Penny Lilburn, Mayor
District 3

Jimmy Saldana, Mayor Pro Tem
District 2

Gregory Hogan, Councilmember
District 1

Larry McCallon, Councilmember
District 5

John P. Timmer, Councilmember
District 4

City of Highland

Joint City Council Regular Meeting & Housing Authority Special Meeting Agenda

March 10, 2026 at 6:00 PM
City Hall Donahue Council Chambers
27215 Base Line, Highland, CA 92346

Staff

Carlos Zamano, City Manager
Lawrence Mainez, Community Development Director
Leticia Nava-Cruz, Director of Administrative Services/City Treasurer
Octavio Duran Jr., Public Works Director/City Engineer
Maricela Marroquin, City Attorney
Alondra Muñoz, City Clerk

Mission Statement

Highland is dedicated to the betterment of the individual, the family, the neighborhood and the community. The City Council and the staff of Highland are dedicated to providing the quality of public facilities and services that its citizens are willing to fund and will do so as efficiently as possible.

In compliance with the Brown Act, any writings or documents provided to a majority of the legislative body regarding any item on this agenda, that are not exempt from disclosure under the California Public Records Act, will be made available for public inspection at City Hall, 27215 Base Line Highland, CA 92346, during normal business hours. Such documents will also be made available on the City's website at www.highlandca.gov.

In compliance with the Americans with Disabilities Act (ADA), if you need special assistance, please contact the City Clerk's office at (909) 864-6861, ext. 226, at least 72 hours prior to the meeting for any requests for reasonable accommodations, including interpreters.

Levine Act: Pursuant to Government Code Section 84308, any party to a City proceeding must disclose on the record any campaign contributions made to a member of the City Council (or commission) in excess of $500 in the past 12 months. This disclosure requirement includes contributions by the party's agent and aggregated contributions from persons or entities related to the party. Please make the disclosure as soon as possible, but no later than the beginning of the proceeding.

Call to Order

Invocation

Pledge of Allegiance

Roll Call

Report From Closed Session

Public Comment

To address the City Council, please complete a speaker form located at the entrance and give it to the City Clerk prior to the beginning of the meeting. Your name will be called when it is your turn to speak. State Law prohibits the City Council from acting on any item not on the agenda. Individual speakers are limited to 3 minutes each. For those wishing to make public comments by email, please submit your comments by 5:00 p.m. on March 10, 2026, to publiccomment@highlandca.gov. If you are submitting a public comment pertaining to an item on the agenda, please identify the agenda item number. Emailed comments will not be read into the record. Members of the public may submit comments on public hearing items at any time before the meeting, as well as during the meeting up until the close of the public hearing for the respective item.

City Council Consent Calendar

1. Waive the Reading of All Ordinances

   Waive the reading of all ordinances in their entirety and read by title only.

2. Minutes - February 10, 2026 City Council Regular Meeting

   Approve the Minutes as submitted.

3. Warrant Register No. 787

   Approve Warrant Register No. 787; Warrants in the amount of $3,849,639.94 and Payroll in the amount of $271,455.30.

4. Treasurer's Report for January 2026

   Receive and file the Treasurer's Report for January 2026.

5. Claim Consideration - Jess Franco

   George Hills recommends the City Council reject the claim.

6. A Resolution of the City Council of The City of Highland, California, Amending a Policy Regarding Expense Reimbursement and Use of Public Resources

   The Finance/Personnel Subcommittee recommends the City Council adopt a Resolution amending the City's policy regarding expense reimbursement and the use of public resources.

7. Single Audit Report on Federal Award Programs for Fiscal Year Ended June 30, 2025

   The Finance/Personnel Subcommittee recommends the City Council receive and file the Single Audit Report on Federal Award Programs for Fiscal Year Ended June 30, 2025.

8. Second Reading of Zone Change 25-001: Ordinance No. 478, an Ordinance to Change the Zoning Designation of Approximately 89 Acres in Accordance with the City's Certified 6th Cycle Housing Element Program 33, Requiring Upzoning of Five (5) Acres in a Moderate to High Resource Area on the Easterly Portion of the City to a Maximum Residential Density of Thirty (30) Dwelling Units Per Acre (du/ac) (With a Density Range of 20 du/ac to 30 du/ac) and Adopt a Negative Declaration

   Conduct a second reading, read by title only, and waive further reading, then adopt Ordinance No. 478 approving Zone Change (ZC 25-001) to rezone Assessor's Parcel Numbers 0297-201-07, 0297-061-50, 0297-061-07, 0297-061-42, 0297-061-26, 0297-061-13, 0297-061-25, and 0297-021-44 from Agricultural/Equestrian (A/EQ) to Planned Development (PD*), consistent with Program 33 of the City's certified 6th Cycle Housing Element.

9. Review of the City's 2025 General Plan Implementation Annual Report in Accordance with Government Code Section 65400 and 65588

   Review the 2025 General Plan Annual Report and Housing Element Annual Report and direct Staff to file with the California Office of Planning and Research (OPR) and California Department of Housing and Community Development (HCD).

10. 2025-01 City of Highland Janitorial Maintenance Contract Extension

    Extend the City of Highland Janitorial Maintenance Contract with Base Hill, Inc. for one year.

11. 30th Annual Highland Community Trails Day Event Date

    The Community Trails Committee (CTC) recommends the City Council approve Saturday, June 6, 2026, as the date for the 30th Annual Highland Community Trails Day Event.

12. Adopt Resolution No. 2026-____, Approving the Expenditure Plan for the Expenditure of Revenues in San Bernardino County Expected to be Derived from the Proposed Continuation of Measure I

    Adopt Resolution No. 2026-____, A Resolution of the City Council of the City of Highland, California, Approving the Expenditure Plan for the Expenditure to be derived from the Proposed Continuation of Measure I.

City Council Public Hearing

The order of business for Public Hearings shall be:

1. Mayor opens Public Hearing;
2. Staff presentation;
3. Applicant/Representative presentation;
4. Speakers in favor of proposal;
5. Speakers in opposition to proposal;
6. Applicant rebuttal;
7. Mayor closes Public Hearing;
8. Council discussion, motion and vote.

Once the Public Hearing is closed; no further testimony is taken.

13. Introduction and First Reading of an Ordinance Amending Highland Municipal Code Section 3.08.080 Relating to Monetary Settlement Authority for Tort Liability Claims

    Conduct the First Reading and Introduce, by Title Only, an Ordinance Amending Subsections B, C, and D of Section 3.08.080 of the Highland Municipal Code to Revise Monetary Settlement Thresholds for Tort Liability Claims.

14. Introduction and First Reading of an Ordinance Amending Highland Municipal Code Section 2.15.035 to Incorporate SB 827 Financial and Fiscal Training Requirements and Expanded Ethics Training Obligations

    Introduce and conduct a first reading of an Ordinance No. ____, amending Section 2.15.035 of the Highland Municipal Code to:

    1. Incorporate fiscal and financial oversight training requirements mandated by SB 827 for covered local agency officials; and
    2. Update and expand ethics training requirements to reflect current State law.

15. Introduction and First Reading of an Ordinance Amendment to Title 5, Chapter 5.04, Section 5.04.160 of the City of Highland Municipal Code (Business License)

    The Finance/Personnel Subcommittee recommends the City Council:

    1. Introduce and conduct a first reading, second reading and subsequently adopt Ordinance No.____ amending Section 5.04.160 (License Fee-Payment Due Dates) of the Highland Municipal Code amending the term and collection of the fee for new business licenses; and
    2. Making a finding of exemption under the California Environmental Quality Act.

16. Amended and Restated Disposition and Development/ Affordable Housing Agreement (the "Amended Agreement") and a Ground Lease with Wakeland Highland, LP, Related to the Construction of Ninety (90) Unit Affordable Senior Housing (Inclusive of One Manager's Unit) on Land Owned by the City's Housing Authority. The Amended Agreement will Allow Wakeland to Either (1) Develop the Ninety (90) Units ("Single Phase Project"), or (2) Develop a "Two Phase Project" With Not Less Than Sixty (60) Units During the First Phase ("Phase 1"), and Not Less Than Thirty (30) Units During the Second Phase ("Phase 2")

    1. Adopt Housing Authority Resolution No. HA 2026-_____, approving entering into an Amended and Restated Disposition and Development/Affordable Housing Agreement and Ground Lease with Wakeland Highland, LP, and reconfirm the disbursement of $4,577.450.00 in funds to Wakeland Highland, LP, upon conditions of closing being satisfied;
    2. Adopt City of Highland Resolution No. 2026-_____, approving entering into an Amended and Restated Disposition and Development/Affordable Housing Agreement, and Density Bonus Agreement with Wakeland Highland, LP; and
    3. Direct Staff to file a Notice of Exemption with the County Clerk of the Board.

City Council Legislative

17. 4th of July Fireworks Event at Immanuel Baptist Church

    Discuss and provide direction to City Staff regarding the possibility of the City taking over the fireworks at Immanuel Baptist Church.

18. Actions Related to the Highland/Redlands Regional Gap Connector Project

    1. Approve the proposal from H.W. Lochner to provide design services for the Highland/Redlands Regional Gap Connector Project in the amount of $347,296;
    2. Authorize the City Manager to enter into a reimbursement agreement with the City of Redlands for costs associated with design of the project within their jurisdiction;
    3. Approve a Cooperative Agreement with the San Bernardino County Transportation Authority (SBCTA) for management and delivery of the construction phase of the Highland/Redlands Regional Gap Connector Project in the amount of $417,085;
    4. Authorize the City Manager to sign agreements for the project as approved by the City Attorney;
    5. Authorize the City Manager to approve contract amendments up to 10% of the contract amount for contracts associated with the Project; and
    6. Approve a budget adjustment in the amount of $777,184 from the DIF Unreserved/Undesignated fund balance for Regional Circulation Arterials (007-2100) to be expended from 007.8330.6550.

19. City Manager Report and Comments (Work Program, Regional/Legislative/ Development Issues, Subcommittees, etc.)

    Discussion and possible action.

20. Councilmember Comments (Agency/Committee/AB 1234 Reports, District Updates, etc.)

Discussion and possible action.

Announcements

Closed Session

Adjourn

Regular Meetings

Effective March 1, 2022, pursuant to Resolution No. 2022-001, the regular City Council meetings will be held once a month on the second Tuesday of each month. The next regular meeting of the City Council is scheduled for April 14, 2026.

Certification

I, Alondra Muñoz, City Clerk, or my designee, hereby certify that the foregoing agenda was posted on our website at www.highlandca.gov and in the following designated areas: Highland Branch Library (7863 Central Avenue), Fire Station No. 1 (26974 Base Line), and City Hall (27215 Base Line) at least seventy-two (72) hours prior to the meeting per Government Code Section 54954.2.



Staff Report
to the City Council

Agenda Item No.1.

Date:	March 10, 2026
From:	Carlos Zamano, City Manager
Reviewed By:	Alondra Muñoz, City Clerk
Prepared By:	Lissette Nock, Deputy City Clerk
Subject:	Waive the Reading of All Ordinances

Recommendation:
Waive the reading of all ordinances in their entirety and read by title only.

Fiscal Impact:
None

Public Notice:
The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:
Under California Government Code Section 36934, before adopting an ordinance, the title of the ordinance must be read in full or by title only. Government Code Section 36933 further allows the legislative body to waive the reading of the ordinance in full, provided that the ordinance has been made available to the public and the Council by title and in writing. Copies of all proposed ordinances are included in the City Council agenda packet, made available to the public in advance, and posted on the City's website.

Attachments:
None

Staff Report
to the City Council

Agenda Item No.2.

Date:	March 10, 2026
From:	Carlos Zamano, City Manager
Reviewed By:	Alondra Muñoz, City Clerk
Prepared By:	Lissette Nock, Deputy City Clerk
Subject:	Minutes - February 10, 2026 City Council Regular Meeting

Recommendation:
Approve the Minutes as submitted.

Fiscal Impact:
None

Public Notice:
The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:
The City Council is required to maintain an official record of its proceedings. Minutes serve as the permanent record of actions taken by the City Council and provide transparency to the public regarding the business conducted at each meeting. In accordance with standard practice, the draft minutes from the February 10, 2026 City Council Regular Meeting have been prepared and are submitted for the City Council's review and approval.

Attachments:
1. Minutes - February 10, 2026 Regular City Council Meeting

Call to Order

The regular meeting of the City Council of the City of Highland was called to order at 6:00 p.m. by Mayor Lilburn at the Donahue Council Chambers, 27215 Base Line, Highland, California.

Invocation

The invocation was given by Pastor Tyler Perry, Immanuel Baptist Church.

Pledge of Allegiance

The Pledge of Allegiance was led by Councilmember Timmer.

Roll Call

Present: Lilburn, McCallon, Saldana, Timmer
Absent: Hogan

Report From Closed Session

None

Public Comment

Chris Nielsen representing the Highland Area Chamber of Commerce spoke regarding upcoming events.

Kenneth Davis spoke regarding neighborhood public nuisances.

Shaela MalbroughGere spoke regarding neighborhood public nuisances.

Angela Galvez spoke regarding neighborhood public nuisances.

Uriel Armenta spoke regarding neighborhood public nuisances.

City Council Consent Calendar

A MOTION was made by Councilmember McCallon, seconded by Councilmember Timmer, to approve the consent calendar as submitted with the exception of pulling Agenda Item No. 5 & Agenda Item No. 8 for discussion. Following discussion, the motion included approval of Agenda Item No. 5 with modifications to the resolution text as described by the City Attorney. Motion carried on a roll call vote, 4-0, with Councilmember Hogan being absent.

City Attorney Marroquin stated for Agenda Item No. 5, revisions will be made to the Resolution that clarifies the rules governing the Subcommittees which are: 1) each Subcommittee consists of two councilmembers appointed through the city's regular appointment process, 2) the Subcommittee meetings will open to the public and must adhere to the Brown Act, and 3) the City Clerk will be responsible for scheduling agendas and providing notice for these meetings. This information has been organized into a separate section of the Resolution to ensure these requirements apply to all Subcommittees, not solely the Parks and Recreation Subcommittee.

Mayor Lilburn stated she requested City Manager Zamano pull Agenda Item No. 8 for discussion which pertains to the procurement of 35 new portable radios to publicly thank and identify Yuhaaviatam of San Manuel Nation for their grant support, noting the equipment is essential for our Fire Department operations.

1. Waive the Reading of All Ordinances

   Waived the reading of all Ordinances in their entirety and read by title only.

2. Minutes - January 13, 2026 City Council Regular Meeting

   Approved the Minutes as submitted.

3. Warrant Register No. 786

   Approved Warrant Register No. 786; Warrants in the amount of $4,425,995.22 and Payroll in the amount of $423,247.23.

4. Treasurer's Report for December 2025

   Received and filed the Treasurer's Report for December 2025.

5. Adopt Resolution No. 2026-002, Establishing a Parks & Recreation Subcommittee and Reconfirming Existing Subcommittees

   Adopted the resolution establishing the Parks & Recreation Subcommittee and reaffirming the continued purpose of the existing subcommittees.

RESOLUTION NO. 2026-002
A RESOLUTION OF THE HIGHLAND CITY COUNCIL ESTABLISHING A PARKS AND RECREATION SUBCOMMITTEE AND REAFFIRMING THE CONTINUED PURPOSE OF EXISTING SUBCOMMITTEES

6. Adopt Resolution No. 2026-003, Establishing the Information Technology Manager Position and Salary

   1. Adopted Resolution No. 2026-003, a Resolution of the City Council of the City of Highland, California, adding the employee classification of Information Technology Manager and establishing a salary for this position; and
   2. Authorized the City Manager to execute the All Covered Managed Service Provider Information Technology (IT) revised contract.

RESOLUTION NO. 2026-003
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA, ESTABLISHING THE INFORMATION TECHNOLOGY MANAGER POSITION AND SALARY

7. Preparation of Annual Engineer’s Reports for Fiscal Year 2026/2027 Assessments

   1. Adopted Resolution No. 2026-004 ordering the preparation of an Engineer's Report for Consolidated Landscape and Lighting District No. 96-1; and
   2. Adopted Resolution No. 2026-005 ordering the preparation of an Engineer's Report for Street and Drainage Maintenance District 96-1.

RESOLUTION NO. 2026-004
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, COUNTY OF SAN BERNARDINO, CALIFORNIA ORDERING THE PREPARATION OF ENGINEER'S REPORT FOR CONSOLIDATED LANDSCAPE & LIGHTING DISTRICT NO. 96-1 FOR FISCAL YEAR 2026/2027

RESOLUTION NO. 2026-005
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, COUNTY OF SAN BERNARDINO, CALIFORNIA ORDERING THE PREPARATION OF AN ENGINEER'S REPORT FOR STREET AND DRAINAGE MAINTENANCE DISTRICT 96-1 FOR FISCAL YEAR 2026/2027

8. Purchase of 35 New Portable Radios for Highland Fire Personnel

    1. Approved the purchase of six (6) APX Next XN Portable Radios from Motorola Solutions with associated accessories and a 7-year SmartConnect subscription to operate for a total cost of $95,234.43;
    2. Approved the purchase of 29 BK Technologies BKR 5000 Single Band Portable Radios with associated accessories from Johnson Equipment Company for a total cost of $66,844.86;
    3. Authorized the City Manager to sign the quotes from Motorola Solutions and Johnson Equipment Company; and
    4. Approved a budget adjustment of $162,080 from the Unreserved/Undesignated Fund Balance (Account No. 027.2100) to be expended from account 027.8490.6040.

9. Bid Award - Bid No. 2026-01, "Citywide Concrete Maintenance"

    Awarded the on-call contract for Bid No. 2026-01, "Citywide Concrete Maintenance" to the lowest responsive bidder, Savi Construction, Inc. in the amount of $185,170.00.

10. Bid Award - Bid No. 2026-02, "Citywide Traffic Striping and Pavement Markings"

    Awarded the on-call contract for Bid No. 2026-02, "Citywide Traffic Striping and Pavement Markings" to the lowest responsive bidder, Interstate Striping, Inc. in the amount of $30,735.00.

11. Authorization for Purchase of Fleet Vehicles

    1. Waived formal contract procedures per Municipal Code Section 2.40.100 for which the city's best interests are served;
    2. Approved four (4) proposals from RUSH Truck Centers in the amount of $486,054.50 to purchase five (5) new city vehicles through the Sourcewell Cooperative Purchasing Program Contract #032824-RTG;
    3. Authorized the City Manager to sign purchase agreements with RUSH Truck Centers for the purchase of the five (5) new vehicles proposed;
    4. Adopted Resolution No. 2026-006, ordering the sale of three (3) and donation of two (2) excess city vehicles;
    5. Approved a budget adjustment of $95,000 between the Gas Tax Fund (Acct# 004.8310.6040) to be expended from the Gas Tax Fund (Acct# 004.8310.6060); and
    6. Approved a budget adjustment of $65,768.48 from the Unreserved/Undesignated "Development Impact Fee" (DIF) fund balance to be expended from the DIF Fund (Acct# 007.8330.6060).

RESOLUTION NO. 2026-006
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA, ORDERING THE SALE OF THREE AND DONATION OF TWO EXCESS CITY VEHICLES

City Council Public Hearing

12. Allocation of the City of Highland's Community Development Block Grant Funds for Fiscal Year 2026/2027

Mayor Lilburn stated she would abstain from this item due to a conflict of interest; she is employed at the Highland Senior Center. Mayor Pro Tem Saldana subsequently opened and conducted the public hearing.

Mayor Pro Tem Saldana opened the public hearing for the allocation of the City of Highland's Community Development Block Grant Funds (CDBG) for Fiscal Year 2026/2027.

Assistant Community Development Director Stater stated this item is an opportunity for the City Council to prioritize its annual Community Development Block Grant Funds (CDBG). Each year the county calculates the Community Development Block Grand Funds (CDBG) funding on behalf of the U.S. Department of Housing and Urban Development (HUD) for the upcoming fiscal year and forwards it to the city along with a list of eligible projects. For the 2026/2027 Fiscal Year, the estimated funding amount is $263,109, representing a significant 30% reduction from the previous year.

There are eight (8) eligible applications for consideration, categorized into two (2) categories. The first category, known as Construction Projects, includes three (3) applications. 1) The City's Code Enforcement Department requesting $120,000 2) the City's Public Works Department for pavement rehabilitation at Cole Avenue and 14th Street requesting $230,000 and 3) from a non-profit organization Bigger Than You, seeking $430,000 for facility renovations on Date Street that serve low and moderate-income residents through workforce development, housing, financial, and other community services. The total available funding for these projects is $223,643. Any remaining costs for city applications not covered through this process will be funded by the General Fund or through other sources as determined by the City Council.

The second category is Public Service Projects, compromised of five (5) applications from organizations. 1) The San Bernardino County Highland Branch Library, 2) Highland YMCA, 3) Highland Senior Center, 4) Central Little League, and 5) Child Care Resource Center. The combined requests in this category total $576,929. The maximum available funding for public service projects is $39,466. Attachment No. 4 on the Staff Report provides an overview of these programs, their categories and the allocated funding amounts.

Mayor Pro Tem Saldana thanked Assistant Community Development Director Stater and asked if there were any questions from staff? Seeing none, he referred to speaker slips that were submitted.

Nakea Blir, spoke in support of Bigger Than You, a non-profit organization.

Minky Malone spoke in support of the San Bernardino County Highland Branch Library.

Emily Vasquez spoke in support of the Central Little League.

Michelle Williamson spoke in support of the Central Little League.

Dylan Williamson spoke in support of the Central Little League.

Adrianna Rios spoke in support of the Central Little League.

Cathy Fischer spoke in support of the Highland Senior Center

Kelly Malloy spoke in support of the Highland Senior Center.

Marvin Hernandez spoke in support of the Highland YMCA.

Louisa Martinez spoke in support of the Highland YMCA.

Carmela Silva spoke in support of the Highland YMCA.

Uriel Armenta spoke in support of local labor within the City of Highland community.

Jasmine Costilla spoke in support of the Highland YMCA.

Mayor Pro Tem Saldana confirmed there were no additional speaker slips and closed the public hearing and brought it back to City Council for deliberation.

Councilmember Timmer stated the situation has become increasingly challenging. Over the years, funding for the Community Development Block Grant (CDBG) has gradually decreased. As a result, City Council will need to discuss adjustments in our funding allocations and determine how to best utilize the resources available. He recommended funding the Construction and Community Improvement Project applications for Code Enforcement in the amount of $120,000 and the pavement rehabilitation project at Cole Avenue and 14th Street in the amount of $103,643. This amount represents the total allocation designated to the city in the amount of $223,643.

A MOTION was made by Councilmember Timmer, seconded by Councilmember McCallon to fund the Community Development Block Grant Fiscal Year 2026/2027 Construction and Community Improvement Projects in the following allocation amounts: Application Number 52324435, Enhanced Code Enforcement program to fund staff to support Code Enforcement activities for $120,000; Application Number 52321167, Pavement Rehabilitation construction on Cole Avenue and 14th Street for $103,643. Motion carried on a roll call vote, 3-0 with Mayor Lilburn abstaining and Councilmember Hogan being absent.

Councilmember Timmer moved forward with the second motion for the Public Service Projects/Programs. The city is unable to accept new initiatives or projects and is unable to accommodate longstanding organizations. It is recommended to eliminate the request from the San Bernardino County Highland Branch Library and proceed with the following allocation amounts: Application Number 52329526 Highland YMCA scholarship program and services for $9,000, Application Number 52294307 Highland Senior Center services and support programs for $19,466, and Application Number 52121842 Central Little League baseball scholarship program for $11,000.

This approach ensures an equitable distribution of limited funds across these programs. The reduction aims to prioritize organizations with the broadest community engagement, acknowledging that participation in the library is significantly lower compared to other programs.

Mayor Pro Tem Saldana highlighted the city provides funding for the Highland YMCA programs, including the Highland Run 5k, and the Highland Senior Center operates solely on donations. He recommended The Highland YMCA for $8,466, Highland Senior Center for $20,000 and Central Little League for $11,000.

A MOTION was made by Councilmember McCallon, seconded by Councilmember Timmer to move forward with Fiscal Year 2026/2027 Community Development Block Grant application funding for Public Service Project/Programs in the following amounts: Application Number 52329526 Highland YMCA Scholarship programs for $8,466; Application Number 52294307 Highland Senior Center services and support programs for $20,000; and Application Number 52121842 Central Little League baseball scholarship program providing financial assistance to low and moderate income children and youth for $11,000. Motion carried on a roll call vote, 3-0, with Mayor Lilburn abstaining and Councilmember Hogan being absent.

13. General Plan Amendment and Zone Change of Assessor's Parcel Numbers 0297-201-07, 0297-061-50, 0297-061-07, 0297-061-42, 0297-061-26, 0297-061-13, 0297-061-25, and 0297-021-44 in Accordance with the City's Certified 6th Cycle Housing Element Program 33, Requiring Upzoning of Five (5) Acres in a Moderate to High Resource Areas on the Easterly Portion of the City to a Maximum Residential Density of Thirty (30) Dwelling Units Per Acre (du/ac) (with a Density Range of 20 du/ac to 30 du/ac) (GPA 025-001/ZC 025-001) and Negative Declaration

Mayor Lilburn opened the public hearing.

Senior Planner Tafolla stated the item before you is a General Plan amendment and Zone Change, along with a Negative Declaration, for approximately 89 acres along Greenspot Road in the eastern portion of the city. The purpose of this item is to implement the requirements of the city's certified Sixth (6) Cycle Housing Element, specifically Program 33. This program mandates the upzoning of a minimum of five (5) acres within a moderate to high resource area to facilitate high-density housing at a rate of 20 to 30 dwelling units per acre. The proposed action would modify the current land use and zoning designations of the site from Agricultural Equestrian to Planned Development (PD). To implement the Housing Element Program 33, the PD designation includes a footnote requiring at least five (5) acres within the development area be designated for high-density multi-family

housing at 22 dwelling units per acre. This is a floating requirement, meaning the specific location of the five (5) acres is not fixed at this stage but must be identified and incorporated into a future master development plan.

In July 2025, the Planning Commission conducted a Study Session during which staff presented multiple site options for Program 33. Neighboring property owners within the considered areas were notified, and public comments were received and considered. Based on this input and the direction provided by the Planning Commission during the Study Session, the city has identified the proposed site to proceed with the formal processes of General Plan Amendment, Zone Change, and California Environmental Quality Act (CEQA) review.

The Planning Commission recommends the City Council adopt the Negative Declaration, approve the General Plan Amendment, and introduce the Ordinance approving the zone change to Planned Development.

Mayor Lilburn asked if there were any questions from the public? Seeing none, she closed the public hearing and brought it back to City Council for deliberation.

A Motion was made by Mayor Pro Tem Saldana, seconded by Councilmember McCallon to:

1. Approve Resolution No. 2026-007, adopting a Negative Declaration and instruct staff to file a Notice of Determination with the County Clerk of the Board;
2. Approve Resolution No. 2026-008, approving General Plan Amendment (GPA 25-001) to change the General Plan Land Use Designation of approximately 89 acres (Assessor's Parcel Numbers 0297-201-07, 0297-061-50, 0297-061-07, 0297-061-42, 0297-061-26, 0297-061-13, 0297-061-25, and 0297-021-44) of existing Agricultural/Equestrian (AG/EG) to Planned Development (PD*); and
3. Introduce and conduct the first reading of Ordinance No. 478, to Rezone (ZC 25-001) Assessor's Parcel Numbers 0297-201-07, 0297-061-50, 0297-061-07, 0297-061-42, 0297-061-26, 0297-061-13, 0297-061-25, and 0297021-44 as Planned Development (PD*), consistent with Program 33 of the City's certified Sixth (6) Cycle Housing Element which requires rezoning to accommodate higher-density multifamily residential development in high-resource areas. Motion carried on a roll call vote, 4-0, with Councilmember Hogan being absent.

RESOLUTION NO. 2026-007
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA, ADOPTING A NEGATIVE DECLARATION TO CHANGE THE GENERAL PLAN AND ZONING DESIGNATION OF APPROXIMATELY 89 ACRES FROM AGRICULTURAL/EQUESTRIAN (AG/EQ) TO PLANNED DEVELOPMENT (PD) LAND USE AND ZONING FOR PROPERTY GENERALLY LOCATED ALONG GREENSPOT ROAD BETWEEN THE MEDITERRA PLANNED DEVELOPMENT/MEDITERRA PARKWAY ON THE WEST AND THE OLD GREENSPOT ROAD HISTORIC IRON BRIDGE ON THE EAST WITHIN THE CITY OF HIGHLAND. ASSESSOR'S PARCEL NUMBERS: 0297-201-07, 0297-061-50, 0297-061-07, 0297-061-42, 0297-061-26, 0297-061-13, 0297-061-25, AND 0297-021-44

RESOLUTION NO. 2026-008
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA, APPROVING GENERAL PLAN AMENDMENT (GPA 25-001) TO CHANGE THE GENERAL PLAN LAND USE DESIGNATION OF APPROXIMATELY 89 ACRES OF EXISTING AGRICULTURAL/EQUESTRIAN (AG/EQ) TO PLANNED DEVELOPMENT (PD) FOR PROPERTY GENERALLY LOCATED ALONG GREENSPOT ROAD BETWEEN THE MEDITERRA PLANNED DEVELOPMENT/MEDITERRA PARKWAY ON THE WEST AND THE OLD GREENSPOT ROAD HISTORIC IRON BRIDGE ON THE EAST WITHIN THE CITY OF HIGHLAND. ASSESSOR'S PARCEL NUMBERS: 0297-201-07, 0297-061-50, 0297-061-07, 0297-061-42, 0297-061-26, 0297-061-13, 0297-061-25, AND 0297-021-44

City Clerk Muñoz introduced Ordinance No. 478

ORDINANCE NO. 478
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA ADOPTING ZONE CHANGE (ZC 25-001) TO CHANGE THE ZONING DESIGNATION OF APPROXIMATELY 89 ACRES OF EXISTING AGRICULTURAL/EQUESTRIAN (AG/EQ) TO PLANNED DEVELOPMENT (PD*) FOR PROPERTY GENERALLY LOCATED ALONG GREENSPOT ROAD BETWEEN THE MEDITERRA PLANNED DEVELOPMENT/MEDITERRA PARKWAY ON THE WEST AND THE OLD GREENSPOT ROAD HISTORIC IRON BRIDGE ON THE EAST WITHIN THE CITY OF HIGHLAND. ASSESSOR'S PARCEL NUMBERS: 0297-201-07, 0297-061-50,0297-061-07, 0297-061-42, 0297-061-26, 0297-061-13, 0297-061-25, AND 0297-021-44

Which title was read.

City Council Legislative

14. 2026 City of Highland Community Events

Public Services Manager Morgan gave a brief review of the staff report.

A MOTION was by Councilmember McCallon, seconded by Mayor Pro Tem Saldana to approve the proposed dates for the Volunteer Recognition Dinner, Thursday, August 20, 2026 and State of the City, Thursday, October 22, 2026. Motion carried, 4-0, with Councilmember Hogan being absent.

15. City Manager Report and Comments (Work Program, Regional/Legislative/ Development Issues, Subcommittees, etc.)

City Manager Zamano stated the Highland Sheriff's Department for the month of January received 3,154 calls for service, made 332 reports, 148 arrests, issued 89 citations, conducted 305 traffic enforcement stops, responded to 58 traffic collisions, 27 transient calls, and 19 towed vehicles.

The Highland Fire Department for the month of January received 628 calls for service, some of which included: 499 medical aids, 27 traffic collisions, 2 structure fires, 2 vegetation fires, 23 other fires, 1 vehicle fire and 26 public service assistances.

The Administrative Services/Finance Department for the month of January issued 34 business licenses, renewed 481 business licenses, issued 110 dog licenses, 68 yard sale permits, and 185 account payable checks.

The Public Works Department announced the 3rd/5th Street Corridor Improvements Project was selected as the American Public Works Association (APWA) Project of the Year. The project was selected by APWA's Inland Empire Branch for best project in the Disadvantaged Community, Mobility and Safety Enhancement Category. The project constructed various improvements, including new sidewalks, medians, landscaping, signal upgrades, ADA ramps, bike lanes, and streetlights, improving safe walkability, and overall appearance of the corridors. A special thanks to our funding partners Yuhaaviatam of San Manuel Nation and the Inland Valley Development Agency (IVDA), along with the construction team. This award serves as recognition to the City's commitment to improving the Highland Community.

On Saturday, February 21, from 8:00 a.m. to 12:00 p.m., the Highland Improvement Team (HIT) will host a cleanup day event.

The Volunteer Services Department will have the Public Safety Appreciation Potluck on Tuesday, March 3 at the Police Station, 26985 Base Line and Thursday, March 5 at Fire Station No. 3, 7649 Sterling Avenue, from 12:00 p.m. to 1:00 p.m.

On Thursday, March 12, the Citrus Harvest Festival entries for the baking contest will be accepted from 7:30 a.m. to 12:00 p.m. at Highland City Hall, 27215 Base Line.

Saturday, March 14, from 9:00 a.m. to 2:00 p.m., there will be a Used Oil Filter Exchange event at the AutoZone located on Base Line and Palm Avenue.

For the month of January, Burrtec completed 196 illegal dumping work orders.

The Community Development Department announced the Point-In-Time Homeless count was conducted on Thursday, January 22, 2026. Four (4) Code enforcement Officers and four (4) Highland deputies participated this year. The total number of homeless identified was 66. This figure may increase once the San Bernardino County Homeless Services Department incorporates individuals in emergency shelters, transitional housing, and safe havens within the city. For comparison, the homeless count in 2005 was 90, and in 2024, it was 125.

The City remains engaged in a double escrow with the San Bernardino County Flood Control District and TREH Partners related to the purchase of 8.6 acres of vacant land located north of the Greenspot Crossings Shopping Center (north side of Greenspot Road and east of SR-210). This property is designated for the development of 200 market-rate multi-family housing units. On December 9, 2025, the City Council approved a request to amend the Purchase and Sale Agreement to extend the escrow closing date by 12 months, due to delays in obtaining required federal environmental permits. Following additional negotiations, the San Bernardino County Board of Supervisors approved an 18-month escrow extension on January 27, 2026, which extends the escrow deadline to July 27, 2027. The County also provided supplementary provisions to facilitate the City and TREH

Partners' closing requirements. The fully executed escrow documents to extend the escrow by 18 months were formally submitted on February 4, 2026.

Consultants from East Valley Water District (EVWD) met with staff in preparation for their 2025 Urban Water Management Plan. Staff provided zoning information and future development activities to assist EVWD in identifying the area's water supply needs for the future.

On January 27, 2026, a tenant improvement application was submitted to Building & Safety for a new Mongolian BBQ sit-down restaurant located in the Greenspot Crossing shopping center near Stater Bros. The new restaurant will occupy one of the vacant suites on the south side of the Verizon store. Once the City issues the tenant improvement permits, staff will have a better idea of the restaurant's proposed opening date, which should be sometime this summer.

16. Councilmember Comments (Agency/Committee/AB 1234 Reports, District Updates, etc.)

Mayor Pro Tem Saldana expressed appreciation to the City Council for their ongoing efforts and dedication. He extended his congratulations to Jenny's Diner on its upcoming 20th anniversary in Highland later this month. Achieving two decades in business is a significant milestone, reflecting dedication, early mornings, long nights, loyal customers, and a meaningful place within our community. Supporting local businesses like Jenny's Diner is essential to maintaining the strength of Highland. Additionally, he expressed his condolences to the family of Sergeant Grant Ward. The Sheriff's Department lost a true hero, and he will be deeply missed. Lastly, he publicly acknowledged Yuhaaviatam of the San Manuel Nation for their generous support in funding the portable radios for the Fire Department. The total cost for the radios exceeded $162,000, with the tribe contributing $140,000. Their generosity is greatly appreciated. Thank you, Chairwoman Valbuena and the entire tribal council for their leadership and ongoing commitment to our community.

Councilmember Timmer thanked staff for their hard work and dedication. After years of discussions, Council is pleased to see 3rd/5th Street Corridor Improvement Project functioning efficiently. It is encouraging to see a government project that has been successfully executed as planned. Congratulations to the team on successfully completing this initiative.

Mayor Lilburn thanked the Sheriff's Department for their ongoing dedication, collaborating efforts with the city in conducting a successful Point-In-Time Homeless Count this week, and a DUI checkpoint, a crucial initiative for community safety. Additionally, there will be an upcoming ribbon-cutting event for Movita. Councilmember McCallon and herself will meet with OmniTrans to discuss further enhancements related to city improvements. Furthermore, she thanked CalFire for their recent engagement, gaining valuable insights and thanked staff for all their efforts.

Announcements

None

Closed Session

None

Adjourn
Mayor Lilburn adjourned the meeting at 7:42 p.m. in memory of Grant Ward, Bob Ulloa, and Lori Regalado.

Submitted By:

_____
Alondra Muñoz, CMC
City Clerk

Approved By:

_____
Penny Lilburn
Mayor

Staff Report
to the City Council

Agenda Item No.3.

Date:	March 10, 2026
From:	Carlos Zamano, City Manager
Reviewed By:	Tish Nava-Cruz, Director of Administrative Services/City Treasurer
Prepared By:	Tish Nava-Cruz, Director of Administrative Services/City Treasurer
Subject:	Warrant Register No. 787

Recommendation:
Approve Warrant Register No. 787; Warrants in the amount of $3,849,639.94 and Payroll in the amount of $271,455.30.

Fiscal Impact:
The total of Cash and Expenditures is $4,121,095.24

Public Notice:
The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:
See printouts attached.

Attachments:
1. Warrant Register
2. Voucher List

Attachment 1

Warrant Register

CITY OF HIGHLAND

WARRANT REGISTER #787

March 10, 2026

Warrants:

1/27/2026	Ck#93019-93051		228,492.97
2/3/2026	Ck#93052-93086		1,345,854.61
2/6/2026	Payroll Wire #1124-1127		82,366.46
2/10/2026	Ck#93087-93128		149,196.84
2/17/2026	Ck#93129-93165		1,840,174.05
2/20/2026	Payroll Wire #1128 & Ck#93166-93170		39,535.49
2/20/2026	Payroll Wire #1129-1132		82,012.51
2/24/2026	Ck#93171-93206		82,007.01
		Total Warrants	$ 3,849,639.94

Payroll:

2/6/2026	Direct Deposits #16007-16056		133,197.16
2/6/2026	Ck #775		278.07
2/20/2026	Direct Deposits #16057-16105		137,702.00
2/20/2026	Ck #776		278.07
		Total Payroll	$ 271,455.30

	Total Warrants & Payroll	**$ 4,121,095.24**

APPROVED BY:

Larry McCallon
Finance Subcommittee

Carlos Zamano
City Manager

Jimmy Saldana
Finance Subcommittee

Leticia Nava-Cruz
Director of Administrative
Services/City Treasurer

Attachment 2

Voucher Lists

1/27/2026	Ck#93019-93051			228,492.97
2/3/2026	Ck#93052-93086			1,345,854.61
2/6/2026	Payroll Wire #1124-1127			82,366.46
2/10/2026	Ck#93087-93128			149,196.84
2/17/2026	Ck#93129-93165			1,840,174.05
2/20/2026	Payroll Wire #1128 & Ck#93166-93170			39,535.49
2/20/2026	Payroll Wire #1129-1132			82,012.51
2/24/2026	Ck#93171-93206			82,007.01
			Total Warrants	$ 3,849,639.94

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
93019	1/27/2026	004206 #1 SON PLUMBING INC	OAK CREEK PK:BACKFLOW TESTING	
			OAK CREEK PK:BACKFLOW TESTING	
			016.8540.4030	265.00
			LMD20:BACKFLOW TESTING	
			LMD20:BACKFLOW TESTING	
			012.8500.4030	185.00
			LMD17:BACKFLOW TESTING	
			LMD17:BACKFLOW TESTING	
			012.8500.4030	365.67
			LMD01:BACKFLOW TESTING	
			LMD01:BACKFLOW TESTING	
			012.8500.4030	265.00
			LMD10:BACKFLOW TESTING	
			LMD10:BACKFLOW TESTING	
			012.8500.4030	185.00
			Total :	**1,265.67**
93020	1/27/2026	005771 AMAZON CAPITAL SERVICES	FS#3:SUPPLIES	
			FS#3:SUPPLIES	
			029.2100.4055	222.12
			FS#3:SUPPLIES	
			028.2050.4055	222.10
			30% RECYCLED POP UP POST ITS	
			029.2100.4055	4.30
			30% RECYCLED POP UP POST ITS	
			028.2050.4055	4.29
			CARABINERS FOR LARGER BANNERS	
			CARABINERS FOR LARGER BANNERS	
			004.8310.4206	65.88
			Total :	**518.69**
93021	1/27/2026	006389 AMERIFLEX	FSA:ZAMANO,MORGAN,FLEMING,DURAN	
			FSA:ZAMANO 1/8/26	
			001.1182	15.00
			FSA:MORGAN 1/9/26	
			001.1182	10.00
			FSA:FLEMING 1/11/26	

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93021	1/27/2026	006389 AMERIFLEX	(Continued)		
			001.1182		9.42
			FSA:DURAN 1/14/26		
			001.1182		400.00
			FSA:LUDOLPH 1/15/26		
			FSA:LUDOLPH 1/15/26		
			001.1182		15.00
			FSA:WIRZ 1/18/26		
			001.1182		35.00
			FSA:DURAN 1/16/26		
			001.1182		100.00
				Total :	**584.42**
93022	1/27/2026	000043 BALLARD PLUMBING HEATING & AIR	FS#2BLDG MAINT		
			FS#2BLDG MAINT		
			028.2050.4070		125.00
			FS#2BLDG MAINT		
			029.2100.4070		125.00
				Total :	**250.00**
93023	1/27/2026	006363 BEST CONTRACTING SERVICES, INC	PD:LEAK REPAIR BLDG B-STORAGE		
			PD:LEAK REPAIR BLDG B-STORAGE		
			001.2000.4070		1,526.44
				Total :	**1,526.44**
93024	1/27/2026	005324 CHARLES ABBOTT ASSOCIATES, INC	FIRE MARSHALL-DEC		
			FIRE MARSHALL-DEC		
			029.2100.4540		10,253.75
				Total :	**10,253.75**
93025	1/27/2026	005553 CLARK PEST CONTROL OF STOCKTON	YMCA:PEST CONTROL		
			YMCA:PEST CONTROL		
			001.6000.4589		114.00
				Total :	**114.00**
93026	1/27/2026	006418 CORODATA SHREDDING,INC	SHREDDING SVC DEC		
			SHREDDING SVC-DEC		
			001.1200.4626		66.25

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93026	1/27/2026	006418 006418 CORODATA SHREDDING,INC.	(Continued)	**Total :**	**66.25**
93027	1/27/2026	000744 D&T AUTO REPAIR	VEH#116:VEH MAINT		
			VEH#116:VEH MAINT		
			001.6010.4240		647.27
				Total :	**647.27**
93028	1/27/2026	000213 DAILY JOURNAL CORPORATION	BID NO 2026-01:NEWSPAPER PUB		
			BID NO 2026-01:NEWSPAPER PUB		
			001.1200.4300		583.48
			BID NO 2026-02:NEWSPAPER PUB		
			BID NO 2026-02:NEWSPAPER PUB		
			001.1200.4300		583.48
			CDBG FY 26/27:NEWSPAPER PUB		
			CDBG FY 26/27:NEWSPAPER PUB		
			001.1200.4300		227.88
				Total :	**1,394.84**
93029	1/27/2026	005394 DATA TICKET, INC.	PARKING CITATIONS-DEC		
			PARKING CITATIONS-DEC		
			001.1700.4516		217.58
				Total :	**217.58**
93030	1/27/2026	006259 DEPENDABLE BREAK ROOM SOLUTION	CITY HALL:MONTHLY COFFEE		
			CITY HALL:MONTHLY COFFEE		
			042.9510.4200		229.13
				Total :	**229.13**
93031	1/27/2026	003360 DIRECTV	PD SATTELITE CABLE		
			PD:SATELLITE-DEC		
			001.2000.4065		1,446.13
				Total :	**1,446.13**
93032	1/27/2026	000085 EAST VALLEY WATER DISTRICT	LMD 17B-JAN		
			LMD 17B-JAN		
			012.8500.4030		193.27
			LMD 11-JAN		
			LMD 11-JAN		
			012.8500.4030		284.95

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
93032	1/27/2026	000085 EAST VALLEY WATER DISTRICT	(Continued)	
			LMD 17D-JAN	
			LMD 17D-JAN	
			012.8500.4030	120.09
			LMD 25-JAN	
			LMD 25-JAN	
			012.8500.4030	51.33
			LMD 17-C-JAN	
			LMD 17-C-JAN	
			012.8500.4030	51.33
			LMD 76-JAN	
			LMD 76-JAN	
			012.8500.4030	82.87
			LMD 17-A-JAN	
			LMD 17-A-JAN	
			012.8500.4030	63.30
			LMD 43-JAN	
			LMD 43-JAN	
			012.8500.4030	54.17
			LMD 55-JAN	
			LMD 55-JAN	
			012.8500.4030	417.09
			LMD 47-JAN	
			LMD 47-JAN	
			012.8500.4030	110.63
			SEELEY PK-JAN	
			SEELEY PK-JAN	
			016.8540.4030	153.85
			LMD 16-JAN	
			LMD 16-JAN	
			012.8500.4030	51.00
			Total :	**1,633.88**
93033	1/27/2026	005567 FIRE APPARATUS SOLUTIONS	ME543:REPAIRS TO CAB LIFT CYLINDER	
			ME543:REPAIRS TO CAB LIFT CYLINDER	
			028.2050.4240	3,201.09
			ME543:REPAIRS TO CAB LIFT CYLINDER	
			029.2100.4240	3,201.08

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93033	1/27/2026	005567 FIRE APPARATUS SOLUTIONS	(Continued)		
			ME541:SWITCH		
			ME541:SWITCH		
			028.2050.4240		27.58
			ME541:SWITCH		
			029.2100.4240		27.58
				Total :	**6,457.33**
93034	1/27/2026	005018 FLYERS ENERGY, LLC	FUEL-DEC		
			FUEL-DEC		
			001.2000.4220		6,721.12
			FUEL-DEC		
			001.4500.4200		128.28
			FUEL-DEC		
			001.4600.4220		59.61
			FUEL-DEC		
			001.6000.4220		77.32
			FUEL-DEC		
			004.8310.4220		290.08
			FUEL-DEC		
			028.2050.4220		1,207.20
			FUEL-DEC		
			029.2100.4220		1,207.20
			FUEL-DEC		
			042.9510.4220		19.33
				Total :	**9,710.14**
93035	1/27/2026	006146 FM THOMAS AIR CONDITIONING	LIBRARY:HVAC REPAIR		
			LIBRARY:HVAC REPAIR		
			001.6000.4588		2,300.98
			YMCA:HVAC REPAIR		
			YMCA:HVAC REPAIR		
			001.6000.4588		1,239.53
				Total :	**3,540.51**
93036	1/27/2026	006345 FOOTHILL CHAPTER I.C.C.	MEMBERSHIP FEES 25/26:WIRZ		
			MEMBERSHIP FEES 25/26:WIRZ		
			001.4500.4310		100.00

Bank code : wfb

Voucher	Date	Vendor		Description/Account		Amount
93036	1/27/2026	006345	006345 FOOTHILL CHAPTER I.C.C.	(Continued)	**Total :**	**100.00**
93037	1/27/2026	006427	FORCIBLE ENTRY, INC	FS#3:FIRE TRAINING PROP		
				FS#3:FIRE TRAINING PROP		
				029.2100.4219		10,577.97
					Total :	**10,577.97**
93038	1/27/2026	000100	GOVERNMENT FINANCE OFFICERS, ASSOCI/	GFOA AWARD ACFR 2024/25		
				GFOA AWARD ACFR 2024/25		
				001.1700.4310		670.00
					Total :	**670.00**
93039	1/27/2026	006187	GREASE MONKEY #977	VEH#138:MAINT		
				VEH#138:MAINT		
				001.6000.4240		175.88
					Total :	**175.88**
93040	1/27/2026	000105	HIGHLAND CHAMBER OF COMMERCE	HCOC INSTALLATION DINNER		
				HCOC INSTALLATION DINNER:ZAMANO		
				001.1450.4330		62.78
				HCOC INSTALLATION DINNER:MORENO		
				001.6020.4330		62.78
				HCOC INSTALLATION DINNER:WOLFE		
				001.3200.4330		62.78
				HCOC INSTALLATION DINNER:STATER		
				001.4100.4330		62.78
				HCOC INSTALLATION DINNER:NAVA-CRUZ		
				001.1700.4330		62.78
				HCOC INSTALLATION DINNER:LILBURN		
				001.1000.4330		62.78
				HCOC INSTALLATION DINNER:MCCALLON		
				001.1000.4330		62.77
				HCOC INSTALLATION DINNER:BROWN		
				001.1450.4330		62.77
				HCOC INSTALLATION DINNER:HOGAN		
				001.1000.4330		62.78
					Total :	**565.00**
93041	1/27/2026	006393	INDIVIDUAL FOODSERVICE	OFFICE SUPPIES		

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93041	1/27/2026	006393 INDIVIDUAL FOODSERVICE	(Continued)		
			30% NAPKIN DISPENSER KRAFT		
			042.9510.4200		30.27
			30% BOWLS PF 12OZ		
			042.9510.4200		52.36
			30% PLATES 9" COMP		
			042.9510.4200		78.03
				Total :	**160.66**
93042	1/27/2026	000127 K & L HARDWARE	BLANKET PURCHASE ORDER		
			CORP YARD:BATTERIES		
			004.8310.4206		45.23
			FS#3:MISC SUPPLIES		
			FS#3:MISC SUPPLIES		
			028.2050.4206		29.50
			FS#3:MISC SUPPLIES		
			029.2100.4206		29.49
				Total :	**104.22**
93043	1/27/2026	001404 LOWE'S	PD:BLDG MAINT		
			PD:BLDG MAINT		
			001.2000.4070		44.86
			PD:LIGHT MAINT		
			PD:LIGHT MAINT		
			001.2000.4070		116.61
			CORP YARD:BLDG MAINT		
			CORP YARD:BLDG MAINT		
			004.8310.4070		12.54
			CORP YARD:LIGHT MAINT		
			CORP YARD:LIGHT MAINT		
			004.8310.4070		61.40
			CORP YARD:ELECTRICAL REPAIRS		
			CORP YARD:ELECTRICAL REPAIRS		
			004.8310.4070		23.58
			CORP YARD:BLDG MAINT		
			CORP YARD:BLDG MAINT		
			004.8310.4070		16.36
			CITY HALL:MAINT		

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93043	1/27/2026	001404 LOWE'S	(Continued)		
			CITY HALL:MAINT		
			042.9510.4070		115.54
			PD:BLDG MAINT		
			PD:BLDG MAINT		
			001.2000.4070		13.27
			FS#3:BLDG MAINT		
			FS#3:BLDG MAINT		
			028.2050.4070		12.47
			FS#3:BLDG MAINT		
			029.2100.4070		12.47
				Total :	**429.10**
93044	1/27/2026	000145 MATICH CORPORATION	OLA23002 PPE#5 CON RET MOE		
			OLA23002 PPE#5 CON RET MOE		
			004.1350		39,591.87
			OLA23002 PPE#5 CON RET CAL REC		
			OLA23002 PPE#5 CON RET CAL REC		
			027.1350		3,821.50
			OLA23002 PPE#5 CON RET MSRI		
			OLA23002 PPE#5 CON RET MSRI		
			017.1350		86,123.85
			OLA23002 PPE#5 CON RET EVWD		
			OLA23002 PPE#5 CON RET EVWD		
			027.1350		2,068.00
				Total :	**131,605.22**
93045	1/27/2026	001439 OFFICE SOLUTIONS	OFFICE SUPPLIES		
			30% COLORED CANARY PAPER		
			042.9510.4200		19.70
			30% COLORED GOLDENROD PAPER		
			042.9510.4200		17.74
			30% COPY PAPER		
			042.9510.4200		946.99
			30% GREAT WHITE COPY PAPER 11" X 17"		
			042.9510.4200		57.25
				Total :	**1,041.68**

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93046	1/27/2026	000598 PR PRINTING	PD:RECEIPT BOOK STARTING#12201		
			PD:RECEIPT BOOK STARTING#12201		
			001.2000.4250		594.29
				Total :	**594.29**
93047	1/27/2026	000022 SB CO AUDITOR/CONTROLLER	PARKING CITATIONS-DEC		
			PARKING CITATIONS-DEC		
			001.1700.4516		1,088.50
				Total :	**1,088.50**
93049	1/27/2026	000086 TYLER TECHNOLOGIES, INC	EERP MIGRATION 1/5/25,1/7/25,1/8/25		
			EERP MIGRATION 1/5/25,1/7/25,1/8/25		
			007.8330.6070		4,200.00
				Total :	**4,200.00**
93050	1/27/2026	003535 WEST COAST ARBORISTS, INC.	CITYWIDE TREE MAINT-DEC		
			CITYWIDE TREE MAINT-DEC		
			004.8310.4680		25,540.25
			LIBRARY TREE MAINT-DEC		
			LIBRARY TREE MAINT-DEC		
			001.6000.4680		1,215.75
			PARKS TREE MAINT-DEC		
			CANYON OAKS PK TREE MAINT-DEC		
			016.8540.4680		324.20
			CUNNINGHAM PK TREE MAINT-DEC		
			016.8540.4680		4,295.65
			OAK CREEK PK TREE MAINT-DEC		
			016.8540.4680		1,864.15
			FS#1&3 TREE MAINT-DEC		
			FS#1&3 TREE MAINT-DEC		
			028.2050.4680		681.40

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
93050	1/27/2026	003535 WEST COAST ARBORISTS, INC.	(Continued)	
			FS#1&3 TREE MAINT-DEC	
			029.2100.4680	681.40
			LMD43:TREE MAINT	
			LMD43:TREE MAINT	
			012.8500.4585	405.25
			Total :	**35,008.05**
93051	1/27/2026	004298 ZOLL MEDICAL CORPORATION	FS#1-3:PARAMEDIC SUPPLIES	
			FS#1-3:PARAMEDIC SUPPLIES	
			028.2050.4207	1,203.40
			FS#1-3:PARAMEDIC SUPPLIES	
			FS#1-3:PARAMEDIC SUPPLIES	
			028.2050.4207	1,112.97
			Total :	**2,316.37**

32 **Vouchers for bank code :** wfb **Bank total :** $**228,492.97**

32 **Vouchers in this report** **Total vouchers :** **$228,492.97**

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93052	2/3/2026	005737 AGA ENGINEERS, INC.	ON CALL TRAFFIC ENG SVC-DEC		
			ON CALL TRAFFIC ENG SVC-DEC		
			020.8440.4550		190.00
			TS MONITORING-DEC		
			TS MONITORING-DEC		
			020.8440.4550		3,200.00
				Total :	**3,390.00**
93053	2/3/2026	000014 ALL CITY MANAGEMENT SERVICES	CROSSING GUARD SVC 1/4/26-1/17/26		
			CROSSING GUARD SVC 1/4/26-1/17/26		
			002.8200.4530		2,077.80
				Total :	**2,077.80**
93054	2/3/2026	005771 AMAZON CAPITAL SERVICES	FS#2:JANITORIAL SUPPLIES		
			FS#2:JANITORIAL SUPPLIES		
			029.2100.4055		180.28
			FS#2:JANITORIAL SUPPLIES		
			028.2050.4055		180.26
			BADGE HOLDERS & LANYARDS		
			BADGE HOLDERS & LANYARDS		
			041.9500.4349		50.54
			TONER FOR BADGE PRINTER		
			TONER FOR BADGE PRINTER		
			001.1600.4200		69.19
			100% POST-IT POP-UP NOTES		
			100% POST-IT POP-UP NOTES		
			001.1700.4200		13.35
			OFFICE SUPPLIES		
			001.1700.4200		83.42
			RETURN 100% RECYCLED COMPOSTABLE PPR		
			RETURN 100% RECYCLED COMPOSTABLE PPR		
			001.2000.4250		-75.41
			IT:SUPPLIES		
			IT:SUPPLIES		
			042.9510.4208		168.17
			IT:SUPPLIES		
			042.9510.4200		21.50

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93054	2/3/2026	005771 AMAZON CAPITAL SERVICES	(Continued)		
			RETURN 100% RECYCLED COMPOSTABLE PPR		
			RETURN 100% RECYCLED COMPOSTABLE PPR		
			001.2000.4250		-75.41
			100% RECYCLED COMPOSTABLE PAPER PLATES		
			100% RECYCLED COMPOSTABLE PAPER PLATES		
			001.2000.4250		301.64
			RETURN 100% RECYCLED COMPOSTABLE PPR		
			RETURN 100% RECYCLED COMPOSTABLE PPR		
			001.2000.4250		-75.41
			RETURN 100% RECYCLED COMPOSTABLE PPR		
			RETURN 100% RECYCLED COMPOSTABLE PPR		
			001.2000.4250		-75.41
				Total :	**766.71**
93055	2/3/2026	006389 AMERIFLEX	FSA:ZAMANO 1/23/26		
			FSA:ZAMANO 1/23/26		
			001.1182		0.00
			FSA:MORGAN 1/25/26		
			001.1182		10.00
				Total :	**10.00**
93056	2/3/2026	006228 BIG BRAND TIRE & SERVICE CO	VEH#123:TIRES		
			VEH#123:TIRES		
			001.4200.4240		298.78
				Total :	**298.78**
93057	2/3/2026	002960 BURRTEC WASTE INDUSTRIES INC	SOLID WASTE PROG 1/1-1/9/26		
			SOLID WASTE PROG 1/1-1/9/26		
			051.1496		39,771.22
				Total :	**39,771.22**
93058	2/3/2026	002480 CASC ENGINEERING & CONSULTING	FWQ17006-DEC		
			FWQ17006-DEC		
			001.3200.4551		665.00
			WQP24005-DEC		
			WQP24005-DEC		
			001.3200.4551		315.00
			WQP25004-DEC		

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
93058	2/3/2026	002480 CASC ENGINEERING & CONSULTING	(Continued)	
			WQP25004-DEC	
			001.3200.4551	175.00
			WQP25005-DEC	
			WQP25005-DEC	
			001.3200.4551	192.50
			WQP25007-DEC	
			WQP25007-DEC	
			001.3200.4551	770.00
			FWQ24001-DEC	
			FWQ24001-DEC	
			001.3200.4551	100.00
			FWQ19001-DEC	
			FWQ19001-DEC	
			001.3200.4551	270.00
			FWQ21006-DEC	
			FWQ21006-DEC	
			001.3200.4551	270.00
			FWQ24002-DEC	
			FWQ24002-DEC	
			001.3200.4551	300.00
			WQP21001-DEC	
			WQP21001-DEC	
			001.3200.4551	270.00
			FWQ24003-DEC	
			FWQ24003-DEC	
			001.3200.4551	300.00
			FWQ17006-DEC	
			FWQ17006-DEC	
			001.3200.4551	270.00
			WQP25004-DEC	
			WQP25004-DEC	
			001.3200.4551	202.50
			Total :	**4,100.00**
93059	2/3/2026	005548 CHARGEPOINT, INC.	EV CHGR:200A CCS1 RPLCMNT CABLE	
			EV CHGR:200A CCS1 RPLCMNT CABLE	
			042.9510.4245	2,969.25

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93059	2/3/2026	005548 005548 CHARGEPOINT, INC.	(Continued)	**Total :**	**2,969.25**
93060	2/3/2026	006373 COMPUTERIZED EMBROIDERY INC.	EMERGENCY ID SHIRTS EMERGENCY ID SHIRTS 041.9500.4349		2,102.14
				Total :	**2,102.14**
93061	2/3/2026	006259 DEPENDABLE BREAK ROOM SOLUTION	CITY HALL:COOLER RENTAL CITY HALL:COOLER RENTAL 042.9510.4200		43.09
			COUNCIL:COOLER RENTAL COUNCIL:COOLER RENTAL 042.9510.4200		18.32
				Total :	**61.41**
93062	2/3/2026	000085 EAST VALLEY WATER DISTRICT	LMD 04-JAN LMD 04-JAN 012.8500.4030		62.69
			POLICE STATION-JAN POLICE STATION-JAN 001.2000.4030		206.46
			POLICE STATION-JAN POLICE STATION-JAN 001.2000.4030		236.64
			LMD 29-JAN LMD 29-JAN 012.8500.4030		85.40
			CITY HALL-JAN CITY HALL-JAN 042.9510.4030		142.11
			LMD 15A-JAN LMD 15A-JAN 012.8500.4030		139.67
			LMD 07-JAN LMD 07-JAN 012.8500.4030		85.71
			BASELINE MEDIAN-JAN BASELINE MEDIAN-JAN		

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
93062	2/3/2026	000085 EAST VALLEY WATER DISTRICT	(Continued)	
			004.8310.4030	107.79
			FS#1-JAN	
			FS#1-JAN	
			029.2100.4030	75.36
			FS#1-JAN	
			028.2050.4030	75.36
			LMD 21-B-JAN	
			LMD 21-B-JAN	
			012.8500.4030	239.62
			FS#2-JAN	
			FS#2-JAN	
			029.2100.4030	145.23
			FS#2-JAN	
			028.2050.4030	145.23
			AURANTIA PK-JAN	
			AURANTIA PK-JAN	
			001.6000.4030	669.07
			LMD 44-JAN	
			LMD 44-JAN	
			012.8500.4030	589.41
			LMD 15-B-JAN	
			LMD 15-B-JAN	
			012.8500.4030	157.85
			FS#3 FS-JAN	
			FS#3 FS-JAN	
			029.2100.4030	11.26
			FS#3 FS-JAN	
			028.2050.4030	11.25
			FS#2 FS-JAN	
			FS#2 FS-JAN	
			029.2100.4030	10.56
			FS#2 FS-JAN	
			028.2050.4030	10.55
			BASELINE MEDIAN-JAN	
			BASELINE MEDIAN-JAN	
			004.8310.4030	124.51
			LMD 73-JAN	

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
93062	2/3/2026	000085 EAST VALLEY WATER DISTRICT	(Continued)	
			LMD 73-JAN	
			012.8500.4030	85.71
			LMD 37-JAN	
			LMD 37-JAN	
			012.8500.4030	176.23
			FS#3 DOM-JAN	
			FS#3 DOM-JAN	
			028.2050.4030	184.56
			FS#3 DOM-JAN	
			029.2100.4030	184.56
			LMD 21-A-JAN	
			LMD 21-A-JAN	
			012.8500.4030	67.40
			POLICE STATION FS-JAN	
			POLICE STATION FS-JAN	
			001.2000.4030	22.51
			FS#3 IRR-JAN	
			FS#3 IRR-JAN	
			029.2100.4030	40.50
			FS#3 IRR-JAN	
			028.2050.4030	40.49
			BOULDER MEDIAN-JAN	
			BOULDER MEDIAN-JAN	
			004.8310.4030	220.33
			POLICE STATION FS-JAN	
			POLICE STATION FS-JAN	
			001.2000.4030	22.51
			CITY HALL FS-JAN	
			CITY HALL FS-JAN	
			042.9510.4030	23.30
			Total :	**4,399.83**
93063	2/3/2026	005018 FLYERS ENERGY, LLC	FUEL-JAN	
			FUEL-JAN	
			001.2000.4220	2,759.62
			FUEL-JAN	
			001.4200.4220	45.34

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93063	2/3/2026	005018 FLYERS ENERGY, LLC	(Continued)		
			FUEL-JAN		
			001.4500.4220		61.27
			FUEL-JAN		
			001.4600.4220		91.78
			FUEL-JAN		
			001.6000.4220		111.79
			FUEL-JAN		
			004.8310.4220		419.34
			FUEL-JAN		
			028.2050.4220		414.18
			FUEL-JAN		
			029.2100.4220		414.18
			FUEL-JAN		
			042.9510.4220		27.94
				Total :	**4,345.44**
93064	2/3/2026	000105 HIGHLAND CHAMBER OF COMMERCE	HCOC INSTALLATION DINNER		
			HCOC INSTALLATION DINNER-DURAN		
			001.3200.4300		65.00
			HCOC CHAMBER LUNCH-NAVA-CRUZ		
			001.1700.4330		25.00
			HCOC CHAMBER LUNCH-MORENO		
			001.6020.4330		25.00
			HCOC CHAMBER LUNCH-MORGAN		
			001.4200.4330		25.00
			HCOC CHAMBER LUNCH-ZAMANO		
			001.1450.4330		25.00
			HCOC CHAMBER LUNCH-SALDANA		
			001.1000.4330		25.00
			HCOC CHAMBER LUNCH-LILBURN		
			001.1000.4330		25.00
			HCOC CHAMBER LUNCH-DURAN		
			001.3200.4330		25.00
				Total :	**240.00**
93065	2/3/2026	000207 KONICA MINOLTA	COPIER LEASE-JAN		
			COPIER LEASE-JAN		

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93065	2/3/2026	000207 KONICA MINOLTA	(Continued)		
			001.2000.4205		603.40
			COPIER LEASE-JAN		
			042.9510.4205		1,698.14
				Total :	**2,301.54**
93066	2/3/2026	000168 MICHELLE GOMEZ, PETTY CASH	PETTY CASH-JAN		
			STAFF HOLIDAY PARTY		
			001.1600.4337		54.84
			CEQA FILING CITY CREEK BRIDGE		
			010.3830.6600		75.00
			HIT FOOD		
			001.6020.4336		36.00
			POINT IN TIME COUNT		
			001.1000.4336		39.00
			PETTY CASH-JAN		
			001.0020		0.00
				Total :	**204.84**
93067	2/3/2026	005087 MORENO, DENISE	MILEAGE REIMB-JAN		
			MILEAGE REIMB-JAN		
			001.6020.4332		0.87
				Total :	**0.87**
93068	2/3/2026	001114 PARKHOUSE TIRE, INC.	ME541:REAR TIRES		
			ME541:REAR TIRES		
			029.2100.4240		1,099.57
			ME541:REAR TIRES		
			028.2050.4240		1,099.56
			ME542:TIRES		
			ME542:TIRES		
			028.2050.4240		87.44
			ME542:TIRES		
			029.2100.4240		87.44
			ME543:TIRE REPAIRS		
			ME543:TIRE REPAIRS		
			028.2050.4240		828.34
			ME543:TIRE REPAIRS		

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93068	2/3/2026	001114 PARKHOUSE TIRE, INC.	(Continued)		
			029.2100.4240		828.33
				Total :	**4,030.68**
93069	2/3/2026	006465 QUALITY FACTOR PAINTING, INC.	GRANT PROG:28942 MERRIS ST-50% COMP		
			SF GRANT PRG:28942 MERRIS ST-50%		
			070.7000.4349		3,135.00
				Total :	**3,135.00**
93070	2/3/2026	006465 QUALITY FACTOR PAINTING, INC.	GRANT PROG:28942 MERRIS ST-100% COMP		
			SF GRANT PRG:28942 MERRIS ST-100%		
			070.7000.4349		3,135.00
				Total :	**3,135.00**
93071	2/3/2026	006465 QUALITY FACTOR PAINTING, INC.	SF GRANT PRG:28942 MERRIS ST-DEPOSIT		
			SF GRANT PRG:28942 MERRIS ST-DEPOSIT		
			070.7000.4349		696.00
				Total :	**696.00**
93072	2/3/2026	002511 RECORDER-CLERK CO OF SB	DOCUMENT RECORDING-JAN		
			DOCUMENT RECORDING-JAN		
			001.1200.4506		60.00
				Total :	**60.00**
93073	2/3/2026	000030 SAN BERNARDINO COUNTY SHERIFFS	POLICE SVC-JAN		
			POLICE SVC-JAN		
			001.2000.4560		1,252,028.00
			GENERAL SERVICES EXPENSE 07/25-09/25		
			GENERAL SERVICES EXPENSE 07/25-09/25		
			001.2000.4560		38,462.69
			OVERTIME 07/25-09/25		
			OVERTIME 07/25-09/25		
			001.2000.4555		121,826.34
			JAG 22 07/25-09/25		
			JAG 22 07/25-09/25		
			026.8480.4560		2,070.51
			JAG 22 07/25-09/25		
			JAG 22 07/25-09/25		
			001.2000.4560		5.01

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93073	2/3/2026	000030 SAN BERNARDINO COUNTY SHERIFFS	(Continued)		
			PD OT:FIREWORKS/4TH PARADE 07/25-09/25		
			PD OT:FIREWORKS/4TH PARADE 07/25-09/25		
			001.2000.4555		11,588.20
			PERSONNEL CREDITS 07/25-09/25		
			PERSONNEL CREDITS 07/25-09/25		
			001.2000.4555		-234,975.48
				Total :	**1,191,005.27**
93074	2/3/2026	003713 SATCOM GLOBAL LTD.	SATTELITE PHONE-JAN		
			SATTELITE PHONE-JAN		
			028.2050.4061		28.61
			SATTELITE PHONE-JAN		
			029.2100.4061		28.60
			SATTELITE PHONE-JAN		
			001.2000.4061		57.21
			SATTELITE PHONE-JAN		
			042.9510.4061		57.21
				Total :	**171.63**
93075	2/3/2026	000204 SOCALGAS	FS#2-JAN		
			FS#2-JAN		
			028.2050.4020		48.67
			FS#2-JAN		
			029.2100.4020		48.66
			CITY HALL-JAN		
			CITY HALL-JAN		
			042.9510.4020		589.27
			POLICE-JAN		
			POLICE-JAN		
			001.2000.4020		2,612.31
			FS#3-JAN		
			FS#3-JAN		
			028.2050.4020		107.80
			FS#3-JAN		
			029.2100.4020		107.80
			FS#1-JAN		
			FS#1-JAN		

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
93075	2/3/2026	000204 SOCALGAS	(Continued)	
			028.2050.4020	51.56
			FS#1-JAN	
			029.2100.4020	51.55
			Total :	**3,617.62**
93076	2/3/2026	000203 SOUTHERN CALIFORNIA EDISON	POLICE STATION-JAN	
			POLICE STATION-JAN	
			001.2000.4010	6,408.39
			SCE APPLIED INCORRECTLY-JAN	
			001.1700.4400	34.49
			EVC STATIONS-JAN	
			EVC STATIONS-JAN	
			042.9510.4012	5,688.74
			CITY HALL-JAN	
			CITY HALL-JAN	
			042.9510.4010	1,501.51
			CORP YARD-JAN	
			CORP YARD-JAN	
			004.8310.4010	1,069.70
			FS#1-3-JAN	
			FS#3-JAN	
			028.2050.4010	645.65
			FS#3-JAN	
			029.2100.4010	645.65
			FS#1-JAN	
			028.2050.4010	359.25
			FS#1-JAN	
			029.2100.4010	359.24
			FS#2-JAN	
			028.2050.4010	364.45
			FS#2-JAN	
			029.2100.4010	364.45
			LIBRARY/ELC-JAN	
			LIBRARY/ELC-JAN	
			001.6000.4010	5,523.45
			Total :	**22,964.97**

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93077	2/3/2026	000203 SOUTHERN CALIFORNIA EDISON	LS3-1/2 5T ST-JAN		
			LS3-JAN		
			013.8510.4011		14.04
			LS3-1/2 5T ST-OCT		
			LS3-OCT		
			013.8510.4011		-42.42
			LS3-1/2 5T ST-NOV		
			LS3-NOV		
			013.8510.4011		14.98
			LS3-1/2 5T ST-DEC		
			LS3-DEC		
			013.8510.4011		14.51
				Total :	**1.11**
93078	2/3/2026	001086 STK ARCHITECTURE, INC.	FAC25001 DES DIF-DEC		
			FAC25001 DES DIF-DEC		
			007.8330.6803		6,000.00
				Total :	**6,000.00**
93079	2/3/2026	006464 SUPERIOR FENCE & RAIL I E	GRANT:8009 CHURCH ST.		
			GRANT:8009 CHURCH ST.		
			010.3830.4349		575.00
				Total :	**575.00**
93080	2/3/2026	006405 SUPERIOR MEDICAL	ILLEGAL DUMPED SHARPS		
			ILLEGAL DUMPED SHARPS		
			001.4200.4596		60.00
				Total :	**60.00**
93081	2/3/2026	004920 TKE ENGINEERING	GENERAL ENG SVCS-NOV		
			GENERAL ENG SVCS-NOV		
			023.3890.4550		1,815.00
			GENERAL ENG SVCS-DEC		
			GENERAL ENG SVCS-DEC		
			023.3890.4550		2,040.00
				Total :	**3,855.00**
93082	2/3/2026	000465 TOM DODSON & ASSOCIATES	STR17002 PE CCF(2017)-DEC		
			STR17002 PE CCF(2017)-DEC		

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93082	2/3/2026	000465 TOM DODSON & ASSOCIATES	(Continued)		
			027.8490.6550		18,216.24
				Total :	**18,216.24**
93083	2/3/2026	005839 TRUSTED TECH TEAM	MICROSOFT 365-FEB		
			MICROSOFT 365-FEB		
			042.9510.4533		2,333.50
				Total :	**2,333.50**
93084	2/3/2026	000086 TYLER TECHNOLOGIES, INC	EERP MIGRATION 1/12-1/15/26		
			EERP MIGRATION 1/12-1/15/26		
			007.8330.6070		4,900.00
				Total :	**4,900.00**
93085	2/3/2026	000237 WILLDAN ASSOCIATES	CODE ENFORCEMENT-DEC		
			CODE ENFORCEMENT-DEC		
			001.4600.4538		12,675.00
				Total :	**12,675.00**
93086	2/3/2026	004298 ZOLL MEDICAL CORPORATION	FS#1-3:PARAMEDIC SUPPLIES		
			FS#1-3:PARAMEDIC SUPPLIES		
			028.2050.4207		1,382.76
				Total :	**1,382.76**

35 Vouchers for bank code : wfb **Bank total :** **1,345,854.61**

35 Vouchers in this report **Total vouchers :** **1,345,854.61**

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
1124	2/6/2026	006400 MISSION SQUARE PLAN SERVICES	MISSION SQ DEF COMP 457 TRAD: PAYMENT	
			MISSION SQ DEF COMP 457 TRAD: Payment 041.1170	187.49
			MISSION SQ DEF COMP 457 TRAD: Payment 042.1170	440.17
			MISSION SQ DEF COMP 457 TRAD: Payment 070.1170	212.49
			MISSION SQ DEF COMP 457 ROTH: Payment 001.1170	263.74
			MISSION SQ DEF COMP 457 ROTH: Payment 042.1170	46.65
			MISSION SQ DEF COMP 457 TRAD: Payment 001.1170	10,263.63
			MISSION SQ DEF COMP 457 TRAD: Payment 004.1170	1,742.87
			MISSION SQ DEF COMP 457 TRAD: Payment 010.1170	489.58
			MISSION SQ DEF COMP 457 TRAD: Payment 012.1170	28.68
			MISSION SQ DEF COMP 457 TRAD: Payment 016.1170	28.63
			MISSION SQ DEF COMP 457 TRAD: Payment 023.1170	25.00
			MISSION SQ DEF COMP 457 TRAD: Payment 024.1170	12.92
			Total :	**13,741.85**
1125	2/6/2026	000119 INTERNAL REVENUE SERVICE	FEDERAL TAXES: PAYMENT	
			SOCIAL SECURITY: Payment 001.1140	720.26
			SOCIAL SECURITY: Payment 008.1140	66.62
			SOCIAL SECURITY: Payment 042.1140	61.24
			MEDICARE: Payment 001.1140	3,702.42

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
1125	2/6/2026	000119 INTERNAL REVENUE SERVICE	(Continued)	
			MEDICARE: Payment	
			004.1140	706.68
			MEDICARE: Payment	
			008.1140	15.58
			MEDICARE: Payment	
			010.1140	209.30
			MEDICARE: Payment	
			012.1140	70.58
			MEDICARE: Payment	
			016.1140	70.60
			MEDICARE: Payment	
			023.1140	32.22
			MEDICARE: Payment	
			024.1140	5.40
			MEDICARE: Payment	
			041.1140	93.26
			MEDICARE: Payment	
			042.1140	548.68
			MEDICARE: Payment	
			070.1140	166.26
			FEDERAL TAXES: Payment	
			001.1120	15,501.72
			FEDERAL TAXES: Payment	
			004.1120	2,579.95
			FEDERAL TAXES: Payment	
			010.1120	831.07
			FEDERAL TAXES: Payment	
			012.1120	279.42
			FEDERAL TAXES: Payment	
			016.1120	279.36
			FEDERAL TAXES: Payment	
			023.1120	94.07
			FEDERAL TAXES: Payment	
			024.1120	15.62
			FEDERAL TAXES: Payment	
			041.1120	564.75

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
1125	2/6/2026	000119 INTERNAL REVENUE SERVICE	(Continued)	
			FEDERAL TAXES: Payment	
			042.1120	1,994.50
			FEDERAL TAXES: Payment	
			070.1120	922.75
			Total :	**29,532.31**
1126	2/6/2026	000004 PUBLIC EMPLOYEE RETIREMENT SYS	EPMC: PAYMENT	
			PERS: Payment	
			042.1145	2,454.95
			PERS: Payment	
			070.1145	1,027.26
			PERS SURVIVOR: Payment	
			001.1145	25.48
			PERS SURVIVOR: Payment	
			004.1145	5.22
			PERS SURVIVOR: Payment	
			010.1145	1.08
			PERS SURVIVOR: Payment	
			012.1145	0.75
			EPMC: Payment	
			001.1145	542.33
			EPMC: Payment	
			004.1145	89.20
			EPMC: Payment	
			023.1145	9.98
			EPMC: Payment	
			024.1145	0.77
			EPMC: Payment	
			041.1145	22.61
			EPMC: Payment	
			042.1145	7.89
			EPMC: Payment	
			070.1145	64.49
			PERS: Payment	
			001.1145	19,226.13
			PERS: Payment	

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
1126	2/6/2026	000004 PUBLIC EMPLOYEE RETIREMENT SYS	(Continued)	
			004.1145	3,733.46
			PERS: Payment	
			010.1145	1,094.24
			PERS: Payment	
			012.1145	323.62
			PERS: Payment	
			016.1145	323.57
			PERS: Payment	
			023.1145	183.54
			PERS: Payment	
			024.1145	26.77
			PERS: Payment	
			041.1145	557.08
			PERS SURVIVOR: Payment	
			016.1145	0.71
			PERS SURVIVOR: Payment	
			023.1145	0.40
			PERS SURVIVOR: Payment	
			024.1145	0.04
			PERS SURVIVOR: Payment	
			041.1145	0.32
			PERS SURVIVOR: Payment	
			042.1145	5.29
			PERS SURVIVOR: Payment	
			070.1145	0.70
			Total :	**29,727.88**
1127	2/6/2026	000001 CALIF STATE EMPLOYMENT	STATE TAXES: PAYMENT	
			STATE TAXES: Payment	
			001.1130	6,466.18
			STATE TAXES: Payment	
			004.1130	1,038.10
			STATE TAXES: Payment	
			010.1130	399.59
			STATE TAXES: Payment	
			012.1130	66.25

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
1127	2/6/2026	000001 CALIF STATE EMPLOYMENT	(Continued)	
			STATE TAXES: Payment	
			016.1130	66.21
			STATE TAXES: Payment	
			023.1130	27.23
			STATE TAXES: Payment	
			024.1130	6.09
			STATE TAXES: Payment	
			041.1130	217.13
			STATE TAXES: Payment	
			042.1130	744.07
			STATE TAXES: Payment	
			070.1130	333.57
			Total :	**9,364.42**

4 Vouchers for bank code : wfb **Bank total :** **82,366.46**

4 Vouchers in this report **Total vouchers :** **82,366.46**

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93087	2/10/2026	004206 #1 SON PLUMBING INC	YMCA:FIRE SRVC BACKFLOW TEST & CERT		
			YMCA:FIRE SRVC BACKFLOW TEST & CERT		
			001.6000.4030		454.62
			LMD17:BACKFLOW TESTING		
			LMD17:BACKFLOW TESTING		
			012.8500.4030		318.67
			CANYON OAK PK:BACKFLOW TESTING		
			CANYON OAK PK:BACKFLOW TESTING		
			016.8540.4030		205.67
			LIBRARY:BACKFLOW TESTING		
			LIBRARY:BACKFLOW TESTING		
			001.6000.4030		180.67
			LMD48B:BACKFLOW TESTING		
			LMD48B:BACKFLOW TESTING		
			012.8500.4030		225.94
			CORP YARD:BLDG MAINT		
			CORP YARD:BLDG MAINT		
			004.8310.4070		885.42
				Total :	**2,270.99**
93088	2/10/2026	005771 AMAZON CAPITAL SERVICES	MONTHLY DESK PAD 2026		
			MONTHLY DESK PAD 2026		
			001.4500.4200		16.73
			B&S:EMERG VEH KITS		
			B&S:EMERG VEH KITS		
			001.4500.4200		358.50
				Total :	**375.23**
93089	2/10/2026	006389 AMERIFLEX	FSA:ZAMANO 1/29/26		
			FSA:ZAMANO 1/29/26		
			001.1182		40.00
			FSA:BARRERA 1/31/26,2/4/26		
			001.1182		71.26
			FSA:MORGAN 2/3/26		
			001.1182		94.99
				Total :	**206.25**

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93090	2/10/2026	005516 BASE HILL, INC.	CITY HALL-JAN		
			CITY HALL-JAN		
			042.9510.4504		1,808.80
			CC-JAN		
			042.9510.4504		360.14
			AURANTIA PARK-JAN		
			001.6000.4504		1,683.73
			COMMUNITY PARK-JAN		
			001.6000.4504		2,759.98
			POLICE DEPT-JAN		
			001.2000.4504		1,250.64
				Total :	**7,863.29**
93091	2/10/2026	006228 BIG BRAND TIRE & SERVICE CO	EQUIP#136:DUMP TRAILER TIRES		
			EQUIP#136:DUMP TRAILER TIRES		
			004.8310.4245		532.51
			VEH#127:TIRES		
			VEH#127:TIRES		
			042.9510.4240		975.37
				Total :	**1,507.88**
93092	2/10/2026	002756 CENTRAL LITTLE LEAGUE	CDBG LITTLE LEAGUE-JAN		
			CDBG LITTLE LEAGUE-JAN		
			006.8400.4348		5,850.00
			CDBG LITTLE LEAGUE-JAN		
			CDBG LITTLE LEAGUE-JAN		
			006.8400.4348		2,700.00
				Total :	**8,550.00**
93093	2/10/2026	005553 CLARK PEST CONTROL OF STOCKTON	FS#1:PEST CONTROL		
			FS#1:PEST CONTROL		
			028.2050.4589		28.00
			FS#1:PEST CONTROL		
			029.2100.4589		28.00
			FS#2:PEST CONTROL		
			FS#2:PEST CONTROL		
			028.2050.4589		28.00
			FS#2:PEST CONTROL		

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93093	2/10/2026	005553 CLARK PEST CONTROL OF STOCKTON	(Continued)		
			029.2100.4589		28.00
			FS#3:PEST CONTROL		
			FS#3:PEST CONTROL		
			028.2050.4589		28.00
			FS#3:PEST CONTROL		
			029.2100.4589		28.00
			CITY HALL:PEST CONTROL		
			CITY HALL:PEST CONTROL		
			042.9510.4589		75.00
			PD:PEST CONTROL		
			PD:PEST CONTROL		
			001.2000.4589		116.00
			CORP YARD:PEST CONTROL		
			CORP YARD:PEST CONTROL		
			004.8310.4589		88.00
				Total :	**447.00**
93094	2/10/2026	000213 DAILY JOURNAL CORPORATION	ORD FIRST SUMM HE HRG:NEWSPAPER PUB		
			ORD FIRST SUMM HE HRG:NEWSPAPER PUB		
			001.1200.4300		329.48
			CUP21001 (EXT25008) HRG		
			CUP21001 (EXT25008) HRG		
			001.1200.4300		354.88
				Total :	**684.36**
93095	2/10/2026	000085 EAST VALLEY WATER DISTRICT	BEATTIE-IRRIGATION-JAN		
			BEATTIE-IRRIGATION-JAN		
			001.6000.4030		370.98
			LMD 48B-JAN		
			LMD 48B-JAN		
			012.8500.4030		781.71
			LMD 02-E-JAN		
			LMD 02-E-JAN		
			012.8500.4030		373.57
			LMD 48C-JAN		
			LMD 48C-JAN		
			012.8500.4030		419.91

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
93095	2/10/2026	000085 EAST VALLEY WATER DISTRICT	(Continued)	
			LMD 31-JAN	
			LMD 31-JAN	
			012.8500.4030	189.50
			LMD 00-BASELINE-JAN	
			LMD 00-BASELINE-JAN	
			012.8500.4030	191.38
			LMD 22-JAN	
			LMD 22-JAN	
			012.8500.4030	174.64
			LMD 03-YARNELL-JAN	
			LMD 03-YARNELL-JAN	
			012.8500.4030	45.64
			LMD 02-A-JAN	
			LMD 02-A-JAN	
			012.8500.4030	57.01
			LMD 03-BASELINE-JAN	
			LMD 03-BASELINE-JAN	
			012.8500.4030	80.99
			LMD 20-BASELINE-JAN	
			LMD 20-BASELINE-JAN	
			012.8500.4030	173.41
			LMD 01-A-JAN	
			LMD 01-A-JAN	
			012.8500.4030	62.69
			LMD 36-JAN	
			LMD 36-JAN	
			012.8500.4030	110.01
			LMD 35-JAN	
			LMD 35-JAN	
			012.8500.4030	169.29
			LMD 06-JAN	
			LMD 06-JAN	
			012.8500.4030	51.33
			LMD 01-B-JAN	
			LMD 01-B-JAN	
			012.8500.4030	82.57
			LMD 48-JAN	

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
93095	2/10/2026	000085 EAST VALLEY WATER DISTRICT	(Continued)	
			LMD 48-JAN	
			012.8500.4030	433.79
			LMD 30-JAN	
			LMD 30-JAN	
			012.8500.4030	249.05
			LMD 39-JAN	
			LMD 39-JAN	
			012.8500.4030	488.97
			CANYON OAKS PK-JAN	
			CANYON OAKS PK-JAN	
			016.8540.4030	547.39
			LMD 02-B-JAN	
			LMD 02-B-JAN	
			012.8500.4030	179.91
			LMD 13-JAN	
			LMD 13-JAN	
			012.8500.4030	150.27
			LMD 02-D-JAN	
			LMD 02-D-JAN	
			012.8500.4030	103.89
			LMD 02-C-JAN	
			LMD 02-C-JAN	
			012.8500.4030	160.35
			LMD 08-JAN	
			LMD 08-JAN	
			012.8500.4030	154.69
			LMD 48C-IRR-JAN	
			LMD 48C-IRR-JAN	
			012.8500.4030	337.01
			LMD 20-STREATER-JAN	
			LMD 20-STREATER-JAN	
			012.8500.4030	69.62
			Total :	**6,209.57**
93096	2/10/2026	000085 EAST VALLEY WATER DISTRICT	BOULDER MEDIAN-JAN	
			BOULDER MEDIAN-JAN	
			004.8310.4030	96.77

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93096	2/10/2026	000085 EAST VALLEY WATER DISTRICT	(Continued)		
			BOULDER MEDIAN-JAN		
			BOULDER MEDIAN-JAN		
			004.8310.4030		76.89
			LMD 70-JAN		
			LMD 70-JAN		
			012.8500.4030		82.57
			LMD 68/69-JAN		
			LMD 68/69-JAN		
			012.8500.4030		414.41
			LMD 70 IRRIGATION-JAN		
			LMD 70 IRRIGATION-JAN		
			012.8500.4030		295.95
			LMD 79-JAN		
			LMD 79-JAN		
			012.8500.4030		133.33
				Total :	**1,099.92**
93097	2/10/2026	000266 FAIRVIEW FORD SALES INC	VEH#138:TIRES ALIGNMENT		
			VEH#138:TIRES ALIGNMENT		
			001.6000.4240		199.95
				Total :	**199.95**
93098	2/10/2026	002617 FERGUSON ENTERPRISES LLC	LIBRARY:TOILET REPAIR		
			LIBRARY:TOILET REPAIR		
			001.6000.4070		84.80
			COMM PK:RESTROOM REPAIR		
			COMM PK:RESTROOM REPAIR		
			001.6000.4206		115.65
				Total :	**200.45**
93099	2/10/2026	006309 FREEDOM FOREVER LLC	BP#20250683 REFUND		
			BP#20250683 REFUND		
			001.1450.7600		325.00
			BP#20250683 REFUND		
			BP#20250683 REFUND		
			001.1450.7610		87.00
				Total :	**412.00**

