

City of Fontana

8353 Sierra Avenue
Fontana, CA 92335



Special Meeting

Ord. No.1973 Reso. No. 2025-087

Wednesday, September 3, 2025

3:00 PM

Grover W. Taylor Council Chambers

Special City Council Meeting

Acquanetta Warren - Mayor
Peter A. Garcia - Mayor Pro Tem
John B. Roberts - Council Member
Jesus "Jesse" Sandoval - Council Member
Phillip Cothran - Council Member
Germaine McClellan Key - City Clerk
Janet Koehler-Brooks, City Treasurer

Welcome to a meeting of the Fontana City Council.

Welcome to a meeting of the Fontana City Council. Meetings are held at the Grover W. Taylor Council Chambers 8353 Sierra Avenue Fontana, CA 92335. To address the Council, please fill out a card located at the entrance to the right indicating your desire to speak on either a specific agenda item or under Public Communications and give it to the City Clerk. Your name will be called when it is your turn to speak. In compliance with Americans with Disabilities Act of 1990 (42 USC § 12132), the Council Chambers is wheelchair accessible, and a portable microphone is available. Upon request, this agenda will be made available in appropriate alternative forms to persons with disabilities, as required by Section 12132 of the Americans with Disabilities Act of 1990. Any person with a disability who requires accommodation to participate in a meeting should direct such a request to the City Clerk's Office at (909) 350-7602 at least 48 hours before the meeting, if possible. Any public record, relating to an open session agenda item, that is distributed within 72 hours prior to the meeting is available for public inspection at the City Clerk's Office.

Para traducción en Español, comuníquese con la oficina, "City Clerk" al (909) 350-7602.

The City of Fontana is committed to ensuring a safe and secure environment for its residents to engage with the government. No oversized bags or backpacks (size limit of 14"x14"x6") will be allowed inside the Council Chambers. All bags are subject to search. Face masks are prohibited in the Council Chambers, but clear masks will be provided upon request to accommodate individuals with medical needs, ensuring their safety and well-being. Before entering the Council Chambers, you may be subject to a metal detector screening. The City Manager retains the discretion to grant any exemptions. Fontana aims to provide safe buildings for our community members, employees, and visitors.

CALL TO ORDER/ROLL CALL:**A. Call To Order/Roll Call:****INVOCATION/PLEDGE OF ALLEGIANCE:****A. Invocation/Pledge of Allegiance:****PUBLIC COMMUNICATIONS:**

This is an opportunity for members of the public to address the City Council for up to three (3) minutes total on items either on the Agenda or items not on the Agenda, but within the City Council's jurisdiction. Note that Public Hearing items have individual and specific public input opportunities during the public hearing and testimony on those items will only be taken during the public hearing. The Council is prohibited by law from discussing or taking immediate action on non-agendized items. The Mayor and City Council reserve the right to adjust this time limit based on the number of speakers who wish to address the Mayor and City Council.

A. Public Communications**CONSENT CALENDAR:**

All matters listed under CONSENT CALENDAR will be enacted by one motion in the form listed below. There will be no separate discussion on these items prior to the time Council votes on them, unless a member of the Council requests a specific item be removed from the Consent Calendar for discussion.

A. Second Amendment to the Disposition and Development Agreement between the City of Fontana, Fontana Housing Authority and Fontana Courtplace I Housing Partners, L.P. [25-0491](#)

Acting as the City Council and the Housing Authority Board of Directors, jointly adopt **Resolution No. 2025-087** and **Resolution No. HA 2025-003** entitled: "A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FONTANA, CALIFORNIA AND THE HOUSING AUTHORITY OF THE CITY OF FONTANA, APPROVING, PURSUANT TO A PREVIOUSLY ADOPTED MITIGATED NEGATIVE DECLARATION AND MITIGATION, MONITORING, AND REPORTING PROGRAM, A SECOND AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE FONTANA HOUSING AUTHORITY, CITY OF FONTANA AND FONTANA COURTPACE I HOUSING PARTNERS, L.P.; AND DIRECTING STAFF TO FILE A NOTICE OF DETERMINATION.

Attachments: [Attachment No. 1- Joint Resolution Approving Second Amendment to Courtplace DDA-c1.docx](#)
[Attachment No. 2- Fontana Courtplace I Second Amendment to DDA \(60202227\).docx](#)
[Attachment No. 3 - FCP1 - 2nd Amd Updated Exhibit D - Preliminary Project Budgetv2.pdf](#)

Approve Consent Calendar Items as recommended by staff.

CITY MANAGER COMMUNICATIONS:

A. City Manager Communications

ELECTED OFFICIALS COMMUNICATIONS/REPORTS:

A. Elected Officials Communications/Reports

ADJOURNMENT:

A. Adjournment

Adjourn to the next Regular City Council Meeting on September 9, 2025 at 2:00 p.m. in the Grover W. Taylor Council Chambers located at 8353 Sierra Avenue, Fontana, California.



City of Fontana

8353 Sierra Avenue
Fontana, CA 92335

Action Report

Special City Council Meeting

File #: 25-0491

Agenda #: A.

