional Measures	The project applicant has held monthly meetings with the United Methodist Church congregation and United Methodist Church leadership to provide project updates and collect input on the design and amenities to serve the wider neighborhood. Meetings were held on July 19th, August 26th, September 23rd, October 28th, and December 2nd. Concurrently, the applicant and the United Methodist Church have worked collaboratively regarding the coordination of relocation assistance and outreach to local nonprofit organizations to better align and leverage resources. In the last six months, the applicant

	has had one-on-one meetings with half a dozen local organizations to discuss the project including, but not limited to: the Ebell Club, Vecindad Lacy en Accion (VELA), Kennedy Commission, Latino Health Access, Taller San Jose Health Builders, and the Santa Ana Unified School District.
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Conclusion

Based on the analysis provided within this report, the proposed development will materially assist in accomplishing the goal of providing affordable housing opportunities in the city and will consistent with the purpose of the underlying zone and applicable designation in the general plan land use element. In addition, the proposed deviations are necessary to make the project economically feasible for the applicant to utilize a density bonus authorized for the development pursuant to section 41-1603. Therefore, staff recommends that the Planning Commission adopt a resolution approving Density Bonus Agreement Application No. 2018-01 as conditioned.



Pedro Gomez
Assistant Planner I

PG:sb

S:\Planning Commission\2019\ DBA18-01 Legacy Square 609 N Spurgeon St.pc

- Exhibits
1. Resolution
 2. Vicinity Zoning and Aerial Map
 3. Site Photo
 4. Site Plan
 5. Unit Floor Plans
 6. Building Elevations
 7. Building Perspectives
 8. Landscape Plans
 9. Sunshine Ordinance Community Meeting Minutes
 10. Draft Density Bonus Agreement
 11. IS/MND

RESOLUTION NO. 2019-xx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA ANA ADOPTING MITIGATED NEGATIVE DECLARATION ENVIRONMENTAL REVIEW NO. 2018-134 AND ADOPTING A MITIGATION MONITORING AND REPORTING PROGRAM RELATIVE TO DENSITY BONUS AGREEMENT 2018-01, FOR THE PROJECT LOCATED AT 609 NORTH SPURGEON STREET

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SANTA ANA AS FOLLOWS:

Section 1. The City Council of the City of Santa Ana hereby finds, determines and declares as follows:

- A. Alexa Washburn, representing National Community Renaissance of California ("National CORE", hereinafter referred to as "Applicant"), is requesting approval of Density Bonus Agreement Application No. 2018-01, to allow the construction of a new mixed-use 93-unit affordable rental residential and commercial development at 609 North Spurgeon Street.
- B. The provisions of the California Environmental Quality Act of 1970 (CEQA), Public Resources Code Sections 21000 et. seq., as amended, require the evaluation of environmental impacts in connection with proposals for discretionary projects.
- C. Pursuant to the Guidelines for the Implementation of the California Environmental Quality Act, an Initial Study relative to the proposed project concluded that implementation of the project could result in potentially significant effects on the environment and identified mitigation measures that would reduce the significant effects to a less-than-significant level.
- D. The City of Santa Ana prepared an Initial Study and Mitigated Negative Declaration (IS/MND), Environmental Review No. 2018-134 for the proposed project which reflects the City's independent judgement and analysis as lead agency for the project. The Initial Study and Mitigated Negative Declaration concluded that the project would have a less than significant environmental impact with implementation of mitigation measures. Mitigation measures are included to address potential impacts on aesthetics, biological, cultural, hazard and hazardous materials, noise, public services, and tribal cultural resources.
- E. On January 8, 2019, Notice of Intent to adopt the Initial Study and Mitigated Negative Declaration, Environmental Review No. 2018-134 was published in

the OC Register newspaper, circulated to interested agencies, organizations and parties, and the Orange County Clerk Recorder.

- F. The documents related to the Initial Study and Mitigated Negative Declaration were made available for a 20-day public review and comment period at the Santa Ana City Hall, the Main Library, and on the project webpage on the City's website.
- G. Comments received were addressed in a Response to Comments document that provides sufficient information to demonstrate that the environmental conclusions and mitigation measures remain valid as disclosed in the Mitigated Negative Declaration.
- H. The mitigation measures set forth in Mitigated Negative Declaration are fully enforceable and will be implemented using the Mitigation Monitoring and Reporting Program attached hereto as Exhibit A, and incorporated herein by reference.
- I. On January 14, 2019, the Planning Commission of the City of Santa Ana held a duly noticed public hearing. During its deliberations, the Planning Commission considered the environmental analysis and mitigation measures described in the draft Mitigated Negative Declaration Environmental Review No. 2018-134 and adopted a resolution approving Density Bonus Agreement Application No. 2018-01 as conditioned.
- J. On February 5, 2019, the City Council of the City of Santa Ana held a duly noticed public hearing to consider all testimony, written and oral, related to Initial Study and Mitigated Negative Declaration, Environmental Review No. 2018-134, at which time all persons wishing to testify were heard, the project was fully considered, and all other legal prerequisites to the adoption of this Resolution occurred.

Section 2. The City Council has independently reviewed and analyzed the information contained in the Initial Study and the Mitigated Negative Declaration, Environmental Review No. 2018-134, prepared with respect to this project. The City Council has, as a result of its consideration and the evidence presented at the hearings on this matter, determined that, as required pursuant to the California Environmental Quality Act (CEQA) and the State CEQA Guidelines, the MND adequately addresses the expected environmental impacts of this project. On the basis of this review, the City Council finds that there is no substantial evidence from which it can be fairly argued that the project will have a significant adverse effect on the environment and the MND reflects the independent judgment and analysis of the City Council.

Section 3. The City Council hereby adopts and approves the Mitigation Monitoring and Reporting Program attached hereto and incorporated herein as Exhibit A, consistent with Public Resources Code section 21081.6; makes implementation of the Mitigation Measures contained in the Mitigation Monitoring and Reporting Program

a condition of approval of the Project, and adopts the Mitigation Monitoring and Reporting Program, and directs that the Notice of Determination be prepared and filed with the County Clerk of the County of Orange in the manner required by law. This decision is based upon the evidence submitted at the above said hearing, which includes, but is not limited to: the Request for Council Action dated February 5, 2019, and exhibits attached hereto; and the public testimony, written and oral, all of which are incorporated herein by this reference.

Section 4. Pursuant to Title XIV, California Code of Regulations (CCR) § 735.5(c)(1), the City Council has determined that, after considering the record as a whole, there is no evidence that the proposed project will have the potential for any significant adverse effect on wildlife resources or the ecological habitat upon which wildlife resources depend. The proposed project exists in an urban environment characterized by paved concrete, roadways, surrounding buildings and human activity. However, pursuant to Fish and Game Code § 711.2 and Title XIV, CCR § 735.5, the payment of Fish and Game Department filing fees in conjunction with this project is at the discretion of the State of California Department of Fish and Wildlife.

Section 5. The Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program, as well as all supporting documents are on file and available for public review at Santa Ana City Hall, 20 Civic Center Plaza, Santa Ana, California 92702.