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93100	2/10/2026	006429 GOLDEN WEST FENCE	CORP YARD:GATE REPAIR		
			CORP YARD:GATE REPAIR		
			004.8310.4206		1,382.38
				Total :	**1,382.38**
93101	2/10/2026	002845 GRAINGER INC	PD:PLUMBING REPAIR		
			PD:PLUMBING REPAIR		
			001.2000.4070		396.79
			FS#1:BLDG LIGHTING		
			FS#1:BLDG LIGHTING		
			028.2050.4070		49.62
			FS#1:BLDG LIGHTING		
			029.2100.4070		49.62
			COMM PK:RESTROOM MAINT		
			COMM PK:RESTROOM MAINT		
			001.6000.4070		150.49
			LIBRARY:BLDG MAINT		
			LIBRARY:BLDG MAINT		
			001.6000.4070		285.20
			BOTTLE FILLER		
			BOTTLE FILLER		
			027.8490.4349		1,678.21
				Total :	**2,609.93**
93102	2/10/2026	000108 HIGH TECH SECURITY	BURG SYST & MONIT-MAR		
			CORP YARD BURG SYST & MONIT-MAR		
			004.8310.4066		55.00
			CITY HALL BURG SYST & MONIT-MAR		
			042.9510.4066		100.00
			COMM PK BURG SYST & MONIT-MAR		
			001.6000.4066		55.00
			FIRE SYST & MONIT-MAR		
			CORP YARD FIRE SYST & MONIT-MAR		
			004.8310.4066		85.00
			LIB/YMCA FIRE SYST & MONIT-MAR		
			001.6000.4066		135.00
			CITY HALL FIRE SYST & MONIT-MAR		
			042.9510.4066		50.00

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93102	2/10/2026	000108 HIGH TECH SECURITY	(Continued)		
			FS#3 FIRE SYST & MONIT-MAR		
			028.2050.4066		42.50
			FS#3 FIRE SYST & MONIT-MAR		
			029.2100.4066		42.50
			PD FIRE SYST & MONIT-MAR		
			001.2000.4066		85.00
			CCTV SYST & MONIT-MAR		
			AURANTIA & COMM PK SYST & MONIT-MAR		
			001.6000.4066		75.00
			CANYON OAK PK CCTV SYST & MONIT-MAR		
			016.8540.4066		25.00
			CITY HALL CCTV SYST & MONIT-MAR		
			042.9510.4066		25.00
			CORP YARD CCTV SYST & MONIT-MAR		
			004.8310.4066		25.00
				Total :	**800.00**
93103	2/10/2026	002664 INLAND LIGHTING SUPPLIES, INC.	FS#3:LIGHTING REPAIR		
			FS#3:LIGHTING REPAIR		
			028.2050.4070		92.44
			FS#3:LIGHTING REPAIR		
			029.2100.4070		92.44
			PD:LIGHTING REPAIR		
			PD:LIGHTING REPAIR		
			001.2000.4070		184.88
				Total :	**369.76**
93104	2/10/2026	006343 INTERMEDIA.NET INC.	VOIP-FEB		
			VOIP-FEB		
			042.9510.4533		2,504.74
				Total :	**2,504.74**
93105	2/10/2026	000127 K & L HARDWARE	CORP YARD:KEYS		
			CORP YARD:KEYS		
			004.8310.4206		46.26
			CORP YARD:MISC SUPPLIES		
			CORP YARD:MISC SUPPLIES		

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93105	2/10/2026	000127 K & L HARDWARE	(Continued)		
			004.8310.4206		17.20
			CORP YARD:MISC SUPPLIES		
			CORP YARD:MISC SUPPLIES		
			004.8310.4206		9.68
			CORP YARD:MISC SUPPLIES		
			CORP YARD:MISC SUPPLIES		
			004.8310.4206		208.69
			CORP YARD:MISC SUPPLIES		
			CORP YARD:MISC SUPPLIES		
			004.8310.4206		87.27
			CORP YARD:MISC SUPPLIES		
			CORP YARD:MISC SUPPLIES		
			004.8310.4206		12.65
			CORP YARD:KEYS		
			CORP YARD:KEYS		
			004.8310.4206		5.38
				Total :	**387.13**
93106	2/10/2026	000207 KONICA MINOLTA	IT MONTHLY CONTRACT-FEB		
			IT MONTHLY CONTRACT-FEB		
			042.9510.4627		8,069.85
				Total :	**8,069.85**
93107	2/10/2026	000207 KONICA MINOLTA	PRINTER CONTRACT-JAN		
			PRINTER CONTRACT-JAN		
			042.9510.4631		755.02
				Total :	**755.02**
93108	2/10/2026	006423 PILLSBURY WINTHROP SHAW, PITTMAN LLP	EE BENEFIT ADVICE		
			EE BENEFIT ADVICE		
			001.1450.4520		3,463.50
				Total :	**3,463.50**
93109	2/10/2026	005326 RP LANDSCAPE & IRRIGATION	LMD LANDSCAPING MAINT-DEC		
			LMD 00 BASELINE LANDSCAPING MAINT-DEC		
			012.8500.4585		330.60
			LMD 00 YARNELL LANDSCAPING MAINT-DEC		
			012.8500.4585		202.11

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
93109	2/10/2026	005326 RP LANDSCAPE & IRRIGATION	(Continued)	
			LMD 01 LANDSCAPING MAINT-DEC	
			012.8500.4585	172.90
			LMD 01B LANDSCAPING MAINT-DEC	
			012.8500.4585	172.90
			LMD 02 LANDSCAPING MAINT-DEC	
			012.8500.4585	797.90
			LMD 03A-DEC	
			012.8500.4585	155.37
			LMD 03B-DEC	
			012.8500.4585	155.37
			LMD 04-DEC	
			012.8500.4585	46.73
			LMD 05-DEC	
			012.8500.4585	97.34
			LMD 07-DEC	
			012.8500.4585	85.27
			LMD 08-DEC	
			012.8500.4585	192.76
			LMD 09-DEC	
			012.8500.4585	1,174.07
			LMD 10-DEC	
			012.8500.4585	2,288.54
			LMD 63-DEC	
			012.8500.4585	143.69
			LMD 70-DEC	
			012.8500.4585	669.39
			LMD 76-DEC	
			012.8500.4585	202.10
			LMD 68-DEC	
			012.8500.4585	599.29
			LMD 69-DEC	
			012.8500.4585	137.84
			LMD 73-DEC	
			012.8500.4585	313.08
			LMD 79-DEC	
			012.8500.4585	294.12

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
93109	2/10/2026	005326 RP LANDSCAPE & IRRIGATION	(Continued)	
			LMD 61-DEC	
			012.8500.4585	389.01
			LMD 11-DEC	
			012.8500.4585	547.89
			LMD 13-DEC	
			012.8500.4585	143.69
			LMD 15-DEC	
			012.8500.4585	529.20
			LMD 16-DEC	
			012.8500.4585	56.07
			LMD 17-DEC	
			012.8500.4585	711.44
			LMD 20 BASELINE-DEC	
			012.8500.4585	220.79
			LMD 20 STREATER-DEC	
			012.8500.4585	171.72
			LMD 21-DEC	
			012.8500.4585	169.66
			LMD 22-DEC	
			012.8500.4585	202.10
			LMD 24-DEC	
			012.8500.4585	75.93
			LMD 25-DEC	
			012.8500.4585	213.78
			LMD 29-DEC	
			012.8500.4585	213.78
			LMD 30-DEC	
			012.8500.4585	867.98
			LMD 31-DEC	
			012.8500.4585	575.93
			LMD 34-DEC	
			012.8500.4585	330.60
			LMD 35-DEC	
			012.8500.4585	239.49
			LMD 36-DEC	
			012.8500.4585	353.97

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
93109	2/10/2026	005326 RP LANDSCAPE & IRRIGATION	(Continued)	
			LMD 37-DEC	
			012.8500.4585	435.74
			LMD 39-DEC	
			012.8500.4585	558.40
			LMD 43-DEC	
			012.8500.4585	202.10
			LMD 44-DEC	
			012.8500.4585	2,996.49
			LMD 47-DEC	
			012.8500.4585	232.47
			LMD 48-DEC	
			012.8500.4585	2,445.09
			LMD 54-DEC	
			012.8500.4585	625.00
			LMD 55-DEC	
			012.8500.4585	552.56
			LMD 59-DEC	
			012.8500.4585	68.92
			FACILITIES/PARKS LANDSCAPE MAINT-DEC	
			POLICE STATION LANDSCAPE MAINT-DEC	
			001.2000.4585	579.00
			CITY HALL LANDSCAPING MAINT-DEC	
			042.9510.4585	579.00
			LIBRARY LANDSCAPING MAINT-DEC	
			001.6000.4585	694.80
			YMCA LANDSCAPING MAINT-DEC	
			001.6000.4585	694.80
			CORP YARD LANDSCAPING MAINT-DEC	
			004.8310.4585	463.20
			AURANTIA PK LANDSCAPING MAINT-DEC	
			001.6000.4585	1,080.41
			COMMUNITY PK LANDSCAPING MAINT-DEC	
			001.6000.4585	4,274.18
			CANYON OAK PK LANDSCAPING MAINT-DEC	
			016.8540.4585	412.25
			CUNNINGHAM PK LANDSCAPING MAINT-DEC	

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93109	2/10/2026	005326 RP LANDSCAPE & IRRIGATION	(Continued)		
			016.8540.4585		524.57
			SEELEY PK LANDSCAPING MAINT-DEC		
			016.8540.4585		346.24
			OAK CREEK PK LANDSCAPING MAINT-DEC		
			016.8540.4585		643.84
			MEMORIAL PK LANDSCAPING MAINT-DEC		
			001.6000.4585		463.20
			BOULDER MEDIAN LANDSCAPING MAINT-DEC		
			004.8310.4585		2,867.21
				Total :	**35,983.87**
93110	2/10/2026	005731 SITEONE LANDSCAPE SUPPLY, LLC	LMD48:IRRIG SUPPLIES		
			LMD48:IRRIG SUPPLIES		
			012.8500.4206		790.01
				Total :	**790.01**
93111	2/10/2026	000487 SMART & FINAL	BREAKROOM SUPPLIES		
			BREAKROOM SUPPLIES		
			042.9510.4200		73.06
				Total :	**73.06**
93112	2/10/2026	000203 SOUTHERN CALIFORNIA EDISON	CUNNINGHAM PK-JAN		
			CUNNINGHAM PK-JAN		
			016.8540.4010		16.35
			AURANTIA PK-JAN		
			AURANTIA PK-JAN		
			001.6000.4010		98.72
			CANYON OAK-JAN		
			CANYON OAK-JAN		
			016.8540.4010		28.09
			ST LIGHT ACQUISITION-SALES PH 1-JAN		
			ST LIGHT ACQUISITION-SALES PH 1-JAN		
			013.8510.4011		16,620.52
			CITY HALL-JAN		
			CITY HALL-JAN		
			042.9510.4010		588.80
			COMM PK-JAN		

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
93112	2/10/2026	000203 SOUTHERN CALIFORNIA EDISON	(Continued)	
			COMM PK-JAN	
			001.6000.4010	654.29
			LS3:VARIOUS-JAN	
			LS3:VARIOUS-JAN	
			013.8510.4011	800.88
			LS1: VARIOUS-JAN	
			LS1: VARIOUS-JAN	
			013.8510.4011	9,888.10
			BASELINE MEDIAN-JAN	
			BASELINE MEDIAN-JAN	
			004.8310.4010	596.16
			LS2: VARIOUS-JAN	
			LS2: VARIOUS-JAN	
			013.8510.4011	1,256.54
			SIGNALS:VARIOUS-JAN	
			SIGNALS:VARIOUS-JAN	
			004.8310.4580	561.51
			Total :	**31,109.96**
93113	2/10/2026	000203 SOUTHERN CALIFORNIA EDISON	LS3:VARIOUS-JAN	
			LS3:VARIOUS-JAN	
			013.8510.4011	2,147.32
			SIGNALS:VARIOUS-JAN	
			SIGNALS:VARIOUS-JAN	
			004.8310.4580	4,275.41
			HIGHLAND AVENUE ALPR-JAN	
			HIGHLAND AVENUE ALPR-JAN	
			001.2000.4062	13.57
			Total :	**6,436.30**
93114	2/10/2026	000203 SOUTHERN CALIFORNIA EDISON	LMD-VARIOUS	
			LMD 10-OCT	
			012.8500.4010	-38.77
			LMD 22-OCT	
			012.8500.4010	-40.77
			LMD 03-OCT	
			012.8500.4010	-41.25

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
93114	2/10/2026	000203 SOUTHERN CALIFORNIA EDISON	(Continued)	
			LMD 16-OCT	
			012.8500.4010	-41.25
			LMD 11-OCT	
			012.8500.4010	-40.77
			LMD 70-OCT	
			012.8500.4010	15.22
			LMD 13-OCT	
			012.8500.4010	-41.95
			LMD 55-OCT	
			012.8500.4010	-40.77
			LMD 20-OCT	
			012.8500.4010	-40.77
			LMD 02-OCT	
			012.8500.4010	-40.77
			LMD 35-OCT	
			012.8500.4010	-40.77
			LMD 01-OCT	
			012.8500.4010	-40.77
			LMD 31-OCT	
			012.8500.4010	-40.77
			LMD 21-OCT	
			012.8500.4010	-40.77
			LMD 00-OCT	
			012.8500.4010	-40.77
			LMD 15-OCT	
			012.8500.4010	-81.54
			LMD 02-OCT	
			012.8500.4010	-81.82
			LMD 04-OCT	
			012.8500.4010	-40.77
			LMD 07-OCT	
			012.8500.4010	-41.53
			LMD 06-OCT	
			012.8500.4010	-41.95
			LMD 05-OCT	
			012.8500.4010	-41.25

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
93114	2/10/2026	000203 SOUTHERN CALIFORNIA EDISON	(Continued)	
			LMD 02-OCT	
			012.8500.4010	-40.77
			LMD 34-OCT	
			012.8500.4010	-40.77
			LMD 36-OCT	
			012.8500.4010	-25.54
			LMD 44-OCT	
			012.8500.4010	-40.49
			LMD 17-OCT	
			012.8500.4010	-35.35
			LMD 47-OCT	
			012.8500.4010	-40.37
			LMD 29-OCT	
			012.8500.4010	-40.77
			LMD 08-OCT	
			012.8500.4010	-40.77
			LMD 09-OCT	
			012.8500.4010	-40.77
			LMD 68/69-OCT	
			012.8500.4010	15.42
			LMD 20-OCT	
			012.8500.4010	-40.77
			LMD 76-OCT	
			012.8500.4010	16.17
			LMD 10-OCT	
			012.8500.4010	-30.18
			LMD 30-OCT	
			012.8500.4010	-40.49
			LMD 37-OCT	
			012.8500.4010	-40.77
			LMD 73-OCT	
			012.8500.4010	17.02
			LMD 48B-OCT	
			012.8500.4010	-40.77
			LMD 48C-OCT	
			012.8500.4010	-40.49

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
93114	2/10/2026	000203 SOUTHERN CALIFORNIA EDISON	(Continued)	
			LMD-VARIOUS	
			LMD 10-NOV	
			012.8500.4010	19.30
			LMD 22-NOV	
			012.8500.4010	17.10
			LMD 03-NOV	
			012.8500.4010	16.61
			LMD 16-NOV	
			012.8500.4010	16.81
			LMD 20-NOV	
			012.8500.4010	17.10
			LMD 02-NOV	
			012.8500.4010	17.09
			LMD 35-NOV	
			012.8500.4010	17.09
			LMD 01-NOV	
			012.8500.4010	17.09
			LMD 31-NOV	
			012.8500.4010	17.10
			LMD 21-NOV	
			012.8500.4010	17.10
			LMD 00-NOV	
			012.8500.4010	17.09
			LMD 15-NOV	
			012.8500.4010	34.19
			LMD 02-NOV	
			012.8500.4010	34.19
			LMD 04-NOV	
			012.8500.4010	18.00
			LMD 07-NOV	
			012.8500.4010	16.61
			LMD 06-NOV	
			012.8500.4010	16.34
			LMD 05-NOV	
			012.8500.4010	16.81
			LMD 11-NOV	

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
93114	2/10/2026	000203 SOUTHERN CALIFORNIA EDISON	(Continued)	
			012.8500.4010 LMD 02-NOV	17.09
			012.8500.4010 LMD 34-NOV	17.09
			012.8500.4010 LMD 36-NOV	17.10
			012.8500.4010 LMD 44-NOV	34.19
			012.8500.4010 LMD 17-NOV	17.38
			012.8500.4010 LMD 47-NOV	22.71
			012.8500.4010 LMD 29-NOV	18.00
			012.8500.4010 LMD 08-NOV	17.10
			012.8500.4010 LMD 09-NOV	17.09
			012.8500.4010 LMD 68/69-NOV	17.10
			012.8500.4010 LMD 20-NOV	15.42
			012.8500.4010 LMD 76-NOV	17.10
			012.8500.4010 LMD 10-NOV	16.17
			012.8500.4010 LMD 30-NOV	29.74
			012.8500.4010 LMD 37-NOV	18.00
			012.8500.4010 LMD 73-NOV	17.09
			012.8500.4010 LMD 48B-NOV	15.42
			012.8500.4010 LMD 48C-NOV	17.10

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
93114	2/10/2026	000203 SOUTHERN CALIFORNIA EDISON	(Continued)	
			012.8500.4010	17.38
			LMD 70-NOV	
			012.8500.4010	15.22
			LMD 13-NOV	
			012.8500.4010	16.34
			LMD 55-NOV	
			012.8500.4010	17.10
			LMD-VARIOUS	
			LMD 10-DEC	
			012.8500.4010	18.37
			LMD 22-DEC	
			012.8500.4010	16.17
			LMD 03-DEC	
			012.8500.4010	15.69
			LMD 16-DEC	
			012.8500.4010	15.89
			LMD 20-DEC	
			012.8500.4010	16.17
			LMD 02-DEC	
			012.8500.4010	16.17
			LMD 35-DEC	
			012.8500.4010	16.17
			LMD 01-DEC	
			012.8500.4010	16.17
			LMD 31-DEC	
			012.8500.4010	16.17
			LMD 21-DEC	
			012.8500.4010	16.17
			LMD 00-DEC	
			012.8500.4010	16.17
			LMD 15-DEC	
			012.8500.4010	32.34
			LMD 02-DEC	
			012.8500.4010	32.34
			LMD 04-DEC	
			012.8500.4010	16.17

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
93114	2/10/2026	000203 SOUTHERN CALIFORNIA EDISON	(Continued)	
			LMD 07-DEC	
			012.8500.4010	15.69
			LMD 48B-DEC	
			012.8500.4010	16.17
			LMD 48C-DEC	
			012.8500.4010	16.17
			LMD 70-DEC	
			012.8500.4010	16.58
			LMD 13-DEC	
			012.8500.4010	15.69
			LMD 55-DEC	
			012.8500.4010	16.17
			LMD 06-DEC	
			012.8500.4010	14.99
			LMD 05-DEC	
			012.8500.4010	15.89
			LMD 11-DEC	
			012.8500.4010	16.17
			LMD 02-DEC	
			012.8500.4010	16.17
			LMD 34-DEC	
			012.8500.4010	16.17
			LMD 36-DEC	
			012.8500.4010	33.27
			LMD 44-DEC	
			012.8500.4010	16.45
			LMD 17-DEC	
			012.8500.4010	21.30
			LMD 47-DEC	
			012.8500.4010	17.06
			LMD 29-DEC	
			012.8500.4010	16.17
			LMD 08-DEC	
			012.8500.4010	16.17
			LMD 09-DEC	
			012.8500.4010	16.17

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93114	2/10/2026	000203 SOUTHERN CALIFORNIA EDISON	(Continued)		
			LMD 68/69-DEC		
			012.8500.4010		17.04
			LMD 20-DEC		
			012.8500.4010		16.17
			LMD 76-DEC		
			012.8500.4010		16.63
			LMD 10-DEC		
			012.8500.4010		34.08
			LMD 30-DEC		
			012.8500.4010		16.86
			LMD 37-DEC		
			012.8500.4010		16.17
			LMD 73-DEC		
			012.8500.4010		15.35
				Total :	**22.44**
93115	2/10/2026	000203 SOUTHERN CALIFORNIA EDISON	OAK CREEK PK-JAN		
			OAK CREEK PK-JAN		
			016.8540.4010		16.29
			SEELEY PK-JAN		
			016.8540.4010		25.01
			LS3-27477 1/2 BASELINE ST-JAN		
			LS3-27477 1/2 BASELINE ST-JAN		
			013.8510.4011		17.34
				Total :	**58.64**
93116	2/10/2026	000203 SOUTHERN CALIFORNIA EDISON	LMD 48-JAN		
			LMD 48-JAN		
			012.8500.4010		2.86
			UPLIGHTING-JAN		
			013.8510.4011		13.90
			LMD 48-OCT		
			LMD 48-OCT		
			012.8500.4010		-2.86
			UPLIGHTING-OCT		
			013.8510.4011		-37.63
			LMD 48-NOV		

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93116	2/10/2026	000203 SOUTHERN CALIFORNIA EDISON	(Continued)		
			LMD 48-NOV		
			012.8500.4010		2.86
			UPLIGHTING-NOV		
			013.8510.4011		14.94
			LMD 48-DEC		
			LMD 48-DEC		
			012.8500.4010		2.86
			UPLIGHTING-DEC		
			013.8510.4011		13.59
				Total :	**10.52**
93117	2/10/2026	000203 SOUTHERN CALIFORNIA EDISON	LS3:VARIOUS-JAN		
			LS3:VARIOUS-JAN		
			013.8510.4011		14.04
			LS3: VARIOUS-OCT		
			LS3: VARIOUS-OCT		
			013.8510.4011		-42.43
			LS3:VARIOUS-NOV		
			LS3:VARIOUS-NOV		
			013.8510.4011		15.44
			LS3:VARIOUS-DEC		
			LS3:VARIOUS-DEC		
			013.8510.4011		14.04
				Total :	**1.09**
93118	2/10/2026	000414 TOM BELL CHEVROLET	VEH#134:BATTERY		
			VEH#134:BATTERY		
			001.4200.4240		411.67
				Total :	**411.67**
93119	2/10/2026	003689 TPX COMMUNICATIONS	POLICE DEPT-FEB		
			POLICE DEPT-FEB		
			001.2000.4060		253.67
				Total :	**253.67**
93120	2/10/2026	000086 TYLER TECHNOLOGIES, INC	EERP MIGRATION 1/18,1/20-1/22/26		
			EERP MIGRATION 1/18,1/20-1/22/26		

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93120	2/10/2026	000086 TYLER TECHNOLOGIES, INC	(Continued)		
			007.8330.6070		4,900.00
				Total :	**4,900.00**
93121	2/10/2026	000222 UNDERGROUND SERVICE ALERT	MONTHLY DIG FEE-JAN		
			MONTHLY DIG FEE-JAN		
			004.8310.4553		1,063.50
			REGULATORY FEE-JAN		
			REGULATORY FEE-JAN		
			004.8310.4553		289.26
				Total :	**1,352.76**
93122	2/10/2026	000231 VISTA PAINT CORP	COMM PK:BALLFIELD BACKSTOP PAINT		
			COMM PK:BALLFIELD BACKSTOP PAINT		
			001.6000.4206		197.64
			COMM PK:REPAIRS		
			COMM PK:REPAIRS		
			001.6000.4206		285.32
			GRAFFITI REMOVAL		
			GRAFFITI REMOVAL		
			001.6010.4206		105.37
				Total :	**588.33**
93123	2/10/2026	000233 WAXIE SANITARY SUPPLY	40% PACIFIC BLUE ULTRA BIGFOLD TOWELS		
			40% PACIFIC BLUE ULTRA BIGFOLD TOWELS		
			001.2000.4055		264.74
				Total :	**264.74**
93124	2/10/2026	003535 WEST COAST ARBORISTS, INC.	LMD48:VEH ACCIDENT IN MEDIAN		
			LMD48:VEH ACCIDENT IN MEDIAN		
			012.8500.4585		646.20
			AURANTIA PK:TREE REMOVAL		
			AURANTIA PK:TREE REMOVAL		
			001.6000.4680		1,671.15
				Total :	**2,317.35**
93125	2/10/2026	006452 WESTERN PUMP,INC	PD:TROUBLESHOOT FUEL SYSTEM		
			PD:TROUBLESHOOT FUEL SYSTEM		
			001.2000.4220		265.00

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93125	2/10/2026	006452 006452 WESTERN PUMP,INC	(Continued)	**Total :**	**265.00**
93126	2/10/2026	004543 WEX BANK	POOL CAR FUEL-JAN POOL CAR FUEL-JAN 042.9510.4220	 	 166.72
				Total :	**166.72**
93127	2/10/2026	001677 YMCA OF THE EAST VALLEY	AFTER SCHOOL PROGRAM-JAN AFTER SCHOOL PROGRAM-JAN 001.1450.4525	 	 1,925.00
				Total :	**1,925.00**
93128	2/10/2026	006001 YUNEX LLC	TS RESPONSE CALL OUTS-DEC TS RESPONSE CALL OUTS-DEC 004.8310.4580 BOULDER & ORANGE KD POLE BOULDER & ORANGE KD POLE 013.8510.4664 STL MAINT-DEC STL MAINT-DEC 013.8510.4664	 	 8,126.13 1,241.88 2,528.50
				Total :	**11,896.51**
42	**Vouchers for bank code :**	wfb		**Bank total :**	**149,196.84**
42	**Vouchers in this report**			**Total vouchers :**	**149,196.84**

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93129	2/17/2026	004193 AECOM USA INC.	BRG07001 DES RDA07-AUG-OCT		
			BRG07001 DES RDA07-AUG-OCT		
			010.3830.6813		3,217.31
			BRG07001 DES HBP-AUG-OCT		
			BRG07001 DES HBP-AUG-OCT		
			030.8495.6813		24,832.44
			BRG07001 DES RDA07-NOV-DEC		
			BRG07001 DES RDA07-NOV-DEC		
			010.3830.6813		1,189.15
			BRG07001 DES HBP-NOV-DEC		
			BRG07001 DES HBP-NOV-DEC		
			030.8495.6813		9,178.32
				Total :	**38,417.22**
93130	2/17/2026	000014 ALL CITY MANAGEMENT SERVICES	CROSSING GUARD SVC 1/18-1/31/26		
			CROSSING GUARD SVC 1/18-1/31/26		
			002.8200.4530		3,740.04
				Total :	**3,740.04**
93131	2/17/2026	005771 AMAZON CAPITAL SERVICES	BADGE HOLDERS & LANYARDS		
			BADGE HOLDERS & LANYARDS		
			041.9500.4349		308.28
			WHITE FIBERGLASS BLIND WAND 2 PIECES		
			WHITE FIBERGLASS BLIND WAND 2 PIECES		
			001.1200.4200		22.62
			IT SUPPLIES REFUND		
			IT SUPPLIES REFUND		
			042.9510.4208		-199.33
			IT:GRAPHICS CARD FOR DELL DESKTOP/OTTERB		
			GRAPHICS CARD FOR DELL DESKTOP		
			042.9510.4208		127.13
			IT:GRAPHICS CARD FOR DELL DESKTOP/OTTERB		
			OTTERBOX IPHONE 14 CASE		
			042.9510.4203		34.43
			PREMIUM BLANK PVC CARDS 100 PK		
			PREMIUM BLANK PVC CARDS 100 PK		
			041.9500.4349		14.00

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93131	2/17/2026	005771 AMAZON CAPITAL SERVICES	(Continued)		
			IT:SUPPLIES		
			IT:SUPPLIES		
			042.9510.4208		398.66
				Total :	**705.79**
93132	2/17/2026	000774 ARROWHEAD CREDIT UNION-DEPT 91	CAL CITIES IE DIV:CITY MANAGER ZAMANO		
			CAL CITIES IE DIV:CITY MANAGER ZAMANO		
			001.1450.4320		25.00
			GFOA CONFERENCE:NAVA-CRUZ		
			GFOA CONFERENCE:NAVA-CRUZ		
			001.1700.4320		790.98
			GFOA CONFERENCE:NAVA-CRUZ		
			GFOA CONFERENCE:NAVA-CRUZ		
			001.1700.4320		790.98
			I.E. DIVISION 2026 MEETING:SALDANA		
			I.E. DIVISION 2026 MEETING:SALDANA		
			001.1000.4320		25.00
			2026 MAYORS/CNCL ACDMY:SALDANA		
			2026 MAYORS/CNCL ACDMY:SALDANA		
			001.1000.4320		801.36
				Total :	**2,433.32**
93133	2/17/2026	000774 ARROWHEAD CREDIT UNION-DEPT 91	CAL CITIES IE DIV:LILBURN		
			CAL CITIES IE DIV:LILBURN		
			001.1000.4320		25.00
			NAME PLATE:SALDANA/GOMEZ		
			NAME PLATE:SALDANA/GOMEZ		
			001.1000.4200		90.28
			2026 MAYORS & COUNCIL MEMBERS ACADEMY:SA		
			2026 MAYORS/CNCL ACDMY:SALDANA		
			001.1000.4320		31.95
			2026 MAYORS & COUNCIL MEMBERS ACADEMY:SA		
			2026 MAYORS/CNCL ACDMY: SALDANA		
			001.1000.4320		34.52
			2026 MAYORS & COUNCIL MEMBERS ACADEMY:SA		
			2026 MAYORS/CNCL ACDMY: SALDANA		
			001.1000.4320		12.00

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
93133	2/17/2026	000774 ARROWHEAD CREDIT UNION-DEPT 91	(Continued)	
			2026 MAYORS & COUNCIL MEMBERS ACADEMY:SA	
			2026 MAYORS/CNCL ACDMY:SALDANA	
			001.1000.4320	13.75
			ZOOM MEETING-JAN	
			ZOOM MEETING-JAN	
			042.9510.4533	110.00
			2026 MAYORS & COUNCIL MEMBERS ACADEMY:SA	
			2026 MAYORS/CNCL ACDMY:SALDANA	
			001.1000.4320	30.95
			2026 MAYORS & COUNCIL MEMBERS ACADEMY:SA	
			2026 MAYORS/CNCL ACDMY: SALDANA	
			001.1000.4320	5.00
			2026 MAYORS & COUNCIL MEMBERS ACADEMY:SA	
			2026 MAYORS/CNCL ACDMY: SALDANA	
			001.1000.4320	18.00
			CA PRSRVTN MEMBERSHIP:STATER	
			CA PRSRVTN MEMBERSHIP:STATER	
			001.4100.4330	500.00
			Total :	**871.45**
93134	2/17/2026	000774 ARROWHEAD CREDIT UNION-DEPT 91	C/E:6 MONTH CAR WASH	
			C/E:6 MONTH CAR WASH	
			001.4600.4240	19.99
			CE:POINT IN TIME MEAL	
			CE:POINT IN TIME MEAL	
			001.1000.4336	43.37
			CE:POINT IN TIME MEAL	
			CE:POINT IN TIME MEAL	
			001.1000.4336	108.83
			PLAQUES:LILBURN	
			PLAQUES:LILBURN	
			001.1000.4200	44.29
			CALBO GOVERNMENT MEMBERSHIP:WIRZ/CROSLIN	
			CALBO GOVT MEMB:WIRZ/CROSLIN	
			001.4500.4310	355.00
			CITY BADGE LABELS-STICKER MULE	
			CITY BADGE LABELS-STICKER MULE	

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93134	2/17/2026	000774 ARROWHEAD CREDIT UNION-DEPT 91	(Continued)		
			041.9500.4349		80.81
				Total :	**652.29**
93135	2/17/2026	002960 BURRTEC WASTE INDUSTRIES INC	SOLID WASTE PROG 1/10-1/29/26		
			SOLID WASTE PROG 1/10-1/29/26		
			051.1496		103,400.25
				Total :	**103,400.25**
93136	2/17/2026	006466 CASILLAS, JACKELINE	UNIFORM REIMB:CASILLAS		
			UNIFORM REIMB:CASILLAS		
			001.2000.4571		121.73
				Total :	**121.73**
93137	2/17/2026	002756 CENTRAL LITTLE LEAGUE	CDBG LITTLE LEAGUE-FEB		
			CDBG LITTLE LEAGUE-FEB		
			006.8400.4348		1,200.00
				Total :	**1,200.00**
93138	2/17/2026	005324 CHARLES ABBOTT ASSOCIATES, INC	FIRE MARSHALL-JAN		
			FIRE MARSHALL-JAN		
			029.2100.4540		6,803.75
				Total :	**6,803.75**
93139	2/17/2026	006099 CHARTER COMMUNICATIONS	CITY HALL:TELE/INT-FEB		
			CITY HALL:TELE/INT-FEB		
			042.9510.4065		1,299.00
				Total :	**1,299.00**
93140	2/17/2026	006099 CHARTER COMMUNICATIONS	PD:TELE/INT-FEB		
			PD:TELE/INT-FEB		
			001.2000.4065		830.00
				Total :	**830.00**
93141	2/17/2026	006099 CHARTER COMMUNICATIONS	FS#3:TELE/INT-FEB		
			FS#3:TELE/INT-FEB		
			028.2050.4065		329.15
			FS#3:TELE/INT-FEB		
			029.2100.4065		329.15

Bank code : wfb

Voucher	Date	Vendor		Description/Account		Amount
93141	2/17/2026	006099	006099 CHARTER COMMUNICATIONS	(Continued)	**Total :**	**658.30**
93142	2/17/2026	006099	CHARTER COMMUNICATIONS	CORP YARD:TELE/INT-FEB		
				CORP YARD:TELE/INT-FEB		
				004.8310.4060		500.00
					Total :	**500.00**
93143	2/17/2026	006099	CHARTER COMMUNICATIONS	FS#1:TELE/INT-FEB		
				FS#1:TELE/INT-FEB		
				028.2050.4065		218.10
				FS#1:TELE/INT-FEB		
				029.2100.4065		218.10
					Total :	**436.20**
93144	2/17/2026	006099	CHARTER COMMUNICATIONS	FS#2:TELE/INT-FEB		
				FS#2:TELE/INT-FEB		
				028.2050.4065		168.92
				FS#2:TELE/INT-FEB		
				029.2100.4065		168.91
					Total :	**337.83**
93145	2/17/2026	000143	COMMUNITY WORKS DESIGN GROUP	SPR22001 (DRA22004) PLAN CHECK-DEC		
				SPR22001 (DRA22004) PLAN CHECK-DEC		
				001.4100.4547		310.00
				DRA23015 PLAN CHECK-DEC		
				DRA23015 PLAN CHECK-DEC		
				001.4100.4547		155.00
				DRA24002 PLAN CHECK-DEC		
				DRA24002 PLAN CHECK-DEC		
				001.4100.4547		261.90
				TTM24003 (DRA24009) PLAN CHECK-DEC		
				TTM24003 (DRA24009) PLAN CHECK-DEC		
				001.4100.4547		155.00
				STR25002 DES RDA07 PLAN CHECK-DEC		
				STR25002 DES RDA07 PLAN CHECK-DEC		
				010.3830.6550		1,840.00
				TRA20001 NP GCF PLAN CHECK-DEC		
				TRA20001 NP GCF PLAN CHECK-DEC		
				023.3890.6816		718.75

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93145	2/17/2026	000143 000143 COMMUNITY WORKS DESIGN GROUP	(Continued)	**Total :**	**3,440.65**
93146	2/17/2026	006373 COMPUTERIZED EMBROIDERY INC.	HEAT PROTECTION HATS HEAT PROTECTION HATS 041.9500.4349 ID EASY UPS ID EASY UPS 041.9500.4349		432.74 1,479.00
				Total :	**1,911.74**
93147	2/17/2026	000213 DAILY JOURNAL CORPORATION	BID NO.2026-03:NEWSPAPER PUB BID NO.2026-03:NEWSPAPER PUB 001.1200.4300		586.02
				Total :	**586.02**
93148	2/17/2026	000085 EAST VALLEY WATER DISTRICT	ATHLETIC CTR-JAN ATHLETIC CTR-JAN 001.6000.4030 COMMUNITY PK-JAN COMMUNITY PK-JAN 001.6000.4030 LMD 10-JAN LMD 10-JAN 012.8500.4030 OAK CREEK PK-JAN OAK CREEK PK-JAN 016.8540.4030 LMD 10-JAN LMD 10-JAN 012.8500.4030 LMD 34-JAN LMD 34-JAN 012.8500.4030 COMMUNITY PK FS-JAN COMMUNITY PK FS-JAN 001.6000.4030 COMM CTR FS-JAN COMM CTR FS-JAN		448.58 5,646.13 776.40 1,233.81 628.61 114.91 23.57

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
93148	2/17/2026	000085 EAST VALLEY WATER DISTRICT	(Continued)	
			001.6000.4030	23.57
			STR & STRM DRN #21-JAN	
			STR & STRM DRN #21-JAN	
			024.8470.4030	45.24
			CORP YARD IRR-JAN	
			CORP YARD IRR-JAN	
			004.8310.4030	140.11
			COMM CTR:IRRIGATION-JAN	
			COMM CTR:IRRIGATION-JAN	
			001.6000.4030	386.01
			LIBRARY/ELE IRR-JAN	
			LIBRARY/ELE IRR-JAN	
			001.6000.4030	269.97
			YMCA COMMUNITY PK-JAN	
			YMCA COMMUNITY PK-JAN	
			001.6000.4030	215.58
			CORP YARD-JAN	
			CORP YARD-JAN	
			004.8310.4030	169.58
			LIBRARY/ELC-JAN	
			LIBRARY/ELC-JAN	
			001.6000.4030	227.08
			ATHLETIC CTR FS-JAN	
			ATHLETIC CTR FS-JAN	
			001.6000.4030	22.08
			CUNNINGHAM PK IRR-JAN	
			CUNNINGHAM PK IRR-JAN	
			016.8540.4030	1,031.79
			LMD 30-JAN	
			LMD 30-JAN	
			012.8500.4030	390.59
			LIBRARY/ELC FS-JAN	
			LIBRARY/ELC FS-JAN	
			001.6000.4030	25.05
			CORP YARD FS-JAN	
			CORP YARD FS-JAN	
			004.8310.4030	27.38

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93148	2/17/2026	000085 000085 EAST VALLEY WATER DISTRICT	(Continued)	**Total :**	**11,846.04**
93149	2/17/2026	006392 FLEMING, BIANEY	MILEAGE REIMB-JAN		
			MILEAGE REIMB-JAN		
			001.1700.4332		6.52
				Total :	**6.52**
93150	2/17/2026	005018 FLYERS ENERGY, LLC	FUEL-JAN		
			FUEL-JAN		
			001.2000.4220		3,384.71
			FUEL-JAN		
			001.4200.4220		54.53
			FUEL-JAN		
			001.4600.4220		77.13
			FUEL-JAN		
			001.6000.4220		80.09
			FUEL-JAN		
			004.8310.4220		300.50
			FUEL-JAN		
			028.2050.4220		556.87
			FUEL-JAN		
			029.2100.4220		556.87
			FUEL-JAN		
			042.9510.4220		20.02
				Total :	**5,030.72**
93151	2/17/2026	001320 HIGHLAND SENIOR CENTER	CDBG-JAN		
			CDBG-JAN		
			006.8400.4348		2,200.00
				Total :	**2,200.00**
93152	2/17/2026	006455 HL HITCHCOCK CONSTRUCTION INC	TRA20001 PPE#3 CON GCF-OCT		
			TRA20001 PPE#3 CON GCF-OCT		
			023.3890.6816		39,179.54
			TRA20001 PPE#3 CON RTP-OCT		
			TRA20001 PPE#3 CON RTP-OCT		
			030.8495.6816		287,316.60
			TRA20001 PPE#3 CON RET GCF-OCT		

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93152	2/17/2026	006455 HL HITCHCOCK CONSTRUCTION INC	(Continued)		
			TRA20001 PPE#3 CON RET GCF-OCT		
			023.1350		-1,958.98
			TRA20001 PPE#3 CON RET RTP-OCT		
			TRA20001 PPE#3 CON RET RTP-OCT		
			030.1350		-14,365.83
				Total :	**310,171.33**
93153	2/17/2026	001618 INNOVATIVE FEDERAL STRATEGIES	PROFESSIONAL SVC-JAN		
			PROFESSIONAL SVC-JAN		
			023.3890.4554		4,250.00
				Total :	**4,250.00**
93154	2/17/2026	000598 PR PRINTING	COH LETTERHEAD & BUS CARDS:LILBURN, SALD		
			COH LETTERHEAD		
			001.1000.4200		309.96
			BUS CARDS:LILBURN		
			001.1000.4200		52.38
			BUS CARDS:SALDANA		
			001.1000.4200		52.38
			BUS CARDS:HOGAN		
			001.1000.4200		53.58
			BUS CARDS:MCCALLON		
			001.1000.4200		52.38
			BUS CARDS:PARTICELLI		
			BUS CARDS:PARTICELLI		
			001.1700.4200		52.50
				Total :	**573.18**
93155	2/17/2026	006467 PRESTIGE CHEMICALS	GRAFFITI REMOVAL GEL		
			GRAFFITI REMOVAL GEL		
			001.6010.4206		381.69
			GRAFFITI REMOVAL GEL		
			051.1050		-24.80
				Total :	**356.89**
93156	2/17/2026	000190 SAN BERNARDINO COUNTY	GA DUES 25/26		
			GA DUES 25/26		

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93156	2/17/2026	000190 SAN BERNARDINO COUNTY	(Continued)		
			001.1000.4310		34,402.00
				Total :	**34,402.00**
93157	2/17/2026	000030 SAN BERNARDINO COUNTY SHERIFFS	POLICE SVC-FEB		
			POLICE SVC-FEB		
			001.2000.4560		1,252,028.00
				Total :	**1,252,028.00**
93158	2/17/2026	004623 SAN BERNARDINO COUNTY, FIRE PROTECTI(	ILLEGAL DUMPING DISPOSAL		
			ILLEGAL DUMPING DISPOSAL		
			001.4200.4596		204.20
				Total :	**204.20**
93159	2/17/2026	001086 STK ARCHITECTURE, INC.	FAC25001 DES DIF-JAN		
			FAC25001 DES DIF-JAN		
			007.8330.6803		6,000.00
				Total :	**6,000.00**
93160	2/17/2026	004920 TKE ENGINEERING	GENERAL ENG SVCS-OCT		
			GENERAL ENG SVCS-OCT		
			023.3890.4550		137.50
			STR07004A NP GCF-OCT		
			STR07004A NP GCF-OCT		
			023.3890.6600		260.00
			SWK19001 NP MSRI-OCT		
			SWK19001 NP MSRI-OCT		
			017.8350.6545		5,995.00
			SWK19001 NP MSRI-NOV-DEC		
			SWK19001 NP MSRI-NOV-DEC		
			017.8350.6545		742.50
				Total :	**7,135.00**
93161	2/17/2026	004413 TWISTED IMAGES INK	CHF:BANNERS		
			CHF:BANNERS		
			051.1471		918.23
				Total :	**918.23**
93162	2/17/2026	000086 TYLER TECHNOLOGIES, INC	EERP MIGRATION 1/27-1/29/26		

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93162	2/17/2026	000086 TYLER TECHNOLOGIES, INC	(Continued)		
			EERP MIGRATION 1/27-1/29/26		
			007.8330.6070		4,200.00
				Total :	**4,200.00**
93163	2/17/2026	003401 ULINE	LITTER ABATEMENT SUPPLIES		
			LITTER ABATEMENT SUPPLIES		
			027.8490.4349		2,318.41
				Total :	**2,318.41**
93164	2/17/2026	005337 VAN LANT & FANKHANEL, LLP	CITY AUDIT 24/25		
			CITY AUDIT 24/25		
			001.1700.4510		26,600.00
				Total :	**26,600.00**
93165	2/17/2026	000979 VERIZON WIRELESS	AIR CARDS/CELLPHONES-JAN		
			AIR CARDS-JAN		
			001.1450.4062		30.02
			CELL PHONES-JAN		
			001.2000.4061		230.22
			AIR CARDS-JAN		
			001.2000.4062		1,094.32
			CELL PHONES-JAN		
			001.6000.4061		76.74
			CELL PHONES-JAN		
			001.6010.4061		38.37
			CELL PHONES-JAN		
			004.8310.4061		191.85
			AIR CARDS-JAN		
			004.8310.4062		20.02
			CELL PHONES-JAN		
			028.2050.4061		115.11
			AIR CARDS-JAN		
			028.2050.4062		404.18
			AIR CARDS-JAN		
			042.9510.4062		40.01
			CELL PHONES-JAN		
			042.9510.4061		984.96

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
93165	2/17/2026	000979 VERIZON WIRELESS	(Continued)	
			AIR CARDS-JAN	
			042.9510.4062	332.13
			COH BACKUP INTERNET-JAN	
			042.9510.4065	30.02
			Total :	**3,587.95**

37 Vouchers for bank code : wfb **Bank total :** **1,840,174.05**

37 Vouchers in this report **Total vouchers :** **1,840,174.05**

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
1128	2/20/2026	006436 PERS-MEDICAL	ANTHEM SELECT HMO: PAYMENT	
			UNITED HEALTHCARE: Payment	
			016.1150	217.66
			UNITED HEALTHCARE: Payment	
			023.1150	43.53
			UNITED HEALTHCARE: Payment	
			070.1150	226.40
			UNITED HEALTHCARE SIG. HARMONY: Payment	
			001.1150	765.52
			BLUE SHIELD POST TX-DP: Payment	
			042.1150	852.56
			RETIRED PREMIUM: MAR	
			041.9500.3515	1,800.00
			ADMIN FEE: MAR	
			001.1450.3511	27.86
			BRIAN K. (FEB BILLING)	
			001.1160	646.04
			ANTHEM SELECT HMO: Payment	
			001.1150	2,839.92
			ANTHEM SELECT HMO: Payment	
			004.1150	125.14
			ANTHEM SELECT HMO: Payment	
			041.1150	375.43
			ANTHEM SELECT HMO: Payment	
			070.1150	125.17
			BLUE SHIELD: Payment	
			001.1150	1,599.95
			BLUE SHIELD: Payment	
			004.1150	170.53
			BLUE SHIELD: Payment	
			042.1150	1,364.10
			KAISER: Payment	
			001.1150	10,094.35
			KAISER: Payment	
			004.1150	1,770.13
			KAISER: Payment	

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
1128	2/20/2026	006436 PERS-MEDICAL	(Continued)	
			010.1150	96.91
			KAISER: Payment	
			012.1150	355.31
			KAISER: Payment	
			016.1150	355.34
			KAISER: Payment	
			023.1150	290.71
			KAISER: Payment	
			024.1150	19.39
			KAISER: Payment	
			041.1150	426.39
			KAISER: Payment	
			042.1150	500.69
			KAISER: Payment	
			070.1150	174.40
			PERS GOLD: Payment	
			001.1150	1,920.08
			PERS GOLD: Payment	
			004.1150	1,248.04
			PERS GOLD: Payment	
			010.1150	672.02
			UNITED HEALTHCARE: Payment	
			001.1150	3,038.97
			UNITED HEALTHCARE: Payment	
			004.1150	261.24
			UNITED HEALTHCARE: Payment	
			012.1150	217.70
			Total :	**32,621.48**
93166	2/20/2026	006386 AMERITAS LIFE INSURANCE CORP	DENTAL PPO POST TX-AMERITAS: PAYMENT	
			DENTAL PPO POST TX-AMERITAS: Payment	
			001.1160	46.72
			DENTAL PPO POST TX-AMERITAS: Payment	
			042.1160	46.72
			DENTAL PPO - AMERITAS: Payment	
			001.1160	938.66

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
93166	2/20/2026	006386 AMERITAS LIFE INSURANCE CORP	(Continued)	
			DENTAL PPO - AMERITAS: Payment	
			004.1160	150.00
			DENTAL PPO - AMERITAS: Payment	
			010.1160	35.31
			DENTAL PPO - AMERITAS: Payment	
			012.1160	17.40
			DENTAL PPO - AMERITAS: Payment	
			016.1160	17.35
			DENTAL PPO - AMERITAS: Payment	
			023.1160	7.10
			DENTAL PPO - AMERITAS: Payment	
			024.1160	0.95
			DENTAL PPO - AMERITAS: Payment	
			041.1160	27.53
			DENTAL PPO - AMERITAS: Payment	
			042.1160	192.95
			DENTAL PPO - AMERITAS: Payment	
			070.1160	10.75
			Total :	**1,491.44**
93167	2/20/2026	006434 AMERITAS LIFE INSURANCE CORP	DENTAL HMO - AMERITAS: PAYMENT	
			DENTAL HMO - AMERITAS: Payment	
			001.1160	145.81
			DENTAL HMO - AMERITAS: Payment	
			004.1160	47.93
			DENTAL HMO - AMERITAS: Payment	
			010.1160	22.47
			DENTAL HMO - AMERITAS: Payment	
			012.1160	7.79
			DENTAL HMO - AMERITAS: Payment	
			016.1160	7.78
			DENTAL HMO - AMERITAS: Payment	
			024.1160	0.36
			DENTAL HMO - AMERITAS: Payment	
			041.1160	6.74
			DENTAL HMO - AMERITAS: Payment	

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
93167	2/20/2026	006434 AMERITAS LIFE INSURANCE CORP	(Continued)	
			070.1160	6.78
			Total :	**245.66**
93168	2/20/2026	006435 AMERITAS LIFE INSURANCE CORP	VISION - AMERITAS (EYEMED): PAYMENT	
			VISION - AMERITAS (EYEMED): Payment	
			001.1161	88.93
			VISION - AMERITAS (EYEMED): Payment	
			004.1161	27.57
			VISION - AMERITAS (EYEMED): Payment	
			010.1161	6.32
			VISION - AMERITAS (EYEMED): Payment	
			012.1161	7.14
			VISION - AMERITAS (EYEMED): Payment	
			016.1161	7.05
			VISION - AMERITAS (EYEMED): Payment	
			024.1161	0.20
			VISION - AMERITAS (EYEMED): Payment	
			042.1161	2.62
			VISION - AMERITAS (EYEMED): Payment	
			070.1161	2.66
			VISION - AMERITAS (VSP): Payment	
			001.1161	104.52
			VISION - AMERITAS (VSP): Payment	
			004.1161	41.59
			VISION - AMERITAS (VSP): Payment	
			010.1161	15.33
			VISION - AMERITAS (VSP): Payment	
			012.1161	1.18
			VISION - AMERITAS (VSP): Payment	
			016.1161	1.18
			VISION - AMERITAS (VSP): Payment	
			023.1161	1.06
			VISION - AMERITAS (VSP): Payment	
			024.1161	0.24
			VISION - AMERITAS (VSP): Payment	
			041.1161	9.78

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
93168	2/20/2026	006435 AMERITAS LIFE INSURANCE CORP	(Continued)	
			VISION - AMERITAS (VSP): Payment	
			042.1161	14.69
			VISION - AMERITAS (VSP): Payment	
			070.1161	3.63
			Total :	**335.69**
93169	2/20/2026	006388 COLONIAL LIFE & ACCIDENTAL INS	COLONIAL LIFE - ACCIDENT: PAYMENT	
			COLONIAL LIFE - ACCIDENT: Payment	
			001.1181	291.85
			COLONIAL LIFE - ACCIDENT: Payment	
			004.1181	37.78
			COLONIAL LIFE - ACCIDENT: Payment	
			010.1181	10.86
			COLONIAL LIFE - ACCIDENT: Payment	
			012.1181	5.14
			COLONIAL LIFE - ACCIDENT: Payment	
			016.1181	5.12
			COLONIAL LIFE - ACCIDENT: Payment	
			023.1181	12.55
			COLONIAL LIFE - ACCIDENT: Payment	
			024.1181	0.43
			COLONIAL LIFE - ACCIDENT: Payment	
			041.1181	15.13
			COLONIAL LIFE - ACCIDENT: Payment	
			070.1181	4.96
			COLONIAL LIFE - CANCER: Payment	
			001.1181	72.28
			COLONIAL LIFE - CANCER: Payment	
			004.1181	58.77
			COLONIAL LIFE - CANCER: Payment	
			010.1181	12.36
			COLONIAL LIFE - CANCER: Payment	
			024.1181	0.91
			COLONIAL - SPECIFIED DISEASE: Payment	
			001.1181	86.74
			COLONIAL - SPECIFIED DISEASE: Payment	

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
93169	2/20/2026	006388 COLONIAL LIFE & ACCIDENTAL INS	(Continued)	
			004.1181 COLONIAL - SPECIFIED DISEASE: Payment	45.51
			010.1181 COLONIAL - SPECIFIED DISEASE: Payment	10.62
			024.1181 COLONIAL - VOL SHORT TERM DIS: Payment	0.59
			001.1181 COLONIAL - VOL SHORT TERM DIS: Payment	259.79
			004.1181 COLONIAL - VOL SHORT TERM DIS: Payment	7.00
			010.1181 COLONIAL - VOL SHORT TERM DIS: Payment	5.34
			023.1181 COLONIAL - VOL SHORT TERM DIS: Payment	16.01
			041.1181 COLONIAL - VOL SHORT TERM DIS: Payment	20.96
			042.1181 COLONIAL - VOL SHORT TERM DIS: Payment	78.00
			070.1181 COLONIAL LIFE - VOL DENTAL: Payment	6.92
			001.1181 COLONIAL LIFE - VOL DENTAL: Payment	24.91
			012.1181 COLONIAL LIFE - VOL DENTAL: Payment	12.46
			016.1181 COLONIAL LIFE - HOSPITAL CONFI: Payment	12.45
			001.1181 COLONIAL LIFE - HOSPITAL CONFI: Payment	186.93
			004.1181 COLONIAL LIFE - HOSPITAL CONFI: Payment	4.89
			023.1181 COLONIAL LIFE - HOSPITAL CONFI: Payment	24.58
			041.1181 COLONIAL LIFE - HOSPITAL CONFI: Payment	14.63
			070.1181	4.87
			Total :	**1,351.34**

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
93170	2/20/2026	006387 LINCOLN FINANCIAL GROUP	GROUP AD&D - LINCOLN ER PAID: PAYMENT	
			GROUP AD&D - LINCOLN ER PAID: Payment	
			001.1184	46.86
			GROUP AD&D - LINCOLN ER PAID: Payment	
			004.1184	9.14
			GROUP AD&D - LINCOLN ER PAID: Payment	
			010.1184	2.92
			GROUP AD&D - LINCOLN ER PAID: Payment	
			012.1184	0.95
			GROUP AD&D - LINCOLN ER PAID: Payment	
			016.1184	0.96
			GROUP AD&D - LINCOLN ER PAID: Payment	
			023.1184	0.64
			GROUP AD&D - LINCOLN ER PAID: Payment	
			024.1184	0.06
			GROUP AD&D - LINCOLN ER PAID: Payment	
			041.1184	1.25
			GROUP AD&D - LINCOLN ER PAID: Payment	
			042.1184	8.72
			GROUP AD&D - LINCOLN ER PAID: Payment	
			070.1184	2.19
			GROUP LIFE - LINCOLN ER PAID: Payment	
			001.1184	289.22
			VOLUNTARY LIFE LINCOLN: Payment	
			004.1184	174.57
			VOLUNTARY LIFE LINCOLN: Payment	
			010.1184	114.84
			VOLUNTARY LIFE LINCOLN: Payment	
			012.1184	0.39
			VOLUNTARY LIFE LINCOLN: Payment	
			016.1184	0.35
			VOLUNTARY LIFE LINCOLN: Payment	
			023.1184	9.77
			VOLUNTARY LIFE LINCOLN: Payment	
			024.1184	0.40
			VOLUNTARY LIFE LINCOLN: Payment	
			041.1184	14.14

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
93170	2/20/2026	006387 LINCOLN FINANCIAL GROUP	(Continued)	
			VOLUNTARY LIFE LINCOLN: Payment	
			042.1184	7.59
			VOLUNTARY LIFE LINCOLN: Payment	
			070.1184	20.05
			SHORT TERM DISABILITY: Payment	
			001.1184	822.21
			SHORT TERM DISABILITY: Payment	
			004.1184	159.80
			SHORT TERM DISABILITY: Payment	
			010.1184	48.96
			SHORT TERM DISABILITY: Payment	
			012.1184	17.23
			SHORT TERM DISABILITY: Payment	
			016.1184	17.23
			SHORT TERM DISABILITY: Payment	
			023.1184	11.29
			SHORT TERM DISABILITY: Payment	
			024.1184	1.15
			SHORT TERM DISABILITY: Payment	
			041.1184	19.26
			SHORT TERM DISABILITY: Payment	
			042.1184	154.14
			SHORT TERM DISABILITY: Payment	
			070.1184	37.42
			GROUP LIFE - LINCOLN ER PAID: Payment	
			004.1184	56.84
			GROUP LIFE - LINCOLN ER PAID: Payment	
			010.1184	17.80
			GROUP LIFE - LINCOLN ER PAID: Payment	
			012.1184	6.03
			GROUP LIFE - LINCOLN ER PAID: Payment	
			016.1184	5.99
			GROUP LIFE - LINCOLN ER PAID: Payment	
			023.1184	3.96
			GROUP LIFE - LINCOLN ER PAID: Payment	
			024.1184	0.44

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
93170	2/20/2026	006387 LINCOLN FINANCIAL GROUP	(Continued)	
			GROUP LIFE - LINCOLN ER PAID: Payment 041.1184	7.86
			GROUP LIFE - LINCOLN ER PAID: Payment 042.1184	53.80
			GROUP LIFE - LINCOLN ER PAID: Payment 070.1184	13.45
			VOL LONG TERM DIS LINCOLN: Payment 001.1184	651.06
			VOL LONG TERM DIS LINCOLN: Payment 004.1184	199.61
			VOL LONG TERM DIS LINCOLN: Payment 010.1184	47.32
			VOL LONG TERM DIS LINCOLN: Payment 012.1184	7.25
			VOL LONG TERM DIS LINCOLN: Payment 016.1184	7.30
			VOL LONG TERM DIS LINCOLN: Payment 023.1184	13.66
			VOL LONG TERM DIS LINCOLN: Payment 024.1184	1.35
			VOL LONG TERM DIS LINCOLN: Payment 041.1184	13.77
			VOL LONG TERM DIS LINCOLN: Payment 042.1184	15.28
			VOL LONG TERM DIS LINCOLN: Payment 070.1184	17.29
			VOLUNTARY LIFE LINCOLN: Payment 001.1184	356.12
			Total :	**3,489.88**

6 Vouchers for bank code : wfb **Bank total :** **39,535.49**

6 Vouchers in this report **Total vouchers :** **39,535.49**

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
1129	2/20/2026	006400 MISSION SQUARE PLAN SERVICES	MISSION SQ DEF COMP 457 TRAD: PAYMENT	
			MISSION SQ DEF COMP 457 TRAD: Payment 010.1170	489.58
			MISSION SQ DEF COMP 457 TRAD: Payment 012.1170	28.67
			MISSION SQ DEF COMP 457 TRAD: Payment 016.1170	28.67
			MISSION SQ DEF COMP 457 TRAD: Payment 023.1170	25.00
			MISSION SQ DEF COMP 457 TRAD: Payment 024.1170	12.92
			MISSION SQ DEF COMP 457 TRAD: Payment 041.1170	187.48
			MISSION SQ DEF COMP 457 TRAD: Payment 042.1170	440.16
			MISSION SQ DEF COMP 457 TRAD: Payment 070.1170	212.51
			MISSION SQ DEF COMP 457 ROTH: Payment 001.1170	263.74
			MISSION SQ DEF COMP 457 ROTH: Payment 042.1170	46.65
			MISSION SQ DEF COMP 457 TRAD: Payment 001.1170	10,263.62
			MISSION SQ DEF COMP 457 TRAD: Payment 004.1170	1,742.85
			Total :	**13,741.85**
1130	2/20/2026	000119 INTERNAL REVENUE SERVICE	FEDERAL TAXES: PAYMENT	
			FEDERAL TAXES: Payment 001.1120	14,969.86
			FEDERAL TAXES: Payment 004.1120	2,466.90
			FEDERAL TAXES: Payment 010.1120	877.15
			FEDERAL TAXES: Payment 012.1120	285.46

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
1130	2/20/2026	000119 INTERNAL REVENUE SERVICE	(Continued)	
			FEDERAL TAXES: Payment	
			016.1120	285.48
			FEDERAL TAXES: Payment	
			023.1120	171.37
			FEDERAL TAXES: Payment	
			024.1120	14.98
			FEDERAL TAXES: Payment	
			041.1120	360.56
			FEDERAL TAXES: Payment	
			042.1120	1,979.76
			FEDERAL TAXES: Payment	
			070.1120	854.66
			SOCIAL SECURITY: Payment	
			001.1140	720.26
			SOCIAL SECURITY: Payment	
			008.1140	48.36
			SOCIAL SECURITY: Payment	
			042.1140	81.66
			MEDICARE: Payment	
			001.1140	3,792.56
			MEDICARE: Payment	
			004.1140	702.86
			MEDICARE: Payment	
			008.1140	11.30
			MEDICARE: Payment	
			010.1140	216.76
			MEDICARE: Payment	
			012.1140	71.38
			MEDICARE: Payment	
			016.1140	71.36
			MEDICARE: Payment	
			023.1140	47.20
			MEDICARE: Payment	
			024.1140	5.34
			MEDICARE: Payment	
			041.1140	93.28

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
1130	2/20/2026	000119 INTERNAL REVENUE SERVICE	(Continued)		
			MEDICARE: Payment		
			042.1140		549.36
			MEDICARE: Payment		
			070.1140		166.24
				Total :	**28,844.10**
1131	2/20/2026	000004 PUBLIC EMPLOYEE RETIREMENT SYS	EPMC: PAYMENT		
			EPMC: Payment		
			001.1145		542.37
			EPMC: Payment		
			004.1145		89.20
			EPMC: Payment		
			023.1145		9.96
			EPMC: Payment		
			024.1145		0.78
			EPMC: Payment		
			041.1145		22.60
			EPMC: Payment		
			042.1145		7.86
			EPMC: Payment		
			070.1145		64.50
			PERS: Payment		
			001.1145		19,697.28
			PERS: Payment		
			004.1145		3,746.48
			PERS: Payment		
			010.1145		1,136.67
			PERS: Payment		
			012.1145		320.54
			PERS: Payment		
			016.1145		320.53
			PERS: Payment		
			023.1145		269.43
			PERS: Payment		
			024.1145		26.79
			PERS: Payment		

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
1131	2/20/2026	000004 PUBLIC EMPLOYEE RETIREMENT SYS	(Continued)	
			041.1145	557.08
			PERS: Payment	
			042.1145	2,407.83
			PERS: Payment	
			070.1145	1,027.23
			PERS SURVIVOR: Payment	
			001.1145	25.49
			PERS SURVIVOR: Payment	
			004.1145	5.18
			PERS SURVIVOR: Payment	
			010.1145	1.10
			PERS SURVIVOR: Payment	
			012.1145	0.76
			PERS SURVIVOR: Payment	
			016.1145	0.73
			PERS SURVIVOR: Payment	
			023.1145	0.40
			PERS SURVIVOR: Payment	
			024.1145	0.05
			PERS SURVIVOR: Payment	
			041.1145	0.33
			PERS SURVIVOR: Payment	
			042.1145	5.25
			PERS SURVIVOR: Payment	
			070.1145	0.70
			Total :	**30,287.12**
1132	2/20/2026	000001 CALIF STATE EMPLOYMENT	STATE TAXES: PAYMENT	
			STATE TAXES: Payment	
			001.1130	6,329.99
			STATE TAXES: Payment	
			004.1130	992.15
			STATE TAXES: Payment	
			010.1130	418.34
			STATE TAXES: Payment	
			012.1130	66.84

Bank code : wfb

Voucher	Date	Vendor	Description/Account	Amount
1132	2/20/2026	000001 CALIF STATE EMPLOYMENT	(Continued)	
			STATE TAXES: Payment	
			016.1130	66.84
			STATE TAXES: Payment	
			023.1130	57.41
			STATE TAXES: Payment	
			024.1130	5.66
			STATE TAXES: Payment	
			041.1130	151.54
			STATE TAXES: Payment	
			042.1130	738.91
			STATE TAXES: Payment	
			070.1130	311.76
			Total :	**9,139.44**

4 Vouchers for bank code : wfb **Bank total :** **82,012.51**

4 Vouchers in this report **Total vouchers :** **82,012.51**

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93171	2/24/2026	006389 AMERIFLEX	FSA:LUDOLPH 2/9-2/10/26		
			FSA:LUDOLPH 2/9-2/10/26		
			001.1182		691.20
			FSA:LUDOLPH/MENDEZ		
			FSA:LUDOLPH 2/12/26		
			001.1182		232.00
			FSA:MENDEZ 2/17/26		
			001.1182		43.45
				Total :	**966.65**
93172	2/24/2026	006228 BIG BRAND TIRE & SERVICE CO	VEH#138:TIRE REPAIR		
			VEH#138:TIRE REPAIR		
			001.6000.4240		897.38
			VEH#127:TIRE REPAIR		
			VEH#127:TIRE REPAIR		
			042.9510.4240		87.98
				Total :	**985.36**
93173	2/24/2026	006466 CASILLAS, JACKELINE	UNIFORM REIMB:CASILLAS		
			UNIFORM REIMB:CASILLAS		
			001.2000.4571		191.79
				Total :	**191.79**
93174	2/24/2026	002756 CENTRAL LITTLE LEAGUE	CDBG LITTLE LEAGUE-FEB		
			CDBG LITTLE LEAGUE-FEB		
			006.8400.4348		300.00
				Total :	**300.00**
93175	2/24/2026	002106 CODE PUBLISHING, INC.	MUNI CODE CODIFICATION		
			MUNI CODE CODIFICATION		
			001.1200.4625		658.00
				Total :	**658.00**
93176	2/24/2026	006418 CORODATA SHREDDING,INC.	SHREDDING SVC-JAN		
			SHREDDING SVC-JAN		
			001.1200.4626		66.25
				Total :	**66.25**

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93177	2/24/2026	004148 CORTEZ ORNAMENTAL IRON	SF GRANT PRGM:28942 MERRIS ST-100%		
			SF GRANT PRGM:28942 MERRIS ST-100%		
			070.7000.4349		1,294.88
				Total :	**1,294.88**
93178	2/24/2026	004148 CORTEZ ORNAMENTAL IRON	SF GRANT PRGM:28942 MERRIS ST-50%		
			SF GRANT PRGM:28942 MERRIS ST-50%		
			070.7000.4349		1,294.87
				Total :	**1,294.87**
93179	2/24/2026	004148 CORTEZ ORNAMENTAL IRON	SF GRANT PRGM:28942MERRIS ST-DEPOSIT		
			SF GRANT PRGM:28942MERRIS ST-DEPOSIT		
			070.7000.4349		287.75
				Total :	**287.75**
93180	2/24/2026	001873 CRRA	CRRA MEMBERSHIP 02/26-02/27:RAMOS		
			CRRA MEMBERSHIP 02/26-02/27:RAMOS		
			001.4200.4310		200.00
			CRRA MEMBERSHIP 03/26-03/27:MORGAN		
			CRRA MEMBERSHIP 03/26-03/27:MORGAN		
			001.4200.4310		200.00
				Total :	**400.00**
93181	2/24/2026	000213 DAILY JOURNAL CORPORATION	EXT25007 HRG NOTICE:NEWSPAPER PUB		
			EXT25007 HRG NOTICE:NEWSPAPER PUB		
			001.1200.4300		337.10
			CUP25008 HRG NOTICE:NEWSPAPER PUB		
			CUP25008 HRG NOTICE:NEWSPAPER PUB		
			001.1200.4300		359.96
				Total :	**697.06**
93182	2/24/2026	005394 DATA TICKET, INC.	PARKING CITATIONS-JAN		
			PARKING CITATIONS-JAN		
			001.1700.4516		322.83
				Total :	**322.83**
93183	2/24/2026	001035 DEPARTMENT OF JUSTICE	FINGERPRINT APPS		
			FINGERPRINT APP:AKITA.T,VILLEGAS.I		
			001.1700.4236		64.00

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93183	2/24/2026	001035 DEPARTMENT OF JUSTICE	(Continued)		
			FINGERPRINT APP:PARTICELLI.B		
			001.1600.4236		32.00
				Total :	**96.00**
93184	2/24/2026	003360 DIRECTV	PD:SATTELITE CABLE-		
			PD:SATELLITE-FEB		
			001.2000.4065		120.00
				Total :	**120.00**
93185	2/24/2026	000085 EAST VALLEY WATER DISTRICT	LMD 17B-FEB		
			LMD 17B-FEB		
			012.8500.4030		200.94
			LMD 11-FEB		
			LMD 11-FEB		
			012.8500.4030		237.74
			LMD 17D-FEB		
			LMD 17D-FEB		
			012.8500.4030		152.01
			LMD 25-FEB		
			LMD 25-FEB		
			012.8500.4030		336.01
			LMD 17-C-FEB		
			LMD 17-C-FEB		
			012.8500.4030		69.36
			LMD 76-FEB		
			LMD 76-FEB		
			012.8500.4030		100.78
			LMD 17-A-FEB		
			LMD 17-A-FEB		
			012.8500.4030		80.04
			LMD 43-FEB		
			LMD 43-FEB		
			012.8500.4030		166.75
			LMD 55-FEB		
			LMD 55-FEB		
			012.8500.4030		522.79
			LMD 47-FEB		

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93185	2/24/2026	000085 EAST VALLEY WATER DISTRICT	(Continued)		
			LMD 47-FEB		
			012.8500.4030		141.98
			SEELEY PK-FEB		
			SEELEY PK-FEB		
			016.8540.4030		163.48
			LMD 16-FEB		
			LMD 16-FEB		
			012.8500.4030		62.64
				Total :	**2,234.52**
93186	2/24/2026	005018 FLYERS ENERGY, LLC	FUEL-FEB		
			FUEL-FEB		
			001.2000.4220		1,580.33
			FUEL-FEB		
			001.4600.4220		124.78
			FUEL-FEB		
			001.6000.4220		59.37
			FUEL-FEB		
			004.8310.4220		222.77
			FUEL-FEB		
			028.2050.4220		311.40
			FUEL-FEB		
			029.2100.4220		311.40
			FUEL-FEB		
			042.9510.4220		14.84
				Total :	**2,624.89**
93187	2/24/2026	006310 FREE ENERGY SAVINGS LLC	REFUND BP#20251326		
			REFUND BP#20251326		
			001.1450.7600		105.00
				Total :	**105.00**
93188	2/24/2026	006470 GOLDEN MANAGEMENT SERVICES INC	BL#14166 REFUND		
			BL#14166 REFUND		
			001.1450.7452		150.00
			BL#14166 REFUND		
			051.1493		4.00

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93188	2/24/2026	006470 006470 GOLDEN MANAGEMENT SERVICES INC (Continued)		**Total :**	**154.00**
93189	2/24/2026	006470 GOLDEN MANAGEMENT SERVICES INC	BL#14165 REFUND BL#14165 REFUND 001.1450.7452 BL#14165 REFUND 051.1493	 **Total :**	 150.00 4.00 **154.00**
93190	2/24/2026	002845 GRAINGER INC	PD:BOTTLE FILLER REPAIR PD:BOTTLE FILLER REPAIR 001.2000.4070 CITY HALL:SINK WATER FILTER SYSTEM CITY HALL:SINK WATER FILTER SYSTEM 042.9510.4070	 **Total :**	 346.75 206.33 **553.08**
93191	2/24/2026	006187 GREASE MONKEY #977	VEH#127:VEH MAINT VEH#127:VEH MAINT 042.9510.4240 VEH#130:VEH MAINT VEH#130:VEH MAINT 004.8310.4240 VEH#123:VEH MAINT VEH#123:VEH MAINT 001.4200.4240	 **Total :**	 117.79 179.11 117.79 **414.69**
93192	2/24/2026	000662 HI WAY SAFETY INC	TEMP TRAFFIC SIGNAGE TEMP TRAFFIC SIGNAGE 004.8310.4206 ASSUMPTION OF RISK SIGN ASSUMPTION OF RISK SIGN 041.9500.4349	 **Total :**	 457.94 774.06 **1,232.00**
93193	2/24/2026	001996 HINDERLITER DE LLAMAS & ASSOC	SALES TAX AUDIT JAN-MAR 2026 SALES TAX AUDIT JAN-MAR 2026 001.1450.4505	 	 450.00

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93193	2/24/2026	001996 001996 HINDERLITER DE LLAMAS & ASSOC	(Continued)	**Total :**	**450.00**
93194	2/24/2026	004509 LAWRENCE DOORS	FS#3:KEYPAD GATE REPLACEMENT		
			FS#3:KEYPAD GATE REPLACEMENT		
			028.2050.4224		1,840.42
			FS#3:KEYPAD GATE REPLACEMENT		
			029.2100.4224		1,840.42
				Total :	**3,680.84**
93195	2/24/2026	000426 LEAGUE OF CALIF CITIES	2026 MEMBERSHIP RENEWAL		
			2026 MEMBERSHIP RENEWAL		
			001.1000.4310		700.00
				Total :	**700.00**
93196	2/24/2026	000168 MICHELLE GOMEZ, PETTY CASH	PETTY CASH-FEB		
			HWC MEETINGS DUES		
			001.6020.4330		20.00
			HIT LUNCH		
			001.6020.4336		64.62
			HIT SUPPLIES		
			001.6020.4336		52.25
			PETTY CASH-FEB		
			001.0020		0.00
				Total :	**136.87**
93197	2/24/2026	006469 NAVA, JONAH	MILEAGE REIMB-FEB		
			MILEAGE REIMB-FEB		
			001.1450.4332		88.74
				Total :	**88.74**
93198	2/24/2026	000169 PITNEY BOWES GLOBAL FINANCIAL	POSTAGE METER 1/1-3/31/26		
			POSTAGE METER 1/1-3/31/26		
			042.9510.4248		579.93
				Total :	**579.93**
93199	2/24/2026	001414 RICHARDS, WATSON & GERSHON	GENERAL-DEC		
			GENERAL-DEC		
			001.1450.4520		15,376.73
			CODE ENFORCEMENT CASES-DEC		

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93199	2/24/2026	001414 RICHARDS, WATSON & GERSHON	(Continued)		
			CODE ENFORCEMENT CASES-DEC		
			001.4600.4520		185.40
			WAKELAND-DEC		
			WAKELAND-DEC		
			070.7000.4520		2,039.40
			CUP22014-DEC		
			CUP22014-DEC		
			001.3200.4520		350.20
			DRA24006-DEC		
			DRA24006-DEC		
			001.3200.4520		247.20
			CODE ENFORCEMENT CASE#25191 5TH ST-DEC		
			CODE ENFORCEMENT CASE#25191 5TH ST-DEC		
			001.4600.4520		44.20
			ADV.PEOPLES COLLECTIVE FOR ENVIRO-DEC		
			ADV.PEOPLES COLLECTIVE FOR ENVIRO-DEC		
			001.1450.4520		165.60
			ACQ ACTION:CLAUDIA ORIAN/EXOTIC		
			ACQ ACTION:CLAUDIA ORIAN/EXOTIC MEAT		
			001.4600.4520		664.40
			CODE ENFORCEMENT CASE#8046 CENTRAL & 268		
			CODE ENFORCEMENT CASE#8046 CENTRAL &		
			001.4600.4520		1,121.95
				Total :	**20,195.08**
93200	2/24/2026	001070 SAFETY-KLEEN SYSTEMS, INC.	PD:PARTS WASHING SVC		
			PD:PARTS WASHING SVC		
			001.2000.4245		341.84
				Total :	**341.84**
93201	2/24/2026	000203 SOUTHERN CALIFORNIA EDISON	LS3 8017 1/2 DEL ROSA DR-FEB		
			LS3 8017 1/2 DEL ROSA DR-FEB		
			013.8510.4011		85.59
				Total :	**85.59**
93202	2/24/2026	002459 SOUTHERN CALIFORNIA, WASTE MANAGEME	SB 1383 TRAINING:RAMOS		
			SB 1383 TRAINING:RAMOS		

Bank code : wfb

Voucher	Date	Vendor	Description/Account		Amount
93202	2/24/2026	002459 SOUTHERN CALIFORNIA, WASTE MANAGEME	(Continued)		
			001.4200.4310		65.00
			SB 1383 TRAINING:RAMOS		
			001.4200.4330		235.00
				Total :	**300.00**
93203	2/24/2026	000086 TYLER TECHNOLOGIES, INC	EERP MIGRATION 2/3-2/5/26		
			EERP MIGRATION 2/3-2/5/26		
			007.8330.6070		4,200.00
				Total :	**4,200.00**
93204	2/24/2026	004709 VORTEX INDUSTRIES, LLC	CORP YARD:REPAIR ROLL UP DOOR		
			CORP YARD:REPAIR ROLL UP DOOR		
			004.8310.4224		1,135.00
				Total :	**1,135.00**
93205	2/24/2026	000237 WILLDAN ASSOCIATES	BLDG & SAFETY PLAN CHECK-JAN		
			BLDG & SAFETY PLAN CHECK-JAN		
			001.4500.4540		4,862.50
			BLDG & SAFETY INSP-JAN		
			BLDG & SAFETY INSP-JAN		
			001.4500.4540		26,270.00
				Total :	**31,132.50**
93206	2/24/2026	006001 YUNEX LLC	TS MAINT-DEC		
			TS MAINT-DEC		
			004.8310.4580		3,827.00
				Total :	**3,827.00**

36 Vouchers for bank code : wfb **Bank total :** **82,007.01**

36 Vouchers in this report **Total vouchers :** **82,007.01**

Staff Report
to the City Council

Agenda Item No.4.

Date:	March 10, 2026
From:	Carlos Zamano, City Manager
Reviewed By:	Tish Nava-Cruz, Director of Administrative Services/City Treasurer
Prepared By:	Tish Nava-Cruz, Director of Administrative Services/City Treasurer
Subject:	Treasurer's Report for January 2026

Recommendation:
Receive and file the Treasurer's Report for January 2026.

Fiscal Impact:
Cash and Investments:

General Fund	$17,199,039.24
Special Revenue Funds	$43,523,314.22
Internal Service Funds	$ 6,150,015.08
Capital Projects Funds	$42,352,677.31
Agency Funds	$ 2,160,518.26
Housing Authority Fund	$ 3,959,495.52
SARDA Funds	$ 3,928,888.60

Public Notice:
The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:
Increases in the checking account were due to revenues received plus funds wired from LAIF and CAMP. Decreases in the checking account were a result of payments to vendors, payroll and funds wired to LAIF, CAMP and U.S. Bank. Increases in the fiscal agent accounts (US Bank) resulted from interest and bond payment receipt. Decreases resulted in vendor payments and debt service payments. Increases in the CAMP account were due to interest received. Decreases were a result of funds being wired to the city's checking account primarily for payment of public works projects. The maximum limit on regular accounts is $75M.

Attachments:
1. Treasurer's Report
2. Treasurer's Report Graph
3. Cash & Investments Graph
4. General Fund Reserves Graph

Attachment 1

Treasurer’s Report

CITY OF HIGHLAND
Treasurer's Report
as of January 31, 2026

CASH AND BANK ACCOUNTS:

Cash on Hand-Office Petty Cash & Change Fund Accounts	1,150.00
Wells Fargo Checking Account (reconciled book balance)	10,037,440.08

DESCRIPTION	MATURITY PERIOD	YIELD	PAR VALUE	ORIGINAL COST
INVESTMENTS: LOCAL GOVERNMENT INVESTMENT POOLS				
California Treasurer's Local Agency Investment Fund (LAIF)	n/a	3.910%		
General Fund			6,754,213.89	
Special Revenue Funds			29,019,686.00	
Internal Service Funds			6,271,503.00	
Capital Projects Funds			28,508,175.00	
Total City LAIF Funds				70,553,577.89
Housing Authority Fund			4,061,623.68	
Total Housing Authority LAIF Funds				4,061,623.68
Total LAIF Funds				74,615,201.57

1) Maximum limits on accounts are $75M City and $75M Housing Authority.
2) Market Value is based on the December 31, 2025 applicable percentage of 1.002181483
3) Market Value is $74,777,973.36 ($74,615,201.57 x 1.002181483).

California Asset Management Program (CAMP)	n/a	3.850%		
General Fund			11,779,386.71	
Special Revenue Funds			6,102,993.00	
Internal Service Funds			6,140,703.00	
Capital Projects Funds			6,732,200.00	
Total CAMP Funds				30,755,282.71

INVESTMENTS: FISCAL AGENT ACCOUNTS

US Bank Corporate Trust Services (Community Facilities Districts)

Community Facilities District (CFD) 90-1				
Administrative Expense Fund #128262-011				
US Bank Money Market Account CUSIP #60934N872	n/a	3.33%	123,503.87	123,503.87
Fire Protection Expense Fund #128262-012				
US Bank Money Market Account CUSIP #60934N872	n/a	3.33%	291,347.92	291,347.92
Police Protection Expense Fund #128262-013				
US Bank Money Market Account CUSIP #60934N872	n/a	3.33%	107,759.30	107,759.30
Community Facilities District (CFD) 2001-1				
Special Tax Fund #217795000				
US Bank Money Market Account CUSIP #60934N872	n/a	0.00%	-	-
Interest Account #217795001				
US Bank Money Market Account CUSIP #60934N872	n/a	3.27%	3.36	3.36
Principal Account #217795002				
US Bank Money Market Account CUSIP #60934N872	n/a	3.33%	71.21	71.21
Administrative Expense Account #217795003				
US Bank Money Market Account CUSIP #60934N872	n/a	3.33%	23,490.28	23,490.28
Surplus Fund #217795004				
US Bank Money Market Account CUSIP #60934N872	n/a	3.33%	222,107.37	222,107.37
Community Facilities District (CFD) 2007-1				
Administrative Expense Fund #260722000				
US Bank Money Market Account CUSIP #60934N872	n/a	3.33%	8,790.08	8,790.08
Fire Expense Fund #260722001				
US Bank Money Market Account CUSIP #60934N872	n/a	3.33%	14,650.10	14,650.10
Police Expense Fund #260722002				
US Bank Money Market Account CUSIP #60934N872	n/a	3.33%	5,419.25	5,419.25
TOTAL INVESTMENTS US BANK (COMMUNITY FACILITIES DISTRICTS)				797,142.74

DESCRIPTION	MATURITY PERIOD	YIELD	PAR VALUE	ORIGINAL COST
INVESTMENTS: FISCAL AGENT ACCOUNTS (continued)				
US Bank Corporate Trust Services (SARDA)				
2004B Tax Allocation Refunding Bonds				
Special Fund 786709001				
Federated Treasury Obligations CUSIP #60934N872	n/a	3.33%	181,926.21	181,926.21
Interest Fund 786709002				
Federated Treasury Obligations CUSIP #60934N872	n/a	0.00%	-	-
Principal Fund 786709003				
Federated Treasury Obligations CUSIP #60934N872	n/a	0.00%	-	-
Reserve Fund 786709004				
Federated Treasury Obligations CUSIP #60934N872	n/a	0.00%	-	-
2015A Tax Allocation Refunding Bonds				
Special Fund 268777000				
Federated Treasury Obligations CUSIP #60934N872	n/a	3.33%	2,468.51	2,468.51
Interest Fund 268777001				
Federated Treasury Obligations CUSIP #60934N872	n/a	3.35%	4.18	4.18
Principal Fund 268777002				
Federated Treasury Obligations CUSIP #60934N872	n/a	0.00%	-	-
Reserve Fund 268777004				
Federated Treasury Obligations CUSIP #60934N872	n/a	3.33%	1,033,080.38	1,033,080.38
Expense Account 268777006				
Federated Treasury Obligations CUSIP #60934N872	n/a	3.33%	15,630.94	15,630.94
2017 Tax Allocation Refunding Bonds				
Debt Service Fund 259928000				
Federated Treasury Obligations CUSIP #60934N872	n/a	3.33%	1,833,144.06	1,833,144.06
Interest Fund 259928001				
Federated Treasury Obligations CUSIP #60934N872	n/a	3.33%	321.35	321.35
Principal Fund 259928002				
Federated Treasury Obligations CUSIP #60934N872	n/a	3.33%	1,155.50	1,155.50
Reserve Fund 259928004				
Assured Guaranty Municipal Bond Insurance	n/a	0.00%	-	-
TOTAL INVESTMENTS US BANK (SARDA)				3,067,731.13
TOTAL CASH AND INVESTMENTS				**119,273,948.23**

All investments are placed in accordance with City of Highland's Investment Policy and Guidelines. The above summary provides sufficient cash flow liquidity to meet the next six month's estimated expenditures. This report is in accordance with Government Code Section 53646.