Agenda Date: 9/3/2025

Category: Consent Calendar

FROM:

Housing

SUBJECT:

Second Amendment to the Disposition and Development Agreement between the City of Fontana, Fontana Housing Authority and Fontana Courtplace I Housing Partners, L.P.

RECOMMENDATION:

Acting as the City Council and the Housing Authority Board of Directors, jointly adopt **Resolution No. 2025-087** and **Resolution No. HA 2025-003** entitled: "A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FONTANA, CALIFORNIA AND THE HOUSING AUTHORITY OF THE CITY OF FONTANA, APPROVING, PURSUANT TO A PREVIOUSLY ADOPTED MITIGATED NEGATIVE DECLARATION AND MITIGATION, MONITORING, AND REPORTING PROGRAM, A SECOND AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE FONTANA HOUSING AUTHORITY, CITY OF FONTANA AND FONTANA COURTPACE I HOUSING PARTNERS, L.P.; AND DIRECTING STAFF TO FILE A NOTICE OF DETERMINATION.

COUNCIL GOALS:

- Provide a diverse range of housing types and levels of affordability while addressing homelessness in the community by construction of affordable high-quality multi-family housing.

DISCUSSION:

The Fontana Housing Authority entered into an Exclusive Negotiating Agreement (ENA) with the Related Companies of California and LaBarge Industries in January 2020. The ENA set forth the general guidelines that would be the basis of negotiations for a Disposition and Development Agreement that would define the terms of the funding and development of approximately 4.78 acres of city owned land as an affordable housing community that would include up to 100 units. As the ENA was amended, and throughout the entitlement period, the scope of the project was refined to include a 106 unit, two phase development. The City of Fontana and the Fontana Housing Authority (collectively, the "City") entered into a Disposition and Development Agreement ("Phase 1 DDA") with Fontana Courtplace I Housing Partners, L.P. ("Fontana Courtplace") on November 15, 2023, for the development of Phase 1 of the project, a 50-unit affordable family-apartment housing community. Phase 1 encompasses 1.94 acres of the 4.78 project site, which is located on Sierra Avenue, generally between Santa Ana Avenue to the north and Jurupa Avenue to the south. The Phase 1 DDA was subsequently amended on February 1, 2025. This second amendment reflects the current status of the project and the necessary adjustments to facilitate its financing and development of Phase 1.

If this second amendment is approved and executed, upon confirmation of award of funding via the

4% Tax Credit application, the Parties' will begin to negotiate the terms of the Phase 2 DDA, which is currently projected to include an additional 56 affordable apartment units and require a separate funding commitment of up to \$5,000,000.

This second amendment changes the Phase 1 DDA to accommodate the project's financing and development needs and introduces the following changes:

- City Subordinate Loan (Section 2 & 4): The definition and purpose of the City Subordinate Loan are amended to specify a total principal amount of \$10,837,692.16 in gap financing and \$2,800,000.00 in acquisition financing.
- Financing Commitments (Section 3): Fontana Courtplace is granted the right to apply for 4% Tax Credits in the third round of 2025 and the first round of 2026. The amendment provides for a "meet and confer" process between Fontana Courtplace, City Manager, and Executive Director to discuss alternative financing if these applications are unsuccessful. It also reiterates the City's right to terminate the DDA with 30 days' written notice if tax credit applications or approved alternatives are not successful.
- Funding Sources (Section 5): The amendment details the specific funding sources for the City's loan, which include:
 - Federal HOME (FY 2018-23 + PI) Funds: \$2,700,000.00
 - 1 Affordable Housing Trust Fund (Development Impact Fees): \$3,337,692.16
 - 2 General Funds: \$4,800,000.00
- Preliminary Project Budget (Section 6): The existing Preliminary Project Budget (Exhibit D) is replaced with a new budget attached as Schedule 1.
- Regulatory Agreement (Section 7): The Regulatory Agreement (Exhibit L) is amended to remove all references to "Affordable Rent for 40% of Median Income Tenants" and establish a new, specific unit mix for the affordable units as follows:
 - 5 units for families at 30% of Median Income (0 one-bedroom, 3 two-bedroom, 2 three-bedroom).
 - 20 units for families at 50% of Median Income (7 one-bedroom, 13 two-bedroom).
 - 24 units for families at 60% of Median Income (13 two-bedroom, 11 three-bedroom).
 - Maintain one manager's unit (two-bedroom).
- Unit Mix (Section 8): The City Manager is given the authority to enter into future amendments to the Original Agreement, as modified by this Amendment, to change the unit mix of the Project, including changes to income and rent restrictions contained in the Regulatory Agreement.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Pursuant to the California Environmental Quality Act (Pub. Res. Code §§ 21000, et seq.) (CEQA), and the State CEQA Guidelines (14 Cal. Code Regs. §§ 15000, et seq.) the City determined that a Mitigated Negative Declaration (“MND”) be prepared in order to analyze all potential adverse environmental impacts of proposed multi-level residential affordable apartment buildings with associated green space, community gathering areas, vehicle parking, landscaping, and security fencing on approximately 4.8-acres of land (“Courtplace Project”). The City prepared and adopted the Courtplace Project MND for the Courtplace Project on November 1, 2022 (SCH#: 2022100111) and approved a Mitigation Monitoring and Reporting Program for the Project. Under the MND, the Property and the Project are Phase 1 of the Courtplace Project.