Section 6. The Applicant shall indemnify, protect, defend and hold the City and/or any of its officials, officers, employees, agents, departments, agencies, authorized volunteers, and instrumentalities thereof, harmless from any and all claims, demands, lawsuits, writs of mandamus, and other and proceedings (whether legal, equitable, declaratory, administrative or adjudicatory in nature), and alternative dispute resolution procedures (including, but not limited to arbitrations, mediations, and such other procedures), judgments, orders, and decisions (collectively "Actions"), brought against the City and/or any of its officials, officers, employees, agents, departments, agencies, and instrumentalities thereof, that challenge, attack, or seek to modify, set aside, void, or annul, any action of, or any permit or approval issued by the City and/or any of its officials, officers, employees, agents, departments, agencies, and instrumentalities thereof (including actions approved by the voters of the City) for or concerning the project, whether such Actions are brought under the Ralph M. Brown Act, California Environmental Quality Act, the Planning and Zoning Law, the Subdivision Map Act, Code of Civil Procedure sections 1085 or 1094.5, or any other federal, state or local constitution, statute, law, ordinance, charter, rule, regulation, or any decision of a court of competent jurisdiction. It is expressly agreed that the City shall have the right to approve, which approval will not be unreasonably withheld, the legal counsel providing the City's defense, and that Applicant shall reimburse the City for any costs and expenses directly and necessarily incurred by the City in the course of the defense. City shall promptly notify the Applicant of any Action brought and City shall cooperate with Applicant in the defense of the Action.

Section 7. This decision rendered by the City Council of the City of Santa Ana is final and is subject to judicial review pursuant to California Code of Civil Procedure section 1094.6. The Planning and Building Agency shall give direct notice to the Applicant of the City Council's decisions and these findings.

ADOPTED this ____ day of _____, 2019.

Miguel A. Pulido
Mayor

APPROVED AS TO FORM:
Sonia R. Carvalho, City Attorney

By: 
Lisa Storck
Assistant City Attorney

AYES: Councilmembers _____
NOES: Councilmembers _____
ABSTAIN: Councilmembers _____
NOT PRESENT: Councilmembers _____

CERTIFICATE OF ATTESTATION AND ORIGINALITY

I, NORMA MITRE, Acting Clerk of the Council, do hereby attest to and certify the attached Resolution No. 2019-xx to be the original resolution adopted by the City Council of the City of Santa Ana on _____, 2019.

Date: _____

Acting Clerk of the Council
City of Santa Ana

EXHIBIT A

Mitigation Monitoring and Reporting Program

❖ SECTION 7.0 - MITIGATION MONITORING AND REPORTING PROGRAM ❖

7.0 MITIGATION MONITORING AND REPORTING PROGRAM

The Mitigation Monitoring and Reporting Program (MMRP) has been prepared in conformance with § 21081.6 of the Public Resources Code and § 15097 of the CEQA Guidelines, which requires all state and local agencies to establish monitoring or reporting programs whenever approval of a project relies upon a MND or an EIR. The MMRP ensures implementation of the measures being imposed to mitigate or avoid the significant adverse environmental impacts identified through the use of monitoring and reporting. Monitoring is generally an ongoing or periodic process of project oversight; reporting generally consists of a written compliance review that is presented to the decision-making body or authorized staff person.

It is the intent of the MMRP to: (1) provide a framework for document implementation of the required mitigation; (2) identify monitoring/reporting responsibility; (3) provide a record of the monitoring/reporting; and (4) ensure compliance with those MM that are within the responsibility of the City and/or Applicant to implement.

The following table lists impacts, mitigation measures adopted by the City of Santa Ana in connection with approval of the proposed project, level of significance after mitigation, responsible and monitoring parties, and the project phase in which the measures are to be implemented.

Only those environmental topics for which mitigation is required are listed in this Mitigation Monitoring and Reporting Program.

❖ SECTION 7.0 - MITIGATION MONITORING AND REPORTING PROGRAM ❖

Table 7.0-1
MITIGATION MONITORING AND REPORTING PROGRAM

TOPICAL AREA IMPACT	MITIGATION MEASURE	RESPONSIBLE PARTY	MONITORING ACTION	1. ENFORCEMENT AGENCY 2. MONITORING AGENCY 3. MONITORING PHASE
4.1 Aesthetics Threshold 4.1 c): Would the project substantially degrade the existing visual character or quality of the site and its surroundings	<p>MM AES - 1 For any proposed structure that would exceed four stories in height, applicants shall submit a site-specific shade/shadow report with renderings representing the level of shade/shadows associated with the proposed development at the following times: 9:00 A.M., 12:00 P.M., 3:00 P.M. PST for the both the winter and summer solstices. An additional rendering for the 5:00 P.M. PST time period shall be prepared for the summer solstice period. Typically, a variety of criteria are used to determine the significance of a shadow impact, including the following:</p> <ul style="list-style-type: none"> • Affected land use (criticality of direct sunlight for the use) • Duration (hours per day in shadow) • Time of day (critical time period for direct sunlight) • Season (time of year use would be shadowed) • Extent (percentage of use that would be shadowed) • Preexisting condition (shadow condition due to existing buildings, landscaping, or other features) • Type (solid or dappled shadow) <p>The report shall include any feasible design considerations that would reduce the extent of shadows cast by a proposed structure. The analysis and the project design plans shall be forwarded to the Planning and Building Agency for review and approval.</p>	Project Applicant	Submittal of Report	1. City of Santa Ana Planning Department 2. City of Santa Ana Planning Department 3. Prior to issuance of building permits

❖ SECTION 7.0 - MITIGATION MONITORING AND REPORTING PROGRAM ❖

TOPICAL AREA IMPACT	MITIGATION MEASURE	RESPONSIBLE PARTY	MONITORING ACTION	1. ENFORCEMENT AGENCY 2. MONITORING AGENCY 3. MONITORING PHASE
4.4 Biological Resources Threshold 4.4 a): Cause a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service.	MM BIO-1 To ensure that avian species of concern, protected migratory species, or raptors species are not injured or disturbed by construction in the vicinity of nesting habitat, the project applicant shall implement the following measures: 1. Tree removal shall be restricted to the period between August 30 and February 15, to the extent feasible, to avoid the breeding season of any migratory species that could be using the area, and to discourage nesting in the vicinity of an upcoming construction area. If it is not feasible to remove trees outside this window, then, prior to the beginning of mass grading, including grading for major infrastructure improvements, during the period between February 15 and August 30, all trees within 250 feet of any grading or earthmoving activity shall be surveyed for active nests by a qualified biologist no more than 30 days prior to disturbance. If active nests are found, and the site is within 250 feet of potential construction activity, a temporary fence shall be erected, where appropriate, around the tree(s) at a distance of up to 250 feet, depending on the species, from the edge of the canopy, to prevent construction disturbance and intrusions on the nest area. The appropriate buffer shall be determined in consultation with the City of Santa Ana Park Naturalist or a designee. 2. No construction vehicles shall be permitted within restricted areas (i.e., protection zones), unless directly related to the management or protection of the legally protected species. 3. If a legally protected species nest is located in a tree designated for removal, the removal shall be deferred until after August 30, or until the adults and young of the year are no longer dependent on the nest site as determined by a qualified biologist.	Project Applicant	Field Verification	1. City of Santa Ana Planning Department 2. City of Santa Ana Planning Department 3. During construction