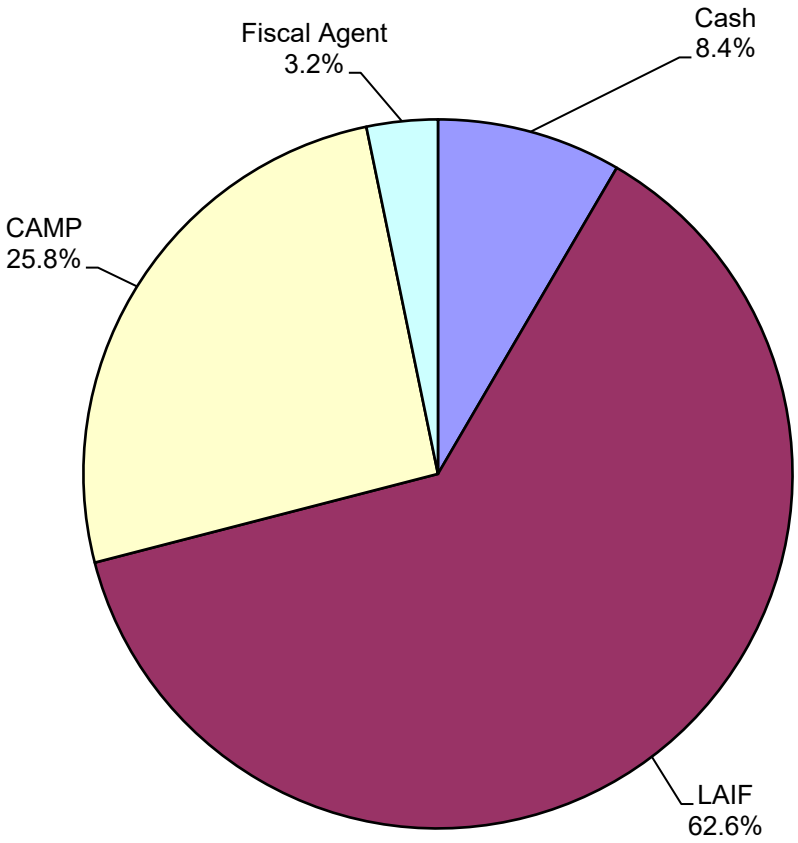
SIGNED:_____
Carlos Zamano
CITY MANAGER

SIGNED: Leticia Nava-Cruz
Leticia Nava-Cruz
DIRECTOR OF ADMINISTRATIVE SERVICES/CITY TREASURER

Attachment 2

Treasurer’s Report Graph

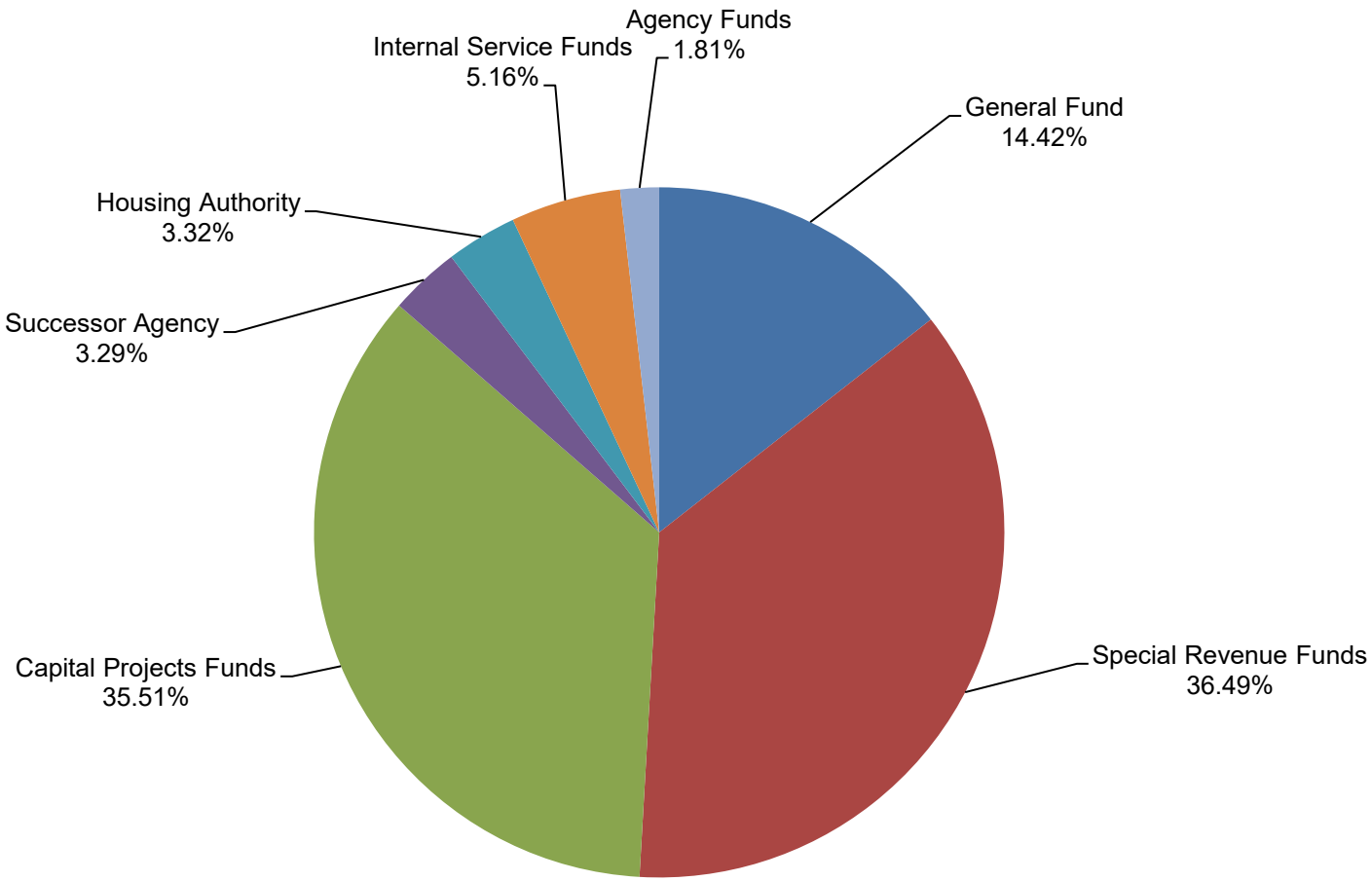
Treasurer's Report



Attachment 3

Cash and Investments Graph

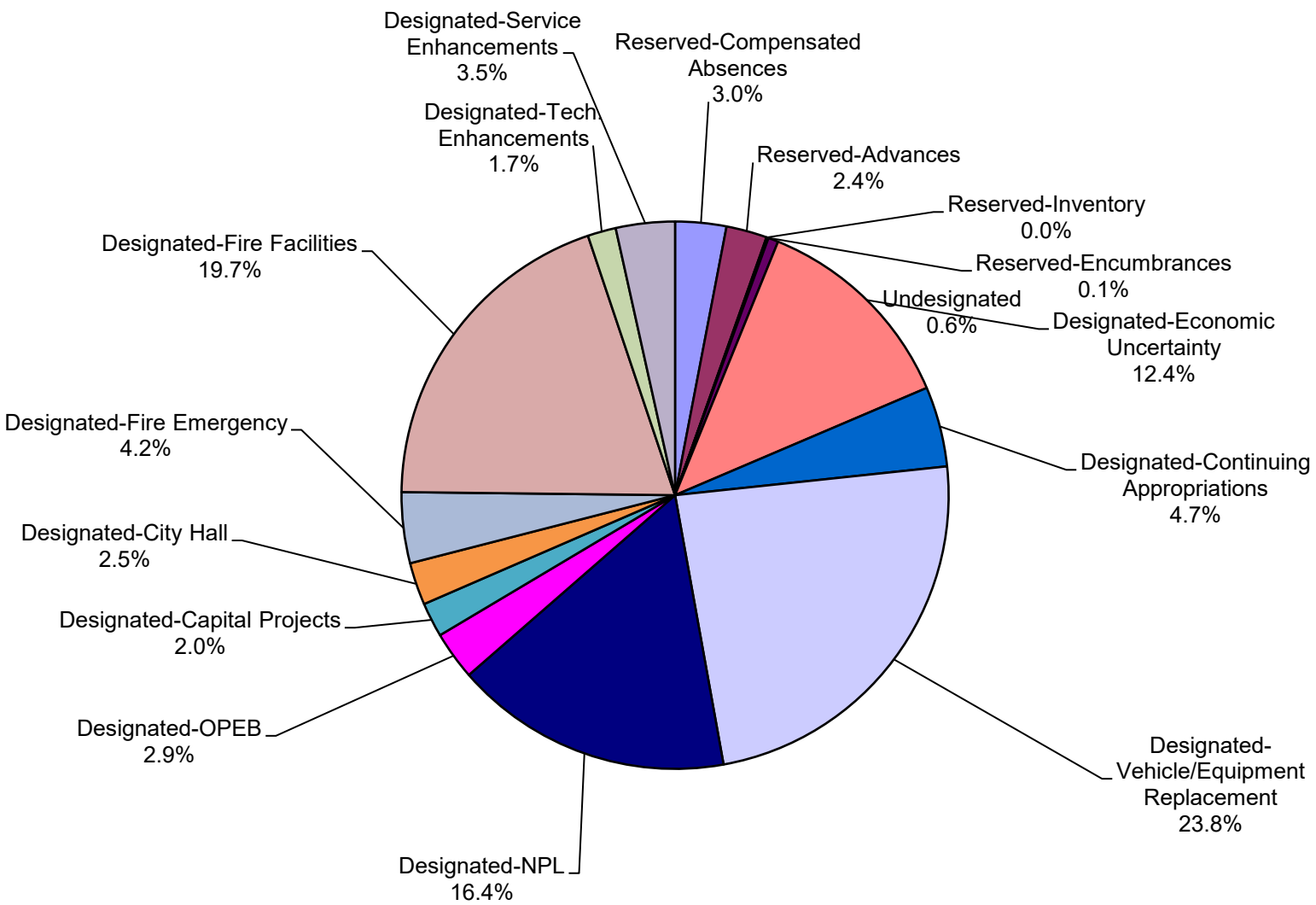
Cash & Investments



Attachment 4

General Fund Reserves Graph

General Fund Reserves



Staff Report
to the City Council

Agenda Item No.5.

Date:	March 10, 2026
From:	Carlos Zamano, City Manager
Reviewed By:	Alondra Muñoz, City Clerk
Prepared By:	Alondra Muñoz, City Clerk
Subject:	Claim Consideration - Jess Franco

Recommendation:
George Hills recommends the City Council reject the claim.

Fiscal Impact:
None.

Public Notice:
The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:
The claim was received in the City Clerk's Office on January 12, 2026. It was then sent to the City's claim adjuster, George Hills Company, who is recommending the claim be rejected.

Attachments:
1. Claim - Jess Franco

GEORGE HILLS
Our minds over your matters

February 13, 2026

Alondra Munoz
City of Highland

RE:		
	Client:	City of Highland
	Claim Number:	GHC0092457
	Date of Loss:	July 20, 2025
	Claimant:	Jess Franco

Dear Ms. Munoz:

We have reviewed the above captioned claims and request that you take the action indicated below:

- **Please issue a standard rejection to commence the statute of limitations.**

Please provide us with a copy of the notices sent.

Should you have any questions, please feel free to contact the undersigned.

Kindest Regards,
George Hills Company,

Jennifer Arellano
Claims Supervisor
Direct Dial: (916) 352.7793
Email: Jennifer.arellano@georgehills.com

City of
HIGHLAND
Inc. 1987

January 13, 2026

Patti Schneiders
Claims Processor
Rancho Cordova Office
PO Box 278
Rancho Cordova, CA 95741

Re: Claimant(s): Jess Franco
Incident Date: 07/20/2025

Dear Patti:

Enclosed is a copy of a Claim received in person at the Office of the City Clerk on January 12, 2026, by the above referenced claimant(s). Note: Attached is a location map for reference. The incident location is within our city limits.

This item will be tentatively scheduled for the City Council regular meeting on Tuesday, February 10, 2025, pending your recommendation. All correspondence will be required from George Hills no later than **January 29, 2026**. Please review and advise this office on the appropriate action to be taken.

If you have any questions, please contact Leticia Nava-Cruz at (909) 864-6861, ext. 208 or myself at ext. 226.

Sincerely,

Alondra Muñoz, CMC
City Clerk

cc: Carlos Zamano, City Manager
Leticia Nava-Cruz, Director of Administrative Services
Maricela Marroquin, City Attorney

VICINITY MAP

The green shading represents the City of Highland.



Do not write in this space.
For office use only:

Received: 1/12/2026

By: Eileen Prado

☐ E-Mail ☐ Mail ☑ In person

CLAIM AGAINST THE CITY OF HIGHLAND

(For damages to persons or personal property)

A claim must be filed with the City Clerk within 180 days after which the incident or event occurred. Be sure your claim is against the City of Highland and not another public entity. Where space is insufficient, please use additional paper and identify information by paragraph number. Completed claims must be mailed or delivered to:

CITY CLERK, CITY OF HIGHLAND
27215 BASE LINE
HIGHLAND CA 92346
(909) 864-6861, ext. 226

WARNING: IT IS A CRIMINAL OFFENSE TO FILE A FALSE CLAIM, PENAL CODE S72; INSURANCE CODE S556.1.

NOTICE: PER GOVERNMENT CODE SECTION 910.4, THIS FORM MUST BE USED IN ORDER TO COMPLY WITH SECTIONS 910 AND 910.2 OF THE GOVERNMENT CODE.

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF HIGHLAND:

The undersigned respectfully submits the following claim and information relative to damage to persons and/or personal property:

1. Name of Claimant Jess Franco

   a. Complete Address of Claimant, including City, State and Zip Code:
   6726 Iris Ave, Rialto CA 92376

   b. Phone Numbe _____

   c. Date of Birth_ _____

4. A general description of the indebtedness, obligation, injury, damage or loss incurred so far as it may be known at the time of presentation of the claim. If there were no injuries, state "no injuries".

Description is listed above. This claim was submitted previously to CalTrans and SB County (Risk Management) This claim is now forwarded to city of Highland, CA.

5. Give the name(s) of the City employee(s) causing the damage or injury:

I claim Public Works contractors with the city of Highland, CA.

6. Name and address of any other person injured:

N/A

7. Name and address of the owner of any damaged property:

Jess Franco
6726 Iris Ave, Rialto CA, 92376

8. Damages Claimed:

a. Amount claimed as of this date: $ 1687.41

b. Estimate amount of future costs: $ 583.42 ~~For TPM module, receipt not included but it can be provided.~~ Receipt attached

c. Total amount claimed: $ 2,270.83

d. Basis for computation of amounts claimed. **Include copies of all bills, invoices, estimates, etc.**:

Attachments/Exhibits are included with this claim.

COUNTY OF SAN BERNARDINO
RISK MANAGEMENT/LIABILITY SECTION
NOV 24 2025

CLAIM AGAINST SAN BERNARDINO COUNTY

(Note: Presentation of a False Claim is a Felony; Penal Code Section 72)

DATE: 11/24/2025

Claim is hereby made against San Bernardino County, State of California, as follows:

☒ Less than $10,000 – State the total amount claimed $ 1687.41

☐ More than $10,000 – Check one of the boxes: ☐ Limited Civil ($10,000–$25,000) ☐ Unlimited Civil ($25,001 and up)

Claimant makes the following statements in support of the claim:

1. Name of Claimant: Jess (First) Maria (Middle) Franco (Last) (Area Code and Phone No.)

2. Address of Claimant: 6726 Iris Ave (Street) Rialto (City) 92376 (Zip Code)

Email: Date of Birth: Social Security Number:

(The Information Requested Is Mandatory if Presenting a Claim for Bodily Injury)

3. Notices concerning claim should be sent to: Jess Franco (Name)

6726 Iris Ave (Street) Rialto (City) 92376 (Zip Code) (Area Code and Phone No.)

4. Circumstances giving rise to claim are as follows: *(If more space is needed, please continue on an additional page and attach to this form)*

This packet was submitted to CalTrans department originally. This packet is now being forwarded to Risk Management Division

5. Date, Time and Place (city, street, cross-street) damage occurred:

Please see attached details on the second page

6. Public property and/or public officers or employees causing injury, damage or loss:

Please see attached details on the second page

7. Name, Telephone Number and Address of Witnesses:

8. Basis of computation of claimed amount is as follows:

Medical expenses to date: _____ Lost wages: _____

Estimated future medical expenses: _____ General damages: _____

Other expenses: _____ Property damage: $1687.91

Other damages: _____

SAN BERNARDINO COUNTY RISK MANAGEMENT
2025 NOV 24 PM 1:

Claimant or Representative (Signature Required)

RETURN COMPLETED FORM TO:

Risk Management Division – San Bernardino County, State of California
222 West Hospitality Lane, 3rd Floor, San Bernardino, CA 92415-0016
Office: 909.386.8631 Fax: 909.382.3212

SAN BERNARDINO COUNTY

21927 Rev 12/23

NOV 15 2025

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION

CLAIM AGAINST DEPARTMENT OF TRANSPORTATION FOR AMOUNTS $10,000 OR LESS

LD-0274 (REV 05/2017)

2025 NOV 13 PM 2:23 SAN BERNARDINO RISK MGMT

PERSONAL INFORMATION NOTICE

Pursuant to the Federal Privacy Act (P.L. 93-579) and the Information Practices Act of 1977 (IPA) (Civil Code Sections 1798, et seq.), notice is hereby given for the request of personal information by this form. The requested personal information is voluntary. The principal purpose of the voluntary information is to facilitate the processing of this form. The failure to provide all or any part of the requested information may delay processing of this form. No disclosure of personal information will be made unless permissible under Article 8, Section 1798.24 of the IPA of 1977. Each individual has the right upon request and proper identification, to inspect all personal information in any record maintained on the individual by an identifying particular. Direct any inquiries on information maintenance to your IPA Officer.

Use this form to file a claim of $10,000 or less against the California Department of Transportation for death or personal injury, or for injury to personal property or growing crops. (Government Code sections 911.2, 935.7)

PLEASE: Complete electronically or print or use a typewriter when filling out this form.
Sign and date claim form.
(UNSIGNED AND UNDATED FORMS WILL NOT BE ACCEPTED)

NOV 13 2025

WARNING: GOVERNMENT CODE § 911.2 PROVIDES SIX MONTHS FROM THE DATE OF INCIDENT TO FILE A CLAIM FOR PERSONAL INJURY OR PROPERTY DAMAGE.

STATE USE ONLY
FILE NUMBER 08-25-0362

1. NAME: LAST	FIRST	MIDDLE	CONTACT PHONE NUMBER	E-MAIL ADDRESS
Franco	Jessica (Jess)	Maria		

HOME ADDRESS	CITY	STATE	ZIP CODE
6726 Iris Ave	Rialto	CA	92376

2. IDENTIFY THE SPECIFIC TIME AND DATE FOR THE INCIDENT CAUSING YOUR DAMAGE	TIME OF INCIDENT ☐ AM ☑ PM	DATE OF INCIDENT
	11:35	July 20 2025

3. STATE THE LOCATION OF THE INCIDENT *(COUNTY, HIGHWAY, NEAREST OFF-RAMP, CROSS STREET, OR POSTMILE).*

COUNTY	ROUTE	DIRECTION	POSTMILE	CROSS STREET
San Bernardino	East Bound	Greenspot Rd	7034H / 88H	Between Cluburew and Alta Vista

DESCRIBE THE INCIDENT LOCATION (FOR EXAMPLE: *"JUST NORTH OF 1ST STREET, IN THE NUMBER 1 LANE"*)
This incident occurred traveling East of Greenspot Rd in the number 1 Lane

4. EXPLAIN HOW THE INJURY OR DAMAGE OCCURRED
July 20, 2025, at around 11:35pm, I drove over a large pothole. It was night time I could not see the condition of the road.

5. WHAT DO YOU CLAIM CALTRANS OR ITS CONTRACTOR DID TO CAUSE YOUR INJURY OR DAMAGE?
I claim Caltrans and/or its contractor failed to care for the quality of the highway on Greenspot Rd in East Highland. A numerous amount of Potholes have been spotted after the incident.

6. WHAT INJURY OR DAMAGE ARE YOU CLAIMING HAPPENED?
Tire Damage (Completely Shredded) (Tire Sensor Damage)
Wheel Damage (cracked wheel, Bent wheel, Chipped wheel, Scratches)

7. WHAT IS THE DOLLAR AMOUNT OF YOUR CLAIM? (SUBMIT TWO ESTIMATES OR ONE PAID RECEIPT) $1687.41

8. INSURANCE INFORMATION	NAME OF INSURER	POLICY NUMBER
	Farmers Insurance	

HAVE YOU SUBMITTED A CLAIM TO YOUR INSURANCE CARRIER? ☐ YES ☑ NO

IF YES, WERE YOU PAID? ☐ YES ☑ NO HOW MUCH DID INSURANCE PAY? $ 0

9. ARE YOU THE REGISTERED OWNER OF THE VEHICLE/DAMAGED PROPERTY? ☑ YES ☐ NO

MAKE OF VEHICLE	MODEL	COLOR	YEAR	VEHICLE LICENSE NO.
BMW	750i	Purple	2011	

I HEREBY CERTIFY UNDER PENALTY OF PERJURY, THAT THE FOREGOING FACTS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

10. SIGNATURE OF CLAIMANT	DATE
	09/12/2025

REVERSE SIDE FOR STATE USE AND FILING INFORMATION ON CLAIMS.
INSTRUCTIONS FOR FILLING OUT THIS FORM ARE ON PAGE 3.

ADA Notice For individuals with sensory disabilities, this document is available in alternate formats. For alternate format information, contact the Forms Management Unit at (916) 445-1233, TTY 711, or write to Records and Forms Management, 1120 N Street, MS-89, Sacramento, CA 95814.

IWC MOTORSPORTS & TIRE PROS & AUTOMOTIVE

640 W. Mill St. San Bernardino CA 92410
Phone (909)885-9000 Fax (909)885-1090
www.iwcmotorsports.com
B.A.R.#ARD00272324

Advisor : JUSTIN

CUSTOMER 9517104254
VINCENT HUGHES
7749 CENTRO VISTA
HIGHLAND
CA 92346

Work. ( ) -
Res. :
Cel. :
Fax. :

VEHICLE : WRAPPED
MAKE : BMW
YEAR : 2011
LICENSE
COLOR : WHITE
VIN # :

MODEL : 750
EXIT MILEAGE : 91720
CYLINDERS :
ENGINE :

SALES TAX	P.O. #	ESTIMATE #	DATE	INVOICE #
45-4118890		96322	July 12 2022	100732

QTY	PART NO	DESCRIPTION	UNIT $	%	PARTS	LABOR
4	00022KIT	22" TIRE INSTALLATION KIT				
4	000000J2	**TIRE INSTALLATION AND BALANCING {T0}** FREE. ROTATIONS/BALANCING/FLAT REPAIRS FOR THE LIFE OF THE TIRE	18.00			$72.00
4	00000ESF	ENVIROMENTAL STATE FEE REQUIRED	1.75		$7.00	
4	00000TRF	TIRE RECYCLING FEE	4.95		$19 80	
4	0000TPMS	**TPMS REBUILD {T0}**	4.75			$19.00
4	000000RH	TIRE PROTECTION PLAN	21.99		$87.96	
4	000000NW	22" LEXANI WRAITH 22X9, 22X10 ALL BLK. Please return for RE-TORQUE of NEW wheels in 150 to 200 miles.	467.97		$1,871.88	
2	14647NXK	245/30R22 NEXEN SU1 1. 8EY1CFML1022 2. 8EY1CFML1022	194.31		$388.62	
2	14646NXK	295/25R22 NEXEN SU1 1. 8EY1CFMR0222 2. 8EY1CFML0222	334.95		$669.90	
20	0000PART	14X1 25 SPLINE LUG BOLT	3.35		$67.00	
1	7 POINT SPLINE KEY	7 POINT SPLINE LUG NUT KEY SMALL	20.40		$20.40	
4	00MX002A	IWC TPMS SENSOR ALL IN ONE 315-433MHZ ALUMINUM	45.00		$180.00	
-1	0000000D	DEPOSIT Deposit paid on invoice # 100567	3683.37		$3,683.37)	
1	00000J7E	**ALIGNMENT EURO MODEL {T0}** GUARANTEED FOR 6 MONTHS OR 6,000 MILES	130.00			$130.00

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SAN BERNARDINO COUNTY
RISK MANAGEMENT

*** Continued on next page ***

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IWC MOTORSPORTS TIRE PROS & AUTOMOTIVE

640 W. Mill St. San Bernardino CA 92410
Phone (909)885-9000 Fax (909)885-1090
www.iwcmotorsports.com
B.A.R.#ARD00272324

Advisor : JUSTIN

CUSTOMER 9517104254
VINCENT HUGHES
7749 CENTRO VISTA
HIGHLAND
CA 92346

Work: (___) ___-____
Res. :
Cel. :
Fax. :

VEHICLE : WRAPPED
MAKE : BMW
YEAR : 2011
LICENSE
COLOR : WHITE
VIN # :

MODEL : 750
EXIT MILEAGE : 91720
CYLINDERS :
ENGINE :

SALES TAX	P.O. #	ESTIMATE #	DATE	INVOICE #
45-4118890		96322	July 12 2022	100732

QTY	PART NO	DESCRIPTION	UNIT $	%	PARTS	LABOR

SAN BERNARDINO COUNTY
RISK MANAGEMENT
2025 NOV 24 PM 1:02

LEGAL WARRANTY

BY LAW ALL REPAIRS ARE GUARANTEED FOR A PERIOD OF 3 MONTHS OR 3,000 MILES EXCEPT IN THE EVENT OF DAMAGES CAUSED BY AN ACCIDENT OR ABUSIVE USE ALL PARTS ARE CONSIDERED NEW UNLESS SPECIFIED

PAYMENTS

VISA $ 130.00

SUB-TOTAL	$3,312.56	$221.00
SUB-TOTAL		$3533.56
SALES TA		$279.81
SUB-TOTAL		$3,813.37
DEPOSIT		$3,683.37
GRAND TOTAL		$130.00

SALES BY CREDIT Payable upon receipt of account statement Administration fees will be charged on all outstanding balances at a rate of 2% per month (24% yearly) All merchandise sold remains the property of the seller until full payment has been received. The customer's signature below confirms he/she has taken knowledge of, and accepts, all terms and conditions I hereby authorize the opening and keeping of a maintenance and repair file ans I also hereby authorize the repair shop and his employees to collect use and communicate to any third party any personal or other information which is necessary to the constitution of the file I further autorize the repair shop and his employees to use the vehicle as needed for repairs. ALL SPECIAL ORDERS ARE NON REFUNDABLE. RESTOCK FEE 20%. NO RETURNS ON SPECIAL ORDER ITEMS, MOUNTED WHEELS AND TIRES, OR INSTALLED PARTS.

Date: _____ Customer's signature : _____

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Advisor : JUSTIN

CUSTOMER 9517104254
VINCENT HUGHES. ~~JENNIFER~~ JESS
7749 CENTRO VISTA
HIGHLAND
CA 92346

Work: (___) ___-____
Res. :
Cel. :
Fax.

VEHICLE : WRAPPED
MAKE : BMW
YEAR : 2011
LICENSE :
COLOR : WHITE
VIN # :

MODEL : 745LI
EXIT MILEAGE : 113661
CYLINDERS
ENGINE :

SALES TAX	P.O. #	ESTIMATE #	DATE	INVOICE #
45-4118890		129569	July 21 2025	119326

QTY	PART NO	DESCRIPTION	UNIT $	%	PARTS	LABOR
1	00022KIT	22" TIRE INSTALLATION KIT				
1	000000J2	**TIRE INSTALLATION AND BALANCING {T0}** FREE: ROTATIONS/BALANCING/FLAT REPAIRS FOR THE LIFE OF THE TIRE	18.00			$18.00
1	00000ESF	ENVIROMENTAL STATE FEE REQUIRED	1.75		$1.75	
1	00000TRF	TIRE RECYCLING FEE	6.95		$6.95	
1	0000TPMS	**TPMS REBUILD {T0}**	4.75			$4.75
1	00000RHD	CUSTOMER DECLINES TIRE PROTECTION PLAN				
1	0000000W	STICK ON WHEEL WEIGHT. CHROME OR BLACK	3.00		$3.00	
1	14647NXK	245/30R22 NEXEN SU1	219.46		$219.46	
1	00000DOT	RECORD DOT #'S 1. 18EY1AFAL4324				
1	00000CCF	CREDIT CARD CONVIENCE FEE 2% OR MINIMUM FEE	4.00		$4.00	

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RISK MANAGEMENT
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LEGAL WARRANTY

BY LAW ALL REPAIRS ARE GUARANTEED FOR A PERIOD OF 3 MONTHS OR 3,000 MILES EXCEPT IN THE EVENT OF DAMAGES CAUSED BY AN ACCIDENT OR ABUSIVE USE. ALL PARTS ARE CONSIDERED NEW UNLESS SPECIFIED

PAYMENTS

VISA $ 277.38

SUB-TOTAL	$235.16	$22.75
SUB-TOTAL		$257.91
SALES TA		$19.47
TOTAL		$277.38

SALES BY CREDIT Payable upon receipt of account statement. Administration fees will be charged on all outstanding balances at a rate of 2% per month (24% yearly). All merchandise sold remains the property of the seller until full payment has been received. The customer's signature below confirms he/she has taken knowledge of, and accepts all terms and conditions. I hereby authorize the opening and keeping of a maintenance and repair file and I also hereby authorize the repair shop and his employees to collect use and communicate to any third party any personal or other information which is necessary to the constitution of the file. I further autorize the repair shop and his employees to use the vehicle as needed for repairs. ALL SPECIAL ORDERS ARE NON REFUNDABLE. RESTOCK FEE 20%. NO RETURNS ON SPECIAL ORDER ITEMS. MOUNTED WHEELS AND TIRES, OR INSTALLED PARTS.

Date _____ Customer's signature _____

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Phone (909)885-9000 Fax (909)885-1090
www.iwcmotorsports.com
B.A.R.#ARD00272324

Advisor : JUSTIN

CUSTOMER 9517104254
VINCENT HUGHES, ~~JENNIFER~~ Jess
7749 CENTRO VISTA
HIGHLAND
CA 92346

Work: (___) ___-____
Res. :
Cel. :
Fax. :

VEHICLE : WRAPPED
MAKE : BMW
YEAR : 2011
LICENSE :
COLOR : WHITE
VIN # :

MODEL : 745LI
EXIT MILEAGE : 113782
CYLINDERS :
ENGINE :

SALES TAX	P.O. #	ESTIMATE #	DATE	INVOICE #
45-4118890		129760	July 28 2025	119452

QTY	PART NO	DESCRIPTION	UNIT $	%	PARTS	LABOR
1	00022KIT	22" TIRE INSTALLATION KIT				
1	000000J2	**TIRE INSTALLATION AND BALANCING {T0}**	18.00			$18.00
		FREE: ROTATIONS/BALANCING/FLAT REPAIRS FOR THE LIFE OF THE TIRE				
1	00000ESF	ENVIROMENTAL STATE FEE REQUIRED	1.75		$1.75	
1	00000TRF	TIRE RECYCLING FEE	6.95		$6.95	
1	0000TPMS	**TPMS REBUILD {T0}**	4.75			$4.75
1	000000RH	ROAD HAZARD TIRE PROTECTION PLAN	21.99		$21.99	
1	00000RHD	CUSTOMER DECLINES TIRE PROTECTION PLAN				
1	000000SW	STICK ON WHEEL WEIGHT. CHROME OR BLACK	3.00		$3.00	
1	NEX14647NXK	245/30R22 NEXEN SU1	219.46		$219.46	
1	00000DOT	RECORD DOT #'S				
		1. 8EY7AEAL4824				
-1	00000RHW	TIRE PROTECTION WARRANTY	219.46		($219.46)	

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RISK MANAGEMENT
2025 OCT 24 PM 1:02

SUB-TOTAL	$33.69	$22.75
SUB-TOTAL		$56.44
SALES TA		
TOTAL		$56.44

LEGAL WARRANTY

BY LAW ALL REPAIRS ARE GUARANTEED FOR A PERIOD OF 3 MONTHS OR 3,000 MILES EXCEPT IN THE EVENT OF DAMAGES CAUSED BY AN ACCIDENT OR ABUSIVE USE. ALL PARTS ARE CONSIDERED NEW UNLESS SPECIFIED

PAYMENTS

CASH $ 56.44

SALES BY CREDIT Payable upon receipt of account statement. Administration fees will be charged on all outstanding balances at a rate of 2% per month (24% yearly). All merchandise sold remains the property of the seller until full payment has been received. The customer's signature below confirms he/she has taken knowledge of, and accepts all terms and conditions. He also authorize the opening and keeping of a maintenance and repair file and I also hereby authorize the repair shop and his employees to collect use and communicate to any third party any personal or other information which is necessary to the constitution of the file. I further authorize the repair shop and his employees to use the vehicle as needed for repairs. ALL SPECIAL ORDERS ARE NON REFUNDABLE. RESTOCK FEE 20%. NO RETURNS ON SPECIAL ORDER ITEMS. MOUNTED WHEELS AND TIRES, OR INSTALLED PARTS

Date: _____ Customer's signature : _____

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640 W. Mill St. San Bernardino CA 92410
Phone (909)885-9000 Fax (909)885-1090
www.iwcmotorsports.com
B.A.R.#ARD00272324

Advisor : JUSTIN

CUSTOMER 9517104254
VINCENT HUGHES, ~~JENNIFER~~ JESS
7749 CENTRO VISTA
HIGHLAND
CA 92346

Work: (___) ___-____
Res. :
Cel. :
Fax.

VEHICLE : WRAPPED
MAKE : BMW
YEAR : 2011
LICENSE :
COLOR : WHITE
VIN # :

MODEL : 745LI
EXIT MILEAGE : 113782
CYLINDERS :
ENGINE :

SALES TAX	P.O. #	ESTIMATE #	DATE	INVOICE #
45-4118890		130136	August 22 2025	119906

QTY	PART NO	DESCRIPTION	UNIT $	%	PARTS	LABOR
1	00022KIT	22" TIRE INSTALLATION KIT				
1	000000J2	**TIRE INSTALLATION AND BALANCING {T0}**	18.00			$18.00
		FREE: ROTATIONS/BALANCING/FLAT REPAIRS FOR THE LIFE OF THE TIRE				
1	00000ESF	ENVIROMENTAL STATE FEE REQUIRED	1.75		$1.75	
1	00000TRF	TIRE RECYCLING FEE	6.95		$6.95	
1	0000TPMS	**TPMS REBUILD {T0}**	4.75			$4.75
1	000000RH	ROAD HAZARD TIRE PROTECTION PLAN	21.99		$21.99	
1	000000SW	STICK ON WHEEL WEIGHT, CHROME OR BLACK	3.00		$3.00	
1	1951342259	295/25R22 ADVANTA	198.59		$198.59	
1	00000DOT	RECORD DOT #'S 1. 076BHAUY54924				
1	00000CCF	CREDIT CARD CONVIENCE FEE 2% OR MINIMUM FEE	8.00		$8.00	
1	0000NOTE	LOOSE CARRY OUT				

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LEGAL WARRANTY

BY LAW ALL REPAIRS ARE GUARANTEED FOR A PERIOD OF 3 MONTHS OR 3,000 MILES EXCEPT IN THE EVENT OF DAMAGES CAUSED BY AN ACCIDENT OR ABUSIVE USE. ALL PARTS ARE CONSIDERED NEW UNLESS SPECIFIED

PAYMENTS

VISA $ 280.67

SUB-TOTAL	$240.28	$22.75
SUB-TOTAL		$263.03
SALES TA		$17.64
TOTAL		$280.67

SALES BY CREDIT : Payable upon receipt of account statement. Administration fees will be charged on all outstanding balances at a rate of 2% per month (24% yearly). All merchandise sold remains the property of the seller until full payment has been received. The customer's signature below confirms he/she has taken knowledge of, and accepts, all terms and conditions I hereby authorize the opening and keeping of a maintenance and repair file and I also hereby authorize the repair shop and his employees to collect use and communicate to any third party any personal or other information which is necessary to the constitution of the file. I further autorize the repair shop and his employees to use the vehicle as needed for repairs. ALL SPECIAL ORDERS ARE NON REFUNDABLE. RESTOCK FEE 20%. NO RETURNS ON SPECIAL ORDER ITEMS, MOUNTED WHEELS AND TIRES, OR INSTALLED PARTS

Date: _____ Customer's signature _____

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JASON'S Wheel Repair

5203 G. St
Chino, CA 91710
909-591-1220
jasonswheelrepair@gmail.com

Customer Info:
Name: Jess Franco
Address:
City: [redacted] Zip:
Phone:

Date: 9/3/25

☐Cash ☒Credit Card Debit ☐Check

Unit	Description	Total
CU	Bent wheel repair	100

Any wheel left here for 30 days will be forfeited and subjected to scrap. Please make prior arrangement, for pick up of wheels. Any questions or concerns please address before leaving wheels with Jason's Wheel Repair.

Subtotal	
CA Tire Fee	
Labor	
Tax	
TOTAL	100

Thank You!!

SAN BERNARDINO COUNTY
RISK MANAGEMENT
2025 NOV 24 PM 1:02

JASON'S Wheel Repair
MAKING THE WHEEL INDUSTRY GO ROUND
5203 G. St. Chino CA 91710 • 909-591-1220

5203 G. St
Chino, CA 91710
909-591-1220
jasonswheelrepair@gmail.com

Customer Info: Date: 8-2-25
Name: [illegible]
Address:
City: Zip:
Phone: [redacted]

☐Cash ☐Credit Card ☐Check

Unit	Description	Total
1	Bark side 24	125
	Junk tire	

Any wheel left here for 30 days will be forfeited and subjected to scrap. Please make prior arrangement, for pick up of wheels. Any questions or concerns please address before leaving wheels with Jason's Wheel Repair.

Subtotal	
CA Tire Fee	
Labor	
Tax	
TOTAL	

Thank You!!

SAN BERNARDINO COUNTY
RISK MANAGEMENT
2025 NOV 24 PM 1:02

IWC MOTORSPORTS TIRE
PROS
640 WEST MILL ST
SAN BERNARDINO CA 92410
909/885-9000

SALE

TID: 005 REF#: 00000001
Batch #: 234001 RRN: 814282701
08/22/25 08:36:36
APPR CODE: 053224
VISA Contactless
/

AMOUNT $280.67

APPROVED

Thank You
Please Come Again

CUSTOMER COPY

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RISK MANAGEMENT
2025 NOV 24 PM 1:02

JASON S WHEEL REPAIR
5203 G STREET
CHINO, CA. 91710
909-591-1220
DEBIT SALE

REF#: 00000003
Batch #: 498 RRN: 821211521
08/21/25 14:15:21
APPR CODE: 558050
ENCRYPTED BY ELAVON
Trace: 3
DEBIT Contactless

AMOUNT $125.00

APPROVED

US Common Debit
AID: A0000000980840
TVR: 00 00 00 00 00

THANK YOU
CUSTOMER COPY

IWC MOTORSPORTS TIRE
PROS
640 WEST MILL ST
SAN BERNARDINO CA 92410
909/885-9000

SALE

TID: 005 REF#: 00000016
Batch #: 202001 RRN: 532226858
07/21/25 59
APPR CODE: 030914
VISA Chip
/

AMOUNT $277.38

APPROVED

VISA DEBIT
AID: A0000000031010
TVR: 80 80 00 80 00
TSI: 68 00

JASON S WHEEL REPAIR
5203 G STREET
CHINO, CA. 91710
909-591-1220
DEBIT SALE

REF#: 00000004
Batch #: 506 RRN: 903203105
09/03/25 13:31:05
APPR CODE 437547
ENCRYPTED BY ELAVON
Trace: 4
DEBIT Contactless

AMOUNT $100.00

APPROVED

US Common Debit
AID: A0000000980840
TVR: 00 00 00 00 00

THANK YOU
CUSTOMER COPY

RISK MANAGEMENT
SAN BERNARDINO COUNTY
2025 NOV 24 PM 1:02
RISK MANAGEMENT
2025 NOV 24 PM 1:02

I hereby authorize the repair work listed herein, including sublet work, to be done along with necessary materials. You and your employees may operate the described vehicle for the purposes of testing, inspection or delivery at my risk. The said shop will check tire pressure on all vehicles as per California rules and regulations. An express lien is acknowledged on said vehicle to secure the amount of repairs thereto. You will not be held responsible for loss or damage to vehicle or articles left in vehicle in case of fire, theft, accident or any other cause beyond your control. Customer agrees to pay all collection costs and /or attorneys fees in the event that default is made in any payment due. If vehicle is returned to customer without repair service being performed, a diagnostic and handling fee (including reassembly) may be charged. I have read and understand the above and acknowledge receipt of an estimate.

X _____

Terms: CASH unless arrangements made prior to authorization. Vehicles left after repair is completed may be subject to a storage fee.

Foreign Auto Tech

1635 W, Redlands Blvd.
Redlands, CA 92373
(909) 335-9575
BAR No. ARD216311
EPA No. CAL000060975

Repair Order # 152765

[redacted]
Highland, CA 92346

Home
Ex: Jess - Mobile

2011 BMW Alpina B7 Base

VIN: 1
Engine: V8 4.4L, 4395cc, DOHC, GAS, FI
Trans: AUTO

License #
Odom: 0
EngH: 0
Color: Purple
Mfg. Date:
Unit #

Inv Date:1/12/2026

Service Writer:
Status: Appointment
Driver: Hughes, Vincent
PO #

Vehicle Problems	Requests for Service	Services Performed	Hrs	Qty	Price		Ext
Inspect And Adjust Tire Pressure. Per California CARB Regulation §95550							
Customer States The TPMS Light Is On Check And Advise.							
Labor Service -			1.00		198.00		198.00
New	*36 10 6 796 604*	*TPMS Control Module*		1.00	354.00		354.00

Warranties and Notices

- *** LIMITED WARRANTY *** WE GUARANTEE OUR SERVICE FOR 90 DAYS OR 3,000 MILES, WHICHEVER COMES FIRST. CUSTOMER AGREE THAT TO INVOKE GUARANTEE CUSTOMER WILL RETURN VEHICLE TO FOREIGN AUTO TECH TO CONDUCT REPAIRS PURSUANT TO THIS GUARANTEE SOLELY WITH FOREIGN AUTO TECH. * ANY CONTROVERSY OR CLAIM ARISING OUT OR RELATING TO THIS CONTRACT, OR THE BREACH THEREOF, SHALL BE SETTLED BY ARBITRATION IN ACCORDANCE WITH THE UNIFORM RULES OR BETTER Business BUREAU

Warranty

** LIMITED WARRANTY ** WE GUARANTEE OUR SERVICE WORK FOR 90 DAYS OR 3,000 MILES, WHICHEVER COMES FIRST" ANY CONTROVERSY OR CLAIM ARISING OUT OF OR RELATING TO THIS CONTRACT, OR THE BREACH THEREOF, SHALL BE SETTLED BY ARBITRATION IN ACCORDANCE WITH THE UNIFORM RULES FOR BETTER BUSINESS BUREAU"

Estimate only, do not pay.

Repair Order Summary:

Parts	354.00
Labor	198.00
Sub Total	552.00
Sales Tax (DEF)	31.42
Total	**583.42**

X _____
Customer acknowledges receipt of merchandise and services.

Page 1 of 1

Discard old parts

Original Estimate: 583.42

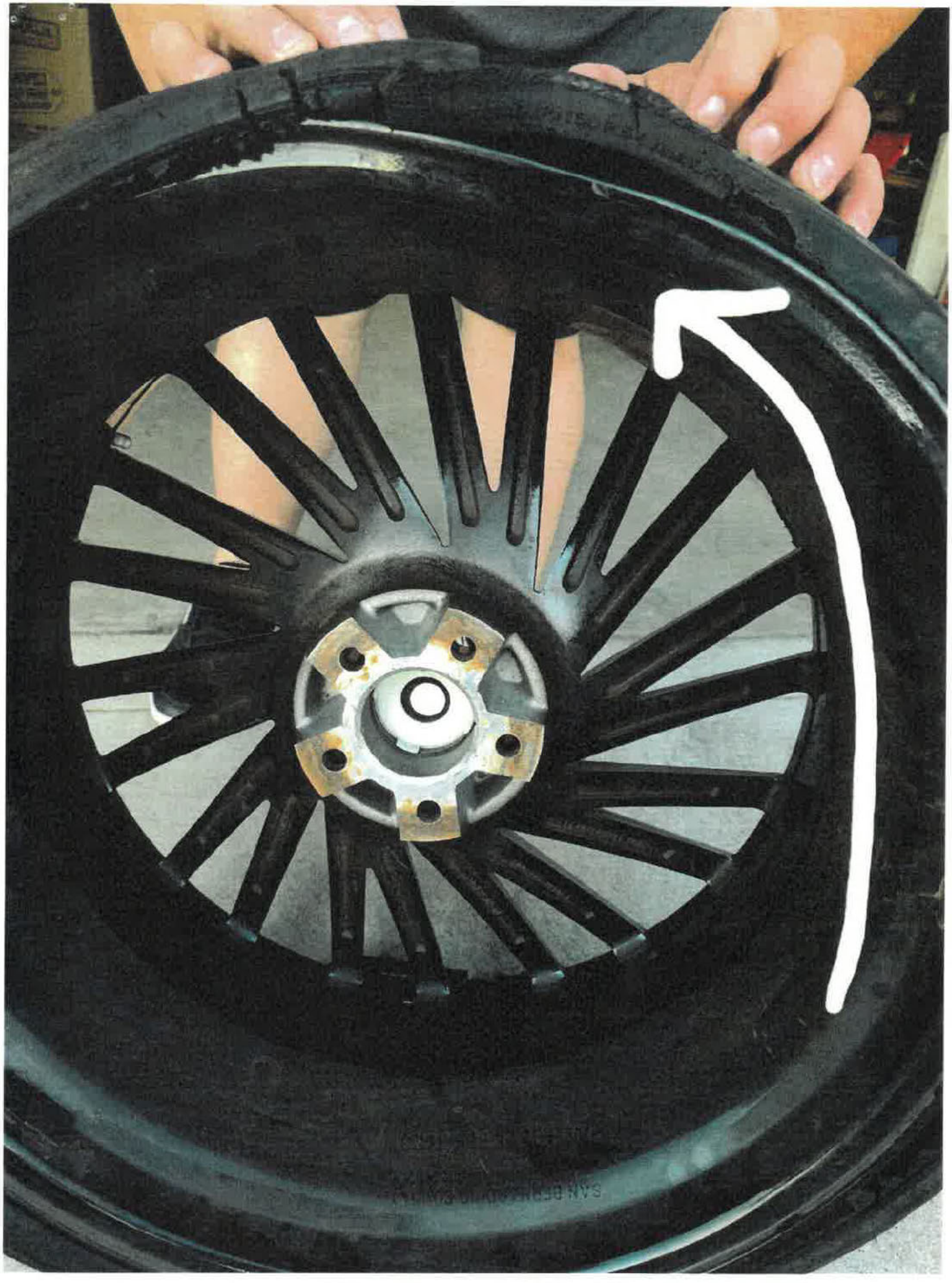




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2023 NOV 24 PM 1:03


2025 NOV 24 PM 1:03
SAN BERNARDINO COUNTY
RISK MANAGEMENT











Staff Report
to the City Council

Agenda Item No.6.

Date:	March 10, 2026
From:	Carlos Zamano, City Manager
Reviewed By:	Tish Nava-Cruz, Director of Administrative Services/City Treasurer
Prepared By:	Tish Nava-Cruz, Director of Administrative Services/City Treasurer
Subject:	A Resolution of the City Council of The City of Highland, California, Amending a Policy Regarding Expense Reimbursement and Use of Public Resources

Recommendation:
The Finance/Personnel Subcommittee recommends the City Council adopt a Resolution amending the City's policy regarding expense reimbursement and the use of public resources.

Fiscal Impact:
None.

Public Notice:
The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:
The proposed resolution updates the City's existing policy governing expense reimbursement and the use of public resources to ensure continued compliance with state law, enhance transparency, and clarify allowable and prohibited uses of City funds and assets. The amendments are intended to strengthen fiscal accountability, provide clearer guidance to elected officials and staff, and reflect best practices for public agency governance.

The City of Highland maintains a policy addressing the reimbursement of expenses incurred by elected officials and employees, as well as the appropriate use of public resources. Over time, changes in legal standards, auditing best practices, and operational needs have created the need to review and update this policy.

California law requires that public funds be used solely for public purposes and that reimbursement policies be adopted in a transparent manner. Periodic updates to City policies help ensure compliance with applicable laws, reduce the risk of misuse of public resources, and provide clear expectations for all City representatives. The last update was in 2006.

This item was reviewed and approved to be brought forward to the full City Council by the Finance/Personnel Subcommittee on February 17, 2026.

Attachments:

1. Proposed Resolution No. 2026-_____

Attachment 1

Proposed Resolution 2026-___

RESOLUTION NO. 2026-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA, ESTABLISHING A POLICY REGARDING EXPENSE REIMBURSEMENT AND USE OF PUBLIC RESOURCES

WHEREAS, THE CITY COUNCIL OF THE CITY OF HIGHLAND DOES RESOLVE AS FOLLOWS:

SECTION 1. FINDINGS

A. The City of Highland and the Highland City Council take stewardship over the use of limited public resources seriously;

B. Public resources shall be used for travel and reimbursement of expenses of public officials only when there is a substantial and demonstrable benefit to the City;

C. The benefits to the City of reimbursing actual and necessary expenses include, but are not limited to:

1. Communicating the City's concerns and priorities with state and federal officials;
2. Participating in regional, state, and national organizations whose activities benefit or affect the City;
3. Attending educational and training programs designed to improve officials' skills, knowledge, and effectiveness; and
4. Promoting public service, morale, and recognition of service to the City;

D. Legislative, intergovernmental, and regional business is frequently conducted over meals, and such settings may provide the most effective opportunity for focused and uninterrupted discussion of City policy concerns, provided all expenditures comply with applicable local, state, and federal law;

E. This policy provides guidance to elected and appointed officials (collectively referred to as "public officials"), as well as City management staff and employees as determined appropriate by the City Manager, regarding the appropriate use of City resources and the standards by which such expenditures will be evaluated;

F. This policy is intended to satisfy the requirements of Government Code Sections 53232.2 and 53233.3;

G. This policy supplements the definition of "actual and necessary expenses" under applicable state laws governing the use of public resources;

H. This policy supplements the definition of "ordinary, necessary, and reasonable expenses" for purposes of federal and state income tax laws;

I. This policy applies to all reimbursement requests, cash advances, and charges made to a City credit card or other City line of credit; and

J. The City Council finds that aligning reimbursement limits with federal per diem standards reflects prevailing practices among neighboring jurisdictions and regional public agencies and promotes fiscal responsibility while recognizing geographic cost variations.

SECTION 2. STATEMENT OF POLICY

A. Authorized Expenses

City funds, equipment, supplies, and staff time shall be used only for authorized City business. Expenses incurred by public officials in connection with the following activities generally constitute authorized expenses, provided all requirements of this policy are met:

1. Serving the needs of City residents, businesses, and visitors;
2. Communicating with constituents in compliance with applicable laws;
3. Communicating with representatives of regional, state, and federal governments regarding City policies and priorities;
4. Attending educational or training programs designed to improve officials' skills, knowledge, or effectiveness;
5. Participating in regional, state, and national organizations whose activities benefit or affect the City;
6. Recognizing service to the City, including awards or events of nominal value;
7. Attending City, community, regional, or intergovernmental events;
8. Gathering information related to City projects, issues, or priorities in other jurisdictions; and
9. Implementing City-initiated strategies to attract or retain businesses.

B. Expenses Requiring Prior City Council Approval

1. International travel; and
2. Any other expense specifically requiring City Council approval by law or policy.

C. Personal Expenses Not Reimbursable

The City shall not reimburse the following expenses:

1. The personal portion of any trip;
2. Political or charitable contributions;
3. Family or companion expenses, including partners, children, or pets;
4. Entertainment expenses not directly related to City business;
5. Personal automobile expenses other than mileage, tolls, or parking;
6. Personal losses incurred while on City business; and
7. Personal alcohol or bar expenses.

Questions regarding the propriety of an expense shall be resolved by the approving authority prior to incurring the expense.

D. Cost Control Guidelines

To conserve City resources, officials shall make reasonable efforts to minimize costs and use the most economical options consistent with scheduling needs and official duties. Whenever practicable, expenses shall be prepaid using a City check or City credit card.

1. Transportation

a. General Standard
The most economical and time-efficient mode of transportation shall be used, considering total cost, travel time, and business needs.

b. Air Travel
Economy-class airfare shall be used unless circumstances warrant otherwise. Government or negotiated group rates shall be utilized when available.

c. Automobile Mileage
Mileage reimbursement shall be paid at the Internal Revenue Service standard mileage rate in effect at the time of travel. Toll and parking expenses are reimbursable with receipts.

d. Rental Vehicles
Rental vehicles shall be used only when cost-effective. Government rates shall be used when available. City officials, whenever possible, should use the City Rental Car account.

e. Taxis, Rideshare, and Shuttles
Reasonable fares, including customary gratuities, are reimbursable when cost-effective or necessary for efficiency.

2. Lodging

a. Lodging expenses shall be reimbursed when overnight travel is reasonably required for City business.

b. Lodging reimbursement shall not exceed the applicable federal lodging per diem rate for the travel location, unless approved in advance by the City Manager or City Council, as applicable.

c. Conference or meeting group rates shall be used when available.

3. Meals and Incidental Expenses

a. Meal and incidental expenses shall be actual, necessary, moderate, and consistent with community standards and prevailing costs in the area traveled.

b. Reimbursement shall not exceed the applicable daily per diem rate for meals and incidentals established by the U.S. General Services Administration (GSA), https://www.gsa.gov/travel as in effect at the time and location of travel.

c. Per diem rates represent maximum reimbursement limits, not allowances. Officials shall be reimbursed only for actual expenses incurred and supported by itemized receipts not to exceed the daily maximum, not to exceed the maximum per stay. Gratuity is allowed up to 15% in addition to the maximum daily reimbursement.

d. For partial travel days, reimbursement shall be prorated in accordance with GSA guidelines.

e. Meals provided by the City, included in conference fees, lodging, or transportation costs, or otherwise provided at no cost are not reimbursable.

f. Personal alcohol or bar expenses shall not be reimbursed.

g. Per diem limits shall automatically adjust as federal rates are updated, without further action by the City Council.

4. Communications and Technology

Reasonable and necessary telephone, cellular, fax, internet, and data expenses incurred for City business are reimbursable with documentation.

5. Parking and Miscellaneous Expenses

Actual parking costs, baggage handling fees, and reasonable gratuities are reimbursable. Expenses reimbursed by another agency are not reimbursable by the City.

6. Cash Advances

Cash advances may be issued upon written request and approval. Any unused funds shall be returned, and receipts submitted, within five (5) business days of return.

7. Credit Card Use

City credit cards shall be used only for authorized City expenses. Personal use is strictly prohibited. Receipts shall be submitted within five (5) business days of use.

8. Expense Reports

Expense reports shall be submitted within thirty (30) calendar days of the expense, accompanied by itemized receipts and sufficient documentation demonstrating compliance with this policy.

9. Verification and Public Reporting

All expenses are subject to verification. Elected officials shall report on meetings attended at City expense at a subsequent City Council meeting, in accordance with

California Government Code Section 53232.3(d), which was enacted as part of AB 1234 (codified in 2005).

10. Compliance With Laws

All expenses are subject to the Political Reform Act, Public Records Act, and other applicable laws.

11. Violations

Violation of this policy may result in loss of reimbursement privileges, restitution, reporting as taxable income, civil penalties, criminal prosecution and/or other allowable penalties.

12. City Employees – FLSA and Travel Time

Employee compensation and travel time shall comply with the Fair Labor Standards Act and applicable City personnel policies.

SECTION 3. SEVERABILITY

If any provision of this Resolution is held invalid or unconstitutional, such decision shall not affect the validity of the remaining provisions, which shall remain in full force and effect.

PASSED, APPROVED AND ADOPTED this 10th day of March, 2026.

_____

Penny Lilburn, Mayor

Attest:

_____

Alondra Muñoz, City Clerk

Staff Report
to the City Council

Agenda Item No.7.

Date:	March 10, 2026
From:	Carlos Zamano, City Manager
Reviewed By:	Tish Nava-Cruz, Director of Administrative Services/City Treasurer
Prepared By:	Tish Nava-Cruz, Director of Administrative Services/City Treasurer
Subject:	Single Audit Report on Federal Award Programs for Fiscal Year Ended June 30, 2025

Recommendation:
The Finance/Personnel Subcommittee recommends the City Council receive and file the Single Audit Report on Federal Award Programs for Fiscal Year Ended June 30, 2025.

Fiscal Impact:
None-reports only.

Public Notice:
The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:
The Single Audit Report (SAR) is usually presented to the City Council at the same time as the annual audit. Due to the government shut-down, the guidelines for the SAR on federal awards were delayed, therefore, delaying the report.

The purpose of the SAR is to provide assurance to the federal government that recipients of federal funds comply with directives regarding the management and use of these funds by having an independent auditor report on such compliance. It only applies to state, local government, and nonprofit recipients that expend $750,000 or more of such assistance in one year. Highland's federal expenditures for fiscal year 2024-2025 were $7,662,704**.**

There were no internal control findings, no material weaknesses identified, no significant deficiencies identified that are not considered to be a material weakness nor any instances of noncompliance. As a result, the report received an unmodified (clean) opinion, which is the best opinion that can be received. This item was reviewed and approved by the Finance/Personnel Subcommittee on February 17, 2026.

Attachments:
1. Single Audit Report on Federal Award Programs for Fiscal Year Ended June 30, 2025.

Attachment 1

Single Audit Report 2024/2025

CITY OF HIGHLAND

Single Audit Report on Federal Award Programs

June 30, 2025

CITY OF HIGHLAND
SINGLE AUDIT REPORT ON FEDERAL AWARD PROGRAMS
Year Ended June 30, 2025

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Van Lant & Fankhanel, LLP
Certified Public Accountants

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

City Council
City of Highland
Highland, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Highland (City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 20, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses and significant deficiencies may exist that were not identified.

Van Lant & Fankhanel, LLP
29970 Technology Drive, Suite 105 A
Murrieta, CA 92563
909.856.6879

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



November 20, 2025

Van Lant & Fankhanel, LLP
Certified Public Accountants

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by Uniform Guidance

City Council
City of Highland
Highland, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Highland's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Highland, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Highland and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal

program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, of the City of Highland, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated November 20, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Van Lant & Fankhanel, LLP

February 5, 2026

CITY OF HIGHLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal ALN Number	Program Identification Number	Program Expend-itures	Provided to Sub-Recipients
Department of Housing and Urban Development				
CDBG - Entitlement Grants Cluster				
Passed through the County of San Bernardino:				
Community Development Block Grant	14.218	HIGH-24-1-15 Z/1355	$ 117,496	$ -
Community Development Block Grant	14.218	HIGH 24-1-05 A/1219	22,703	22,703
Community Development Block Grant	14.218	HIGH 24-2-05 D/2620	13,200	13,200
Community Development Block Grant	14.218	HIGH 24-2-05 Z/2443	13,542	13,542
Community Development Block Grant	14.218	HIGH 24-1-03K/0302	323,122	-
Community Development Block Grant	14.218	HIGH 23-1-03K/0280	258,005	-
COVID-19 - Community Development Block Grant	14.218	HIGH 19CV-1-05W/0200	3,035	3,035
COVID-19 - Community Development Block Grant	14.218	HIGH 19CV-2-05W/0202	45,470	45,470
Total Department of Housing and Urban Development Programs			796,573	97,950
Environmental Protection Agency				
Passed through the California Department of Transportation:				
Climate Pollution Reduction Grant	66.046	CRPL 5449 (042)	628,181	-
Total Environmental Protection Agency			628,181	-
Department of the Treasury				
Direct Recipient				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	-	5,915,862 *	-
Total Department of Treasury Programs			5,915,862	-
Department of Homeland Security				
Passed through the San Bernardino Co. Fire Protection District:				
Homeland Security Grant Program	97.067	DHS-20-GPD-067-00-01	14,873	-
Total Department of Homeland Security Programs			14,873	-
Department of Transportation				
Passed through the California Department of Transportation:				
Highway Planning and Construction Cluster				
Passed through the California Department of Transportation:				
Highway Planning and Construction	20.205	BRLSN 5449 (034)	47,605	-
Highway Planning and Construction	20.205	BR-NBIL 5449 (505)	132,796	-
Highway Planning and Construction	20.205	HSIPL 5449 (040)	110,092	-
Total Highway Planning and Construction Cluster			290,493	-
Total Department of Transportation Programs			290,493	-
Department of Commerce				
Economic Development Cluster				
Passed through the San Manuel Band of Mission Indians:				
Economic Development Assistance	11.300	EDA 07-01-07415	16,722	-
Total Department of Commerce Programs			16,722	-
Total Expenditures of Federal Awards			$ 7,662,704	$ 97,950

* = Major Program

CITY OF HIGHLAND
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2025

1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Highland (the City) under programs of the federal government as well as federal financial assistance passed through other government agencies for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial statements of the City. The City's reporting entity is defined in Note 1 of the notes to the City's financial statements.

2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported using the modified accrual basis of accounting for governmental funds and the accrual basis for proprietary funds, which is described in Note 1 of the notes to the City's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments,* wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass through entity identifying numbers are presented when available. The City has elected not to use the 15% de minimis indirect cost rate as allowed under the Uniform Guidance.

3) Relationship to Other Reports

Amounts reported in the accompanying Schedule agree to the amounts reported within the City's Annual Comprehensive Financial Report and Federal Financial Report.

4) Contingencies

Under the terms of federal and state grants, additional audits may be requested by the grantor agencies, and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to a request for reimbursement to the grantor agencies.

5) Subrecipient Expenditures

During the fiscal year ended June 30, 2025, the City made payments to subrecipients which consisted of the following:

Highland Senior Center	$	22,703
Central Little League		13,200
YMCA		13,542
Highland Grocery		3,035
Highland Ready Made Food		45,470
Total Subrecipients	$	97,950

CITY OF HIGHLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued:	Unmodified
Internal Control Over Financial Reporting:	
Material Weakness(es) Identified?	No
Significant Deficiencies Identified not Considered to be Material Weaknesses?	None Reported
Noncompliance Material to Financial Statements Noted?	No

Federal Awards

Internal Control Over Major Programs:	
Material Weakness(es) Identified?	No
Significant Deficiencies Identified not Considered to be Material Weaknesses?	None Reported
Type of Auditor's Report Issued on Compliance for Major Programs:	Unmodified
Any Audit Findings Disclosed that are Required to be Reported in Accordance With Uniform Guidance?	No

Identification of Major Programs:

ALN Numbers	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Recovery Funds

Dollar Threshold used to Distinguish Between Type A And Type B Programs:	$ 750,000
Auditee Qualified as Low-Risk Auditee?	Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no auditor's findings to be reported in accordance with *Government Auditing Standards.*

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no auditor's findings to be reported in accordance with *Uniform Guidance.*

CITY OF HIGHLAND
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2025

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no auditor's findings to be reported in accordance with *Government Auditing Standards.*

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no auditor's findings to be reported in accordance with the *Uniform Guidance*.

Staff Report
to the City Council

Agenda Item No.8.

Date:	March 10, 2026
From:	Carlos Zamano, City Manager
Reviewed By:	Lawrence Mainez, Community Development Director Kim Stater, Assistant Community Development Director
Prepared By:	Angela Tafolla, Senior Planner
Subject:	Second Reading of Zone Change 25-001: Ordinance No. 478, an Ordinance to Change the Zoning Designation of Approximately 89 Acres in Accordance with the City's Certified 6th Cycle Housing Element Program 33, Requiring Upzoning of Five (5) Acres in a Moderate to High Resource Area on the Easterly Portion of the City to a Maximum Residential Density of Thirty (30) Dwelling Units Per Acre (du/ac) (With a Density Range of 20 du/ac to 30 du/ac) and Adopt a Negative Declaration

(SB 1439 Campaign Contributions and Conflicts of Interest - Government Code Section 84308 is applicable)

Recommendation:
Conduct a second reading, read by title only, and waive further reading, then adopt Ordinance No. 478 approving Zone Change (ZC 25-001) to rezone Assessor's Parcel Numbers 0297-201-07, 0297-061-50, 0297-061-07, 0297-061-42, 0297-061-26, 0297-061-13, 0297-061-25, and 0297-021-44 from Agricultural/Equestrian (A/EQ) to Planned Development (PD*), consistent with Program 33 of the City's certified 6th Cycle Housing Element.

Fiscal Impact:
None.

Public Notice:
The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:
On February 10, 2026, the City Council conducted a public hearing and adopted a Negative Declaration for the project and directed staff to file a Notice of Determination and approved the first reading of the ordinance associated with the Zone Change (ZC 25-001), which implements updates required by the 6th Cycle Housing Element (2021–2029). The zone change addresses Housing Element program 33 (Strategically Enhance Access to Areas of Opportunity), which commits the City to rezone sites to increase multifamily residential options in moderate and high opportunity/ high resource areas. At this time, it is appropriate for City Council to approve the second reading.

Attachments:

1. Ordinance No. 478

ORDINANCE NO. 478

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA ADOPTING ZONE CHANGE (ZC 25-001) TO CHANGE THE ZONING DESIGNATION OF APPROXIMATELY 89 ACRES OF EXISTING AGRICULTURAL/EQUESTRIAN (A/EQ) TO PLANNED DEVELOPMENT (PD) FOR PROPERTY GENERALLY LOCATED ALONG GREENSPOT ROAD BETWEEN THE MEDITERRA PLANNED DEVELOPMENT/MEDITERRA PARKWAY ON THE WEST AND THE OLD GREENSPOT ROAD HISTORIC IRON BRIDGE ON THE EAST WITHIN THE CITY OF HIGHLAND. ASSESSOR'S PARCEL NUMBERS: 0297-201-07, 0297-061-50, 0297-061-07, 0297-061-42, 0297-061-26, 0297-061-13, 0297-061-25, AND 0297-021-44.

APPLICANT: CITY OF HIGHLAND

WHEREAS, the Highland City Council adopted Resolution No. 2023-035 approving the City's 6th Cycle 2021-2029 Housing Element and related CEQA Documents. The Housing Element includes a number of programs and policies and timeframes for the implementation of those programs and policies;

WHEREAS, the California Department of Housing and Community Development (HCD) certified the City's 6th Cycle 2021-2029 Housing Element in 2023;

WHEREAS, the certified Housing Element includes a series of programs, policies, and implementation timeframes, including Program 33 (Strategically Enhance Access to Areas of Opportunity), which requires the City to rezone at least five (5) acres for high-density multifamily residential use in moderate to high resource areas by December 2025;

WHEREAS, the proposed Zone Change implements Program 33 by establishing multifamily housing opportunities in areas with access to jobs, schools, and services as identified in the State's TCAC Opportunity Maps;

WHEREAS, the existing Agricultural/Equestrian (A/EQ) Zoning does not accommodate multifamily residential development at the densities required under Program 33 as it only allows residential development up to 2 dwelling units per acre;

WHEREAS, the City has re-evaluated the zoning map and identified approximately 89 acres of A/EQ-zoned land along Greenspot Road that is suitable for a zoning change to Planned Development (PD), which would enable a range of housing opportunities and increase equitable access to high-resource areas ("Zone Change");

WHEREAS, the subject area includes eight (8) parcels: APNs 0297-201-07, 0297-061-50, 0297-061-07, 0297-061-42, 0297-061-26, 0297-061-13, 0297-061-25, and 0297-021-44, located along Greenspot Road between the Mediterra development and the Old Greenspot Road Historic Iron Bridge;

WHEREAS, pursuant to the provision of the California Environmental Quality Act ("CEQA") (Cal. Pub. Res. Code § 21000 et seq.) and State CEQA Guidelines (the "Guidelines") (14 Cal. Code Regs. § 15000 et seq.), the City of Highland is the Lead Agency, and is charged with the responsibility of deciding whether or not to approve the proposed Project;

WHEREAS, the City contracted with Ruth Villalobos & Associates, Inc (RVA) for the independent preparation of an Initial Study to analyze the potential environmental effects of the Project. Based on the information contained in the Initial Study, RVA and City staff concluded that the Project had no impacts or less than significant impacts. Based upon this determination, RVA prepared, and City staff concurred in, a draft Negative Declaration ("Draft ND") in accordance with CEQA Section 21080(c) and Section 15070 of the State CEQA Guidelines;

WHEREAS, on January 20, 2026, the Planning Commission held a duly noticed public hearing to consider the Final ND (comprised of the Draft ND) and the Project, at which time the Planning Commission heard and considered information presented by City staff on the Project and its environmental review. In addition, all interested persons had an opportunity to and did testify regarding this matter. At the conclusion of the hearing, the Planning Commission adopted Resolution No. 26-001, recommending the City Council adopt the Final ND;

WHEREAS, at the same public hearing on January 20, 2026, the Planning Commission adopted Resolution No. 26-001, recommending the City Council conduct the first reading of an ordinance to approve Zone Change (ZC 25-001);

WHEREAS, on February 10, 2026, the City of Highland City Council considered the proposed Project, including the ND, at a duly noticed public hearing at which time all interested persons had an opportunity to and did testify either in support or in opposition to this matter. The City Council considered all the testimony and any comments received regarding the proposed Project, Final ND prior to adopting this Ordinance;

WHEREAS, the City of Highland City Council hereby finds that the Final ND prepared for the project has been completed in compliance with the California Environmental Quality Act (CEQA) and that the City Council has reviewed and considered the information contained in the staff report, and the comments received during the public review process, prior to approving the project. On February 10, 2026, the City Council adopted Resolution No. 2026-007 adopting the Final ND for the project. Resolution No. 2026-007 is incorporated herein as if set forth in full.

NOW THEREFORE, the City Council of the City of Highland does Ordain as follows:

Section 1. Findings and Intent.

The Highland City Council finds that all of the facts set forth herein above are true and correct.

Section 2. General Plan Consistency Finding.

The proposed Zone Change is being considered together with a General Plan Amendment to change the land use and zoning designation of approximately 89 acres from Agricultural/Equestrian (A/EQ) to Planned Development (PD). A footnote will be added to the General Plan Land Use Map and Zoning Map stating that at least five (5) acres within the PD area must accommodate high-density multifamily housing at 20 to 30 units per acre, as required by Housing Element Program 33.

The PD designation allows for flexible, project-specific development standards and supports superior site planning by encouraging clustering, creative site design, and integration of multiple parcels under a unified development plan (HMC Section 16.12.010). These provisions help meet citywide housing goals by increasing capacity while respecting site-specific conditions.

This land use change does not authorize any specific development at this time. The Project is a policy-level action and future development proposals will undergo full project-level review for consistency with the General Plan, Zoning Code, and environmental regulations.

The subject area is already identified for residential use in the General Plan. Increasing allowable density in this location is consistent with long-range growth forecasts, represents a modest citywide density increase (approximately 2.66%), and aligns with regional housing planning objectives. The proposal directly implements Program 33 of the certified Housing Element by targeting housing opportunities in high-resource areas.

Section 3. Findings of Fact for Zone Change (ZC 25-001) (Highland Municipal Code Section 16.08.040 *Amendments to zoning districts and other provisions).*

Based on the Findings below, the Highland City Council does herby find:

a. The proposed change of zone or revision is consistent with the goals, objectives, policies, and programs of the general plan, and is necessary and desirable to implement the provisions of the general plan;

   Response: The proposed General Plan Amendment is a requirement stipulated in the City's certified 6th Cycle Housing Element Program 33 (Strategically Enhance Access to Areas of Opportunity), which commits the City to rezone sites to increase multifamily residential options in moderate and high opportunity/ high resource areas. This action affects Chapter 2 of the General Plan, Figure 2.2 General Plan Land Use, and the City's official Zoning Map on file with the City Clerk.

   The proposed Project GPA 025-001/ ZC 025-001 is a policy level change and does not include any specific development or construction activities. The General Plan identifies the Project area as residential land use, as Agricultural/Equestrian (A/EQ). Although the proposed Project would increase the density of allowed residential development within the Project area, it is within an area that was already designated for residential development in the General Plan, of which the build out of this same Project area as residential was evaluated in the General Plan EIR. The proposed Project would represent an approximately 2.66% increase in citywide residential density, a modest change relative to existing regional population and growth projections in the General Plan EIR. As noted above, the proposed Project would implement the City's Housing Element Program 33. The proposed designation of Planned Development (PD) will provide for superior development by allowing a

greater degree of design and land use flexibility within the framework of a site-specific development plan (Highland Municipal Code (HMC) Section 16.12.010 (A)(1)). The PD designation will allow for the clustering of units and building types, and the formula of specific development standards and design criteria which respond to the particular features or conditions effecting a site (HMC Section 16.12.010(A)(2)). The proposed PD designation also encourages the merging of areas or parcels in a single overall land use plan and site design which might otherwise be developed separately (HMC Section 16.12.010(A)(3)(c)).

The proposed zone change is further supported by General Plan Goal 2.3, which encourages a variety of urban, suburban, and rural housing opportunities across the city. Specifically, Policy 5 under this goal states that the City will "continue the innovative use of land resources and development of a variety of housing types and sizes within the City by using the Planned Development designation." This directly aligns with the Project's intent to create high-density housing opportunities using the flexibility of the PD zone.

Additionally, the Project supports the City's ability to meet its Regional Housing Needs Allocation (RHNA) targets by designating a minimum of five acres within the project area for multifamily residential development at 20–30 dwelling units per acre. This targeted action is not only consistent with Program 33 but also promotes a key Housing Element objective—to facilitate development that meets the quantified housing needs of lower- and moderate-income households by 2029. By placing these units in high-resource areas, the Project reinforces fair housing goals and equitable access to opportunity.

Any future residential development in the Project area would be reviewed for consistency with the City's General Plan, Zoning Code, and other applicable environmental protection policies at the project level.

b. The proposed change of zone or revision will not adversely affect the public health, safety, and welfare or result in an illogical land use pattern;

Response: The proposed change of zone will not adversely affect the public health, safety, or welfare, nor will it result in an illogical land use pattern. The General Plan identifies the project area as residential land use, specifically Agricultural/Equestrian (A/EQ). While the Project would increase the allowable residential density, the area was already designated for residential buildout and evaluated in the General Plan EIR. The proposed Project would represent a modest 2.66% increase in citywide residential density, consistent with projected growth analyzed in the General Plan. The Project implements Program 33 of the certified 6th Cycle Housing Element, which requires targeted rezoning to allow for higher density residential development in high-resource areas.

The proposed Planned Development (PD) designation is consistent with adjacent land use patterns. The area immediately west of the Project site

includes existing Planned Development areas under the Mediterra Plan, with approved densities ranging from 2.1 to 12.0 dwelling units per acre. The proposed PD designation will allow for the continuation of similar residential character and intensity, including the integration of a required five-acre area designated for 20–30 du/ac multifamily housing. This maintains a logical land use transition and complements the density of surrounding neighborhoods.

The proposed designation of Planned Development (PD) will provide for superior development by allowing a greater degree of design and land use flexibility within the framework of a site-specific development plan (Highland Municipal Code (HMC) Section 16.12.010 (A)(1)). The PD designation will allow for the clustering of units and building types, and the formula of specific development standards and design criteria which respond to the particular features or conditions effecting a site (HMC Section 16.12.010(A)(2)). The proposed PD designation also encourages the merging of areas or parcels in a single overall land use plan and site design which might otherwise be developed separately (HMC Section 16.12.010(A)(3)(c)).

c. The proposed change of zone or revision is consistent with the purpose and intent of the remainder of this title not under consideration; and

Response: The proposed change of zone is consistent with the purpose and intent of the remaining provisions of Title 16 (Land Use and Development) of the Highland Municipal Code. The Planned Development (PD) zoning designation is an established zoning district under Chapter 16.12 that allows for flexible development standards tailored to a specific site, while maintaining consistency with the broader zoning framework and development procedures required by the Code. The Project does not propose to modify any other zoning regulations or development standards unrelated to the zone change area.

The action will not conflict with existing regulations governing site planning, environmental protection, design review, or infrastructure improvements, all of which remain applicable. Future development within the PD area will continue to follow the procedures set forth in Chapters 16.08 (Development Review), 16.12 (Zoning Districts), and 16.28 (Design Guidelines), among others. By maintaining the existing procedural framework and applying it to a site-specific PD designation, the Project advances the objectives of Title 16 while adhering to its regulatory structure.

Because this change is a policy-level action to update the zoning map and does not propose any specific development, compliance with the full provisions of Title 16 will occur at the time of project-level review when a Planned Development Document or Conditional Use Permit is submitted. This ensures that any future development is consistent with applicable zoning, design, and environmental review standards as outlined in Title 16.

d. The potential environmental impacts of the proposed change of zone or revision are insignificant or there are overriding considerations which outweigh the potential impacts.

Response: An Initial Study was prepared to analyze the potential environmental effects of the Project. Based on the information contained in the Initial Study, the City concluded that the Project had no impacts or less than significant impacts. Based upon this determination, a draft Negative Declaration ("Draft ND") in accordance with CEQA Section 21080(c) and Section 15070 of the State CEQA Guidelines is recommended.

Based upon the Findings of the Initial Study and adoption of a Final ND, the Project will not have a significant impact upon the environment. Concurrently with this Ordinance, the City Council adopted Resolution No. 2026-007 adopting the Final ND for this Project.

Section 4. Change of Zone

A. The City Council hereby approves Zone Change (ZC 25-001) changing the zoning designation of eight (8) parcels (approximately 89 acres) generally located along Greenspot Road between the Mediterra Planned Development/Mediterra Parkway on the west and the Old Greenspot Road Historic Iron Bridge on the east, commonly known as APNs 0297-201-07, 0297-061-50, 0297-061-07, 0297-061-42, 0297-061-26, 0297-061-13, 0297-061-25, and 0297-021-44 from Agricultural Equestrian Residential (A/EQ) to Planned Development (PD*). The City's Official Zoning Map shall be updated to reflect the changes made in Exhibit "A".

B. The City Clerk is hereby authorized to take action to effectuate the purposes of this Ordinance.

Section 5. Publication and Posting

Within fifteen (15) days following the passage of this Ordinance, the City Clerk shall publish an/or post this Ordinance as required by state law and City resolution.

Section 6. Execution

The Mayor is hereby directed to attest to the adoption of this Ordinance by signing where indicated below and the City Clerk shall publish and/or post this ordinance according to applicable law.

Exhibit A: Existing and Proposed Zoning Designation

PASSED, **APPROVED** and **ADOPTED** this 10th day of March, 2026.

_____
Penny Lilburn, Mayor

ATTEST:

_____
Alondra Munoz
City Clerk

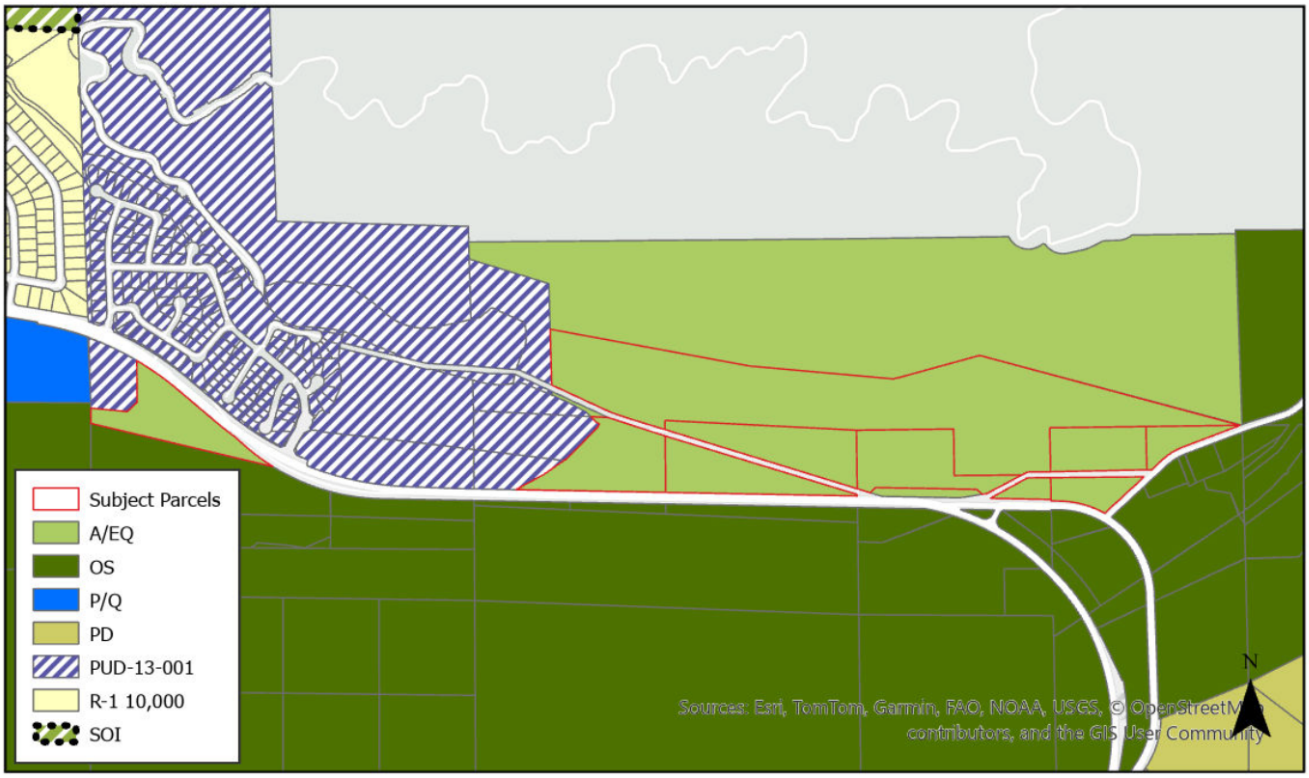
APPROVED AS TO FORM:

_____
Maricela E. Marroquin
City Attorney

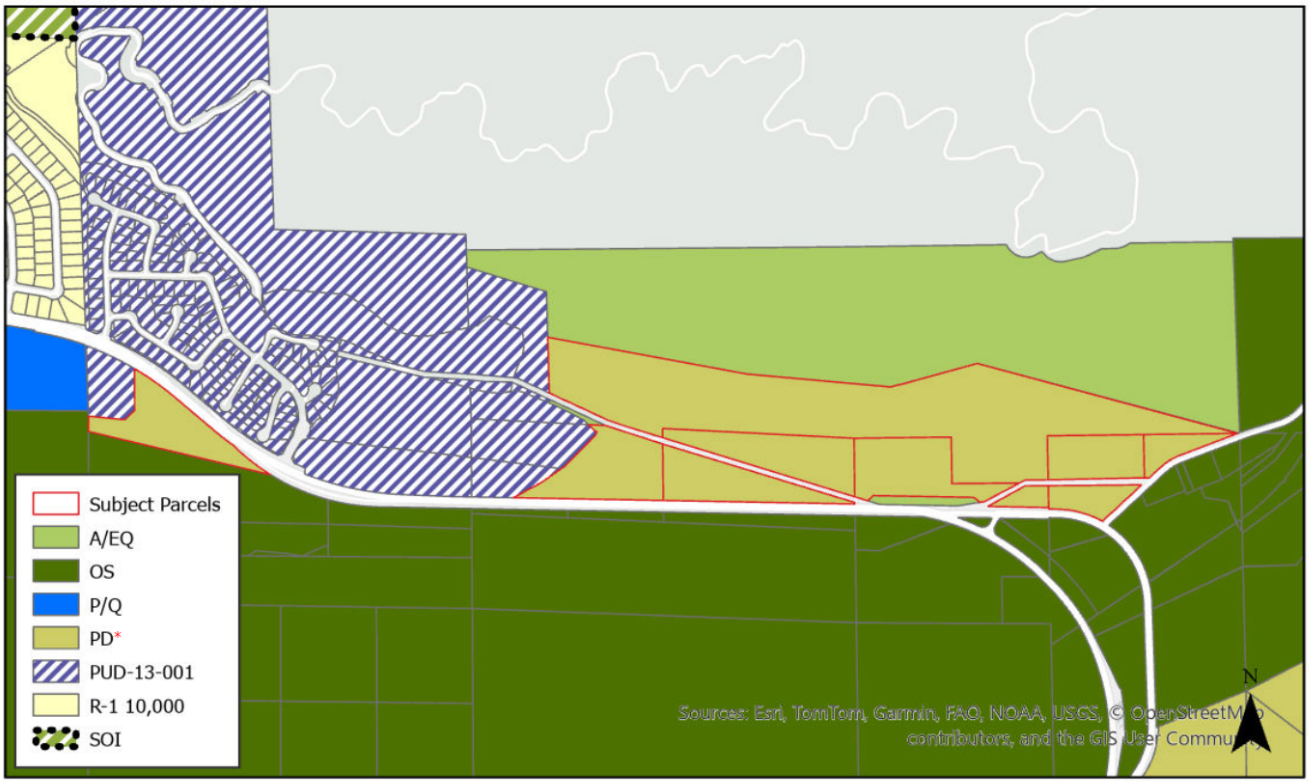
EXHIBIT “A”

Existing and Proposed Zoning Designation

Existing Zoning



Proposed Zoning



"*At least five (5) acres of the area be incorporated into a future master plan for housing at a density range of 20 du/ac to 30 du/ac (GP 25-001 & ZC 25-001)"

Staff Report
to the City Council

Agenda Item No.9.

Date:	March 10, 2026
From:	Carlos Zamano, City Manager
Reviewed By:	Lawrence Mainez, Community Development Director
Prepared By:	Kim Stater, Assistant Community Development Director
Subject:	Review of the City's 2025 General Plan Implementation Annual Report in Accordance with Government Code Section 65400 and 65588

Recommendation:
Review the 2025 General Plan Annual Report and Housing Element Annual Report and direct Staff to file with the California Office of Planning and Research (OPR) and California Department of Housing and Community Development (HCD).

Fiscal Impact:
None.

Public Notice:
The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:
The City's General Plan includes a comprehensive, long-term plan for the physical development of both the City and any land outside the City's boundaries that the City determines relates to its planning. The General Plan includes ten (10) Elements: Land Use, Circulation, Public Services and Facilities, Conservation Open Space, Public Health Safety & Environmental Justice, Noise, Housing, Economic Development, Community Design and Airport.

California Government Code Sections 65400 and 65588(a) require that an annual review of an agency's General Plan be made to its legislative body and submitted to the Office of Planning and Research (OPR) and Department of Housing and Community Development (HCD) no later than April 1st each year. The reporting criteria include the status of the Plan, progress of its implementation, progress in meeting its share of regional housing needs, and local efforts to remove governmental constraints. The attached Reports provide a brief response to each of the program descriptions and objectives cited in the General Plan Elements.

The Planning Commission will review the same reports on March 3, 2026. Staff will include any comments in the final report as directed.

Attachments:

1. General Plan Implementation Table 2025
2. Housing Element Table 2025

ATTACHMENT 1

General Plan Implementation

2025 Annual Report

City of Highland General Plan (Comprehensively Updated in 2006 – CC Resolution No. 2006-015) **Implementation Plan - Annual Review**				**Implementation & Progress:**
General Plan Element:	Goals:	Policies:	Actions:	
Chapter 2 – Land Use Element				
Land Use	GOAL 2.1 Create opportunities for a diverse population to interact, exchange ideas, and establish and realize common goals as a unified community.			
		1) Actively plan and promote the development of the Town Center, Golden Triangle and other designated mixed-use areas.		2008 - Two Compass Blueprint Grants: 1. Town Center Implementation Project (3/31/08) – SCAG, SANBAG; 2. Base Line Corridor Study – VMT to BRT (7/2011). Each site promoted heavily during the City's annual participation at the International Council of Shopping Centers (ICSC) convention. 2021 - Collaborated with Woodcrest Companies to develop a Mixed-Use Plan that includes retail, restaurant, multi-family and single family development at the northwest corner of Base Line and Church Avenue in the Town Center. Collaborated with KZ Devco to develop the second phase of a mixed-use project (grocery and residential) at the northeast corner of Base Line and Church Avenue. Collaborated with TREH Partners to develop 21 acres a 105-acre mixed use project at the northeast corner of the 210 Freeway and Greenspot Road. 2022 - Worked with Alliance Group, REXCO and Greenspot Investors to revise the Greenspot Village & Marketplace Specific Plan. Appx 746 housing units approved and future commercial development analyzed and planned for. 2023 – Approval of REXCO's San Carlo II project to construct an additional 272 medium-density units in the Greenspot Village & Marketplace as well as a new Costco Warehouse retail store. Design Review was conducted for a number of TREH's Greenspot Crossing's development. 2024 – In the Town Center, Tractor Supply Co. substantially completed the construction of their store at the NWC of Base Line and Church Ave. Staff continued to facilitate rapid plan check and on-site inspections. To the east, staff worked with Marinita Development to redesign and fund a traffic signal to promote retail development at the NEC of Base Line and Buckeye St. At the north end of the corridor, staff continued to work with Crestwood Communities to complete the processing of a 34-unit housing tract complimenting the mixed-use nature of the Town Center. 2024 - In the Golden Triangle, there was tremendous residential and commercial growth including the occupancy of the 200-unit San Carlo 1 Apartment Townhomes community, substantial completion of the TREH Development multi-tenant shopping center (85K sf). 2025 – Within the Golden Triangle, completion of a two grocery stores, several service and retail shops, restaurant, self-storage, car wash and Costco warehouse. Staff continue to work with all property owners in the Golden Triangle corridor to develop the remaining parcels. Within the Town Center, a 34-unit mixed use residential project began construction (TR 20387 Crestwood Communities). Staff continues to work the development team market the area including several Pre-Application meetings for a proposed hotel, and several retail/restaurant pads. Promotions ongoing with the City's "Economic Development Activity" map and contact list made available on the City's website, at Chamber of Commerce events and various economic development conferences.
		2) Ensure that the Town Center and Golden Triangle promote safe and convenient pedestrian environments for residents, employees and visitors through the implementation of Land Use and Community Design Element policies and guidelines and		On-going 2015 - The "Base Line Improvement Project" between the 210 Freeway and Cole Street completed. Installed landscaped medians and parkways, decorative lighting, decoratively paved intersections, class II bike lanes and

General Plan Element:	Goals:	Policies:	Actions:	**Implementation & Progress:**
		Development Code standards.		wayfinding signs, upgrade sidewalks and streets within the Town Center. It implemented the existing design policies established by the City to meet this goal. A new retail store (Family Dollar) in the Town Center completed construction in 2014 and grocery store (Smart & Final) in 2017. Pedestrian and vehicular traffic movements were designed to promote a cohesive, walkable center, connecting with the adjacent restaurants, pharmacy, churches, daycare and elementary school. The Greenspot Village and Market Place Specific Plan, located within the Golden Triangle, was approved in June 2013. The 104-acre plan comprehensively coordinates pedestrian and vehicular movements throughout the mixed-use project. Commercial site approvals to accommodate nearly. 500,000 square feet of commercial development approved in May 2014. An updated plan was approved concurrent with the Costco Development in 2023 and constructed in 2024 to interconnect all adjacent parcels. This plan will provide pedestrian and vehicular circulation from State Route 210 to Boulder Avenue. City/RDA and State Local Partnership Program-funded street and storm drain improvements were completed along Greenspot Road in 2017, fronting development along the north and south sides of the road. These improvements included, among other things, class II bike lanes and wayfinding signs, a bio-swale for water quality management, sidewalks, and lighting which dramatically improved safe pedestrian and bicycling environments. Improvements at the southwest corner of Greenspot Road and Boulder Avenue are anticipated in 2019 with the development of a new retail project that will also greatly benefit pedestrian movement for residents, elementary and middle school students nearby. In the Town Center at Base Line and Church Avenue these features were installed in conjunction with the new Smart and Final grocery store in 2017. The plaza offers shade, landscaping and lighting to promote a safe and inviting pedestrian space at this vital intersection connecting retail, educational and religious uses. In 2021 the City continued work with this developer to add a 34-unit residential project to the north. Entitlement applications were submitted in January 2022. 2020 – City Public Works and Planning Staff worked closely with Caltrans, development partners, and existing businesses at the northeast corner of Base Line and Buckeye Street to improve the pedestrian environment immediately west of the 210/Base Line interchange. The City and Caltrans began construction of vehicular, pedestrian, and bicycling improvements in conjunction with the 210 and Base Line interchange widening. This project was completed, less some final artwork, in 2023. 2021 – The Tractor Supply Co. mixed-use project was approved, and its design incorporated pedestrian and bike friendly features to draw residents from the corner onto the site and have safe internal movements. Construction commenced in early 2024. 2022 – City-initiated redesign of the intersection of Base Line midblock between SR 210 and Buckeye to facilitate development of two restaurants at the NWC of Base Line and SR 210. An Agreement between all interested parties was executed in 2023. Construction anticipated in 2024. 2024 – The City completed additional analysis of the midblock intersection that determined the necessity of a signal at this location. The funding mechanism and construction schedule are under consideration at this time. The project was added to the City's 5-year CIP list and a funding agreement has been negotiated with all retail partners. Completion of large commercial and residential developments in the Town Center and Golden Triangle

City of Highland General Plan (Comprehensively Updated in 2006 – CC Resolution No. 2006-015) **Implementation Plan - Annual Review**				**Implementation & Progress:**
General Plan Element:	Goals:	Policies:	Actions:	
				in 2025 have led to the completion of pedestrian connectivity along Base Line and Greenspot Road, as has been planned for.
		3) Retain and provide a hierarchy of community gathering places, including the Town Center, park lands, a community center and plaza areas within new commercial, office and industrial complexes.		On-going. A new pedestrian plaza was constructed at the northeast corner of Base Line and Church Avenue in conjunction with the new Smart and Final grocery store in 2017. The plaza offers shade, landscaping and lighting to promote a safe and inviting pedestrian space at this vital intersection connecting retail, educational and religious uses. In 2018, the Highland Historic District and the Highland Town Center were both included in the San Bernardino County Transportation Authority's Points of Interest Pedestrian Plan (PIPP). In preparation of the PIPP, SBCTA has analyzed the existing pedestrian environment and has recommended improvements for safety and comfort of pedestrians, including improved pedestrian gathering places. 2021 – The developers of both projects in the Town Center (Woodcrest & Marinita) have prepared preliminary development plans that include community gathering spaces and plazas compliant with the vision of the General Plan. The Woodcrest plans were approved in late 2021 and Marinita shortly thereafter. 2022 – Designs for the Marinita project approved including Town Center elements recommended by the General Plan with complimentary architectural treatments and outdoor dining. 2023 – REXCO's San Carlo I completed a pedestrian plaza at the intersection of Greenspot Road and Webster Street and Calhoun Road. This feature will be carried through for the Costco project to the west. 2024 – Development within the Golden Triangle has added numerous gathering spaces within the retail center at the Greenspot Crossings (TREH) development including a gathering place/plaza with outdoor dining, seating, mature shaded landscaping and fountain at its westerly boundary between Pads 4 and 5. Additional outdoor dining/gathering spaces will be added the north as the project is built-out. A paseo along the northerly boundary to connect the various residential features of the Golden Triangle is planned to the north and is likely to be constructed in 2025/2026. This project is now under construction by Alliance Residential (2025). The Town Center gathering spaces will continue to develop with future commercial pads and residential development including the 20-unit residential development at the northwest and the 34-unit development to the northeast now under construction (2025). The Crestwood 34-unit project has direct pedestrian connectivity to the commercial project to the south. Both projects are "mixed-use" with consideration given to this connectivity and gathering opportunities with trails and small park spaces.
		4) Encourage future development to provide functional public spaces that foster social interaction.		On-going The Greenspot Village and Marketplace contains several open plaza areas throughout its Specific Plan within the multi-tenant shopping areas. These areas will be furnished to encourage outdoor dining and gathering for the public. The Specific Plan also contains a landscaped walking paseo that will connect commercial, residential and off-site pedestrian movements through the project and into the City's Master Trail System. Incorporated pedestrian plaza at the corner of Church Avenue and Base Line as part of the Smart & Final development in 2017. Outdoor dining and gathering opportunities were provided at the most recent restaurant developments within the Golden Triangle at Jersey Mikes, Jamba Juice and Wing Stop in 2018. In 2019 outdoor seating and plazas were included in conjunction with the expansion of the Highland Crossings center (Mountain Mike's Pizza) on the south side of Greenspot Road, east of the 210 Freeway at the City's request.