Pursuant to CEQA, when taking subsequent discretionary action in furtherance of a project for which an MND has been adopted, the lead agency is required to review any changed circumstances to determine whether any of the circumstances under the Public Resources Code section 21166 and State CEQA Guidelines section 15162 require additional environmental review. Staff evaluated this Resolution approving the Second DDA Amendment in light of the standards for subsequent environmental review outlined in Public Resources Code section 21166, State CEQA Guidelines section 15162 and City of Fontana’s 2019 Local Guidelines for Implementing CEQA.

In connection with this Resolution approving the Second DDA Amendment and the City Council’s and Authority Board’s review of the Courtplace Project MND, staff recommends that the City Council and the Authority Board independently review all the prior environmental documentation prepared for the Courtplace Project, exercise their independent judgment, and make the determination that the Courtplace Project MND fully analyzed and with the adoption of the Mitigation and Monitoring Reporting Program, mitigated all potentially significant environmental impacts, if any, that would result from the Resolution approving the Second DDA Amendment, and therefore, no subsequent EIR or mitigated negative declaration is required.

FISCAL IMPACT:

The fiscal impact associated with the approval of this item as a result of the City Subordinate Loan being amended specifies a total principal amount of \$10,837,692.16 in gap financing to be funded by Federal HOME Funds of \$2.7 million, Affordable Housing Trust Fund Development Impact Fees of \$3.3 million, and \$4.8 million by the City’s General Fund for acquisition financing (\$2.8 million) and gap financing (\$2.0 million). Funding for the additional \$2.8 million is not included in the adopted budget but will be made available in fund 601 and included in the 2025-26 First Quarter Budget Status Report.

MOTION:

Approve staff recommendation.

**CITY COUNCIL RESOLUTION NO. 2025-087
FONTANA HOUSING AUTHORITY RESOLUTION NO. 2025-003**

A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FONTANA, CALIFORNIA, AND THE HOUSING AUTHORITY OF THE CITY OF FONTANA, APPROVING, PURSUANT TO A PREVIOUSLY ADOPTED MITIGATED NEGATIVE DECLARATION AND MITIGATION, MONITORING, AND REPORTING PROGRAM, A SECOND AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE FONTANA HOUSING AUTHORITY, CITY OF FONTANA, AND FONTANA COURTPPLACE I HOUSING PARTNERS, L.P.; AND DIRECTING STAFF TO FILE A NOTICE OF DETERMINATION

WHEREAS, the City of Fontana (“City”) owns certain real property consisting of 1.94 acres of unimproved land located on Sierra Avenue, between Santa Ana Avenue to the north and Jurupa Avenue to the south (“Property”); and

WHEREAS, the City has no use for the Property and desires to sell it to Fontana Courtplace I Housing Partners, L.P., a California limited partnership (“Purchaser”) for the construction of a 50 unit affordable family-apartment housing project (“Project”); and

WHEREAS, Purchaser, the City, and the Fontana Housing Authority (“Authority”) negotiated a disposition and development agreement (“DDA”) under which the City agreed, subject to the terms and conditions provided therein, to convey the Property to Purchaser for the construction of the Project; and

WHEREAS, on October 24, 2023, the City Council: (1) determined that the Property qualified as “exempt surplus land” under the Surplus Land Act pursuant to Government Code section 54221(f)(1)(A); (2) declared the City’s intent to sell the Property to Purchaser in accordance with the DDA; and (3) set a public hearing for November 14, 2023, to consider any protests to the City’s conveyance of the Property. Following a public hearing held on November 14, 2023, the City Council and the Authority’s Board of Directors (“Authority Board”) approved the DDA and authorized the City Manager and the Authority’s Executive Director to execute the same. Collectively, the foregoing satisfied the City’s Surplus Land Act and Government Code section 37420 *et seq.* obligations in connection with its disposition of the Property for the Project; and

WHEREAS, the DDA contemplates that the Project’s financing will come from multiple funding sources, including equity raised by the sale of federal (and, if applicable, state) low income tax credits (“Tax Credits”), a senior loan issued from a reputable intuitional lender, a loan from the City to Partnership consisting of \$6,037,692.16 in gap financing and \$2,800,000.00 in acquisition financing (“City Subordinate Loan”), and a loan from the Authority to Partnership consisting of \$5,262,307.84 in gap financing (“Authority Subordinate Loan”); and

WHEREAS, under the DDA, the City’s obligations to convey the Property to Partnership and fund the City Subordinate Loan, and the Authority’s obligation to fund the Authority Subordinate Loan, are subject to numerous conditions precedent, including the Project receiving a Tax Credit allocation from the California Tax Credit Allocation Committee (“CTCAC”); and

WHEREAS, affordable housing projects throughout California compete for a limited amount of Tax Credits. Obtaining a Tax Credit allocation from CTCAC is competitive and projects are often unsuccessful; and

WHEREAS, when the DDA was approved, Purchaser maintains that the Project was competitive based on previous projects that received Tax Credit allocations from CTCAC. Competition has since increased, and the Project did not receive a Tax Credit allocation in CTCAC's most recent funding round (2024 Round 2); and