❖ SECTION 7.0 - MITIGATION MONITORING AND REPORTING PROGRAM ❖

TOPICAL AREA IMPACT	MITIGATION MEASURE	RESPONSIBLE PARTY	MONITORING ACTION	1. ENFORCEMENT AGENCY 2. MONITORING AGENCY 3. MONITORING PHASE
4.5 Cultural Resources				
Threshold 4.5 a) Cause a substantial adverse change in the significance of a historical resource as defined in § 15064.5.	<p>MM CUL-1</p> <p>Prior to development activities that would demolish or otherwise physically affect buildings or structures 50 years old or older or affect their historic setting, the project applicant shall retain a cultural resource professional who meets the Secretary of the Interior's Professional Qualifications Standards for Architectural History to determine if the project would cause a substantial adverse change in the significance of a historical resource as defined in Section 15064.5 of the CEQA Guidelines. The investigation shall include, as determined appropriate by the cultural resource professional and the City of Santa Ana, the appropriate archival research, including, if necessary, an updated records search of the South Central Coastal Information Center (SCCIC) of the California Historical Resources Information System (CHRIS) and a pedestrian survey of the proposed development area to determine if any significant historic-period resources would be adversely affected by the proposed development. The results of the investigation shall be documented in a technical report or memorandum that identifies and evaluates any historical resources within the development area and includes recommendations and methods for eliminating or reducing impacts on historical resources. The technical report or memorandum shall be submitted to the City Santa Ana for approval. As determined necessary by the City, environmental documentation (e.g., CEQA documentation) prepared for future development within the project site shall reference or incorporate the findings and recommendations of the technical report or memorandum. The project applicant shall be responsible for implementing methods for eliminating or reducing impacts on historical resources identified in the technical report or memorandum. Such methods could include, but not be limited to, written and photographic recordation of the resource in accordance with the level of HABS documentation that is appropriate to the significance (local, state, national) of the resource.</p> <p>The historical resource study of the church by Tang (2018) is designed to fulfill the mitigation requirement for the Educational Building as well as the Sanctuary and Anderson Court Complex. Fieldwork needed for the written and photographic recordation of the existing buildings of the First United Methodist Church has been completed. The remaining work for the mitigation program will include additional</p>	Project Applicant	Field Verification	<p>1. City of Santa Ana Planning Department</p> <p>2. City of Santa Ana Planning Department</p> <p>3. Prior to development activities that would demolish or otherwise physically affect buildings or structures 50 years old or older or affect their historic setting</p>

❖ SECTION 7.0 - MITIGATION MONITORING AND REPORTING PROGRAM ❖

TOPICAL AREA IMPACT	MITIGATION MEASURE	RESPONSIBLE PARTY	MONITORING ACTION	1. ENFORCEMENT AGENCY 2. MONITORING AGENCY 3. MONITORING PHASE
	<p>historical research, consultation with the Santa Ana Historical Preservation Society, compilation of detailed architectural descriptions, processing of photographs and building plans, and completion of the final report and standard record forms ("DPR forms"), none of which will require further access to the buildings themselves. The planned work involving the buildings should be able to proceed if all other compliance issues have been resolved. These steps are as follows:</p> <p>Prior to demolition or mothballing activities, the project applicant and the City of Santa Ana Planning and Building Department (Department) shall retain a professional architectural photographer and a historian or architectural historian who meets the SOL's Professional Qualifications Standards to prepare a HABS-like documentation for the historical resources slated for demolition.</p> <p>The HABS-like package will document in photographs and descriptive and historic narrative the historical resources slated for demolition. Documentation prepared for the package will draw upon primary and secondary source research and available studies previously prepared for the project. Measured drawings shall not be required for the project.</p> <ul style="list-style-type: none"> The specifications for the HABS like package are as follows: <p>Photographs: Photographic documentation will focus on the historical resources/features slated for demolition, with overview and context photographs for the campus and adjacent setting. Photographs will be taken of interior and exterior features of the buildings using a professional quality single lens reflex digital camera with a minimum resolution of 10 megapixels. Photographs will include context views, elevations/exterior, architectural details, overall interiors, and interior details (if warranted). Digital photographs will be printed in black and white on archival film paper and also provided in electronic format.</p> <p>Descriptive and Historic Narrative: The historian or architectural historian will prepare descriptive and historic narrative of the historical resources/features slated for demolition. Physical descriptions will detail each resource, elevation by elevation, with accompanying photographs.</p> 			

❖ SECTION 7.0 - MITIGATION MONITORING AND REPORTING PROGRAM ❖

TOPICAL AREA IMPACT	MITIGATION MEASURE	RESPONSIBLE PARTY	MONITORING ACTION	1. ENFORCEMENT AGENCY 2. MONITORING AGENCY 3. MONITORING PHASE
	<p>and information on how the resource fits within the broader campus during its period of significance. The historic narrative will include available information on the campus design, history, architect/contractor/designer as appropriate, area history, and historic context. In addition, the narrative will include a methodology section specifying the name of researcher, date of research, and sources/archives visited, as well as a bibliography. Within the written history, statements shall be footnoted as to their sources, where appropriate.</p> <p>Historic Documentation Package Submittal: The draft package will be assembled by the historian or architectural historian and submitted to the City of Santa Ana Planning and Building Department for review and comment. After final approval, one hard copy set of the package will be prepared as follows: Photographs will be individually labeled and stored in individual acid free sleeves. The remaining components of the historic documentation package (site map, photo index, historic narrative, and additional data) will be printed on archival bond, acid free paper.</p> <p>Upon completion of the descriptive and historic narrative, all materials will be compiled in electronic format and presented to the Department for review and approval. Upon approval, one hard copy version of the historic documentation package will be prepared and submitted to the Department. The historian or architectural historian shall offer a hardcopy package and compiled, electronic version of the final package to the South Central Coastal Information Center at California State University Fullerton, the Orange County Public Library - Santa Ana Main Branch, and the City of Santa Ana Historic Resources Commission, to make available to researchers.</p>			