City of Highland General Plan (Comprehensively Updated in 2006 – CC Resolution No. 2006-015)

Implementation Plan - Annual Review

General Plan Element:	Goals:	Policies:	Actions:	**Implementation & Progress:**
				In 2021, TREH Partner's project on the north side of the street was approved with a public plaza located at the center of the commercial activity that will encourage outdoor dining and gathering. The Highland Historic District is included in a current grant application to the ATP. When funded, it is envisioned that the improvements within the Historic District will include improved parking with landscape fingers, improved sidewalks, improved handicap access, benches, trash receptacles, pedestrian level lighting, bikeways and wayfinding signs, bicycle racks, bulb-outs, a round-about, and a pedestrian Plaza, much of which is included in recommendations of SBCTA's PIPP. In April of 2021, the City was informed that it's application for Active Transportation Program (ATP) Cycle 5 was not successful. The City of San Bernardino, a partner to the application, informed City staff they no longer wish to purse joint improvements within their jurisdiction. Highland will need to seek other grant fund opportunities to construct improvements in the Historic District. 2021/2022 – The developers of both current projects in the Town Center (Woodcrest & Maranita) have prepared preliminary development plans that include community gathering spaces and plazas compliant with the vision of the General Plan. The Woodcrest plans were approved in 2021 and Marinita followed in 2022. 2023 – TREH prepares for the construction of the commercial aspect of Greenspot Crossings including a plaza designed for community gathering. 2024 – This plaza was constructed in 2024 and opened in January 2025. 2025 – The TREH Greenspot Crossings project constructed additional public spaces and connections throughout the Greenspot Crossings projects with the opening of Pads 5 (Corky's Country Kitchen), Pad 6/7 (dental office and retail shop), and Stater Bros grocery store (Major 1). 2025 - Mediterra Planned Residential Development (TR 18893) opened its Community Park for use by its residents and the community at large. This park links passive and active facilities with USFS road 1N16 Alder Creek Road to the San Bernardino National Forest.
Land Use	GOAL 2.2 Preserve and enhance the quality and character of Highland's existing residential neighborhoods.			
		1) Maintain the integrity of existing residential neighborhoods by preventing through traffic wherever possible, prohibiting encroachment by incompatible uses, and providing appropriate buffers between residential and nonresidential uses, as well as between single- and multiple-family areas.		On-going with case-by-case consideration of each design review application. 2020 – The most current example of this practice is the design of the REXCO 200-unit apartment development at Greenspot Road and Webster Street. This community is wholly enclosed to vehicular traffic utilized by the project, but still contains several pedestrian connections to future commercial development in the mixed-use Specific Plan. This project was constructed and leased up in 2023 and 2024. 2021 – The TREH mixed-use project was well-designed to protect the northerly multi-family residential uses from the southerly commercial uses. The circulation and boundaries are well defined by attractive wrought iron fencing and landscape buffers. Noise and circulation were accounted for in the design and mitigation measures for the project. The commercial portion was substantially completed in 2024 and early 2025. The residential development is anticipated to begin in 2026, making the final circulation improvements as described. 2021 – The Woodcrest mixed-use project is adjacent to single family homes along Foster Street to the west and Villa Avenue to the north. Woodcrest was sensitive to its neighbors and proposed additional single family along Villa and a buffer of multi-family between the existing single family and the new commercial uses. Adequate setbacks and landscape buffers are provided.

City of Highland General Plan (Comprehensively Updated in 2006 – CC Resolution No. 2006-015) **Implementation Plan - Annual Review**				**Implementation & Progress:**
General Plan Element:	Goals:	Policies:	Actions:	
				The commercial anchor tenant was substantially completed in 2024. The additional tenants and residential development is anticipated to begin in 2026. 2022 – The KZ Devco project was approved for 34 single family homes midblock between Church Avenue and Buckeye Street. Its entries were planned south of the existing neighborhood and situated to not conflict with existing driveways and it avoids through traffic altogether. It's single family gated community design is an appropriate buffer between the existing single family and grocery store to the south. In 2024, this project was sold by the developer to Crestwood Communities to complete the permitting and begin construction. Grading ~~is anticipated to begin no later than mid 2025.~~ Commenced in the fourth quarter of 2025. 2025 – A 113-unit residential project was entitled (TR 20721 by Diversified Pacific) that will improve the street scene and pedestrian connection of the existing local collector road (Alta Vista). There were several comments during public hearing by surrounding residents concerned about the project's design and impacts. The residents, City and developer made several modifications and all parties were pleased with the outcome including design of a new neighborhood park, pedestrian walkways and vehicular traffic. The integrity of the existing neighborhood was preserved to ensure there were no negative impacts related to new traffic volumes and patterns.
		2) Where conversion of a residential area to nonresidential uses is proposed, ensure that such conversion occurs in an orderly manner with minimal disruption to adjacent residential areas.		A General Plan Amendment and Zone Change on the east side of Palm Avenue, south of Base Line was approved in 2017, converting Single Family Residential to Office Professional land use designations. One conversion from residential to a land surveyor office has been approved. The appropriate setbacks, land use intensity, lighting, parking and circulation were required to ensure no negative effect to the adjacent residential uses occurred. The Zone Change effectuated 2018 included the rezoning of low-density residential to the permanent preservation of open space along Greenspot Road for biological resources. This will not conflict with future residential uses. 2023 – conversion of non-conforming residential neighborhoods took place with the construction of a new 306,000 sf distribution center at the northwest corner of Victoria Avenue and 6th Street. The project had environmental mitigation measures and conditions of approval to protect the remaining and nearby residential uses including issues related to traffic, noise, aesthetics, etc. Similar projects were approved at the southwest corner of 5th Street and Central Avenue, the southeast corner of Victoria and Cypress Street, Del Rosa and 6th Street and 3rd Street and Central Avenue. Gull consideration was given to the nearby residential uses (conforming and nonconforming). The CEQA process was initiated for all projects with noticing to the public and through the State Clearinghouse.
		3) Ensure that all new development is designed in a manner that preserves the quality of life in existing neighborhoods.		On-going. Approximately 35 of the approved single-family residential projects were for Accessory Dwelling Units. Review of these plans were ministerial, but ensured that the new development was architecturally compatible, had the minimum setbacks, maximum height and contained the appropriate access that would not negatively affect the surrounding existing neighborhoods. The large Alliance multi-family project of 546 units required buffering elements such as block wall fencing to the north where it converges with an established single family neighborhood. Parking, landscaping, and lighting were adjusted accordingly. There will be no through traffic between the project and existing neighborhood. Approved in 2021 and began construction in 2022 was the DR Horton Mediterra housing tract. This was thoroughly vetted to ensure its consistency with the existing residential development to the west, Entrada Ventana as was the Beazer Homes project on Santa Ana Canyon Road. Public notices were circulated, several homeowners responded and their comments resulted in substantive changes to the plans for the betterment of the project's compatibility. The

City of Highland General Plan (Comprehensively Updated in 2006 – CC Resolution No. 2006-015) **Implementation Plan - Annual Review**				**Implementation & Progress:**
General Plan Element:	Goals:	Policies:	Actions:	
				Kiel/Beazer single family neighborhood will connect similar single-family neighborhoods east to west on Cabo Del Oeste Street. This connection will improve neighborhood mobility to local schools and shopping. This development continued construction throughout 2024 and is anticipated to be completed in early 2025. A similar project on the north side of Base Line, west of Weaver Street, was approved and began construction in 2024 and continued throughout 2025 (Century TR 19915). This is a small infill project in which there was much community input regarding its grades and architectural design. All comments were addressed and satisfied prior to the start of construction. 2025 – construction of the mixed use residential TR 20387 Crestwood Communities began construction. It was designed to carefully integrate into the existing neighborhood to the north with appropriate setbacks, driveway locations, fencing placement and forward-facing architecture.
		4) Continue to implement the City's neighborhood improvement efforts in working with neighborhood stakeholders to create and implement long-term plans.		Ongoing. Code Enforcement Residential Rental Inspection Program. Neighborhood Watch Programs. CDBG Code Enforcement Enhancement Program. City's Quality of Life Team including Code Enforcement and the Sheriff's Office
Land Use	GOAL 2.3 Provide a variety of urban, suburban and rural housing opportunities that are adequate to meet the City's share of regional housing needs.			
		1) Provide a broad range of, and encourage innovation in, housing types that incorporate high quality design and construction.		On-going 2022 – Thirty-five (35) Accessory dwelling units were approved as well as a 546-unit multi-family (Alliance) project that incorporates very high-quality design and construction. Two mixed use projects are preparing for construction (TREH & Woodcrest). These exemplify a broad range of housing types and quality design. 2023 – Approval of San Carlo II, 272 medium density townhome style apartments at Greenspot Road and Wesbster Street and the Halcyon Apartments at Sterling and 9th Street for 220 apartments with income-restricted density bonus units. 2024 – The City received and approved 55 ADU applications with many now under construction. Additionally, the City received and approved an application for 79 small-lot single family homes with shared open space and non-standard development standards (Anacapa). Similarly, the City approved a 99-lot zero-lot line development with shared open space, private roads and modified circulation and development standards (Mediterra PA 4). An application was received for a 508-unit residential development on the north side of the Golden Triangle that included multiple housing types, varied standards, attached ADUs and shared open space (Mission Development). A project for 113 small lot single family homes with Planned Development standards was applied for by Diversified Pacific at the intersection of Greenspot Road and Alta Vista. These last two projects are continuing through the entitlement process with the City. Each of these projects are meant to encourage innovative design that in turn allows for quality construction and community benefits. 2025 – The 113-unit Diversified Pacific project was entitled (TR 20387) and is continuing through the permitting process. Mission Development/STG Partners project submitted modified plans and is scheduled for review by the Planning Commission in early 2026.
		2) Maintain residential areas that provide for and protect rural lifestyles and protect natural resources and hillsides in the rural areas of the City.		2022/~~2024~~ 2025 – The Medieterra Specific Plan/DR Horton commenced construction of 316 homes. Early phases dedicated natural open space to be preserved in perpetuity. It will be transferred to a conservation organization with the appropriate endowment. The Beazar tract under construction will preserve a large slope and City Trail to it north compliant with this goal (completed in February 2025).
		3) Maintain residential areas that provide for a suburban lifestyle, including ownership of single-family housing.		On-going as listed in Policy 1 above.
		4) Ensure that new residential development provides appropriate community amenities, including common open space.		Examples of approved entitlements include Woodcrest Development and Crestwood Communities at Base Line and Church Avenue, Beazer Homes at Santa Ana

City of Highland General Plan (Comprehensively Updated in 2006 – CC Resolution No. 2006-015) **Implementation Plan - Annual Review**				**Implementation & Progress:**
General Plan Element:	Goals:	Policies:	Actions:	
				Canyon Road, Greenspot Village and Marketplace Rexco, Alliance and TREH, Century Homes at Base Line and Greenbrier, and Blossom Trails which all incorporated open space and shared community amenities at the cost of the developer that in most cases will be available to the entire community. Some of these will provide continuing maintenance by the development.
		5) Continue the innovative use of land resources and development of a variety of housing types and sizes within the City by using the Planned Development designation.		Greenspot Village & Marketplace Specific Plan approved is a Planned Development approved in 6/11/2013. The recently approved Rexco 200-unit project represents the first residential construction within the Plan beginning in 2022. The Mediterra Planned Development began construction of its first phase and will provide a 3 different housing types, densities, open space, trails, private and public recreation and amenities. Crestwood Community's 34-unit single family homes has an innovative small light design and is considering utilizing the units a for-rent product. Mastercraft Century Homes 42 is also utilizing a popular small lot design to provide space for a neighborhood park open to the public and accessible from Base Line and the City's trail system. 2024 – Anacapa's small lot subdivision at Central Avenue, south of Base Line and Mediterra's PA 4 were approved this year (178 units total). Similar PDs were applied for by Diversified Pacific (113 units) at Greenspot Road and Alta Vista and Mission Development within the Golden Triangle / GVMP (508 units). The City's Planning Commission and City Council have strongly encouraged this type of development. 2025 – Approval of the Diversified Pacific 113-unit Planned Development document via the Conditional Use Permit and Design Review process. The PD process allowed for a creative community design, roadway sections, inclusion of a neighborhood park and connection to the City's Trail system via Plunge Creek Flood Control Channel.
		6) Require the preparation of a specific plan, planned unit development, conditional use permit or similar mechanism for residential development within areas designated Planned Development.		Examples: 11/2005 Glen Rose Ranch PD. 6/11/2013 Greenspot Village and Marketplace Specific Plan. 2016 - Mediterra and MasterCraft Planned Development. 2017 - Hispano Planned Development 2018 - Crestwood Communities 49 condos approved with a CUP. 2021 – Woodcrest / Tractor Supply Company CUP approved for a mixed use Commercial/Residential Project. 2022 – Alliance Apartments, Mastercraft 42 2023 – Rexco San Carlo II Townhome Apartments 2024 – Anacapa, Mediterra PA 4, Diversified Pacific, Mission Development 2025 – Diversified Pacific TR 20721, 113 SF homes
		7) Require that Planned Development projects provide a greater level of community amenities and cohesiveness, achieve superior design and create a more desirable living environment than could be achieved through conventional subdivision design and requirements.		Glenrose Ranch PD Greenspot Village and Marketplace Specific Plan Mediterra PD MasterCraft Base Line PD Hispano PD Each of these projects demonstrated a high level of amenities including multi-use trails, parklets, parks, pool, tot lots, and open space. 2021 – Woodcrest / Tractor Supply project was approved with superior landscaping, pedestrian connectivity and exterior architecture as a result of its PD standards. 2022 – Alliance Apartments, KZ Devco, Mastercraft 42 2023 – Rexco San Carlo II – 272 medium density units 2024 – Anacapa, Mediterra PA 4, Diversified Pacific, Mission Development 2025 – Diversified Pacific TR 20721, 113 SF homes
		8) Encourage provision of low- and moderate-cost housing, as well housing for other identified special housing needs groups, consistent with the other provisions of the General Plan and the City's Redevelopment Agency Plan and housing goals.		In 2014, the Highland Housing Authority purchased 2 acres of land adjacent to an existing 2-acre ownership that will accommodate an affordable senior housing project. In 2021 the City's Housing Authority declared this property surplus in order to stimulate plan development and partnership opportunities. In 2022 the City began negotiations with Wakeland Community to develop and operate an 89-unit senior affordable housing project. 2025 – The project was awarded several grants and

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				continues to seek the remaining financial gap. Staff and the development team continues to seek creative alternatives to the project design and funding that will allow the project to move forward and commence construction. The City also continues to collect Inclusionary Housing Fees to fund future low-and moderate income projects. The City fast tracks all ADU applications. In 2022, all applications submitted were approved. 2023 – Halcyon's 220 units with affordable, density bonus units with long-term covenants. 2024 – 55 ADU applications received and approved. 2025 – 35 ADU applications received and approved.
		9) Review the zoning and subdivision codes and include clear incentives for the provision of housing to meet the needs identified above, including, but not limited to, density bonuses of up to 25 percent over the densities indicated in the Land Use Element.		2022 - More recent state law will require a new update. The City Council adopted an updated Housing Element in January 2022, and is currently considering amendments based on comments from State HCD. 2025 – Adoption of Ordinances 470 and 470 to update the City policies regarding housing incentives and ADUs.
Land Use	Goal 2.4 Provide lands for retail and service commercial uses in sufficient quantity to meet the needs of Highland residents.			
		1) Maximize sales-tax-generating uses through the strategic location of commercial areas, particularly at freeway interchanges, at major intersections, and within the Town Center and Golden Triangle (see also Town Center, Golden Triangle and Victoria Avenue Corridor Community Policy Areas).		7/2006 San Manuel Village & SR330/SR210 (Highland Ave/Boulder Ave). 2018 - Acquisition of San Bernardino County Flood Control District prop. @ n/e corner of SR210 & Greenspot Road. Continued negotiations of ENA with the SBCFCD and TREH Partners. In 2019 additional environmental studies were performed and escrow opened on the property in question. ENA executed. 2021 – Development plans approved for TREH including commercial aspects adjacent to the 210 Freeway and Greenspot Road. 2022 – Marinita Development was approved for two restaurants at the NWC of Base Line and SR 210. The City facilitated this development with partnership in constructing a new intersection and signal for traffic safety at the project entry. 2023 – Costco Warehouse retail store, Ono Hawaiian Barbecue, Starbucks and Chipotle within the GVMP. 2024 – Construction commenced for the Costco, TREH multi-tenant commercial development (85K sf), Extra Space Storage, Tractor Supply Co., and Mobile gas station. 2025 – Completion of the Costco, TREH commercial Pads 5, 6, 7 and Major 1, Extra Space Storage, and Tractor Supply Co. mentioned above.
		2) Consistent with maintaining an image of the City of Highland as a quality residential community, reserve vacant lands at heavily traveled locations that are not appropriate for residential use for commercial, office, mixed-use or other nonresidential uses.		On-going through the City's zoning policies and discussion with City staff during zoning inquiries and weekly "Pre-Application Meetings".
		3) Prevent future strip commercial development by encouraging lot consolidation within commercially designated areas and by limiting commercial designations to areas of sufficient size to accommodate larger scale, quality development.		On-going, case-by-case. 2022 - Helo Property at Base Line between Seine and Stoney Creek. The property owner is working to acquire additional land to create an appropriately sized commercial development. 2024 – Lot consolidations were completed by TREH Partners and Costco for large scale commercial projects along Greensot Road. 2025 – Lot consolidation and approval of two commercial two yards on the south side of 5th Street. Costco and Tractor Supply are also good examples of lot consolidation within commercial designations.
		4) Establish minimum increments for the design of commercial development, permitting individual commercial lots to be developed while ensuring that the benefits of large-scale, high quality developments are realized.		Standard condition of approval requiring reciprocal access and parking with contiguous parcels (i.e. Implemented with the Family Dollar/Bakers/CVS project on Base Line. In 2020 – with plans proposed by Woodcrest and KZ Holdings). Also discussed with Lowe's center and easterly ownership on Greenspot Road). 2023/~~2024~~ 2025 – Approval and construction of the Costco Warehouse project within GVMP, with the appropriate transitions to commercial and residential developments on each side and generating interest in available commercial sites.
		5) Specifically encourage the consolidation of individual parcels along Base Line to provide a sufficient land area for vibrant commercial		Standard condition of approval and applied to CVS/Bakers and project north of City Hall (Highland Plaza) and the mixed use project currently .

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		uses.		2021 – Approval of the Woodcrest / Tractor Supply project that involved all 9+ acres at the corner of Base Line and Church Ave. instead of piecemealing the commercial and residential portions. Construction of this project is active and continuing. 2025 – commencement of construction of TR 20387 Crestwood Communities as part of a two-phase mixed use project with a grocery store along the Base Line frontage.
		6) Designate areas for Planned Commercial uses to provide a means for the development of mixed-use commercial/office projects that recognize the site-specific constraints of designated parcels.		Completed.
		7) Require that development within areas designated Planned Commercial be through use of a specific plan pursuant to Government Code Section 65450, a planned unit development, conditional use permit or similar mechanism.		Helo Property – Base Line (between Seine & Stoney Creek) 2021 - Woodcrest Companies Property – Base Line & Church Avenue. Construction of this project is active and continuing.
		8) Ensure that uses and development intensities within Planned Commercial areas provide appropriate transitions to adjacent land uses and are consistent with the provisions of the Highland General Plan.		Aysar Helo Property – Base Line (between Seine & Stoney Creek) 2021 – Rewed interest in car wash expansion and circulation improvements that were part of a 2015 Extension of Time approval
		9) Require development in areas designated Village Commercial to establish commercial and office-related land use types that recognize and are compatible with the historical, small town nature of the original Highland townsite.		Renovation and reestablishment of the "Belle" tavern in 2014. Adjacent hair salon renovation in 2015. Ceramics studio approved and renovations completed in 2017. Conversion of smog shop to landscaping design/installation business office approved with significant improvements to the circulation, parking, fencing and exterior paint. 2018/2019 review proposed coffee shop and office uses at the northwest corner of Palm Ave and Main Street. Modifications made to the plans to keep the uses in compliance with this goal of having a small town feel to the District. 2021 – Approval of auto body and repair shop at the southeast corner of Pacific Street & Palm Avenue in keeping with the historic automotive repair use and upgrading the interior and exterior to accentuate the architecture and prominent location. "Shorty's Auto Shop" coming to this location in 2022 that will restore and display classic and vintage automobiles. 2022 – Extension discussions with future buyers of the "Pacific Electric Railway Depot" to ensure it stays commercial and accessible to the public and is not converted to a single family home which would be inappropriate for its location and historic prominence. 2023 – beginning restoration of the Highland "Bank Building", a contributing structure that will transform a prior institutional commercial use to an office use compatible with its historic character and surrounding commercial and institutional uses. 2024/2025 – Continued renovation of the Bank Building. Also, an application for seismic retrofitting of the historic fire station at Main Street and Palm Avenue was made to the Historic Board . approved in 2025. This will allow the occupancy and commercial use of the building compatible with the District standards.
		10) Establish a clear preservation plan for the Village area, along with a historic preservation ordinance.		Completed. Currently the City has an Historic Preservation Plan & Design Guidelines for exterior paint, fencing & roofing. US Secretary of the Interior's Guidelines utilized for more complicated projects. The City maintains its status as a state Certified Local Government by maintaining these regulations and standards.
Land Use	Goal 2.5 Promote a mix of attractive employment-generating areas with a mix of uses that provide a sound and diversified economic base and that are compatible with the community's overall residential character.			
		1) Require development in areas designated for Office Professional uses to provide areas for the establishment of office-based working environments for general, professional and administrative offices, as well as necessary support uses.		On-going on Palm Avenue including 2017 rezoning. New office projects include Precision Engineering and Champion Plumbing both of which underwent a design review process and made significant site improvements and interior upgrades. 2022 – worked with the new owner of a two-story Craftsman building in the OP zoning to ensure it is appropriately remodeled and reoccupied as a medical office use (dentist office). It is transitioning from a tax accountant and the new owner has commenced an interior and exterior restoration. 2024 – Staff assisted with the reuse, rehabilitation and occupancy of 7231 Palm Avenue as a florist and 7241

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				Palm as a dental office.
		2) Require development in areas designated for Business Park uses to provide for light industrial, research and development, and/or office-based firms seeking a pleasant and attractive working environment, as well as for business support services and commercial uses requiring extensive land areas.		Work Program item to establish a "High Tech Highland" program to promote this policy. 2019 – A new light industrial building was constructed by Transition Properties at the northwest corner of 5th Street and Church Ave. It had upgraded architectural amenities and landscaping to enhance the use and its important gateway location adjacent to the 210 Freeway. 2020 - A second, complimentary building was approved began construction. It will replace an aged mid-century office building and storage yard, significantly upgrading the site. 2020/2021 Construction complete. 2022 - Approved high-quality projects for Patriot Partners, Crow Holdings and American Rentals with the Business Park Zone. These have superior architectural designs, treatments and gateway enhancements. 2023 – Additional Patriot Partner projects approved along 6th Street, 5th and 3rd Streets, and ongoing review of the Crow Holdings site at Central and 5th Street. All were held to stringent architectural and engineering standards. 2024 – Approval of a distribution facility at the SWC of 5th Street and Central Avenue (Crow East) and Design Review of American Rentals on 5th Street. 2025 – One vehicle fueling station completed construction and opened to the public at the southwest corner of Palm Avenue and 5th Street. Various extensions of time approved for the above-listed projects expiring following their approvals in 2022.
		3) Require development in areas designated for Industrial uses to provide for light industrial, research and development, and office based firms seeking an attractive and pleasant working environment and a prestige location.		2012 - H&H Contractors business park project at Palm and 5th; BP Development at Northwest corner of 5th St. & Church Ave; 2017-2020 - Transition Properties. 2020/2021 – Dan More Contractor's Storage Yard approved in the industrial zone with high-quality design and finishes. Constructed and occupied in 2023. 2022 – Approval of permits for Mike & Gina Roquet's Contractor's Storage Yard to support their asphalt paving business. Completed in 2024. 2023 – Approval of the Lovett 300,000+ square foot distribution facility at Palm/Meines Street in the Industrial zone.
		4) Work with the San Bernardino International Airport Authority to ensure that future airport planning activities promote Highland's economic development objectives.		On-going Adoption of SBIAA & Highland Interagency Cooperative Agreement adopted on August 22, 2007. Airport Overlay Ordinance – Ord No. 342, and 343 2016-2021 - Airport Gateway Specific Plan currently being drafted. Multi-agency effort. 2022 – Public review period commenced for the Plan's Program EIR. 2023/2024 – Continued collaboration on the Inland Valley Infrastructure Corridor plan adjacent to the San Bernardino International Airport. 2025 – IVIC plan rescinded by the SBIAA following threat of litigation, challenging the project's CEQA findings.
Land Use	Goal 2.6 Maintain an organized pattern of land use that minimizes conflicts between adjacent land uses.			
		1) Require that new development be at an appropriate density or intensity based upon compatibility with surrounding existing and planned land uses.		On-going. 2020 – An example would be the Mastercraft 13-lot tract currently under construction at Greenspot Road and Blossom Trail Drive. This new development was required to be compatible with the density of the existing adjacent tract 15252 and 11613. 2020/2021 – the Mediterra DR Horton project matched the density of the adjacent "Entrada Ventana" project with 10,000 square foot los at its westerly end and will match the area's single family home design and densities found to the north and the west. The same applies to the approved Diversified / Beazer project at Santa Ana Canyon Road, west of Alta Vista. 2022 – KZ Holdings infill project was appropriately sized with 11 units/acre between a traditional neighborhood at 6 units/acre and an existing grocery store. Hispano Tract 18013 completed construction of 15 new single family homes, 3 with ADUs. It was a well placed infill project completely surrounded by a traditional 6 unit/acre neighborhood. Also the Alliance Apartment 546-unit project was approved only after great care in the design and buffering were discussed at

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				multiple meetings with the adjacent existing neighborhood. The project is a good infill transition between a traditional single family neighborhood and a multi-tenant commercial development. 2023 – An amendment to the GVMP Specific Plan for additional units to accommodate the Rexco San Carlo II Townhome Apartments. The process ensured that the new development was in keeping with residential developments being constructed to the south (San Carlo I) and to the north (Alliance 546 unti medium density project). The approval of the Halcyon medium density apartment development of 220 units was approved in compliance with the City's R-4 standards as well as State Density Bonus law that permits the proposed intensity. 2024 – Approved projects include American Rentals equipment rental yard within the BP zone, and Dutch Bros. coffee, O'Reilly Auto Parts and JC Auto within commercial zones. Each were approved with full consideration given to development standards and CEQA analysis. They had appropriate setbacks, noise mitigation and landscape buffers to ensure compatibility with surrounding and planned uses. O'Reilly was the one project adjacent to existing residential uses. The approved project included upgraded building elevations at the rear, a private alley separation, fencing, limited hours of operation, and conditional use of the space between the uses. 2025 – O'Reilly under construction and JC Auto working through the building permit process.
		2) Where a question of compatibility exists, require the new use to conform to the lower intensity use.		On-going. Mediterra and Beazer projects currently under construction are good examples. Beazer maintained the 10,000 sf minimum lot size, compatible with the surrounding development and Mediterra created a community with larger lots (10,000 sf) adjacent to existing projects and smaller lots (6500 sf) as it diverges away to the east.
		3) Ensure that residential infill development respects the design character of the surrounding neighborhood by balancing the provision of density incentives with appropriate design concepts.		On-going Post-flood Reconstruction of single family homes in the East Highlands Village required to compliment the density, massing and architecture of the existing homes by meeting the design criteria established for this distinctive neighborhood. Single home completed in between 2012 and 2020. Century Homes 'Highland Hills' began construction in 2024 Infill density incentives were carefully considered when the City rezoned property on Greenspot Road. The permanent set-aside of environmentally sensitive habitat was balanced with a slight increase in density on either side so that the City's housing balance would not be compromised. 2022 – The Hispano 18013 Tract complimented the surrounding neighborhoods' density but also constructed a number of ADUs new with the homes. 2023 – Rexco San Carlo I Townhomes. Occupied in 2024 2025 – Construction underway for San Carlo II and Crestwood TR 20387. Approval of Diversified Pacific's 113-unit infill project at Greenspot Rd/Alta Vista with compatible character to the surrounding neighborhoods.
		4) Ensure that land uses develop in accordance with the Land Use Plan and Development Code in an effort to attain land use compatibility.		On-going, a finding of consistency with the General Plan is made with every approved project.
		5) Promote compatible development through adherence to Community Design Element policies and guidelines.		On-going. 2016/2020 - Standards established along Greenspot Road and Base Line with the City's construction of median and right-of-way improvements in the Golden Triangle and Town Center policy areas. Most current example are the industrial projects approved along 3rd, 5th and 6th Street Corridors for Patriot Partners, Crow Holdings and American Rentals.
		6) Require developers to consider and address project impacts upon surrounding neighborhoods during the design and development process.		On-going Coordinate with owners/developers at the mandatory pre-application meetings and throughout the entitlement process. Neighbors receive two notices from the City; a Project Notice when the City accepts a project and a Public Hearing Notice given 10 days in advance of the meeting it is considered. There is a significant period of time available between the two notices to make adjustments to a project in advance of its approval.
		7) Require new or expanded uses to provide mitigation or buffers, including greenbelts or		On-going Implemented in the Rexco project provided in the

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		landscaping, between dissimilar uses or existing uses where potential adverse impacts could occur.		Greenspot Village & Marketplace Specific Plans to buffer between commercial and residential uses. Other examplse included the residential buffer behind new Smart & Final and Tractor Supply/Woodcrest. 2025 – Alliance project on the north side of GVMP under construction and will build the landscaped paseo to reduce impacts with the southerly commercial uses (Costco & Greenspot Crossings).
		8) Prohibit future multiple-family development in existing single family designated neighborhoods.		On-going as needed. 2023 – Halcyon Apartments, a MF development with adjacent SF homes, was required to provide physical distancing and landscape buffers to address the conflicts with adjacent single family neighbors. All approved multi-family projects are within Planned Development or multi-family zones, not single family.
		9) Require landscape and/or open space buffers to maintain a natural edge for proposed private development directly adjacent to natural, public open space areas.		On-going Implemented in the East Highlands Ranch, Greenspot Village & Marketplace Specific Plan and Mediterra Specific Plan.
		10) Aggressively review planning efforts of other jurisdictions to minimize potential incompatibilities with City land uses and preserve economic vitality.		On-going. This policy was discussed with the City of San Bernardino during their potential rezoning of a residential property to industrial at 6th Street that could negatively affect an existing single family neighborhood in Highland. Some recommendations were taken. The City of Highland, Redlands, San Bernardino and County of San Bernardino provide project notices to each other for comments and conditions.
Land Use	Goal 2.7 Encourage natural resource and open space preservation through appropriate land use policies that recognize their value and through the conservation of areas required for the protection of public health and safety.			
		1) Within the eastern portions of the City, utilize lower densities to protect agricultural lands, scenic resources and topographic features.		Being implemented as part of the Mediterra Planned Development. 2020 – Staff reviewed a draft Agricultural Conservation Easement to satisfy the project's Mitigation Measure to preserve agricultural lands in Highland. 2023/2024 – Appx 1700 acres of "Surplus Property" on the City's eastern end was sold by Orange County Flood Control to the San Bernardino Valley Municipal Water District. The land will no longer be developed as originally planned for 500 +/- homes, but will be utilized for water retention purposes by the District. This will eliminate prior plans that may have negatively affected scenic resources and topographic features.
		2) Preserve agricultural lands within the eastern portions of the City as commercial operations if possible, or within residential developments if not. Utilize Planned Developments with joint ownership or agricultural uses or placement of low density housing within an overall grove setting.		Being implemented as part of the Mediterra Planned Development. 2020 – Staff reviewed a draft Agricultural Conservation Easement to satisfy the project's Mitigation Measure to preserve agricultural lands in Highland. Citrus themed landscaping utilized where appropriate.
		3) Permit mineral extraction activities and expansion of existing operations only where the following findings can be made: • Potential significant impacts related to loss of significant biological resources have been mitigated to an acceptable level, as have potential significant impacts of noise, air pollutant emissions, dust and hazardous materials; • Significant impacts will not be created on lands used or planned for residential use; • Public health and safety will be protected; • Haul routes have been identified, and will be utilized, which will not create significant impacts within residential areas and will not negatively impact access into commercial/industrial areas; • The municipal revenue-generating characteristics of the proposed operation are such that a positive fiscal benefit will accrue to the City of Highland and to its residents; and • The analysis of fiscal benefits shall account for the incremental capital and maintenance costs for the area circulation system created by the high intensity of truck use associated with the operation.		Upper Santa Ana River Wash and Land Management Plan. Approved. Implementation underway. Robertson's Ready Mix Mining expansion Conditional Use Permit, adopted June 2, 2009 (CUP-007004) Cemex Mining expansion Conditional Use Permit, adopted June 2, 2009 (CUP-007-005)
		4) Preserve areas designated as Open Space to provide for recreation, preservation of scenic and environmental values, managed production of resources (agriculture, water		3/2009 dedication of approx. 93 acres of national parkland to the City of Highland located near the easterly terminus of Base Line – (East Highlands Ranch PUD DIF Agreement).

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		reclamation and conservation, mineral extraction) and protection of public safety.		4/2011 awarded a $130,000.00 State Nature Education Facilities Grant for the City's Natural Parkland Interpretive Signage program. Mediterra Specific Plan to preserve the adjacent hillside natural open space buffering the San Bernardino National Forest. 2020 – Construction underway. Zone Change from approximately 192 acres from Agricultural/Equestrian to Open Space approved along Greenspot Road. Purchase of a 1,700+ acres of developable land by San Bernardino Valley Municipal Water District to instead be used in perpetuity for water retention and percolation into the Bunker Hill Basin. 2025 – DR Horton TR 18893 improved the connection for the public and tract residents to Alder Creek Trail 1N16.
		5) Promote joint development with adjacent jurisdictions.		On-going Coordination occurring between Highland and the County of San Bernardino to incorporate portions of the Santa Ana River. Met several times. 2019/2021 – Joint project by Highland and Redlands to expand non-motorized transportation; specifically the project titled "Highland Redlands Regional Connector" located in the general vicinity of Boulder Avenue and Greenspot Rd. Due to unreasonable environmental mitigation requirements by CDFW, construction of this project will be postponed until additional grant funds are obtained by Highland and Redlands. The Highland portion of the project is currently being considered for construction. 2021 – Worked comprehensively with the City of San Bernardino on the "Highland Hills" project on the north side of Highland Avenue, east of the 330 Freeway. Met to discuss circulation, right-of-way and residential design issues. 2022 – Continued cooperation on the Airport Gateway Specific Plan to ensure land use standards are the same in both San Bernardin and Highland along the frontage of the San Bernardino International Airport. Also, joint effort to annex a San Bernardino property into Highland to effectively develop a project at the southwest corner of Victoria Avenue and 5th Street. Ongoing coordination of street and drainage improvements along the 3rd/5th Street and Victoria Avenue Corridors. Coordinated with San Bernardino Valley Municipal Water District at Tres Lagos and Weaver Basins. 2023/2024 – Coordinated cooperation with the IVDA, SBIA, San Bernardino, San Manuel Band of Mission Indians and East Valley Water District on the Inland Valley Corridor Improvement program to establish infrastructure design near the San Bernardino International Airport. 2025 – IVIC plan rescinded by the SBIAA following threat of litigation, challenging the project's CEQA findings.
Land Use	Goal 2.8 Coordinate land use planning programs between local, regional, state and federal jurisdictions.			
		1) Notify neighboring jurisdictions and adjacent developments when considering changes to the City's existing land use pattern adjacent to City boundaries.		On-going Adjacent jurisdictions are notified by mail for each project requiring discretionary land use approval by the City. Comments commonly received by Redlands, City and County of San Bernardino.
		2) Cooperate with neighboring jurisdictions through review and comment on proposed changes to existing land use patterns that could affect the City of Highland.		On-going. 2019/2021 - Continue to meet with City of San Bernardino Staff to discuss the Highland Hills Specific Plan located on the north side of Highland Avenue, east of SR330 as well as the Motel 6 on Highland Avenue and warehouse on 6th Street near McKinley. 2022 – Ongoing efforts to approve the Airport Gateway Specific Plan. Public Review of the Program EIR commenced in 2022. 2023 – New efforts to develop the Inland Valley Corridor Infrastructure Program. 2024/2025 – Worked cooperatively on an annexation/detachment between the City of San Bernardino and Highland that would allow an industrial development and improve services within each

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				jurisdiction. Expected to be approved in early 2026.
		3) Establish regular lines of communication with local, regional, state and federal agencies whose planning programs may affect Highland residents and businesses.		On-going. Much discussion with local, state and federal agencies with respect to development along the Greenspot corridor. Ongoing efforts with the Airport as discussed above. 2025 – Continued efforts with the County of San Bernardino, State and US Department of Fish and Wildlife to effectuate a 20-acre land sale and mixed use development within the GVMP.
Land Use	Goal 2.9 Establish and maintain logical City boundaries that reflect existing service capabilities, social and economic interdependencies, citizen desires and City costs and revenues.			
		1) Work with the Local Agency Formation Commission (LAFCO), the City and County of San Bernardino, and area residents to promote the establishment of better-defined boundaries that would facilitate more efficient provision of municipal services and an economically viable community.		2022 – Began discussion of one small annexation, .5 acre, at the southwest corner of 5th Street and Victoria Avenue to facilitate development and municipal services. In 2023, the Annexation reports were completed and CEQA review initiated. In 2025, the coordination continues, and environmental review continued. The IS/MND was drafted and made available for review.
		2) Consider annexation of such areas where the following findings can be made: • The proposed annexation is consistent with goals and objectives of the General Plan. • Significant benefits will be derived by the City and affected property owners and/or residents upon annexation. • There exists a significant social and economic interdependence and interaction between the City of Highland and the area proposed for annexation. • There exists a significant social and economic interdependence and interaction between the City of Highland and the area proposed for annexation.		On-going.
		3) Work with the City of San Bernardino to provide buffers in areas where existing or planned land uses in one city are incompatible with adjacent areas in the other.		Commenced in 2009, asked surrounding cities to refer project notices to the City for review and comment. 2019 – Worked with the City of San Bernardino on a project of theirs for a warehouse in the vicinity of 6th St and McKinley Street, surrounded by single family homes in Highland. San Bernardino did require some redesign with respect to walls for noise mitigation and emergency access from the west. 2020 – Worked with San Bernardino on a Motel 6 project within their boundaries to ensure the noise, aesthetics, walls, landscaping and circulation were not impactful to Highland.
Land Use	GOAL 2.10 Create a new Town Center where Highland residents, employees and visitors can live, shop, work, recreate and socialize in a vibrant, safe and pedestrian friendly environment.			
		1) Ensure quality design through adherence to the Town Center design guidelines and policies in the Community Design Element.		CVS/Baker's/Family Dollar project, Highland Plaza Revitalization project, Base Line Beautification project and the Paseo Del Oro Planned Development. Smart & Final project on Base Line completed in 2017. 2020 – Worked with Woodcrest Company and KZ Holdings to ensure the Community Design Element is followed. Pre-Applications for both projects have been held and received comments on this topic. Revisions anticipated shortly. 2021 – Woodcrest / Tractor Supply Co. project approved consistent with the Town Center guidelines and Community Design Element. Under construction in 2024. Should be complete by March 2025. 2022 – Marinitia development of two restaurants at the NWC Base Line & 210 which included recommendations from the Community Design Element. Coordination on right-of-way improvements continues between the City and development team including themed street lights and plaza design as described in the Element. 2025 – Crestwood Communities TR 20387 34-unit development designed in compliance with the Community Design Element including forward-facing architecture, upgraded perimeter fencing, pedestrian connection from Church Ave and Buckeye St to the retail, commercial and community uses to the south.

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		2) Ensure that the Town Center maintains a mix of uses attractive to broad segments of Highland's population and that stimulate activity during day and evening hours, every day of the week.		On-going. 2020 – Latest plans include mixed use projects of commercial, restaurant, single-family, and multi-family uses all of which are heavily needed and desired within the City. 2021 – Woodcrest / Tractor Supply Co. project approved consistent with the Town Center guidelines and Community Design Element that includes a multi—phased commercial project including retail, entertainment and dining options in a pedestrian-friendly atmosphere. Under construction in 2024 2022 – Marinita project will provide additional restaurant options in the City that will stimulate activity near SR 210.
		3) Provide access to multiple modes of travel, including pedestrian, bicycle, transit and automobile.		Base Line Beautification project. Completed west of the 210 freeway in 2014 & east of freeway in 2016. 2020 – the City's Public Works Division has made several grant applications to improve pedestrian and bike safety along Base Line and Palm Avenue. While not successful in this cycle, they will continue to apply. The City prepared a draft Active Transportation Plan thoroughly detailing improved multi-modal transportation. It is anticipated to be approved in early 2021. The City also has a close relationship with Omni Trans transit provide and meets frequently to improve and maintain the transit system within Highland. The 210 Freeway expansion and Base Line interchange improvements are under construction and will significantly improve multi-modes of travel along Base Line between Seine and Palm Avenue. 2022- 2025 – near completion of street and bridge widening along Base Line from Seine Avenue to Buckeye Street. This includes a significant infrastructure expansion of the Base Line overpass, decorative bridge treatments and signage with anticipated completion of artwork in 2026.
		4) Work with property owners to implement the Town Center Vision.		On-going. Base Line Beautification Project Designs approved in 2008. 2020/2021 - Continue coordinating with Maranita, KZ Holdings and Woodcerst Companies all located on the north side of Base Line between the 210 Freeway and Palm Avenue. 2022 – Marinita restaurnts as well as plans to install a new traffic signal on Base Line, west of SR 210. 2024 – Tractor Supply store under construction. 2025 - Crestwood Communities TR 20387 under construction.
		5) Protect surrounding single-family neighborhoods from incompatible uses.		2020/2021/2022 - Plans from KZ and Woodcrest include developing residential uses along their perimeters with existing residential development. Maranita will construct the appropriate noise and aesthetic mitigation on its northerly boundary to avoid impacts with the existing single family residential.
		6) Provide transition areas/buffers between land uses within the Town Center and with surrounding neighborhoods.		Maranita, located on the north side of Base Line between Buckeye Street and the 210 Freeway has shown well-planned buffers on their draft development plans.
		7) Connect the Town Center physically and visually with the Historic Village District with pedestrian connections, historically compatible architecture, signage, landscaping and other streetscape elements.		Base Line Beautification Project Design. 2013-14 & 2018 Public Works Grant Application to improve circulation and street design on Palm Avenue and Pacific Street. Unsuccessful thus far, but will continue to make applications as new grants and funding rounds occur.
		8) Explore opportunities to relocate historic structures onto the Town Center site in prominent locations.		No projects proposed.
		9) Require new development to provide for public plazas and other gathering places.		Smart and Final 2017. 2022 – Marinita project plans.
		10) Prohibit freestanding drive-through commercial structures and convenience commercial uses, except at the major intersection of Palm Avenue and Base Line and along the south side of Base Line between Palm Ave and Bonita Ave.		Policy deleted by City Council.
Land Use	Goal 2.11 Revitalize the Base Line Corridor by concentrating commercial uses at strategic intersections and by redeveloping aging, mid-block commercial areas with new residential development.			
		1) Revitalize the Base Line Corridor with infill development of vacant land and redevelopment of aging commercial areas		Barnes and Seeley Court Residential Developments (Gardner Construction).

General Plan Element:	Goals:	Policies:	Actions:	**Implementation & Progress:**
		with residential development, consistent with the Land Use Plan.		Olive Street Residential Development (Dr. Williams) 2018 - 60-unit Assisted Living Facility 2024 – Approval of two new auto related businesses, 2025 - O'Reilly Auto Parts & JC Automotive.
		2) Specifically encourage the consolidation of individual parcels along Base Line to provide a sufficient land area for vibrant commercial uses.		Aysar Helo, Consolidation of lots on Base Line between Seine Avenue & Stoney Creek. 2025 – Gerber Collision (reciprocal use & parking)
		3) Prohibit the development of parcels not fronting on Base Line for commercial use except as part of an integrated commercial project that will take its access from, and focus on Base Line.		Aysar Helo, Consolidation of lots on Base Line between Seine Avenue & Stoney Creek.
		4) Limit new access for commercial uses to Base Line, Del Rosa Drive, Sterling Avenue, Victoria Avenue, Central Avenue, Stoney Creek and Boulder Avenue.		Aysar Helo – Base Line between Seine Avenue and Stoney Creek. Paseo Del Oro – Base Line at Buckeye/Church Avenue. CVS/Bakers/Family Dollar at Base Line /Palm Avenue. Smart & Final in 2017. 2021/2022 - Marinita & Woodcrest. 2024/2025 – Tractor Supply Co & Marinita retail uses with limited access to Base Line, taking access also from side streets (Church Ave & Buckeye).
		5) Consolidate existing access to accommodate future medians.		Base Line Beautification Project in the Town Center Policy Area and Brightwater Senior Living facility. 2023/ 2025 – Continued coordination with Marinita and surrounding developments to address safe access across Base Line.
		6) Facilitate conversion of existing residential parcels along the rear of commercially designated areas along Base Line on a block-by-block, rather than on a parcel-by-parcel basis.		On-going 2021/2022 – Applications by Woodcrest / Tractors Supply, Marinita, and KZ Holdings on Base Line between Buckeye and Foster Street.
		7) Ensure quality commercial and residential development through adherence to the Community Design Element policies and guidelines and Development Code standards.		On-going 2021/ 2025 – Achieved in projects such as Marinita, Woodcrest / Tractor Supply and KZ Holdings / Crestwood Communities.
Land Use	Goal 2.12 Create a signature, mixed-use master-planned community that integrates commercial, office and residential uses in a unique environmental setting.			
		1) Require commercial designs within this area to relate to adjacent major roadways and the freeway.		Commercial designs shall have prominent front-facing elevations as they relate to major roadways like Base Line and the 210 Freeway. On-going.
		2) Concentrate office and big box retail uses along 5th Street.		Greenspot Village & Marketplace Specific Plan and Highland Crossings/Crossroads developments have incorporated the majority of big box retail uses. Several smaller boxes are proposed along Base Line. 2025 – Costco warehouse completed construction and opened to the public.
		3) Provide adequate transitions and/or buffers between residential and nonresidential uses within the area.		Transitions to nonresidential areas are comprised of significant setbacks, landscaping and decorative walls. 2025 – Alliance Residential within GVMP will be installing a landsdcaped paseo concurrent with their residential development now under construction.
		4) Require residential development to provide adequate amenities such as common open space and recreation areas.		These ongoing policies are prevalent in recently approved and constructed projects such as Glenrose Ranch, Mastercraft 13, Mastercraft 42, Rexco, Blossom Trails, Treh 200-unit apartments, Alliance 546-unit apartments, Mediterra, Woodcrest, Anacapa, and Diversified Pacific (2025 approval).
		5) Require commercial development to provide functional public spaces and/or plazas for shoppers and visitors.		Ongoing. 2020-2025 – Examples of public spaces and plazas that have been incorporated in recent developments include TREH Partners on Greenspot Road, Marinita and Woodcrest.
		6) Land use intensity will be determined upon the adoption of a specific plan, planned unit development, conditional use permit or similar mechanism.		Approved projects that exemplify this policy include Greenspot Village & Marketplace Specific Plan. Mediterra Planned Development, ~~and~~ Mastercraft 42, and Diversified Pacific (20025).
		7) Ensure quality design through adherence to the Community Design Element policies and applicable Development Code standards.		Ongoing. All projects receive discretionary approval must make findings to adhere to the Community Design Element and Development Code (Highland Municipal Code)
		8) Orient uses along City Creek to take advantage of views of and connections to open space and recreational amenities.		This was incorporated in the Greenspot Village & Marketplace Specific Plan that runs south and east of City Creek. Special attention was given to building heights, architecture, fencing, and trail access. 2023-2025 – Rexco San Carlo I, San Carlo II, and Alliance Residential.
		9) Actively participate in future San		Participating in the development of a Specific Plan for

General Plan Element:	Goals:	Policies:	Actions:	**Implementation & Progress:**
		Bernardino International Airport planning activities to minimize potential negative impacts on Highland's economic development opportunities and quality of life.		area around the SBIA with surrounding cities & IVDA. ~~Highland is also active in reviewing and commenting on San Bernardino projects within the vicinity of its boundaries. The Inland Valley Corridor Improvement Plan's Program EIR was initiated.~~
Land Use	Goal 2.13 Transform the 5th Street Corridor into a major employment center and gateway to the San Bernardino International Airport.			
		1) Continue to coordinate with the City of San Bernardino and the San Bernardino International Airport Authority for future planning on and around the airport.		~~Development of the Inland Valley Corridor Improvement Program ongoing.~~
		2) Continue to plan and promote the 5th Street Corridor as the major industrial entryway into the San Bernardino International Airport.		2022 – Approved industrial projects along 3rd, 5th and 6th Streets for Patriot Partners, Crow Holdings and American Rentals. Construction commenced on the Patriot project at 6th and Victoria Avenue. ~~Development of the Inland Valley Corridor Improvement Program ongoing.~~
		3) Develop a comprehensive design and branding program for the 5th Street Corridor, promoting it as a unified, business-friendly employment center.		~~Development of the Inland Valley Corridor Improvement Program ongoing.~~ 2022-2025 – all Business Park and Industrial Developments have included an aspect of visible public art.
		4) Ensure exceptional circulation through adherence to the policies of the Circulation Element.		On-going. Required for each project approved by the City.
		5) Protect and enhance the integrity and desirability of industrial sites from nonindustrial uses.		On-going. These efforts can be seen in the Transition Properties industrial project under construction at the northwest corner of 5th Street and Church Avenue and Dan Moore's contractor's storage yard and Roquet's contractor's storage yard on Meines Street, east of Palm Avenue. Additionally, the projects mentioned above for Patriot, Crow Holdings and American Rentals all included the appropriate setbacks, landscape buffering and noise mitigation to protect the adjacent uses. Lovett industrial project proposed, and received approval for a high-quality 300,000+ sf distribution facility in the Industrial Zone.
		6) Improve landscaping along the edges and median of 5th Street and the boundaries of the corridor.		Joint effort with IVDA & San Bernardino 2020 - Landscape median design and parkway landscaping installed along the 5th Street frontage of Transition Properties, west of Church Ave.
		7) Ensure quality development through Development Code standards and the Community Design Element policies and guidelines.		~~Participating in the development of a Specific Plan including design standards for area around the SBIAA with surrounding cities & IVDA.~~ ~~Development of the Inland Valley Corridor Improvement Program.~~ 2025 – IVIC plan rescinded by the SBIAA following threat of litigation, challenging the project's CEQA findings.
		8) Until nonconforming residential uses transition out of the area, provide adequate transitions and/or buffers between existing residential neighborhoods and industrial or other incompatible land uses.		2019/2020 - Attempted to require such buffers in conjunction with a San Bernardino project on 6th street at the terminus of McKinley to the south. Some recommendations were implemented by San Bernardino. 2021 – Appropriate setbacks and landscape buffers used to transition from warehousing to adjacent residential uses at the Patriot Partners project at 6th Street & Victoria Ave. 2025 – Ongoing with each industrial development approved.
		9) Work with San Bernardino International Airport Authority to ensure that future planning activities encourage consistency with adopted City land use plans and minimize impacts on Highland's economic development opportunities and quality of life.		On-going Adoption of SBIAA & Highland Interagency Cooperative Agreement adopted on August 22, 2007. Airport Overlay Ordinance – Ord No. 342, and 343
Land Use	Goal 2.14 Establish the Victoria Avenue Corridor as the major entryway into the San Bernardino International Airport.			
		1) Concentrate commercial uses along Victoria Avenue at Base Line, Pacific Street and Highland Avenue.		Application for Arco Rehab & Motel Project approved in 2014. Completed in 2017. Real Journey's charter school and Food 4 Less gas station both approved in 2018, construction completed in 2018/2019 – located at the southeast corner of Highland and Victoria Avenues.

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General Plan Element:	Goals:	Policies:	Actions:	
				2020 – Victoria Square commercial strip center project under review, anticipated approval in 2021. Located at the southeast corner of Victoria and Pacific Streets.
		2) Allow for a mix of commercial and residential uses in appropriate areas through the Planned Development land use designation.		On-going.
		3) Provide residential opportunities in mid-block areas between 9th Street and Pacific Avenue.		15 Lot small lot subdivision at Victoria and Pacific (Hispano 18013) approved in 2017 began construction in 2021 and completed in 2022.
		4) Encourage the consolidation of parcels to promote quality, planned development.		On-going. 2021 – Achieved with the Patriot Partners warehouse at 6th & Victoria Avenue with the consolidation of 6 lots. 2022 – Crow Holdings projects and Patriot Partners projects along 3rd and 5th Streets.
		5) Consolidate access points along Victoria Avenue to improve traffic flows.		On-going. Will continue to review in conjunction with the Airport Gateway Specific Plan. 2021 – Achieved with the Patriot Partners warehouse at 6th & Victoria Avenue. 2022 – Patriot Partners projects at 6th/Grape and Cypress/Victoria.
		6) Create a major business park node at the southern terminus of Victoria Avenue to maximize employment opportunities adjacent to the airport.		On-going. Will continue to review in conjunction with the Airport Gateway Specific Plan. 2021 – 4 business park projects in the pre-application process for review in 2022. 2022 – Projects approved at Cypress/Victoria and 6th/Grape. Project pending at Victoria & 3rd/5th.
Land Use	Goal 2.15 Create a one-of-a-kind, high-quality, master-planned estate community in the Seven Oaks area that incorporates substantial scenic, open space, recreation and trail amenities.			
		1) Ensure trail connections to existing or planned local and regional open space and trail systems.		This policy should be deleted because the property was purchased by San Bernardino Valley Water District for the purpose of water discharge. Residential development is not anticipated.
		2) Provide extensive open space linkages within the site to connect to adjacent open space resources.		Ongoing continued efforts are being made by City staff to work with Valley District board to secure certain trail linkages that will not interfere with water resources activities.
		3) Continue to collaborate with the City of Redlands, the County of San Bernardino and property owners.		
		4) Ensure that sufficient access, including emergency access, is provided to support future development.		N/A
		5) Ensure that adequate public services and facilities keep pace with future development.		N/A
		6) Provide appropriate habitat corridor linkages in collaboration with applicable habitat conservation planning.		N/A
		7) Implement future development guidance of the Seven Oaks area by means of a specific plan or similar mechanism.		N/A
		8) Require that hillside development minimize alteration of the natural landforms and natural vegetation, while maximizing viewshed protection.		N/A
		9) Limit grading to the amount necessary to provide stable areas for structural foundations, street rights-of-way, parking facilities and other intended uses.		N/A
		10) Minimize import/export associated with grading.		N/A
		11) Consider clustered development, especially in connection with such recreation amenities as a golf course, in future planning activities for the site.		N/A
		12) Maintain the Greenspot Agricultural Preserve until such time future development is proposed or more detailed planning is initiated. In the event that proposed development would impact the Agricultural Preserve, the City shall evaluate the viability of incorporating the Preserve into the development, consistent with the City adopted *Rules and Procedures for the Administration of Agricultural Preserves and Contracts.*		N/A

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General Plan Element:	Goals:	Policies:	Actions:	
Chapter 3 – Circulation Element				
Circulation	Goal 3.1 Provide a comprehensive transportation system that facilitates current and long-term circulation in and through the City.			
		1) Require new development proposals to ensure that all mid-block street segments operate at LOS "D" or better during the peak hours of traffic. (Note: Because of the location of the Palm Avenue/Pacific Street intersection within the Historic District, consideration will be given to alternatives to traffic signal mitigation. Alternatively, the City may elect to accept a lower LOS to retain the historic character of the District.)		Ongoing. Developing design concept to convert existing 4-way stop control at Palm/Pacific intersection to a roundabout as an alternative to traffic signal
		2) Ensure that all intersections operate at LOS "D" or better during the peak hours of traffic.		Implemented through traffic impact analysis as development occurs.
		3) Ensure that the City's street system be designed and constructed to accommodate the traffic generated by buildout of the General Plan land use designations.		Retained consultant and performed a feasibility study and determined a single lane roundabout is achievable at the Palm/Pacific intersection.
		4) Maintain flexibility in the cross-sections and configuration of streets within topographically rugged or environmentally sensitive areas as long as mid-block street segments and intersections operate at LOS "D" or better.		Implemented through traffic impact analysis as development occurs
		5) Design and employ traffic control measures (e.g., install traffic signals, provide access restrictions, etc.) to ensure city streets and roads function as intended.		Implemented through traffic impact analysis as development occurs
		6) Periodically update the General Plan master traffic study to maintain its relevance and correspondence to the General Plan land use designations and the design and construction of new and existing City streets.		Implemented through the Capital Improvement Program Minor amendments were made to the Circulation Element in 2022 in coordination with the Housing Element and Public Health, Safety and Environmental Justice Element updates.
		7) Monitor the intensity of land use to keep traffic on any arterial in balance with roadway capacity.		Implemented as development occurs (ie. Halcyon Apartments)
		8) Require development proposals with the potential to generate traffic volumes or other impacts not adequately evaluated in the Circulation Element and the General Plan Program EIR to prepare a traffic analysis consistent and compatible with the City's Master General Plan Traffic Model.		Implemented through site plan/development plan review process as development occurs
		9) Restrict the number of access points and intersections along arterials to preserve mid block and intersection capacities and to maintain public safety.		Implemented as development occurs
		10) Encourage major employers to reduce vehicular trips by offering incentive concepts discussed in the General Plan Circulation Element, including but not limited to reduced transit passes and preferential parking for ridesharing.		Saint Adelaide Church parking lot park and ride.
Circulation	Goal 3.2 Provide a well-maintained roadway system.			
		1) Maintain and rehabilitate all components of the circulation system, including roadways, sidewalks, bicycle facilities, pedestrian facilities and traffic signals.		Ongoing. Annual Pavement Rehabilitation Contract awarded.
		2) Establish and maintain a roadways pavement management program (PMP) that sets forth budgeting, timelines and schedules for maintenance of existing roadways in the community.		. The City has adopted a 5-year PMP and is delivering annual rehabilitation and preventative maintenance projects though its CIP Program to ensure existing roadways are properly maintained.
		3) Continue to study the need and feasibility of providing additional all-weather crossings along critical roadways, and develop an		Boulder Ave. Bridge constructed; Greenspot Rd Bridge constructed; Base Line and Orange Street Bridge are in the environmental and R/W phase for future

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		implementation plan and schedule, if appropriate.		construction scheduled to begin in 2027.
		4) Coordinate maintenance or enhancement of transportation facilities with related infrastructure improvements.		Implemented through CIP. Example: mining CUP
		5) Develop and implement programs and policies that require additional improvements or mitigation from industries or entities that generate heavy truck traffic and pavement impacts.		Implemented through TIA and pavement impact studies for specific projects & coordinated with truck generators
Circulation	Goal 3.3 Preserve and enhance uniquely scenic or special visual resource areas along appropriate routes for the enjoyment of all travelers.			
		1) Designate the following roadways as Scenic Highways and establish guidelines that protect visual resources in the community and allow for the development of additional recreational opportunities: • Boulder Avenue • Base Line (east of City Creek) • Palm Avenue • Greenspot Road • Church Street • Highland Avenue (east of City Creek)		Portions of Boulder Avenue, Base Line and Greenspot Road have been constructed with embellished medians and parkways to honor their Scenic Highway designations.
		2) Attractively landscape and maintain Highland's Secondary Highways, Special Secondary Highways, Major Highways, Primary Arterials, and Modified Primary Arterials and prepare/implement distinctive streetscape improvement plans.		Construction of landscape median on Greenspot Road from SR 210 to Boulder Avenue in Golden Triangle completed. Construction of landscape median on Base Line from Cole Avenue to SR 210 in Town Center completed. Construction of landscape median on Palm Ave between Cypress St and north of 9th St completed. Construction of landscape medians on Base Line between SR-210 and Boulder Avenue completed. Landscape median gap closure on Base Line between Marigold Avenue and Church Street completed. Construction of landscape median and parkways on Boulder Avenue between San Manuel Village Entrance and Greenspot Road completed in 2022.
		3) Take such actions as may be necessary to protect scenic routes, including but not limited to: • regulation of land use and intensity of development; • detailed land and site planning; • control of outdoor advertising; • careful attention to and control of grading and landscaping; and • careful design and maintained appearance of structures and equipment.		Sign Code Update adopted in February 11, 2011. Implemented as development occurs.
Circulation	Goal 3.4 Provide a safe circulation system.			
		1) Establish the local street system within developing neighborhoods through a cooperative public/private planning process.		On-going through development review process & HMC.
		2) Require new development to install and maintain streets within planned residential areas as private streets in accordance with development standards set forth in the Development Code and other applicable standards and guidelines.		On-going through development review process & HMC. Toll Bros Project , Richmond American, and the Rexco projects w re required to meet City a combination of City private street standards that were determined applicable and safe for their projects.
		3) Promote the principle that streets have multiple uses and users, and protect the safety of all users.		On-going though development review process & HMC. Constructed 25 miles and acquired funding for an additional 6 miles of bike lanes on streets throughout the City. Construction of a new trail node kiosk at the Santa Ana River bridge on Old Greenspot Road has been completed. Installation of bicycle parking racks at 6 locations in the City has been completed. Installation of 63 new bike wayfinding signs and funding acquisition for 50 more throughout the City has been completed. Funding acquisition to construct 4 rest stops along two of the City's Class I bikeways has been completed.
		4) Require new development to provide pedestrian paths and linkages through projects, locating linkages to avoid conflicts with motorized traffic.		On-going though development review process & HMC. Greenspot Village & Marketplace Specific Plan with paths & trail linkage. Community trail on Base Line from Palomino Street to Tract 15960 north boundary
		5) Discourage high-speed, through traffic on local streets with appropriate traffic-calming measures (e.g., traffic enforcement, bulb-outs, lane striping, chokers, etc).		On-going through development review process & HMC. Construction of the Base Line Beautification and Safety Improvement Project has been completed. Construction of the 9th Street Safety Improvement Project road-diet has been completed. Construction of the Base Line Safety Improvement Project has been completed. Constructed 25 miles and acquired funding for an

General Plan Element:	Goals:	Policies:	Actions:	**Implementation & Progress:**
				additional 6 miles of bike lanes on streets throughout the City. Construction of a new trail node kiosk at the Santa Ana River bridge on Old Greenspot Road has been completed. Installation of bicycle parking racks at 6 locations in the City has been completed. Installation of 63 new bike wayfinding signs and funding acquisition for 50 more throughout the City has been completed. Funding acquisition to construct 4 rest stops along two of the City's Class I bikeways has been completed. Tract 18935, (Diversified Pacific) constructed two mid-block oval medians for traffic calming on Aplin Street. Seeking grant funding for bikeways and road diets on Palm Avenue north of Base Line and on Pacific Street from Del Rosa Drive to Boulder Avenue Mediterra employed similar traffic calming chicanes and non-standard street designs.
		6) Design access onto major arterial streets in an orderly and controlled manner.		On-going through development review process & HMC.
		7) Utilize shared driveways in common areas to minimize disruptions to traffic and pedestrian/bicycle flow.		On-going through development review process & HMC. .
		8) Implement street design features such as the use of medians, bus turnouts and consolidated driveways to minimize mid-block traffic congestion.		On-going through development review process & HMC. - Construction of landscape median and bus turnouts on Greenspot Road from SR 210 to Boulder Avenue in Golden Triangle has been completed. - Construction of landscape median on Base Line from Cole Avenue to SR 210 in Town Center has been completed. - Construction of landscape median on Palm Ave between Cypress St and north of 9th St has been completed. - Construction of landscape medians on Base Line between SR-210 and Boulder Avenue has been completed. - Construction of landscape median gap closure on Base Line between Marigold Avenue and Church Street has been completed. - Construction of landscape median and parkways on Boulder Avenue between San Manuel Village Entrance and Greenspot Road was completed in 2022. Ongoing. Proposed developments, including those with pre-applications, along Base Line are conditions to construct a raised median.
		9) Support freeway improvements that remove through traffic from local streets.		On-going through development review process & HMC. Construction of SR 210 / Greenspot Rd westbound on and off ramp improvements is completed. The SR 210 / Base Line bridge widening Widening of the SR210/5th Street undercrossing is currently in environmental and preliminary design phase.
		10) Provide adequate sight distances for safe vehicular movement on roadways and at intersections.		On-going through CIP, development review process & HMC.
		11) Encourage and improve pedestrian connections from residential neighborhoods to retail activity centers, employment centers, schools, parks, open space areas and community centers.		On-going through development review process & HMC. - Greenspot Village & Marketplace Specific Plan. - Highland/Redlands Regional Connector Project, a non-motorized transportation project, connecting residential neighborhoods to many activity centers, schools and the Santa Ana River Trail has been awarded federal funding and currently in the construction phase. - 2025 - Highland staff began working with the City of Redlands to complete the final segment of the Highland/Redlands Regional Connector. Environmental applications were submitted and a cooperative agreement process has begun regarding cost share between the two cities.
		12) Encourage barrier-free accessibility for all handicapped residents, employees and visitors throughout the City's circulation system.		On-going through development review process & HMC. Sidewalk and curb ramp improvements via CIP projects.
		13) Support the planning of sidewalks of appropriate width to allow the provision of buffers to shield nonmotorized traffic from vehicles.		On-going through CIP, development review process & HMC. Curb-adjacent sidewalk is required to be 6-foot wide minimum; striped buffer minimum 12" to 18" wide is required for new bike lanes.
		14) Add raised, landscaped medians and bulb-outs, where appropriate, to reduce exposure to cross traffic at street crossings.		On-going through CIP, development review process & HMC. -Construction of landscape median and bus turnouts on Greenspot Road from SR 210 to Boulder Avenue in Golden Triangle has been completed. - Construction of landscape median on Base Line from Cole Avenue to SR 210 in Town Center has been

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General Plan Element:	Goals:	Policies:	Actions:	
				completed. - Construction of landscape median on Palm Ave between Cypress St and north of 9th St has been completed. - Construction of landscape medians on Base Line between SR-210 and Boulder Avenue has been completed. - Construction of landscaped median gap closure on Base Line between Marigold Avenue and Church Street has been completed. - Construction of landscape medians and parkways on Boulder Avenue between San Manuel Village Entrance and Greenspot Road completed in 2022. - Bulb outs will be constructed in Mediterra. -Bulbouts are being planned on Palm Avenue in the Historic District.
		15) When feasible, walkways should include pedestrian amenities such as shade trees and/or plantings, trash bins, benches and shelters.		- On-going through development review process & HMC. - The Base Line Beautification Project which includes construction of sidewalks and landscaping has been completed. - The Greenspot Road Project in the Golden Triangle which includes construction of sidewalks and landscaping has been completed. - The Highland/Redlands Connector Project which will construct 3 rest stops for bicyclist is in design. - The City Creek/Alabama Street Bikeways Project which will construct 1 rest stop for bicyclist is in design. - Pedestrian plaza included as a part of the Smart and Final project at the corner of Base Line and Church Avenue. - A Pedestrian Plaza with shade trees, trash bins, benches and bicycle parking is being planned on palm Avenue in the Historic District.
Circulation	Goal 3.5 Promote bus service and paratransit improvements.			
		1) Continue to support the regional bus system to provide intracity service, intercity service to major employment centers, and connection to regional transportation transfer points.		- Constructed sidewalks to access bus stops via CIP projects. - Constructed bus bays on Greenspot Road. - Constructed Bus pads completed on 5th Street and Base Line.
		2) Plan for the provision of areas within the City to be used as park and-ride regional bus and car pool facilities.		Saint Adelaide's Park & Ride lot – 2010.
		3) Work with Omnitrans to ensure that transit services are extended to serve residents in the eastern portion of the study area.		- Bus service reaches Church Street for Base Line & Greenspot Road. - Construction of bus stops and turnouts have been completed on 5th Street/Greenspot Road (Boulder Ave to Victoria Ave) to accommodate future extended bus service.
		4) Coordinate with Omnitrans to provide safe, clean and attractive bus shelters at bus stops and transfer stations.		Omnitrans maintains bus shelters in good condition. A new bus shelter has been installed on westbound Base Line west of Church Street. City and Omnitrans are working on an updated cooperative agreement regarding maintenance & operations of bus shelters. Omnitrans is currently working with the City to update bus stops with shelters, lights, and other amenities in the area within ½ mile of the Highland/San Bernardino Bi-City Bikeway and Walkway Connector project that is currently being proposed for ATP funding.
		5) Ensure accessibility of disabled persons to public transportation.		Constructed sidewalk widening around obstructions, new sidewalks and access ramps for improved access to bus stops via CIP projects.
		6) Investigate new opportunities to finance further transit service for the elderly, handicapped and recreational purposes.		
		7) Support privately funded local transit systems for commuter residents and maintain local transit systems for seniors and youth.		
		8) Design transit improvements to minimize impacts on other modes of travel.		As development occurs. Constructed bus bays on Greenspot road to minimize impacts to travel lanes (ie. turnouts in front of Costco and TREH within the GVMP). Have bus shelters on Base Line constructed at locations that do not block pedestrian paths. Omnitrans is currently considering a new shelter with an information banner at the northwest corner of Base Line and Palm Avenue.
Circulation	Goal 3.6 Provide a circulation system that reduces conflicts between commercial trucking, private/public			

General Plan Element:	Goals:	Policies:	Actions:	**Implementation & Progress:**
	transportation and land use.			
		1) Maintain designated truck routes for use by commercial trucking that link industrial and commercial activity areas with major roadways and regional transportation routes and minimize impacts on local traffic neighborhoods.		Implemented through the General Plan and posting of truck route signs.
		2) Provide appropriately designed roadways for the designated truck routes that can safely accommodate truck travel.		Implemented through design of CIP projects and development projects making sure roadways for designated truck routes have adequate width, configuration and pavement structural section. 2025 – The Victoria Avenue Street and Storm Drain Project continues to work with neighboring agencies to complete the design, right-of-way acquisition, and environmental clearance. Street improvements meet arterial requirements for Victoria Avenue, a designated truck route.
		3) Develop berms and barriers where feasible along truck routes to minimize noise impacts to sensitive land uses.		Sound Wall completed on Boulder Ave as part of the Boulder Bridge projects.
		4) Provide sufficient loading areas to minimize interference with efficient traffic circulation.		Implemented through development review process. Constructed bus turn-out bays on Greenspot Road between SR-210 and Boulder Avenue within the Golden Triangle.
		5) Regulate on-street parking of trucks where necessary to discourage truck parking on primarily residential streets or where they are incompatible with adjacent land uses.		Implemented through the HMC.
		6) Conduct a study examining the interface between proposed truck routes, the complete roadway network, and adjacent land uses.		Will be partially achieved with the drafting of the Inland Valley Infrastructure Corridor program in coordination with the SBIA, IVDA and surrounding agencies along the interface with the Airport.
		7) Evaluate truck route alternatives based on Caltrans Traffic Study guidelines.		
		8) Require as a part of the development review process for all new or expanding mineral extraction and all other heavy industry activities within the City, that the following information be provided: • A detailed plan of haul roads, indicating measures that will be taken to minimize aesthetic, noise, traffic, and particulate emission impacts to the surrounding land uses; • A traffic analysis that indicates both the number of projected trucks and their associated potential impact to city streets; • A "fair-share" mitigation analysis indicating the impacts and associated maintenance costs caused by the potential generation of future truck traffic; and • A comprehensive mitigation program, designed to run the life of the mineral extraction activity (including reclamation) that will: Cover the fair-share portion of surrounding roadway maintenance costs due to the increase in local truck activity, or Provide new or appropriate improvements to existing roadway facilities which in the opinion of the City would mitigate the impacts caused by the increase in local truck traffic.		Completed as part of EIR and CUP for CEMEX and Robertson expansion approvals (June 2, 2009). Constructed pavement rehabilitation to provide adequate pavement structural sections on 3rd St, 5th St, Greenspot Road, Base Line, Pacific Street, and Highland Ave, Sterling Ave, Victoria Ave, Palm Ave, Boulder Ave and Church Street.
		9) Work with private mining operators to establish specialized truck routes that: • Allow for the transport of raw and finished materials from quarries within the Santa Ana River Wash area to the Foothill Freeway on paved private haul roads; • Reduce, to the extent feasible, the movement of mining transport trucks on City streets; and • Mitigate, to the extent feasible, the noise, dust and vibration effects of such transport activities on surrounding land uses.		Same as #8 above. A mining CUP required the private mining haul road to be connected to 5th Street immediately west of the SR-210 eastbound on-ram, thereby reducing truck impact on City streets.
Circulation	Goal 3.7 Protect and encourage bicycle travel.			
		1) Develop a system of continuous and convenient bicycle routes to places of employment, shopping centers, schools, and other high activity areas with potential for increased bicycle use.		- Implemented through the General Plan. - West Highland Bikeway with wayfinding signage completed on Base Line from Del Rosa Drive to Cole Avenue. - Greenspot Road Bikeway and Base Line Bikeway completed. - The Highland/Redlands Regional Connector

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General Plan Element:	Goals:	Policies:	Actions:	
				Project, and the City Creek/Alabama St Bikeway Project, two non-motorized transportation projects, connecting residential neighborhoods to many activity centers, schools and the Santa Ana River Trail are in the environmental phase with construction scheduled for 2021. - 2025- See progress noted for the Highland/Redlands Regional Connector, Circulation Section 3.4.
		2) Encourage new development to provide reasonable and secure space for bicycle storage.		Implemented through the Development Review process.
		3) Provide bicycle racks at all public facilities and along major public streets.		Greenspot Road & Base Line bikeway projects included bicycle rack installation. Highland/Redlands Regional Connector Project includes bicycle parking. The Highland/San Bernardino Bi-City Bikeway and Walkway Connector project being proposed to the Active Transportation Program (ATP) for funding includes bike racks.
		4) Assure that local bicycle routes will complement regional systems and be compatible with routes of neighboring municipalities.		All completed or planned bike routes within the City are coordinated and consistent with the non-motorized plan for San Bernardino County. The Highland/Redlands Regional Connector Project plans to connect residential neighborhoods in Highland and Redlands to many activity centers, schools and the Regional Santa Ana River Trail. Actively seeking grant funding to complete this project. The Highland Regional Connector project is currently under construction and connects the local neighborhood to nearby schools.
		5) Provide linkages between bicycle routes and other trails, such as the Santa Ana River Trail, within the City as appropriate.		Highland/Redlands Regional Connector Project will provide connections to the Regional Santa Ana River Trail. The proposed Highland/San Bernardino Bi-City Bikeway and Walkway connector project is a conceptual project which will connect the cities of San Bernardino and Highland resulting in 59 mile of continuous bikeway network between the two cities. Both cities will continue pursuing grant funding to deliver the project.
Circulation	Goal 3.8 Incorporate consideration of regional transportation implications into decisions made by the City of Highland and, conversely, incorporate consideration of the local transportation implications on the City of Highland into decisions made by other local agencies, as well as into decisions made by state and federal agencies.			
		1) Participate in a wide range of regional transportation planning and programs to improve the capacity, efficiency and safety of the shared circulation system.		On-going, Public Works Division works closely with Caltrans, SBCTA and surrounding cities on the regional transportation planning and programs.
		2) Participate in all regional transportation committees and regularly coordinate with other local agencies regarding their plans, programs and services that affect the quality and safety of the Highland roadway system.		Public Works and Planning Divisions regularly attend SBCTA Transportation Technical Advisory Committee meetings and SR 210 widening project meetings. 2025-Highland staff is working closely with the City of San Bernardino and IVDA regarding public improvements along Victoria Avenue.
		3) Coordinate street system improvements and traffic signal coordination with regional transportation efforts.		On-going implementation with SBCTA. The City participated in the implementation of the valley-wide traffic signal coordination system. The City also completed citywide traffic signal coordination systems upgrade on 7 corridors in 2017. 2025 – Highland Engineering staff regularly meetings with SBCTA, lead agency regarding the Highland/Redlands Regional Connector.
		4) Coordinate signal construction and timing with Caltrans improvements in and around SR-30/I-210 off- and on-ramps.		The City coordinated on a regular basis with Caltrans to ensure traffic signals at freeway interchanges are well synchronized with the City's traffic signals.
		5) Coordinate transit planning with the Southern California Association of Governments, SBCTA, Omnitrans and adjacent communities.		Ongoing by the City's Public Works/Engineering Division.
		6) Work with the Southern California Commuter Rail Council and the San		Ongoing.

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		Bernardino Association of Governments and Omnitrans to establish a transit connection with the Metrolink Commuter Rail System.		
		7) Coordinate with Caltrans, the City of San Bernardino, the County of San Bernardino, the San Bernardino International Airport Authority and the San Manuel Band of Mission Indians to study the feasibility of a new freeway interchange at Victoria Avenue and to facilitate applicable roadway improvements.		As required by the City, Caltrans completed a Project Study Report in 2012, and SBCTA completed a feasibility study in 2014 of a proposed interchange on SR-210 at Victoria Avenue. The City is leading the effort to develop a cooperative agreement with the City of San Bernardino, IVDA, and San Manuel to fund the $4 million needed for the project environmental phase. 2025 – Highland staff agreed to vacate Miller Lane for the benefit of San Manuel Band of Mission Indians, regarding future development of their property and related public improvements on Victoria Avenue at SR-210.
		8) Coordinate with human services agencies and public schools to reduce duplicate transportation where feasible.		
		9) Prior to permitting connection of roadways from adjacent jurisdictions into the City of Highland, ensure that regional benefits are not achieved at the expense of Highland residents and businesses. Where a potential for negative impacts to Highland residents and business exists, ensure that the agency proposing the connection provides sufficient mitigation such that the connection is not only of regional benefit, but also of benefit to the City of Highland.		Implement during response to project notices and review of encroachment permit applications from adjacent jurisdictions.
Circulation	Goal 3.9 Ensure adequate parking is made available to City residents, visitors, and businesses.			
		1) Locate new development and their access points in such a way that traffic is not encouraged to utilize local residential streets and alleys for access to the development and its parking.		Implemented through the development review process.
		2) Investigate the implementation of Variable Parking District Overlays along Base Line, Highland Historic District and other areas where appropriate, to encourage the enhancement of existing parking-deficient development.		Developed an enhanced on-street parking concept on Palm Avenue in the Historic District.
		3) Assess the adequacy of existing or proposed on- and off-street parking as needed, especially in urban and commercial areas, to ensure that an adequate supply is provided.		Implemented through the Highland Municipal Code and development review process.
		4) Explore strategies for the management of parking supply, which can include parking fees, metered on-street parking and staggered work schedules.		Multiple parking studies submitted and accepted in coordination with entitlement processing to ensure that projects were neither under nor overparked.
		5) Develop strategies for the control of parking demand such as improved transit service, amenities for bicyclists and rideshare vehicles.		Requires new developments to construct bikeways to reduce the need for driving and parking. Required for each non-residential development entitled based on project size and operational characteristics.
		6) Develop strategies for shared parking opportunities in mixed-use and multiple-use development.		On-going through CIP, development review process and HMC. Achieved in various Specific Plans and mixed use projects such as TREH's Highland Crossings.
		7) Encourage the use of well-designed, aesthetically enhanced parking structures as an alternative to large, expansive surface parking lots in retail and employment centers.		
Chapter 4 – Public Services and Facilities Element				
Public Services & Facilities	Goal 4.1 Coordinate and balance the provision of public services with development activity to eliminate service gaps, maximize the use of public facilities, provide efficient and economical public services, achieve the equitable and legally defensible sharing of costs of such services and facilities, and maintain adequate service systems capable			

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	of meeting the needs of Highland residents.			
		1) Prior to permitting, ensure that all major extensions of services, facilities and utilities are comprehensively reviewed for related social, economic and environmental impacts and identify mitigation measures as appropriate.		On-going. All new development is responsible to construct and/or pay for their services and share of facilities and environmental impacts. These responsibilities are identified during entitlement and codified in the Conditions of Approval adopted by the Planning Commission or City Council as appropriate. Development Impact Fees are required for all new development. These fees are adopted by City Council resolution and due prior to occupancy. Services and facilities are identified during the Pre-Application process in hopes of identifying significant development costs upfront
		2) Ensure that proposed development, which requires the extension of public services and facilities, will generate sufficient municipal income to pay for the operations, maintenance and replacement of those services and facilities by the City.		On-going and reviewed on a project-by-project basis during entitlement.
		3) Ensure that existing residents and businesses are not burdened with the cost of financing infrastructure aimed at supporting new development or the intensification of existing development.		Development Impact Fees are collected from all new development in addition to any required off-site construction of infrastructure by the projects.
		4) Continue to ensure that public water, sewer, drainage and other facilities needed for a project phase are constructed prior to or concurrent with initial development within that phase, unless otherwise approved by the City.		On-going and coordinated with San Bernardino County Flood Control for drainage and East Valley Water District for public water and sewer on a comprehensive City-wide and project specific basis.
		5) Continue to make the project sponsor of a proposed development ultimately responsible for ensuring the timely availability of all infrastructure improvements (including system wide improvements) needed to support the development.		On-going as part of land use entitlements and required prior to the issuance of the project's certificate of occupancy.
		6) Continue to require that deficiencies in existing public services and facilities are corrected prior to or concurrent with proposed development.		All public service and facility providers are contacted via mail with a Project Notice and asked to comment on each new development proposal within the City including gas, electricity, telecommunications, water, sewer, cable, etc.
		7) Continue to coordinate with public service and utility companies to assure the long-term provision of services including water, wastewater, solid waste, electricity, natural gas and other private utilities (e.g., cable, Internet, telephone) for City residents.		The City's Public Works Division communicates with utility companies on a weekly basis with respect to services for active development projects. Additionally staff meets with the utilities and reviews long-term documents to understand long-term goals and strategies that affect Highland.
		8) Continue to direct future growth to areas with adequate existing facilities and services, or areas with adequate facilities and services committed, or areas where public services and facilities can be economically extended.		On-going.
		9) Develop a public facility assessment reporting system as part of the Capital Improvement Program and in accordance with AB 1600 to monitor the capacity of existing facilities to ensure that new developments do not overwhelm existing facilities. The following are guidelines for developing the reporting system: • Identify and understand the demands for services that will be placed on Highland by regional demographic and economic changes. • Monitor the progress of current local development projects, and ensure that public service and facility plans, as well as their forecasts and funding mechanisms, reflect changing conditions. • Track the status of capital improvement program implementation. • Develop a community survey to identify public facility deficiencies and usage.		On-going. Reviewed periodically. CIP regularly monitored & status reported. Participate in SCAG, SANBAG and OmniTrans planning efforts. Fiscal impact analysis reports, which include public service costs, are required for new, large-scale development. 2022-2055 – Adoption of the City's Public Health, Safety and Environmental Justice Element, adding to the layered review of capital improvements, demographics and economic conditions.
		10) Conduct and maintain an inventory of the availability and adequacy of public services and facilities in coordination with the County and service agencies in the area. Use the information to coordinate capital improvement programs and to make determinations on the adequacy of community facilities.		On-going. Reviewed periodically. CIP regularly monitored & status reported. Participate in SCAG, SANBAG and OmniTrans planning efforts 2025 – Annual review of the City's Public Health, Safety and Environmental Justice Element.
		11) Continue to follow the procedures established for the regular exchange of		Local public service providers invited to attend city's weekly pre-application meetings with developers of new

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General Plan Element:	Goals:	Policies:	Actions:	
		information regarding proposed development and availability and adequacy of public services and facilities.		projects.
		12) Continue to utilize a proactive approach to assuring that the flow of information between service agencies is maintained.		On-going. Reviewed periodically. CIP regularly monitored & status reported. Participate in SCAG, SANBAG and OmniTrans planning efforts. Pre-Application meetings include these agencies, as needed. They are particularly useful in identifying needed water service, sewer service and electrical needs.
		13) Utilize performance standards to determine the adequacy of public services and facilities and to establish requirements, fees and exactions provided by new development in the City.		Fiscal impact analysis reports, which include public service costs, are required for new, large-scale development.
		14) Maintain a development review process that places the ultimate responsibility on the project sponsor for ensuring that necessary infrastructure improvements (including system-wide improvements) needed to support new development are, in fact, available at the time they are needed.		Implemented through the entitlement process.
		15) Require the construction of public facilities as a condition of approval for a proposed development if the development exceeds the capacity of existing public facilities to support such development.		Implemented through the entitlement process.
		16) Continue to require that project applicants provide sufficient information in the application process so that the City may comprehensively determine the potential impacts and/or the need for improvements to existing services and facilities to support project buildout consistent with the City's performance.		Implemented through the entitlement process.
		17) Continue to require that all new development pay the applicable Development Impact Fees established by the City Council.		On-going and applied during the entitlement process. Fees are collected in advance of occupancy.
		18) Maintain flexibility in the collection and application of Development Impact Fees to permit the construction of master planned facilities in lieu of fees when the City determines that it is in the public interest to do so.		On-going. Current policy permits the deferral of fee payment from permit issuance to occupancy.
		19) Continue to require the construction of public facilities as a condition of approval where the value of the services and facilities needed to support buildout of a proposed development exceed established Development Impact Fees, as consistent with the City's performance standards. Require an agreement with the developer for reimbursement from future development fees for the excess costs. Such reimbursements shall be from future fees collected for the specific excess facilities, which the initial developer was required to construct.		Reviewed with the adoption of City's Bi-annual Budget 2024-2025.
		20) In the event that the performance standards for public services and facilities are not being met, the following conditions shall apply: • Where the performance standards are not being met due to needs created by existing development, the City Council shall adopt in its Capital Improvement Plan a program to ensure that the performance criteria will be met at the earliest possible date. • In instances where the performance standards are being exceeded prior to approval of a proposed development as the result of existing development, require that the proposed development provide such facilities as are necessary to ensure that performance criteria are met for new public facilities and services provided to the development, and that existing public services and facilities are not further downgraded.		Ongoing.
		21) Review the development fee structure, user charges, and mitigation fees every five years in accordance with the provisions of AB 1600 to ensure that the charges are consistent with the costs of improvement and maintenance and that public services and facilities are being expanded in a cost-		DIF fees and policy were updated in April 2024.