WHEREAS, Purchaser, the City, and the Authority desired to increase the Project's competitiveness for a Tax Credit allocation from CTCAC. Among the ways to do so was increasing the amount of financial assistance provided to the Project; and

WHEREAS, with the above in mind, the City agreed to increase the City Subordinate Loan's gap financing amount by \$2,000,000.00, for a new gap financing loan amount consisting of \$8,037,692.16; and

WHEREAS, on February 1, 2025, the Authority, the City, and Purchaser negotiated the first amendment to the DDA to memorialize the terms and conditions governing the increased City Subordinate Loan amount and clarified the deadline by which Purchaser must obtain a Tax Credit allocation from CTCAC; and

WHEREAS, the Authority, the City, and Purchaser have negotiated a second amendment to the DDA ("Second DDA Amendment") which, among other things, increases the amount of the City Subordinate Loan to \$10,837,692.16 in gap financing and \$ 2,800,000 in acquisition financing; provides for the right to apply for additional rounds of tax credits; amends the unit mix; and grants the City Manager the authority to approve future changes to the unit mix; and

WHEREAS, pursuant to the California Environmental Quality Act (Pub. Res. Code §§ 21000 et seq.) ("CEQA"), and the State CEQA Guidelines (14 Cal. Code Regs. §§ 15000 et seq.) the City determined that a Mitigated Negative Declaration ("MND") be prepared in order to analyze all potential adverse environmental impacts of proposed multi-level residential affordable apartment buildings with associated green space, community gathering areas, vehicle parking, landscaping, and security fencing on the approximately 4.8-acres of land ("Courtplace Project"); and

WHEREAS, the City prepared and adopted the Courtplace Project MND for the Courtplace Project on November 1, 2022 (SCH #: 2022100111) and approved a Mitigation Monitoring and Reporting Program for the Project. Under the MND, the Property and the Project are Phase I of the Courtplace Project; and

WHEREAS, pursuant to CEQA, when taking subsequent discretionary actions in furtherance of a project for which an MND has been adopted, the lead agency is required to review any changed circumstances to determine whether any of the circumstances under Public Resources Code section 21166 and State CEQA Guidelines section 15162 require additional environmental review; and

WHEREAS, staff evaluated this Resolution approving the Second DDA Amendment in light of the standards for subsequent environmental review outlined in Public Resources Code section 21166, State CEQA Guidelines section 15162 and City of Fontana's 2019 Local Guidelines for Implementing CEQA; and

WHEREAS, in connection with this Resolution approving the Second DDA Amendment and the City Council's and the Authority Board's review of the Courtplace Project MND, the City

Council and the Authority Board have independently reviewed all the prior environmental documentation prepared for the Courtplace Project, and have exercised their independent judgment in making the determination that the Courtplace Project MND fully analyzed and mitigated, all potentially significant environmental impacts, if any, that would result from the Resolution approving the Second DDA Amendment, and therefore, no subsequent EIR or mitigated negative declaration is required; and

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

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF FONTANA, CALIFORNIA, AND THE HOUSING AUTHORITY OF THE CITY FONTANA DO HEREBY RESOLVE AS FOLLOWS:

Section 1. **Incorporation of Recitals.** The foregoing recitals are true and correct and are incorporated herein and made an operative part of this Resolution.

Section 2. **CEQA Findings.** The City Council and the Authority Board have reviewed and considered the Courtplace Project MND and the Mitigation, Monitoring, and Reporting Program, pursuant State CEQA Guidelines Sections 15162 and 15164 along with the City of Fontana's 2019 Local Guidelines for Implementing CEQA, and have independently determined that the Courtplace Project MND fully analyzed and with the adoption of the Mitigation and Monitoring Reporting Program, mitigated all potentially significant environmental impacts, if any, that would result from this Resolution approving the Second DDA Amendment, and therefore, no subsequent EIR or mitigated negative declaration is required.

Section 3. **Approval.** The City Council and the Authority Board hereby approve the Second DDA Amendment attached hereto as Exhibit "A" and incorporated herein by reference. The City Council and the Authority Board authorize the City Manager and the Executive Director, respectively, in consultation with the City Attorney, to take all necessary actions to effectuate the execution of the Second DDA Amendment, and make any minor revisions to the documents necessary to effectuate the intent of the parties.

Section 4. **Notice of Exemption.** Staff is hereby directed to prepare, execute and file with the San Bernardino County Clerk a Notice of Determination within five working days of the approval of this Resolution.

Section 5. **Custodian of Documents.** The custodian of documents constituting the record of proceedings for this matter is the City Clerk. The documents constituting the record of proceedings are located at City Hall at 8353 Sierra Avenue, Fontana, CA 92335.

Section 6. **Severability.** If any provision of this Resolution is held invalid by a court of competent jurisdiction, the remainder of this Resolution shall not be affected by such invalidity, and the provisions of this Resolution are severable.

Section 7. **Effective Date.** This Resolution is effective immediately upon adoption. The Second DDA Amendment takes effect as provided therein.