EXHIBIT 6

❖ SECTION 7.0 - MITIGATION MONITORING AND REPORTING PROGRAM ❖

TOPICAL AREA IMPACT	MITIGATION MEASURE	RESPONSIBLE PARTY	MONITORING ACTION	1. ENFORCEMENT AGENCY 2. MONITORING AGENCY 3. MONITORING PHASE
<p>Threshold 4.5 b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to § 15064.5.</p>	<p>MM CUL-2 If historical archaeological resources are discovered during construction prior to development activities that would demolish or otherwise physically affect buildings or structures 50 years old or older or affect their historic setting, the project applicant shall retain a cultural resources professional who meets the Secretary of the Interior's Professional Qualifications Standards for Architectural History to determine if the project would cause a substantial adverse change in the significance of a historic resource as defined in § 15064.5 of the CEQA guidelines. The investigation shall include, as determined appropriate by the cultural resource professional and the City of Santa Ana, the appropriate archival research, including, if necessary, an updated records search of the SCCIC of the CHRIS and a pedestrian survey of the proposed development area to determine if any significant historic period resources would be adversely affected by the proposed development. The results of the investigation shall be documented in a technical report or memorandum that identifies and evaluates any historic resources within the development area and includes recommendations and methods for eliminating or reducing impacts on historic resources. The technical report or memorandum shall be submitted to the City of Santa Ana for approval. As determined necessary by the City, environmental documentation (e.g., CEQA documentation) prepared for the future development within the project site shall reference or incorporate the findings and recommendations of the technical report or memorandum. The project applicant shall be responsible for implementing methods for eliminating or reducing impacts on historical resources identified in the technical report or memorandum. Such methods could include, but not be limited to, written and photographic recordation of the resource in accordance with the level of Historic American Building Survey (HABS) documentation that is appropriate to the significance (local, state, national) of the resource.</p>	<p>Project Applicant</p>	<p>Field Verification</p>	<p>1. City of Santa Ana Planning Department 2. City of Santa Ana Planning Department 3. Prior to development activities that would demolish or otherwise physically affect buildings or structures 50 years old or older or affect their historic setting</p>

❖ SECTION 7.0 - MITIGATION MONITORING AND REPORTING PROGRAM ❖

TOPICAL AREA IMPACT	MITIGATION MEASURE	RESPONSIBLE PARTY	MONITORING ACTION	1. ENFORCEMENT AGENCY 2. MONITORING AGENCY 3. MONITORING PHASE
Threshold 4.5 b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to § 15064.5.	MM CUL 3 If historical archaeological resources are discovered during construction activities, the contractor will halt construction activities in the immediate area and notify the City. The City's on call qualified historical archaeologist will be notified and afforded the necessary time to recover, analyze, and curate the find(s). The qualified historical archaeologist will recommend the extent of archaeological monitoring necessary to ensure the protection of any other resources that may be in the area and afforded the necessary time and funds to recover, analyze, and curate the find(s). Construction activities may continue on other parts of the building site while evaluation and treatment of historical archaeological resources takes place.	Project Contractor	Field Verification	1. City of Santa Ana Planning Department 2. City of Santa Ana Planning Department 3. During construction activities
Threshold 4.5 b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to § 15064.5.	MM CUL 4 If evidence of an archaeological site or other suspected historical resource as defined by CEQA Guidelines § 15064.5, including darkened soil representing past human activity ("midden"), that could conceal material remains (e.g., worked stone, fired clay vessels, faunal bone, hearths, storage pits, or burials) are discovered during any project related earth disturbing activities, all earth disturbing activities within 100 feet of the find shall be halted until the City of Santa Ana shall be notified. The project applicant shall retain an archaeologist who meets the Secretary of the Interior's Professional Qualifications Standards for Archaeology to assess the significance of the find. Impacts on any significant resources shall be mitigated to a less than significant level through data recovery or other methods determined adequate by the archaeologist and that are consistent with the Secretary of the Interior's Standards for Archaeological Documentation. Any identified cultural resources shall be recorded on the appropriate DPR 523 (A L) form and filed with the SCCIC. Construction activities may continue on other parts of the project site while evaluation and treatment of prehistoric archaeological resources takes place.	Project Applicant	Field Verification	1. City of Santa Ana Planning Department 2. City of Santa Ana Planning Department 3. During any project-related earth disturbing activities
Threshold 4.5 c): Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature.	MM CUL 5 Should paleontological resources (i.e., fossil remains) be identified during project construction activities, the construction foreman shall cease construction within 100 feet of the find until a qualified paleontological professional can provide an evaluation. Mitigation of resource impacts shall be implemented and funded by the project applicant and shall be conducted as follows:	Project Construction Foreman	Field Verification	1. City of Santa Ana Planning Department 2. City of Santa Ana Planning Department

❖ SECTION 7.0 - MITIGATION MONITORING AND REPORTING PROGRAM ❖

TOPICAL AREA IMPACT	MITIGATION MEASURE	RESPONSIBLE PARTY	MONITORING ACTION	1. ENFORCEMENT AGENCY 2. MONITORING AGENCY 3. MONITORING PHASE
	<ul style="list-style-type: none"> Identify and evaluate paleontological resources by field survey where impacts are considered high; Assess effects of identified site; Consult with the institutional/academic paleontologists conducting research investigations within the geologic formations that are being impacted; Obtain comments from the researchers; and Comply with researcher's recommendations to address any significant adverse effects where determined by the City to be feasible. <p>In considering any suggested mitigation proposed by the consulting paleontologist, the City of Santa Ana shall determine whether avoidance is necessary and feasible in light of factors such as the nature of the find, project design, costs, applicable policies and land use assumptions, and other considerations. If avoidance is unnecessary or infeasible, other appropriate measures (e.g., data recovery) shall be instituted. Work may proceed on other parts of the project site while mitigation for paleontological resources is carried out.</p>			3. During project construction activities
Threshold 4.5 d): Disturb any human remains, including those interred outside of formal cemeteries.	MM CUL 6 If human remains are encountered during excavations associated with this project, all work will stop within a 30-foot radius of the discovery and the Orange County Coroner will be notified (§ 5097.98 of the Public Resources Code). The Coroner will determine whether the remains are recent human origin or older Native American ancestry. If the coroner, with the aid of the supervising archaeologist, determines that the remains are prehistoric, they will contact the NAHC. The NAHC will be responsible for designating the Most Likely Descendant (MLD). The MLD (either an individual or sometimes a committee) will be responsible for the ultimate disposition of the remains, as required by § 7050.5 of the California Health and Safety Code. The MLD will make recommendations within 24 hours of their notification by the NAHC. These recommendations may include scientific removal and nondestructive analysis of human remains and items associated with Native American burials (§ 7050.5 of the Health and Safety Code).	Project Construction Contractor	Field Verification	1. City of Santa Ana Planning Department 2. City of Santa Ana Planning Department 3. During project excavations