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		efficient manner. Utilize the City's performance standards for public services and facilities as the basis for this review.		
		22) Continue to require that planned communities participate in the development of public infrastructure, in addition to the payment of development impact fees, through the following methods: • An approved development agreement for all new specific plan or planned unit development projects that specifies the timing of infrastructure improvements in relation to project development. • An annual review of improvements conducted for all new specific plans and an annual report in a format that can be easily included in the City's infrastructure assessment and reporting system.		Implemented as appropriate. Development Agreements were considered for both East Highlands Ranch, Greenspot Village and Marketplace Specific Plan and prior Harmony Specific Plan.
		23) Continue to proactively monitor and review development proposals in surrounding areas to protect City interests and minimize impacts on the community.		On-going.
		24) Continue to work with the County on a system of requiring appropriate mitigation to ensure that new unincorporated development will not impact services and facilities in the City.		On-going.
		25) Continue to support an assessment district alternative to development impact fees for large-scale developments undergoing urbanization when a single owner or small number of owners is involved, and when it is in the public interest to do so.		Explored these options with the Greenspot Village and Marketplace Specific Plan, and Mediterra Planned Development.
		26) Continue to allow new development and the intensification of existing development only where and when adequate public services and facilities can be provided.		On-going
Public Services & Facilities	Goal 4.2 Provide a water system that produces high quality water, sufficient water pressure and necessary quantities of water to meet domestic demands.			
		1) Continue to work with the East Valley Water District to provide an efficient and economic distribution of adequate water supply and pressure to the District's service areas in Highland.		The City Receives updates from East Valley Water District as they update their Sewer Master Plan and Water Master Plan. Provided input regarding future development needs within Highland.
		2) Ensure a high-quality water supply that meets or exceeds state and federal health standards.		Coordinate with East Valley Water District.
		3) Work with the East Valley Water District and local elected representatives to better define the future availability of water for the Highland community.		Worked closely with East Valley Water District staff to be informed of the ongoing water supply and new mandates issued by the Governor and Water Board. EVWD staff invited to the City's Pre-Application meeting with developers so that any water-related issues can be addressed early in the process.
		4) Work with the East Valley Water District to promote water conservation and education programs, such as public education programs available through the Environmental Learning Center in Highland.		In March 2013 East Valley Water District completed its Corporate Campus on Greenspot Road and Sterling Natural Resources Center in 2024. Both projects include water efficiency demonstrations. East Valley Water District is performing extensive outreach regarding water conservation in light of the state drought and mandates.
Public Services & Facilities	Goal 4.3 Provide a safe and effective sewer system that meets the needs of Highland residents, businesses and visitors.			
		1) Continue an ongoing dialogue with the East Valley Water District regarding funding and scheduling of any additional sewage facilities needed to serve the City.		The City receives updates from East Valley Water District as they update their Sewer Master Plan and Water Master Plan. Provided input regarding future development needs within Highland 2022/2024 – Construction of the District's Sterling Natural Resources Center water treatment plant continues with its connection to the Weaver Basins. The Corporate office are open. 2025 – Cooperated in the preparation of EVWD's 10-year Urban Water Plan by providing GIS Land Use overlays, potential residential buildout, ADU approvals, etc.
		2) Work with relevant agencies to determine		Worked with East Valley Water District to stay

General Plan Element:	Goals:	Policies:	Actions:	**Implementation & Progress:**
		the long-term supply of reclaimed wastewater and service to potential future uses within the City.		informed regarding their development of a future water reclamation facility. 2022 – Construction of the facility continues construction as does the transmission line between SNRC and new water detention facilities, "Weaver Basins" along 5th Street/Greenspot Road. Completed in 2024.
		3) Encourage Grey Water Recycling, especially for residential use irrigation.		Promoted where available.
Public Services & Facilities	Goal 4.4 Maintain an effective drainage system that protects people and property from overflows and flood disasters.			
		1) Continue to improve any deficiencies in the City's drainage system and address the long-term needs associated with future development to minimize flood damage and adequately direct rainfall and subsequent runoff.		Through CIP program.
		2) Minimize the impact of development on the City's drainage system by reducing the amount of impervious surface associated with new development and encouraging site design features or landscaping that capture runoff. Encourage on-site retention of stormwater and compliance with requirements of the National Pollutant Discharge Elimination System.		Implemented through the City's Municipal NPDES MS4 Permit and statewide general permits issued by the State Water Resources Board.
Public Services & Facilities	Goal 4.5 Minimize, recycle, and dispose of solid waste in an efficient and environmentally sound manner.			
		1) Ensure that solid waste generated within the City is collected and transported in a cost-effective manner and protects the public's health and safety.		Implemented through the Solid Waste Franchise Agreement, with ongoing adherence to all applicable CalRecycle regulations and compliance requirements.
		2) Continue to support an ongoing dialogue with the County Solid Waste Management on the rail haul access and other regional solutions for long-term limits on local landfill capacity.		Implemented through the City's participation with the County Solid Waste Advisory Task Force.
		3) Reduce the volume of solid waste material sent to landfills by continuing source reduction, recycling and composting programs in compliance with State law and encouraging the participation of all residents and businesses in these programs.		Implemented through the City's Statewide Landfill Diversion Mandates compliance ordinances and the Solid Waste Franchise Agreement.
		4) Increase the price paid for recycling glass and plastic from private vendors.		This is State Controlled. Not City's Jurisdiction.
Public Services & Facilities	Goal 4.6 Coordinate with private utility companies to ensure the adequate provision of electricity, natural gas and telecommunication infrastructure to existing and new development.			
		1) Continue to coordinate with the local gas and electric companies on the location and timing of additional energy facilities needed within the City.		On-going during entitlement process. Coordinate with the City's Inter-Governmental Affairs Staff at the Gas Company and Southern California Edison.
		2) Coordinate with private utilities to provide Highland residents, schools and businesses with an efficient telecommunications infrastructure, including telephone, cable and high-speed services, such as high-speed Internet.		On-going during entitlement process.
Public Services & Facilities	Goal 4.7 Ensure the provision of adequate law enforcement and police protection services and facilities.			
		1) Ensure that police services, response times, equipment, and the number of police personnel keep pace with growth and the changing needs of the community.		License Plate Reader technology placed at major intersections and on police cars in 2012. The system is currently under review for updating with more sophisticated technology. Close coordination with Police and Fire Departments regarding services within the Greenspot Village & Marketplace. Level and cost of services analyzed. Specific needs addressed in the Conditions of Approval and Fiscal Impact Analysis. 2025 – Implementation of a new Annual Public Safety

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				Fee applied to new development.
		2) Maintain and expand crime prevention and other public education programs.		On-going Neighborhood Watch, specialty trainings regarding personal safety available to the community at the Sheriff's Department, etc.
		3) Encourage the use of urban design strategies to help prevent crime, when feasible.		On-going through development review process. The Police Dept is provided an opportunity to review each entitlement with respect to this policy.
		4) Ensure law enforcement services are involved in the development review process.		On-going. The Police Dept is provided an opportunity to review each entitlement with respect to this policy.
Public Services & Facilities	Goal 4.8 Ensure the provision of adequate staffing, equipment and facilities to support effective fire protection and emergency medical services that keep pace with growth Policies			
		1) Work with the fire department to ensure that response time standards and a high level of service are maintained.		Continued partnership with San Manuel Band of Mission Indians regarding aerial ladder truck service. 2025 – Public Works staff installed new lighting at Fire Station 1.
		2) Ensure the City has adequate fire training facilities, equipment and programs for firefighters and inspection personnel, and education programs for the general public.		Phase 2 of the future Fire Station No. 1 is planned to have a training facility (as funding becomes available).
		3) Coordinate and cooperate with the East Valley Water District to maintain and/or upgrade water facilities to ensure adequate water supply is available for fire suppression operations.		Sterling Natural Resources Center completed construction and began operations in 2024.
		4) Ensure the availability of adequate fire flow prior to the recordation of residential tracts or parcel maps and prior to the issuance of commercial building permits by requiring the testing of all fire hydrants in the vicinity of the project at the applicant's expense. In the absence of adequate flow, require either the installation of onsite fire protection devices or improvements that upgrade the area's water system to accommodate an adequate flow.		On-going through development review process.
		5) Ensure that development in Fire Hazard Zones comply with adequate fire safety standards (e.g., fuel modification zones, perimeter roads, greenbelts, etc.).		On-going as the Fire Marshal and Building & Safety Departments review new development plans.
Public Services & Facilities	Goal 4.9 Maintain cooperative school and public facility planning to ensure the provision of adequate school facilities and quality educational programs in a manner consistent with other City goals and policies on facility location, use, timing, funding, recreational and social joint use programs.			
		1) Continue to coordinate with local school districts on resolving issues such as joint use facilities, new facility locations and alternative use of vacant or underutilized sites in the City.		Continue to utilize joint use facility agreements at both San Bernardino City and Redlands Unified School Districts for outdoor recreation activities and indoor facilities needed for After School Activity Programs. 2022 – Resumption of the YMCA After School Program following COVID restrictions. Sponsored in part by the City at two elementary schools.
		2) Require that new development provide the necessary funding and/or resources to establish school facilities commensurate with the impact of development on school services. In cases where existing school capacity does not support new development, require the implementation of appropriate funding mechanisms, as permitted by law, to ensure the availability of adequate school facilities. Potential financing avenues include: • A contract with the developer to provide funds for schools • Land dedications • Lease back turnkey program • Special assessment district financing, such as Mello-Roos Community Facilities Districts, for the proposed area of development.		Work with the Redlands and San Bernardino City Unified School Districts as projects are considered and during the District's annual facilities needs assessment.
		3) Encourage that all school impact fees collected from development projects be allocated toward the acquisition of land and construction of schools that serve the residents of those projects.		On-going

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		4) Continue to coordinate development activity with local school districts by: • Participating with local school districts in joint planning efforts; • Establishing a joint task force comprised of representatives from the City, school district and development community to identify additional means of funding school construction; • Notifying school districts of proposed development applications early in the review process; • Requesting that school districts indicate the level of facilities available to serve development projects requiring discretionary review; and • Establishing a clear methodology for determining the impacts of development on the school facilities in the City.		On-going with each development proposal. The City reports annually to both school districts on current construction activity as well as land use entitlement applications under consideration.
		5) Continue to work with local school Plan of Schools that outlines specific sites needed to meet the future demand for school facilities.		Neither district expanding at this time.
		6) Explore the possibility of locating a major institution of higher learning in Highland.		Unsuccessful to date.
Public Services & Facilities	Goal 4.10 Ensure the continued development of cultural facilities and the provision of social services for Highland residents.			
		1) Encourage the development of cultural facilities in the City, especially in districts such as the Town Center and Historic District.		Work with the Highland Area Historical Society and Chamber of Commerce to consider sites for a future museum/Chamber office combined facility. Work closely with the Highland Area Historical Society to promote historic and cultural opportunities. The annual Citrus Harvest Festival encourages preservation of these facilities and education of the public.
		2) Continue to work with surrounding jurisdictions to ensure the availability of regional cultural facilities to Highland residents.		No action Coordination with the San Bernardino County Museum when applicable. 2025 – Public Works staff provides regular maintenance to the YMCA of Highland, including a new HVAC system that and is currently operational.
		3) Work with the County of San Bernardino to secure the availability of social services to Highland residents.		On-going in coordination with the City's Quality of Life Team including Code Enforcement and the Sheriff's Office.
Chapter 5 – Conservation Open Space Element				
Conservation Open Space	Goal 5.1 Preserve, maintain and create views and vistas throughout the community to enhance the visual experience of Highland.			
		1) Incorporate view corridor planning in related development efforts and capital improvement programs.		Base Line and Greenspot Road Beautification Projects complete. 2016/2021 View corridors considered during planning of the Mediterra Planned Development and Diversified Pacific TR 20721 (2025).
		2) Along roadway-based view corridors, frame views of attractive features of the natural and built environment with appropriately placed median and street tree landscaping. Use of fire-resistant vegetation and ample spacing between trees and shrubs is encouraged to reduce the spread of fires.		Base Line and Greenspot Road Beautification Projects complete. 2016/2021 View corridors considered during planning of the Mediterra Planned Development, Beazer, ~~and~~ Mastercraft 42, and Diversified Pacific TR 20721 (2025),.
		3) Enforce hillside development standards that call for natural contour grading, environmentally sensitive design, shape and siting techniques, and fire-retardant building materials.		The Mediterra Planned Development incorporates hillside development standards.

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		4) Work with San Bernardino County and the City of San Bernardino to develop consistent regulations for the protection of ridgelines, slope areas and hilltops within the surrounding foothill communities.		On-going.
		5) Require that all excess excavated material (waste materials) be properly removed and disposed of or otherwise reincorporated into the development plan without compromising natural contours or aesthetic qualities of the site.		Diversified-Pacific Tract 18935, 2015-2018.
		6) Require that hillside development be located below ridgelines and that structures themselves and accompanying landscaping conceal cut slopes and grading.		The Mediterra Planned Development incorporates hillside development standards.
		7) Encourage developers in high slope gradient areas to use raised floor systems and stepped footages to leave slope contours in a more natural state.		On-going.
		8) Retain existing vegetation within or alongside hillside development areas except where such vegetation poses a risk to buildings in high fire hazard zones (see Goal 6.5, Public Health and Safety Element). Use native, fire resistant, drought-tolerant plant material in fuel modification areas when existing vegetation can not be retained.		On-going.
		9) Preserve mature trees, natural hydrology, native plant materials and areas of visual interest.		On-going. Most recent example is Mediterra where the open space to the north was preserved in perpetuity with access along 1N16 fire road and Pines Park was established to maintain a public interface with the native materials in which to relax and enjoy the natural environment.
		10) Work with San Bernardino County and the City of San Bernardino to protect scenic resources located outside of the City, such as prominent ridges, slopes and hilltops.		Mediterra – access to 1N16 fire road was preserved for access to the San Bernardino Mountains and to preserve the scenic resources.
		11) Enact provisions in the municipal code to minimize soil erosion, restore natural drainage surfaces, attenuate slope instability and reduce the amount of impermeable surface.		On-going.
		12) Index the percentage of impermeable surface to slope gradient.		On-going as needed.
		13) Develop different water-retention standards for single dwellings and larger tracts. Subdivisions should have overall implementation and water-retention strategies.		Implementing through the City's NPDES / WQMP Guidelines. In July 2010 the City adopted its own Water Efficient Landscaping Ordinance modeled after the States Model Ordinance. These are updated as needed and required by the State.
Conservation Open Space	Goal 5.2 Achieve an orderly transition from agricultural uses to low-density residential /equestrian uses.			
		1) Ensure that farmlands converted to other uses are consistent with the East Highlands Ranch Planned Development.		Mitigation measures for Mediterra Planned Developments, Diversified Pacific TR 18935, Kiel/Beazer TR 20142 and the Greenspot Rd/Pole Line General Plan Amendment ensured consistency with farmland conversion policy.
		2) Incorporate appropriate land use transitions and buffering techniques into new development.		On-going. Efforts made to allow seasonal farm stands (pumpkin patch and Christmas tree farms) on agricultural lots adjacent to single family homes with the appropriate mitigation.
		3) Incorporate appropriate edge treatment between the agricultural/equestrian uses and higher density residential uses through landscaped buffers, greenbelts, view fencing and parkways.		On-going as needed.
		4) Preserve visual reminders of the City's agricultural heritage in park design, buffer zones, public use areas and landscape plans.		East Highlands Ranch preserved a small orange grove near the "Natural Parkland" at the terminus of Base Line. The City's Aurantia Park contains and will retain a 1 acre citrus grove.
Conservation Open Space	Goal 5.3 Continue to work with the East Valley Water District to meet the current and future water needs of its residents (see Public Services and Facilities Element, Section 4.2).			
		1) To the extent possible, preserve floodplain and aquifer recharge areas in their natural condition.		Adoption of the Upper Santa Ana River Basin and Land Management Plan in 2009 (Plan B).
		2) Continue to coordinate water resource policy with the East Valley Water District and other relevant agencies.		On-going with EVWD, San Bernardino County Flood Control District and San Bernardino Valley Water Conservation District.
		3) Expand outreach efforts, through the		On-going. In March 2013 East Valley Water District

General Plan Element:	Goals:	Policies:	Actions:	**Implementation & Progress:**
		Environmental Learning Center and City-sponsored publications, to educate the public on water supply and water quality issues.		constructed a new campus with water efficient demonstration gardens. Similar efforts were made at the Sterling Natural Resources Center water reclamation plant on 6th Street and Del Rosa which became operational in 2024. On-going extensive outreach by East Valley Water District related to the state drought and subsequent water conservation mandates.
Conservation Open Space	Goal 5.4 Continue to preserve and enhance the water quality and natural habitat of its waterways.			
		1) In coordination with the East Valley Water District and the County of San Bernardino, continue to maintain and improve the hydrology and natural quality of the watersheds of Bledsoe Creek, Plunge Creek, Elder Gulch City Creek, Sand Creek, Warm Creek, Old City Creek Overflow Channel, Bald Ridge Creek, Santa Ana Canyon and the Santa Ana River.		On-going. In March of 2019, San Bernardino County Flood Control District completed construction of channel improvements at the confluence of Sand Creek and Warm Creek located north of Base Line and west of Victoria Avenue. The construction cost was $2.4 million. These channel improvements provide proper convenance of runoff flows, reduce bank erosion and protect against flooding. Also, Plunge Creek Conservation Project.
		2) Review and revise, as necessary, zoning and subdivision ordinance provisions related to protection of the City's watersheds, especially in areas that abut creek systems and natural vegetation and open space areas, to enhance the natural appearance of watershed areas without compromising flood control and safety considerations.		Updated City's Floodplain Ordinance in 2009.
		3) Cooperate with other agencies and participate in multijurisdictional efforts to improve watershed management practices.		Adopted the Upper Santa River Basin and Land Management Plan in 2009 (Plan B). Continuing to coordinate SAWPA. Through its membership in the San Bernardino County Stormwater Program, the City actively participates in and provides funding for regional initiates aimed at enhancing watershed management practices throughout the San Bernardino County Valley/Santa Ana River Watershed.
		4) Reevaluate the effect of engineering practices and specifications relative to storm channel design to avoid their appearance as "concrete ditches."		
Conservation Open Space	Goal 5.5 Continue to reduce urban runoff.			
		1) Use water quality best management practices (BMPs) in land planning, project-level site planning and procedural requirements as part of the Storm Water Quality Management Plan.		On-going. Implemented through the City's NPDES MS4 permit.
		2) Require best management practices for all parking lots and paved storage areas within industrial and commercial zones, for the City's street network, and within the City's parks and other civic facilities.		Continue annual water quality training for all City staff in development-related departments. Emphasis on new State and County regulations and permits.
		3) Require site design practices that capture and channel specified percentages of rainfall and other runoff to permeable surfaces.		The City's Public Services and Engineering Departments ensure compliance with state guidelines related to LIDs and BMPs.
		4) Conduct community outreach programs, in conjunction with the local water agency, to educate the public about reducing urban runoff.		Distribute information to public at local events such as the Citrus Harvest Festival and Discover Highland Night, social media and direct contact
		5) Develop an informational brochure for residents and developers summarizing best management practices for reducing urban runoff.		Packet available at public counter and online.
		6) Retain water on site through the use of attractively landscaped retention basins and other measures to replenish aquifers.		Will be utilized on a large scale in the Mediterra Planned Development, Diversified Pacific, Beazer and Mastercraft 42/Century Homes residential projects.
Conservation Open Space	Goal 5.6 Monitor and strengthen Highland's water conservation practices.			
		1) Continue to inspect, maintain and enhance City facilities for water conservation purposes.		On-going. Adoption of State Water Model Ordinance (July 2010). Comply with annual reporting requirements. Drought and conservation information provided by East Valley Water District made available on the City's website. City installed water-efficient landscape materials and irrigation during prior drought throughout its facilities and right-of-way (2016).
		2) Continue interdepartmental coordination of water use and conservation policies to improve City-facility water use.		On-going. Adoption of State Water Model Ordinance (July 2010). Drought tolerant landscaping and irrigation in all LMD's, R-O-W, Parks and Medians. City installed water-efficient landscape materials and

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				irrigation during prior drought throughout its facilities and right-of-way (2016).
		3) Continue to specify and install water-conserving plumbing fixtures and fittings in public facilities such as parks, community centers and government buildings in accordance with Title 24 of the California Code of Regulations.		On-going. Adoption of State Water Model Ordinance (July 2010). City installed water-efficient landscape materials and irrigation during prior drought throughout its facilities and right-of-way (2016).
		4) Continue and expand water conservation outreach programs, in coordination with EVWD, to local schools, the public and the development community through the Environmental Learning Center, webpage links, incentive programs and community events.		On-going at the Environmental Learning Center and by the Public Works division during various educational outreach opportunities such as Career Day
		5) Ensure that the latest water-saving technologies for domestic and landscaping uses are incorporated into new developments or retrofitted into existing developments where intensification is proposed.		On-going. Adoption of State Water Model Ordinance (July 2010). City complying with the Governor's executive order and subsequent legislation regarding drought.
		6) Encourage the use of drought-tolerant plants and water-efficient landscape design.		On-going. Adoption of State Water Model Ordinance (July 2010). East Valley Water District is actively promoting.
		7) Encourage alternatives to lawns and turf uses, except for parks, playing fields, children's play areas and other specialized uses.		On-going. Adoption of State Water Model Ordinance (July 2010). East Valley Water District is actively promoting. Implemented during the entitlement processing of residential and non-residential development.
		8) In general, work to reduce turf landscaping. Where domestic water supplies are used in the irrigation of turf areas, encourage the use of tall fescue varieties or other warm season turf.		On-going. Adoption of State Water Model Ordinance (July 2010). Ongoing during project plan check with the City Landscape Architect's office.
		9) Consider underground irrigation techniques to conserve water.		On-going. Adoption of State Water Model Ordinance (July 2010). Ongoing during project plan check with the City Landscape Architect's office.
		10) To the extent possible, require the preservation of existing native trees and shrubs.		On-going. Adoption of State Water Model Ordinance (July 2010). Ongoing during project plan check with the City Landscape Architect's office.
		11) Within each model home complex, require that homes incorporate a specified amount of drought-tolerant landscaping.		On-going. Adoption of State Water Model Ordinance (July 2010). Ongoing during project plan check with the City Landscape Architect's office.
		12) Require residential builders to provide information, including a plant palette of xeriscape species, to prospective buyers of new homes within the City of Highland regarding drought-tolerant planting concepts.		On-going. Adoption of State Water Model Ordinance (July 2010).
		13) Where possible, require the extensive use of mulch in landscape areas to improve the water-holding capacity of the soil by reducing evaporation and soil compaction.		On-going. Adoption of State Water Model Ordinance (July 2010). Ongoing during project plan check with the City Landscape Architect's office.
		14) In new developments require, and in existing uses encourage, the installation of efficient irrigation systems that minimize runoff and evaporation. Such systems include: • Drip irrigation • Soil moisture sensors • Automatic irrigation systems with appropriate timing devices to minimize evaporation. • Subsurface, or underground, irrigation.		On-going. Adoption of State Water Model Ordinance (July 2010). 2022 & Ongoing – all development projects are reviewed by the City's Landscape Architect to ensure the best practices are utilized and that all local, regional and state regulations are followed. State MWELO reports are submitted annually.
		15) Establish landscape maintenance districts along streets for water conservation purposes.		On-going. Adoption of State Water Model Ordinance (July 2010). City installed water-efficient landscape materials and irrigation during prior drought throughout its facilities, right-of-way and LMDs.
Conservation Open Space	Goal 5.7 Maintain, protect and preserve biologically significant habitats, including riparian areas, woodlands and other areas of natural significance.			
		1) Continue participation, in cooperation with relevant agencies and jurisdictions, in the preparation, planning and implementation of Habitat Conservation Plans and preservation areas.		Adopted of the Upper Santa River Basin and Land Management Plan in 2009 (Plan B). Staff is working closely with the San Bernardino Valley Water Conservation District on these ongoing efforts.
		2) Ensure that all development, including roads proposed adjacent to riparian and other biologically sensitive habitat, avoid significant impacts to such areas.		On-going.
		3) Require that new development proposed		On-going.

General Plan Element:	Goals:	Policies:	Actions:	**Implementation & Progress:**
		in such locations be designed to: • Minimize or eliminate the potential for unauthorized entry into the sensitive area; • Create buffer areas adjacent to the sensitive area, incorporating the most passive uses of the adjacent property; • Protect the visual seclusion of forage areas from road intrusion by providing vegetative buffering; • Provide wildlife movement linkages to water sources and other habitat areas; • Provide native vegetation that can be used by wildlife for cover along roadsides; and • Protect wildlife crossings and corridors.		Will be implemented with the various developments such as TREH Highland Crossings mixed use site and Blossom Trails residential tract. 2022/2023 – Purchase of 1,700 acres of undeveloped land by San Bernardino Valley Municipal Water District which will remain, in large part, natural and available to wildlife and habitat. Plans are currently being developed by the District to determine exact parameters. 2024 – TREH development constructed its perimeter CMU wall to minimize interaction between people and domestic animals with the sensitive habitat in City Creek Flood Control Channel (NEC Greenspot & SR 210). 2025 – Review of two residential developments south of Greenspot Road and west of Church Street that contain sensitive habitat. Both projects are working with local, State and Federal Wildlife officials to ensure that wildlife habitat and movements are retained and improved.
		4) Design lighting systems so as to avoid intrusion of night lighting into the sensitive area.		On-going. Standard Planning Division Conditions of Approval for development projects. Required Photometrics plan must show the illumination levels and spread as not to allow intrusion or irritation. 2024/2025 – Projects within the Greenspot Village & Marketplace including Greenspot Crossings Major 1 and PA2 Residential (Alliance) were required to prepare a photometrics plan and have it reviewed by a biologist to ensure no negative impacts to adjacent sensitive areas.
		5) As part of the environmental review process, require that projects determined to be located within a biologically sensitive area prepare documentation on the impacts of such development along with mitigation and mitigation monitoring programs.		On-going. Standard Planning Division Conditions of Approval for development projects. Required Photometrics plan must show the illumination levels and spread as not to allow intrusion or irritation. 2020/2021/2022 – Most recent projects include the 7-11 Store at the southwest corner of Greenspot Road and Boulder Avenue and the TREH Partners development in the GVMP Specific Plan. 2024 – Tractor Supply Co & Greenspot Village & Marketplace Plans implemented their MMRPs including biological mitigation. 2025 – Diversified Pacific TR 20721.
		6) Ensure that required biological assessments are conducted in cooperation with the California Department of Fish and Game and the U.S. Fish and Wildlife Service.		On-going. Beginning in 2017, the City and developers have been invited to a monthly meeting share proposed project with the State and Federal Resources Agencies. Four such meetings have taken place. The Agencies provide preliminary comments to ensure ongoing compliance and quality projects. 2022-2024 – Ongoing discussions with CDFW and USFWS regarding the TREH and Blossom Trails projects.
		7) Within existing natural and naturalized areas, preserve existing mature trees and vegetation.		On-going. Standard Planning Division Conditions of Approval for development projects.
		8) Within rural and hillside residential areas, permit only such natural vegetation to be removed as is necessary to locate home sites, construct access roads and ensure fire safety.		On-going. 2022-2024 Ongoing in the Mediterra tract development.
		9) Enforce requirements that healthy, mature individual specimen trees be preserved in place, as per the City Municipal Code.		Implemented through the Heritage Tree Preservation Ordinance and Planning Conditions of Approval.
		10) Require builders and developers to prune, treat and maintain existing trees and plant new ones within future rights-of-way, public lands, common areas and development projects.		Implemented through the Heritage Tree Preservation Ordinance and Planning Conditions of Approval.
		11) Enforce the tree preservation ordinance as a means of managing the preservation of trees and their removal, where necessary.		Implemented through the Heritage Tree Preservation Ordinance and good planning practices.
		12) Require replacement at a 2:1 ratio of all mature trees (those with 24-inch diameters or greater measured 4½ feet above the ground) that are removed.		Implemented through the Heritage Tree Preservation Ordinance and Planning Conditions of Approval.
		13) Develop an outreach program to schools and the community about the preservation and management of the City's rich biological resources.		To be implemented as part of City's New Natural Parkland Environmental Interpretive Project (commencing in 2012).
Conservation	Goal 5.8 Protect,			

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Open Space	document and minimize disruption of sites that have archaeological significance.			
		1) Avoid significant impacts in all new developments within areas determined to be archaeologically sensitive through the following measures: • Conduct an archaeological records search with the Archaeological Information Center in order to identify potential on-site sensitivities; • In cooperation with a qualified archaeologist, develop mitigation measures for projects found to be located in or near sensitive areas or sites; and • Require that environmental review be conducted for all applications within the area designated as archaeologically sensitive, including but not limited to grading, earth moving and stockpiling, and building and demolition permits.		On-going. Standard Condition of Approval for all new land use entitlements. CEQA checklist updated to include Tribal Cultural Resources and other newly effected subjects. New developments conduct archaeological identification training in advance of ground disturbance. Occasionally, a site will require a Tribal monitor to be present (Patriot Partners at 6th/Victoria Ave, Mastercraft/Century Homes TR 19915, Diversified Alta Vista TR 20721).
		2) Include the following statement as a condition of approval on all development projects: "If cultural resources are discovered during project construction, all work in the area of the find shall cease, and a qualified archaeologist shall be retained by the project sponsor to investigate the find, and to make recommendations on its disposition. If human remains are encountered during construction, all work shall cease, and the San Bernardino County Coroner's Office shall be contacted pursuant to Health and Safety Code provisions."		On-going. Standard Conditions of Approval for all new land use entitlements. CEQA checklist updated to include Tribal Cultural Resources and other newly effected subjects. 2025 – Diversified Pacific TR 20721. Updated language provided by local Tribal administration.
		3) Coordinate with the San Manuel Band of Mission Indians when proposals for development projects are filed within the Areas of Sensitivity for Archaeological Resources (illustrated in Figure 5.2) through the following actions: • Notify the San Manuel Band of Mission Indians via notification mailings about proposed projects in archaeologically sensitive areas; and • Invite comments and suggestions to be forwarded to City staff and appropriate decision makers to aid the preservation and development review processes.		On-going. CEQA checklist updated to include Tribal Cultural Resources and other newly effected subjects. 2025 – Diversified Pacific TR 20721.
Conservation Open Space	Goal 5.9 Manage mineral resources and extraction policies for short and long term safety, economic and land use compatibility considerations.			
		1) Identify any significant mineral resources within the City and, as feasible, protect them from encroachment by residential or other incompatible development, for future use.		Adopted the Upper Santa River Basin and Land Management Plan in 2009 (Plan B).
		2) Adopt policies and procedures for mining and processing of mineral resources.		Implementation of SMARA Ordinance.
		3) Develop criteria for location and operation of mineral processing to minimize adverse impacts to the environment, watersheds, wildlife, aesthetic resources, public health and safety, and adjacent land uses.		Implementation of SMARA Ordinance. Adopted the Upper Santa River Basin and Land Management Plan in 2009 (Plan B).
		4) Establish and implement Mining Reclamation Plans for any proposed mining operations in compliance with existing local, state and federal policies and statutes. Review land development proposals near resource areas or mining operations for land use compatibility.		Adopted the Upper Santa River Basin and Land Management Plan in 2009 (Plan B). CUP/Reclamation Plan for CEMEX & Robertson's RM adopted in June 2009.
		5) Require that mining plans include, but not be limited to the following: • Effects on terrain, natural and man-made slopes, permeability of soil, groundwater quality; • Protection of water quality through erosion, runoff and sedimentation control; • Protection of wildlife; • Control of noise, dust, vibration, smoke, odors and lighting; • Plans for rehabilitation and reclamation of lands; and • Proposed timing of extraction and reclamation activities		Adopted the Upper Santa River Basin and Land Management Plan in 2009 (Plan B). CUP/Reclamation Plan for CEMEX & Robertson's RM adopted in June 2009.

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		• Offsite routes of travel.		
		6) Investigate the adoption of a reclamation fee program designed to mitigate remaining scars from previous quarry operations.		Adopted of the Upper Santa River Basin and Land Management Plan in 2009 (Plan B). CUP/Reclamation Plan for CEMEX & Robertson's RM adopted in June 2009.
		7) Pursue and implement a joint-powers agreement with adjacent cities and involved agencies for the management of natural resources located in the Santa Ana River Wash.		Adopted of the Upper Santa River Basin and Land Management Plan in 2009 (Plan B). CUP/Reclamation Plan for CEMEX & Robertson's RM adopted in June 2009. Agreement with the City of Redlands for SMARA compliance.
		8) Permit non-mining uses within the designated Open Space District only if a finding is made that no significant impacts on future regional mineral resources will result from project approval.		On-going. Implementation of a trail system in coordination with Plan B Wash Plan such as Pole Line trail adjacent to Tract 20090 "Blossom Trails"
Conservation Open Space	Goal 5.10 Maintain a high-quality system of parks that meet the needs of all segments of the community.			
		1) Develop and periodically update a Parks and Recreation Master Plan, with direction from the Planning Commission and City Council, to identify specific future sites for additional parks and recreational open space.		On-going effort by Community Trails Staff and Commission to update and improve City Trails and Trails Master Plan. 2020 – The City Council amended the rules and responsibilities of the City's Boards and Commissions, granting to the Planning Commission the responsibility of trail and park planning as they relate to new development and the Trails Committee to manage updating Master Plans. 2022-2024 New parks constructed by private development and made available to the public at newly constructed residential tracts including Mediterra Planned Development (Greenspot/Mediterra Pkwy) and Century Homes TR 19915 (Base Line/Paul Green Dr) 2025 – Mediterra Park complete and open. Century Homes Park nearing completion.
		2) Supplement existing development fee program for parkland acquisition with other funding sources, grants and programs (fee sponsors, corporate sponsors, fund raising, for example).		"Mile Makers" and "Corporate Sponsorship" program initiated in March 2010. Mile Markers installed by volunteers along Shelton Trail in 2020. 2021-2025 City received a grant to improve conditions at the City's Natural Parkland Trail near the terminus of Base Line.
		3) Use the redevelopment process for the selection, acquisition and funding of additional parkland in western portions of the City.		Redevelopment Agencies dissolved by the State of California in 2012.
		4) Prepare a phased strategy for developing new facilities.		Implemented through the City's Work Program and Budgeting process.
		5) Assess areas of potential annexation into the City and, if necessary, negotiate an agreement with the County of San Bernardino to provide parks meeting City standards within areas of eventual annexation into the City.		Merged parcel in County (sphere of influence) north of East Highlands Ranch with natural open space parcels located within the East Highlands Ranch PUD (2009).
		6) Conduct periodic assessments of park and recreation facilities and services, including user surveys.		On-going annually.
		7) Provide handicap access to all parks.		On-going.
		8) Develop a multi-dimensional recreation program for all citizen groups in Highland including exercise, arts and crafts and cultural enrichment.		City Council Work Program Item for 3rd Quarter 2010 – adoption of "Parks and Recreation Master Plan" (tabled due to lack of funding in July 2010). The City coordinates efforts with the YMCA and Highland Senior Center to provide multi-dimensional programs.
		9) Provide a variety of activity options, including active and passive uses, within each park.		City Council Work Program Item for 3rd Quarter 2010 – adoption of "Parks and Recreation Master Plan" (tabled due to lack of funding in July 2010).
		10) Study the desirability of developing "specialty parks" such as skate, dirt bike, fishing and art parks.		City Council Work Program Item for 3rd Quarter 2010 – adoption of "Parks and Recreation Master Plan" (tabled due to lack of funding in July 2010). 2021 Surveys conducted in conjunction with the City's Update of the Public Health, Safety and Environmental Justice Element
		11) Evaluate the facilities and amenities of all City parks as part of the periodic update of the Parks and Recreation Master Plan.		City Council Work Program Item for 3rd Quarter 2010 – adoption of "Parks and Recreation Master Plan" (tabled due to lack of funding in July 2010). 2021 – Updated in conjunction with Public Health, Safety and Environmental Justice Element Update.
		12) Conduct periodic user surveys on the design of public parks.		City Council Work Program Item for 3rd Quarter 2010 – adoption of "Parks and Recreation Master Plan" (tabled due to lack of funding in July 2010). 2021 – Updated in conjunction with Public Health,

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General Plan Element:	Goals:	Policies:	Actions:	
				Safety and Environmental Justice Element Update.
		13) Conduct service-area based design charettes with community members on park design.		City Council Work Program Item for 3rd Quarter 2010 – adoption of "Parks and Recreation Master Plan" (tabled due to lack of funding in July 2010).
		14) Give priority to the acquisition of large parcels for the development of Community Parks that accommodate athletic fields.		City Council Work Program Item for 3rd Quarter 2010 – adoption of "Parks and Recreation Master Plan" (tabled due to lack of funding in July 2010).
		15) Encourage design competitions for new and remodeled parks.		City Council Work Program Item for 3rd Quarter 2010 – adoption of "Parks and Recreation Master Plan" (tabled due to lack of funding in July 2010).
		16) Continue to implement the local park ordinance through developer dedication of parkland or in-lieu fees.		Established and on-going.
		17) Require that new specific plans and planned unit developments (PUDs) incorporate sufficient park and recreation facilities along with natural open space areas, where appropriate, to serve the needs of their future residents.		On-going. 2016/2021 Implemented in the Mediterra Planned Development, Mastercraft 42 at Base Line & Club View, Woodcrest/Tractor Supply, TREH, and KZ Holdings projects. 2025 – Diversified TR 20721, Crestwood TR 20387 and Century TR 19915 will all construct new recreation facilities.
		18) Given the residential focus in Highland, increase park standard acreage ratios above state required minimums.		City Council Work Program Item for 3rd Quarter 2010 – adoption of "Parks and Recreation Master Plan" (tabled due to lack of funding in July 2010).
		19) Connect newly developed parks, wherever practical, to the existing and future bicycle and recreational trail system.		On-going. 2016/2022 Implemented in Mediterra Planned Development and Mastercraft 42 to connect to City trail system. 2024 Important trail and park connections made with the development of the Mediterra Planned Development and Beazer residential tracts. (Completed 2025)
		20) Initiate a long-term program to correct park deficiencies.		City Council Work Program Item for 3rd Quarter 2010 – adoption of "Parks and Recreation Master Plan" (tabled due to lack of funding in July 2010).
		21) Adopt a density bonus program for development that includes usable park and open space lands above the City-required standard.		City Council Work Program Item for 3rd Quarter 2010 – adoption of "Parks and Recreation Master Plan" (tabled due to lack of funding in July 2010).
		22) Develop recreational opportunities within the Greenspot area.		On-going as opportunity presents itself within the corridor; Mediterra Planned Development contains two parks and a trail link to the local North Fork Trail as well as the USFS 1N16.
		23) Design parks in accordance with contemporary safety standards and "CPTED" (Crime Prevention Through Environmental Design) principles.		On-going. City Council Work Program Item for 3rd Quarter 2010 – adoption of "Parks and Recreation Master Plan" (tabled due to lack of funding in July 2010).
		24) Periodically evaluate parks for safety and maintenance.		On-going daily/weekly by Public Works staff.
		25) Conduct evaluation of park improvements to test for safety compliance, crime prevention and effective maintenance.		Ongoing by City's Public Works staff. A new safety fence was constructed at Highland Community Park in 2024.
		26) Pursue joint public/private development of recreation facilities, especially in areas where joint development would maximize use of existing facilities, as well as add new land to the facility.		City currently has joint use with Beattie Middle School/Highland Grove Elementary School.
		27) Develop and implement a facilities plan that indicates the potential development of recreational facilities, their costs and implementation at selected school sites.		City Council Work Program Item for 3rd Quarter 2010 – adoption of "Parks and Recreation Master Plan" (tabled due to lack of funding in July 2010).
		28) Establish clear policies about the proper community use of school facilities including maintenance, scheduling, fees and regulations.		Ongoing.
		29) Locate parks and recreation facilities within convenient walking and biking distance of all neighborhoods.		Citywide. Implemented of the Mediterra Planned Development – Mediterra and Pines Park and Mastercraft 42.
		30) Integrate park and recreation facilities with existing and future trail and bikeways, wherever practical.		Citywide. Implemented in the Mediterra Planned Development – Paseo Ramblas walking path and par course, 1N16.
		31) Prepare templates for proper on and off-site signage for all parks.		Ongoing by City Planning Division assigned to the Community Trails Committee.
Conservation Open Space	Goal 5.11 Provide excellent opportunities and facilities for hiking, equestrian and bicycle use through the Multi-Use Trail Master Plan.			
		1) Require, where appropriate, that residential, commercial and industrial developments within the City dedicate and construct trail links within their boundaries as part of the Multi-Use Trail Master Plan.		On-going. Mediterra and Diversified's development along Aplin Street, north of Santa Ana Canyon and at Mastercraft 42.
		2) Provide equestrian, bicycling and pedestrian staging areas consistent with plan		Natural Parkland and interpretive sign program

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General Plan Element:	Goals:	Policies:	Actions:	
		standards.		completed in 2014.
		3) Support the acquisition of trail rights-of-way through dedication in conjunction with development activity or acts of philanthropy that occur prior to adoption of a route plan.		On-going. Kiel property dedicated in 2017. Portions of the Aplin Trail were dedicated and constructed with the development of the Diversified Tract (2016-2018). Portions of North Fork Trail dedicated with the Tentative Tract Map approval of Mediterra Planned Development (2016). 2025 – Diversified Pacific TR 20721.
		4) Where possible, locate trail easements within City-required landscaping or other easements.		On-going with each prospective residential tract or commercial development (where applicable). 2025 – Diversified Pacific TR 20721.
		5) Preserve, to the extent possible, existing formal and informal trail routes in the City, in particular routes that provide major northsouth and east-west access.		On-going. Work on other Flood Control access for trails. Incorporation of the federal and local City trails incorporated into the Mediterra Planned Development. 2025 – Construction begin to rehabilitate and expand Natural Parkland Trails.
		6) Where an established trail is jeopardized by impending development or subdivision activity, require the dedication of trail easements, where appropriate, to establish a planned trail system alignment.		On-going. Incorporation of federal and local City trails incorporated into the Mediterra Planned Development.
		7) Require proposed development adjacent to trail systems to dedicate land for trailhead access points.		On-going. Incorporation of federal and local City trails incorporated into the Mediterra Mediterra Planned Development. Completed in 2024
		8) Where feasible, use active and abandoned roads, flood control, utility and railroad rights-of-way, and other easements for potential sites for expanded trail use.		Natural Parkland and interpretive trail completed in 2014. 2022 - Link from Beazer's residential tract to the trail to the north (EVWD right of way). Completed in 2024
		9) Refine, adopt and implement the Multi-Use Trails Master Plan to include, at a minimum, the following: • Indication of an exact trail location (e.g., which side of street, channel, etc.); • Identification of each trail with a name, approximate length and type; • Specific design standards for each trail; • Identification of logical rest areas and facilities; • Establishment of sign standards and locations for the various types of trails; and • Suggested funding sources and implementation strategies.		On-going. Community Trails Committee adopted a Work Program to prioritize projects inclusive of grant research (adopted most recently in 2018).
		10) Work with local, state and federal agencies; adjoining cities and jurisdictions; interest groups; and private landowners, in an effort to promote a Citywide trail system, and to secure trail access through purchase, easement, or by other means.		On-going.
		11) Locate trail linkages to minimize conflicts with motorized traffic.		On-going. 2024 Connection formalized within the Mediterra Planned Development.
Conservation Open Space	Goal 5.12 Develop and maintain trail and bikeway connections to recreational facilities, schools, existing transportation routes, natural features and regional trail systems.			
		1) Provide trail connections between and/or along the major city and surrounding regional facilities, sites and features indicated on the Multi-Use Trails Master Plan.		On-going. Continue coordination with the Santa Ana River Trail. 2021 – Approved Active Transportation Plan by City Council in early 2021.
		2) Provide bicycle and pedestrian trails along major home-to-work, home-to-school and other travel routes, where appropriate.		On-going. Orange Street and Alabama Bikeways. 2021 – Approved Active Transportation Plan by City Council in early 2021. City continues efforts to connect Highland and Redlands with safe bicycle and pedestrian trails.
		3) Seek to construct or assist in the construction of those portions of the San Bernardino County Regional Trail system that are located within Highland.		On-going, especially with respect to the Santa Ana River Trail as the County continues east with its development within the City of San Bernardino and Redlands to the south.
		4) Require the dedication of trail easements, where appropriate, for establishing a planned trails system alignment, or where an established trail is jeopardized by impending development or subdivision activity.		On-going. City conditions project for the dedication of easements during the development process.
		5) Where possible, designate and design new trail development near transit routes or heavily traveled areas.		On-going. 2021 – Approved Active Transportation Plan by City Council in early 2021.
Conservation Open Space	Goal 5.13 Ensure the maximum safety and			

General Plan Element:	Goals:	Policies:	Actions:	**Implementation & Progress:**
	enjoyment of all trail system users.			
		1) Establish an educational program that will protect the health and safety of trail users by encouraging proper etiquette and procedures.		Trails etiquette signs posted in heavily used areas (ie. Coverhill Trail). Adopt a Trail Program.
		2) Access should be provided to the maximum extent feasible to trail users of all abilities and all ages.		On-going. Develop new trail standard to provide hard finish surface for select trail segments.
		3) Adopt the following hierarchy of users on the City's trail system: • Bicyclists must yield right-of-way to all other users. • Runners must yield to hikers and equestrians (note: horses should not be on trails predominantly intended for bikes and pedestrians). • Hikers must yield to equestrians.		On-going.
		4) Implement two general levels of trail use: • Low Use and Natural Area: Standards shall apply to sections of the trail where terrain, remoteness, expected low usage, easement, or other restrictions make larger, multiple trails infeasible. • Urban (Maximum Accessibility): Standards define a relative flat, wide trail for use where little physical challenge is required and where wheelchair access can be accomplished. The grades are low, and the trail is wide and compacted or surfaced.		Ongoing for both (ie. Shelton Trail and Aplin Trail) Develop new trail standard to provide hard finish surface for select trail segments.
		5) Require that cyclists adhere to the following requirements: • Alert hikers and equestrians of their presence. • Travel no faster than 15 mph, unless conditions warrant reduced speed. • Slow to 5 mph when passing and dismount when necessary.		On-going.
		6) Promote adherence to the following code of off-road bicycling responsibility, as developed by the International Mountain Bicycling Association: • Ride on open trails only. • Control your bicycle. • Always yield trail. • Never spook animals. • Leave no trace. • Plan Ahead.		On-going.
		7) Maintain adequate line-of-sight on multiple use trails as determined by the City Engineer.		On-going.
		8) Incorporate, where feasible and without compromising safety, all compatible multiple uses on a single trail.		On-going.
		9) Where a single trail is not feasible or there is heavy use, provide alternate or parallel routes and/or design separate, dual trails.		On-going.
		10) Allow ample space in right-of-way for safe passage of users, for signing, fencing, separation of trails, trailheads and where appropriate, landscaping.		On-going. Mediterra's North Fork Trail is a good example as constructed in 2022/2023.
		11) For trails in developed areas, provide a setback of at least 5 feet so that trail fence can be set back from the curb and planting strip.		On-going. Mediterra's North Fork Trail
		12) Along narrow equestrian/hiking trails (less than 6 feet wide) with steep side slopes (greater than 30 percent), provide passing areas at regular intervals to allow hikers and other equestrians to pass.		On-going.
		13) Inform all trail users of the system's etiquette requirements through trailhead signs.		On-going. Implemented in certain sections.
		14) Reserve the right to temporarily close trails for safety and maintenance reasons, and post signs at convenient locations and outlets indicating the extent and probable length of closure.		On-going. 1N16 / Alder Creek Road.
Conservation Open Space	Goal 5.14 Maintain and enhance the trail system's clear and informative signage.			
		1) Continue to use consistent and established sign styles and other symbols, for the trails system.		On-going. New mile markers installed along Shelton trail by volunteers in keeping with the City's established style (2018). Interpretive signs along the Natural Parkland Trail and at the Santa Ana River Bridge utilize a consistent design as well.
		2) To the extent possible, develop signs that		On-going. Mile markers installed in 2018 made of

General Plan Element:	Goals:	Policies:	Actions:	**Implementation & Progress:**
		use easily identifiable symbols, natural materials and colors, and vandal-resistant construction.		natural wood, stained for durability and marked with bright yellow paint.
		3) Place signs in clearly visible areas such as at access points, trail heads, rest facilities and road crossings.		On-going. Most recent examples are at the Natural Parkland Trail, Shelton Trail and Santa Ana River Bridge (2014-2018).
		4) Use positive rather than negative language, emphasizing permitted activities rather than extensive "No!" signing, where appropriate.		On-going. Currently working on City Creek Trail signs that will utilize this policy.
		5) Relate the number of signs to trail usage. More signage is appropriate in urban or high-use areas rather than natural or low use areas.		On-going.
		6) Develop a highly informative sign program incorporating such information as: • Destinations and mileage indicators along the trail route; • Connections to other trails and community facilities; • Areas where access is hazardous or restricted; • Areas in which dogs or other animals are not allowed; • Educational exhibits and informational displays; • Delineation of private property adjacent to trails; • Habitat restoration along or near trails; • Recognition of areas dedicated to or sponsored by an organization or individual; • Vista points, pullouts, or rest stops; • Etiquette or permitted and nonpermitted uses; and • Speed limits for bicyclists and equestrians.		Trails Map available on the City's webpage. Natural Parkland Signage Program planning completed. Signs installed in 2014. Community Trails Committee approved a Work Program and includes these goals an policies to be implemented. 2025 – Natural Parkland Trails construction includes replacement of all 10 educational signs, plus 8 more located throughout the trail. Educational signs include historic, cultural, natural, and safety topics.
Conservation Open Space	Goal 5.15 Develop a multi-faceted program of trail maintenance with public and private participation.			
		1) Monitor public use of trail system on a regular basis so that maintenance issues can be addressed on a timely basis.		Ongoing by the City's Public Works Staff and Community Trails Committee members. "Adopted a Trail" program information available on the City's webpage.
		2) Enforce trail regulations as a means of controlling trail use, and ensure that regulations for different trail segments within various jurisdictions do not conflict.		On-going. Signs installed and gates in some critical locations.
		3) Develop a program to enlist volunteers and volunteer organizations on trail development, operations and maintenance, education, and enforcement activities.		The City's Community Trails Committee is a 5-person volunteer Committee appointed by the City Council to assist with these items. "Adopted a Trail" program information available on the City's webpage. Volunteers from various organizations such as the Boy and Girl Scouts of America assist with various improvement projects.
		4) Locate trailheads in areas of high visibility and access.		On-going. Most recently at 1N16 (Mediterra) off Greenspot Road providing access into the National Forest. Completed in 2024
		5) Develop or open to public use trails and/or easements only after a public agency (which may be the City of Highland) or private organization agrees to accept maintenance and liability responsibilities.		On-going.
		6) Conduct a feasibility study of a possible off-road vehicle park or recreation area.		City Council Work Program Item for 3rd Quarter 2010 – adoption of "Parks and Recreation Master Plan" (postponed due to lack of funding).
		7) Maintain an up-to-date map of all existing and proposed dedicated public trail easements in the General Plan.		Trails Map available on the City's webpage. Updated by the City's Planning Tech in 2022.
		8) Ensure that all proposed trails leading from the City into the San Bernardino National Forest are coordinated with the San Bernardino National Forest Service and consistent with the County of San Bernardino National Forest Land and Resource Management Plan.		On-going including 1N16 in 2022/2023. Trails Map available on the City's webpage.
Conservation Open Space	Goal 5.16 Continue to encourage, support and adopt energy-conservation practices.			
		1) Consolidate and adopt energy-saving practices for all City departments.		Solar panels installed on roof of City's Environmental Learning Center. Solar panels installed on roof of City Hall and new Police Station in 2011.
		2) Monitor energy usage for all City facilities.		On-going.
		3) Provide information on free energy audits		Ongoing.

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General Plan Element:	Goals:	Policies:	Actions:	
		for the public given by public utilities.		
		4) Distribute energy-conservation information, in both English and Spanish, to residents and businesses through: • Links to energy agencies and utilities on City's homepage • Brochures available at City Hall and other public facilities • Information and tips on utility bills. • Outreach programs to schools and businesses. • Environmental Learning Center.		Ongoing.
		5) Coordinate energy-related policies and actions with local utilities and energy agencies.		PACE program MOU approved with SANBAG on April 2013. City entered into JPA with Ygrene PACE provider separately in 2016. Program currently suspended.
Conservation Open Space	Goal 5.17 Encourage site design practices that reduce and conserve energy use.			
		1) Encourage energy and environmentally sustainable designs such as "Green Development Standards"—in the design and approval of new projects.		PACE program MOU approved with SANBAG on April 2013. City entered into JPA with Ygrene PACE provider separately in 2016. Program currently suspended.
		2) Orient buildings on the site to maximize the natural ventilation provided by prevailing breezes.		Implementation of the State's Green Code.
		3) Incorporate passive solar design techniques including building orientation, energy-saving materials, roof overhangs, and window and door placement.		Implementation of the State's Green Code.
		4) Increase minimum building insulation standards.		Implementation of the State's Green Code.
		5) Encourage landscape design that cools buildings and blocks solar rays, such as the planting of deciduous trees on south and west facing elevations, and give Title 24 credit for landscaping.		Implementation of the State's Green Code.
		6) Channel runoff to permeable surfaces through the design of roofs and rain gutter systems and drainage courses.		On-going. Implemented as part of the City's NPDES permit. Implementation of the State's Green Code and during the Planning entitlement process by the City's Landscape Architect.
		7) Encourage energy-efficient retrofitting of existing buildings, where practical, throughout the City including assisting applicants in the installation of more efficient HVAC (heating, ventilation, air conditioning) systems.		Implementation of the State's Green Code.
		8) Distribute and participate in incentive programs for incorporation of solar and photovoltaic panels (active solar) into existing or new buildings.		Implementation of the State's Green Code.
		9) Establish a "green building" site design incentive program, such as density or height bonuses, reduced parking requirements, expedited plan check, and recognition programs.		City Council Work Program Item (2010/2011). Implementation of the State's Green Code.
		10) Adopt LEED (Leadership in Energy and Environmental Design) design standards for public buildings.		Implemented with City's Environmental Learning Center, and new Police Station. Implementation of the State's Green Code.
		11) Participate in the CEEP (Community Energy Efficiency Program) Certificate and Recognition Program.		City Council Work Program Item (2010/2011). Implementation of the State's Green Code.
		12) Encourage a grey water recycling plan.		Implementation of the State's Green Code.
Conservation Open Space	Goal 5.18 Continue to improve Highland's solid waste management and recycling efforts.			
		1) Continue to provide services to resident and businesses that facilitate community cleanup, curbside collections and diversion of oil and other hazardous waste materials		Implemented in coordination with Solid Waste Franchise Agreements and Household Hazardous Waste Agreements. Highland Improvement Team monthly cleanups for senior, disabled residents and right of way/open space areas.
		2) Where joint programs offer improved efficiency or reduced cost, collaborate with other entities in waste recycling efforts.		Implemented in coordination with Solid Waste Franchise Agreements and Household Hazardous Waste Agreements.
		3) Maintain a comprehensive public education program, coordinated, in part, through the Environmental Learning Center, to stimulate recycling, reuse and waste reduction by its resident and businesses.		On-going. Public outreach and community events such as the Citrus Harvest Festival, City Newsletter, City website, Solid Waste specific newsletter and social media.
		4) Continue to implement the policies and programs identified in the City's SRR (Source		On-going.

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General Plan Element:	Goals:	Policies:	Actions:	
		Reduction and Recycling Element) and HHW (Household Hazardous Waste Element), and develop measures to evaluate their effectiveness.		
		5) Evaluate and update hazardous waste management programs and implement improvements based on current best practices.		Implemented in coordination with Solid Waste Franchise Agreements and Household Hazardous Waste Agreements.
		6) Evaluate and update community education programs on solid and hazardous waste disposal to insure that this information is as broadly available as possible, especially through the school system.		Implemented in coordination with Solid Waste Franchise Agreements and Household Hazardous Waste Agreements. Through the CalRecycle City/County Payment Program, the City funds educational workshops on recycling programs for elementary school students in Highland, delivered by the contractor Eco-Hero.
		7) Aggressively pursue polluters and develop a fine program for distributors of fliers and leaflets found in parking lots.		
Conservation Open Space	Goal 5.19 Continue to support air quality planning through land use policies, outreach efforts and coordination with regional air quality agencies.			
		1) Reduce locally generated emissions through traffic flow improvements (including signal synchronization) and construction management practices.		Ongoing. Implemented through coordination with City of Highland Public Works and SANBAG.
		2) Encourage the use of public transit within the City through coordination with regional transit providers and publication of routes and timetables on the City website and publications.		Coordinated with Omni-trans by placing brochures in the City Hall Lobby.
		3) Encourage land use planning and urban design that reduces vehicle trips through mixed and multi-use development, consolidation of commercial development along major arterials, provision of pedestrian connections from residential to retail areas, and development of a multi-use Town Center.		On-going. Mixed-use Development Standards adopted in 2006. Greenspot Village & Marketplace Specific Plan and Town Center mixed-use projects adopted between 2013-2021.
		4) Establish performance standards for clustering residential areas near commercial services where mixed use is not feasible.		Ongoing – Examples include TREH, Alliance Apartments, and KZ Holdings all provided residential units adjacent to commercial services.
		5) Expand citizen and business outreach and education programs, disseminated and conducted in the Environmental Learning Center, relating to policies that improve air quality		On-going.
		6) Provide incentives such as permit streamlining for industrial/commercial or residential development projects that meet or exceed air quality practices.		No applications received.
		7) Encourage employers to develop trip reduction plans to promote alternative work schedules, ridesharing, telecommuting and work at-home programs, employee education and preferential parking.		Implemented through City's Trip Reduction Ordinance. Each of the warehouse/distribution projects approved between 2021 and 2023 had ridesharing parking spaces and preferential parking spaces provided (7 projects total).
		8) Conduct City staff in-service training, in conjunction with regional air quality agencies, on the latest policies, techniques, programs and technology for air quality planning.		Planning staff attends these regional training opportunities. Coordinate with SBCTA/SBCOG. The most recent attended by City Planning staff was in December 2023.
		9) Work with SANBAG to develop guidelines for the location and design of land uses that are sensitive to air pollution.		Ongoing.
		10) Reduce particulate emissions from roads, parking lots, construction sites and agricultural lands to the maximum extent practical through dust suppression, street cleaning and other practices.		On-going with each project implemented.
		11) Establish grading and building permitting procedures so that all construction involving demolition or earth movement reduces fugitive dust emissions through the appropriate techniques (e.g., wetting).		On-going with each projected implemented.
		12) Incorporate the provisions of SCAQMD Rule 403 (Fugitive Dust) into City land use administration rules and procedures.		On-going.
		13) Continue comprehensive efforts to reduce energy consumption.		PACE Program (SANBAG) MOU April 2013. Program currently suspended.
		14) Offer incentives to home-based businesses, carpool networks and park-and-ride facilities.		Ongoing. Ensuring compliance with new state legislation.
		15) Evaluate the desirability of developing a multi-modal, transit hub in the City.		Most recent discussions were related to a large local EV charging center on Greenspot Road for passenger cars and 5th Street for heavy duty vehicles. Still determining

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General Plan Element:	Goals:	Policies:	Actions:	
				feasibility.
Chapter 6 – ***Public Health Safety & Environmental Justice Element***				
Public Health, Safety & Environmental Justice (adopted 2022)				
	Goal 1: Protect the health of community members by improving air quality.			
		Policy 1.1: Reduce air pollution from mobile sources.		
			Action 1.1a: Electric Vehicle Charging Stations. Promote the installation of electric vehicle charging stations at important destinations such as civic buildings, parks, and commercial hubs.	Four EV charging stations were installed at City Hall. The City also amended its Vehicle Fueling Station Ordinance to require the installation of EV charging stations in excess of the state guidelines. Expansion of existing chargers is being considered.
			Action 1.1b: Fleet Management. Develop a fleet management program to increase the fuel efficiency and reduce emission of municipal vehicles.	The City has in service two hybrid and one fully electric vehicle in its fleet of approximately 12 vehicles not including public safety vehicles for police and fire services.
			Action 1.1c: Preferential Parking. Amend the zoning code to identify preferred locations for clean air vehicle parking required for new development.	Partially complete. Municipal Code amendment anticipated in 2026.
			Action 1.1d: Warehouse Standards. Include air quality and vegetation buffer standards for new warehouses uses and loading docks.	Complete. 2023/2024 – Ensure compliance with AB 98 which includes additional provisions for warehousing development.
		Policy 1.2: Reduce localized air pollution exposure near major roads.		
			Action 1.2a: Air Filters in Existing Buildings. Pursue grant funding to install air condition with HEPA filters in homes and schools within 1,000 feet of a major road.	HEPA filters have been installed at City Hall and one of the City's three fire stations.
			Action 1.2b: Clean Air Development. Create a clean air checklist for new development of sensitive land uses within 1,000 feet of a major road. This checklist should include landscaping, ventilation systems, double-paned windows, setbacks, and barriers.	Implemented. Ensure compliance with AB 98.
Public Health, Safety & Environmental Justice	Goal 2: Promote a built environment that stays cool.			
		Policy 2.1: Promote a healthy urban forest to reduce air pollution and extreme heat.		
			Action 2.1a: Climate-Appropriate Trees. Develop a new street tree species palette that prioritizes trees based on having low water needs and adaptability to climate change and future environmental conditions.	Implemented at a staff level by the City's Landscape Architect.
			Action 2.1c: Increase the Tree Canopy. Identify grant funding to develop a program to install additional street trees or provide canopy trees to residents for planting.	No activity. 2023 Considering an application through President Biden's Inflation Reduction Act to California for the purchase of tees.
			Action 2.1b: Diverse Urban Forest. Maintain a healthy urban forest by ensuring a diversity of tree species.	Implemented by the City's Landscape Architect on an ongoing basis. Most recent example would be the selection of diverse species along Boulder Avenue and Greenspot Road.
			Action 2.1d: Street Tree Prioritization. Prioritize tree planting from approved street tree list based on the existing tree canopy and the population's vulnerability to extreme heat.	Partially complete. Implemented at a staff-level with coordination between the City's Landscape Architect and Public Works Division.

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General Plan Element:	Goals:	Policies:	Actions:	
			Where possible, integrate shade trees with bike and pedestrian infrastructure.	
			Action 2.1e: Tree Planting in DACs. Prioritize tree planting in the DACs to reduce residents' vulnerability to extreme heat. Focus efforts on shade trees along sidewalks, at transit stops, schools, bike lanes, and within parks in the DACs.	2024 – Shade trees required for new development projects including within and adjacent to the r-o-w. Examples include distribution facilities along 3rd, 5th and 6th Streets and Victoria Avenue.
		Policy 2.2: Adopt policies and standards for the built environment that reduce urban heat island.		
			Action 2.2a: Green Development. Encourage cool or green roofs for new commercial buildings.	Implemented through the California Green Code. Cool roofs are currently in place at City Hall, the Highland Branch Library and Fire Station #2. This idea was discussed with the San Carlo Townhome project but found to be infeasible.
			Action 2.2b: Cool Zones. Investigate the use of additional City facilities, such as recreation centers, to serve as cool zones.	Completed. The City's Community Center/YMCA and Library operate as Cool Zones. 2024 – The City funded an HVAC replacement grant at the Highland Senior Center through the CDBG-CV program. Installation is anticipated in 2025 which will aid in their ability to serve as a cool zone.
			Action 2.2c: Low-Income Weatherization Programs. Continue prioritize funding for efforts to repair and rehabilitate housing in disadvantaged communities, including programs and grants to weatherize houses for extreme heat and air pollution.	As a partner of the County Consortium, this item is addressed with respect to Weatherization Programs. The County operates this program within Highland's boundaries.
Public Health, Safety & Environmental Justice	Goal 3: Minimize risks, such as loss of life, injury, property damage, and natural resource destruction from natural and human-caused hazards.			
		Policy 3.1: Minimize flooding risks through appropriate siting and protection of structures and occupants.		
			Action 3.1a: Flood Elevations. Continue to ensure finish floor elevations of new development are above the 100-year floodplain.	Ongoing. Addressed during Pre-Application processing and in Plan Check by the Building & Safety Division, Planning and Public Works.
			Action 3.1b: Development in the Floodway. Continue to limit uses in floodways to those tolerant of occasional flooding.	Ongoing especially within the East Highlands Village and along the perimeter of Flood Control Channels. Coordinating with San Bernardino County Flood Control District to ensure delivery of key projects.
			Action 3.1c: Flood-Resistant Critical Facilities. Continue to design new critical facilities to minimize potential flood damage. Such facilities include those that provide emergency response like hospitals, fire stations, police stations, utility lifelines, and ambulance services. Such facilities also include those that do not provide emergency response but attract large numbers of people, such as schools, theaters, and other public assembly facilities with capacities greater than 100.	Ongoing. No critical facilities are located within flood hazard areas.
		Policy 3.2: Build and maintain public infrastructure that collects and conveys stormwater and enhances water quality.		
			Action 3.2a: Flood Channel Maintenance. Continue to maintain flood control channels and storm drains in accordance with habitat preservation policies through periodic dredging, repair, desilting, and clearing to prevent any loss in their effective use.	Ongoing through annual maintenance by the Public Works Division.
			Action 3.2b: Stormwater Quality. Identify streets and intersections and other infrastructure that would be candidates for stormwater quality enhancement features.	Partially complete. The City will initiate compliance with the Ocean Plan Amendment in mid-2024.
			Action 3.2c: Flood Control Funding. Continue to pursue funding opportunities for flood	Continued progress. Partially complete. The San Bernardino County Flood Control District continues

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General Plan Element:	Goals:	Policies:	Actions:	
			control projects, including collaboration with Federal, State, and local flood management agencies and other interested parties.	to make improvements City-wide. The improvement of Elder Gulch, south of Greenspot Road is anticipated to be underway in summer 2024. 2025/2026 Work completed.
			Action 3.2d: Drainage Master Plan. The City will consider adding a Work Program item to update the City's Master Drainage Plan.	
		Policy 3.3: Implement programs and standards to mitigate wildfire risk in high wildfire hazard severity zones.		
			Action 3.3a: New Development. All development shall be required to meet the minimum standards for adequate fire protection. The most restrictive law, regulation, or ordinance regarding fire safety applicable to development in Highland will take precedence, including compliance with the most current SRA Fire Safe Regulations and Fire Hazard Reduction Around Buildings and Structures Regulations if applicable. All perimeter development within the Very High Fire Hazard Severity Zone, adjacent to open space, shall construct perimeter fire roads in compliance with City policy	Ongoing. The City has adopted very stringent standards including the most current SRA Fire Safety Regulations and Fire Hazard Reduction. Fire roads are required in all perimeter developments such as Mediterra.
			Action 3.3b: New Residential Development in Areas Designated Very High Fire Hazard Severity Zone (VHFHSZ). Residential development within areas designated as VHFHSZs should be avoided or risks mitigated through compliance with applicable codes and standards, including compliance with the most current SRA Fire Safe Regulations and Fire Hazard Reduction around Buildings and Structures Regulations. If residential development occurs within VHFHSZ, a Fire Protection Plan that describes project specific fuel modification shall be required.	New residential within the VHFHSZ are mitigated with the most stringent standards and regulations including those listed in the action item. Fuel Modification/Fire Protection Plans are in place for all projects adjacent to the wildland including Mediterra, East Highlands Ranch and similar development.
			Action 3.3c: Home Improvements for Vulnerable Populations. For qualifying households, promote the use of local, county, and state rehabilitation programs and defensible space assistance, and provide information to vulnerable residents to assist with efforts to improve fire safety.	No activity.
			Action 3.3d: Wildfire Retrofits. Encourage structural hardening retrofits for existing structures in the VHFHSZ, consistent with the current standards.	Ongoing on a case-by-case basis through the Building Division.
			Action 3.3e: New and Existing Public Facilities. The construction of new public facilities should occur outside of areas designated VHFHSZ when feasible. Existing public facilities in the High Fire Hazard Area shall be retrofitted to be consistent with the current standards.	Complete. Only Fire Station No. 2 is located within this zone and it is necessary given the size of the City's land within the zone. With respect to school locations, the City will work with the Redlands School District and State Architect to ensure compliance.
			Action 3.3f: Maintain Emergency Evacuation Routes. Ensure that the entity charged with maintenance of the road complies with the requirements of the State Fire Code and San Bernardino Consolidated Fire Codes regarding street width, surface, grade, radius, turnarounds, turnouts, bridge construction, and lengths of fire apparatus access roads. All requirements and any deviations will be at the discretion of the Fire Code Official. Enforce these standards on new development in VHFHSZ through development review, and on existing development through code enforcement. Work with the City's Geographic Information Systems (GIS) mapping services to identify	Ongoing as new projects are entitled and constructed.

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			any residential areas that do not have at least two emergency evacuation routes or are otherwise inadequate due to access or timeliness of evacuation. Develop an evacuation route improvement plan upon identification of evacuation route inadequacies.	
			Action 3.3g: Recover from Large Fires Safely. Perform an evaluation of fire-related development standards should a major wildfire require large portions of the City be rebuilt to ensure that redevelopment standards are as fire-safe as reasonably possible.	No activity. 2024 – Line Fire occurred along the City's perimeter and interface with the San Bernardino National Forest. Local, regional and state resources responded and no habitable structures were lost.
			Action 3.3h: Adequate Peakload Water Supply will be Supported. The City will coordinate with the East Valley Water District to maintain long-term integrity of peakload water supply for structural fire-fighting and wildland fire-fighting and ensure new construction is serviceable by water supply.	Ongoing coordination with East Valley Water District on a case-by-case basis during development.
		Policy 3.4: Ensure that public facilities and infrastructure have adequate capacity to respond to wildfires and other relevant hazard events.		
			Action 3.4a: Performance Standards. Apply fire unit deployment performance measures with future planning of fire stations.	Complete.
			Action 3.4b: Emergency Equipment. Consider the long-term maintenance needs of emergency equipment and facilities when developing the annual budget.	Ongoing
			Action 3.4c: Storm Drain Capacity. Continue to ensure that existing and new storm drain and street capacities are adequate to manage a 100-year flood event.	Ongoing for new development and partially complete for existing development.
			Action 3.4d: New Public Facilities. The construction of new public facilities should occur outside of areas designated VHFHSZ when feasible. Existing public facilities in the VHFHSZ shall be retrofitted to be consistent with the current standards.	Partially complete.
		Policy 3.5: Enforce development standards to reduce geologic risk.		
			Action 3.5a: Soil Reports in Liquefaction Zones. When applicable, continue to require soil reports and implement recommendations for projects in identified areas where liquefaction or other soil issues exist.	Ongoing by the Public Works/Engineering Division when required on a case-by-case basis.
			Action 3.5b: Soil Reports for Projects on Fill. When applicable, continue to require a preliminary soil report and a report of satisfactory placement of fill prepared by a licensed geotechnical engineer or civil engineer for all buildings and structures supported on fill.	Ongoing by the Public Works/Engineering Division when required on a case-by-case basis.
			Action 3.5c: Foundation Reports. When applicable, continue to require a preliminary report for all buildings and structures supported on natural ground unless the foundations have been designed in accordance with current standards.	Ongoing by the Public Works/Engineering Division when required on a case-by-case basis.
			Action 3.5d: Renovations. Continue to require seismic retrofits for major renovations in accordance with Historic and Building Code provisions.	Ongoing by the Building & Safety Division when required on a case-by-case basis.
		Policy 3.6: Prioritize seismic retrofits of buildings that pose the greatest risk.		
			Action 3.6a: Unreinforced Masonry Structures. Consistent with State law and when applicable, require the retrofitting of unreinforced masonry structures to minimize damage in the event of seismic or geologic hazards. Incentivize seismic retrofits	Ongoing, most recent activity occurring at the "Old Bank Building" at the SWC of Main Street and Palm Avenue. Plans are currently being drafted for the structure's restoration. Temporary securing of the roof and building face completed in 2023. Retrofitting underway. 2024 – A URM seismic retrofit project was approved by the Historic and Cultural Preservation for 27281 Main Street and is currently in Building & Safety plan check to ensure

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General Plan Element:	Goals:	Policies:	Actions:	
			through permit fee waiver or other city incentive.	compliance. 2025 – Plans submitted for the retrofit of 6944 Palm Avenue, "Old Fire Station".
			Action 3.6b: Retrofitting of Essential Facilities. When feasible, seismic retrofit essential facilities to minimize damage in the event of seismic or geologic hazards.	No City facilities are constructed of URM. Other types of retrofitting will occur as necessary.
		Policy 3.7: Limit the potential hazards from the transportation and disposal of hazardous waste.		
			Action 3.7a: Hazardous Materials Storage and Transport. Continue to require businesses that store or transport hazardous materials to prepare a Hazardous Materials Business Plan for review and approval by the Lead Environmental Agency.	Ongoing. Regulated by the Fire Marshall and Building Official.
			Action 3.7b: Hazardous Materials Studies. When appropriate, require new development to prepare a hazardous materials inventory and/or prepare Phase I or Phase II hazardous materials studies, including any required cleanup measures.	Ongoing, regulated by the Planning, Public Services and Building & Safety Division.
			Action 3.7c: Household Education. Educate the public on household hazardous wastes and the proper methods of disposal.	Ongoing through the Public Services Division through mailing, e-mailing and social media efforts.
Public Health, Safety & Environmental Justice	Goal 4: Maintain adequate emergency preparedness and response capabilities.			
		Policy 4.1: Create culturally appropriate hazard preparation and education.		
			Action 4.1a: Emergency Alerts for Air Pollution. Use the emergency alert systems and other standard City communications to alert the public when local air quality reaches "Very Unhealthy" levels.	No activity. Will review options to link AQMD communications to City's website.
			Action 4.1b: Neighborhood-Based Preparedness. Convene and regularly train neighborhood-based emergency response teams (e.g., CERT) and explore incorporating climate change response and recovery. Ensure CERT recruiting includes a diverse set of community members and leaders.	No activity locally, but regional CERT programs are in place and could be activated.
		Policy 4.2: Create resilience centers throughout highland.		
			Action 4.2a: Back Up Power. Continue to ensure that critical City facilities have back up energy sources such as battery storage. Prioritize clean energy sources, such as solar, where feasible.	Partially achieved at certain City facilities with solar and generator service in place.
			Action 4.2b: Refrigeration. Install refrigerators at resilience centers, such as existing cooling centers and emergency shelter locations, to provide storage for medication in black out or other hazard events.	Refrigerators are currently in place at the City's Community Center which serves as a cooling center and at the Sheriff's station.
			Action 4.2c: Audit Emergency Childcare. Work with non-profit organizations, such as the Red Cross, to offer emergency childcare for frontline workers in the event that schools are closed in a hazard event.	No activity. The City has effectively coordinated with the Red Cross during large community emergencies such as flooding or fires and smaller emergencies such as house fires.
			Action 4.2d: Food Distribution. Work with local foodbanks to distribute food and pop-up food pantries during hazard events.	Partially achieved in cooperation with the Red Cross and local non-profit organizations.
			Action 4.2e: Advertise Regional Programs. Include information on regional assistance programs in appropriate languages during a hazard event.	No activity by the City. Partially achieved through County efforts. 2024 – working with iWorQ to determine the feasibility of their TextMyGov program as a way to contact the public during hazard events.
		Policy 4.3: Prepare residential areas for flooding and wildfire.		
			Action 4.3a: Elevate and Anchor. Educate and encourage property owners in flood zones to elevate and anchor critical utilities, including electrical panels, propane tanks, sockets, wiring, appliances, and heating systems.	Partially achieved in the East Highland's Village Neighborhood at the southeast corner of Greenspot Road and Church Street.
			Action 4.3b: Sandbags. Implement a sandbag program available for	Ongoing, most recently during the February 2024 rain / flooding event.

General Plan Element:	Goals:	Policies:	Actions:	**Implementation & Progress:**
			residents in flood zones prior to heavy storms.	
			Action 4.3c: Fire Safe Communications. Prior to fire season, use outreach events and City communication resources to educate the public on how they can create a defensible space around their place of residence and evacuate in case of fire.	Ongoing through social media efforts.
			Action 4.3d: Require evacuation assessments on residential projects requiring an Environmental Impact Report in designated wildfire hazard severity zones.	Ongoing.
		Policy 4.4: Ensure the Emergency Operations Center (EOC) has adequate capacity to respond to hazard events.		
			Action 4.4a: EOC Technology. Continue to conduct a periodic review of technology used to support the EOC to ensure systems are updated and effective, including City GIS.	Partially achieved at the Highland Police Station. Completion of certain upgrades are anticipated over the coming years.
			Action 4.4b: EOC Equipment. When feasible, update EOC equipment and supplies as necessary to ensure effectiveness.	Achieved and ongoing.
			Action 4.4c: Staff Training. Continue EOC training and exercise plan for the City staff with EOC responsibilities, and cross train city staff at various EOC positions.	Ongoing.
			Action 4.4d: Online Training. Expand staff training by conducting quarterly online WebEOC training for EOC staff. Include extended training formats as applicable.	Ongoing.
			Action 4.4e: Mutual Aid Participation. Continue to participate in Statewide Master Mutual Aid Agreements and local automatic aid agreements.	Ongoing.
Public Health, Safety & Environmental Justice	Goal 5: Improve the quality of the built and natural environments to reduce disparate health and environmental impacts.			
		Policy 5.1: Adopt land use regulations that protect residential and park uses from the impacts of industrial and roadway pollution.		
			Action 5.1a: Land Use Review. Conduct a review of existing Municipal Code to determine where existing legislation encourages or allows land uses and programs that are detrimental to the health of residents in DACs.	Partially achieved through the adoption of the City's updated Public Heath Safety and Environmental Justice Element in January 2022. Additional Municipal Code amendments anticipated in May 2025.
			Action 5.1b: Monitor Industrial Areas. Establish a monitoring program to periodically evaluate and report the immediate and long-term health and environmental impacts of the proximity of residential and park uses to industrial areas in DACs.	Ongoing especially thought the current draft Program EIR for the Inland Valley Improvement Corridor Plan.
			Action 5.1c: Siting Industrial Uses. Disallow siting and construction of new industrial uses that could impact the health of residents in the DACs.	Ongoing evaluations.
		Policy 5.2: Remediate and prevent pollution arising from industrial and household sources.		
			Action 5.2a: Pollution Review. Conduct a review to determine where existing pollution sources are impacting residents in the DACs.	Ongoing and partially achieved through the new Element.
			Action 5.2b: Hazards Cleanup. In conjunction with other local and regional agencies, ensure the cleanup of contaminated surface water, groundwater, and soils in affected DACs.	Ongoing.
			Action 5.2c: Green Streets. Prevent future groundwater pollution by implementing green street strategies to support a sustainable approach to stormwater, drainage, groundwater recharge, and landscaping, and incorporating	Ongoing.

General Plan Element:	Goals:	Policies:	Actions:	**Implementation & Progress:**
			green streets standard and guidelines in all streetscape improvements where feasible.	
Public Health, Safety & Environmental Justice	Goal 6: Ensure access to healthy food.			
		Policy 6.1: Promote the growing of fruits and vegetables by local residents.		
			Action 6.1a: School Gardens. Permit and promote "edible school yards" that provide gardens and gardening programs on school property.	No activity. Initiated discussion with the two local School Districts.
			Action 6.1b: Urban Agriculture. Amend the Zoning Code to allow privately owned vacant property to be used for urban agriculture.	Achieved.
			Action 6.1c: Local Healthy Food. Encourage, through a public information campaign, street vendors, convenient stores, and other food outlets, to sell fresh produce and to reduce unhealthy food options.	Ongoing including the Mobile Food Pantry program administered by Community Action Partnership (CAP) at the City's Community Center. 2025 – Began communications with an organization interested in establishing a weekly Farmers Market at the City's library. A determination will be made in early 2026.
		Policy 6.2: Use City resources to publicize healthy food and food assistance programs.		
			Action 6.2a: Healthy Food at Public Events. Require that all City-sponsored events and City facilities provide healthy food options.	Ongoing. Attended Farmers Markets in nearby communities and invited local farmers to attend the Highland Citrus Harvest Festival.
			Action 6.2b: Food Assistance Programs. Advertise food assistance programs in City marketing materials and distribute information on food assistance programs including food pantries and banks.	Partially completed for food bank assistance at the Highland Community Center (CAP).
Public Health, Safety & Environmental Justice	Goal 7: Ensure safe and sanitary housing for DAC residents.			
		Policy 7.1: Promote improvements and rehabilitation of unsafe housing in DACs, while actively preventing displacement.		
			Action 7.1a: Rental Rehab. Develop a program to assist owners of rental units to rehabilitate their properties, especially those with affordable units and housing in the DACs, to meet current building standards in tandem with affirmatively furthering fair housing policies.	No activity
			Action 7.1b: Low Income Weatherization. Explore administering Community Development Block Grant programs and other grants to provide free or reduced-cost weatherization for extreme heat and air pollution.	Ongoing through the County Consortium.
			Action 7.1c: Lead Paint Testing. Include mandatory lead-based-paint testing as part of any City-funded housing rehabilitation and other housing assistance programs that may be offered.	Achieved and on-going. Most recently conducted for the demolition of City-owned 7433 Central Avenue property.
		Policy 7.2: Adopt standards and policies that maintain safe and sanitary housing.		
			Action 7.2a: Code Enforcement. Focus code enforcement efforts in DACs to improve unsafe and unsanitary conditions, focusing on trash and dumping, overcrowding, illegal home businesses, illegal garage conversions, graffiti, unpermitted plumbing and electrical, and lack of building and yard maintenance. Have code enforcement officers distribute information on tenant rights and owner and landlord responsibilities when conducting site visits. Distributed information should be translated into all relevant languages	Ongoing. Two Code Officers assigned to this area in particular.
			Action 7.2b: Tenant Rights. Distribute tenant rights information and ensure that renters are not penalized for reporting on dwelling	Ongoing through Inland Fair Housing & Mediation Board.

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General Plan Element:	Goals:	Policies:	Actions:	
			units that do not meet health and safety standards. All written outreach efforts should be translated into all relevant languages.	
			Action 7.2c: Crime-Free Multi-Housing Program. Encourage all apartment building owners to participate in the Crime-Free Multi-Housing Program operated by the City Police Department to reduce crime, drugs, and gangs on apartment properties.	Ongoing.
			Action 7.2d: Home Assistance. Continue to provide support for programs and facilities that provide homes for those without shelter and focus future efforts on specifically addressing the issues that arise on streets and in parks in the DACs.	Ongoing through County Consortium.
Public Health, Safety & Environmental Justice	Goal 8: Ensure that parks, public facilities and services are equitably located and distributed throughout DACs, allowing easy access for residents.			
		Policy 8.1: Improve existing park quality by providing amenities and programs for play, exercise, and enhanced safety. Prioritize efforts that can be deployed quickly in under-parked communities.		
			Action 8.1a: Park Access. Seek to increase the current percentage of residents within a 10-minute walk of a park, by using underused or vacant land as open space or parks.	No activity. Added new public parks in the Mediterra and Mastercraft/Century Homes Highland Park developments currently under construction. Worked with the developer to construct and maintain most of these facilities.
			Action 8.1b: Park Activation. Activate existing parks with permanent work out infrastructure for all ages and repair and maintain existing facilities.	No new activity. 2023 - Mediterra park and paseo constructed permanent work out infrastructure for all ages.
			Action 8.1c: Park Programs. Expand and tailor recreational and park programs, facilities, and services to meet evolving community needs. Programs and services should remain accessible and relevant to today's residents, responding to unique cultural, historic, and social needs, as well as changing demographics and income levels.	Ongoing.
			Action 8.1d: Community Events. Create a simple, accessible, and affordable process for requesting street closures and park permits for public and neighborhood events of all sizes. All forms should be translated into all relevant languages.	Complete and in place.
		Policy 8.2: Expand park availability by converting underutilized land.		
			Action 8.2a: Vacant Lot Conversions. Offer fee reductions and other incentives to convert vacant lots or underutilized public rights-of-way into small parks, community gardens, or open spaces.	No activity.
			Action 8.2b: Linear Parks and Trails. Seek opportunities to convert public easements, such as utility corridors and parkway vistas, into parks and trails.	Ongoing through Community Trails Committee in conjunction with new development and grant Funding. Mediterra will contain linear parks and trails (Pine Park and Paseo Ramblas).
			Action 8.2c: Parks Partnerships. Partner with schools, places of worship, and businesses to expand access to green spaces and recreation areas, especially in DACs with less accessibility to green spaces and recreation areas.	Ongoing at two schools. Looking to expand.
			Action 8.2d: Safe Routes to Parks. Develop a Safe Routes to Parks and Schools program to promote safe, active, and engaging ways to access parks and schools.	Ongoing active program through the City's Public Works Division.
		Policy 8.3: Create inviting public spaces in DACs where people feel safe during the day and night for everyday play, family gatherings, and community events.		
			Action 8.3a: Public Art. Develop more public art, fountains, and	Ongiong through new development entitlement process. Patriot Partners, Lovett and Crow Holdings projects will

General Plan Element:	Goals:	Policies:	Actions:	**Implementation & Progress:**
			other streetscape improvements that beautify Highland's streets and provide a collection of permanent outdoor artwork throughout the City. Identify opportunities to support and fund local artists and students to create public art in the City.	contain public art.
			Action 8.3b: Crime Prevention. Adopt Crime Prevention Through Environmental Design (CPTED guidelines that deter criminal activity in neighborhoods, streets, and public areas. Include guidelines for the design of play areas, parks, sports facilities, streets and sidewalks, plazas and urban pocket parks, and housing and commercial sites, among others.	No activity.
			Action 8.3c: Virtual Community Resources. Provide virtual resources through the library, such as e-book services and virtual programs for those who do not have easy access to community facilities.	Partially achieved. E-book services available through the Highland Branch Library and County Library systems.
Public Health, Safety & Environmental Justice	Goal 9: Promote and ensure meaningful and effective participation and community capacity building in DACs, especially when developing, adopting, implementing, and enforcing plans and policies related to public health and environmental issues.			
		Policy 9.1: Create transparent City processes and forms accessible to all residents.		
			Action 9.1a: City Contacts. Distribute, house-to-house in DACs, City information on all programs and City events, including phone numbers and contact information, especially for call enforcement and housing needs. All information to be translated in all relevant languages.	No activity other than social media outreach. Participation in National Night Out.
			Action 9.1b: Meeting Advertisements. Install signage at neighborhood markets in DACs to promote and advertise City meetings and other public announcements.	No activity. Partially complete - electronic notices online have been utilized.
			Action 9.1c: Civic Engagement. To promote civic engagement, partner with appropriate organizations (e.g., community-based, faith-based, advocacy, and service) that have built relationships and trust within DACs to conduct meaningful outreach.	National Night Out is attended by all City divisions and work in coordination with these other partners.
			Action 9.1d: Virtual Meetings. Provide virtual participation options for in-person public hearings.	Ongoing as needed.
		Policy 9.2: Host City Council events focused on the issues facing DACs and encouraging additional community involvement.		
			Action 9.2a: Open Houses. Invite residents of DACs for City Hall open houses and tours.	No activity. National Night Out
			Action 9.2b: DAC Tours. Conduct City Councilmember visits to DACs to encourage discussion on items that affect the residents and businesses. Have City Council accompanied by representatives from the Police, Code Enforcement, Development and Community Services, and other departments. Host an annual community walk with the Mayor and other City Council members.	No activity.
			Action 9.2c: DAC Meetings. Dedicate one City Council meeting per year to DACs, having staff update the Council on improvements made and further needs of the residents and business owners in those communities. Provide translation headsets at all	No activity.