The City Clerk of the City of Fontana shall certify as to the adoption of this Resolution.

APPROVED AND ADOPTED this 3rd day of September 2025.

READ AND APPROVED AS TO LEGAL FORM:

City Attorney
Authority Special Counsel

I, Germaine Key, City Clerk of the City of Fontana, and Ex-Officio Clerk of the City Council and Secretary of the Fontana Housing Authority, do hereby certify that the foregoing resolution is the actual resolution duly and regularly adopted by the City Council and Fontana Housing Authority at a regular meeting on the 3rd day of September 2025, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

City Clerk of the City of Fontana
Secretary of the Fontana Housing Authority

Mayor of the City of Fontana

Chairperson of the Fontana Housing Authority

ATTEST:

City Clerk
Secretary of the Fontana Housing Authority

EXHIBIT "A"

SECOND DDA AMENDMENT

SECOND AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT

This Second Amendment to Disposition and Development Agreement (the "Amendment"), is made and entered into as of August 1, 2025, by and between Fontana Housing Authority, a public body, corporate and politic (the "Authority"), the City of Fontana, California, a municipal corporation (the "City"), and Fontana Courtplace I Housing Partners, L.P., a California limited partnership. (the "Partnership"). The Authority, the City, and the Partnership are collectively the "Parties." The Parties have entered into this Amendment with reference to the following:

R E C I T A L S:

A. WHEREAS, the Parties entered into that certain Disposition and Development Agreement dated November 15, 2023 (the "2023 DDA"), as amended by that certain First Amendment to Disposition and Development Agreement dated as February 1, 2025 (the "First Amendment," and collectively with the 2023 DDA, the "Original Agreement"); and

B. WHEREAS, the Parties desire to amend the Original Agreement as set forth in this Amendment.

A G R E E M E N T:

1. Original Agreement. Except as amended hereby, the Original Agreement remains unmodified and in full force and effect. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Original Agreement.

2. City Subordinate Loan. The definition of "City Subordinate Loan" in Section 1.1.13 of the 2023 DDA, as amended by the First Amendment, is hereby deleted in its entirety and replaced with the following:

"1.1.13 "City Subordinate Loan" means the loan to be made to the Partnership pursuant to Section 11.5 consisting of Ten Million Eight Hundred Thirty Seven Thousand Six Hundred Ninety Two Dollars and Sixteen Cents (\$10,837,692.16) in gap financing and Two Million Eight Hundred Thousand Dollars (\$2,800,000.00) in acquisition financing."

3. Financing Commitments. Notwithstanding anything to the contrary contained in Section 6.4 of the 2023 DDA, as amended by the First Amendment, the Partnership shall have the right to apply for 4% Tax Credits in the third round of 2025 and first round of 2026. After submission of the foregoing two rounds of 4% Tax Credits, if the Partnership has not been awarded credits, the Partnership, City Manager and Executive Director may meet and confer to discuss alternative financing options for the project. If the efforts to obtain Tax Credits during the permitted successive rounds of 4% Tax Credits, or approved alternative, applications are not successful for any reason, the City Manager or Executive Director may terminate the Original Agreement by providing 30 days written notice to the Partnership as set forth in Section 6.4 of the 2023 DDA.

4. City Loan Amount and Purpose. Section 11.5 of the 2023 DDA, as amended by the First Amendment, is hereby deleted in its entirety and is replaced with the following:

"11.5 City Loan Amount and Purpose. Subject to the terms and conditions of this Agreement, City agrees to loan to Partnership, the City Subordinate Loan in the principal amount of Ten Million Eight Hundred Thirty Seven Thousand Six Hundred Ninety Two

Dollars and Sixteen Cents (\$10,837,692.16) in gap financing and Two Million Eight Hundred Thousand Dollars (\$2,800,000.00) land loan which City Subordinate Loan shall close (i.e., the City Subordinate Loan Deed of Trust shall record in the Official Records and the undisbursed gap financing portion of the City Subordinate Loan shall, subject to Section 15, be disbursed to the Construction Lender) concurrently with the Construction Loan Closing (the “City Subordinate Loan Closing”).

5. City Loan Note, and Deed of Trust. Section 11.6 of the 2023 DDA, as amended by the First Amendment, is hereby deleted in its entirety and is replaced with the following:

“11.6 City Loan Note, and Deed of Trust.

11.6.1 The City Subordinate Loan shall be evidenced by the City Subordinate Loan Note and shall be secured by the City Subordinate Loan Deed of Trust.

11.6.2 Funding Sources. The City has identified the following funding sources to be applied to this Project:

(A) Federal HOME (FY 2018-23 + PI) Funds: \$2,700,000.00;

(B) Affordable Housing Trust Fund (Development Impact Fees):
\$3,337,692.16; and

(C) General Funds: \$4,800,000.00.”

6. Exhibit D; Preliminary Project Budget. The Preliminary Project Budget attached as Exhibit D to the 2023 DDA, as amended by the First Amendment, is hereby deleted in its entirety and replaced with the budget attached hereto as Schedule 1.

7. Exhibit L; Regulatory Agreement. The Regulatory Agreement attached as Exhibit D to the 2023 DDA, is hereby amended as follows;

(a) Section 8.1.3 – “Affordable Rent for 40% of Median Income Tenants” is hereby deleted.