❖ SECTION 7.0 - MITIGATION MONITORING AND REPORTING PROGRAM ❖

TOPICAL AREA IMPACT	MITIGATION MEASURE	RESPONSIBLE PARTY	MONITORING ACTION	1. ENFORCEMENT AGENCY 2. MONITORING AGENCY 3. MONITORING PHASE
4.8 Hazards and Hazardous Materials				
Threshold 4.8 a): Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials	MM HAZ 1 Prior to the demolition of structures that were constructed before 1980, a thorough investigation shall be completed to determine if asbestos, lead, or polychlorinated biphenyls (PCBs) exist on the site. All demolition that could result in the release of lead and/or asbestos must be conducted according to Cal/OSHA standards.	Project Construction Contractor	Field Verification	1. City of Santa Ana Planning Department 2. City of Santa Ana Planning Department 3. Prior to the demolition of structures that were constructed before 1980
Threshold 4.8 a): Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials	MM HAZ 2: In the event that previously unknown or unidentified soil and/or groundwater contamination that could present a threat to human health or the environment is encountered during construction of the proposed project, construction activities in the immediate vicinity of the contamination shall cease immediately. If contamination is encountered, a Risk Management Plan shall be prepared and implemented that (1) identifies the contaminants of concern and the potential risk each contaminant would pose to human health and the environment during construction and post development and (2) describes measures to be taken to protect workers, and the public from exposure to potential site hazards. Such measures could include a range of options, including, but not limited to, physical site controls during construction, remediation, long term monitoring, post development maintenance or access limitations, or some combination thereof. Depending on the nature of contamination, if any, appropriate agencies shall be notified (e.g., Santa Ana Fire Department). If needed, a Site Health and Safety Plan that meets Occupational Safety and Health Administration requirements shall be prepared and in place prior to commencement of work in any contaminated area. Refer to Mitigation Measures HAZ-1 and HAZ-2 above.	Project Construction Contractor	Field Verification	1. City of Santa Ana Planning Department 2. City of Santa Ana Planning Department 3. During construction
Threshold 4.8 b): Create a significant hazard to the public or the environment	Refer to Mitigation Measures HAZ-1 and HAZ-2 above.	Refer to Mitigation Measures HAZ-1	Refer to Mitigation Measures	Refer to Mitigation Measures HAZ-1 and HAZ-2 above

❖ SECTION 7.0 - MITIGATION MONITORING AND REPORTING PROGRAM ❖

TOPICAL AREA IMPACT	MITIGATION MEASURE	RESPONSIBLE PARTY	MONITORING ACTION	1. ENFORCEMENT AGENCY 2. MONITORING AGENCY 3. MONITORING PHASE
through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment		and HAZ-2 above	HAZ-1 and HAZ-2 above	
Threshold 4.8 c): Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one quarter mile of an existing or proposed school	Refer to Mitigation Measures HAZ-1 and HAZ-2 above.	Refer to Mitigation Measures HAZ-1 and HAZ-2 above	Refer to Mitigation Measures HAZ-1 and HAZ-2 above	Refer to Mitigation Measures HAZ-1 and HAZ-2 above
4.12 Noise				
Threshold 4.12 a): Exposure of persons to or generation of noise level in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies.	MM N-1 All construction activity within the City shall be conducted in accordance with Section 18-314(e) of the City of Santa Ana Municipal Code.	Project Applicant	Field Verification	1. City of Santa Ana Planning Department 2. City of Santa Ana Planning Department 3. During construction
Threshold 4.12 a): Exposure of persons to or generation of noise level in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies.	MM N-2 Each project applicant shall require by contract specifications that the following construction best management practices (BMPs) be implemented by contractors to reduce construction noise levels: <ul style="list-style-type: none"> Two weeks prior to the commencement of construction, notification must be provided to property owners within 300 feet of a project site disclosing 	Project Applicant	Field Verification	1. City of Santa Ana Planning Department 2. City of Santa Ana Planning Department 3. During construction

❖ SECTION 7.0 - MITIGATION MONITORING AND REPORTING PROGRAM ❖

TOPICAL AREA IMPACT	MITIGATION MEASURE	RESPONSIBLE PARTY	MONITORING ACTION	1. ENFORCEMENT AGENCY 2. MONITORING AGENCY 3. MONITORING PHASE
	<p>the construction schedule, including various types of activities that would be occurring throughout the duration of the construction period.</p> <ul style="list-style-type: none"> • Ensure that construction equipment is properly muffled according to industry standards and is in good working condition. • Place noise-generating construction equipment and locate construction staging areas away from sensitive uses, where feasible. • Schedule high noise-producing activities between the hours of 8:00 a.m. and 5:00 p.m. to minimize disruption of sensitive uses. • Implement noise attenuation measures, which may include, but are not limited to, temporary noise barriers or noise blankets around stationary construction noise sources. • Use electric air compressors and similar power tools rather than diesel equipment, where feasible. • Construction-related equipment, including heavy-duty equipment, motor vehicles, and portable equipment, shall be turned off when not in use for more than 30 minutes. <p>Contract specifications shall be included in the proposed project construction documents, which shall be reviewed by the City prior to issuance of a grading permit.</p>			
<p>Threshold 4.12 a): Exposure of persons to or generation of noise level in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies.</p>	<p>MM N-3 The project proponent shall require by contract specifications that construction staging areas along with the operation of earthmoving equipment within the project area would be located as far away from vibration and noise sensitive sites as possible. Contract specifications shall be included in the proposed project construction documents, which shall be reviewed by the City prior to issuance of a grading permit.</p>	Project Applicant	Field Verification	<p>1. City of Santa Ana Planning Department 2. City of Santa Ana Planning Department 3. During construction</p>

❖ SECTION 7.0 - MITIGATION MONITORING AND REPORTING PROGRAM ❖

TOPICAL AREA IMPACT	MITIGATION MEASURE	RESPONSIBLE PARTY	MONITORING ACTION	1. ENFORCEMENT AGENCY 2. MONITORING AGENCY 3. MONITORING PHASE
Threshold 4.12 a): Exposure of persons to or generation of noise level in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies.	MM N-4 The project proponent shall require by contract specifications that heavily loaded trucks used during construction be routed away from residential streets. Contract specifications shall be included in the proposed project construction documents, which shall be reviewed by the City prior to issuance of a grading permit.	Project Applicant	Field Verification	1. City of Santa Ana Planning Department 2. City of Santa Ana Planning Department 3. During construction
Threshold 4.12 a): Exposure of persons to or generation of noise level in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies.	MM N-5 When residential uses would be located in areas with noise levels in excess of 60 dBA CNEL (either through conversion of use/structure or new construction), the project applicant shall provide noise barriers around private open space areas, including patios and balconies, as necessary. The height and density of the barriers shall be sufficient to reduce the exterior noise levels within private open space areas to a CNEL of 65 dBA or less.	Project Applicant	Field Verification	1. City of Santa Ana Planning Department 2. City of Santa Ana Planning Department 3. During construction
Threshold 4.12 a): Exposure of persons to or generation of noise level in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies.	MM N-6 Prior to issuance of building permits, building plans shall specify the sound transmission class (STC) rating of windows and doors for all residential land uses. Window and door ratings shall be sufficient to reduce the interior noise level to a CNEL of 45 dBA or less, and shall be determined by a qualified acoustical consultant as part of the final engineering design of the project.	City of Santa Ana Planning Department	Field Verification	1. City of Santa Ana Planning Department 2. City of Santa Ana Planning Department 3. Prior to issuance of building permits
Threshold 4.12 a): Exposure of persons to or generation of noise level in excess of standards established	MM N-7 The project applicant shall provide proper shielding for all new HVAC systems used by the proposed residential building to achieve an attenuation of 15 dBA at 50 feet from the equipment.	Project Applicant	Field Verification	1. City of Santa Ana Planning Department