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General Plan Element:	Goals:	Policies:	Actions:	
			City Council meetings so that residents can engage firsthand with the content of the meetings.	
		Policy 9.3: Support equitable and inclusive opportunities to build capacity and leadership skills for residents and organizations in DACs through continued civic engagement.		
			Action 9.3a: Youth Engagement. Partner with school districts, community colleges, and continuing education institutions to promote civic engagement opportunities.	Ongoing, most recently with the Citrus Harvest Festival Art Contests and Youth Baking Contest.
			Action 9.3b: Community Leaders. Support and expand opportunities to build and sustain capacity among residents to advocate and engage for community and systems improvements to develop their skill sets as community leaders and to advance their roles as trusted messengers.	No activity.
			Action 9.3c: Board Memberships. Specifically invite residents from DACs to become board, commission, and task force members as openings occur.	No activity.
			Action 9.3d: Community Driven Initiatives. Support community-driven initiatives in DACs to address priorities and needs through technical assistance, data sources, meeting spaces, support services, and other staff resources.	Partially achieved with meeting spaces at the Community Center and Library as well as City Hall.
Public Health, Safety & Environmental Justice	Goal 10: Prioritize improvements and programs that address the needs of residents in DACs.			
		Policy 10.1: Support and expand programs and services to prioritize those that identify DACs, address environmental justice issues, and foster partnerships with countywide partnerships and programs.		
			Action 10.1a: Ongoing Engagement. Provide ongoing engagement with residents and stakeholders to evaluate additional criteria for the inclusion of communities not currently identified as DACs.	No activity.
			Action 10.1b: Funding Priorities. Prioritize funding and fiscal decisions for recreation, air quality and other environmental improvements, public infrastructure investments, community programming, and engagement opportunities in DACs.	Ongoing.
			Action 10.1c: Monitoring. Monitor progress of the goals, policies, and actions from this Element.	Ongoing.
			Action 10.1d: Annual Review. Conduct an annual review of the implementation of the goals, policies, and action of the Public Health, Safety, and Environmental Justice Element to monitor progress on goals, policies, and implementation of programs and actions and provide this information to environmental justice communities. Present this annual review to City Council on a regularly scheduled agenda and invite residents and businesses of the DACs to attend and provide input.	Ongoing.
			Action 10.1e: Plan Integration. Examine existing processes and practices for ways to embed environmental justice goals, policies, and actions throughout future updates to General Plan Elements, sustainability plans, Municipal Code, and other City-initiated planning efforts.	Ongoing.
Chapter 7 – Noise Element				
Noise	Goal 7.1 Protect sensitive land uses and the citizens of Highland			

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General Plan Element:	Goals:	Policies:	Actions:	
	from annoying and excessive noise through diligent planning and regulation.			
		1) Enforce the City's Noise Control Ordinance consistent with health and quality of life goals and employ effective techniques of noise abatement through such means as a noise ordinance, building codes and subdivision and zoning regulations.		On-going. Evaluated on a case-by-case basis through CEQA and local noise standards. Noise reduction mitigation applied when needed to eliminate negative impacts. Each industrial project approved by the City such conditions and were mitigated.
		2) Encourage the use of site planning and architectural techniques such as alternative building orientation and walls combined with landscaping to mitigate noise to levels consistent with interior and exterior noise standards.		On-going. All multi-family residential projects approved such as TREH, Alliance and Rexco required architectural and building materials to highly mitigate noise levels as did smaller single family projects such as the 4 single family homes on LaPraix Street which backed the 210 Freeway. All new non-residential projects employed these techniques (TREH, Costco, Patriot Partners, Crow Holdings).
		3) Require mitigation where sensitive uses are to be placed along transportation routes to ensure compliance with interior and exterior noise standards.		On-going. All multi-family residential projects approved such as TREH and Rexco required architectural and building materials to highly mitigate noise levels as did smaller single family projects such as the 4 single family homes on LaPraix Street which backed the 210 Freeway. same as #2 above.
		4) Consider the compatibility of proposed land uses with the noise environment when preparing, revising or reviewing development proposals.		On-going.
		5) Prevent the siting of sensitive uses in areas in excess of established 65 dBA CNEL without appropriate mitigation. Special attention should be paid to potential development within the 65 dBA CNEL noise contour of the San Bernardino International Airport and mining operations of the Santa Ana River.		On-going. Noise studies are required for all sensitive uses within this area. The appropriate mitigation measures are adopted case-by-case.
		6) Work with San Bernardino International Airport Authority to ensure that future airport planning activities encourage consistency with adopted City land use plans and minimize impacts on Highland's economic development opportunities and quality of life.		On-going Continue coordinated efforts with affected agencies. Adoption of SBIAA & Highland Interagency Cooperative Agreement adopted on August 22, 2007. Implemented by the adoption of the City's Airport Overlay Zone and Safety Compatibility Ordinance (2009) – Ord No. 342, and 343
		7) Require that site-specific noise studies be conducted by a qualified acoustic consultant utilizing acceptable methodologies while reviewing the development of sensitive land uses or development that has the potential impact sensitive land uses. Also require a site-specific noise study if the proposed development could potentially violate the noise provisions of the General Plan or City ordinance.		On-going. Recent examples include Mediterra, Rexco, Woodcrest/Tractor Supply, La Praix street residences and Dan Moore Contractor's Yard on Meines Street, TREH, Alliance, all industrial projects.
			1) Coordinate with school districts to ensure that schools are located and designed so that: • interior noise in classrooms does not exceed 45 CNEL • noise exposure does not exceed 65 CNEL at classroom buildings; and • noise exposure does not exceed 70 CNEL on playgrounds and athletic fields.	On-going. 2019 – Entrepreneur High School on Highland Ave.
			2) Coordinate with the San Bernardino International Airport Authority to minimize flight patterns over the City.	On-going in compliance with adopted policy
			3) When site and architectural design features cannot sufficiently reduce adverse noise levels, or cannot be economically provided, require the provision of noise barriers/berms, provided that noise barriers: • are sufficiently massive to prevent significant noise transmission and high enough to	On-going in compliance with CEQA.

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General Plan Element:	Goals:	Policies:	Actions:	
			shield receiver from noise source; • noise barriers exhibit a minimum acceptable density of four pounds per square foot (equivalent to 3/4-inch plywood): • contain no cracks or openings; and • minimize the effect of flanking by bending the barrier back from the noise source at the end of the barrier.	
			4) Require landscaping treatment to be provided in conjunction with noise barriers to provide visual relief and to reduce aesthetic impacts.	On-going. All development projects.
			5) Require realtors representing homebuyers in the vicinity of the gun club to inform new buyers of the existence of potential noise impacts associated with gunfire.	The Inland Fish and Gun Club on Boulder/Orange Street ceased operations. Noise impacts from the Redlands Gun Club on Orange Street must be identified in the CC&Rs of new residential projects.
			6) Maintain a noise complaint file to document areas of excessive noise in the City.	On-going.
Noise	Goal 7.2 Encourage the reduction of noise from transportation-related noise sources such as automobile and truck traffic.			
		1) Guide the location and design of transportation facilities to minimize the exposure of noise on noise-sensitive land uses.		2023-2025 Achieved with Patriot Partners, Lovett and Crow Holdings projects.
		2) Employ noise mitigation practices, as necessary, when designing future streets and highways, and when improvements occur along existing road segments. Mitigation measures should emphasize the establishment of natural buffers or setbacks between the arterial roadways and adjoining noise-sensitive areas.		On-going. Will be reviewed in conjunction with development of the Inland Valley Improvement Corridor Program.
		3) Require that development generating increased traffic and subsequent increases in the ambient noise level adjacent to noise sensitive land uses provide appropriate mitigation measures.		On-going through CEQA mitigation measures established on a project-by-project basis
		4) Minimize truck traffic through residential neighborhoods.		On-going through implementation of the Circulation Element street designation criteria.
		5) Encourage the development of alternative transportation modes such as bicycle paths and pedestrian walkways to minimize the number of automobile trips and noise.		Implemented in the Town Center, and Greenspot Village & Market Plan. Palm/Alabama and Boulder/Orange Street Bikeways making progress towards construction.
			1) Maintain roadways so that the paving is in good condition to reduce noise-generating cracks, bumps and potholes.	Implementation of the 5-Year CIP.
			2) Use the daily design capacity identified in the General Plan and the posted speed limit to quantify the design noise levels adjacent to transportation routes for mitigation purposes.	Enforcement of truck routes especially related to designated sand and gravel hauling routes.
			3) Require evaluation of highway and arterial roadway extensions for potential noise impacts on existing and future land uses.	On-going.
			4) Consider the effects of truck routes, truck traffic, posted speed limits and future motor vehicle volumes on noise levels adjacent to transportation routes when planning improvements to the circulation system.	On-going.
			5) Work with Caltrans to landscape or install mitigation elements along freeways and highways adjacent to existing residential subdivisions or noise-sensitive uses to beautify the landscape and reduce noise, where appropriate.	2023/2024 – Completion of beautification improvements installed in coordination with the SR 210 and Base Line widening.
			6) Monitor proposals for future transit systems and require noise control to be considered in the selection of transportation	As needed – Marinita & Greenspot Village & Marketplace

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General Plan Element:	Goals:	Policies:	Actions:	
			systems that may affect the City.	
Noise	Goal 7.3 Protect residents from the effects of "spill over" or nuisance noise.			
		1) Enforce the City's Noise Control Ordinance so that new projects located in commercial or entertainment areas do not exceed stationary-source noise standards at the property line of proximate residential or commercial uses, as appropriate.		On-going for all projects. Acoustical studies required for noise generating activities as well as construction activities for all projects.
		2) Prohibit new industrial uses from exceeding commercial or residential stationary-source noise standards at the most proximate land uses, as appropriate. (Industrial noise may spill over to proximate industrial uses so long as the combined noise does not exceed the appropriate industrial standards.)		On-going. Patriot Partners, Crow Holdings, and Lovett warehouse projects were Conditioned and are compliant with this policy.
		3) Require that construction activities employ feasible and practical techniques to minimize noise impacts on adjacent uses. Particular emphasis shall be placed on the restriction of hours in which work other than emergency work may occur.		On-going. Construction hours are limited and Conditioned by Building & Safety to minimize noise impacts; Monday through Saturday 7am to 7pm.
		4) Require that the hours of truck deliveries to commercial properties abutting residential uses be limited unless there is no feasible alternative or there are overriding transportation benefits by scheduling deliveries at another hour.		Required as a Condition of Approval for all new applicable projects.
		5) Ensure that buildings are constructed to prevent adverse noise transmission between differing uses located in the same structure and individual residences in multi-family buildings.		On-going.
			1) As a condition of approval, limit non-emergency construction activities adjacent to existing noise-sensitive uses to daylight hours between 7:00 a.m. and 7:00 p.m. Discourage construction on weekends or holidays except in the case of construction proximate to schools where these operations could disturb the classroom environment.	On-going. Also, this item will be addressed in an upcoming Municipal Code Amendment in 2025 to ensure Planning and Building & Safety Division construction hours are the same and in compliance with the latest acceptable standards.
			2) Ensure that the design and placement of air conditioning units and pool equipment within residential areas is accomplished in a manner that does not intrude upon the peace and quiet of adjacent noise-sensitive uses.	This is a Condition of Approval for each residential subdivision development and individual applications to Building & Safety.
			3) Encourage the use of portable noise barriers for heavy equipment operations performed within 100 feet of existing residences or make applicant provide evidence as to why the use of such barriers is infeasible.	Mediterra and Mastercraft Highland Park both implemented this condition.
Chapter 8 – Housing Element				
(See Attached HCD Forms)				
Chapter 9 – Economic Development Element				
Economic Development	**Goal 9.1 Maintain a balance of land uses that generates consistent and sufficient revenue for public services now and in the future.**			
		1) Provide an appropriate mix of retail development in focused commercial centers along commercial corridors.		Retail development focused in Greenspot Village & Marketplace Specific Plan, The Town Center and Highland Crossroads. Mixed use projects including commercial components were approved in all three corridors in 2023. Many of these projects were initiated and some completed in 2024. 2025 – Crestwood Communities TR 20387 34-unit residential project began construction as phase 2 of a mixed use project with the existing commercial

General Plan Element:	Goals:	Policies:	Actions:	**Implementation & Progress:**
				component at the front of the project along Base Line (Smart & Final).
		2) Promote the expanded the Business Park and Industrial land use designations in the southern parts of the City to capture regional demand and growth potential from future airport development.		~~The City working with surrounding agencies to adopt the Inland Valley Infrastructure Corridor Program that will address local and regional circulation and land use along this corridor.~~
		3) Promote the emerging Highland Town Center as a mixed-use zone capable of capturing a wide range of public, commercial and residential development.		Online and with the City's updated "Economic Development Activity Map".
		4) Promote quality in-fill housing along corridors and on infill sites in adjacent neighborhoods to support retail development.		On-going. 2020-20245 - Mastercraft 13, Richmond American Glenrose Ranch constructed on Greenspot Road, Kiel 54 on Santa Ana Canyon Road, Mastercraft 42 on Base Line, Hispano on Pacific Street near Victoria Ave, Alliance Apartments, ~~and~~ TREH, Diversified Pacific TR 20721 (2025).
		5) Promote a mix of housing types and range of prices necessary to provide a diverse labor force.		Greenspot Village & Marketplace; a variety of 1,218 units. Town Center Policy Area with approximately 54 units, diverse in nature.
		6) Establish and apply updated criteria and procedures for reviewing the fiscal effect and overall project quality of new development proposals, zone changes and revitalization efforts.		Fiscal Impact Analyses required for the environmental consideration of new development of significant size.
		7) Evaluate the effect of new retail and office development on the capture of local shopping dollars.		On-going.
Economic Development	Goal 9.2 Consolidate and revitalize commercial development that provides attractive and convenient shopping, service and professional uses, and entertainment opportunities for its residents.			
		1) Consolidate commercial development into selected intersections along Base Line.		
		2) Develop implementation plans for a new Highland Town Center, which include: • a phased development approach; • a conceptual design plan and design guidelines to ensure quality development; and • a marketing and business assistance program.		On-going with the gradual development of Bakers, CVS, Family Dollar, Smart & Final, Woodcrest Company including Tractor Supply Co., Marinita, and KZ Holdings/Crestwood Communities.
		3) Target key retail sectors to maintain a strong, local share of sales tax revenue.		Ongoing.
		4) Create physical and visual linkages between Highland's historic district and the emerging Town Center.		Bakers, CVS, Family Dollar, Smart & Final, Woodcrest Companies, Maranita, and KZ Holdings. Design for Town Center street arch approved by City Council in 2009. Base Line Beautification Program includes historic street lamp designs, landscaped parkways and medians and colored brick pavers at intersections.
		5) Promote additional commercial development around major freeway interchanges.		On-going. Coordinating development plans within the Greenspot Village & Marketplace at the northeast corner of Greenspot Road and the 210 Freeway and Marinita development at the northwest corner of Base Line and the 210 Freeway.
		6) Develop strategies to attract visitors who are traveling to and from mountain resort destinations.		Implemented through the installation of large freeway oriented business signage. Conceptual plans prepared, but not yet approved by the City. Two flag tests flown in 2022/2023 for Marinita and TREH.
		7) Study the desirability of establishing an Infill Development Incentive program for targeted sites along major corridors and in adjacent neighborhoods.		No action
		8) Inventory, map and disseminate information on vacant, underutilized properties and in existing commercial centers in redevelopment project areas to realtors and developers.		Map available on City's website and provided to the general public and Chamber of Commerce. Map disseminated at ICSC events.
		9) Participate in San Bernardino International Airport planning efforts to enhance compatibility with Highland's economic development objectives and quality of life.		Consideration of a joint IVDA, City of San Bernardino and Highland Specific Plan for areas around the SBIAA – Inland Valley Infrastructure Corridor Program.
Economic Development	Goal 9.3 Continually monitor and enhance Highland's business promotion and economic development activities and programs.			

City of Highland General Plan (Comprehensively Updated in 2006 – CC Resolution No. 2006-015) **Implementation Plan - Annual Review**				**Implementation & Progress:**
General Plan Element:	Goals:	Policies:	Actions:	
		1) Establish, maintain, use and update a list of targeted industries and professional organizations for business promotion and location/relocation in Highland.		On-going. Achieved and placed on the City's webpage. Updated in 2023~~3~~5.
		2) Prepare focused market analyses of its best opportunities in both the retail and business/industrial sectors.		On-going. Achieved and placed on the City's webpage. Updated in 2023~~3~~5.
		3) Coordinate business promotion activities with the Chamber of Commerce.		Attend and speak at monthly quarterly events.
		4) Continue to update economic development opportunities on the City's homepage.		On-going. Updated in 20245.
		5) Continue and promote the City's well-publicized, user-friendly and competitive permit assistance program.		2023-20245 – Actively working with new software, iWorQ, to implement new City permitting. Currently active with Building & Safety, Planning, Finance and Finance. 2025 – added ProWest rest service.
		6) Establish partnerships with local real estate professionals to develop strategies for promoting and marketing opportunities within Highland.		City Staff has on on-going relationship with two local real estate companies who assist the City as needed.
		7) Undertake periodic market demand updates as part of the City's economic development strategy.		Information frequently provided by private developers and used to update City strategies.
Economic Development	Goal 9.4 Continue prudent fiscal management and balanced land use policies that increase public revenues commensurate with the growth of public infrastructure and services.			
		1) Maintain steady growth in key public revenue sources, such as property taxes and sales taxes, in order to provide high quality public services and capital facilities.		Continued development of the Golden Triangle Policy Area, Victoria Avenue, and within the Town Center Policy Area.
		2) Establish the desired level of service for public services such as fire, police, public works and community services, and prioritize these public service areas for the allocation of revenues for ongoing operations and maintenance costs.		On-going effort during bi-annual budget preparation, Work Program and Capital Improvement Program.
		3) Evaluate the effectiveness and reliability of existing sources of funding that provide funds for public improvements needed to support projected growth, such as redevelopment monies, development impact fees and grants.		On-going. 2023 DIF Update effective 4/1/2024
		4) Maintain a Capital Improvement Program (CIP) that establishes required capital improvements projects, priorities and revenue sources for each capital project.		On-going. Annual CIP review conducted
		5) Explore alternative funding sources in light of uncertain and changing State financial arrangements with cities, researching the applicability of new grants and funding sources to provide funding for CIP projects.		On-going.
		6) Evaluate the feasibility of local financing approaches to provide future sources of funding for public services, such as: property based landscape and lighting districts, business improvement districts, special taxes and special assessments.		On-going. Community Facilities Districts (CFDs) considered on case-by-case request.
		7) Maintain retail competitiveness to provide a reliable tax base for increased public municipal revenues needed to support growth.		Ongoing.
		8) Coordinate with the Chamber of Commerce and the business community to maintain a business attraction program that will provide a mix of good paying jobs and increased sales tax revenues		Ongoing.
		9) Implement land use policies that address a balance of land uses to generate a mix of jobs, increase public revenues and promote fiscal stability.		General Plan and zoning designations upheld and adjusted on a case-by-case basis to address changes in the marketplace.
Economic Development	Goal 9.5 Develop one of the Inland Empire's most sought after and successful industrial and business park districts along the 5th Street corridor.			
		1) Promote light industrial and business park uses along 5th Street.		On-going.
		2) Continue proactive and cooperative planning efforts as a member of the Board of		Consideration of a joint IVDA, City of San Bernardino, Highland Specific Plan for areas around the SBIAA.

General Plan Element:	Goals:	Policies:	Actions:	**Implementation & Progress:**
		the San Bernardino International Airport.		
		3) Develop and implement streetscape improvement plans for 5th Street as a major gateway corridor to the airport area.		On-going through the development of the IVIC CIP and IVDA.
		4) Adopt design guidelines for the creation of a high quality business park environment including architectural standards, signage, landscaping and parking.		Consideration of a joint IVDA, City of San Bernardino, Highland Specific Plan for areas around the SBIAA. Work Program Item for the IVIC.
		5) Limit nonconforming development that might compromise the integrity of the area as an industrial/business park center.		Addressed in the City's Municipal Code standards.
	Goal 9.6 Continue to play an active role in providing timely information about employment opportunities and workforce education.			
		1) Support career education programs in local schools such as the Regional Occupation Program, career academies, internships, job shadowing, Career Speaker Programs, Career Day and other programs.		Real Journeys Academy charter middle school and high school approved and opened in 2018. Anticipated attendance of 1,200. The City Annually supports a high school "shadowing" program in conjunction with the Redlands Unified School District and Optimist Club.
		2) Tailor job training and placement programs to all economic segments of the community.		
Chapter 10 – Community Design Element				
Community Design	Goal 10.1 Create a unified and attractive community identity within the context of diverse neighborhoods and land uses.			
		1) Continue to designate primary and secondary entry points for gateway monumentation into the City.		Efforts to achieve this along Base Line with the new Base Line Bridge project have provided an excellent gateway for the City and Town Center. Ongoing efforts along the 3rd and 5th Street Corridors have also been achieved this year with new development providing public art visible from the right-of-way.
		2) Incorporate the City logo in public spaces and public facilities.		On-going with each development project that has significant signage or is located along a gateway. New Trails Logo on Trail Signs and Patches. City Logo on City Street Signs. San Manuel Village Freeway Signage. City logo on Base Line Interchange retaining walls and bridge fencing. Marinita Freeway-Oriented Sign.
		3) Identify, preserve and enhance view corridors of major landmarks, community facilities and natural open space in the planning and design of all public and private projects.		On-going. Implemented in Mediterra Planned Development.
		4) Continue to identify opportunities to incorporate public art in conjunction with redevelopment and capital improvements projects.		On-going. Retail center at southwest corner of Greenspot and Church St. Base Line Interchange Project includes Citrus packing logos on bridge monument signs. Patriot Partners, Lovett and Crow Holdings projects all incorporated public art near the right-of-way.
		5) Pursue unifying streetscape elements for major corridors, including coordinated streetlights, landscaping, public signage, street furniture and hardscaping.		Base Line Beautification Program. Greenspot Road Beautification Program. 5th Street Bridge, Boulder Bridge, Greenspot Bridge. Base Line Interchange Project includes new interchange landscaping and hardscaping
		6) Ensure that the design of all public facilities fits well into its surroundings and incorporates symbolic references to the City of Highland.		On-going.
Community Design	Goal 10.2 Create attractive and visually unified major arterial corridors through specialized streetscape and landscape improvement plans.			
		1) Incorporate unifying and consistent streetscape elements—landscaped parkways and medians, regularly spaced trees, street lighting and street furniture—for the City's major arterial corridors.		Base Line Beautification Program completed. Greenspot Road Beautification Program. 5th Street Bridge, Boulder Bridge and Greenspot Bridge. Base Line Interchange Project
		2) Incorporate City-themed design features such as banners, gateway and monument signage, and specialized landscaping in appropriate areas and as a part of streetscape improvement plans.		Base Line Beautification Program. Greenspot Road Beautification Program. 5th Street Bridge, Boulder Bridge and Greenspot Bridge. Base Line Interchange Project
			1) Develop plans for design	Base Line Beautification Program with intersection

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General Plan Element:	Goals:	Policies:	Actions:	
			enhancements at key intersections to include specialized paving, enlarged setbacks and accent landscaping and signage.	pavers. Greenspot Road Beautification Program. 5th Street Bridge, Boulder Bridge and Greenspot Bridge. New industrial and commercial projects along major corridors – Base Line, 5th Street, Palm Avenue Base Line Interchange Project
			2) Continue to underground utility lines along the City's arterial corridors.	On-going. City's Underground Utility Ordinance requires utility undergrounding by new development. Rule 20A Funding.
			3) Develop sign guidelines for major arterials.	2023 – work with surrounding jurisdictions to begin a draft Inland Valley Infrastructure Corridor Program document.
			4) Develop a specialized streetscape plan for 3rd and 5th Streets featuring a formal street and landscape plan along with appropriate gateway and monument signage for the developing industrial/business park area.	Consideration of a joint IVDA, City of San Bernardino, Highland Inland Valley Infrastructure Corridor Program for areas around the SBIAA (IVIC)
			5) Develop specialized streetscape plan for Victoria Avenue featuring formalized landscaping and signage that identifies the entrance to Highland and the San Bernardino International Airport.	2022 – street trees identified by the City's Landscape Architect for development along Victoria Avenue (IVIC).
			6) Methodically upgrade existing structures to improve aesthetics and compatibility with adjacent uses along corridors.	Highland Plaza across the street from City Hall (RDA project).
			7) Lower the height of street monument signs to street level.	Achieved with a Sign Code update in 2010.
			8) Choose median tree species that reflect the historic traditions of the City and are consistent with indigenous vegetation.	Ongoing by Planning, Public Services and Public Works Divisions.
			9) The use of fire resistant plants and trees is encouraged, especially in areas near the foothills. If palms, or other similar trees, are used, space trees far enough apart to keep fire from traveling from one tree to another, an occurrence more likely during Santa Ana wind conditions.	On-going. Fire Modification Plans approved for Mediterra Planned Development including a list of species.
Community Design	Goal 10.3 Create a Town Center that is visually distinctive and vibrant and combines retail, residential, civic, cultural and recreational uses.			
		1) Heighten the sense of arrival to the Town Center through differentiated edge treatment including entry signs, specialized landscaping, street furniture and differentiated paving.		Town Center Street Sign Arch design approved by City Council. Base Line Beautification program. 2023 – Tractor Supply & Marinita projects
		2) Encourage an appropriate mix of retail, office and civic uses to ensure the economic viability of the area.		2020-2021 – Approved uses include restaurant and retail in addition to residential; Tractor Supply Co. store, Smart & Final grocery store, four quick service restaurants and several place holding pads. 2023 – Tractor Supply & Marinita projects
		3) Encourage compactness. Successful town centers stimulate energy and pedestrian activity by concentrating uses.		Pedestrian plaza features installed by at several new businesses in the Town Center; Smart & Final, Marinita and Woodcrest/Tractor Supply Co.
		4) Provide convenient and consolidated parking where cars are screened from view, wherever possible.		Examples would include would be parking located along the rear of Bakers and CVS.
		5) Provide comfortable pedestrian amenities—quality sitting areas, wide paths and shade—along with specialized and engaging design features, such as interesting fountains or public art, which draw and maintain people's attention.		2016/2021 - Pedestrian plazas with and without benches have either been constructed or approved in concept at each intersection within the Town Center Policy Area. Art has been installed on the Family Dollar store, CVS pharmacy, and Baker's restaurant.
		6) Design plazas and people gathering places to be consistent with the policies described in "People Gathering Places" of this Element.		2016/2021 - Pedestrian plazas with and without benches have either been constructed or approved in concept at each intersection within the Town Center Policy Area.
		7) Incorporate references to the City's history and regional setting in the Town Center design.		Interior and exterior exhibits at CVS/Baker's/Family Dollar/Smart & Final
			1) Require future development within the Town Center to demonstrate consistency with the Town Center Vision, General Plan policies and, where applicable, the Mixed Use design guidelines	On-going.

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General Plan Element:	Goals:	Policies:	Actions:	
			contained within the Development Code.	
Community Design	Goal 10.4 Encourage mixed and multi-use development that is attractively designed, convenient, and contains the desired mix of retail, office and residential uses.			
		1) Encourage design flexibility in mixed/multi-use development by allowing both a vertical and/or horizontal mix of uses.		Tractor Supply and Greenspot Village & Marketplace both commencing and/or continuing construction in 2024.
		2) Locate mixed/multi-use development in areas of high visibility and accessibility.		Greenspot Village & Marketplace Specific Plan, approved in 2014 and Woodcrest/Tractor Supply project approved in 2021.
		3) Segregate residential parking from commercial and office parking.		On-going.
		4) Provide each residential use with its own private space (such as balconies, patios, terraces or upper level private gardens and plazas) along with larger communal spaces such as lobbies, central gardens or courtyards, and convenient connections to the street and retail uses.		On-going. Woodcrest, Rexco, TREH and Alliance projects.
		5) Where a vertical mix of uses occurs, site retail or office uses on the ground floor, with residential and/or office uses above. Also, encourage architectural detailing that differentiates each use.		Ongoing. 2024 Example of implementation occurred at 26462 Pacific Street mixed use residential/retail development.
		6) Locate commercial/retail uses near the sidewalk to provide high visibility from the street.		Town Center & Golden Triangle Policy Areas.
		7) Minimize the visual impact of surface parking by providing berms, landscape buffering and/or locating parking lots to the rear or side of buildings or below buildings.		On-going. Standard Planning Condition of Approval to provide a 3 foot wall or landscape berm.
		8) In multi-use development, locate retail and commercial development close to street for higher visibility and residential uses behind for convenience and privacy.		Smart & Final/KZ Devco & TREH projects.
Community Design	Goal 10.5 Encourage the development of attractive, vibrant and convenient commercial centers through careful application of design policies and development standards.			
		1) Design highly visible entrances to retail activity centers through accent landscaping and lighting, enhanced intersection features, monument signs and other design amenities.		On-going. Rexco/Costco/TREH entries achieved this policy during 2023/2024.
		2) Design commercial centers with a unifying design theme, but add visual interest through rich architectural detailing, varied massing and rooflines, and accent lighting and landscaping.		East Highlands Village Shopping Center, CVS/Baker's/Family Dollar, Highland Crossings and Highland Crossroads
		3) Locate buildings and building frontages close to the street and street corners with parking behind or to the side of the buildings. Where this is not possible or practical, ensure that street-facing parking is shielded through landscaping or berms.		On-going. Achieved with Panda Express, Jack in the Box, and Ono Hawaiian restaurants.
		4) Provide ample landscaping for internal parking areas using landscaped bays and overstory shade trees.		On-going.
		5) Clearly delineate pedestrian routes from parking areas to retail uses to allow easy and safe pedestrian movement.		On-going.
		6) Encourage pedestrian-scale features such as shaded sitting areas, fountains, arcades, canopies and/or awnings, customized signage and strategically located secondary entrances.		Proposed for the Town Center Policy Area and Golden Triangle Policy Area. TREH plaza between Pads 4 & 5.
		7) Provide people-gathering places and amenities such as miniplazas, courtyards, benches, outdoor eating areas, specialized landscaping, accent lighting, public art, shade, trash receptacles and water fountains.		Proposed for the Town Center Policy Area and Golden Triangle Policy Area. TREH plaza between Pads 4 & 5.
		8) Link newly developed retail activity centers, where practical, to surrounding residential or office uses through clear and safe pedestrian and bicycle connections.		Proposed for the Town Center Policy Area and Golden Triangle Policy Area.
		9) Encourage internal access between adjacent properties in order to minimize curb cuts along major thoroughfares.		Proposed for the Town Center Policy Area and Golden Triangle Policy Area.
		10) Provide walls when necessary for security and/or privacy from adjoining residential		2022 – TREH Commercial and residential projects along SR 210.

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General Plan Element:	Goals:	Policies:	Actions:	
		uses. When walls are necessary, pedestrian breaks should be provided for access to commercial uses.		
		11) Encourage creative wall design to avoid a blank appearance and utilize landscape buffers as an alternative to walls to facilitate pedestrian linkages to commercial areas.		2022 – TREH Commercial and residential projects along SR 210.
Community Design	Goal 10.6 Maintain and enhance single-family neighborhoods with attractive streetscapes, compatible architecture and a high quality of life.			
		1) Incorporate landscaped parkways, consistently spaced street trees, continuous sidewalks and pedestrian-scale streetlights, wherever possible.		On-going
		2) Require new and infill development to be of compatible scale, materials and massing relative to existing development.		East Highlands Village and Historic Village Districts. Base line Corridor
		3) Encourage a variety of architectural styles, massing, floor plans, façade treatment and elevations to create visual interest along the street.		On-going
		4) Encourage street facing architecture by placing entries and porches at the front of the residence and connecting them to the sidewalk by a pathway.		KZ Holdings residential component.
		5) Encourage a blend of compatible architectural styles that contain rich façade detailing, varied rooflines and quality materials incorporated on all four sides of the residence.		Mediterra Planned Development
		6) Site garages back from the street and minimize street frontage devoted to driveways and vehicular access.		KZ Holdings on Church Ave, north of Base Line.
		7) Consider small lot developments with rear allies that position the garage and driveway to the back of the site to avoid garage dominated streetscapes.		KZ Holdings on Church Ave, north of Base Line.
		8) Maintain, improve and/or develop parkways with canopy street trees, providing shade, beauty and a unifying element to residential streets.		On-going in all new development projects.
		9) Encourage maximum landscape coverage of the front yard area as defined by the front setback.		On-going.
		10) Where desirable, encourage traffic-calming measures such as the actual or visual narrowing of streets through widened parkways, canopy trees and neck-down curbs at intersections.		Mediterra Planned Development, Diversified tract along Aplin Street and Kiel/Beazer tract along Cabo Del Oeste.
		11) Design front-yard fencing that is low-scale, partially transparent and of compatible color, style and materials as the primary residence. Long and solid fences and walls are discouraged unless placed along the side or rear yards.		On-going. 2023 Examples would include San Carlo I and Mastercraft Highland Park.
		12) In areas of small lot development, incorporate design features that connect it with adjoining areas such as consistent setbacks, building height and pedestrian connections.		Richmond American "Serrano"/Glenrose Ranch & Mastercraft Highland Park.
		13) Establish design and development standards for entire single family developments from the start—remain consistent with enforcing requirements and standards.		On-going.
Community Design	Goal 10.7 Improve the visual quality of Base Line with mid-block corridor residential developments that are compatible with adjoining residential uses.			
		1) Buffer mid-block residential development from arterials through minimum setback requirements, landscaped parkways and semitransparent fencing.		Mastercraft's Highland Park project which began construction in 2023.
		2) Design the street-facing façades of corridor development to include extensive architectural detailing, varied surface treatment and interesting rooflines to convey an attractive domestic character.		KZ Devco and Woodcrest Companies projects .
		3) Provide highly visible and well-lit connections to adjacent residential and		TREH, San Carlo I and II, and Alliance Residential projects within the GVMP.

General Plan Element:	Goals:	Policies:	Actions:	**Implementation & Progress:**
		commercial development.		
		4) Encourage visual continuity along mid-block residential development through landscaped parkways, regularly spaced street trees and rhythmic variations of residential façades, styles and colors.		Mastercraft 42
		5) Reduce the visual impact of parking through consolidated parking arrangements, shared driveway access, alley-accessed designs, landscape buffers and recessed, covered parking structures.		Implemented in Richmond American's "Serrano" / Glenrose Ranch project, as well as San Carlo I and II.
		6) Encourage visual breaks in appropriately scaled walls and fencing along the corridor to balance privacy needs with aesthetic impacts. Long continuous blank walls are highly discouraged.		Implemented in Richmond American's "Serrano" / Glenrose Ranch project as well as San Carlo I and II.
		7) With multiple-family development, require that each unit have garage parking and a reasonable amount of usable private space including elevated decks, terraces, porches or rear yards.		Implemented through the City's multi-family development standards. San Carlo I and II both include garage parking as well as the approved TREH and Alliance products.
		8) On large project sites, encourage design flexibility by using maximum dwelling units per acre as a parcel average to allow for greater provision of on-site open space and project amenities.		Implemented in Richmond American's "Serrano" / Glenrose Ranch project.
		9) Require lot consolidation for lots under same ownership, wherever practical, to encourage more flexible design solutions and viable parcel sizes.		On-going.
		10) Provide pedestrian access and connections to nearby retail, transportation, recreation and educational centers, where practical.		Mediterra Planned Development.
		11) Require new and infill development to be of compatible scale, materials and massing relative to existing development.		Mastercraft 13 at Greenspot Road, Mastercraft 42 on Base Line, and Kiel 54 on Santa Ana Canyon Road.
Community Design	Goal 10.8 Ensure that industrial and business park development is professional and attractive in appearance through coordinated site planning, signage and architectural design guidelines.			
		1) Strengthen the image of industrial and business park areas through entry monument signage, distinctive landscaping and complementary architectural design elements.		Ongoing with each Industrial and Business Park development this policy is implemented (Patriot Partners, Crow Holdings, etc.)
		2) Encourage contemporary, clean and distinctive industrial buildings with clearly visible entrances.		Ongoing with each Industrial and Business Park development this policy is implemented (Patriot Partners, Crow Holdings, etc.)
		3) Avoid long, blank building walls by incorporating vertical and/or horizontal façade articulation and modulation and varying use of color, materials and landscaping.		Ongoing with each Industrial and Business Park development this policy is implemented (Patriot Partners, Crow Holdings, etc.)
		4) Promote the use of 5th Street as a gateway to San Bernardino International Airport through improved signage, gateway monumentation and skyway landscaping.		Greenspot Road Beautification Project entry sign. ~~City to participate with surrounding jurisdictions to draft the Inland Valley Infrastructure Corridor (IVIC) Program beginning in 2023.~~
		5) Capitalize on the access to industrial areas created by nearby State Route 30 through improved signage and gateway monumentation.		
		6) Provide incentives for consolidating smaller industrial lots into larger parcels.		Ongoing with individual projects such as Patriot, Crow Holdings and Lovett in 2023.
		7) Screen parking, storage and service areas from public view with landscaped walls, berms and appropriate landscaping treatments.		Required for all new industrial development.
		8) Where practical, underground or screen utilities and utility equipment or locate and size them to be as inconspicuous as possible.		New development condition of approval. Implemented through the City's commercial and residential design guidelines.
		9) Reduce the impact of industrial uses on adjacent neighborhoods and commercial areas by buffering them with walls and landscaping and/or by locating service, delivery and loading areas as far as possible from adjacent uses and public streets.		Patriot Partners, Crow Holdings and Lovett warehouse/distribution projects.
		10) Encourage adjacent industrial buildings to create shared outdoor gathering places that are landscaped and provide relaxing environments for staff and employees.		2020 - Transition Properties warehouse/distribution project, Phase 2.
		11) Locate restaurants and other convenience retail and service uses in close proximity to		Farmer Boys Restaurant on 5th Street and Palm Ave.

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General Plan Element:	Goals:	Policies:	Actions:	
		industrial uses to reduce unnecessary workday car trips by employees and business clients.		
Community Design	Goal 10.9 Support and strengthen public and private efforts to preserve historic structures and neighborhoods.			
		1) Encourage restoration and preservation of existing historic residences, buildings and neighborhoods that reflect the architectural character and streetscape patterns of early Highland.		Ongoing through the implementation of HMC 16.32 Historic Preservation as applicable to all historically designated structures and districts. Ongoing distribution of Newsletter describing preferred restoration methods & funding to these property owners. Grant funding available for exterior painting, window and door replacement. Annual awards presented to good examples of preservation and presented at the Citrus Harvest Festival
		2) Assist eligible property owners to use federal and state incentives for the restoration and maintenance of historic properties, such as the State of California's Mills Act, which allows for a reduction in property taxes for qualified owners.		Mills Act available and advertised. Most recent application processed in 2023.
		3) Develop a clear pedestrian and vehicular connection between the City's emerging Town Center and the existing Historic District.		Public Works continues to apply for a grant to improve portions of Palm Avenue and Pacific Street.
		4) Design and incorporate entry signs, informational plaques, streetscape improvements and other edge and boundary treatments at points of entry into the district and at other points of interest.		Plaque Program / District Identification Signs in place.
		5) Update the design guidelines pamphlet for rehabilitation, remodeling and new construction within the historic district.		On-going. Achieved.
		6) Review and enhance the City's community outreach program for historic preservation through links on the City's webpage, incentive programs for property owners, sponsorship of community events and other efforts.		Ongoing including the Citrus Harvest Festival.
		7) Link the City's agricultural past to its current preservation efforts.		Citrus Harvest Festival.
			1) Evaluate the desirability of adopting and applying a historic district overlay zone, which would include design review standards for rehabilitation, remodeling and new construction, to Highland's historic area.	Completed.
			2) Evaluate the desirability of adopting and applying design guidelines or special zoning to the small East Highland Village historic neighborhood.	Adopted in 2009.
			3) Develop a walking tour of the historic district, with informational placards along the way, to promote interest in the district.	On-going. Achieved annually including 2023~~5~~. Tours provided by members of the City's Historic and Cultural Preservation Board
			4) Study the feasibility and possible extent of adaptive reuse of residential and commercial buildings in the Historic Village District on a parcel-by-parcel basis.	Ongoing when individual opportunities arise. Shorty's garage is a 2023 example.
			5) Develop design guidelines for the adaptive reuse of historic residential buildings for commercial uses and commercial buildings for residential uses.	Completed.
Community Design	Goal 10.10 Guide the development of a variety of attractive, engaging and convenient public spaces, including plazas, pedestrian areas and recreational open space.			
		1) Design plazas with: • Ample seating space; • A central focal point or amenity of interest such as public art or fountain; • Proximity to and visibility to and from the street; • Combinations of sun and shade; • All age groups in mind; and		Greenspot Village & Marketplace Specific Plan between Pads 4 and 5.

City of Highland General Plan (Comprehensively Updated in 2006 – CC Resolution No. 2006-015) **Implementation Plan - Annual Review**				**Implementation & Progress:**
General Plan Element:	Goals:	Policies:	Actions:	
		• Public space framed by surrounding buildings.		
		2) Locate plazas in areas of high visibility such as near streets or along sidewalks or pedestrian paths.		Greenspot Village & Marketplace between Pads 4 and 5.
		3) In areas of heavy pedestrian use, provide wide sidewalks that allow room for window shopping, pedestrian passage, outdoor dining and landscape buffers.		Greenspot Village & Marketplace Specific Plan.
		4) Incorporate civic, regional or vernacular design elements such as historical markers and educational exhibits, where appropriate.		New Police Station Memorial Park at the s/e corner of Central Avenue and Base Line.
		5) Incorporate pedestrian scaled, distinctive lighting fixtures in community facilities and other public places with occasional or frequent evening use.		5th Street and Base Line.
		6) Design recreational amenities and parks with all age groups in mind and incorporate architectural and landscape elements consistent with City or regional design themes.		Ongoing – Mediterra
		7) Incorporate small sitting areas and/or shaded courtyards close to shopping areas but buffered from parking and traffic impacts.		All projects within the Town Center Policy Area.
		8) Adopt standards for civic and mini-plazas containing seating, tree and amenity requirements.		Ongoing – Mediterra
Community Design	Goal 10.11 Promote attractive, appropriately scaled and well-coordinated signs.			
		1) Continue to develop and enhance the City's graphics and sign program for street signs, parks, public facilities and other civic areas.		New signage found on Jack in the Box and Panda restaurants and the Marinita project at Base Line & the 210 Freeway
		2) For commercial centers along arterial corridors, encourage monument signs that are clearly visible, identify key uses and reflect the design theme of the development.		Found at the intersections of the 210 Freeway with Greensnpot Road and Base Line.
		3) Within commercial centers, use complementary, yet distinctive, sign styles.		On-going. Recent examples include the GVMP Sign Program.
		4) Within commercial centers, encourage high quality signage, including wall signs, raised letter signs, projecting double-faced signs and customized logos, which complement the architecture of the building or center of which it is a part.		On-going. Recent examples include the GVMP Sign Program.
		5) Discourage signs that incorporate blinking or flashing elements, pole structures, roof signs or the use of temporary lettering or structures.		On-going. Implemented through City's Sign Code.
		6) Encourage and develop smaller-scale, customized, pedestrian oriented signs within the Town Center.		Sign Code update completed.
			1) Develop a sign guidelines manual with examples of appropriate signs of various scales for arterials, commercial centers and the Town Center. Maximum height limits would need to be defined.	Sign Code update completed.
Community Design	Goal 10.12 Encourage development that is energy efficient and environmentally sustainable.			
		1) Encourage landscaping practices that increase energy efficiency and conserve natural resources such as:		On-going. Implemented through the City's Water Efficiency Ordinance.
		2) Planting trees and incorporating landscaped berms to provide shade and wind buffering		On-going along Base Line and 5th Street/Greenspot Road.
		3) Using native and drought-tolerant landscaping ("xeriscaping") and drip irrigation to conserve water resources.		On-going. City facilities and LMD were converted.
		4) Encourage designs that channel runoff to permeable surfaces.		On-going for each entitlement project as their WQMP plans are approved
		5) Encourage transit-oriented, infill development to make efficient use of existing land.		Projects along Base Line and 5th Street are poised to take advantage of the Omnitrans bus system.
		6) Encourage site planning and building orientation that maximizes solar and wind resources for cooling and heating.		
		7) Encourage the use of ecologically sound building materials such as those made of recycled content and contain low amounts of volatile organic compounds (VOCs).		Adopted most recent Cal Green Building Standard Code.
		8) During construction, require developers and builders to protect topsoil in order to		On-going. Enforcement of NPDES and BMPs

City of Highland General Plan (Comprehensively Updated in 2006 – CC Resolution No. 2006-015) **Implementation Plan - Annual Review**				**Implementation & Progress:**
General Plan Element:	Goals:	Policies:	Actions:	
		reduce dust and runoff impacts.		
		9) Encourage local recycling and composting initiatives at the neighborhood level.		City offers bi-annual composting give-away days. Recycling is encouraged through social media and direct contact to residents and businesses.
			1) Participate in the CEEP (Community Energy Efficiency Program) Certificate and Recognition Program.	City Council Work Program Item (2009/2010) – "Establish a Green Building Site Design Incentive Program (LEED & CEED)"
			2) Adopt LEED (Leadership in Energy and Environmental Design) design standards for public buildings.	City Council Work Program Item (2009/2010) – "Establish a Green Building Site Design Incentive Program (LEED & CEED)"
			3) Provide "green planning" site design incentives, such as density or height bonuses, reduced parking requirements, reduced processing fees and expedited plan checks.	City Council Work Program Item (2009/2010) – "Establish a Green Building Site Design Incentive Program (LEED & CEED)"
			4) Continue to use water and energy conservation practices in all public buildings and on City property.	Ongoing.
			5) Sponsor community outreach and educational programs that encourage local schools to study and participate in green building design practices.	Public outreach during local events such as the Citrus Harvest Festival and Discover Highland Night.
Community Design	Goal 10.13 Appropriately buffer the boundaries between differing land uses and provide transitions where necessary.			
		1) Encourage the use of landscaped walls or fences that buffer residential areas from commercial uses to allow privacy and noise absorption.		2023 Examples – Patriot/Crow Holdings/Lovett warehousing/distribution projects utilized these measures, as well as retail and residential projects such as Costco Warehouse store, Kevin Kent Tow Yards and San Carlo Townhomes II. 2025 – Greenspot Crossings between PA1, PA2 and PA3.
		2) Reduce the visual impact of freestanding walls by varying their alignment, adding landscaping and/or berms, incorporating decorative surface detailing and choosing materials similar to adjacent residential uses.		On-going. 2025 – Greensnpot Crossings PA1 and PA2.
		3) Locate service lanes, storage and noise-generating uses away from adjoining residential or commercial areas to buffer light industrial and business park areas.		On-going
		4) Link newly developed commercial centers, where practical, to adjoining residential uses.		2025 Examples include residential and commercial projects approved within the GVMP Specific Plan including Costco and San Carlo II Townhomes.
		5) Encourage transitions that define boundaries but that also preserve a sense of openness and connectivity. For example, perimeter subdivision walls can contain occasional breaks to provide access to open space and adjoining areas.		2025 – San Carlo II Townhomes approved, and San Carlo I built both of which provide this type of fencing.
		6) Reconsider subdivision design to reduce or eliminate perimeter block walls to allow more houses and structures to face the street.		KZ Holdings
		7) Encourage use of landscaped trellises and accent landscaping at development entries rather than walls or structures.		San Carlo I and II.
		8) Develop visual and functional transitions to the Town Center and Historic District through entry signs, specialized street lights, widened sidewalks and differentiated paving.		City Council Work Program – "Palm Ave Streetscape Design Guidelines"
Chapter 11 – Airport Element				
Airport	Goal 11.1 Reduce exposure of people to aircraft noise and overflights, and ensure adequate public notification through buyer awareness measures.			
		1) Limit the development of sensitive land uses located within the 65 decibel (dB) Community Noise Equivalent Level (CNEL) contour.		Implemented by the adoption of the City's Airport Overlay Zone and Safety Compatibility Ordinance (2009) – Ord No. 342, and 343
		2) Require acoustical analysis and noise mitigation measures for sensitive land uses,		Implemented by the adoption of the City's Airport Overlay Zone and Safety Compatibility Ordinance

General Plan Element:	Goals:	Policies:	Actions:	**Implementation & Progress:**
		especially residential uses, in areas significantly impacted by noise.		(2009) – Ord No. 342, and 343
		3) Ensure compliance of new development with noise standards in the Code of Federal Regulations and California Airport Noise Regulations.		Implemented by the adoption of the City's Airport Overlay Zone and Safety Compatibility Ordinance (2009) – Ord No. 342, and 343
		4) Ensure adherence to standards in the California Building Code (CBC) that govern acceptable interior noise levels associated with exterior airport noise sources.		Implemented by the adoption of the City's Airport Overlay Zone and Safety Compatibility Ordinance (2009) – Ord No. 342, and 343
		5) Participate in planning activities relative to the location and activity of airports and minimize negative impacts on economic development objectives and quality of life in the City.		Implemented by the adoption of the City's Airport Overlay Zone and Safety Compatibility Ordinance (2009) – Ord No. 342, and 343
			1) Disseminate the latest information on noise mitigation through site planning review and construction techniques.	Ongoing with each land use entitlement issued by the City that requires a discretionary permit.
			2) Review and respond aggressively to any proposals involving new flight patterns, more intense operations over the City, or relocation or extension of runways that would create the potential for noise impacts on sensitive land uses within the City.	2019- 2023 - Attend annual Airport Environmental Mitigation meeting. Ongoing.
			3) Work with the San Bernardino International Airport Authority to encourage restrictions on hours of operation to minimize noise impacts.	On-going as projects are proposed.
Airport	Goal 11.2 Reduce the risk to people and property by limiting the type and intensity of development in identified impact areas, ensuring adequate emergency response facilities within or adjacent to airport uses, and requiring adequate public notification of safety policies and procedures.			
		1) Evaluate land use compatibility and safety issues in designated Airport Influence Areas (AIAs) by: • Coordinated planning with regional planning authorities • Compliance with applicable Airport Master Plans, Federal Aviation Administration (FAA) requirements and the California Airport Land Use Planning Handbook.		Implemented by the adoption of the City's Airport Overlay Zone and Safety Compatibility Ordinance (2009) – Ord No. 342, and 343 All new development projects are reviewed in compliance with Influence Areas of the SBIA and Redlands Municipal Airport. Most recent concerns were addressed during the development of ~~Mediterra, Beazer and~~ Century Homes TR 19915, Crestwood TR 20387, Diversified TR 20721, as well as all commercial and industrial projects.
		2) Limit the type and intensity of development in designated Airport Influence Areas (AIAs).		Implemented by the adoption of the City's Airport Overlay Zone and Safety Compatibility Ordinance (2009) – Ord No. 342, and 343
		3) Avoid siting sensitive uses, especially residences, schools and hospitals, nearby airport runways or along approved flight paths.		Implemented by the adoption of the City's Airport Overlay Zone and Safety Compatibility Ordinance (2009) – Ord No. 342, and 343
		4) Encourage the development of open space areas in Highland adjacent to designated airport safety zones.		Implemented by the adoption of the City's Airport Overlay Zone and Safety Compatibility Ordinance (2009) – Ord No. 342, and 343
		5) Encourage notification requirements and establish a buyer awareness program for areas of Highland within established Areas of Special Compatibility Concern.		Implemented by the adoption of the City's Airport Overlay Zone and Safety Compatibility Ordinance (2009) – Ord No. 342, and 343 Ongoing – Condition of each development project within the affected area.
		6) Work with the San Bernardino International Airport Authority to ensure that Airport Plans enhance economic advantage, minimize negative impacts to land values and protect Highland's quality of life.		Continue to notify the SBIA on all new development projects in the City. Where applicable, the SBIA enforces land use restrictions and prohibitions.
			1) Establish occupancy requirements (i.e., noise mitigation and height restrictions) within established airport easement or overflight areas as a condition of approval for new development.	On-going Adoption of SBIA & Highland Interagency Cooperative Agreement adopted on August 22, 2007. Implemented by the adoption of the City's Airport Overlay Zone and Safety Compatibility Ordinance (2009) – Ord No. 342, and 343 Continue to notify the SBIA on all new development projects in the City. Where applicable, the SBIA requests Avigation Easements.
			2) Require letters of advisement	Implemented by the adoption of the City's Airport

City of Highland General Plan (Comprehensively Updated in 2006 – CC Resolution No. 2006-015) **Implementation Plan - Annual Review**				**Implementation & Progress:**
General Plan Element:	Goals:	Policies:	Actions:	
			incorporating information in Conditions, Covenants and Restrictions (CCRs) or Real Estate Disclosures, which report where projects occur within established 65 Community Noise Equivalent (CNEL) and an established Airport Influence Area (AIA).	Overlay Zone and Safety Compatibility Ordinance (2009) – Ord No. 342, and 343 Continue to notify the SBIA on all new development projects in the City. Where applicable, the SBIA requests Avigation Easements.
Airport	Goal 11.3 Promote the development of the 5th Street Corridor as an attractive employment center and gateway to the San Bernardino International Airport.			
		1) Coordinate proactive airport planning efforts with the City of San Bernardino and the San Bernardino International Airport Authority.		Implemented by the adoption of the City's Airport Overlay Zone and Safety Compatibility Ordinance (2009) – Ord No. 342, and 343 2023 – Coordinated with surrounding jurisdictions, lead by the San Bernardino International Airport, to begin draft of the "Inland Valley Infrastructure Corridor Plan". The draft EIR was started. 2025 – The IVIC Plan was tabled by the SBIAA due to threat of litigation with respect to the Plan's CEQA analysis. The City continues to work closely with the SBIA on land use related items including promotion of the Corridor for compatible commercial and industrial (non-residential) land uses. (i.e. 7 logistics projects and various business park and commercial uses approved within the last 5 years within the Corridor).
		2) Promote the 5th Street Corridor as a visually unified, business friendly employment center.		This Policy is being implemented with all new development in the Corridor including the Patriot Partners and Crow Holdings projects approved between 2021 and 2024, totaling more than 7 warehouse/distribution projects.
		3) Provide adequate transitions and/or buffers between existing residential neighborhoods and industrial and other incompatible land uses.		Residential buffers are considered during the land use planning and CEQA process with each project. Consideration given to "Warehouse Projects: Best Practices and Mitigation Measures to Comply with the California Environmental Quality Act issued by Attorney General Becerra's Bureau of Environmental Justice.
		4) Participate in Airport planning efforts to promote compatibility with the City's General Plan.		Implemented by the adoption of the City's Airport Overlay Zone and Safety Compatibility Ordinance (2009) – Ord No. 342, and 343 ~~Assist in drafting the new "Inland Valley Infrastructure Corridor Plan" beginning in late 2023.~~
		5) Ensure consistency with appropriate Airport Land Use Compatibility Plans, once adopted.		Implemented by the adoption of the City's Airport Overlay Zone and Safety Compatibility Ordinance (2009) – Ord No. 342, and 343. Attend annual Hazard Mitigation Meetings to coordinate land use and biological impacts at and near the Airport. ~~Assist in drafting the new "Inland Valley Infrastructure Corridor Plan" beginning in late 2023.~~
		6) Encourage flexible development standards that account for changes in market demand related to airport cargo, storage and distribution.		~~Assist in drafting the new "Inland Valley Infrastructure Corridor Plan" beginning in late 2023.~~
			1) Develop a comprehensive gateway boulevard streetscape improvement plan for 5th Street.	CIP & IVDA. ~~"Inland Valley Infrastructure Corridor Plan" draft beginning in late 2023.~~
			2) Develop comprehensive design guidelines for the landscaping, architecture and streetscapes within the 5th Street Corridor.	CIP & IVDA. ~~Assist in drafting the new "Inland Valley Infrastructure Corridor Plan" (IVIC) beginning in late 2023.~~

ATTACHMENT 2

Housing Element

2025 Annual Report

Jurisdiction	Highland	
Reporting Year	2025	(Jan. 1 - Dec. 31)
Housing Element Planning Period	6th Cycle	10/15/2021 - 10/15/2029

Building Permits Issued by Affordability Summary		
Income Level		**Current Year**
Acutely Low	Deed Restricted	0
	Non-Deed Restricted	0
Extremely Low	Deed Restricted	0
	Non-Deed Restricted	0
Very Low	Deed Restricted	0
	Non-Deed Restricted	61
Low	Deed Restricted	0
	Non-Deed Restricted	0
Moderate	Deed Restricted	0
	Non-Deed Restricted	291
Above Moderate		2
Total Units		**354**

Units by Structure Type	Entitled	Permitted	Completed
Single-family Attached	0	0	0
Single-family Detached	115	47	34
2 to 4 units per structure	0	0	0
5+ units per structure	0	248	0
Accessory Dwelling Unit	0	59	37
Mobile/Manufactured Home	0	0	0
Total	**115**	**354**	**71**

Infill Housing Developments and Infill Units Permitted	# of Projects	Units
Indicated as Infill	137	354
Not Indicated as Infill	0	0

Housing Applications Summary	
Total Housing Applications Submitted:	36
Number of Proposed Units in All Applications Received:	252
Total Housing Units Approved:	31
Total Housing Units Disapproved:	0

Use of SB 423 Streamlining Provisions - Applications	
Number of SB 423 Streamlining Applications	0
Number of SB 423 Streamlining Applications Approved	0

Units Constructed - SB 423 Streamlining Permits			
Income	**Rental**	**Ownership**	**Total**
Acutely Low	0	0	0
Extremely Low	0	0	0
Very Low	0	0	0
Low	0	0	0
Moderate	0	0	0
Above Moderate	0	0	0
Total	**0**	**0**	**0**

Streamlining Provisions Used - Permitted Units	# of Projects	Units
SB 9 (2021) - Duplex in SF Zone	0	0
SB 9 (2021) - Residential Lot Split	0	0
AB 2011 (2022)	0	0
SB 6 (2022)	0	0
SB 423 (2023)	0	0

Ministerial and Discretionary Applications	# of	Units
Ministerial	36	252
Discretionary	0	0

Density Bonus Applications and Units Permitted	
Number of Applications Submitted Requesting a Density Bonus	0
Number of Units in Applications Submitted Requesting a Density Bonus	0
Number of Projects Permitted with a Density Bonus	0
Number of Units in Projects Permitted with a Density Bonus	0

Housing Element Programs Implemented and Sites Rezoned	Count
Programs Implemented	71
Sites Rezoned to Accommodate the RHNA	0

Jurisdiction	Highland	
Reporting Year	2025	(Jan. 1 - Dec. 31)
Planning Period	6th Cycle	10/15/2021 - 10/15/2029

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

Table A
Housing Development Applications Submitted

Project Identifier					Unit Types		Date Application Submitted	Proposed Units - Affordability by Household Incomes										Total Approved Units by Project	Total Disapproved Units by Project	Streamlining	Historic Sites	Density Bo Applica
1					2	3	4					5						6	7	8	9	10	11
Prior APN*	Current APN	Street Address	Project Name*	Local Jurisdiction Tracking ID	Unit Category (SFA,SFD,2 to 4,5+,ADU,MH)	Tenure R=Renter O=Owner	Date Application Submitted (see instructions)	Acutely Low-Income Deed Restricted	Acutely Low-Income Non Deed Restricted	Extremely Low-Income Deed Restricted	Extremely Low-Income Non Deed Restricted	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Total PROPOSED Units by Project	Total APPROVED Units by project	Total DISAPPROVED Units by Project	Please select state streamlining provision/s the application was submitted pursuant to.	Is this project located on a site with an associated historical designation as outlined in Government Code Section 65400(a)(2)(N) and reported on Table L?	Did the housing development application seek incentives or concessions pursuant to Government Code section 65915?
Summary Row: Start Data Entry Below								0	0	0	0	0	34	0	0	0	218	0	252	31	0			
	1201-341-02	7712 Calhoun Rd	574 Detached ADU	ADU 25-001	ADU	R	1/9/2025						1						1	1		NONE	No	No
	1192-141-73	26466 Temple	Detached 748 sf ADU	ADU 25-002	ADU	R	1/27/2025						1						1	1		NONE	No	No
	278-113-12	25544 9th St	1193 sf Detached ADU	ADU 25-003	ADU	R	2/18/2025						1						1	1		NONE	No	No
	1200-511-19	28297 Cornus Ct	Detached 722 sf ADU	ADU 25-004	ADU	R	2/5/2025						1						1	1		NONE	No	No
	1192-141-07	7511 Valaria Dr	416 sf Garage Conversion ADU	ADU 25-005	ADU	R	3/4/2025						1						1	1		NONE	No	No
	0273-161-21	25546 Byron St.	1200 sf Detached ADU	ADU 25-006	ADU	R	2/16/2025						1						1	1		NONE	No	No
	0285-951-13	2278 29th St.	N/A Filed in wrong jurisdiction	ADU 25-007	ADU	R	3/6/2025						1						1	0		NONE	No	No
	273-161-14	25597 Pacific St	Detached garage conversion ADU	ADU 25-008	ADU	R	3/12/2019						1						1	1		NONE	No	No
	278-195-14	7847 Golondrina St	Garage conversion ADU	ADU 25-009	ADU	R	3/13/2025						1						1	1		NONE	No	No
	1192-041-21	7464 McKinley Ave	477 sf Detached Garage conversion ADU	ADU 25-010	ADU	R	3/27/2025						1						1	1		NONE	No	No
	1192-371-21	7510 Cunningham St	748 sf Detached ADU	ADU 25-011	ADU	R	3/28/2025						1						1	1		NONE	No	No
	1192-531-37	26647 6th St	New Detached 360 sf ADU	ADU 25-012	ADU	R	3/31/2025						1						1	1		NONE	No	No
	1192-341-19	26735 Base Line	480 sf Detached Garage conversion ADU	ADU 25-013	ADU	R	8/12/2025						1						1	1		NONE	No	No
	1192-041-45	7490 Newcomb	230 sf Attached garage conversion ADU	ADU 25-014	ADU	R	6/18/2025						1						1	1		NONE	No	No
	1192-361-37	26779 Crest St	400 sf & 662 sf Detached ADU	ADU 25-015	ADU	R	5/12/2025						1						1	1		NONE	No	No
	273-253-09	25579 Walker St	240 sf Attached JADU	ADU 25-016	ADU	R	5/22/2025						1						1	1		NONE	No	No
	1201-241-09	28671 Canyon Oak Drive	New Detached 747 sf ADU	ADU 25-017	ADU	R	6/2/2025						1						1	1		NONE	No	No
	1192-571-20	27022 Hibiscus St	New Detached 588 sf ADU	ADU 25-018	ADU	R	6/18/2025						1						1	1		NONE	No	No
	1201-101-23	7456 Seine Ave	600 sf Attached ADU	ADU 25-019	ADU	R	6/23/2025						1						1	0		NONE	No	No
	1200-401-83	7089 Cienega Dr	600 sf Attached ADU	ADU 25-020	ADU	R	6/23/2025						1						1	1		NONE	No	No
	1200-471-03	6923 Grove Ave	743 sf Detached ADU	ADU 25-021	ADU	R	5/20/2025						1						1	1		NONE	No	No
	1191-361-52	7031 Alice St	749 st Detached ADU	ADU 25-022	ADU	R	6/27/2025						1						1	1		NONE	No	No
	1191-181-43	25767 Walker St	New 744 st Detached ADU	ADU 25-023	ADU	R	7/1/2025						1						1	1		NONE	No	No
	1192-411-19	7395 Olive Tree Ln	667 sf Detached ADU	ADU 25-024	ADU	R	7/8/2025						1						1	1		NONE	No	No
	1191-372-17	7169 Alice	441 sf Conversion to Detached ADU	ADU 25-025	ADU	R	7/16/2025						1						1	1		NONE	No	No

	1192-351-21	7410 San Francisco St	846 Detached ADU	ADU 25-026	ADU	R	7/22/2025						1						1	1		NONE	No	No
	1192-141-15	7578 Valaria Dr	Convert attached garage to 400 sf ADU	ADU 25-027	ADU	R	7/18/2025						1						1	1		NONE	No	No
	1192-071-42	7685 Guthrie St	Convert attached garage to 400 sf ADU	ADU 25-028	ADU	R	7/21/2025						1						1	1		NONE	No	No
	278-283-02	7655 Golondrina Dr	748 sf Detached ADU	ADU 25-029	ADU	R	10/1/2025						1						1	1		NONE	No	No
	1191-472-01	27171 Pacific St	892 sf Detached ADU	ADU 25-030	ADU	R	9/3/2025						1						1	0		NONE	Yes - National	No
	1192-541-03	26797 6th St	1200 SF Detached ADU	ADU 25-031	ADU	R	9/3/2025						1						1	1		NONE	No	No
	273-142-02	7050 Elmwood Rd	495 Attached ADU	ADU 25-032	ADU	R	10/1/2025						1						1	1		NONE	No	No
	1200-651-39	7135 Ridge Dr	556 sf Attached ADU	ADU 25-033	ADU	R	11/20/2025						1						1	1		NONE	No	No

Jurisdiction: Highland

Reporting Year: 2025 (Jan 1 - Dec 31)

Planning Period: 4th Cycle

ANNUAL ELEMENT PROGRESS REPORT
Housing Element implementation

Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

Table A2

Annual Building Activity Report Summary - New Construction, Entitled, Permits and Completed Units

| Project Identifier | | | | | Unit Types | | Affordability by Household Incomes - Completed Entitlement | | | | |

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation

Note: "+" indication an optional field
Cells in gray contain auto-calculation formulas

Jurisdiction	Alpharetta
Reporting Year	2025 (Jan. 1 - Dec. 31)
Planning Period	8th Cycle (2025 - 2035)

| APN | Street Address | Project Identifier | Unit Category | Tenure R=Renter O=Owner | Affordability by Household Incomes Very Low-Income Extremely Low-Income | Affordability by Household Incomes Low-Income | Affordability by Household Incomes Moderate-Income | Affordability by Household Incomes Above Moderate-Income | Total Units | Est. # Infill Units* | Date Application Submitted | Date Building Permit Issued | Date Certificate of Occupancy Issued | Date Deed Restricted | Deed Restriction Duration | Housing Without Financial Assistance or Deed Restrictions | Housing Without Financial Assistance or Deed Restrictions | Housing Without Financial Assistance or Deed Restrictions

Jurisdiction	Highland
Reporting Year	(Jan. 1 - Dec. 31)
Planning Period	8th Cycle

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation

Note: "+" indicates an optional field
Cells in grey contain auto-calculation formulas

| | | |

Jurisdiction	Highland	
Reporting Year	2025	(Jan. 1 - Dec. 31)
Planning Period	6th Cycle	10/15/2021 - 10/15/2029

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This table is auto-populated once you enter your jurisdiction name and current year data. Past year information comes from previous APRs.

Please contact HCD if your data is different than the material supplied here

Table B
Regional Housing Needs Allocation Progress
Permitted Units Issued by Affordability

Income Level		1	Projection Period	2									3	4
		RHNA Allocation by Income Level	Projection Period - 06/30/2021-10/14/2021	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Acutely Low	Deed Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-
	Non-Deed Restricted		-	-	-	-	-	-	-	-	-	-		
Extremely Low	Deed Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-
	Non-Deed Restricted		-	-	-	-	-	-	-	-	-	-		
Very Low	Deed Restricted	619	-	-	-	-	-	-	-	-	-	-	93	526
	Non-Deed Restricted		9	8	7	3	5	61	-	-	-	-		
Low	Deed Restricted	409	-	-	-	-	-	-	-	-	-	-	248	161
	Non-Deed Restricted		201	-	4	24	19	-	-	-	-	-		
Moderate	Deed Restricted	471	-	-	-	-	-	-	-	-	-	-	313	158
	Non-Deed Restricted		2	2	14	4	-	291	-	-	-	-		
Above Moderate		1,014	-	17	46	68	50	2	-	-	-	-	183	831
Total RHNA		2,513												
Total Units			212	27	71	99	74	354	-	-	-	-	837	1,676

*For years prior to 2025, Acutely Low-Income units are reported within the Extremely Low-Income category

*For jurisdictions that received RHNA determinations for the current cycle prior to the passage of AB 3093 (September 19, 2024):
- You were not allocated Acutely Low-Income and Extremely Low-Income RHNA targets, therefore the allocations in Field 1 are listed as "0"
  - If you wish to set your own targets in these income categories for informational purposes, contact HCD staff at apr@hcd.ca.gov.
- All Acutely Low-Income and Extremely Low-Income units reported during the cycle are counted towards Very-Low Income RHNA progress

*For years prior to 2025, data on deed-restricted vs. non-deed restricted Extremely Low-Income units is approximated from whether the projects reported any deed-restricted Very Low-Income Units. If you wish to edit this historical data for accuracy or have any questions about the data, you may login to HCD's online APR system, or contact HCD staff at apr@hcd.ca.gov.

Please Note: Table B does not currently contain data from Table F or Table F2 for prior years. You may login to the APR system to see Table B that contains this data.

Please note: The APR form can only display data for one planning period. To view progress for a different planning period, you may login to HCD's online APR system, or contact HCD staff at apr@hcd.ca.gov.

Jurisdiction	Highland	
Reporting Year	2025	(Jan. 1 - Dec. 31)
Planning Period	6th Cycle	10/15/2021 - 10/15/2029

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Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

Table C

Sites Identified or Rezoned to Accommodate Shortfall Housing Need and No Net-Loss Law

Project Identifier				Date of Rezone	RHNA Shortfall by Household Income Category				Rezone Type	Sites Description							
1				2	3				4	5	6	7	8		9	10	11
APN	Street Address	Project Name+	Local Jurisdiction Tracking ID+	Date of Rezone	Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income	Rezone Type	Parcel Size (Acres)	General Plan Designation	Zoning	Minimum Density Allowed	Maximum Density Allowed	Realistic Capacity	Vacant/Nonvacant	Description of Existing Uses
Summary Row: Start Data Entry Below																	

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Jurisdiction	Highland	
Reporting Year	2025	(Jan. 1 - Dec. 31)

Table D

Program Implementation Status pursuant to GC Section 65583

Housing Programs Progress Report

Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.

1	2	3	4	5	6	7	8	9
Name of Program	**Objective**	**Projected Completion Date in Housing Element**	**Applicable Cycle**	**Status of Program Implementation**	**Program Implementation Details**	**Quantified Outcomes: Category**	**Quantified Outcomes: Count**	**Supporting Documents**
Program 1a: Homeowner Rehabilitation Program	Establish a working relationship with NPHS through annual meetings to increase the number of loans provided to City residents. Provide technical support for grant pursuits such as letters of support.	Set up annual meetings with NPHS to identify and implement partnership opportunities by fall 2023	6th Cycle	6th Cycle	Partially achieved and ongoing.	Other	60	Meetings ongoing.
Program 1b: Homeowner Rehabilitation Program	Engage in regularly scheduled meetings with County staff to discuss homeowner rehabilitation resources.	Set up meetings with County staff by winter 2023 and continue ongoing engagement and coordination, including annual meetings to identify and allocate funds for rehabilitation through HUD grant opportunities.	6th Cycle	Continuous	Achieved and ongoing. City staff continues to meet regularly with the San Bernardino County Department of Community Development and Housing and Econonmic Development Agency. Discussion of various grant programs such as HOME, Community Development Block Grant Funding, Veterans Administration funding and Homeless Program funding.	Meetings	90	Ongoing meetings with Deputy Director Evan Miles and other various staff at the County CDH
Program 1c: Homeowner Rehabilitation Program	Partner with County and establish annual meetings to identify funds for rehabilitation efforts through HUD grant opportunities and to seek and apply for funding through the annual pursuit of Permanent Local Housing Allocation (PLHA) Funds and through technical support with other grant pursuits where opportunities arise.	Maintain resources on website ongoing throughout the planning period.	6th Cycle	Continuous	No activity regarding PLHA funding opportunities.	Meetings	90	Ongoing meetings with Deputy Director Evan Miles and other various staff at the County CDH
Program 2a: Residential Rental Program	Amend the Municipal Code to eliminate the provisions of the Crime Free Multiple-Family Rental-Housing Program ordinance in compliance with fair housing requirements and the federal Fair Housing Act.	Amend Zoning Code to eliminate Crime Free Multiple-Family Rental-Housing Program by December 2023.	6th Cycle	Completed	Ordinance No. 470 adopted on June 10, 2025.	Other	100%	Item #17 https://highlandca.portal.civicclerk.com/event/1444/files/agenda/2076

Program 3a: Code Enforcement	Assist with bringing properties into compliance with the Zoning Code through targeted outreach to households in low opportunity/lower resource areas[1], including extremely low-income households. Targeted outreach should include annual multilingual mailers to lower-income properties in need of repair, with information on available resources on how issues can be resolved, including improvements through the use of grant funds such as CDBG and PLHA funds.	Ongoing assistance to properties with code compliance issues.	6th Cycle	Continuous	Partially achieved. Additional efforts to create mailers requires additional work.	Households	100%	highlandca.gov/204/Housing-Programs
Program 3b: Code Enforcement	Post resources for code compliance on the City's website and connect residents to such resources when the property is at risk of being noncompliant with the Zoning Code.	Update City website by winter 2023.	6th Cycle	Completed	Posted resources to the City's website.	Other	100%	highlandca.gov/204/Housing-Programs highlandca.gov/255/Code-Enforcement
Program 3c: Code Enforcement	Track 100 percent of residential properties inspected by Code Enforcement and report on the number of residential properties that received assistance for opportunities to proactively assist property owners.	Ongoing.	6th Cycle	Continuous	These reports are completed each month, reviewed by the CD Director and also provided to the SB County Dept. of HCD.	Households	100%	None.
Program 4a: Inclusionary Housing	Ongoing implementation of Inclusionary Housing Ordinance, which requires that 15 percent of all newly constructed dwelling units in residential developments projects be offered to and sold or rented to extremely low-, very low-, low- and moderate-income households, or payment of in-lieu fees where applicable.	Ongoing implementation of ordinance and allocation of funding, when available.	6th Cycle	Completed.	Complete and ongoing implementation of the ordinance requiring each residential project construct affordable housing or pay an in-lieu fee.	Units	100%	highlandca.gov/ArchiveCenter/ViewFile/Item/242
Program 4b: Inclusionary Housing	Allocate funding to the preservation, rehabilitation, and construction of affordable housing, with a priority for projects that have at least 20 percent of housing set-aside for extremely low-income households in higher resource areas with access to amenities such as recreation, services, education, and other needs.	Ongoing	6th Cycle	In Progress	Rezoning took place in 2026 to ensure an additional 5 acres were zoned for high density multi-family housing in a high resources area with access to recreation and education.	Households	100%	Item #13 https://highlandca.portal.civicclerk.com/event/9/files/agenda/4373
Program 4c: Inclusionary Housing	Dedicate 100 percent of in-lieu housing fees collected for affordable housing development and programs.	Ongoing	6th Cycle	Continuous	The fees collected thus far are allocated to the Wakeland Senior Housing community at 7433 Central Avenue in partnership with the Highland Housing Authority.	Units	60	https://www.highlandca.gov/ArchiveCenter/ViewFile/Item/247

Program 4d: Inclusionary Housing	Prioritize funding for projects that have at least 20 percent of housing set-aside for extremely low-income households in in higher resource areas with access to amenities such as recreation, services, education, and other needs.	Ongoing	6th Cycle	In Progress	Ongoing. Specific projects include the City's Senior Housing Project at 7433 Central Avenue that will house 89 seniors. Also, staff has been active in 2024, identifying sites and meeting with property owners in high resources areas that would be willing to upzone their property and participate in this effort. The site was identified in 2025 and rezoning took place on February 10, 2026.	Units	50	highlandca.portal.civicclerk.com/event/5/files/agenda/1649
Program 5a: Impact Fees	Annually, review fees after the budget cycle.	Bi-annually	6th Cycle	Continuous	Staff-level review of impact fees collected bi-annually.	Other	100%	None.
Program 5b: Impact Fees	Analyze fees for affordable housing, and reduce fees where feasible.	Ongoing prioritization of projects throughout the planning period.	6th Cycle	Ongoing.	The current priority project is the Wakeland Communities / Highland Housing Authority Senior Housing Project. Density bonus incentives and fee reductions have and will continue to be considered by the City Council/Housing Authority.	Units	100%	highlandca.portal.civicclerk.com/event/5/files/agenda/1649
Program 5c: Impact Fees	Prioritize at least 30 percent of capital improvement projects funded by development impact fees in low opportunity/lower resource areas.	Ongoing	6th Cycle	Completed	Achieved through the adoption and prioritization of goals and projects in the the 2024/2025 Work Program and Capital Imporovement Program. Implementation is ongoing.	Other	100%	Work Program - https://www.highlandca.gov/DocumentCenter/View/5314/Work-Program-2025-2026-PDF?bidId= CIP - https://www.highlandca.gov/DocumentCenter/View/3937/5-Year-Capital-Improvement-Program-PDF?bidId=
Program 6: Density Bonus	Update Density Bonus Ordinance, consistent with State law.	By winter 2023.	6th Cycle	Completed	Ordinance No. 470 updating the City's Density Bonus regulations was adopted on June 10, 2025.	Other	100%	Item #17 https://highlandca.portal.civicclerk.com/event/1444/files/agenda/2076
Program 7a: Housing Choice Voucher Referrals	Maintain relevant resources on the City website.	Ongoing through planning period.	6th Cycle	Continuous	Resources regularly updated as new information is received.	Other	100%	www.highlandca.gov/204/Housing-Programs
Program 7b: Housing Choice Voucher Referrals	Increased coordination with the Housing Authority of the County of San Bernardino through annual meetings	Ongoing	6th Cycle	Continuous	Completed and ongoing.	Meetings	100%	None.
Program 7c: Housing Choice Voucher Referrals	Refer interested residents and support the provision of 394 vouchers annually throughout the city and facilitate rent subsidies in high opportunity/ higher resource areas.	Ongoing	6th Cycle	Continuous	Ongoing discussions with the Housing Authority regarding the availability of this program and how it can be affected with City input. Staff is currently researching an opportunity to receive subsidies that may be available due to a reallocation regionally.	Persons	100%	highlandca.gov/204/Housing-Programs

Program 7d: Housing Choice Voucher Referrals	Housing Mobility Strategies Support the provision of 394 vouchers annually to facilitate rent subsidies for low-income, very low-income, and extremely low-income residents in high opportunity/ higher resource areas and increased access to amenities, such as recreation, services, education, and other needs.	Ongoing	6th Cycle	Continuous	Ongoing discussions with the Housing Authority regarding the availability of this program and how it can be affected with City input. Five (5) acres of high opportunity resources area was rezoned by the City Council on February 10, 2026	Persons	100%	highlandca.portal.civicclerk.com/event/9/files/agenda/4369
Program 8a: By-Right Development on Previously Identified Housing Sites	Permit qualifying developments by-right in accordance with State requirements.	Ongoing through planning period.	6th Cycle	Continuous	In place and ongoing. One example is the approval of the Halcyon Apartment project on Sterling Avenue approved with Density Bonus provisions.	Units	100%	www.codepublishing.com/CA/Highland/#!/Highland16/Highland1608.html#16.08.060
Program 8b: By-Right Development on Previously Identified Housing Sites	Create the opportunity for by-right redevelopment of up to 1,511 residential units* of which a minimum of 20 percent must be affordable to lower-income households, including very low- and extremely low-income households.	Ongoing	6th Cycle	Continuous	Ongoing, continuously monitored as housing applications are submitted.	Other	100%	www.codepublishing.com/CA/Highland/#!/Highland16/Highland1608.html#16.08.060
Program 9: Developer Outreach and Transparency	Maintain the City's website with the most current information, including the promotion of pre-application conference opportunities to make developers aware of available technical assistance and streamline the permit application process.	Ongoing.	6th Cycle	Continuous	Achieved and ongoing. The website was just recently updated to include a drop down menu on all Planning applications regarding this topic. Ten (10) pre-application conferences were held in 2025. They are offered every Thursday with 2-weeks notice.	Other	100%	www.codepublishing.com/CA/Highland/#!/Highland16/Highland1608.html#16.08.020
Program 10: Innovative and Efficient Housing	Update the City's website.	By winter 2023.	6th Cycle	Continuous	Website updated and continuously monitored for new updates.	Other	100%	https://www.highlandca.gov/204/Housing-Programs
Program 11a: Town Center, Base Line Corridor, and Victoria Avenue Corridor Policy Areas	Coordinate quarterly meetings with appropriate agencies to coordinate land use and transportation planning and to advocate for the prioritization of projects that align with Highland's vision.	Establish quarterly meetings by July 2023.	6th Cycle	Continuous	Achieved and ongiong. Coordinate with CalTrans and San Bernardino County Transportation Authority (SBCTA) for the construction of the Victoria Ave/210 interchange, Base Line/210 interchange and Greenspot Road & 5th St/210 interchange. Participation by the Planning and Public Works Divisions in monthly planning meetings.	Meetings	100%	None
Program 11b: Town Center, Base Line Corridor, and Victoria Avenue Corridor Policy Areas	Prioritize capital improvements in lower and moderate resource areas and oversee the completion of the ongoing and planned projects within the planning period.	Ongoing.	6th Cycle	Continuous	Achieved and ongoing. Recent examples include the CDBG pavement rehabilitation programs, CIP and Work Program Goals.	Other	100%	CIP - https://www.highlandca.gov/DocumentCenter/View/3937/5-Year-Capital-Improvement-Program-PDF?bidId=

Program 12: Accessory Dwelling Units	Develop an affordable ADU incentive program.	Develop affordable ADU incentive program by spring 2024.	6th Cycle	In Progress	Discussion at staff level as to how best achieve this goal. Staff met ithroughout the year to review several other jurisdictions' programs to identify the best model. Recommendations will be made to the City Council in 2026.	Other	50	None.
Program 13a: Homeowner Assistance Programs	Establish a working relationship with NPHS through annual meetings to develop resources for residents on options for creative ownership housing models or homeowner assistance programs. Offer technical support for grant pursuits such as letters of support.	Meet with NPHS, or other nonprofits and community housing advocacy groups, on an annual basis.	6th Cycle	In Progress	Partially achieved. Contacted NPHS with regard to specific loans, but have not yet established annual meeting dates.	Meetings	50	us06web.zoom.us/webinar/register/WN_2xXwNDsVSjCQVpAnsjy_Og#/registration
Program 13b: Homeowner Assistance Programs	Maintain resources on City website with annual updates.	Ongoing through planning period.	6th Cycle	Continuous	Achieved and ongoing.	Other	100%	www.highlandca.gov/204/Housing-Programs
Program 14: Priority Services	Maintain a database of existing and proposed affordable housing developments.	Ongoing.	6th Cycle	Continuous	Achieved and ongoing.	Other	100%	highlandca.gov/DocumentCenter/View/308/Low-and-Moderate-Income-Housing-with-Long-Term-Covenants-PDF
Program 14: Priority Services	Engage in the Water and Sewer System Master Plan updates.	Submit the Housing Element to the East Valley Water District within 1 month of Housing Element adoption.	6th Cycle	Continuous	East Valley Water District (EVWD) to prepare their 2025 Urban Water Management Plan (UWMP)	Meetings	100%	https://www.eastvalleywater.gov/media/w1xfkxxt/part-2-chapter-6_evwd-2020-uwmp_final.pdf
Program 15a: Fair Housing Mediation	Continue to maintain information on the City's website and send updates to residents through annual e-news blasts to the City's listserv. Ensure that content is culturally appropriate, and offered in multiple languages.	Ongoing through planning period.	6th Cycle	Continuous	Achieved and ongoing through the website and with the Weekly Newsletter.	Other	100%	https://www.highlandca.gov/list.aspx?listid=246
Program 15b: Fair Housing Mediation	Continue to partner with IFHMB and coordinate annually to gather and analyze local data to inform fair housing priorities and opportunities.	Ongoing	6th Cycle	Continuous	Paritally achieved with information available on website. Annual meetings not yet set.	Meetings	100%	https://www.ifhmb.com/
Program 15: Fair Housing Mediation	Provide annual staff trainings on how to refer complaints and inquiries to IFHMB.	Annualy	6th Cycle	Continuous	Achieved and ongoing.	Meetings	100%	None.
Program 16a: Affordable Housing Preservation Program	Continue to maintain up-to-date information on the City's website.	Ongoing through planning period.	6th Cycle	Continuous	Achieved and ongoing.	Other	100%	www.highlandca.gov/204/Housing-Programs & www.highlandca.gov/356/Development-Activity
Program 16b: Affordable Housing Preservation Program	Maintain and monitor a list of affordable housing developments and year of possible expiration of deed-restriction or other assistance for 100 percent of lower-income units, including extremely low-income units in the City.	Ongoing	6th Cycle	Continuous	Achieved.	Other	100%	https://www.highlandca.gov/DocumentCenter/View/308/Low-and-Moderate-Income-Housing-with-Long-Term-Covenants-PDF
Program 16c: Affordable Housing Preservation Program	Establish a working relationship with NPHS through annual meetings to ensure the continued preservation of affordable housing.	Ongoing	6th Cycle	Continuous	Partially achieved.	Meetings	75	None
Program 17a: Housing for Persons with Disabilities	Update the City's website to provide accessibility resources.	Update website with accessibility resources by winter 2023.	6th Cycle	Continuous	No activity.	Other	75	highlandca.gov/204/Housing-Programs

Program 17b: Housing for Persons with Disabilities	Amend the City's reasonable accommodations procedure and Zoning Code's definition of "Family" to ensure consistency with fair housing requirements and the federal Fair Housing Act.	Amend reasonable accommodations procedure and Zoning Code definition of "Family" by summer 2024	6th Cycle	Completed	Adopted Ordinance No. 470 on June 10, 2025	Other	100%	Item #17 https://highlandca.portal.civicclerk.com/event/1444/files/agenda/2076
Program 18a: Group Homes and Residential Care Facilities	The City will update the Zoning Code to create separate definitions and permitting processes for Residential Care Facilities (licensed group homes) serving six or fewer residents and those serving seven or more residents, and permit those serving six or fewer persons in all single-family zones subject only to the generally applicable laws that apply to all single-family residences and permit those serving seven or more in at least one zone without discretion.	By winter 2023.	6th Cycle	Completed	Ordinance No. 470 adopted on June 10, 2025	Other	100%	Item #17 https://highlandca.portal.civicclerk.com/event/1444/files/agenda/2076
Program 18b: Group Homes and Residential Care Facilities	The City will update the Zoning Code to permit unlicensed group homes in single-family zones, subject only to the generally applicable health, safety, and zoning laws that apply to all single-family residences in accordance with state housing law.	Winter 2023	6th Cycle	Completed	Ordinance No. 470 adopted on June 10, 2025	Other	100%	Item #17 https://highlandca.portal.civicclerk.com/event/1444/files/agenda/2076
Program 19a: Emergency Shelters, Transitional Housing, Permanent Supportive Housing, and Single Room Occupancy	Permit supportive housing by-right in residential zones that permit multifamily uses and mixed-uses zones that allow residential uses in accordance with AB 2162 (2018).	By winter 2023.	6th Cycle	Completed	Ordinance No. 470 adopted on June 10, 2025	Other	100%	Item #17 https://highlandca.portal.civicclerk.com/event/1444/files/agenda/2076
Program 19b: Emergency Shelters, Transitional Housing, Permanent Supportive Housing, and Single Room Occupancy	Permit emergency shelters by-right in at least one zone and ensure that parking requirements accommodate the staff working in the shelter and do not require more parking than other residential or commercial uses within the same zone in accordance with AB 139 (2019).	Winter 2023	6th Cycle	Completed	Ordinance No. 470 updating the City's Density Bonus regulations was adopted on June 10, 2025.	Other	100%	Item #17 https://highlandca.portal.civicclerk.com/event/1444/files/agenda/2076
Program 19c: Emergency Shelters, Transitional Housing, Permanent Supportive Housing, and Single Room Occupancy	Permit transitional and supportive housing as a residential use in the same manner as other residential uses in the same zone subject only to those restrictions that apply to other residential dwellings of the same type in the same zone pursuant to Government Code section 65583(c)(3).	Winter 2023	6th Cycle	Completed	Ordinance No. 470 updating the City's Density Bonus regulations was adopted on June 10, 2025.	Other	100%	Item #17 https://highlandca.portal.civicclerk.com/event/1444/files/agenda/2076
Program 20a: Mobile Home Preservation	Require a report for each proposed conversion or closure.	Ongoing through planning period.	6th Cycle	Continuous	No conversions to date.	Units	100%	No conversions requested to date.
Program 20b: Mobile Home Preservation	Consider the findings of the report, as well as the impact on the existing housing supply, lower-income households, and displaced persons.	Ongoing	6th Cycle	Continuous	N/A	Units	100%	No conversions requested to date.
Program 21a: Collaborative Partnerships	Continue outreach to local affordable housing service providers to identify partnership opportunities, and offer funding application assistance.	Ongoing outreach throughout the planning period.	6th Cycle	Continuous	Partially completed.	Units	75	Applications made for HOME funds, State LIHTC, Federal LIHTC, etc.