(b) Section 8.1.12 – “40% of Median Income Tenants” is hereby deleted.

(c) Section 8.2.1 is hereby deleted in its entirety and replaced with the following:

“8.2.1 Affordable Unit Mix (City Units). As hereinafter more particularly provided, Developer shall use the Property and the Improvements as multi-family rental housing and ancillary purposes as follows:

A. 5 of the Units shall be leased to families who are 30% of Median Income Tenants at Affordable Rent for 30% of Median Income Tenants, of which 0 of said units shall be a one-bedroom unit, 3 shall be two-bedroom units, and 2 shall be three-bedroom units;

B. 20 of the Units shall be leased to families who are 50% of Median Income Tenants at Affordable Rent for 50% of Median Income Tenants, of which 7 of said units shall be a one-bedroom unit, and 13 shall be two-bedroom units;

C. 24 of the Units shall be leased to families who are 60% of Median Income Tenants at Affordable Rent for 60% of Median Income Tenants, of which 13 shall be two-bedroom units, and 11 shall be three-bedroom units; and

D. one manager's unit which shall be a two-bedroom unit."

8. Unit Mix. The City Manager shall have the authority, on behalf of the City, to enter into amendments to the Original Agreement, as modified by this Amendment, which change the unit mix of the Project, including, without limitation, amendments changing the income and rent restrictions contained in the Regulatory Agreement.

9. Applicable Law. This Amendment shall be construed and enforced in accordance with the laws of the State of California.

10. Counterparts. This Amendment may be executed in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one agreement binding on all Parties hereto, notwithstanding that all the Parties shall not have signed the same counterpart.

11. Severability of Provisions. Each provision of this Amendment shall be considered severable, and if for any reason any provision which is not essential to the effectuation of the basic purposes of this Amendment is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Amendment which are valid.

12. Amendment Binding. This Amendment shall be binding upon and inure to the benefit of the heirs, executors, administrators, legal representatives and permitted successors and assigns of the Parties hereto. Except as amended hereby, the Original Agreement remains unchanged and in full force and effect and the Parties hereto hereby ratify and reaffirm the terms of the Original Agreement as amended hereby.

13. Effective Date. This Amendment is dated August 1, 2025, for reference purposes only. This Amendment shall not become effective until the date on which all of the following are true: (a) this Amendment is approved and executed by the appropriate authorities of the Partnership; (b) following all legally required notices and hearings, this Amendment is approved by the City Council and the Authority Board; and (c) this Amendment is executed by the City Manager and the Executive Director.

(signatures begin on following page)

IN WITNESS WHEREOF, the Parties have duly executed this Amendment by their duly authorized signatories effective on or as of the date written at the commencement of this Amendment.

AUTHORITY:

FONTANA HOUSING AUTHORITY,
a public body, corporate and politic

By: _____
Matthew C. Ballantyne, Executive Director

Attest By:

By: _____
Germaine Key, Authority Clerk

CITY

CITY OF FONTANA, CA
a California municipal corporation

By: _____
Matthew C. Ballantyne, City Manager

Attest By:

By: _____
Germaine Key, City Clerk

Approved as to form:

Best, Best & Krieger, LLP

By: _____
Ruben Duran, Esq.
City Attorney

(signatures continue on following page)

PARTNERSHIP

FONTANA COURTPLACE I HOUSING PARTNERS, L.P.,
a California limited partnership

By: Related/Fontana Courtplace I Development Co., LLC,
a California limited liability company, its administrative general partner

By: _____
Frank Cardone, President

By: FFAH V Fontana Courtplace I, LLC,
a California limited liability company,
its managing general partner

By: Foundation for Affordable Housing V, Inc.,
a California nonprofit public benefit corporation, its managing general partner

By: _____
Melissa Vincent, Vice President

By: LBI Southridge Fontana LLC,
a California limited liability company, its co-general partner

By: LaBarge Industries, LLC,
a Delaware limited liability company, its sole member

By: _____
Josh LaBarge, President

Schedule 1

Exhibit D – Preliminary Project Budget

(begins on next page)