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TOPICAL AREA IMPACT	MITIGATION MEASURE	RESPONSIBLE PARTY	MONITORING ACTION	1. ENFORCEMENT AGENCY 2. MONITORING AGENCY 3. MONITORING PHASE
in the local general plan or noise ordinance, or applicable standards of other agencies.				2. City of Santa Ana Planning Department 3. During construction
Threshold 4.12 b) Would the project expose persons to or generate excessive groundborne vibration or groundborne noise levels.	MM N-8 At least 72 hours before construction activities involving large bulldozers are forecasted to occur within 25 feet of a residence, the occupants of residence will be notified by the construction contractor, so that they may arrange to be absent from the site during the hours of construction on the forecasted day.	Project Applicant	Field Verification	1. City of Santa Ana Planning Department 2. City of Santa Ana Planning Department 3. At least 72 hours before construction activities involving large bulldozers are forecasted to occur within 25 feet of a residence

❖ SECTION 7.0 - MITIGATION MONITORING AND REPORTING PROGRAM ❖

TOPICAL AREA IMPACT	MITIGATION MEASURE	RESPONSIBLE PARTY	MONITORING ACTION	1. ENFORCEMENT AGENCY 2. MONITORING AGENCY 3. MONITORING PHASE
4.14 Public Services Threshold 4.14 a): Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the need for new or physically altered governmental facilities, construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for fire protection.	MM PS-1 Prior to an issuance of a building permit, a water supply, fire flow test and fire protection system design analysis shall be performed to ensure that the proposed project is in accordance to meet standard fire protection design requirements.	Project Applicant	Field Verification	1. City of Santa Ana Planning Department 2. City of Santa Ana Planning Department 3. Prior to an issuance of a building permit

❖ SECTION 7.0 - MITIGATION MONITORING AND REPORTING PROGRAM ❖

TOPICAL AREA IMPACT	MITIGATION MEASURE	RESPONSIBLE PARTY	MONITORING ACTION	1. ENFORCEMENT AGENCY 2. MONITORING AGENCY 3. MONITORING PHASE
Threshold 4.14 a): Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the need for new or physically altered governmental facilities, construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for fire protection.	MM PS-2 The project is subject to review by the City and the Orange County Fire Authority for various construction document plan checks for the applicable fire life safety codes and regulations. The project will be subject to the current editions of the California Building Code, California Fire Code and related codes.	Orange County Fire Authority	Field Verification	1. Orange County Fire Authority 2. City of Santa Ana Planning Department 3. Prior to the issuance of occupancy permits
Threshold 4.14 a): Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the need for new or physically altered governmental facilities, construction of which could cause significant environmental impacts, in order to maintain	MM PS-3 Structures of this size and occupancy are required to have automatic fire sprinkler systems designed per National Fire Protection Association (NFPA) 13 as required in the current California Building Code, California Fire Code.	Orange County Fire Authority	Field Verification	1. Orange County Fire Authority 2. City of Santa Ana Planning Department 3. Prior to the issuance of occupancy permits

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TOPICAL AREA IMPACT	MITIGATION MEASURE	RESPONSIBLE PARTY	MONITORING ACTION	1. ENFORCEMENT AGENCY 2. MONITORING AGENCY 3. MONITORING PHASE
acceptable service ratios, response times or other performance objectives for fire protection.				
Threshold 4.14 a): Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the need for new or physically altered governmental facilities, construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for fire protection.	MM PS-4 A water supply system to supply fire hydrants and automatic fire sprinkler systems is required. Fire flow and hydrant spacing shall meet the minimums identified in the codes. Please refer to the California Fire Code Appendix section. These tables are also located in Orange County Fire Authority Guideline B09, Attachment 23.	Orange County Fire Authority	Field Verification	1. Orange County Fire Authority 2. City of Santa Ana Planning Department 3. Prior to the issuance of occupancy permits
Threshold 4.14 a): Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the need for new or physically altered	MM PS-5 Fire apparatus and personnel access to and around structures shall meet the minimum development standards of the Orange County Fire Authority and California Fire Code requirements. Please reference Section 2 of the Orange County Fire Authority's Guideline B-09 at www.ocfa.org .	Orange County Fire Authority	Field Verification	1. Orange County Fire Authority 2. City of Santa Ana Planning Department 3. Prior to the issuance of occupancy permits

❖ SECTION 7.0 - MITIGATION MONITORING AND REPORTING PROGRAM ❖

TOPICAL AREA IMPACT	MITIGATION MEASURE	RESPONSIBLE PARTY	MONITORING ACTION	1. ENFORCEMENT AGENCY 2. MONITORING AGENCY 3. MONITORING PHASE
governmental facilities, construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for fire protection.				
Threshold 4.14 a): Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the need for new or physically altered governmental facilities, construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for fire protection.	MM PS-6 If the project scope includes or requires the installation of traffic signals on public access ways, these improvements shall include the installation of optical preemption devices.	Orange County Fire Authority	Field Verification	1. Orange County Fire Authority 2. City of Santa Ana Planning Department 3. Prior to the issuance of occupancy permits
Threshold 4.14 a): Would the project result in substantial adverse physical impacts associated with	MM PS-7 High rise provisions will be required for buildings or parking structures over 75 feet.	Orange County Fire Authority	Field Verification	1. Orange County Fire Authority 2. City of Santa Ana Planning Department

❖ SECTION 7.0 - MITIGATION MONITORING AND REPORTING PROGRAM ❖

TOPICAL AREA IMPACT	MITIGATION MEASURE	RESPONSIBLE PARTY	MONITORING ACTION	1. ENFORCEMENT AGENCY 2. MONITORING AGENCY 3. MONITORING PHASE
the provision of new or physically altered governmental facilities, the need for new or physically altered governmental facilities, construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for fire protection.				3. Prior to the issuance of occupancy permits
Threshold 4.14 a): Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the need for new or physically altered governmental facilities, construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for fire protection.	MM PS-8 The amenity deck will be considered an Assembly Occupancy and the egress provisions will be required.	Orange County Fire Authority	Field Verification	1. Orange County Fire Authority 2. City of Santa Ana Planning Department 3. Prior to the issuance of occupancy permits

❖ SECTION 7.0 - MITIGATION MONITORING AND REPORTING PROGRAM ❖

TOPICAL AREA IMPACT	MITIGATION MEASURE	RESPONSIBLE PARTY	MONITORING ACTION	1. ENFORCEMENT AGENCY 2. MONITORING AGENCY 3. MONITORING PHASE
Threshold 4.14 a): Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the need for new or physically altered governmental facilities, construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for fire protection.	MM PS-9 Any occupancy of any portion of the project will be after final approval has taken place.	Orange County Fire Authority	Field Verification	1. Orange County Fire Authority 2. City of Santa Ana Planning Department 3. After final approval has taken place
Threshold 4.14 b): Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the need for new or physically altered governmental facilities, construction of which could cause significant environmental impacts, in order to maintain	MM PS-10 Any development that would exceed two stories in height shall submit site-specific security plans to the Santa Ana Police Department for review prior to issuance of a building permit.	Project Applicant	Field Verification	1. City of Santa Ana Police Department 2. City of Santa Ana Planning Department 3. During construction