Program 21b: Collaborative Partnerships	Support the development of 89 new affordable rental units through a Housing Authority grant and long-term ground lease.	Commit to providing a Housing Authority grant and long-term ground lease by spring 2024 that will facilitate the development of 89 new affordable rental units to be completed in the planning period	6th Cycle	Completed	Partially completed. Negotiation Agreement in place with Wakeland Communities. Multiple applications made to the state and local housing funding sources to assist with financing. Application was made to San Bernardino County in 2024 for HOME Investment Partnership funds in the amount of $5.85 M. This was granted in 2025 and received an extension this year. Additional gap financing is being sought. Alternatives to phase the project are also being explored.	Units	89	highlandca.portal.civicclerk.com/event/5/files/agenda/1649
Program 22a: Lot Consolidation Incentive	The City will amend the code to incentivize lot consolidation on specified sites, providing expedited development permit review through priority processing for projects utilizing lot consolidation.	By winter 2023.	6th Cycle	In Progress	Only achieved at staff level. Code amendments still need to be completed.	Other	50	None.
Program 23a: Annual Progress Reports	Track housing production, remaining capacity, and program progress.	Ongoing through planning period with annual reports.	6th Cycle	Continuous	Achieved and ongoing.	Other	100%	This report as well as annual reporting to the Department of Finance, SBCOG-SBCTA and SCAG.
Program 23a: Annual Progress Reports	Submit adopted Annual Progress Reports (APR) annually by April 1st.	Ongoing through planning period with annual reports.	6th Cycle	Continuous	Achieved and ongoing.	Other	100%	Completed each year online. https://www.hcd.ca.gov/housing-open-data-tools/apr-dashboard
Program 24a: No Net Loss	Amend staff procedures to ensure all development proposals and rezone proposals are reviewed against the capacity identified for sites in the Sites Inventory (Appendix E).	Tracking is ongoing and amendments to procedures will be implemented by winter 2023.	6th Cycle	Continuous	Achieved and ongoing.	Other	100%	https://www.highlandca.gov/DocumentCenter/View/4195/Housing-Element-6th-Cycle-PDF
Program 24b: No Net Loss	Develop a methodology for tracking remaining capacity.	Ongoing but established by 2023.	6th Cycle	Continuous	Partially completed.	Units	100%	https://www.highlandca.gov/DocumentCenter/View/4195/Housing-Element-6th-Cycle-PDF
Program 25a: Fair Housing Outreach	Coordinate annual meetings with County of San Bernardino and fair housing agencies.	By winter 2023.	6th Cycle	Continuous	Completed and ongoing.	Other	100%	None
Program 25b: Fair Housing Outreach	Continue to participate in the Analysis of Impediments to Fair Housing Choice.	Update to the City's Analysis of Impediments every 3 to 5 years.	6th Cycle	Continuous	Ongoing	Other	100%	None
Program 25c: Fair Housing Outreach	Evaluate the need for an Ad Hoc Fair Housing Committee when updating the Analysis of Impediments.	Winter 2023	6th Cycle	Completed	Completed	Meetings	100%	Determined to be unnecessary. Housing items can be addressed by existing City/Housing Authority Subcommittees such as the "Finance" and "Public Facilities" Subcommittees.
Program 25d: Fair Housing Outreach	Implement a procedure that prompts fair housing administration for all housing and community development decisions, including capital investments.	Winter 2023	6th Cycle	Completed	Partially completed.	Other	100%	Included in the City's required mailing of "Interested Agencies" for all projects.

Program 26a: Replacement Requirements	Amend staff procedures related to the review and issuance of demolition and development permits.	Amend staff procedures by winter 2023, continue ongoing replacement requirements throughout the planning period.	6th Cycle	Continuous	Ongoing	Other	100%	Implementation of iWorQ software, connecting the Building & Safety and Planning Divisions to ensure each permit is appropriately reviewed and replacement requirements. Each permit also reviewed by the Asst. CD Director as additional oversight.
Program 26b: Replacement Requirements	Enforce replacement requirements in accordance with Government Code Section 66300.	Ongoing.	6th Cycle	Continuous	Ongoing, partially complete	Units	100%	Implementation of iWorQ software, connecting the Building & Safety and Planning Divisions to ensure each permit is appropriately reviewed and replacement requirements. Each permit also reviewed by the Asst. CD Director as additional oversight.
Program 27: Low-Barrier Navigation Centers	Amend the Zoning Code, consistent with State requirements.	By winter 2023.	6th Cycle	Completed	Ordinance No. 470 adopted on June 10, 2025	Other	100%	Item #17 https://highlandca.portal.civicclerk.com/event/1444/files/agenda/2076
Program 28: Affordable Housing Streamlining	Amend the Zoning Code and staff procedures, consistent with State requirements.	Amendment to take place by winter 2023, and streamlining availability to be ongoing through planning period.	6th Cycle	Completed	Ordinance No. 470 adopted on June 10, 2025	Other	100%	Item #17 https://highlandca.portal.civicclerk.com/event/1444/files/agenda/2076
Program 29a: Objective Design Standards	Monitor Zoning Code amendments to ensure any new design standards are objective.	Ongoing through planning period.	6th Cycle	Continuous	Ongoing at staff level.	Other	100%	None.
Program 29b:	Amend Zoning Code to remove subjective design review criteria and ensure an objective design review process for residential projects requiring minor or major design review.	Amend existing design review process by December 2023.	6th Cycle	Completed	Ordinance No. 470 adopted on June 10, 2025	Other	100%	Item #17 https://highlandca.portal.civicclerk.com/event/1444/files/agenda/2076
Program 30a: Surplus Lands	Identify and track surplus City-owned sites.	· Annually, throughout the planning period.	6th Cycle	Continuous	Completed	Other	100%	Table H of this report
Program 30b: Surplus Lands	Report on surplus lands annually through Housing Element APRs.	· Facilitate the development of 89 new affordable senior rental units on a surplus site to be completed within the planning period.	6th Cycle	Completed	Completed and ongoing	Other	100%	Table H of this report
Program 30c: Surplus Lands	Facilitate the development of 89 new affordable senior rental units on a surplus site, including 49 units affordable to extremely low- or low-income households, through a land donation/ long-term ground lease with a below fair market value rent.	Ongoing, throughout the planning period.	6th Cycle	In Progress	Partially completed. Negotiation Agreement in place with Wakeland Housing. The Senior Housing Project negotiated agreement includes a long-term ground lease and granting of Housing Authority assets in excess of $4.5M. Multiple state and local grants being applied for to assist with financing. Application was made to San Bernardino County in 2024 for HOME Investment Partnership funds in the amount of $5.85 M. This was granted in 2025.	Units	50	highlandca.portal.civicclerk.com/event/5/files/agenda/1649

Program 30d: Surplus Lands	Identify opportunities to facilitate the development of affordable homes on surplus local public land utilizing mechanisms such as land donations, land sales with significant write-downs, or below-market land leases with a priority on surplus land in high opportunity/ higher resource areas	Ongoing.	6th Cycle	In Progress	Partially completed. Negotiation Agreement in place with Wakeland Housing. The Senior Housing Project negotiated agreement includes a long-term ground lease and granting of Housing Authority assets in excess of $4.5M. Multiple state and local grants being applied for to assist with financing. Application was made to San Bernardino County in 2024 for HOME Investment Partnership funds in the amount of $5.85 M. This was granted in 2025.	Units	100%	highlandca.portal.civicclerk.com/event/5/files/agenda/1649
Program 31a: Increased Transparency	Ensure all relevant information is provided on the City's website.	Ongoing, throughout the planning period.	6th Cycle	Continuous	Achieved and ongoing.	Other	90	highlandca.gov/204/Housing-Programs
Program 31b: Increased Transparency	Continue to update information as changes are made and as it becomes available.	Ongoing, throughout the planning period.	6th Cycle	Continuous	Ongoing	Other	90	highlandca.gov/204/Housing-Programs
Program 32: Reduced Parking Requirements	Amend the Zoning Code to identify a process by which parking requirements can be reduced for religious institutions in exchange for housing development.	By winter 2023.	6th Cycle	Completed	Ordinance No. 470 adopted on June 10, 2025	Other	100%	Item #17 https://highlandca.portal.civicclerk.com/event/1444/files/agenda/2076
Program 33a	Rezone sites to increase multifamily residential options in moderate- and high opportunity/ higher resource areas. Rezoned sites must meet the following criteria a) located in moderate- or high opportunity/ higher resources areas, based on the TCAC Opportunity Maps or other appropriate data sources; b) combined area of at least 5 acres; c) maximum density of 30 du/ac	Dec-25	6th Cycle	Completed	Sites were analyzed and one selected following review by both the Planning Commission and City Council. The site was rezoned by the City Council on February 10, 2026.	Other	100%	Item #21 https://highlandca.portal.civicclerk.com/event/1434/files/agenda/2064 Item #13 https://highlandca.portal.civicclerk.com/event/9/files+I26/agenda/4373
Program 33b	Within one year of completing the rezone, work with property owners to proactively identify prime sites, notify affordable housing developers, or provide technical assistance for affordable projects.	Dec-26	6th Cycle	In Progress	The City is actively working with the property owner and their land developer, Sunland Communities, to create a Planned Development document that will ensure the 5 acres is appropriately designed.	Meetings	25	Item #1 - Minutes from 4/1/25 meeting https://highlandca.portal.civicclerk.com/event/2054/files/agenda/2941

Jurisdiction	Highland	
Reporting Period	2025	(Jan. 1 - Dec. 31)
Planning	6th Cycle	10/15/2021 - 10/15/2029

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Note: "+" indicates an optional field
Cells in grey contain auto-calculation formulas

Table E

Commercial Development Bonus Approved pursuant to GC Section 65915.7

Project Identifier				Units Constructed as Part of Agreement				Description of Commercial Development Bonus	Commercial Development Bonus Date Approved
1				2				3	4
APN	Street Address	Project Name*	Local Jurisdiction Tracking ID*	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Description of Commercial Development Bonus	Commercial Development Bonus Date Approved
Summary Row: Start Data Entry Below									
N/A									

Jurisdiction	Highland	
Reporting Period	2025	(Jan. 1 - Dec. 31)
Planning Period	6th Cycle	10/15/2021 - 10/15/2029

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

Table F

Units Rehabilitated, Preserved and Acquired for Alternative Adequate Sites pursuant to Government Code section 65583.1(c)

Please note this table is optional: The jurisdiction can use this table to report units that have been substantially rehabilitated, converted from non-affordable to affordable by acquisition, and preserved, including mobilehome park preservation, consistent with the standards set forth in Government Code section 65583.1, subdivision (c). Please note, motel, hotel, hostel rooms or other structures that are converted from non-residential to residential units pursuant to Government Code section 65583.1(c)(1)(D) are considered net-new housing units and must be reported in Table A2 and not reported in Table F.

Activity Type	Units that Do Not Count Towards RHNA+ Listed for Informational Purposes Only				Units that Count Towards RHNA + Note - Because the statutory requirements severely limit what can be counted, please contact HCD at apr@hcd.ca.gov and we will unlock the form which enable you to populate these fields.				The description should adequately document how each unit complies with subsection (c) of Government Code Section 65583.1+. For detailed reporting requirements, see the chcklist here:
	Extremely Low-Income+	Very Low-Income+	Low-Income+	TOTAL UNITS+	Extremely Low-Income+	Very Low-Income+	Low-Income+	TOTAL UNITS+	https://www.hcd.ca.gov/community-development/docs/adequate-sites-checklist.pdf
Rehabilitation Activity									
Preservation of Units At-Risk									
Acquisition of Units									
Mobilehome Park Preservation									
Total Units by Income									

Jurisdiction	Highland	
Reporting Period	2025	(Jan. 1 - Dec. 31)
Planning Period	6th Cycle	10/15/2021 - 10/15/2029

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

Table F2
Above Moderate Income Units Converted to Moderate Income Pursuant to Government Code section 65400.2

For up to 25 percent of a jurisdiction's moderate-income regional housing need allocation, the planning agency may include the number of units in an existing multifamily building that were converted to deed-restricted rental housing for moderate-income households by the imposition of affordability covenants and restrictions for the unit. Before adding information to this table, please ensure housing developments meet the requirements described in Government Code 65400.2(b).

Project Identifier					Unit Types		Affordability by Household Incomes After Conversion							Units credited toward Moderate Income RHNA		Notes
1					2	3	4							5		6
Prior APN+	Current APN	Street Address	Project Name+	Local Jurisdiction Tracking ID	Unit Category (2 to 4,5+)	Tenure R=Renter	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low- Income Deed Restricted	Low- Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Total Moderate Income Units Converted from Above Moderate	Date Converted	Notes
Summary Row: Start Data Entry Below							0	0	0	0	0	0	0	0		

Jurisdiction	Highland	
Reporting Period	2025	(Jan. 1 - Dec. 31)
Period	6th Cycle	10/15/2021 - 10/15/2029

element sites inventory contains a site which is or was owned by the reporting jurisdiction, and has been sold, leased, or otherwise disposed of during the reporting year.

Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation

Table G

Locally Owned Lands Included in the Housing Element Sites Inventory that have been sold, leased, or otherwise disposed of

Project Identifier				2	3	4
1						
APN	Street Address	Project Name+	Local Jurisdiction Tracking ID+	Realistic Capacity Identified in the Housing Element	Entity to whom the site transferred	Intended Use for Site
Summary Row: Start Data Entry Below						

Jurisdiction	Highland		**NOTE: This table must contain an inventory of ALL surplus/excess lands the reporting jurisdiction owns**
Reporting Period	2025	(Jan. 1 - Dec. 31)	

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation

Table H
Locally Owned Surplus Sites

Parcel Identifier				Designation	Size
1	2	3	4	5	6
APN	**Street Address/Intersection**	**Existing Use**	**Number of Units**	**Surplus Designation**	**Parcel Size (in acres)**
Summary Row: Start Data Entry Below					
1192-431-04-0000	Central Avenue, south of Base Line	Vacant		Surplus Land	1.75
1192-431-05-0000	Central Avenue, south of Base Line	Vacant		Surplus Land	2

Jurisdiction	Highland	
Reporting Period	2025	(Jan. 1 - Dec. 31)
Planning Period	6th Cycle	10/15/2021 - 10/15/2029

NOTE: STUDENT HOUSING WITH DENSITY BONUS ONLY. This table only needs to be completed if there were student housing projects WITH a density bonus approved pursuant to Government Code65915(b)(1)(F)

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

Note:
Cells in gre

Table J

Student housing development for lower income students for which was granted a density bonus pursuant to subparagraph (F) of paragraph (1) of subdivision (b) of Se

Project Identifier				Project Type	Date	Units (Beds/Student Capacity) Approved						
1				2	3	4						
APN	Street Address	Project Name+	Local Jurisdiction Tracking ID+	Unit Category (SH - Student Housing)	Date	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low- Income Deed Restricted	Low- Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income
Summary Row: Start Data Entry Below												
N/A												

Jurisdiction	Highland	
Reporting Period	2025	(Jan. 1 - Dec. 31)
Planning Period	6th Cycle	10/15/2021 - 10/15/2029

ANNUAL ELEMENT PROGRESS REPORT

Table K
Tenant Preference Policy

Local governments are required to inform HCD about any local tenant preference ordinance the local government maintains when the jurisdiction submits their annual progress report on housing approvals and production, per Government Code 7061 (SB 649, 2022, Cortese). Effective January 1, 2023, local governments adopting a tenant preference are required to create a webpage on their internet website containing authorizing local ordinance and supporting materials, no more than 90 days after the ordinance becomes operational.

Does the Jurisdiction have a local tenant preference policy?	No
If the jurisdiction has a local tenant preference policy, provide a link to the jurisdiction's webpage containing authorizing local ordinance and supporting materials.	
Notes	

Jurisdiction	Highland	**NOTE: This table needs to be completed with any sites within your jurisdiction that were newly added to a National, State, or Local register of historic places within the reporting year. If none, leave blank.**	Note: "+" indicates an optional field Cells in grey contain auto-calculation formulas
Reporting Period	2025 (Jan. 1 - Dec. 31)		

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation

Table L

Historical Resources

Parcel Identifier		Designation				Size	Notes
1		2				3	4
APN	Street Address/Intersection	Date of Designation	Designation Level	Historic Site Period	Areas of Significance	Parcel Size (in acres)	Notes
Summary Row:							

Jurisdiction	Highland	
Reporting Year	2025	(Jan. 1 - Dec. 31)

ANNUAL ELEMENT PROGRESS REPORT
Local Early Action Planning (LEAP) Reporting
(CCR Title 25 §6202)

Please update the status of the proposed uses listed in the entity's application for funding and the corresponding impact on housing within the region or jurisdiction, as applicable, categorized based on the eligible uses specified in Section 50515.02 or 50515.03, as applicable.

Total Award Amount	$ -

Total award amount is auto-populated based on amounts entered in rows 15-26.

Task	$ Amount Awarded	$ Cumulative Reimbursement Requested	Task Status	Other Funding	Notes

Summary of entitlements, building permits, and certificates of occupancy (auto-populated from Table A2)

Completed Entitlement Issued by Affordability Summary		
Income Level		**Current Year**
Acutely Low	Deed Restricted	0
	Non-Deed Restricted	0
Extremely Low	Deed Restricted	0
	Non-Deed Restricted	0
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	0
	Non-Deed Restricted	0
Moderate	Deed Restricted	0
	Non-Deed Restricted	115
Above Moderate		0
Total Units		**115**

Building Permits Issued by Affordability Summary		
Income Level		**Current Year**
Acutely Low	Deed Restricted	0
	Non-Deed Restricted	0
Extremely Low	Deed Restricted	0
	Non-Deed Restricted	0
Very Low	Deed Restricted	0
	Non-Deed Restricted	61
Low	Deed Restricted	0
	Non-Deed Restricted	0
Moderate	Deed Restricted	0
	Non-Deed Restricted	291

Staff Report
to the City Council

Agenda Item No.10.

Date:	March 10, 2026
From:	Carlos Zamano, City Manager
Reviewed By:	Octavio Duran, Public Works Director/City Engineer
Prepared By:	Jim Richardson, Public Works Manager
Subject:	2025-01 City of Highland Janitorial Maintenance Contract Extension

Recommendation:
Extend the City of Highland Janitorial Maintenance Contract with Base Hill, Inc. for one year.

Fiscal Impact:
Cost associated with this service is included in the City's Adopted Budget for FY 2025/2026-2026/2027.

Public Notice:
The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:
On February 11, 2025, the City Council awarded a one-year contract to Base Hill, Inc. for janitorial services in the amount of $94,359.42. The contract includes services at the following locations:

1. City Hall - Cleaning facility 3 times per week.
2. Aurantia Park and Community Park - Cleaning and locking restrooms 7 days per week and unlocking restrooms 3 days per week, plus all City recognized holidays. Unlock and lock all Community Park Perimeter Gates daily.
3. Police Station - Cleaning facility 2 times per week and restrooms 3 times per week.

The contract documents outline a process for extending the contract for four (4) additional one-year periods and adjusting the contract price at renewal based on the Common Labor Cost Index published in the November issue of Engineering News Record (ENR). This year's ENR publication reflects a 0.0% change from the previous year. The contractor has agreed to renew the contract for an additional year at the existing contract price. The contractor's performance has been satisfactory. This action represents the first of four (4) available extensions.

Attachments:
None

Staff Report
to the City Council

Agenda Item No.11.

Date:	March 10, 2026
From:	Carlos Zamano, City Manager
Reviewed By:	Lawrence Mainez, Community Development Director
Prepared By:	Travis Trejo, Assistant Planner
Subject:	30th Annual Highland Community Trails Day Event Date

Recommendation:
The Community Trails Committee (CTC) recommends the City Council approve Saturday, June 6, 2026, as the date for the 30th Annual Highland Community Trails Day Event.

Fiscal Impact:
The Community Trails Committee has an approved budget of $1,200.00 to sponsor this year's event. The funds come from the City's 2025/2026 Fiscal Year Planning Division Budget for Community Events.

Public Notice:
The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:
The Trails Day Event is done annually to promote the establishment and use of Highland's growing trail system. The CTC recommends the date June 6, 2026, to coincide with National Trails Day, give staff sufficient time to prepare for the event, send out letters to sponsors, and get the word out to the community. The location of the event will be on the newly finished Natural Parkland Trail near the easterly terminus of Base Line.

Attachments:
None

Staff Report
to the City Council

Agenda Item No.12.

Date:	March 10, 2026
From:	Carlos Zamano, City Manager
Reviewed By:	Maricela Marroquin, City Attorney
Prepared By:	Alondra Muñoz, City Clerk
Subject:	Introduction and First Reading of an Ordinance Amending Highland Municipal Code Section 3.08.080 Relating to Monetary Settlement Authority for Tort Liability Claims

Recommendation:
Conduct the First Reading and Introduce, by Title Only, an Ordinance Amending Subsections B, C, and D of Section 3.08.080 of the Highland Municipal Code to Revise Monetary Settlement Thresholds for Tort Liability Claims.

Fiscal Impact:
None.

Public Notice:
The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:
Section 3.08.080 of the Highland Municipal Code establishes the authority of the City Manager, a duly authorized City Council subcommittee, and the City Council to allow, deny, compromise, or settle claims and actions filed against the City.

On January 28, 2026, the Finance/Personnel Subcommittee reviewed the City's claim settlement authority and provided direction to revise the monetary thresholds for tort liability claims while maintaining the existing claim presentation and rejection procedures.

The proposed ordinance updates only the monetary settlement authority for tort liability claims, as follows:

1. City Manager authority: increase from $500 to $5,000.
2. City Manager and City Council Subcommittee authority: increase from $5,000 to $20,000.
3. City Council approval required: for settlements exceeding $20,000.

No other provisions of Section 3.08.080 are modified.

The proposed amendment is intended to address the outdated monetary settlement thresholds currently contained in the Municipal Code, which were originally established in 1994 and have not been revised.

Attachments:

1. Proposed Ordinance

ORDINANCE NO. ____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA, AMENDING SECTION 3.08.080 OF THE HIGHLAND MUNICIPAL CODE RELATING TO MONETARY SETTLEMENT AUTHORITY FOR TORT LIABILITY CLAIMS

WHEREAS, Ordinance No. 174 established procedures for the processing and settlement of claims against the City; and

WHEREAS, those provisions are now codified in Section 3.08.080 of the Highland Municipal Code; and

WHEREAS, the City Council desires to update only the monetary settlement thresholds for tort liability claims while leaving all other provisions unchanged; and

WHEREAS, the City Council desires to update the monetary settlement authority thresholds for tort liability claims while maintaining existing claim presentation and rejection procedures; and

WHEREAS, on January 28, 2026, the Finance/Personnel Subcommittee reviewed the claim settlement authority and recommended revisions to the settlement thresholds.

NOW, THEREFORE, the City Council of the City of Highland does ordain as follows

Section 1. Code Amendment. Subsections B, C and D of Section 3.08.080 (Authority to settle claims, or shut down city operations in an emergency) of Chapter 3.08 (Claims Against the City) of Title 3 (Revenue and Finance) of the Highland Municipal Code is hereby amended to read as follows, with all other provisions of Section 3.08.080 remaining changed:

A. The City Manager is authorized to allow, deny, compromise or settle any tort liability claim or action that is filed against the city, its officers or employees, provided that:

1. As to payment, the amount to be paid pursuant to such allowance, compromise or settlement does not exceed Five Thousand Dollars ($5,000).
2. The claim or action is not subject to the terms of an insurance policy wherein the insurer is granted the authority to allow, deny, compromise or settle claims or action within the scope of such policy.

B. The Finance/Personnel Subcommittee of the City Council, is authorized to approve settlement agreements resolving tort liability claims or actions against the City in an amount greater than Five Thousand Dollars ($5,000.00) but that do not exceed Twenty Thousand Dollars ($20,000). The City Manager is authorized to execute settlement agreements of claims or actions in this amount after receiving approval from the Finance/Personnel Subcommittee.

C. The City Council is authorized to approve and execute settlement agreements resolving tort liability claims or actions against the City in an amount greater than Twenty Thousand Dollars ($20,000).

Section 2. Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this ordinance or its application to any person or circumstance, is for any reason held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this ordinance, or its application to any other person or circumstance. The City Council declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause, phrase hereof, irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

Section 3. Certification and Publication. The City Clerk shall certify the passage of this Ordinance and shall cause same to be published pursuant to state law within fifteen (15) days after its passage, and this ordinance shall become effective the later of thirty (30) days after its passage.

PASSED, APPROVED, AND ADOPTED this 10th day of March, 2026.

_____
Penny Lilburn
Mayor

ATTEST:

_____
Alondra Munoz, CMC
City Clerk

APPROVED AS TO FORM:

_____
Maricela Marroquin
City Attorney

Staff Report
to the City Council

Agenda Item No.13.

Date:	March 10, 2026
From:	Carlos Zamano, City Manager
Reviewed By:	Maricela Marroquin, City Attorney
Prepared By:	Alondra Muñoz, City Clerk
Subject:	Introduction and First Reading of an Ordinance Amending Highland Municipal Code Section 2.15.035 to Incorporate SB 827 Financial and Fiscal Training Requirements and Expanded Ethics Training Obligations

Recommendation:
Introduce and conduct a first reading of an Ordinance No. ____, amending Section 2.15.035 of the Highland Municipal Code to:

1. Incorporate fiscal and financial oversight training requirements mandated by SB 827 for covered local agency officials; and
2. Update and expand ethics training requirements to reflect current State law.

Fiscal Impact:
None.

Public Notice:
The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:
Municipal Code Section 2.15.035 establishes training responsibilities for commissioners serving on City boards, commissions, and committees and currently requires completion of AB 1234 ethics training within the first year of assuming office and every two years thereafter, with compliance monitored by the City Clerk's Office.

On October 11, 2025, the California Legislature enacted SB 827, which became effective on January 1, 2026, which significantly expands statewide public-official training requirements by:

1. Extending ethics training applicability beyond elected officials and governing body members to include department heads and comparable administrative officers;
2. Requiring officials who begin service on or after January 1, 2026 to complete ethics training within six (6) months of assuming office; and
3. Establishing a new fiscal and financial oversight training mandate requiring at least two

(2) hours of training every two (2) years covering core public-finance topics such as budgeting, debt management, auditing, revenues, investments, and ethical stewardship of public funds.

Because the Highland Municipal Code currently reflects only the earlier AB 1234 ethics-training framework, an amendment is necessary to ensure the Code aligns with current State law, incorporates mandatory fiscal-training provisions, and reflects the expanded scope and timing of ethics-training obligations established by SB 827.

Attachments:

1. Proposed Ordinance

ORDINANCE NO. ____
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA, AMENDING SECTION 2.15.035 (MEMBERSHIP – COMMISSIONER RESPONSIBILITIES) OF CHAPTER 2.15 (GENERAL PROVISIONS APPLICABLE TO COMMISSIONS, BOARDS, AND COMMITTEES) OF TITLE 2 (ADMINISTRATION AND PERSONNEL) OF THE MUNICIPAL CODE TO INCLUDE REQUIRED FINANCIAL TRAINING AND EXPANDED ETHICS TRAINING

THE CITY COUNCIL OF THE CITY OF HIGHLAND DOES ORDAIN AS FOLLOWS:

Section 1. Purpose and Intent. The City Council has established a number of commissions, boards and committees (collectively referred to herein as "commissions") which receive information, investigate, review and make decisions and recommendations regarding many areas of the City's business. The City Council desires to ensure compliance with applicable State law training and disclosure requirements, including ethics training pursuant to AB 1234 and financial and fiscal training pursuant to SB 827.

Section 2. Amendment of Section 2.15.035. Section 2.15.035 (Membership – Commissioner Responsibilities) of Chapter 2.15 (General Provisions Applicable to Commissions, Boards and Committees) of Title 2 (Administration and Personnel) of the Highland Municipal Code is hereby amended in its entirety to read as follows:
"2.15.035 Membership - Commissioner Responsibilities.

A. Ethics Training, Fiscal and Financial Training, and Form 700 Filings.

1. Monitoring of Compliance.
   The City Clerk's Office shall monitor compliance with State and City Form 700 (Statement of Economic Interests), AB 1234 ethics training, and SB 827 financial and fiscal training requirements.

2. Ethics Training Requirement (AB 1234).
   All local elected officials, governing body members, department heads, and administrative officers shall complete an ethics training course consisting of not less than two (2) hours of instruction within the first six (6) months of appointment and, thereafter, shall complete at least two (2) hours of ethics training every two (2) years, as required by State law.

3. Fiscal and Financial Training Requirement (SB 827).
   All local agency officials required to file a Statement of Economic Interests pursuant to Government Code Section 87200 et seq. or the City's conflict-of-interest code shall complete financial and fiscal training within the first six (6) months of assuming office and at least once every two (2) years thereafter, consistent with State law requirements.

4. Form 700 Filing Requirement.
   All officials designated in the City's conflict-of-interest code or otherwise required by State law to file a Statement of Economic Interests shall file a Form 700 no later

than thirty (30) days after assuming office, within thirty (30) days of leaving office, and annually thereafter while serving."

Section 3. Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this ordinance or its application to any person or circumstance, is for any reason held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this ordinance, or its application to any other person or circumstance. The City Council declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause, phrase hereof, irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

Section 4. Certification and Publication. The City Clerk shall certify the passage of this Ordinance and shall cause same to be published pursuant to state law within fifteen (15) days after its passage, and this ordinance shall become effective the later of thirty (30) days after its passage.

PASSED, APPROVED, AND ADOPTED this 10th day of March, 2026.

_____
Penny Lilburn
Mayor

ATTEST:

_____
Alondra Munoz, CMC
City Clerk

APPROVED AS TO FORM:

_____
Maricela Marroquin
City Attorney

Staff Report
to the City Council

Agenda Item No.14.

Date:	March 10, 2026
From:	Carlos Zamano, City Manager
Reviewed By:	Tish Nava-Cruz, Director of Administrative Services/City Treasurer
Prepared By:	Tish Nava-Cruz, Director of Administrative Services/City Treasurer
Subject:	Introduction and First Reading of an Ordinance Amendment to Title 5, Chapter 5.04, Section 5.04.160 of the City of Highland Municipal Code (Business License)

Recommendation:
The Finance/Personnel Subcommittee recommends the City Council:

1. Introduce and conduct a first, and second reading and subsequently adopt Ordinance No.____ amending Section 5.04.160 (License Fee-Payment Due Dates) of the Highland Municipal Code amending the term and collection of the fee for new business licenses; and
2. Making a finding of exemption under the California Environmental Quality Act.

Fiscal Impact:
None.

Public Notice:
The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:
The City previously adopted an ordinance establishing a uniform business license period of January 1 through December 31 for all licenses. As part of that transition, a proration schedule was created to align existing licenses with the new renewal cycle. At that time, proration was also applied to new business licenses. However, this was an oversight. Regardless of when a new business applies, the administrative workload required of staff is the same.

The proposed ordinance amends the municipal code to clarify that new business license applications will not be prorated. New businesses will pay the full license fee upon application and will thereafter renew on the standard January 1 through December 31 schedule, consistent with all other business licenses. In addition, the City's current fee study no longer includes daily, weekly, or monthly license fees, so the proposed ordinance removes references to these types of license fees.

This item was reviewed on February 17, 2026, by the Finance/Personnel Subcommittee, and they approved the item to be brought forward to the full City Council.

Attachments:

1. Proposed Ordinance

ORDINANCE NO. XXXX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA, AMENDING SECTION 5.04.160 (LICENSE FEE - PAYMENT DUE DATES) OF CHAPTER 5.04 (BUSINESS LICENSES GENERALLY) OF TITLE 5 (BUSINESS LICENSES AND REGULATIONS) OF THE HIGHLAND MUNICIPAL CODE AMENDING THE TERM AND COLLECTION OF THE FEE FOR NEW BUSINESS LICENSES AND MAKING A FINDING OF EXEMPTION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, the City of Highland ("City") requires all persons who conduct any business in the City to obtain a business license and pay the appropriate license fee; and

WHEREAS**,** business licenses must be renewed, and appropriate license fees must be paid, annually; and

WHEREAS, the City's current fee study does not include licenses fees for periods of time less than one year; and

WHEREAS**,** City staff resources used to process business licenses are the same regardless of the time of the year a business applies for a new business license; and

WHEREAS, the City desires to update its business license fee requirements to be consistent with the City's current fee study and to accurately reflect the consistent cost of processing business license applications throughout the year.

THE CITY COUNCIL OF THE CITY OF HIGHLAND DOES ORDAIN AS FOLLOWS:

Section 1. Recitals. The City Council hereby finds that all of the facts set forth in the Recitals above are true and correct.

Section 2. The City Council hereby amends Section 5.04.160 (License fee-Payment due dates) of Chapter 5.04 (Business Licenses Generally) of Title 5 (Business Licenses and Regulations) of the Highland Municipal Code in its entirety to read as follows:

"**5.04.160 License fee - Payment due dates.**

A. Annual Fees for Existing Business. For existing businesses, annual business license fees set forth in this Chapter shall be due and payable to the city on January 1 of each year. All licenses, unless otherwise provided in this chapter, shall be issued for an annual period.

B. Annual Fees for New Businesses. Annual business license fees for new businesses shall be due and payable on the date the business is established. New businesses must pay the full annual fee for the first year the new business is established regardless of the date the business is established. Thereafter, fees shall be due and payable on January 1 of each year."

Section 3. Environmental Review. The City Council finds that this Ordinance is not subject to the California Environmental Quality Act ("CEQA"). The adoption of this ordinance is not a project within the meaning of the CEQA Guidelines Section 15378(b)(5) and 15061(b)(3) as it has no potential for physical effects on the environment because it is an organizational or administrative activity of the City that involves amending the fees for payment of business license fees. Pursuant to CEQA Guidelines Section 15378(b)(5), organizational or administrative activities of governments that will not result in any physical changes in the environment, is not defined as a "project" under CEQA. Therefore, approval of the fees and/or charges is not a "project" for purposes of CEQA, pursuant to CEQA Guidelines Section 15378(b)(5); and, even if considered a "project" under CEQA, is exempt from CEQA review pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that approval of the fees and/or charges may have a significant effect on the environment.

Section 4. Severability. Should any section, subsection, paragraph, sentence, clause, or phrase of this ordinance be declared unconstitutional or invalid for any reason, such declaration shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this and each section, subsection, phrase or clause thereof irrespective of the fact that any one or more sections, subsections, phrase or clauses be declared unconstitutional on their face or as applied.

Section 5. Effective Date. This Ordinance shall be effective thirty (30) days after its adoption by the City Council of the City of Highland.

Section 6. Publication. The City Clerk is hereby ordered and directed to certify the passage of this Ordinance by the City Council of the City of Highland, California and cause the same to be published in accordance with State law.

Section 7. Actions to effectuate. The City Manager is hereby authorized and directed to take other actions on behalf of City, which are not expressly and specifically reserved for the City Council, to implement and effectuate this ordinance.

The Ordinance was introduced at a regular meeting of the City Council on the _____ day of _____, 2026, and adopted at a regular meeting of the Council held on the _____ day of _____, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED AND ADOPTED this _____ day of _____, 2026.

_____

Penny Lilburn
Mayor

ATTEST:

_____

Alondra Muñoz
City Clerk

Staff Report
to the City Council

Agenda Item No.15.

Date: March 10, 2026

From: Carlos Zamano, City Manager

Reviewed By: Lawrence Mainez, Community Development Director

Prepared By: Lawrence Mainez, Community Development Director
Maricela Marroquin, City Attorney

Subject: Amended and Restated Disposition and Development/ Affordable Housing Agreement (the "Amended Agreement") and a Ground Lease with Wakeland Highland, LP, Related to the Construction of Ninety (90) Unit Affordable Senior Housing (Inclusive of One Manager's Unit) on Land Owned by the City's Housing Authority. The Amended Agreement will Allow Wakeland to Either (1) Develop the Ninety (90) Units ("Single Phase Project"), or (2) Develop a "Two Phase Project" With Not Less Than Sixty (60) Units During the First Phase ("Phase 1"), and Not Less Than Thirty (30) Units During the Second Phase ("Phase 2")

City Council Work Program

Recommendation:

1. Adopt Housing Authority Resolution No. HA 2026-_____, approving entering into an Amended and Restated Disposition and Development/Affordable Housing Agreement and Ground Lease with Wakeland Highland, LP, and reconfirm the disbursement of $4,577.450.00 in funds to Wakeland Highland, LP, upon conditions of closing being satisfied;
2. Adopt City of Highland Resolution No. 2026-_____, approving entering into an Amended and Restated Disposition and Development/Affordable Housing Agreement, and Density Bonus Agreement with Wakeland Highland, LP; and
3. Direct Staff to file a Notice of Exemption with the County Clerk of the Board.

Fiscal Impact:

The Housing Authority and City have committed to providing $4,577,450.00 of funding, provided certain conditions are met (*as approved under Housing Authority Resolution No. HA 2023-001, and City Council Resolution No. 2023-018 respectively*). The following is a breakdown of the proposed Housing Authority and City funding commitment for both the stand-alone project or the first phase of the phased project:

$3,041,000.00	Housing Authority: 2004A Tax Exempt Bond Proceeds.
$322,500.00	Housing Authority: Fund Balance Allocation.
$635,000.00	City: Inclusionary Housing Funds Allocation (Ordinance No. 306, $3,750 per/unit fee for new housing constructed citywide).
$578,950.00	City Infrastructure Improvement Bond held by the City related to the City owned thirteen (13) single-family lot subdivision map located on Lillian Lane (contiguous to the Highland Community Park).
=**$4,577,450.00**	TOTAL of Housing Authority and City assets available ("Authority Amount")

Resolution No. CC 2023-018 approved by the City Council on May 9, 2023, authorizes the disbursement of $1,213,950 ($635,000 in inclusionary housing funds and $578,950 from infrastructure improvement bond) to the Housing Authority to be used towards the Project. Resolution No. HA 2023-001 approved by the Housing Authority on May 9, 2023, authorizes the disbursement of the Authority Amount to Wakeland upon certain conditions to closing being satisfied.

According to Wakeland Housing and Development Corporation's ("WHDC") most recent proforma (January 15, 2026), the Single Phase Project, (90) units, is estimated to cost approximately $65,494,020.00 or $727,711.33 per unit.

According to WHDC's most recent proforma (February 3, 2026), Phase 1 of the Two-Phase Project (60 units) is estimated to cost approximately $43,770,325.00 or $729,505.41 per unit.

For the purpose of developing and operating the housing project, WHDC created Wakeland Highland LP ("WHLP") as the ownership/borrower entity. WHDC is the sole member and manager of the Managing General Partner entity (Wakeland Highland, LLC "WHLLC") of WHLP. It will be WHLP's responsibility to pay for the associated entitlement processing fees, building permit fees, and all other related development fees.

The following is a breakdown of Wakeland's funding sources for the Single-Phase Project and the Two-Phase Project:

Funding Source:	**Single-Phase Project:**	**Phase 1 of Two Phase Project:**
Tax Credit Equity – Tax Credit Allocation Committee of Calif (TCAC)	$25,707,735	$30,781,775
Permanent Loan (Private)	$2,220,000	$2,561,000
Deferred Development Fee (WHLP)	$3,513,145	
GP Capital Contribution (WHLLLC)	$100	$100
Housing Authority Contribution (Highland)	*$4,577,450*	*$4,577,450*
MHP Loan – CA HCD	$20,025,590	
SB County HCD Loan	$5,850,000	$5,850,000

Value of Land Contribution (Housing Auth.)	$3,600,000	$0*
Totals:	**$65,494,020**	**$43,770,325**

**In this project execution, the land value is not considered a source or a use.*

Public Notice:
The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:

Project Notice: A public hearing notice was published on February 21, 2026, and February 27, 2026, in the San Bernardino Sun.

Document Inspection: With the dissolution of the Highland Redevelopment Agency in 2012, the Highland Housing Authority, as Housing Successor to the former Highland Redevelopment Agency, has taken on the housing functions of the former redevelopment agency. As required by California Health and Safety Code Section 33433, a report has been prepared summarizing certain aspects of the Amended Agreement and the Ground Lease. Copies of the Amended Agreement and Ground Lease and Section 33433 Report have been made available at the public counter at City Hall and included with this staff report (see Attachment 1, 33433 Report).

CEQA: The proposed Amended Agreement and Ground Lease concerns the development of a ninety (90) unit apartment complex that will include eighty-nine (89) affordable senior apartments and one (1) manager's unit. The project is considered an Exempt Project under the California Environmental Quality Act (CEQA) Section 15194, Affordable Housing Exemption. The Planning Division staff has determined that the required threshold requirements for CEQA exemptions for affordable housing stipulated under CEQA Section 15192 have been met. Further, the project qualifies as a Categorical Exemption under CEQA Section 15332 (Class 32) – Infill Development Projects. If the Housing Authority Board approves the Amended Agreement and Ground Lease and the City Council approves the Amended Agreement, a Notice of Exemption will be filed with the County Clerk of the Board. No further CEQA documentation will be required.

The Housing Authority holds both financial and land assets to be used for the development, preservation, and renovation of low- and moderate-income housing within the City.

On December 14, 2021, the Housing Authority adopted Resolution No. HA-2021-002, declaring the Property to be surplus land and directed staff to publish a notice of availability ("Notice") which indicated the Site would be made available by means of a ground lease for affordable senior housing development purposes.

As provided under the applicable law and regulations, a period of sixty (60) days was established for the submittal of notices of interest. There were two interest letters submitted, but one was later withdrawn. Only WHDC, a California nonprofit public benefit corporation, submitted a detailed proposal in response to the Notice. The Board directed staff to negotiate with WHDC regarding the Site consistent with the basic parameters described within the Notice.

On July 12, 2022, the Housing Authority Board adopted Resolution No. HA 2022-001

approving an Exclusive Negotiation Agreement ("ENA") with WHDC. The ENA specifies that the Developer, or its affiliate or subsidiary, would develop a ninety (90) unit apartment complex that will include eighty-nine (89) affordable senior apartments and one (1) manager's unit (sometimes referred to as "project").

On March 9, 2023, the ENA was extended for an additional ninety (90) days, until June 7, 2023 ("First Extension") to allow more time to complete a Disposition and Development Agreement/Affordable Housing Agreement and Ground Lease.

On May 9, 2023, the Housing Authority Board and City Council adopted HA Resolution No. 2023-001 and CC Resolution No. 2023-018 approving the Disposition and Development / Affordable Housing Agreement ("Original Agreement") and Ground Lease with Wakeland Highland, L.P., and Authorizing the Disbursement of specified funds to construct a 90-unit affordable senior housing project on the Property.

From 2022 to 2025, WHDC applied for three (3) Rounds of State Housing and Community Development (HCD) Multi-family Housing Program Funds (MHP Funds) and was not selected for funding.

On August 5, 2025, due to the competitive nature of the MHP funding award process, WHDC approached staff regarding their request to amend the Original Agreement and Ground Lease to allow WHDC to proceed with either a Single Phase Project or Two-Phase Project. It was determined at that time to wait until September 2025 when the results of their 3rd Round MPH application were released before formally moving forward with an amendment to the Original Agreement and Ground Lease.

On January 5, 2026, WHDC approached staff and advised them that the California Department of Housing and Community Development (HCD) intended on announcing a 4th Round of MHP Funding in early 2026, and that applications would only be available to applicants that submitted for 3rd Round Funding. That being the case, WHDC requested to amend the Original Agreement and Ground Lease to allow a "dual track" approach to either (1) develop the Single Phase Project, or (2) develop the Two-Phase Project if they are unsuccessful in receiving MHP funding. Their request also included an extension to the close of escrow date from December 30, 2026, to December 30, 2027 (for the Single Phase Project) and to December 30, 2032 (for the Two Phase Project).

Project Review: The Amended Agreement and Ground Lease accomplishes affordable housing objectives of the Housing Authority and City and is vital to and in the best interest of the City and its residents.

The Project will be constructed on two contiguous parcels owned by the Housing Authority on the east side of Central Avenue directly south of the existing Jeffrey Court Senior Housing Complex. The combined parcels are approximately 3.76 acres in size (see Attachment 2, Vicinity Map).

Under the Amended Agreement and Ground Lease, WHLP has the option to either (1) develop the Single Phase Project that will include eighty-nine (89) affordable senior apartments and one manager's unit, or (2) develop the Two-Phase Project that will include the eighty-nine (89) affordable senior apartments and one manager's unit that will be constructed in two phases (not less than sixty (60) units during Phase 1, and not less than thirty (30) units during Phase 2). Both options include a designated number of units to be rented at "affordable rent" in conformity with prescribed income levels as defined in the Agreement (and summarized

below). This dual track approach will help WHDC as they navigate the complex and competitive affordable housing funding resources and ultimately construct the project in a timely manner for the areas low-income senior households. (see Attachment 1, Vicinity Map).

Subject to the terms and conditions outlined in the Amended Agreement and Ground Lease, the Housing Authority will lease the site to WHLP for one dollar ($1) per year plus an annual Program Compliance Fee in the amount of $4,000 with a one percent (1%) escalator. The lease rate is based on: i) ensuring the financial feasibility of the Project (see funding sources summary above); and ii) ensuring compliance with the restrictions associated with tax-exempt bond issues with respect to significantly limiting the user's ability to loan bond proceeds (i.e., a 5% limit in most cases). The Ground Lease will be executed, delivered, and recorded with the closing of WHLP's construction loan through an escrow process.

Term and Schedule of Performance

The Property will be ground leased to WHLP, (for which WHDC is the ownership entity) for sixty-eight (68) years, or such other time period as the parties may agree to consistent with applicable law. This term is based on an operating period of at least 65 years (required for MHP funding from HCD) and an estimated three (3) year period to secure the essential project funding to complete the development project.

As outlined within Attachment No. 3 of the Amended Agreement and Ground Lease, WHLP has until June 30, 2027 (Single Phase Project) and June 30, 2032 (Two-Phased Project), to secure the essential project funding, and all conditions related to closing escrow shall not be later than December 30, 2027 (Single Phase Project) and December 30, 2032 (Two-Phased Project).

The Amended Agreement and Ground Lease further stipulates that construction of the project shall commence within thirty (30) days after closing escrow and be completed within three (3) years.

Prescribed Income Levels & Unit Configuration

The Amended Agreement and Ground Lease include the prescribed income levels envisioned for the Single Phase Project and the Two-Phase Project. Only 49% of the units will be income restricted by the Highland Housing Authority in accordance with Article 34 of the California Constitution pursuant to Health & Safety Code § 37001(a)(2). The remaining 45 units will be income restricted by the State of California through the Tax Credit Allocation process and HCD's MHP Loan process. The Density Bonus Agreement acknowledges that all the units, except for the manager's unit, will be income restricted, at the request of WHDC, under Density Bonus Law.

Single Phase Project

Forty-four (44) units of the 90 units (49%) will be restricted as follows:
1. Twenty-seven (27) units shall be rented to extremely- low-income Senior Households (30% of the median income for the County as published by TCAC) (consisting of twenty-three (23) one-bedroom units and four (4) two-bedroom units) (at affordable rents).
2. Seventeen (17) units shall be rented to very- low-income Senior Households (50% of the median income for the County as published by TCAC) (consisting of four (4) two-bedroom units and thirteen (13) one-bedroom units) (at affordable rents).

Two-Phase Project
The first phase of the Two-Phase Project, twenty-nine (29 units), shall be restricted as follows:

1. Six (6) units shall be rented to extremely-low income Senior Households (30% of the median income for the County as published by TCAC) (consisting of four (4) one-bedroom units and two (2) two-bedroom units) (at affordable rents)
2. Thirteen (13) units shall be rented to very-low income Senior Households (50% of the median income for the County as published by TCAC) (consisting of ten (10) one-bedroom units and three (3) one-bedroom units) (at affordable rents).
3. Ten (10) units shall be rented to low income Senior Households (60% of the median income for the County as published by TCAC) (consisting of two (2) one-bedroom units and eight (8) two-bedroom units) (at affordable rents).

For both the Single Phase Project and the Two-Phase Project, there will be one manager's unit that will not be income restricted. 49% of the units in Phase 2 of the Two-Phase Project will also be income restricted, but the restrictions will depend on the specific funding sources.

Density Bonus Agreement

The subject Amended Agreement includes a Density Bonus Agreement between the City and WHLP that will grant WHLP the following four (4) incentives, two (2) waivers from development standards. It should be noted that WHDC is not requesting additional units (i.e., increased density) as part of the Density Bonus Agreement. The four (4) incentives and two (2) waivers for the Single Phase Project are the same as previously approved by the City Council in Resolution CC 2023-018. The description below notes the differences in the four (4) incentives and two (2) waivers being requested for the first phase of the Two-Phase Project. At this time, WHDC is not requesting any incentives or waivers of development standards for the second phase of the Two-Phase Project. If WHDC (or WHLP) were to request incentives or waivers for the second phase of the Two-Phase Project, WHDC (or WHLP) would need to submit a separate application to the City that would be considered by the City Council for approval.

Four (4) Incentives:

A. Exterior Storage Space. Highland Municipal Code Section 16.16.040.C.3 requires that apartments provide a minimum of 200 cubic feet of exterior storage space. WHDC proposes all storage interior to the units rather than exterior.

WHDC's reason for incentive: The average cost to construct storage space (framing, wood, drywall, etc.) is approximately $7,300 per unit. This results in an additional cost of $657,000 that would cause the project to be infeasible if required.

B. Laundry Facilities. Highland Municipal Code Section 16.16.040.E.3.g requires that apartments located within the R-4 Zoning District install laundry facilities, including washers and dryers, in every residential unit. WHDC proposes community laundry facilities on the Project site rather than individual washers and dryers in every residential unit.

WHDC's reason for incentive: The average cost to install venting for washers in units and affordable stackable washer/dryer in units is approximately $3,975. This results in an additional cost of approximately $357,750 that would make the project infeasible if required.

C. Covered Parking. Table 16.52.030A of the Highland Municipal Code requires that

resident parking in the R-4 Zoning district be covered within a garage or carport. Guest parking may be uncovered. For the Single-Phased Project, WHDC proposes 60 uncovered parking spaces and 8 handicapped parking spaces that will be covered by carports. For the first phase of the Two-Phase Project, WHDC proposes 40 uncovered parking spaces and 5 handicapped parking spaces that will be covered by carports. The 60 uncovered spaces for the Single-Phase Project or the 40 uncovered spaces for Phase 1 of the Two-Phase Project, will be shaded by trees species as may be recommended by the City's Landscape Architect and planted within parking lot landscape islands and half diamond planters as approved by the Highland Planning Commission (through the Design Review process).

WHDC's reason for incentive: The average cost for a carport is approximately $11,800 per carport, resulting in a cost of $708,000 if the project were to provide carports for the additional 60 parking spaces, and would make the project infeasible.

D. Masonry Wall. Highland Municipal Code Section 16.16.040.C.13 requires the construction of a masonry wall 6 feet in height or as approved by the Highland Planning Commission and screen landscaping at least 5 feet in width where a multi-family dwelling abuts the property in a single-family district. There is currently a masonry wall along the northerly property line (contiguous to the Jeffery Court senior apartment complex). A masonry wall would be required along the eastern and southern property lines and partially along the western property line with screening landscaping. For the Single Phase Project, WHDC proposes to construct a tubular steel fence, instead of a masonry wall, along such property lines. For Phase 1 of the Two-Phase Project, WHDC proposes to construct a tubular steel fence along the southern property line and partially along the western property line, and the easterly property line separating phases. Phase 2 of the Two-Phased Project may require vinyl type fencing along the easterly boundary line contiguous to existing single family residential uses. Screening landscaping shall not be used in place of fencing as stipulated above.

WHDC's reason for incentive: The cost of a concrete masonry block wall is approximately $705 per lineal foot, resulting in a cost of approximately $1,089,545 for the easterly, southerly, and partial westerly property lines. The addition of these walls would make the project infeasible if required.

Two (2) Development Standard Waivers:

A Unit Size. Table 16.16.040.B.12 of the Highland Municipal Code requires that one-bedroom units be a minimum of 650 square feet in size and that two or more bedroom units be a minimum of 800 square feet in size. WHDC is proposing that the one-bedroom units be 542 square feet in size (108 square feet less than required), and that two-bedroom units be 798 square feet in size (2 square feet less than required).

WHDC's reason for waiver: The request is a reduction of 8,342 square feet of building area that is used to create the single-story bungalow design compatible with the contiguous neighborhood, and allow for 68 parking spaces, stormwater detention basins, and common open space. In addition, the average building cost industry-wide is $305 per square foot, which could result in an additional cost of $2,544,310. For these reasons, the requirement to build the land use and development code required unit sizes would make the project infeasible from both a financial and design standpoint.

B. Private Open Space. Highland Municipal Code Section 16.16.040.E.3.d requires each dwelling unit to have a minimum of 150 square feet of private open space with a minimum

dimension of 10 feet. WHDC is proposing that all the open space on the Project site be common open space available to be shared by all residents, rather than private open space. For the Single-Phase Project, to provide some element of private open space, a small seating area, near the single-story unit front doors will be provided for one or two all weather chairs. For Phase 1 of the Two-Phase Project, there will not be any single story units and, therefore, no outdoor seating will be provided.

WHDC's reason for waiver: The combination of the required common open space proposed (25% minimum), reduction in site area due to parking and storm water detention basins, and the additional cost of $465,000 to build private patios/balconies would make the project infeasible if required to provide private open space patios/balconies for all units.

Statute Adjustment Request

Parking. Pursuant to Table 16.52.030 of the Highland Municipal Code, senior housing projects located in the R-4 Zoning District must provide one (1) space per unit and 0.25 spaces per unit for guest parking. For the Single Phase Project, based on the 90 units that are proposed to be constructed, the development is required to provide 112.5 (rounded to 113) parking spaces. For Phase 1 of the Two-Phase Project, based on the 60 units that are proposed to be constructed, the development is required to provide 75 parking spaces. Government Code section 65915(p)(3) provides that if a development meets the criteria set forth in Government Code section 65915(b)(1)(G)(B), then, upon the request of the developer, a city shall not impose vehicular parking standards if the development is a for-rent housing development for individuals who are 55 years of age or older that complies with Sections 51.2 and 51.3 of the Civil Code and the development has either paratransit service or unobstructed access, within one-half mile, to fixed bus route service that operates at least eight times per day. Pursuant to Government Code section 65915(p)(3), WHDc is not required to provide any parking for the Project. Nevertheless, for the Single Phase Project, WHDC has agreed to construct 68 parking spaces; 60 of those parking spaces will be uncovered and 8 of the parking spaces that will be designated for handicapped parking will be covered. For the Phase 1 of the Two-Phased Project, WHDC has agreed to construct 45 parking spaces; 40 of those parking spaces will be uncovered and 5 of the parking spaces designated for handicapped parking will be covered. WHDC has conducted a parking analysis to demonstrate that the parking spaces proposed will be sufficient for the Project (see Attachment 3 – Highland Senior Apartments, Parking Analysis).

Pursuant to the Density Bonus Agreement, for the Single Phase Project, eighty-nine (89) of the units shall be restricted as follows: (i) twenty-seven (27) units (twenty-three (23) one-bedroom units and four (4) two-bedroom units) are restricted to senior households who make no more than 30% of Median Income for the Area (i.e., extremely low income households); (ii) another twenty-seven (27) units (twenty-three (23) one-bedroom and four (4) two-bedroom units) are restricted to senior households who make no more than 50% of Median Income for the Area (i.e., very low income households); and (iii) and another thirty-five (35) units (thirty-one (31) one-bedroom units and 4 (four) two-bedroom units) are restricted to senior households who make no more than 60% of Median Income for the Area (i.e., low income households). There will be one unrestricted manager's unit.

If the WHDC elects to construct the Two-Phase Project, for Phase 1, fifty-nine (59) of the units shall be restricted as follows: (i) six (6) units (four (4) one bedroom units and two (2) two bedroom units are restricted to senior households who make no more than 30% of Median Income for the Area (i.e., extremely low income households); (ii) another thirteen (13) units (eleven (11) one bedroom units and two (2) two bedroom units) are restricted to senior

households who make no more than 45% of Median Income for the Area (i.e., very low income households); (iii) another thirty (30) units (twenty-three (23) one bedroom units and seven (7) two bedroom units) are restricted to senior households who make no more than 50% Median Income for the Area (i.e., low income households); and (iv) another ten (10) units (two (2) one bedroom units and eight (8) two bedroom units) are restricted to senior households who make no more than 60% of Median Income for the Area (i.e., low income households).

The 2025 income eligibility criteria are listed below for reference purposes only (San Bernardino County Area). These numbers are adjusted annually.

Income Level	1 person household	2 person household	3 person household	4 person household	5 person household
Extremely Low (up to 30% Area Median Income)	$23,500	$26,850	$30,200	$33,550	$36,250
Very Low (up to 50% Area Median Income)	$39,200	$44,750	$50,350	$55,950	$60,450
Lower (up to 60% Area Median Income)	$47,040	$53,700	$60,400	$67,140	$72,540

Eligible incomes and affordable rent amounts will be established at the time the related agreements are finalized specifying the funding sources utilized.

Zoning and Site Design (Scope of Development)

The site is located within the Multi-family R4 Zoning District. The primary purpose of the R4 District is to provide for the development, by right, of multifamily attached residential dwelling units with enhanced amenities (common open space and recreation areas) at a minimum density of 20 dwelling units per gross acre and a maximum density of 30 dwelling units per gross acre. Development standards adopted within the City's Municipal Code, Chapter 16.16, related to residential districts will be applicable to the Project, except as set forth above and approved by the City Council/Housing Authority.

WHDC's vision for the Single-Phase Project will consist of a density of 24 dwelling units per acre which will include a two-story building (with elevator) along the Central Avenue frontage surrounding an interior plaza connected to a proposed linear park (for gathering with outdoor benches and patios), and four (4) one-story buildings surrounding a lineal park. Tenant and visitor parking is proposed along the northerly property boundary.

WHDC's vision for the Two-Phase Project will consist of not less than sixty (60) units during Phase 1, and not less than thirty (30) units during Phase 2 which is approximately 28.5 dwelling units per acre and 30 dwelling units per acre respectively. Phase 1 will include the same two-story building (with elevator) along the Central Avenue frontage as described above under the Single-Phase Project inclusive of the same amenities. Phase 2 is too speculative; however, it is conceivable that the layout could include single-story structures and/or a combination of single-story and two-story structures to accommodate no less than thirty (30)

additional units.

Both options ("visions") noted above will include a community room and other open spaces for gathering. A common area is proposed to include property and supportive services offices, laundry facilities, space for group activities and a computer room. All common areas and units in the Project will be accessible without the use of stairs. All common access areas such as entryways, walkways, and hallways will be wide enough to accommodate wheelchairs, will be equipped with standard height railings or grab bars, and will have lighting bright enough to assist persons who have difficulty seeing. The Project will have on-site amenities designed with elderly users in mind, such as the community room with features such as space for workshops, classes, community events, and social activities to support social integration of residents.

Services will include social, cultural, and recreational activities; craft and other social clubs; game nights; WHDC's "Creating Opportunities for Resident Enrichment" (CORE) program, which offers adult residents with credit counseling, computer training, financial literacy education and job search assistance to help them achieve greater levels of success; and additional adult education programs. WHLP will also contract with a local service provider to provide PACE (Program of All-Inclusive Care for the Elderly) services to residents of the Project.

Refuse collection will be provided in a manner that requires a minimum of physical exertion by residents, such as concierge trash collection.

The Project will be reviewed by the City's Planning Commission through the Design Review Application process. A conceptual color site plan and color elevations are attached for the City Council's and Housing Authority Board's review and consideration (see Attachment 4).

Property Management

WHDC's existing affordable housing inventory is currently managed by ConAm Management Corporation, and they are proposing to use ConAm to oversee daily operations for the Highland Senior Housing Project. ConAm is one of the top 25 largest management firms in the industry with over 50 years of experience in property management. ConAm currently serves the Inland Empire with a portfolio of over 6,000 apartments in 60 communities spread throughout the Inland Empire and Los Angeles, Orange, and Ventura counties. In addition, the subject Amended Agreement includes a requirement for WHLP to pay the Housing Authority an Authority Management Fee in the amount of $12,000 annually, increasing at a rate of three percent (3%).

San Bernardino County Housing and Development Department Support

As noted above under the Fiscal Impact Section, the County of San Bernardino Housing and Community Development Department has contributed $5,850,000.00 to this affordable housing project. They were consulted about the subject Amended Agreement and Ground Lease and they are very supportive. The County Board of Supervisors are scheduled to approve an extension to their loan agreement with WHDC on March 24, 2026.

Attachments:

1. California HSC Section 33433 Report Updated (Original Dated 4-20-2023)

2. Vicinity Map
3. Parking Analysis Updated 2-24-26
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5. Housing Authority Resolution - Amended Restated Wakeland DDA_AHA
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7. Amended and Restated Wakeland Highland Disposition and Development/Affordable Housing Agreements inclusive of the Ground Lease

Attachment 1

California HSC Section 33433 Report Updated (Original Dated 4-20-2023)

**UPDATED INFORMATION SUMMARY
FOR PROPOSED
AMENDED DISPOSITION AND DEVELOPMENT/
AFFORDABLE HOUSING AGREEMENT AND GROUND LEASE
WITH
WAKELAND HIGHLAND LP,
A CALIFORNIA LIMITED PARTNERSHIP
"33433 REPORT"**

Introduction:

This updated information summary was prepared for the Highland Housing Authority ("Authority") in its capacity as the Successor Housing Agency ("SHA") to the Highland Redevelopment Agency to address the provisions of and pursuant to California Health and Safety Code ("HSC") § 33433 with respect to the Amended and Restated Disposition and Development/Affordable Housing Agreement ("Amended DD/AHA") and Ground Lease ("Amended Lease") (collectively, "Amended DD/AHA/Lease") between the Authority and Wakeland Highland, LP, a California limited partnership ("Developer"). This updated summary supersedes the original information summary dated April 20, 2023.

The original information summary reported on as a single 90-unit senior apartment complex. The Amended DD/AHA/Lease also pertains to the development of a ninety (90) unit senior apartment complex ("Project") on that certain property consisting of two parcels located along the east side of Central Avenue approximately 800 feet south of Base Line Road, California (APNs 1192-431-04 & -05) ("Site"). The Amended DD/AHA/Lease will allow the Developer the option to either: i) develop a single-phase Project consisting of 90-units, as originally intended ("Single-Phase Project"), or ii) develop a two-phase Project that will also result in a 90-unit Project, however, the first phase will be developed with not less than 60-units and second phase will be developed with not less than 30-units ("Two-Phase Project"). Ultimately, the selection of the appropriate option will be dependent upon the availability of financing, i.e., to be determined based on the Project's financial feasibility with respect to the availability of financing sources. In addition, if the Two-Phase Project is selected, it is anticipated that the schedule of development will be elongated.

Background:

Prior to dissolution, the Highland Redevelopment Agency ("Former Agency") acquired a portion of the real property (APN 1192-431-05-0000) consisting of approximately 2.0 acres, which was funded from the Former Agency's Low- and Moderate-Income Housing Fund. The Successor Agency to the Former Agency ("Successor Agency") previously transferred APN 1192-431-05-0000 to the Authority at no cost for affordable housing purposes. Post dissolution of the Former Agency, the Authority, in its capacity as the SHA, acquired the remainder of the real property (APN 1192-431-04-0000) consisting of approximately 1.73 acres located at 7433 Central Avenue, which was funded from the SHA's Low- and Moderate-Income Housing Asset Fund. Therefore, the Site is an asset of the SHA. The need for an HSC § 33433 summary report was prompted by the funding source used to acquire the Site.

The proposed Amended DD/AHA/Lease with the Authority, under which the Developer would ground lease the Site from the Authority, contemplates that the Developer will seek equity funds through federal and possibly state tax credits ("Tax Credit Equity") as well as other private and public funding, upon which the Developer would proceed to develop an approximately 90-unit senior (age restricted) apartment complex on the Site, with appropriate amenities. As noted in the introduction, the Amended DD/AHA/Lease will allow the Developer the option to either: i) develop a Single-Phase Project consisting of 90-units, as originally intended, or ii) develop a Two-Phase Project that will also result in a 90-unit Project, however, the first phase will be developed with not less than 60-units and second phase will be developed with not less than 30-units. Ultimately, the selection of the appropriate option will be dependent upon the availability of financing, i.e., determined based on the Project's financial feasibility with respect to the availability of financing sources. In addition, the financial obligation incurred with respect to the development of the Site shall be the sole responsibility of the Developer and not the Authority.

For ease of review for the purposes of this report, the analysis that follows only concerns the Single-Phase Project. Notwithstanding this, the Developer has provided separate proformas for the 90-unit Single Phase Project option and a 60-unit portion of the Two-Phase Project option. As a result, it is confirmed that if the Developer selects the Two-Phase Project, the Project Financing Plan (described below) will break at an approximate 2/3 to 1/3 ratio. This means that the all-in cost of the 60-unit portion of the Two-Phase Project is estimated to be approximately $43.7 million (confirmed by proforma) and the all-in cost of the 30-unit portion of the Two-Phase Project is estimated to be approximately $21.8 million, which when combined equal an all-in cost of approximately $65.5 million.

Consistent with the foregoing, the structure of the Amended DD/AHA/Lease requires the Developer to ground lease the Site from the Authority for a term of 68 years. The amount of ground rent to be paid is One Dollar ($1.00) per year. The Amended DD/AHA/Lease also requires an "Authority Grant Contribution" in the amount of $4,577,450 for the purpose of providing gap funding to the Developer for the Project. The Developer has indicated that it intends to finance the Single-Phase Project (at the takeout stage) utilizing the following sources and amounts ("Project Financing Plan"):

SOURCES	**AMOUNTS**
1. CTCAC LIHTC - Tax Credit Equity	$25,707,735
2. HCD MHP Loan	20,025,590
3. Authority Grant Contribution	4,577,450
4. Deferred Developer Fee	3,513,145
5. Authority Land Contribution Value	3,600,000
6. County of San Bernardino Loan	5,850,000
7. Private Permanent Loan	2,220,000
TOTAL:	**$65,493,920**

Definitions of acronyms: California Tax Credit Allocation Committee ("CTCAC"); Low-Income Housing Tax Credit ("LIHTC"); California Department of Housing and Community Development ("HCD"); Multifamily Housing Program ("MHP").

The Developer's Project Financing Plan requires that: i) 27 dwelling units be reserved for occupancy by households earning not greater than thirty percent (30%) of the San Bernardino County Median Income, adjusted by family size ("Extremely Low-Income"); ii) 27 dwelling units be reserved for occupancy by households earning not greater than fifty percent (50%) of the San Bernardino County Median Income, adjusted by family size ("Very Low-Income"); and iii) 35 dwelling units be reserved for occupancy by households earning not greater than sixty percent (60%) of the San Bernardino County Median Income, adjusted by family size ("Low-Income"). Collectively, the Extremely- Low-Income, Very- Low-Income and Low-Income reserved units are hereinafter referred to as the "Affordable Units". One dwelling unit is reserved for the Project manager and is unrestricted as to income.

Article XXXIV Exemption:

Article 34 of the California Constitution prohibits the development of a low-income affordable housing project with state or local public financing or assistance unless and until a majority of the voters of the jurisdiction has approved it. The City of Highland lacks Article 34 Authority because an Article 34 authorization has not been presented to the voters.

Definitions:

i) *low rent housing project* - any development dwellings, apartments or other living accommodations for persons of low income, financed in whole or in party by the Federal Government or a state public body or to which the Federal Government or a state public body extends assistance;
ii) *persons of low income* – defined by the Health & Safety Code as individuals or households whose income does not exceed the greater of (a) the "lower income" limit under federal Section 8 guidelines or (b) 80% of area median income, if the Section 8 guidelines are discontinued; and
iii) *state public body* – the State, or any city, city and county, county, district, authority, agency, or any other subdivision or public body of the State (does not include the federal government).

However, California Health and Safety Code ("HSC") § 37001 provides clarification as to exemptions under Article 34, as follows:

"The term "low-rent housing project," as defined in Section 1 of Article XXXIV of the California Constitution, does not apply to any development composed of urban or rural dwellings, apartments, or other living accommodations, that meets any one of the following criteria:

(a)(1) The development is privately owned housing, receiving no ad valorem property tax exemption, other than exemptions granted pursuant to subdivision (f) or (g) of Section 214 of the Revenue and Taxation Code, not fully reimbursed to all taxing entities; and
(2) not more than 49 percent of the dwellings, apartments, or other living accommodations of the development may be occupied by persons of low income.

The Project, as contemplated by the Amended DD/AHA/Lease, qualifies for an exemption under Article 34 pursuant to HSC § 37001 (a)(2) because the Authority, by itself and for its own benefit, requires 44 of the Project's dwelling units be designated as affordable by the Authority, which equals approximately 49% of the Project's total number of dwelling units.

As noted above, the Developer's Project Financing Plan requires LIHTCs and an HCD MHP loan. As a consequence, the State of California, through CTCAC and HCD will require an additional 45 of the Project's dwelling units be designated as affordable, which when added together with the Authority designated affordable dwelling units, the Project will provide a total of 89 affordable senior only dwelling units.

Diminution of Site Value:

TKE has reviewed the Developer's proformas, which confirms that the use of each of the sources described above are essential components of the Developer's Project Financing Plan. Therefore, since the fiscal viability of the Project depends on receiving the Authority Grant Contribution, Tax Credit Equity and an HCD MHP Loan, for which when added together these funding sources require the Project to provide 89 Affordable Units (including a mix of dwelling units that are affordable to extremely-low-income, very- low-income and low-income households), it is appropriate in this analysis to assume that the Project's net operating income will be significantly impaired by the inclusion of the Affordable Units. This conclusion is confirmed by the Developer's proformas and is deemed to be a reasonable conclusion.

Project Benefits Community:

The Project contemplated by the proposed Amended DD/AHA/Lease is in furtherance of the: i) the Former Agency's Redevelopment Plan; ii) City's General Plan (Housing Element); and iii) the applicable Regional Housing Needs Allocation ("RHNA") plan that estimated that approximately 2,513 new houses, condos or apartments should be developed in Highland during the period of 2021-2029.

1. Cost of Project (Amended DD/AHA/Lease) to Authority:

The overall Project is anticipated to produce a net cost to the Authority of $5,024,201.25 (includes the Former Agency's land contribution). This conclusion is based upon the following data:

a. **Land Acquisition Cost**: The Former Agency acquired a portion of the real property (APN 1192-431-05-0000) consisting of approximately 2.0 acres for $101,570.25. This parcel was transferred to the Authority at no cost for affordable housing purposes by the Successor Agency. The Authority, in its capacity as the SHA, acquired the remainder of the real property (APN 1192-431-04-0000) consisting of approximately 1.73 acres for $295,000.00. The combined purchase price for the Site is $396,570.25.

b. **Clearance Costs:** The Authority expended $50,181.00 to demolish the dilapidated structure on APN 11-92-431-04-0000.

c. **Relocation Costs:** None, the Site was vacant at the time of acquisition.

d. **Improvement Costs**: None, the Authority has not incurred any improvement costs.

e. **Finance Costs**: None. The Former Agency and the Authority exclusively funded the acquisition prices with cash for each parcel.

f. **Other Costs:** To ensure the financial feasibility of the Project, the Authority will contribute a grant in the amount of $4,577,450 for the purpose of providing gap funding to the Developer for the Project.

g. **Offsetting Revenue:** None.

2. Estimated value of the interest to be conveyed or leased, determined at highest and best use permitted by the Redevelopment Plan:

The Developer's Project Financing Plan for the Single-Phase Project with Affordable Units is very similar to the financing plans presented by affordable housing developers seeking financing for other affordable rental housing projects in California. Although some variances may be included for portions of such financing plans and the Developer may seek additional financing sources, by and large, the basic sources of financing are identical (i.e., 9% or 4% LIHTCs and private activity multifamily housing bonds or HCD MHP Loans). These financing sources require that the projects they approve include Affordable Units (as described above). The practical effect of including Affordable Units with below-market rental rates is to significantly diminish a project's net operating income, which among other matters, limits the project's capability of obtaining debt financing and paying lease payments attributable to the land. Further, these requirements render the value of the interest to be conveyed to a negative number, which triggers the need for additional preferential or soft financing.

With respect to the Single-Phase Project, based upon its current proforma, the Developer estimates that it will require approximately $65.5 million to develop. Overall, it is estimated that the Single-Phase Project's projected cash flow only supports approximately $28.1 million or 37.4% of the Project's costs (which includes the permanent scheduled debt). The remaining approximately $37.4 million or 57% shortfall includes a variety of essential soft financing sources that includes an approximately $4.6 million gap funding grant from the Authority and an approximately $3.5 million deferred developer fee contribution.

It is important to note that the Developer has reflected within its proforma an assumed value of the Authority's contribution of the Site to the Project of $3.6 million. This amount is based on recent sales and listing prices of similar properties in the vicinity of Highland. This amount is included within the proforma for accounting purposes only and relates to maximizing the Project's eligibility for LIHTCs and does not indicate an actual purchase price (or basis for a ground lease rate). For the purpose of quantifying the cash shortfall in the Project's budget, TKE has subtracted the value of the LIHTCs (approximately $25.7 million), the permanent scheduled debt (approximately $28.1 million) and the accounting estimate for land value (approximately $3.6 million) from the Project's total development cost of approximately $65.5 million. The result is a cash shortfall of approximately $8.1 million. However, in terms of value, it is necessary to include the lack of a land payment at the estimated land value of $3.6 million. As a result, the estimated value of the interest to be conveyed or leased, determined at highest and best use permitted by the Redevelopment Plan equals a negative $11.7 million.

Therefore, by using the approach described in the preceding paragraph, the Developer's financing plan for the Project that includes the required Affordable Units results in a cash

shortfall of approximately $8.1 million and a land payment shortfall in the estimated amount of $3.6 million, which together contributes to a negative land value of approximately $11.7 million. Given that the Site is dedicated to being used solely for affordable housing purposes, it is the opinion of the undersigned that the estimated value of the interest to be conveyed or leased, determined at highest and best use permitted by the Redevelopment Plan, is a negative value of approximately $11.7 million.

3. Estimated value of the interest to be conveyed or leased, determined at the use and with the conditions, covenants and development costs required by the sale or lease:

The estimated value of the interest to be conveyed or leased, determined at the use and with the conditions, covenants and development costs required by the sale or lease, is a negative value of approximately $11.7 million.

4. The purchase price or sum of the lease payments which the lessor will be required to pay during the term of the lease:

The Authority anticipates receiving lease revenue from the Project during the 68-year term of the Lease of one-dollar ($1.00) per year for a total of sixty-eight dollars ($68.00). This de minimis lease rate is required because of: i) the Project's fiscal shortfall, as described above, and ii) that a significant portion of the Authority's Grant Contribution and land acquisition costs include the use of tax-exempt bond proceeds that cap the use of such proceeds for private activities at five-percent (5%) of total proceeds for which the sum of the Authority's financial incentives in this matter well exceed five percent (5%).

5. Explanation of the reason (if applicable) why the sales price or lease rate paid to the Authority may be less than market value of the property as determined at its highest and best use:

As noted above, since the fiscal viability of the Project requires Tax Credit Equity and a HCD MHP loan for which both funding sources require the Project to provide the Affordable Units (in the mix described above), it is appropriate for this report to assume that the Project's net operating income will be significantly impaired by the inclusion of the Affordable Units (as described above) within the Project and will affect the residual value of the Site, as further described herein. As more particularly described above, the estimated value of the interest to be conveyed or leased, determined at the use and with the conditions, covenants and development costs required by the sale or lease, is a negative value of approximately $11.7 million.

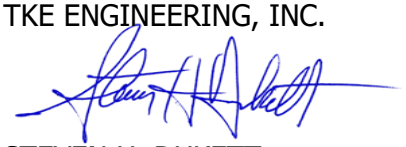
6. Explanation of why the sale or lease of the property will assist in the elimination of blight:

Prior to dissolution, the Former Agency acquired a portion of the real property (APN 1192-431-05-0000) consisting of approximately 2.0 acres, which was funded from the Former Agency's Low- and Moderate-Income Housing Fund. The Successor Agency previously transferred APN 1192-431-05-0000 to the Authority at no cost for affordable housing purposes. Post dissolution of the Former Agency, the Authority, in its capacity as the SHA, acquired the remainder of the real property (APN 1192-431-04-0000) consisting of

approximately 1.73 acres located at 7433 Central Avenue, which was funded from the SHA's Low- and Moderate-Income Housing Asset Fund. Both parcels were acquired for affordable housing purposes. However, APN 1192-431-04-0000 included a dilapidated (i.e., blighted) structure that was demolished (i.e., blight removal). In this matter, the Project is an affordable rental housing project that will include attractive design features and amenities that will enhance the general neighborhood it is located within, which is anticipated to set a standard for its neighborhood that will contribute to the avoidance of blighting conditions going forward. The Amended DD/AHA/Lease includes the requirements that the Developer will follow the City's customary planning process, including without limitation design review.

Certification: I certify that this report complies with the reporting requirements of HSC § 33433. Further, I do not have a present or prospective interest in the Site, the Project, or the parties to the Amended DD/AHA/Lease. My engagement to prepare this report was not contingent upon developing or reporting predetermined results. The statements of fact contained herein, and the substance of this report are based on public records, data provided by the Authority, reports provided by its consultants or as otherwise noted herein. This report reflects my personal, unbiased professional analyses, opinions and conclusions. If any of the underlying assumptions related to the Amended DD/AHA/Lease change after the date provided below, then the undersigned reserves the professional privilege to modify the contents and/or conclusions of this report.

Respectfully Submitted,
TKE ENGINEERING, INC.



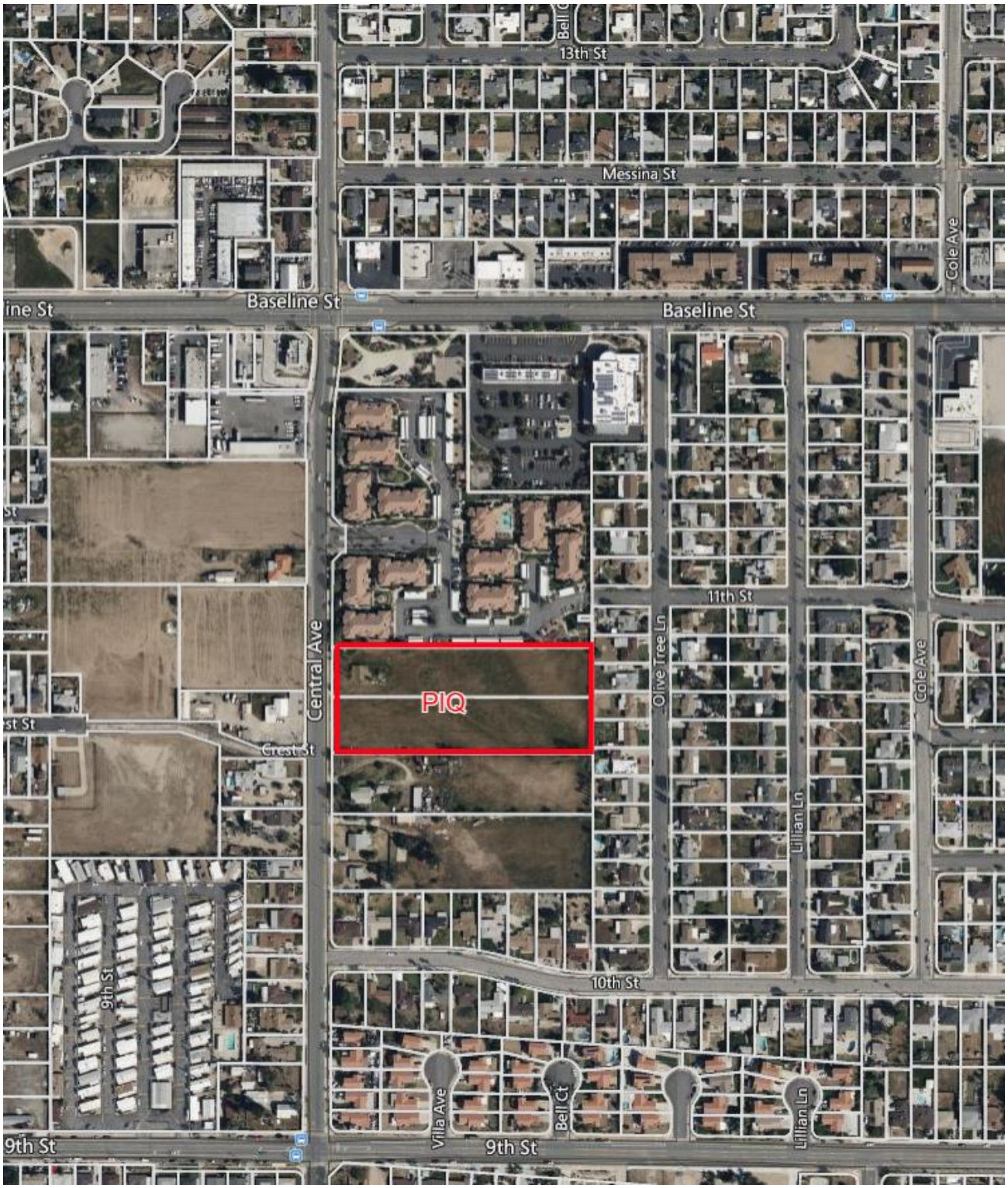
STEVEN H. DUKETT
Managing Director
Development Services

SHD:njb

Dated: February 20, 2026

Attachment 2

Vicinity Map


13th St
Messina St
Cole Ave
Baseline St
Baseline St
11th St
Central Ave
Olive Tree Ln
Cole Ave
PIQ
Crest St
Lillian Ln
10th St
9th St
Villa Ave
Bell Ct
Lillian Ln
9th St
9th St

Attachment 3

Parking Analysis Updated 2-24-26

Highland Senior Apartments – Parking Analysis

Highland Senior Apartments is a proposed new construction senior development comprised of one- and two-bedroom units on a 3.76-acre site in the City of Highland. Wakeland Housing and Development Corporation has proposed two different project executions:

1. **Single-Phase Project**: In the Single-Phase Project execution, a total of 90 units will be constructed at once on the entire 3.76-acre site. Twenty-three (23) of the units (25%) will be set aside for Older Adults in need of Supportive Services at-risk of homelessness. The development will be comprised of one two-story residential building served by an elevator, and four single-story buildings with courtyards and walkways throughout the site to foster outdoor active and passive recreation.
2. **Two-Phase Project**: In the Two-Phase Project execution, a total of 60 units will be constructed during Phase I on half of the project site, which is 1.87 acres. Fifteen (15) of the units (25%) will be set aside for Older Adults in need of Supportive Services at-risk of homelessness. Phase I will be comprised of one two-story, U-shaped residential building served by an elevator, surrounding a central courtyard plaza which will foster outdoor active and passive recreation. Phase II of the Project will consist of no less than 30 units which will be constructed on the remaining 1.87 acres of the site. It is anticipated that the construction of Phase II of the Project will occur after Phase I is complete.

Either project execution will include an on-site community building, which will contain property management offices, resident and supportive services as well as communal laundry facilities, creating a gathering point for neighbors.

The site is well situated in the Highland community to allow for residents to be car-free and still have access to parks, a library, a grocery store, a pharmacy and access to regional needs like medical and government centers. Located at 7433 Central Avenue, Highland Senior Apartments is within one mile of several amenities that will serve senior residents, including: Highland Family YMCA (0.4 miles); Cunningham Neighborhood Park (0.6 miles); Sam J. Racadio Library and Environmental Learning Center (0.5 miles); and CVS pharmacy (0.56 miles). Highland Senior Apartments is also located within a four-minute, 0.2-mile walkable flat route to an Omnitrans bus stop (Route 3/4 with service every 20-30 minutes M-F) on Baseline at Central Avenue. An additional four-minute ride on the bus will take residents to Smart & Final Extra! (1.0 miles from the site) for grocery shopping. Senior bus fares are .90 one way. Omnitrans Route 3/4 also travels to medical facilities like San Bernardino County Hospital, Ballard Rehab Center and St. Bernardine Medical Center as well as the San Bernardino County Government Center, County Courts and the Transit Center where individuals can transfer to other bus and rail lines.

Both project scenarios will have units restricted for Extremely Low-Income Seniors at 30% of the Area Median Income for San Bernardino County. These households will be served by a Lead Service Provider that provides Medicare- and Medicaid-covered care and services known as Program of All-Inclusive Care for the Elderly (PACE). These services will include regular, free transportation to a nearby PACE center for activities or medical appointments.

Wakeland is proposing: 68 total parking spaces on the site for the Single-Phase Project; and 45 total parking spaces for Phase I of the Two-Phase Project. This proposal, regardless of the two different executions, represents a parking ratio of 0.75 parking spaces for every 1 unit of housing (0.75:1). This parking ratio is supported by the following:

- the site is located within a brief walking distance to a bus stop and/or a short bus ride to many amenities in the community;
- one fourth of the units will be served by a PACE Service Provider that will provide transportation to a PACE center for activities and/or medical appointments;
- there is a goal to maximize affordable housing and green spaces on the site;
- there is a requirement to efficiently maximize public funding for the development;
- local and regional planning measures encourage public transportation and reduction of greenhouse gas emissions;
- several other senior affordable developments in the San Bernardino County area have successfully operated with reduced parking at their sites.

Designing the site with a 0.75 parking ratio allows for a comfortable density of 24 dwelling units per acre (Single-Phase Project) and 32 dwelling units per acre (Phase I of the Two-Phase Project). This means less paved area and more green space for amenities such as planter beds and outdoor recreation in either scenario. The site will maintain a more open feeling between buildings and residents will be able to take advantage of courtyards, pathways, benches and landscaping (passive recreation spaces) rather than having buildings closer together (and possibly two-story) to accommodate more parking and impervious surfaces. Increased green space is more environmentally friendly and decreases pollutants from cars and runoff into storm drain inlets and catch basins.

The cost to build 45 additional uncovered parking spaces in the Single-Phase Project is approximately $378,000 in associated curb, gutter, site preparation and paving; and $252,000 to build an additional uncovered 30 spaces in Phase I of Two-Phase Project, respectively. Wakeland maintains a goal of being a good steward of public funds and desires to spend precious dollars on affordable housing, amenities for residents such as outdoor passive and active recreation, and

aesthetic design of the buildings, unit interiors and common spaces. While it is important to plan for independent transportation for residents, the value of an open, well-designed community with a variety of recreation opportunities for residents is also an important use of public funds.

Encouraging public transportation and reducing vehicle miles traveled and greenhouse gas emissions are local and regional goals for both the City of Highland and the County of San Bernardino. Program 11 of the City of Highland's 6th Cycle Housing Element (2021-2029) supports regional efforts to link public transportation and housing, especially along the Baseline corridor where the project is located. In addition, the San Bernardino Green House Gas Reduction Plan, published in March 2021, includes policies to "encourage transit-oriented, infill development to make efficient use of existing land," and "promote bus service and paratransit improvements," such as Program 11. Reducing parking at the Highland Senior Apartments site in either project scenario is in line with these policies to design this infill site efficiently with less focus on vehicles and promote use of nearby bus service that is within easy walking distance of the site.

Wakeland researched the market and located several other senior developments in San Bernardino County successfully operating with similar or lower parking-per-residential-unit ratios than what is being proposed at Highland Senior Apartments. The table below illustrates developments in operations for up to fifteen years with as low as 0.45:1 parking ratios.

Year placed in operations	Property Name	# of Units	# of Parking Spaces	Parking ratio	Location
1998	Seasons Senior Villas	104	47	0.45	Chino
2008	Ontario Senior Apartments	76	57	0.75	Ontario
2008	The Plaza at Sierra	90	68	0.75	Fontana
2012	Yucca Valley Senior Apartments	75	48	0.64	Yucca Valley
2016	Villa Pacifica II	60	42	0.70	Rancho Cucamonga
2017	Beautiful Light Inn	100	64	0.64	San Bernardino
2018	Day Creek Villas	94	66	0.70	Rancho Cucamonga
2018	Day Creek Villas II	140	98	0.70	Rancho Cucamonga

Furthermore, State Density Bonus Law in California allows lower vehicular parking standards if one hundred percent of all units in the development, including total units and density bonus units, but exclusive of a manager's unit, are for lower income households (as defined by Section 50079.5 of the Health and Safety Code). If the development is a for-rent housing development for individuals 55 years of age or older that complies with Sections 51.2 and 51.3 of the Civil Code and is within one-half mile of a fixed bus route service that operates at least eight times per day, the Law indicates a city or county shall not impose any vehicular parking standards.