EXHIBIT "D"
PRELIMINARY PROJECT BUDGET

	50 units Budget
ACQUISITION COSTS	
Purchase Price	\$ 2,800,000
TOTAL ACQUISITION COSTS	\$ 2,800,000
PROFESSIONAL FEES	
Architecture & Engineering	\$ 2,200,000
Other Professional / Consulting	\$ 700,000
TOTAL PROFESSIONAL FEES	\$ 2,900,000
FEES AND PERMITS	
City/County Fees and Permits	\$ 1,900,000
Utility Fees/Costs	\$ 700,000
TOTAL FEES AND PERMITS	\$ 2,600,000
CONSTRUCTION COSTS	
Offsite Improvements	\$ 280,358
Site Improvements	\$ 3,432,371
Residential Structures (Community Building Included)	\$ 13,278,471
Contractor Contingency	\$ 679,648
General Conditions	\$ 1,019,472
Contractor Overhead	\$ 540,320
Contractor Profit	\$ 900,534
Contractor Insurance	\$ 194,515
Construction Contingency	\$ 1,016,285
Construction Management	\$ 215,000
TOTAL CONSTRUCTION COSTS	\$ 21,556,974
FINANCING COSTS	
Gap Loan Costs	\$ 25,000
Construction Loan Costs	\$ 150,000
Construction Loan Fees	\$ 91,000
Construction Period Interest	\$ 771,000
Post-Construction Interest	\$ 290,000
Permanent Loan Costs	\$ 50,000
Permanent Loan Fees	\$ 25,999
Bond Issuance Costs	\$ 350,000
TCAC Fees	\$ 51,500
Misc. Finance Costs	\$ 50,000
TOTAL FINANCING COSTS	\$ 1,854,499
OTHER COSTS	
Furnishings, Fixtures & Equipment	\$ 300,000
Marketing Costs	\$ 200,000
Legal Fees	\$ 400,000
Soft Cost Contingency	\$ 82,303
Accounting / Audit / Insurance	\$ 426,000
Permanently Deferred Developer Fee	\$ 1,798,000
Cash Developer Fees	\$ 2,500,000
Other Costs / Reserves	\$ 155,934
Market Study	\$ 14,500
TOTAL OTHER COSTS	\$ 5,876,737
TOTAL DEVELOPMENT COSTS	\$ 37,588,210

EXHIBIT "D"
PRELIMINARY OPERATING EXPENSES

	50 Units Budget
RENTING	
Advertising	\$ 450
Misc. Renting	\$ 1,250
TOTAL RENTING	\$ 1,700
ADMINISTRATION	
Office	\$ 1,300
Legal	\$ 1,600
Audit	\$ 15,000
Telephone/Computer	\$ 15,000
Tenant Relations	\$ 800
Misc. Administrative	\$ 4,500
TOTAL ADMINISTRATION	\$ 38,200
MANAGEMENT FEE	
Contract Management	\$ 42,000
TOTAL MANAGEMENT	\$ 42,000
OPERATING	
Electricity	\$ 429
Water	\$ 23,724
Gas	\$ -
Sewer	\$ 17,851
Exterminating	\$ 1,000
Rubbish Removal	\$ 12,180
Misc. Operating	\$ 1,500
TOTAL OPERATING	\$ 56,684
MAINTENANCE	
Security	\$ 1,700
Grounds	\$ 14,000
Repairs	\$ 3,500
Elevator	\$ -
Misc. Maintenance	\$ 7,500
TOTAL MAINTENANCE	\$ 26,700
SALARIES AND BENEFITS	
Office Salaries	\$ 52,740
Maintenance Salaries	\$ 58,240
Payroll Taxes and Benefits	\$ 30,160
TOTAL SALARIES AND BENEFITS	\$ 141,140
TAXES AND INSURANCE	
Real Estate Taxes	\$ 1,500
Business Taxes and Licenses	\$ 1,276
Insurance	\$ 50,000
TOTAL TAXES AND INSURANCE	\$ 52,776
RESERVES AND OTHER EXPENSES	
Replacement Reserves	\$ 15,000
Social Programs	\$ 22,800
TOTAL RESERVES AND OTHER COSTS	\$ 37,800
TOTAL OPERATING EXPENSES	\$ 397,000

EXHIBIT "D"
SOURCES AND USES OF FUNDS

Construction Sources and Uses

Construction Sources		
Tax Exempt Construction Loan	\$	8,938,318
Taxable Construction Loan	\$	5,008,837
Tax Credit Equity	\$	1,422,121
Residual Receipts Loan (Fontana Housing Authority)	\$	5,262,308
Residual Receipts Loan (City of Fontana)	\$	10,837,692
Land Acquisition Loan (City of Fontana)	\$	2,800,000
Land Acquisition Loan (City of Fontana) - Accrued Interest	\$	15,000
Residual Receipts Loan (City of Fontana) - Accrued Interest	\$	53,000
Residual Receipts Loan (Fontana Housing Authority) - Accrued Interest	\$	26,000
Deferred Developer Fee	\$	3,048,000
Deferred Operating Deficit Reserve	\$	155,934
Deferred TCAC Monitoring Fees	\$	21,000
Total Construction Sources	\$	37,588,210
Construction Uses		
Total Development Cost	\$	37,588,210
Amount Over/(Under)	\$	-

Permanent Sources and Uses

Permanent Sources		
Tax Credit Equity	\$	14,221,210
Permanent Financing	\$	2,575,000
Residual Receipts Loan (Fontana Housing Authority)	\$	5,262,308
Residual Receipts Loan (City of Fontana)	\$	10,837,692
Land Acquisition Loan (City of Fontana)	\$	2,800,000
Land Acquisition Loan (City of Fontana) - Accrued Interest	\$	15,000
Residual Receipts Loan (City of Fontana) - Accrued Interest	\$	53,000
Residual Receipts Loan (Fontana Housing Authority) - Accrued Interest	\$	26,000
Deferred Developer Fee	\$	1,798,000
Total Permanent Sources	\$	37,588,210
Uses		
Total Development Cost	\$	37,588,210
Amount Over/(Under)	\$	-