❖ SECTION 7.0 - MITIGATION MONITORING AND REPORTING PROGRAM ❖

TOPICAL AREA IMPACT	MITIGATION MEASURE	RESPONSIBLE PARTY	MONITORING ACTION	1. ENFORCEMENT AGENCY 2. MONITORING AGENCY 3. MONITORING PHASE
acceptable service ratios, response times or other performance objectives for police protection.				
Threshold 4.14 b): Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the need for new or physically altered governmental facilities, construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for police protection.	MM PS-11 No developer within the Transit Zoning Code (SD 84A and SD 84B) boundaries shall utilize a frequency of 800 MHz, which is reserved for emergency services.	Project Applicant	Field Verification	1. City of Santa Ana Planning Department 2. City of Santa Ana Planning Department 3. During project operation

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EXHIBIT 6

❖ SECTION 7.0 - MITIGATION MONITORING AND REPORTING PROGRAM ❖

TOPICAL AREA IMPACT	MITIGATION MEASURE	RESPONSIBLE PARTY	MONITORING ACTION	1. ENFORCEMENT AGENCY 2. MONITORING AGENCY 3. MONITORING PHASE
<p>Threshold 4.14 c): Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the need for new or physically altered governmental facilities, construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for schools.</p>	<p>MM PS-12 Individual project developers shall pay school impact fees prior to the issuance of occupancy permits.</p>	Project Applicant	Field Verification	<p>1. City of Santa Ana Planning Department 2. City of Santa Ana Planning Department 3. Prior to the issuance of occupancy permits</p>
<p>Threshold 4.14 d): Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the need for new or physically altered governmental facilities, construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for schools.</p>	<p>MM PS-13 Prior to issuance of a building permit for a residential development project, or change of use from non-residential to residential within the Transit Zoning Code (SD 84A and SD 84B) area, project applicants shall pay to the City of Santa Ana the Park Acquisition and Development Fee.</p>	Project Applicant	Field Verification	<p>1. City of Santa Ana Planning Department 2. City of Santa Ana Planning Department 3. Prior to issuance of a building permit for a residential development project</p>

❖ SECTION 7.0 - MITIGATION MONITORING AND REPORTING PROGRAM ❖

TOPICAL AREA IMPACT	MITIGATION MEASURE	RESPONSIBLE PARTY	MONITORING ACTION	1. ENFORCEMENT AGENCY 2. MONITORING AGENCY 3. MONITORING PHASE
ratios, response times or other performance objectives for parks.				
4.15 Recreation				
Threshold 4.15 a): Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated.	Refer to Mitigation Measure PS-13 above.	Refer to Mitigation Measure PS-13 above	Refer to Mitigation Measure PS-13 above	Refer to Mitigation Measure PS-13 above
4.17 Tribal Cultural Resources				
Threshold 4.17 a): Cause a substantial adverse change in the significance of a tribal cultural resource that is listed or eligible for listing in the California Register of Historical Resources or in a local register of historical resources as defined in Public Resources Code § 5020.1(k).	MM TCR-1 If unanticipated discoveries are made during project construction, all work will stop within a 30-foot radius of the discovery. The developer will hire a qualified archaeologist as approved by the City of Santa Ana to assess the discovery. Work will not continue until the discovery has been evaluated by a qualified archaeologist and the local Native American representative has been contacted and consulted to assist in the accurate recordation and recovery of the resources.	Project Applicant	Field Verification	1. City of Santa Ana Planning Department 2. City of Santa Ana Planning Department 3. During construction

EXHIBIT 7

The Legacy Square Project Initial Study and Mitigated Negative Declaration (IS/MND) and technical appendices may be accessed at:

Santa Ana City Hall Planning Counter, First Floor
20 Civic Center Plaza
Santa Ana, CA 92701

or

Santa Ana Main Library
26 Civic Center Plaza
Santa Ana, CA 92701

or

<https://www.santa-ana.org/pb/planning-division/major-planning-projects-and-documents/609-n-spurgeon-st-legacy-square>

Gomez, Pedro

From: Paul Berry [REDACTED]
Sent: Tuesday, January 29, 2019 10:50 AM
To: Gomez, Pedro
Subject: Legacy Square Project - Public comment

1. Yes to affordable housing in this location with ground level commercial.
2. Huge problem that exists now and will only get worse is parking and the solution (or mitigating alternative) is to modify the nearby French Park street parking to be less restrictive or simply abolished. Urban infill means that streets become safer with more people walking and this includes walking to parked vehicles. Do a study, you will find that the French Park Permit area is under utilized and all over-the-limit 6 or more unit apartment buildings in the area are suffering from lack of parking. This is wrong and opening French Park to parking will not negatively impact residents.
3. Overall downtown parking must be further addressed, possibly with an additional parking structure for residents and free shuttle service in the downtown area to 4th street and resident parking structure. Apartment and condo dwellers do not need to park on their own properties in the long run. A community parking structure with shuttle service will allow for all electric charging spaces in one aggregated facility. this is the climate action plan in action.
4. We need roof-top access in Santa Ana, we need to have buildings that the public can enter and go up on the roof to view the area as an amenity to the community. Rooftop viewing areas can create business opportunities for concessionaires, crafts and restaurants/cafes.

Paul Berry
[REDACTED]

French Park Association

Written Comments about the LEGACY SQUARE 93-Unit Apartment Project
609 Spurgeon Street
January 28, 2019

The French Park Association quickly reviewed the Initial Study and Mitigated Negative Declaration (MND) for the Legacy Square project and offer the following comments:

1. Lack of Proper and Timely Notification to the French Park Association and French Park Residents

As was stated at the recent Planning Commission hearing for the Density Bonus Agreement hearing for the project, held January 14, 2019, the single notification the French Park Board received regarding the Legacy Square apartment project relates only to the Planning Commission meeting. It appears no other notices, telephone calls, or other communication was received by our Board until early January 2019, just prior to the public hearing on the density agreement.

During the January 14, 2019 Planning Commission meeting the lead Applicant, NationalCORE, said that other notifications were mailed to residents, however in conversation with over a dozen owners and tenants no one remembered receiving notices for any project meetings, workshops or walks.

Despite adjoining the project, French Park residents were not invited to participate in the outreach process. If French Park residents had attended project outreach meetings, our involvement may have had a direct result of the project's configuration, density, its impact on the existing antique Methodist building, and impacts to other adjoining neighborhoods. In a subsequent meeting between French Park and NationalCORE, it was unable to produce a record of where outreached attendees live because no record of this was kept according to Alexa Washburn, Vice President of Planning for NationalCORE. Based on the lack of notification and other outreach efforts to the French Park Board, and the French Park community, we conclude the public outreach for the project failed to adequately notify, involve and receive comments from our neighborhood. Similarly co-applicants Mercy House and the Methodist Church, also failed to communicate to French Park about the project.

It is disturbing to French Park how the three project proponents, National CORE, Mercy House and the Methodist Church, missed an important opportunity to coordinate its project with the oldest neighborhood in the City, and the first neighborhood to have a representative association, to be designated as historic, and enjoy special district status where a majority of its antique buildings are on city's register of historic properties. Our neighbor and partner, Mercy House, also seems to have forgotten about its host neighborhood, and the several past projects, including its AIDS hospice, French Park worked with Mercy House on to bring to our community.

Based on the lack of notification to French Park Association, and our neighborhood's many residents, we again request more time to review the Initial Study, the MMD, and its 1,300

page appendix, to fully understand the project and its impacts and to share such with the community.

RECOMMENDATION No. 1

Postpone City Council's hearing on Legacy Square for at least one month to allow French Park time to prepare a more detailed response.

2. Traffic Impacts

The MND states the project will increase neighborhood traffic only incrementally, and that no mitigation is required for project's traffic movement through our neighborhood.

French Park is indeed concerned about even incremental traffic increases. French Park is located directly between the Santa Ana Downtown and the Santa Ana (Interstate 5) Freeway. Like its neighbor to the north, the French Court Neighborhood, French Park experiences high volumes of traffic in the mornings and afternoons, particularly on Washington, French, and Spurgeon Streets and also on Wellington, 9th, 10th and Lacy Streets.

Currently there are no operating traffic mitigation measures implemented for French Park. Nor are any mitigation measures planned. Devices such as exit-only barriers, which limit access into a neighborhood, and signage directing drivers around French Park, or an array of other, and potentially useful traffic calming measures should have been considered by the Project to limit cut-through vehicle traffic through French Park. As with other new development projects which adjoin or are near French Park, Legacy Square offers no traffic mitigation, except to encourage Legacy Square residents to take public transportation or walk. This is unacceptable.

French Park is aware that other residential neighborhoods, very similar to French Park, enjoy robust traffic mitigations. These protected neighborhoods include Floral Park, Wilshire Square and Washington Square, and perhaps others. These several neighborhoods have exit-only egress from their neighborhoods to prevent or reduce cut-through. Given French Parks' location between the Downtown and the Santa Ana Freeway, we question why mitigations are not required for this high-density apartment project.

French Park was not contacted prior to the launch of the project, or contacted as part of its outreach. As such the MND, nor its companion documents, identify resident concerns or comments regarding Legacy Square traffic. The MND appears to lack key resident information about safety and other traffic issues. The MND also fails to consider any physical mitigation measures to limit or discourage vehicle traffic from the Project entering French Park.

French Park is already heavily disturbed by excessive vehicle traffic on Washington Street with traffic movement failing at several north-south streets which intersect it including Bush, Spurgeon and French. To encourage more traffic from the Legacy Square project into the neighborhood creates an undue burden as drivers struggle to the Freeway.

RECOMMENDATION No. 2

Applicant(s) to conduct public meetings with French Park to discuss Legacy Square and collect their concerns and comments.

RECOMMENDATION No. 2a

Applicant(s) to work with French Park to identify and implement traffic control measures for the neighborhood which may include egress-only barriers, traffic calming measures and signage.

3. Impacts to City's French Park

French Park is concerned about project residents use of City's pocket-sized, French Park. French Park is located a short distance north of the Legacy Square, and is the only existing public park near the project. French Park is a well-used and over-used passive park in need of a redesign and rehabilitation if it must support hundreds of potential new users.

RECOMMENDATION No. 3. In coordination with the French Park Association and the City of Santa Ana, Legacy Square Applicants(s) will prepare and construct, at their cost, a new French Park Design Plan to include, and not be limited to, the following:

- Drought-tolerant and wear-resistant turf
- New graffiti-resistant benches with a 5' perimeter of StaLok (a stabilized decomposed granite) to replace lost turf due to excessive usage
- New graffiti-resistant trash receptacles to match existing
- New or rehabilitated drinking fountain with a 5' StaLok perimeter
- A new tree to replace one which has recently died
- New lighting sensors to insure proper illumination for the park
- Signage which states park hours of operation
- Signage which states the facility as passive use

4. Historic Preservation

The project MND is defective in that it fails to discuss alternative adaptive uses for the historic Methodist auxiliary church building. Instead of examining alternative adaptive uses for the structure, the MND merely sets forth the project alternative which requires demolishing the building. It is surprising that the large, several floor building was not considered for emergency or transitional shelter since these reuse approaches are familiar to Mercy House in similar, but smaller, projects in the French Park and French Court neighborhoods. Reusing antique buildings preserves our City's architectural heritage while minimizing loss of these resources.

RECOMMENDATION No. 4:

French Park requests the Applicant(s) revise the MND to fully consider other uses for the historic Methodist building, including low-income and/or market-rate apartment housing, emergency and transitional housing, businesses, offices and other important purposes including religious activities, learning and community events. French Park supports the incorporation of the antique Methodist building into the proposed project as part of a package of recommendations described in this letter, and as a way to return it to a serviceable condition and integrating it into the project and community.

RECOMMENDATION No. 4a

French Park Association requests the City adhere to Section 30.7 of its Chapter 30, Places of Historical and Architectural Significance, titled "Demolition of Historic Properties". The pertinent text for this section is copied below:

(a)

An application of intent to demolish an historic property shall be submitted to the planning and building agency. At a duly noticed public hearing, the historic resources commission must review all applications for demolition permits for historic properties. The commission shall investigate all feasible alternatives to demolition. These alternatives include, but are not limited to:

(1)

Seeking private citizens, local trusts, and other financial sources who may be willing to purchase the structure for restoration or relocation.

(2)

Publicizing the availability of the structure for purchase for restoration or relocation purposes.

(3)

Exploring possible sites for relocation of the historic building if on - site preservation is not possible. Any structure relocated under this section shall not require a residential relocation permit, pursuant to section 41-620 of this Code.

(4)

Suggesting to the city council that the city purchase the structure when private preservation or relocation is not feasible.

(b)

All of the above items are to be completed within two hundred and forty (240) days from the date of application submittal. After two hundred and forty (240) days, or at the conclusion of the environmental review period, whichever is longer, a demolition permit must be issued. Prior to the issuance of the demolition permit, the applicant shall provide, to the reasonable satisfaction of the commission, and at the applicant's sole cost, complete photo-documentation of archival quality and historical profile of the structure to be demolished, prior to the scheduling of the demolition.

6 (c)

The building official may determine a historic property is a dangerous building. Such determination allows the waiver of historic resources commission review and the required review period for demolition if the historic property is declared a dangerous building. (Ord. No. NS - 2338, § 8, 12 – 1 - 97; Ord. No. NS 2 363, § 6, 8 3 - 98; Ord. No. NS - 2405, § 2, 10 – 18 - 99; Ord. No. NS - 2455, § 8, 12 – 4 - 00; Ord. No. NS - 2521, § 12, 1 – 21 – 03). Editor's note — Ord. No. NS - 2521, § 12, adopted January 21, 2003, changed the title of § 30 – 7 from "demolition of historic structures" to "demolition of historic properties."