EXHIBIT "D"
15 YEAR CASH FLOW PROJECTIONS

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
INCOME															
Gross Rental Income	700,776	721,799	743,453	765,757	788,730	812,391	836,763	861,866	887,722	914,354	941,784	970,038	999,139	1,029,113	1,059,987
Laundry Income	3,600	3,708	3,819	3,934	4,052	4,173	4,299	4,428	4,560	4,697	4,838	4,983	5,133	5,287	5,445
Vacancy @ 5.0%	(35,219)	(36,275)	(37,364)	(38,485)	(39,639)	(40,828)	(42,053)	(43,315)	(44,614)	(45,953)	(47,331)	(48,751)	(50,214)	(51,720)	(53,272)
EFFECTIVE GROSS INCOME	669,157	689,232	709,909	731,206	753,142	775,737	799,009	822,979	847,668	873,098	899,291	926,270	954,058	982,680	1,012,160
EXPENSES															
Administrative	(38,200)	(39,346)	(40,526)	(41,742)	(42,994)	(44,284)	(45,613)	(46,981)	(48,391)	(49,842)	(51,338)	(52,878)	(54,464)	(56,098)	(57,781)
Management Fee	(42,000)	(43,260)	(44,558)	(45,895)	(47,271)	(48,690)	(50,150)	(51,655)	(53,204)	(54,800)	(56,444)	(58,138)	(59,882)	(61,678)	(63,529)
Operating	(56,684)	(58,385)	(60,136)	(61,940)	(63,798)	(65,712)	(67,684)	(69,714)	(71,806)	(73,960)	(76,179)	(78,464)	(80,818)	(83,242)	(85,740)
Maintenance	(26,700)	(27,501)	(28,326)	(29,176)	(30,051)	(30,953)	(31,881)	(32,838)	(33,823)	(34,837)	(35,883)	(36,959)	(38,068)	(39,210)	(40,386)
Salaries	(141,140)	(145,374)	(149,735)	(154,227)	(158,854)	(163,620)	(168,529)	(173,584)	(178,792)	(184,156)	(189,680)	(195,371)	(201,232)	(207,269)	(213,487)
Taxes (escalated at 2.00%)	(2,776)	(2,832)	(2,888)	(2,946)	(3,005)	(3,065)	(3,126)	(3,189)	(3,253)	(3,318)	(3,384)	(3,452)	(3,521)	(3,591)	(3,663)
Insurance	(50,000)	(51,500)	(53,045)	(54,636)	(56,275)	(57,964)	(59,703)	(61,494)	(63,339)	(65,239)	(67,196)	(69,212)	(71,288)	(73,427)	(75,629)
Renting	(1,700)	(1,751)	(1,804)	(1,858)	(1,913)	(1,971)	(2,030)	(2,091)	(2,154)	(2,218)	(2,285)	(2,353)	(2,424)	(2,497)	(2,571)
Social Programs	(22,800)	(23,484)	(24,189)	(24,914)	(25,662)	(26,431)	(27,224)	(28,041)	(28,882)	(29,749)	(30,641)	(31,561)	(32,507)	(33,483)	(34,487)
Replacement Reserves	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(16,500)	(16,500)	(16,500)	(16,500)	(16,500)	(18,150)	(18,150)	(18,150)	(18,150)	(18,150)
TOTAL OPERATING EXPENSES	(397,000)	(408,432)	(420,207)	(432,334)	(444,825)	(459,189)	(472,440)	(486,086)	(500,142)	(514,619)	(531,179)	(546,536)	(562,353)	(578,644)	(595,423)
NET OPERATING INCOME	272,157	280,800	289,702	298,872	308,318	316,547	326,569	336,893	347,526	358,479	368,112	379,734	391,705	404,036	416,737
DEBT SERVICE															
Permanent Financing	(226,733)	(226,733)	(226,733)	(226,733)	(226,733)	(226,733)	(226,733)	(226,733)	(226,733)	(226,733)	(226,733)	(226,733)	(226,733)	(226,733)	(226,733)
Cash Flow After Debt Service	45,424	54,066	62,969	72,139	81,584	89,814	99,836	110,159	120,793	131,746	141,379	153,000	164,972	177,302	190,004
SLP Fee	(5,000)	(5,150)	(5,305)	(5,464)	(5,628)	(5,796)	(5,970)	(6,149)	(6,334)	(6,524)	(6,720)	(6,921)	(7,129)	(7,343)	(7,563)
Partnership Administration Fee	(30,000)	(30,900)	(31,827)	(32,782)	(33,765)	(34,778)	(35,822)	(36,896)	(38,003)	(39,143)	(40,317)	(41,527)	(42,773)	(44,056)	(45,378)
Cash Flow After Fees	10,424	18,016	25,837	33,893	42,191	49,239	58,044	67,114	76,456	86,079	94,342	104,552	115,070	125,904	137,063
Less: Payment From Available Cash Flow	(10,424)	(18,016)	(25,837)	(33,893)	(42,191)	(49,239)	(58,044)	(67,114)	(76,456)	(86,079)	(94,342)	(104,552)	(115,070)	(125,904)	(137,063)
Net Cash Flow After Developer Fee Repayment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0