In conclusion, the Highland Senior Apartment site is located within a short four-minute walk to a bus stop on Baseline that provides access to community amenities that are not already readily walkable from the site. Providing fewer paved parking spaces on the site in either project scenario allows for more green space and recreation areas on-site and directs public dollars to be spent on items that will benefit the health and well-being of the residents of the community rather than hardscape for vehicles. Encouraging public transportation ridership reduces greenhouse gas emissions and meets local and regional planning goals in the City of Highland and County of San Bernardino. Other senior projects built throughout the County have successfully operated with fewer parking spaces at approximately the same parking to residential unit ratio being requested at Highland Senior Apartments. For all these reasons, Wakeland Housing and Development Corporation respectfully requests to build 68 parking spaces in the Single-Phase Project, or 45 parking spaces in Phase I of the Two-Phase Project for the development of Highland Senior Apartments.

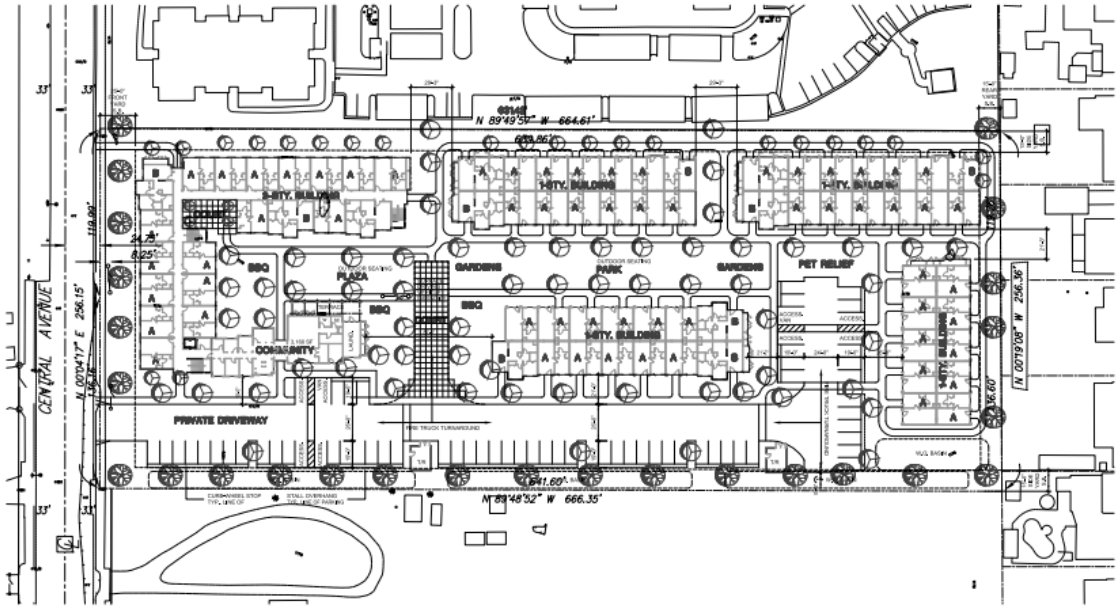
Respectfully Submitted,

Cara Vereschagin
Project Manger
Wakeland Housing and Development Corporation

Dated: February 24, 2026

Attachment 4

Conceptual Site Plan and Elevations



NORTH

0 15' 30' 60'

SCALE: 1" = 30'

ARCHITECTURAL SITE PLAN

RODRIGUEZ ASSOCIATES ARCHITECTS & PLANNERS, INC.

SITE DATA

SITE LOCATION:	PARCEL LOTS NO.S 4 (1.7 AC) 5 (2.0 AC) ALONG CENTRAL AVE. APPROX. 749.0' SOUTH OF INTERSECTION CENTRAL AVE. & BASELINE STREET. CITY OF HIGHLAND, CA 92346.
ZONE:	R-4
SITE AREA:	3.7 ACRES
DENSITY REQ'D:	20 MIN. TO 30 MAX. DU / ACRE
DENSITY PROPOSED:	24 DU / ACRE
MAX. LOT COVERAGE:	NONE
SETBACKS:	FRONT YARD - 25'-0" SIDE YARD - 15'-0" REAR YARD - 15'-0"
BLDG. HT. MAX.:	55'-0" / 4 STORIES + LOFT
BLDG. HT. PROPOSED:	35'-0" / 1 STORY & 2 STORY
MIN. DWELLING UNITS SIZE:	1 BDRM. UNITS: 542 S.F. 2 BDRM. UNITS: 798 S.F.

DWELLING UNIT MIX			
1 BDRM. UNITS:	77	85%
2 BDRM. UNITS:	13	15%
TOTAL UNITS:	90	100%

REQUIRED PARKING:	TOTAL OPEN PARKING	= 68.0
PARKING RATIO:	68 SPACES/90 UNITS	= .75 / UNIT

SITE AMENITIES:
- OUTDOOR COURTS & PLAZAS
- COMMUNITY BLDG. OUTDOOR TERRACE
- BBQ & OUTDOOR EATING AREAS
- GARDEN AREAS
- BENCHES & SITTING AREAS
- PET RELIEF AREAS

HIGHLAND SENIOR APARTMENTS
HIGHLAND - CALIFORNIA

WAKELAND HOUSING AND DEVELOPMENT CORP.

ARCHITECTURAL SITE PLAN

REV. NO. DESCRIPTION DATE | REV. NO. DESCRIPTION DATE

DATE: JAN. 15, 2026
JOB NO.
DRAWN
CHECKED

AS.1



HIGHLAND SENIOR APARTMENTS

HIGHLAND - CALIFORNIA

SCHEMATIC DESIGN PLANS - 90 UNITS - W.I.P. - JANUARY 15, 2026



Attachment 5

Housing Authority Resolution - Amended Restated Wakeland DDA_AHA

A RESOLUTION OF THE HIGHLAND HOUSING AUTHORITY APPROVING (1) AN AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT/AFFORDABLE HOUSING AGREEMENT AND GROUND LEASE WITH WAKELAND HIGHLAND, LP, (2) RECONFIRMING THE DISBURSEMENT OF $4,577,450.00 TO WAKELAND HIGHLAND, LP UPON THE CONDITIONS OF CLOSING BEING SATISFIED, AND (3) MAKING A FINDING OF EXEMPTION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

THE HIGHLAND HOUSING AUTHORITY HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:

Section 1. The City of Highland ("City") previously activated the Redevelopment Agency of the City of Highland, a public body, corporate and politic (the "Former Agency"). The Former Agency operated under the Community Redevelopment Law, Part 1 of Division 24 of the Health and Safety Code (the "Redevelopment Law"). Under the Redevelopment Law, the Former Agency was authorized, among other things, to provide assistance to the development of affordable housing projects. Pursuant to Health and Safety Code Section 34175(b), on February 1, 2012, all assets, properties, contracts, leases, books and records, buildings, and equipment of the Highland Redevelopment Agency transferred to the control of the Successor Agency to the Highland Redevelopment Agency (the "Successor Agency") by operation of law including housing assets.

Section 2. Pursuant to Health and Safety Code Section 34176(b), the City Council adopted Resolution No. 2012-005, electing for the City not to retain the housing functions previously performed by the Former Agency, and determining that all of the assets, as allowed by law, and all rights, powers, liabilities, duties, and obligations associated with the housing activities of the Former Agency be transferred to the Highland Housing Authority as Housing Successor (the "Housing Authority"). The Housing Authority is therefore authorized to manage remaining assets of the Former Agency and expend remaining Former Agency funds designated for the development of housing affordable for persons of low and moderate income in accordance with State law.

Section 3. The Former Agency acquired a vacant parcel on Central Avenue (Assessor Parcel Number 1192-431-05) within the Redevelopment Project Area and within the corporate limits of the City. The City Council approved, by its Resolution No. 2012-005 as adopted January 27, 2012, the transfer of the housing assets of the Former Agency, including without limitation the vacant parcel on Central Avenue (Assessor Parcel Number 1192-431-05), to the Housing Authority. An oversight board (the "Oversight Board") was established, acting under the 2011 Dissolution Act, for the Successor Agency. At its meeting of Oversight Board action date transferring housing assets, by its Resolution No. OBSARDA2012-017, the Oversight Board approved and affirmed the transfer of the housing assets of the Former Agency to the Housing Authority.

Section 4. Subsequently, the Housing Authority purchased the real property located at 7433 Central Avenue (Assessor Parcel Number 1192-431-04). The vacant parcel on Central Avenue (Assessor Parcel Number 1192-431-05) and 7433 Central

Avenue shall be referred to hereinafter as "the Property". Together, the Property is 3.76 acres in size.

Section 5. On December 14, 2021, the Housing Authority adopted Resolution No. HA2021-002 declaring the Property to be surplus and published a notice of housing availability indicating the Property would be made available by means of ground lease for affordable rental housing development purposes, which notice was transmitted to all entities listed with the California Department of Housing and Community Development (HCD) as interested entities. As provided under the applicable law and regulations, a period of sixty (60) days was established for the submittal of notices of interest. Two notices were received during the designated period; of those, one proposal was withdrawn while a second submittal, a proposal by Wakeland Housing and Development Corporation, a California nonprofit public benefit corporation ("Developer Parent") was the only proposal that was responsive to the notification and provided for rental units that would be affordable to households at eighty percent (80%) of median income or below. Wakeland Highland, LP ("Wakeland") is a subsidiary of Developer Parent.

Section 6. On May 9, 2023, the Housing Authority adopted Resolution No. HA 2023-001, a "Resolution of the Housing Authority of the City of Highland Approving a Disposition and Development/Affordable Housing Agreement and Ground Lease With Wakeland Highland, LP, (2) Authorizing the Disbursement of $4,577,450.00 to Wakeland Highland, LP Upon the Conditions of Closing Being Satisfied, and (3) Making a Finding of Exemption Under the California Environmental Quality Act." The City, Housing Authority, and Wakeland subsequently executed the Disposition and Development/Affordable Housing Agreement ("Agreement") so that Wakeland could construct a 90-unit affordable housing project to house seniors on the Property that it will ground lease from the Housing Authority. Pursuant to the Agreement, a portion of the units shall be subject to affordability restrictions.

Section 7. Wakeland has applied for several rounds of funding and has thus been unsuccessful in obtaining sufficient funding to construct the Project. Therefore, Wakeland proposed to amend the Agreement to allow Wakeland to either construct (1) a 90-unit affordable housing project to house seniors ("Single-Phase Project"), or (2) a two-phase Project with Phase 1 developed with not less than 60-units, and Phase 2 developed with not less than 30-units ("Two-Phase Project"). The parties now seek to enter into an Amended and Restated Disposition and Development/Affordable Housing Agreement ("Amended Agreement"). The Single-Phase Project and Two-Phase Project are referred to collectively as "the Project".

Section 8. The Housing Authority Board has reviewed the Project in compliance with the California Environmental Quality Act ("CEQA"). The Housing Authority Board has determined that the Project is exempt from CEQA review pursuant to CEQA Guidelines Section 15194, Affordable Housing Exemption, for the following reasons.

(a) The project meets the threshold criteria set forth in CEQA Guidelines Section 15192 as the Project is consistent with:

(1) Any applicable general plan, specific plan, or local coastal program, including any

mitigation measures required by such plan or program, as that plan or program existed on the date that the application for the project pursuant to Section 65943 of the Government Code was deemed complete.

The Project is consistent with General Plan land use designation of High Density Special which allows multi-family dwelling units with a density of 20 to 30 dwelling units per acre. The Project proposes to construct 90 units (in either one or two phases) on 3.76 acres which is equal to 23.9 (rounded to 24) dwelling units per acre. The Project is also consistent with the Housing Element which designates these parcels, "Sites 20 and 21", on the site inventory as "Vacant" and "Underutilized" where 90 lower income units are projected to be developed.

(2) Any applicable zoning ordinance, as that zoning ordinance existed on the date that the application for the project pursuant to Section 65943 of the Government Code was deemed complete, unless the zoning of project property is inconsistent with the general plan because the project property has not been rezoned to conform to the general plan.

The Project is consistent with the zoning ordinance as the Property is zoned R-4 which allows multifamily residential development.

(b) Community-level environmental review has been adopted or certified.

The Property is zoned R-4 and has a land use designation of High Density Special. The Project is within the scope of the General Plan EIR that analyzed the impacts of having multifamily residential development in the High Density Special land use designation in the range of 20 to 30 dwelling units per acre.

(c) The project and other projects approved prior to the approval of the project can be adequately served by existing utilities, and the project applicant has paid, or has committed to pay, all applicable in-lieu or development fees.

The Project can be served by existing utilities. In addition, Wakeland will be paying all development impact fees, except for an inclusionary housing in lieu fee as the Project is constructing affordable housing.

(d) The site of the project:

(1) Does not contain wetlands, as defined in Section 328.3 of Title 33 of the Code of Federal Regulations.

(2) Does not have any value as an ecological community upon which wild animals, birds, plants, fish, amphibians, and invertebrates depend for their conservation and protection.

(3) Does not harm any species protected by the federal Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.) or by the Native Plant Protection Act (Chapter 10 (commencing with Section 1900) of Division 2 of the Fish and Game Code), the California Endangered Species Act (Chapter 1.5 (commencing with Section 2050) of Division 3 of the Fish and Game Code.

(4) Does not cause the destruction or removal of any species protected by a local ordinance in effect at the time the application for the project was deemed complete.

The Project is located in an urban area that is surrounded by other multi-family residential, single family residential, and public facilities. As such, it does not contain wetlands and does not have value as an ecological community upon which wild animals,

birds, plants, fish, amphibians, and invertebrates depend for their conservation and protection. In addition the Project will not harm any species protected by the federal Endangered Species Act as none of these species are present on the Project site. There are no local ordinances that protect the destruction or removal of any species.

(e) The site of the project is not included on any list of facilities and sites compiled pursuant to Section 65962.5 of the Government Code.

Staff has reviewed the list of facilities and sites compiled pursuant to Government Code Section 65962.5 and has confirmed that this Project is not included on this list.

(f) The site of the project is subject to a preliminary endangerment assessment prepared by a registered environmental assessor to determine the existence of any release of a hazardous substance on the site and to determine the potential for exposure of future occupants to significant health hazards from any nearby property or activity. In addition, the following steps have been taken in response to the results of this assessment:

(1) If a release of a hazardous substance is found to exist on the site, the release shall be removed, or any significant effects of the release shall be mitigated to a level of insignificance in compliance with state and federal requirements.

(2) If a potential for exposure to significant hazards from surrounding properties or activities is found to exist, the effects of the potential exposure shall be mitigated to a level of insignificance in compliance with state and federal requirements.

A Phase I Environmental Assessment of the Project site was completed in May 2022. This study confirmed that there are not any hazardous substances on the Project site.

(g) The project does not have a significant effect on historical resources pursuant to Section 21084.1 of the Public Resources Code.

There are no historical resources on the Project site.

(h) The project site is not subject to wildland fire hazard, as determined by the Department of Forestry and Fire Protection, unless the applicable general plan or zoning ordinance contains provisions to mitigate the risk of a wildland fire hazard.

The Project site is not subject to a wildland fire hazard.

(i) The project site does not have an unusually high risk of fire or explosion from materials stored or used on nearby properties.

The Project site is adjacent to an apartment project and other residential uses so there is not an unusually high risk of fire or explosion from materials that would be stored on residentially zoned property.

(j) The project site does not present a risk of a public health exposure at a level that would exceed the standards established by any state or federal agency.

The Project site does not present a risk of a public health exposure.

(k) Either the project site is not within a delineated earthquake fault zone or a seismic hazard zone, as determined pursuant to Section 2622 and 2696 of the Public Resources Code respectively, or the applicable general plan or zoning ordinance contains

provisions to mitigate the risk of an earthquake or seismic hazard.

The Project site is not within a delineated earthquake fault zone.

(l) Either the project site does not present a landslide hazard, flood plain, flood way, or restriction zone, or the applicable general plan or zoning ordinance contains provisions to mitigate the risk of a landslide or flood.

The Project site does not present a landslide hazard as it on relatively flat land.

(m) The project site is not located on developed open space.

The Project site is not located on developed open space. The Project site is undeveloped residentially zoned property.

(n) The project site is not located within the boundaries of a state conservancy.

The Project site is not located within the boundaries of a state conservancy.

(o) The project has not been divided into smaller projects to qualify for one or more of the exemptions set forth in sections 15193 to 15195.

The Project is the construction of a 90-unit senior housing project, whether in one or two phases. The Project has not been divided into smaller projects.

In addition:

(b) The project meets the following size criteria: the project site is not more than five acres in area.

The project meets this criteria as it is 3.76 acres in size.

(c) The project meets both of the following requirements regarding location:

(1) The project meets one of the following location requirements relating to population density:

(A) The project site is located within an urbanized area or within a census-defined place with a population density of at least 5,000 persons per square mile.

(B) If the project consists of 50 or fewer units, the project site is located within an incorporated city with a population density of at least 2,500 persons per square mile and a total population of at least 25,000 persons.

(C) The project is located within either an incorporated city or a census defined place with a population density of at least 1,000 persons per square mile and there is no reasonable possibility that the project would have a significant effect on the environment or the residents of the project due to unusual circumstances or due to the related or cumulative impacts of reasonably foreseeable projects in the vicinity of the project.

The City is 18.5 square miles in size, with a population of approximately 57,088 persons. This equates to a population density of 3,086 persons per square mile. There is no reasonable possibility that the Project would have a significant effect on the environment or the residents of the Project due to unusual circumstances or due to the related or cumulative impacts of reasonably foreseeable projects in the vicinity of the Project. Other than these two vacant parcels that make up the Project site, there are no other applications submitted for proposed projects in the vicinity of the Project.

(2) The project meets one of the following site-specific location requirements:

(A) The project site has been previously developed for qualified urban uses; or

(B) The parcels immediately adjacent to the project site are developed with qualified urban uses.

(C) The project site has not been developed for urban uses and all of the following conditions are met:

1. No parcel within the site has been created within 10 years prior to the proposed development of the site.

2. At least 75 percent of the perimeter of the site adjoins parcels that are developed with qualified urban uses.

3. The existing remaining 25 percent of the perimeter of the site adjoins parcels that have previously been developed for qualified urban uses.

One of parcels, 7433 Central Avenue (Assessor Parcel Number 1192-431-04), was previously improved with a dilapidated single family residence that was demolished. The Project site is adjacent to an apartment complex and other single family residences which are urban uses.

(d) The project meets both of the following requirements regarding provision of affordable housing.

(1) The project consists of the construction, conversion, or use of residential housing consisting of 100 or fewer units that are affordable to low-income households.

(2) The developer of the project provides sufficient legal commitments to the appropriate local agency to ensure the continued availability and use of the housing units for lower income households for a period of at least 30 years, at monthly housing costs deemed to be "affordable rent" for lower income, very low income, and extremely low income households, as determined pursuant to Section 50053 of the Health and Safety Code.

The Project will construct 90 units, 44 of which will be subject to a Regulatory Agreement (Grant funds) that will require that the 44 units initially be rented to lower income households for a minimum of 55 years in compliance with Health and Safety Code Section 50053. Due to other sources of potential funding, Wakeland is proposing to construct a one hundred percent affordable project. The Project will be subject to a Regulatory Agreement (Density Bonus) that will require all the units, minus the manager's unit, be initially rented to lower income households for a minimum of 55 years in compliance with Health and Safety Code Section 50053.

Section 9. The Housing Authority has also determined that the Project is categorically exempt from CEQA pursuant to Section 15332 of the State CEQA Guidelines. The Project meets all five of the following criteria set forth in Section 15332 of the State CEQA Guidelines for in-fill development projects:

a.) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.

The Project is consistent with the General Plan land use designation of High Density Special and all applicable General Plan policies. The High Density land use designation allows for 20 to 30 dwelling units per acre. The Project proposes 23.9 dwelling units per

acre. In addition, the Project is consistent with the Housing Element which includes the site in its site inventory as a location where very low and low income units will be constructed. The Project is also consistent with the R-4 Zoning designation which allows for multi-family residential on the Project site.

b.) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.

The Project site is 3.76 acres in size and is substantially surrounded by urban uses.

c.) The project site has no value as habitat for endangered, rare, or threatened species.

The Project site has no value as habitat for endangered, rare, or threatened species as one parcel was previously improved with a single family residence and the other parcel is surrounded by urban uses included an apartment complex and single family residences. There are no endangered, rare or threatened species on the Project site.

d.) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.

The Project involves the construction of a 90-unit senior apartment complex in either one or two phases. As the Project will be adjacent to other multi-family and single family residential uses, it is not anticipated that this Project will have any significant effects related to traffic, noise, air quality or water quality.

e.) The site can be adequately served by all required utilities and public services.

The Project site can be adequately served by required utilities and public services.

Section 10. Based on the information in Sections 8 and 9 above, the Housing Authority Board hereby finds that the Project is exempt from further environmental review under CEQA Guidelines Section 15194 and 15132. The Housing Authority Board hereby directs the Executive Director to file a Notice of Exemption with the County Clerk of the Board.

Section 11. On March 10, 2026, the City and Housing Authority held a duly noticed joint public hearing regarding the Agreement and Ground Lease. Notice of the public hearing was given in compliance with Health and Safety Code section 33433.

Section 12. The Housing Authority has made available to the public through the office of the City Clerk a copy of the Amended Agreement and Ground Lease prior to the public hearing. In addition, a copy of the Health and Safety Code section 33433 report was made available to the public. The Health and Safety Code section 33433 report is incorporated herein by this reference.

Section 13. The Housing Authority hereby approves the Amended Agreement and Ground Lease and the Executive Director is hereby authorized and directed, for and in the name and on behalf of the Housing Authority, to finalize, execute and deliver the Agreement in substantially the form on file with the City Clerk and presented at this meeting, with such additions thereto or changes or insertions therein as may be approved

by the Executive Director (such approval to be conclusively evidenced by such execution and delivery).

Section 14. The Housing Authority has $3,041,000 in 2004A tax exempt bond proceeds and $322,500 in the Housing Authority fund balance allocation for a total of $3,363,500 that can be used towards low income housing projects. The City has also transferred $1,213,950 from the City to the Housing Authority for this Project. The Housing Authority hereby reconfirms that it will transfer $4,577,450 (including $1,213,950 transferred from the City to the Housing Authority for this Project) to Wakeland, upon all the conditions to closing set forth in the Amended Agreement and Ground Lease being satisfied.

Section 15. The Executive Director and Chairman of the Housing Authority are hereby authorized and directed, jointly and severally, to execute and deliver any and all necessary documents and instruments and to do all things which they may deem necessary or proper in order to effectuate the purposes of this Resolution and the transaction contemplated hereby; and any such actions previously taken by such officers are hereby ratified, confirmed and approved.

PASSED, APPROVED AND ADOPTED this 10th day of March 2026 by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
JIMMY SALDANA, VICE CHAIRMAN

ATTEST:

_____
_____, SECRETARY
HIGHLAND HOUSING AUTHORITY

Attachment 6

City Council Resolution regarding Amended and Restated Wakeland DDA

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND APPROVING (1) AN AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT/AFFORDABLE HOUSING AGREEMENT WITH WAKELAND HIGHLAND, LP, (2) APPROVING A DENSITY BONUS, AND (3) MAKING A FINDING OF EXEMPTION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

THE HIGHLAND CITY COUNCIL HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:

Section 1. The City of Highland ("City") previously activated the Redevelopment Agency of the City of Highland, a public body, corporate and politic (the "Former Agency"). The Former Agency operated under the Community Redevelopment Law, Part 1 of Division 24 of the Health and Safety Code (the "Redevelopment Law"). Under the Redevelopment Law, the Former Agency was authorized, among other things, to provide assistance to the development of affordable housing projects. Pursuant to Health and Safety Code Section 34175(b), on February 1, 2012, all assets, properties, contracts, leases, books and records, buildings, and equipment of the Highland Redevelopment Agency transferred to the control of the Successor Agency to the Highland Redevelopment Agency (the "Successor Agency") by operation of law including housing assets.

Section 2. Pursuant to Health and Safety Code Section 34176(b), the City Council adopted Resolution No. 2012-005, electing for the City not to retain the housing functions previously performed by the Former Agency, and determining that all of the assets, as allowed by law, and all rights, powers, liabilities, duties, and obligations associated with the housing activities of the Former Agency be transferred to the Highland Housing Authority as Housing Successor (the "Housing Authority"). The Housing Authority is therefore authorized to manage remaining assets of the Former Agency and expend remaining Former Agency funds designated for the development of housing affordable for persons of low and moderate income in accordance with State law.

Section 3. The Former Agency acquired a vacant parcel on Central Avenue (Assessor Parcel Number 1192-431-05) within the Redevelopment Project Area and within the corporate limits of the City. The City Council approved, by its Resolution No. 2012-005 as adopted January 27, 2012, the transfer of the housing assets of the Former Agency, including without limitation the vacant parcel on Central Avenue (Assessor Parcel Number 1192-431-05), to the Housing Authority. An oversight board (the "Oversight Board") was established, acting under the 2011 Dissolution Act, for the Successor Agency. At its meeting of Oversight Board action date transferring housing assets, by its Resolution No. OBSARDA2012-017, the Oversight Board approved and affirmed the transfer of the housing assets of the Former Agency to the Housing Authority.

Section 4. Subsequently, the Housing Authority purchased the real property located at 7433 Central Avenue (Assessor Parcel Number 1192-431-04). The vacant parcel on Central Avenue (Assessor Parcel Number 1192-431-05) and 7433 Central

Avenue shall be referred to hereinafter as "the Property". Together, the Property is 3.76 acres in size.

Section 5. On December 14, 2021, the Housing Authority adopted Resolution No. HA2021-002 declaring the Property to be surplus and published a notice of housing availability indicating the Property would be made available by means of ground lease for affordable rental housing development purposes, which notice was transmitted to all entities listed with the California Department of Housing and Community Development (HCD) as interested entities. As provided under the applicable law and regulations, a period of sixty (60) days was established for the submittal of notices of interest. Two notices were received during the designated period; of those, one proposal was withdrawn while a second submittal, a proposal by Wakeland Housing and Development Corporation, a California nonprofit public benefit corporation ("Developer Parent") was the only proposal that was responsive to the notification and provided for rental units that would be affordable to households at eighty percent (80%) of median income or below. Wakeland Highland, LP ("Wakeland") is a subsidiary of Developer Parent.

Section 6. On May 9, 2023, the City Council adopted Resolution No. CC 2023-018, a "Resolution of the City Council of the City of Highland Approving a Disposition and Development/Affordable Housing Agreement With Wakeland Highland, LP, (2) Authorizing the Disbursement of $1,213,950 to the Highland Housing Authority to be Used For the Construction of a Senior Housing Project at 7433 Central Avenue and the Adjacent Vacant Parcel, (3) Approving a Density Bonus, and (4) Making a Finding of Exemption Under the California Environmental Quality Act." The City, Housing Authority, and Wakeland subsequently executed the Disposition and Development/Affordable Housing Agreement ("Agreement") so that Wakeland could construct a 90-unit affordable housing project to house seniors on the Property.

Section 7. Wakeland has applied for several rounds of funding and has thus been unsuccessful in obtaining sufficient funding to construct the 90-unit affordable housing project. Therefore, Wakeland proposed to amend the Agreement to allow Wakeland to either construct (1) a 90-unit affordable housing project to house seniors ("Single-Phase Project"), or (2) a two-phase Project with Phase 1 developed with not less than 60-units, and Phase 2 developed with not less than 30-units to house senior ("Two-Phase Project"). The Single-Phase Project and Two-Phase Project are referred to collectively as "the Project". The parties now seek to enter into an Amended and Restated Disposition and Development/Affordable Housing Agreement ("Amended Agreement").

Section 8. In compliance with Health and Safety Code section 33433, the City Council hereby finds that the lease of the Property will assist in the elimination of blight and provide housing for low- or moderate-income persons. In addition, the Project is consistent with the implementation plan adopted by the Former Agency pursuant to Section 33490.

Section 9. In compliance with Health and Safety Code section 33433, the City Council hereby finds that the consideration for the Ground Lease is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the lease. According to the Health and Safety Code section 33433 report, the estimated value of the Property to be leased, determined at the use and with the

conditions, covenants and development costs required by the lease, is a negative value of approximately $10.6 million. Therefore, the consideration of $1 per year is appropriate.

Section 10. The construction of affordable housing, particularly for seniors, is a priority for the City. The Property is designated in the City's Housing Element site inventory as a site for the construction of very low and low income units. Resolution No. CC 2023-018 authorized the City to transfer $1,213,950 to the Highland Housing Authority who, in turn, will transfer the funds to Wakeland upon the close of escrow on the Ground Lease so that it can be used towards the costs to construct the Project. The $1,213,950 was transferred to the Highland Housing Authority.

Section 11. The City Council has reviewed the Project in compliance with the California Environmental Quality Act ("CEQA"). The City Council has determined that the Project is exempt from CEQA review pursuant to CEQA Guidelines Section 15194, Affordable Housing Exemption, for the following reasons.

(a) The project meets the threshold criteria set forth in CEQA Guidelines Section 15192 as the Project is consistent with:

(1) Any applicable general plan, specific plan, or local coastal program, including any mitigation measures required by such plan or program, as that plan or program existed on the date that the application for the project pursuant to Section 65943 of the Government Code was deemed complete.

The Project is consistent with General Plan land use designation of High Density Special which allows multi-family dwelling units with a density of 20 to 30 dwelling units per acre. The Project proposes to construct 90 units (in either one or two phases) on 3.76 acres which is equal to 23.9 (rounded to 24) dwelling units per acre. The Project is also consistent with the Housing Element which designates these parcels, "Sites 20 and 21", on the site inventory as "Vacant" and "Underutilized" where 90 lower income units are projected to be developed.

(2) Any applicable zoning ordinance, as that zoning ordinance existed on the date that the application for the project pursuant to Section 65943 of the Government Code was deemed complete, unless the zoning of project property is inconsistent with the general plan because the project property has not been rezoned to conform to the general plan.

The Project is consistent with the zoning ordinance as the Property is zoned R-4 which allows multifamily residential development.

(b) Community-level environmental review has been adopted or certified.

The Property is zoned R-4 and has a land use designation of High Density Special. The Project is within the scope of the General Plan EIR that analyzed the impacts of having multifamily residential development in the High Density Special land use designation in the range of 20 to 30 dwelling units per acre.

(c) The project and other projects approved prior to the approval of the project can be adequately served by existing utilities, and the project applicant has paid, or has committed to pay, all applicable in-lieu or development fees.

The Project can be served by existing utilities. In addition, Wakeland will be paying

all development impact fees, except for an inclusionary housing in lieu fee as the Project is constructing affordable housing.

(d) The site of the project:

(1) Does not contain wetlands, as defined in Section 328.3 of Title 33 of the Code of Federal Regulations.

(2) Does not have any value as an ecological community upon which wild animals, birds, plants, fish, amphibians, and invertebrates depend for their conservation and protection.

(3) Does not harm any species protected by the federal Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.) or by the Native Plant Protection Act (Chapter 10 (commencing with Section 1900) of Division 2 of the Fish and Game Code), the California Endangered Species Act (Chapter 1.5 (commencing with Section 2050) of Division 3 of the Fish and Game Code.

(4) Does not cause the destruction or removal of any species protected by a local ordinance in effect at the time the application for the project was deemed complete.

The Project is located in an urban area that is surrounded by other multi-family residential, single family residential, and public facilities. As such, it does not contain wetlands and does not have value as an ecological community upon which wild animals, birds, plants, fish, amphibians, and invertebrates depend for their conservation and protection. In addition the Project will not harm any species protected by the federal Endangered Species Act as none of these species are present on the Project site. There are no local ordinances that protect the destruction or removal of any species.

(e) The site of the project is not included on any list of facilities and sites compiled pursuant to Section 65962.5 of the Government Code.

Staff has reviewed the list of facilities and sites compiled pursuant to Government Code Section 65962.5 and has confirmed that this Project is not included on this list.

(f) The site of the project is subject to a preliminary endangerment assessment prepared by a registered environmental assessor to determine the existence of any release of a hazardous substance on the site and to determine the potential for exposure of future occupants to significant health hazards from any nearby property or activity. In addition, the following steps have been taken in response to the results of this assessment:

(1) If a release of a hazardous substance is found to exist on the site, the release shall be removed, or any significant effects of the release shall be mitigated to a level of insignificance in compliance with state and federal requirements.

(2) If a potential for exposure to significant hazards from surrounding properties or activities is found to exist, the effects of the potential exposure shall be mitigated to a level of insignificance in compliance with state and federal requirements.

A Phase I Environmental Assessment of the Project site was completed in May 2022. This study confirmed that there are not any hazardous substances on the Project site.

(g) The project does not have a significant effect on historical resources pursuant to Section 21084.1 of the Public Resources Code.

There are no historical resources on the Project site.

(h) The project site is not subject to wildland fire hazard, as determined by the Department of Forestry and Fire Protection, unless the applicable general plan or zoning ordinance contains provisions to mitigate the risk of a wildland fire hazard.

The Project site is not subject to a wildland fire hazard.

(i) The project site does not have an unusually high risk of fire or explosion from materials stored or used on nearby properties.

The Project site is adjacent to an apartment project and other residential uses so there is not an unusually high risk of fire or explosion from materials that would be stored on residentially zoned property.

(j) The project site does not present a risk of a public health exposure at a level that would exceed the standards established by any state or federal agency.

The Project site does not present a risk of a public health exposure.

(k) Either the project site is not within a delineated earthquake fault zone or a seismic hazard zone, as determined pursuant to Section 2622 and 2696 of the Public Resources Code respectively, or the applicable general plan or zoning ordinance contains provisions to mitigate the risk of an earthquake or seismic hazard.

The Project site is not within a delineated earthquake fault zone.

(l) Either the project site does not present a landslide hazard, flood plain, flood way, or restriction zone, or the applicable general plan or zoning ordinance contains provisions to mitigate the risk of a landslide or flood.

The Project site does not present a landslide hazard as it on relatively flat land.

(m) The project site is not located on developed open space.

The Project site is not located on developed open space. The Project site is undeveloped residentially zoned property.

(n) The project site is not located within the boundaries of a state conservancy.

The Project site is not located within the boundaries of a state conservancy.

(o) The project has not been divided into smaller projects to qualify for one or more of the exemptions set forth in sections 15193 to 15195.

The Project is the construction of a 90-unit senior housing project, whether in one or two phases. The Project has not been divided into smaller projects.

In addition:

(b) The project meets the following size criteria: the project site is not more than five acres in area.

The project meets this criteria as it is 3.76 acres in size.

(c) The project meets both of the following requirements regarding location:

(1) The project meets one of the following location requirements relating to population density:

(A) The project site is located within an urbanized area or within a census-defined place with a population density of at least 5,000 persons per square mile.

(B) If the project consists of 50 or fewer units, the project site is located within an incorporated city with a population density of at least 2,500 persons per square mile and a total population of at least 25,000 persons.

(C) The project is located within either an incorporated city or a census defined place with a population density of at least 1,000 persons per square mile and there is no reasonable possibility that the project would have a significant effect on the environment or the residents of the project due to unusual circumstances or due to the related or cumulative impacts of reasonably foreseeable projects in the vicinity of the project.

The City is 18.5 square miles in size, with a population of approximately 57,088 persons. This equates to a population density of 3,086 persons per square mile. There is no reasonable possibility that the Project would have a significant effect on the environment or the residents of the Project due to unusual circumstances or due to the related or cumulative impacts of reasonably foreseeable projects in the vicinity of the Project. Other than these two vacant parcels that make up the Project site, there are no other applications submitted for proposed projects in the vicinity of the Project.

(2) The project meets one of the following site-specific location requirements:

(A) The project site has been previously developed for qualified urban uses; or

(B) The parcels immediately adjacent to the project site are developed with qualified urban uses.

(C) The project site has not been developed for urban uses and all of the following conditions are met:

1. No parcel within the site has been created within 10 years prior to the proposed development of the site.

2. At least 75 percent of the perimeter of the site adjoins parcels that are developed with qualified urban uses.

3. The existing remaining 25 percent of the perimeter of the site adjoins parcels that have previously been developed for qualified urban uses.

One of parcels, 7433 Central Avenue (Assessor Parcel Number 1192-431-04), was previously improved with a dilapidated single family residence that was demolished. The Project site is adjacent to an apartment complex and other single family residences which are urban uses.

(d) The project meets both of the following requirements regarding provision of affordable housing.

(1) The project consists of the construction, conversion, or use of residential housing consisting of 100 or fewer units that are affordable to low-income households.

(2) The developer of the project provides sufficient legal commitments to the appropriate local agency to ensure the continued availability and use of the housing units for lower income households for a period of at least 30 years, at monthly housing costs deemed to be "affordable rent" for lower income, very low income, and extremely low income households, as determined pursuant to Section 50053 of the Health and Safety Code.

The Project will construct 90 units, 44 of which will be subject to a Regulatory

Agreement (Grant funds) that will require that the 44 units initially be rented to lower income households for a minimum of 55 years in compliance with Health and Safety Code Section 50053. Due to other sources of potential funding, Wakeland is proposing to construct a one hundred percent affordable project. The Project will be subject to a Regulatory Agreement (Density Bonus) that will require all the units, minus the manager's unit, be initially rented to lower income households for a minimum of 55 years in compliance with Health and Safety Code Section 50053.

Section 12. The City has also determined that the Project is categorically exempt from CEQA pursuant to Section 15332 of the State CEQA Guidelines. The Project meets all five of the following criteria set forth in Section 15332 of the State CEQA Guidelines for in-fill development projects:

a.) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.

The Project is consistent with the General Plan land use designation of High Density Special and all applicable General Plan policies. The High Density land use designation allows for 20 to 30 dwelling units per acre. The Project proposes 23.9 dwelling units per acre. In addition, the Project is consistent with the Housing Element which includes the site in its site inventory as a location where very low and low income units will be constructed. The Project is also consistent with the R-4 Zoning designation which allows for multi-family residential on the Project site.

b.) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.

The Project site is 3.76 acres in size and is substantially surrounded by urban uses.

c.) The project site has no value as habitat for endangered, rare, or threatened species.

The Project site has no value as habitat for endangered, rare, or threatened species as one parcel was previously improved with a single family residence and the other parcel is surrounded by urban uses included an apartment complex and single family residences. There are no endangered, rare or threatened species on the Project site.

d.) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.

The Project involves the construction of a 90-unit senior apartment complex in either one or two phases. As the Project will be adjacent to other multi-family and single family residential uses, it is not anticipated that this Project will have any significant effects related to traffic, noise, air quality or water quality.

e.) The site can be adequately served by all required utilities and public services.

The Project site can be adequately served by required utilities and public services.

Section 13. Based on the information in Sections 11 and 12 above, the City Council hereby finds that the Project is exempt from further environmental review under

CEQA Guidelines Section 15194 and 15132. The City Council hereby directs the City Manager to file a Notice of Exemption with the County Clerk of the Board.

Section 14. Pursuant to Government Code sections 65915(b)(1)(G) and (d)(2)(D), development projects that meet the following criteria are entitled to four incentives: where 100% of all units in the development, including total units and density bonus units, but exclusive of a manager's unit or units, are for lower income households, as defined by Section 50079.5 of the Health and Safety Code, except that up to 20 percent of the units in the development, including total units and density bonus units, may be for moderate-income households, as defined in Section 50053 of the Health and Safety Code.

While the Housing Authority is only restricting 49% of the units through the Regulatory Agreement (Grant Funds), Wakeland is proposing a 100% affordable project, and therefore is eligible to receive four development incentives. Wakeland and the City will be entering into a Regulatory Agreement (Density Bonus) that restricts all the units in the development, except for the manager's unit, as affordable for lower income households as defined in Health and Safety Code section 50079.5. More specifically, under the Regulatory Agreement (Density Bonus), for the Single-Phase Project, 89 units are restricted as follows: (i) 27 units (23 one-bedroom units and 4 two-bedroom units) are restricted to senior households who make no more than 30% of Median Income for the Area (i.e., extremely low income households); (ii) another 27 units (23 one-bedroom and 4 two-bedroom units) are restricted to senior households who make no more than 50% of Median Income for the Area (i.e., very low income households); and (iii) and another 35 units (31 one-bedroom units and 4 two-bedroom units) are restricted to senior households who make no more than 60% of Median Income for the Area (i.e., low income households). If Wakeland elects to construct the Project in phases, for Phase 1 of the Two-Phase Project, 59 of the units are restricted as follows: (i) 6 units (4 one bedroom units and 2 two bedroom units are restricted to senior households who make no more than 30% of Median Income for the Area (i.e., extremely low income households); (ii) another 13 units (11 one bedroom units and 2 two bedroom units) are restricted to senior households who make no more than 45% of Median Income for the Area (i.e., very low income households); (iii) another 30 units (23 one bedroom units and 7 two bedroom units) are restricted to senior households who make no more than 50% Median Income for the Area (i.e., very low income households); and (iv) another 10 units (2 one bedroom units and 8 two bedroom units) are restricted to senior households who make no more than 60% of Median Income for the Area (i.e., low income households).

Wakeland is, therefore, requesting the following four incentives for the Single-Phase Project and for Phase 1 of the Two-Phase Project:

A. Exterior Storage Space. Highland Municipal Code Section 16.16.040.C.3 requires that apartments provide a minimum of 200 cubic foot of exterior storage space. Wakeland proposes all storage interior to the units rather than exterior.

B. Laundry Facilities. Highland Municipal Code Section 16.16.040.E.3.g requires that apartments located within the R-4 Zoning District install laundry facilities, including washers and dryers, in every residential unit. Wakeland proposes a community

laundry facility on the Project site rather than individual washers and dryers in every residential unit.

C. Covered Parking. Table 16.52.030A of the Highland Municipal Code requires that resident parking in the R-4 Zoning district be covered within a garage or carport. Guest parking may be uncovered. For the Single-Phase Project, Wakeland proposes 60 uncovered parking spaces and 8 handicapped parking spaces that will be covered by carports. For Phase 1 of the Two-Phase Project, Wakeland proposes 40 uncovered parking spaces and 5 handicapped parking spaces that will be covered by carports. The 60 uncovered spaces for the Single-Phase Project or the 40 uncovered spaces for Phase 1 of the Two-Phase Project, will be shaded by trees species as recommended by the City's Landscape Architect and planted within parking lot landscape islands and half diamond planters as approved by the Highland Planning Commission (through the Design Review process).

D. Masonry Wall. Highland Municipal Code Section 16.16.040.C.13 requires the construction of a masonry wall 6 feet in height or as approved by the Highland Planning Commission and screen landscaping at least 5 feet in width where a multi-family dwelling abuts the property in a single-family district. A masonry wall would be required along the eastern and southern property lines and partially along the western property line with screening landscaping. For the Single Phase Project, Wakeland may construct a tubular steel fence, instead of a masonry wall, along such property lines. For Phase 1 of the Two-Phase Project, Wakeland may construct a tubular steel fence along the southern property line and partially along the western property line, and the easterly property line separating phases. Phase 2 of the Two-Phase Project may require vinyl type fencing along the easterly boundary line contiguous to existing single family residential uses. No masonry wall is required. Screening landscaping shall not be used in place of fencing as stipulated above.

Section 15. Government Code section 65915 (e)(1) provides that an applicant may also request a waiver in addition to the number of incentives to which the applicant is entitled. State density bonus law does not place a limit on the number of waivers that a developer may request, but does require the developer to demonstrate that the imposition of the development standards that the developer is seeking to waive will have the effect of physically precluding the construction of the development at the density proposed. The City is not required to waive or reduce development standards if the waiver or reduction would have a specific, adverse impact upon health or safety, and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact. Wakeland seeks the waiver of the following two development standards:

A Unit Size. Table 16.16.040.B.12 of the Highland Municipal Code requires that one bedroom units be a minimum of 650 square feet in size and that two or more bedroom units be a minimum of 800 square feet in size. Wakeland is proposing that the one bedroom units be 542 square feet in size (108 square feet less than required), and that two bedroom units be 798 square feet in size (2 square feet less than required). For the 90-unit development, this will result in a reduction of 8,342 square feet of building area. The average building cost industry-wide is $305 per square foot. Without the reduction in the

unit size, this would result in an additional cost of $2,544,310 to construct the development which would make the Project financially infeasible. Moreover, Wakeland is required to construct several stormwater detention basins, provide common open space, and is providing more parking than required by State density bonus law. As such, it would be infeasible to construct the units at the size required by the Highland Municipal Code and still accommodate the stormwater detention basin design requested by staff, in addition to meeting the common open space requirements and providing the parking. The waiver of the unit size requirement will not have a specific, adverse impact upon health and safety.

B. Private Open Space. Highland Municipal Code Section 16.16.040.E.3.d requires each dwelling unit have a minimum of 150 square feet of private open space with a minimum dimension of 10 feet. Wakeland is proposing that all the open space on the Project site be common open space available to be shared by all residents, rather than private open space. For the Single-Phase Project, to provide some element of private open space, a small seating area, near the single-story unit front doors will be provided for one or two all weather chairs. For Phase 1 of the Two-Phase Project, there will not be any single story units and, therefore, no outdoor seating will be provided.

The Project is designed with several large detention basins for stormwater treatment that reduce the site area available for private open space. The combination of the required common open space provided (25% minimum), reduction in site area due to parking and stormwater detention basins, and the additional cost of $465,000 to build private patios/balconies would make the Project infeasible if required to provide private open space patios/balconies for each unit. The waiver of the unit size requirement will not have a specific, adverse impact upon health and safety.

Section 16. Parking. Pursuant to Table 16.52.030 of the Highland Municipal Code, senior housing projects located in the R-4 Zoning District must provide one space per unit and 0.25 spaces per unit for guest parking. For the Single-Phase Project, based on the 90 units that will be constructed, the development is required to provide 112.5 (rounded to 113) parking spaces. For Phase 1 of the Two-Phase Project, based on the 60 units that will be constructed, the development is required to provide 75 parking spaces.

Government Code section 65915(p)(3) provides that if a development meets the criteria set forth in Government Code section 65915(b)(1)(G)(B), then, upon the request of the developer, a city shall not impose vehicular parking standards if the development is a for-rent housing development for individuals who are 55 years of age or older that complies with Sections 51.2 and 51.3 of the Civil Code and the development has either paratransit service or unobstructed access, within one-half mile, to fixed bus route service that operates at least eight times per day. As discussed in Section 14 above, the development meets the criteria of Government Code section 65915(b)(1)(G)(B) as it is a 100% affordable senior housing project for rent to individuals who are 55 years of age or older. Moreover, the Project site is located within one-half mile of a fixed bus route service that operates at least eight times per day. The Omnitrans bus route is a fixed bus route service on Central Avenue that is located 0.2 miles from the Project site and operates every 20 to 30 minutes Monday through Sunday. There is unobstructed access to the bus stop along Central Avenue. Pursuant to Government Code section 65915(p)(3), Wakeland is not required to

provide any parking for the Project. Nevertheless, for the Single-Phase Project, Wakeland has agreed to construct 68 parking spaces; 60 of those parking spaces will be uncovered and 8 of the parking spaces that will be designated for handicapped parking will be covered. For Phase 1 of the Two-Phase Project, Wakeland has agreed to construct 45 parking spaces, 40 of those parking spaces will be uncovered and 5 of the parking spaces will be designate for handicapped parking will be covered. Wakeland has conducted a parking study to demonstrate that the 45 parking spaces will be sufficient for Phase 1 of the Two-Phase Project.

Section 17. On March 10, 2026, the City of Highland and Highland Housing Authority held a duly noticed joint public hearing regarding the Agreement and Ground Lease. Notice of the public hearing was given in compliance with Health and Safety Code section 33433.

Section 18. The City of Highland has made available to the public through the office of the City Clerk a copy of the Agreement and Ground Lease prior to the public hearing. In addition, a copy of the Health and Safety Code section 33433 report was made available to the public. The Health and Safety Code section 33433 report is incorporated herein by this reference.

Section 19. The City of Highland hereby approves the Amended Agreement and the City Manager is hereby authorized and directed, for and in the name and on behalf of the City of Highland, to finalize, execute and deliver the Amended Agreement in substantially the form on file with the City Clerk and presented at this meeting, with such additions thereto or changes or insertions therein as may be approved by the City Manager (such approval to be conclusively evidenced by such execution and delivery).

Section 20. The City Council hereby approves the density bonus incentives set forth in Section 14 the density bonus waivers set forth in Section 15, and the parking requirement set forth in Section 16 of this Resolution for the Single Phase Project and for Phase 1 of the Two-Phase Project and authorizes the Mayor Pro Tem to execute the density bonus agreement. Any development of Phase 2 of the Two-Phase Project that seeks to deviate from the City's development standards will require a separate density bonus application.

Section 21. The Mayor Pro Tem and City Manager are hereby authorized and directed, jointly and severally, to execute and deliver any and all necessary documents and instruments and to do all things which they may deem necessary or proper in order to effectuate the purposes of this Resolution and the transaction contemplated hereby; and any such actions previously taken by such officers are hereby ratified, confirmed and approved.

PASSED, APPROVED AND ADOPTED this 10th day of March 2026 by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____

JIMMY SALDANA, MAYOR PRO TEM

ATTEST:

_____

ALONDRA MUNOZ, CMC, CITY CLERK

Attachment 7

Amended and Restated Wakeland Highland Disposition and

Development/Affordable Housing Agreements

AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT/ AFFORDABLE HOUSING AGREEMENT

by and among the

HIGHLAND HOUSING AUTHORITY

and the

CITY OF HIGHLAND

and

WAKELAND HIGHLAND LP,
a California limited partnership

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AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT/AFFORDABLE HOUSING AGREEMENT

THIS AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT/AFFORDABLE HOUSING AGREEMENT (the "Agreement") is dated as of March 10, 2026 and is entered into by and among the **HIGHLAND HOUSING AUTHORITY**, a public body, corporate and politic ("Authority"), the **CITY OF HIGHLAND**, a municipal corporation ("City") and **WAKELAND HIGHLAND LP,** a California limited partnership ("Developer").

R E C I T A L S

A. The City and Developer entered into that certain Disposition and Development Agreement/Affordable Housing Agreement dated May 9, 2023 (the "Original Agreement") which contemplated a single-phase affordable housing development consisting of ninety (90) residential units and related ancillary improvements (the "Single Phase Project"). In order to increase the feasibility of the affordable housing development, the City and Developer desire to amend and restate the Original Agreement by entering into this Agreement, to allow for the development of either the Single Phase Project or two separately financed phases of affordable housing with a total of not less than ninety (90) residential units (the "Two-Phase Project").

B. The City, as part of its functions as a municipal corporation under the Constitution and laws of the State of California and in connection with its municipal code, is authorized to promote the provision of affordable housing for all income segments of the community.

C. The Authority is authorized and empowered to enter into agreements for the production, improvement, or preservation of affordable housing to households of limited income, with such housing to be available at "Affordable Rent" (as defined herein).

D. The City previously activated the Redevelopment Agency of the City of Highland, a public body, corporate and politic (the "Former Agency"); the Former Agency operated under the Community Redevelopment Law, Part 1 of Division 24 of the Health and Safety Code (the "Redevelopment Law").

E. The Authority is a California Housing Authority acting under the California Housing Authorities Law, Part 2 of Division 24 of the Health and Safety Code (the "Housing Authorities Law"), further, Authority serves as the "housing successor" to the Former Agency, a dissolved redevelopment agency pursuant to Part 1.85 of Division 24 of the Health and Safety Code, in particular Sections 34176 and 34176.1 ("Dissolution Law") and the Dissolution Law references and incorporates certain affordable housing laws set forth in Health and Safety Code Section 33000, *et seq.* that survived the dissolution of all California redevelopment agencies and remain effective as to housing successors, including Authority.

F. The Redevelopment Plan for the Highland Redevelopment Project (herein, the "Redevelopment Project") was adopted by Ordinance No. 135 by the City (the "Redevelopment Plan").

G. Prior to dissolution, the Former Agency acquired a portion of the real property (APN 1192-431-05-0000) consisting of approximately 2.0 acres, which was funded from the Former Agency's Low- and Moderate-Income Housing Fund. The Successor Agency to the Former Agency

previously transferred APN 1192-431-05-0000 to the Authority for affordable housing purposes. Post dissolution of the Former Agency, the Authority acquired the remainder of the real property (APN 1192-431-04-0000) consisting of approximately 1.73 acres located at 7433 Central Avenue, which was funded from the Successor Housing Agency's Low- and Moderate-Income Housing Asset Fund. The two parcels collectively constitute the "Site" both of which are within the corporate limits of the City. The Site is depicted and delineated on the "Map of the Site" (Attachment No. 1 hereto) and legally described on Attachment No. 2 hereto.

H. ABx1 26, as adopted by the California Legislature in 2011 (the "2011 Dissolution Act") dissolved redevelopment agencies throughout the State of California, including without limitation the Former Agency. Under the 2011 Dissolution Act, housing assets, such as the Site, were transferred to governmental entities as designated pursuant to the 2011 Dissolution Act.

I. Acting as prescribed by the 2011 Dissolution Act, the City (i) elected to act as the successor agency to the Former Agency (acting in such capacity, the "Successor Agency") and (ii) designated Authority to receive the housing assets of the Former Agency, including without limitation the Site.

J. The City Council of the City approved, by its Resolution No. 2012-005 as adopted January 27, 2012, the transfer of the housing assets of the Former Agency, including without limitation the Site, to the Authority. An oversight board (the "Oversight Board") was established, acting under the 2011 Dissolution Act, for the Successor Agency. At its meeting of November 27, 2012, the Oversight Board adopted Resolution No. OBSARDA2012-017, approving and affirming the transfer of the housing assets of the Former Agency to Authority.

K. The Authority, by its Resolution No. HA2021-002 as approved on December 14, 2021, declared the Site to be surplus and published a notice of housing availability indicating the Site would be made available by means of ground lease for affordable rental housing development purposes, which notice was transmitted to all entities listed with the California Department of Housing and Community Development (HCD) as interested entities. As provided under the applicable law and regulations, a period of sixty (60) days was established for the submittal of notices of interest. Two notices were received during the designated period; of those, one proposal was withdrawn while a second submittal, a proposal by Wakeland Housing and Development Corporation, a California nonprofit public benefit corporation ("Developer Parent") was the only proposal that was responsive to the notification and provided for rental units that would be affordable to households at eighty percent (80%) of median income or below. Developer is a subsidiary of Developer Parent. Developer Parent is experienced in the development and operation of affordable multi-family housing.

L. The Authority and the City have entered into this Agreement with the Developer under which the Developer is to develop, at its election, either the Single Phase Project, which shall have not fewer than ninety (90) Units, or the Two-Phase Project comprised of (1) not fewer than sixty (60) Units on a portion of the Site identified in Exhibit A as the "Site - Phase 1" referred to hereinafter as "Phase 1"); and (2) not fewer than thirty (30) Units and approved by the City, on a portion of the Site identified in Exhibit A as the "Site - Phase II" referred to hereinafter as "Phase 2").

M. The parties acknowledge that all the Units in the Project, except for the manager's units, shall be rented to Senior Citizen Households. A certain portion of the Units shall be restricted by the Authority for rental at "Affordable Rent" to "Senior Citizen Households" in conformity with

the "Prescribed Income Levels" (as defined in the Authority Regulatory Agreement) throughout the "Required Covenant Period" (as defined below, and as described in said regulatory agreement.

(i) If the Site is developed as a Single Phase Project, 44 Units shall be restricted as described above. If the Site is developed as the Two Phase Project, 29 Units in Phase 1 will be restricted as described above. In either case, there shall be one Unit occupied by an on-site manager, and the remainder of the Units in the Single Phase Project, or Phase 1 of the Two-Phase Project as applicable, shall be available for use by "Senior Citizen Households", as defined and more fully set forth in the Authority Regulatory Agreement. Subject to the terms and conditions more particularly set forth herein, Authority is committed to lease the Site to the Developer by a ground lease for an annual rent of One Dollar ($1.00) per year, provided that if the Developer elects the Two-Phase Project, Authority will lease the Phase 1 Site to Developer for an annual rent of One Dollar ($1.00) per year for each phase. It is anticipated that the ground lease will be executed and delivered (and a memorandum of ground lease executed, acknowledged and recorded) concurrently with the closing of the construction loan for construction of the Single Phase Project or Phase 1 of the Two-Phase Project, through one escrow, and that the Developer's interest in such ground lease shall be encumbered by the construction loan deed of trust.

(ii) If Developer elects to develop the Site as the Two-Phase Project, then for Phase 2, 49% of those dwelling units are to be restricted by the Authority for rental at "Affordable Rent" in conformity with the "Prescribed Income Levels" throughout the "Required Covenant Period" (as defined below), and as described in a regulatory agreement to be entered into between Developer and Authority with respect to Phase 2. Subject to the terms and conditions more particularly set forth herein, Authority is committed to lease the Phase 2 Site to the Developer by a ground lease for an annual rent of One Dollar ($1.00) per year. It is anticipated that the ground lease for the Phase 2 Site will be executed and delivered (and a memorandum of ground lease executed, acknowledged and recorded) concurrently with the closing of the construction loan for the construction of the second phase project through a second escrow, and that the Developer's interest in the ground lease for the Phase 2 Site shall be encumbered by the construction loan deed of trust.

N. It is contemplated that the Developer shall apply for and obtain an allocation of low income housing tax credits for the Single Phase project or each of Phase 1 and Phase 2, as applicable, as generally provided for under Section 42 of the Internal Revenue Code, and possibly bonds as described below.

O. In the event the financing plan hereafter submitted by the Developer with respect to the Single Phase Project or the first or second phase includes the use of multifamily housing bonds, the issuer shall be CMFA or CDCSA, or other issuer acceptable to the parties.

P. Developer acknowledges and agrees that for the Single Phase Project or each of Phase 1 and Phase 2, as applicable, it will comply with the requirements pertaining to all applicable funding sources, but in the event such requirements are similar, the most restrictive requirements/provisions shall apply. For the avoidance of doubt, if the Site is developed as a Two-Phase Project, the requirements and provisions of the financing for Phase 1 shall apply only to Phase 1, and the requirements and provisions of the financing of Phase 2 shall apply only to Phase 2.

Q. The parties agree that the willingness of Authority to proceed hereunder is subject to Developer, diligently seeking tax credits for and satisfying various milestones as described herein to

demonstrate that Developer is likely to obtain funding necessary to finance the construction of the project(s) contemplated by this Agreement, all as more particularly set forth herein.

R. This Agreement furthers the accomplishment of affordable housing objectives of Authority and City and is in the vital and best interest of City and the health, safety and welfare of its residents.

S. The City has delivered to the Authority some City funds, and the Authority has its own funds, which will be combined and disbursed by Authority as a grant to an affiliate of Developer, which will then loan the funds to Developer, all in order to assist the financing of the construction and development of the Single Phase Project or Phase 1 of the Two-Phase Project, as applicable. For the avoidance of doubt, if Developer elects the Two-Phase Project, the entire Authority Amount (as defined herein) shall be disbursed in connection with Phase 1 of the Two-Phase Project.

T. The Developer has requested certain incentives and waivers under Section 16.40.090 of the City Code and California Government Code Section 65915 (collectively, the "Density Bonus Program") for the Single Phase Project or, if Developer elects the Two-Phase Project, for Phase 1. Developer has demonstrated to the City that such incentives and waivers are justified under the Density Bonus Program, and the City, in exercising its police power with respect to the land use requirements related to Density Bonus Program will (1) record the "Regulatory Agreement (Density Bonus)" concurrently with Developer's acquisition of the Site (or the portion thereof applicable to Phase 1 of the Two-Phase Project, as applicable), and in any event prior to Developer's receipt of the applicable building permits. The parties acknowledge that Developer also intends to seek incentives and waiver under the Density Bonus Program for Phase 2. The parties further acknowledge that the City makes no representation as to whether it will grant any incentives or waivers for Phase 2.

U. In accordance with the California Environmental Quality Act (Public Resources Code Sections 21000 et seq.) ("CEQA") the City has determined the Development to be categorically exempt under CEQA Guidelines Section 15332 and also exempt under CEQA Guidelines Section 15194.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and conditions herein contained, the parties hereto agree as follows:

1. DEFINITIONS AND INTERPRETATION.

1.1 Defined Terms. As used in this Agreement (and in all other "Project Documents" as defined below, unless otherwise defined), the following capitalized terms shall have the following meanings:

"**Affordable Rent**" has the following meaning for the purposes of this Agreement: For an Extremely Low Income Household, Affordable Rent means a monthly rent which does not exceed 30% Tax Credit Rent for the applicable unit size in the County as published by TCAC. For a Very Low Income Household, Affordable Rent means a monthly rent which does not exceed 50% Tax Credit Rent for the applicable unit size in the County as published by TCAC. For a Low Income Household, Affordable Rent means a monthly rent which does not exceed 60% Tax Credit Rent for the applicable unit size in the County as published by TCAC. The maximum monthly rental amount of the Units shall be adjusted annually upon TCAC's publication of its Tax Credit Rents. Actual rent charged may be less than such maximum rent.

"**Applicable Federal Rate**" means the interest rate set by the United States Treasury from time to time for the purpose of determining applicable Low Income Housing Tax Credit interest rates. The Applicable Federal Rate is published by the Internal Revenue Service in monthly revenue rulings.

"**Applicable Interest Rate**" means the following rates: (a) as to amounts with respect to which the Applicable Interest Rate is made applicable by this Agreement three percent (3%) per annum simple interest, and (b) as to amounts not paid when due, the lesser of (i) seven percent (7%) per annum simple interest, and (ii) the maximum rate permitted by applicable law.

"**Approved Construction and/or Permanent Lender**" means one or more of Bank of America, California Community Reinvestment Corporation ("CCRC"), East West Bank, Union Bank, U.S. Bank, Citibank, JP Morgan Chase, Wells Fargo Bank, Banner Bank, the California Department of Housing and Community Development or any other mutually acceptable institutional or governmental lender.

"**Area**" means the Riverside-San Bernardino Primary Metropolitan Statistical Area, as periodically defined by HUD.

"**Authority**" means the Highland Housing Authority, a public body, corporate and politic, exercising governmental functions and powers and organized under the Housing Authorities Law, and any assignee of or successor to its rights, powers and responsibilities.

"**Authority Amount**" means Four Million Five Hundred Seventy-Seven Thousand Four Hundred Fifty Dollars ($4,577,450.00).

"**Authority Conditions Precedent**" is defined in Section 3.1.

"**Authority Regulatory Agreement**" means an agreement substantially in the form of Attachment No. 11 to this Agreement for the Single Phase Project or Phase 1 of the Two-Phase Project. If the Project is constructed as Two-Phase Project, the parties shall enter into a second Authority Regulatory Agreement to restrict 49% of the units for Phase 2, that is substantially in the form of Attachment No. 11, as revised to reflect the unit mix and affordability levels agreed by the parties pursuant to Section 1.5.

"**Authority Program Compliance Annual Review Fee**" means, for Phase 1, the fee described in the Authority Regulatory Agreement.

"**Authority Escrow**" is described in Section 2.2.

"**Bank Deed of Trust**" means for each Phase, a deed of trust, among an Approved Construction and/or Permanent Lender, as beneficiary and Developer as trustor and Stewart Title or another mutually acceptable title insurer as trustee, in connection with the construction loan provided by an Approved Construction and/or Permanent Lender to Developer. If the Project is constructed as a Two-Phase Project, the Bank Deed of Trust securing payment with regard to the Phase 1 Improvements shall only encumber Phase 1 and the Bank Deed of Trust securing payment with regard to the Phase 2 Improvements shall only encumber Phase 2.

"**Base Period**" means a period of sixty-eight (68) years commencing as of the Commencement Date of the applicable Ground Lease.

"**Bond Counsel**" means bond counsel selected by issuer at its discretion for all purposes associated with this Agreement and the implementation hereof.

"**Bond Regulatory Agreement**" means a regulatory agreement, as prepared by Bond Counsel, if applicable. The Bond Regulatory Agreement will evidence the issuance of multifamily housing bonds in the event an allocation is obtained for such Phase from CDLAC and Bonds are used in connection with the financing of a Phase. The Bond Regulatory Agreement for each Phase shall be in a form provided by the issuer.

"**Bonds**" means multifamily conduit revenue bonds issued in connection with the Phase 1 Improvements or the Phase 2 Improvements, as applicable.

"**Building Permit**" means the building permit(s) issued by City and required for the Phase 1 Improvements or Phase 2 Improvements, as applicable.

"**CDLAC**" means the California Debt Limit Allocation Committee.

"**City**" is defined in the first paragraph hereof.

"**City Code**" means the Municipal Code of the City of Highland as may be amended from time to time.

"**City Manager**" means the City Manager of the City or his or her designee.

"**Closing**" is defined in Section 2.4.2. Closing shall occur on a Phase by Phase basis.

"**Contractor**" or "**General Contractor**" means one or more general contractors hired by Developer, in connection with a Phase, to perform and complete, or to engage and supervise others to perform and complete, the construction of a Phase and all other on-site and off-site improvements required to be constructed in connection with such Phase, all of which shall be in accordance with the Scope of Improvements for such Phase, the applicable land use entitlements as and when approved by City, and the applicable construction plans as hereafter approved by City.

"**County**" means the County of San Bernardino, California.

"**Date of Agreement**" means the date of this Agreement.

"**Default**" is defined in Section 7.1.

"**Determination Date**" means the date that is 120 days after the Date of Agreement.

"**Developer**" means Wakeland Highland LP, a California limited partnership, with a single-purpose limited liability company owned and controlled by Wakeland Housing and Development Corporation as the General Partner, (subject to the provisions of Section 1.5).

"**Developer Fee**" means, for each Phase, the developer fee in an amount permitted by applicable law, as determined by TCAC, in connection with the award of a reservation of Tax Credits for such Phase.

"**Environmental Laws**" means all laws, ordinances and regulations relating to Hazardous Materials, including, without limitation: the Clean Air Act, as amended, 42 U.S.C. Section 7401, *et seq*.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. Section 1251 *et seq*.; the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. Section 6901, *et seq*.; the Comprehensive Environment Response, Compensation and Liability Act of 1980, as amended (including the Superfund Amendments and Reauthorization Act of 1986, "CERCLA"), 42 U.S.C. Section 9601, *et seq*.; the Toxic Substances Control Act, as amended, 15 U.S.C. Section 2601 *et seq*.; the Occupational Safety and Health Act, as amended, 29 U.S.C. Section 651, the Emergency Planning and Community Right to Know Act of 1986, 42 U.S.C. Section 11001 *et seq*.; the Mine Safety and Health Act of 1977, as amended, 30 U.S.C. Section 801 *et seq*.; the Safe Drinking Water Act, as amended, 42 U.S.C. Section 300f *et seq*.; all comparable state and local laws, laws of other jurisdictions or orders and regulations; and all laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the State, the County, City, or any other political subdivision in which the Site is located, and of any other political subdivision, agency or instrumentality exercising jurisdiction over Authority, Developer, or the applicable Phase.

"**Escrow Holder**" means Stewart Title Company, San Diego.

"**Event of Default**" has the meaning set forth in Section 7.1.

"**Executive Director**" means the Executive Director of Authority or his or her designee or delegate.

"**Extremely Low Income Households**" means households that, at initial occupancy, earn no greater than the income limit for a 30% Income Household for the County, as published by TCAC.

"**Extremely Low Income Unit**" means a Unit occupied at Affordable Rent by an Extremely Low Income Household.

"**Final Improvements Budget**" means a detailed enumeration of all projected costs of construction of the Improvements for the applicable Phase, including all costs and off-site improvements required to be constructed under this Agreement for such Phase. Each Phase will have a separate and distinct Final Improvements Budget.

"**Governmental Requirements**" means all laws, ordinances, statutes, codes, rules, regulations, orders, and decrees of the United States, the State, the County, the City, or any other political subdivision in which the Site is located, and of any other political subdivision, Authority, or instrumentality exercising jurisdiction over (1) Developer or (2) Phase 1 or Phase 2, as applicable.

"**Grant Agreement**" or "**Grant Agreement"** means the agreement by and among Authority, City, and Wakeland substantially in the form of Attachment No. 14 to this Agreement that will provide funding for Phase 1.

"**Ground Lease**" means a ground lease with respect to Phase 1 (the "**Phase 1 Ground Lease**") or Phase 2 (the "**Phase 2 Ground Lease**"), as applicable. The substantial form of Ground Lease is attached as Attachment No. 6, as will be modified for the appropriate Phase.

"**Hazardous Material**" or "**Hazardous Materials**" means and include any substance, material, or waste which is or becomes regulated by any local governmental authority, including the

County, the Regional Water Quality Control Board, the State of California, or the United States Government, including, but not limited to, any material or substance which is: (i) defined as a "hazardous waste," "acutely hazardous waste," "restricted hazardous waste," or "extremely hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter Presley Tanner Hazardous Substance Account Act); (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (v) petroleum; (vi) asbestos and/or asbestos containing materials; (vii) lead based paint or any lead based or lead products; (viii) polychlorinated biphenyls, (ix) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317); (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, *et seq*. (42 U.S.C. Section 6903); (xi) Methyl Tertiary Butyl Ether; (xii) defined as "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601, *et seq*. (42 U.S.C. Section 9601); (xiii) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any Governmental Requirements either requires special handling in its use, transportation, generation, collection, storage, handling, treatment or disposal, or is defined as "hazardous" or harmful to the environment; and/or (xiv) lead based paint pursuant to and defined in the Lead Based Paint Poisoning Prevention Act, Title X of the 1992 Housing and Community Improvements Act, 42 U.S.C. § 4800, *et seq*., specifically §§ 4821–4846, and the implementing regulations thereto. Notwithstanding the foregoing, "Hazardous Materials" shall not include such products in quantities below attainment levels identified in one or more of the enactments identified above as Governmental Requirements, including those product and amounts as are customarily used in the construction, maintenance, rehabilitation, management, operation and residence of residential developments or associated buildings and grounds, or typically used in residential activities in a manner typical of other comparable residential developments, or substances commonly ingested by a significant population living within the Improvements, including without limitation alcohol, aspirin, tobacco and saccharine.

"**Hazardous Materials Contamination**" means the contamination (whether presently existing or hereafter occurring) of the improvements, facilities, soil, groundwater, air or other elements on, in, or under the Phase 1 Site or Phase 2 Site, as applicable, by Hazardous Materials, or the contamination of the buildings, facilities, soil, groundwater, air or other elements on, in or of any other property as a result of Hazardous Materials at any time (whether before or after the Date of Agreement) emanating from the Phase 1 Site or Phase 2 Site, as applicable.

"**HCD**" means the Housing and Community Development Department of the State of California.

"**Improvements**" or "**Project**" means, given the context, either (1) the Phase 1 Improvements or Phase 1 or (2) the Phase 2 Improvements or Phase 2.

"**Indemnitees**" is defined in Section 1.6.3.

"**Lease Year**" means the period commencing as of the Commencement Date of the applicable Ground Lease and ending as of December 31 of that calendar year, then each succeeding calendar year thereafter during the Term of the applicable Ground Lease; provided that the final Lease Year may be a portion of a calendar year.

"**Leasehold Transfer**" means the transfer of a leasehold interest by the applicable Ground Lease to the applicable Lessee.

"**Legal Description of the Site**" means Attachment No. 2 to this Agreement, as may be modified as set forth in Section 2.7.

"**Lessee**" means the ground lessee under the applicable Ground Lease.

"**Lessee Title Policy**" is defined in Section 2.6.

"**Low Income Households**" or "**Lower Income Households**" means, for purposes of this Agreement, households that at initial occupancy earn not greater than a 60% Income Household, as published by TCAC for the County.

"**Low Income Unit**" or "**Lower Income Unit**" means a Unit occupied at Affordable Rent by a Low Income Household.

"Management Fee" means for the Phase 1 Improvements provided that the development of the Phase 1 Site is accomplished in conformance with this Agreement, Twelve Thousand Dollars ($12,000.00) per year, increasing at a rate of three percent (3%) per annum, payable to Authority in arrears each calendar year to the extent of available net cash flow from Phase 1 in such calendar year. Developer shall make this payment to the Authority, beginning one year after issuance of a Certificate of Occupancy for Phase 1, and every year thereafter. "Net cash flow" shall mean residual rental proceeds after payment of (i) debt service, (ii) all costs of owning and operating Phase 1, including but not limited to property management fees, taxes and (iii) fees payable to Developer, its affiliates or constituent partners as are mutually agreed by the Executive Director and Developer in writing prior to closing. For the avoidance of doubt, any Authority Management Fee (or portion thereof) that is not paid for any calendar year due to insufficient net cash flow shall not accrue nor be payable in any future year.

"**Material Adverse Change**" shall mean any event which is reasonably likely to have a material adverse effect on Developer's ability to fulfill its obligations under the applicable Phase or any form or type of implementing document for such Phase ("Transaction Document"), including without limitation:

(a) a voluntary or involuntary bankruptcy of Developer (which is not dismissed within ninety (90) days of institution);

(b) a court order placing Developer under receivership;

(c) a sale of all or substantially all of the assets held by Developer, except any such sale made in accordance with the terms of this Agreement;

(d) any violation of Developer or other failure of Developer to comply at all times with any applicable law, statute, ordinance, code, rule, regulation, judgment, order, ruling, condition or other requirement of a statutory, regulatory, administrative, judicial or quasi-judicial nature or any other legal or governmental requirement of whatever kind or nature related to the applicable Phase, which violation is likely to have a material adverse effect on the ability of Developer to perform its duties and obligations under any Transaction Document for such Phase; and/or

(e) Developer incurs one or more liabilities, contingent or otherwise, or pending or threatened litigation or any asserted claim or unasserted claim known to Developer exists against Developer with respect to the applicable Phase, which would have a material adverse effect on its ability to perform its duties and obligations under any Transaction Document for such Phase.

"**Materially Adverse Conditions**" are surface or subsurface conditions of the Phase 1 Site or the Phase 2 Site, as applicable, which: (i) are not apparent from a visual inspection of the surface of the Phase 1 Site or the Phase 2 Site, as applicable; and (ii) (a) include the presence of Hazardous Materials at the Phase 1 Site or the Phase 2 Site, as applicable, in excess of currently applicable levels permitted under federal or state law, or (b) include the presence of conditions not typically found in properties within the City and which a mutually acceptable independent third party geotechnical and/or environmental assessment and remediation firm retained by Developer estimates will increase development costs by over One Hundred Thousand Dollars ($100,000.00) as to the Phase 1 Improvements or by over One Hundred Thousand Dollars ($100,000.00) as to the Phase 2 Improvements.

"**Memorandum of Ground Lease**" means a memorandum of Ground Lease to be prepared by Authority in connection with the Phase 1 Ground Lease (the "**Phase 1 Memorandum of Ground Lease**") or the Phase 2 Ground Lease (the "**Phase 2 Memorandum of Ground Lease**"), as applicable.

"**Milestones**" means each of the following: (i) making of the Required Submittals; and (ii) implementing Required Submittal Modifications. Milestones are applicable on a Phase by Phase basis.

"**Notice**" means a notice in the form prescribed by Section 8.2 hereof.

"**Notice of Affordability Restrictions**" means Attachment No. 5 to be recorded against Phase 1 and Phase 2.

"**Official Records**" means, unless the context otherwise requires, the official land records of the County Recorder of the County of San Bernardino.

"**Permitted Senior Lien**" means collectively, the deeds of trust securing the Primary Construction Loan and the Primary Permanent Loan for the applicable Phase.

"**Phase**" means either Phase 1 or Phase 2. If Developer elects to develop the Single Phase Project, "Phase" or "Phase 1" shall mean the Single Phase Project.

"**Phase 1 Improvements**" or "**Phase 1**" means all of the improvements to be made to the Phase 1 of the Two Phase Project, including such offsite improvements or other conditions as may be required by City as conditions of development for those improvements identified in the Scope of Improvements for Phase 1, provided that if Developer elects the Single Phase Project, "Phase 1 Improvements" or

"Phase 1" shall mean all improvements to be made to the Site as part of the Single Phase Project, and including such offsite improvements or other conditions as may be required by City as conditions of development for those improvements identified in the Scope of Improvements for the Single Phase Project.

"**Phase 2 Improvements**" or "**Phase 2**" means all of the improvements to be made to the Phase 2 Site, including such offsite improvements or other conditions as may be required by City as conditions of development for those improvements identified in the Scope of Improvements for Phase 2.

"**Phase 1 Site**" means the portion of the Site to be developed as Phase 1 of the Two-Phase Project if Developer elects to develop the Site as the Two-Phase Project. "Phase 1 Site" means the Site if the Developer elects to develop the Single Phase Project. Except to the extent the context requires otherwise, all references hereunder to the Phase 1 Site are to that certain leasehold interest created under the Phase 1 Ground Lease.

"**Phase 2 Site**" means that real property depicted on the Map of the Site as the Phase 2 Site, which shall be defined by a metes and bounds description prepared by the Developer (or, if Developer elects to record a subdivision map, as described on such map) and approved by the City prior to the Closing for Phase 2. Except to the extent the context requires otherwise, all references hereunder to the Phase 2 Site are to that certain leasehold interest created under the Phase 2 Ground Lease.

"**Primary Construction Loan**" means the mortgage loans and letters of credit obtained by Developer for a Phase from a state agency or instrumentality or a reputable and established bank, savings and loan association, or other similar financial institution for financing the development (but not the operation) of the applicable Phase pursuant to this Agreement.

"**Primary Permanent Loan**" means the mortgage loans obtained by Developer for a Phase from a state agency or instrumentality or a reputable and established bank, savings and loan association, or other similar financial institution in an amount limited to satisfaction of the outstanding balance of the Primary Construction Loan for such Phase or in an amount in excess of such outstanding balance.

"**Principals**" means Wakeland.

"**Project Documents**" means the following as applicable to a Phase: (1) for Phase 1, collectively, this Agreement to the extent it pertains to Phase 1, the Regulatory Agreement (Phase 1 Density Bonus), the Phase 1 Ground Lease, the Authority Regulatory Agreement, the Notice of Affordability Restrictions for Phase 1, and any other agreement, document, or instrument that Authority requires in connection with Phase 1 and the execution of this Agreement or from time to time to effectuate the purposes of this Agreement; or (2) for Phase 2, collectively, this Agreement to the extent it pertains to Phase 2, the Regulatory Agreement (Phase 2 Density Bonus) to the extent applicable, the Phase 2 Ground Lease, the Authority Regulatory Agreement, the Notice of Affordability Restrictions for Phase 2, and any other agreement, document, or instrument that Authority requires in connection with Phase 2 and the execution of this Agreement or from time to time to effectuate the purposes of this Agreement.

"**Recordable Documents**" means the following as applicable to a Phase: (1) for Phase 1; (i) the Phase 1 Memorandum of Ground Lease; (ii) the Bond Regulatory Agreement for Phase 1 (if applicable); (iii) the Regulatory Agreement (Phase 1 Density Bonus); (iv) the Authority Regulatory

Agreement; (v) the Notice of Affordability Covenants for Phase 1; (vi) the Bank Deed of Trust for Phase 1; (vii) if applicable, 1-UCC Financing Statement by Developer in favor of an Approved Construction and/or Permanent Lender (as construction lender) for filing as a fixture filing in the County as to Phase 1; (viii) such instruments as designated by the Executive Director in connection with sources of financing which must be subordinate to and not interfere with the enforcement of the Regulatory Agreement (Phase 1 Density Bonus) and the City's other land use codes and regulations; (ix) the Wakeland Deed of Trust; and (x) such other instruments, if any, as shall be approved by the Executive Director (upon consultation with Authority's legal counsel) as necessary or convenient to effectuate and implement the initial financing of the Phase 1 Improvements (and the permanent financing thereof), including any subordination agreement required by a secured lender as a condition to its loan that subordinates the Authority Regulatory Agreement and Notice of Affordability Restrictions for Phase 1 to such lender's deed of trust; or (2) for Phase 2: (i) the Phase 2 Memorandum of Ground Lease; (ii) the Bond Regulatory Agreement for Phase 2 (if applicable); (iii) the Regulatory Agreement (Phase 2 Density Bonus) (if applicable); (iv) the Authority Regulatory Agreement; (v) Notice of Affordability Covenants for Phase 2; (vi) the Bank Deed of Trust for Phase 2; (vii) if applicable, 1-UCC Financing Statement by Developer in favor of an Approved Construction and/or Permanent Lender (as construction lender) for filing as a fixture filing in the County as to Phase 2; (viii) such instruments as designated by the Executive Director in connection with sources of financing which must be subordinate to and not interfere with the enforcement of the Regulatory Agreement (Phase 2 Density Bonus) (if applicable) and the City's other land use codes and regulations; and (ix) such other instruments, if any, as shall be approved by the Executive Director (upon consultation with Authority's legal counsel) as necessary or convenient to effectuate and implement the initial financing of the Phase 2 Improvements (and the permanent financing thereof), including any subordination agreement required by a secured lender as a condition to its loan that subordinates the Authority Regulatory Agreement and Notice of Affordability Restrictions for Phase 2 to such lender's deed of trust.

"**Refinancing Net Proceeds**" will be calculated on a Phase by Phase basis and means the proceeds of any refinancing of any of the Primary Construction Loan or the Primary Permanent Loan or other approved financing secured by the leasehold interest of Developer in the Phase 1 Site or Phase 2 Site, as applicable, net of: (i) the amount of the existing financing which is satisfied out of such proceeds of the refinancing loan; (ii) reasonable and customary costs and expenses incurred in connection with the refinancing, as shown by reasonable evidence delivered to the Authority; (iii) the costs of further improvements to the applicable Phase, which are for the benefit of the residents of such Phase, as approved in good faith and in writing by the by the Executive Director prior to the closing of the refinancing based on reasonable evidence of such costs, and which Developer covenants in writing to diligently complete; (iv) the balance of loans secured by the Phase made by the limited partners of Developer for development or operating deficits, amounts expended to maintain compliance with the Tax Credit Rules, or contributions for capital expenditures in excess of available Phase revenues, if any, including interest at the Applicable Federal Rate, all as shown by reasonable evidence delivered to the Executive Director; (v) the balance, if any, of operating loans or development loans made by the general partners of Developer to the Improvements in such Phase, including interest at the Applicable Federal Rate, as shown by reasonable evidence delivered to the Executive Director; (vi) payment of unpaid Tax Credit adjustment amounts or reimbursement of Tax Credit adjustment amounts paid by the administrative and/or managing general partners and/or the guarantors as to the Phase pursuant to the approved Partnership Agreement, if any, and shown by reasonable evidence delivered to the Executive Director; and (vii) the payment of a refinancing fee or developer fee for such Phase, which

fee is and shall be subject to the reasonable approval of the Executive Director at the time of each refinancing and which shall be commercially reasonable.

"**Regulatory Agreement (Phase 1 Density Bonus)"** means the Regulatory Agreement to be entered into by Developer and City with respect to Phase 1 in substantially the same form attached hereto as Attachment 13.

"**Regulatory Agreement (Phase 2 Density Bonus)**" means the Regulatory Agreement to be entered into by Developer and City with respect to Phase 2 in substantially the same form attached hereto as Attachment 13 subject to agreement between Developer and City regarding concessions and waivers, if any.

"**Relocation**" or "**Relocation Laws**" means all applicable federal and state relocation laws and regulations, including without limitation, (i) the relocation obligations of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ("URA"), 42 U.S.C. 4201–4655, and the implementing regulations thereto set forth in 49 C.F.R. Part 24, (ii) the California Relocation Assistance Act, Government Code Section 7260, *et seq*. and the implementing regulations thereto set forth in Title 25, Section 6000, *et seq*. of the California Code of Regulations to the extent required to be applied as a matter of law, and (iii) any other applicable federal, state or local enactment, regulation or practice providing for relocation assistance, benefits, or compensation for moving and for property interests (including without limitation goodwill and furnishings, fixtures and equipment, and moving expenses), and (iv) any federal law or regulation prohibiting payment of relocation benefits or assistance to persons ineligible for relocation benefits or assistance. On a Phase by Phase basis, Developer shall be solely responsible for payment of any and all costs, expenses, and payments required to be made and/or incurred pursuant to any and all applicable Relocation Laws; neither authority nor City shall incur any costs or expenses as a result of the application of the Relocation Laws to a Phase.

"**Request for Notice of Default**" means Attachment No. 8 or such other form as may hereafter be approved for such purpose by the Executive Director.

"**Required Affordable Units**" means: (1) forty-four (44) Units for the Single Phase Project or twenty-nine (29) units for Phase 1 if Developer elects to develop the Site as a Two-Phase Project, to be developed and restricted under the Phase 1 Ground Lease and Authority Regulatory Agreement as senior affordable housing units (the "Phase 1 Required Affordable Units"); or (2) if the Developer elects to develop the Site as a Two-Phase Project, for Phase 2, the Units developed on the Phase 2 Site and required to be restricted under the Phase 2 Ground Lease and Authority Regulatory Agreement as affordable housing units (the "Phase 2 Required Affordable Units"). The Phase 2 Required Affordable Units shall be equal to 49% of all Units developed as part of Phase 2.

"**Required Covenant Period**" means a period equal to the Base Period (which is the term of the applicable Ground Lease).

"**Required Submittal Modifications**" means modifications to a Required Submittal which are reasonably calculated to achieve a reservation of Tax Credits in an amount of not less than the Tax Credit Amount in the next round of Tax Credits; provided that, unless otherwise agreed to by the Parties, such modifications shall not include any infusion of Authority or City moneys other than those amounts expressly set forth in this Agreement for such purpose.

"**Required Submittals**" means submittals by Developer for a reservation of Tax Credits for a Phase.

"**Schedule of Performance**" means Attachment No. 3 to this Agreement. The Schedule of Performance sets forth the dates by which Authority and Developer are to perform certain obligations for each Phase.

"**Scope of Improvements**" means Attachment No. 9 to this Agreement. The Scope of Improvements includes a Scope of Improvements for Phase 1. If the Developer elects to construct the Project as a Two-Phase Project, the Scope of Improvements shall be modified to account for the Improvements to be made as part of Phase 2.

"**Senior Citizen Household**" means a lawful senior household, in compliance with applicable fair housing laws and California Civil Code Section 51.3.

"**Single Phase Project**" shall have the meaning ascribed to it in Recital A.

"**Site**" means that real property depicted on the Map of the Site and described with greater particularity by the Legal Description of the Site. If the Project is constructed as a Two-Phase Project, the Site consists of the Phase 1 Site and the Phase 2 Site, which collectively measure approximately 3.76 acres. Except to the extent the context requires otherwise, all references hereunder to the Phase 1 Site are to that certain leasehold interest created under the Phase 1 Ground Lease and all references hereunder to the Phase 2 Site are that certain leasehold interest created under the Phase 2 Ground Lease.

"**Site Report**" is defined in Section 2.5.

"**Subcontractor**" and "**Subcontractors**" means, individually and collectively, one or more subcontractors hired by Developer's Contractor for a Phase to perform and complete, or to engage and supervise others to perform and complete, the construction of a Phase and all other on-site and off-site improvements required to be constructed in connection with such Phase, all of which shall be in accordance with the Scope of Improvements for such Phase, the applicable land use entitlements as and when approved by City, and applicable construction plans as hereafter approved by City.

"**TCAC**" means the Tax Credit Allocation Committee of the State of California.

"**Tax Credit Amount**" means the amount of tax credit equity provided by the Phase's tax credit investor.

"**Tax Credit Deadline**" means for Phase 1, June 30, 2027, or such later date to which it may be extended in writing by the Executive Director subject to the limitation in the Schedule of Performance. The Tax Credit Deadline for Phase 2 is June 30, 2032, or such later date to which it may be extended in writing by the Executive Director subject to the limitation in the Schedule of Performance.

"**Tax Credit Rules**" means Section 42 of the Internal Revenue Code and/or California Revenue and Taxation Code Sections 17057.5, 17058, 23610.4 and 23610.5 and California Health and Safety Code Section 50199, *et seq.*, and the rules and regulations implementing the foregoing, including without limitation the program regulations promulgated by TCAC.

"**Tax Credits**" means 4% Housing Tax Credits granted pursuant to Section 42 of the Internal Revenue Code and/or California Revenue and Taxation Code Sections 17057.5, 17058, 23610.4 and 23610.5 and California Health and Safety Code Section 50199, *et seq*. or 9% Housing Tax Credits granted pursuant to Section 42 of the Internal Revenue Code and related California law.

"**Term of the Ground Lease**" means the 68 year term of the applicable Ground Lease.

"**Title Company**" shall be Stewart Title Company, or another title insurer mutually acceptable to Authority and Developer.

"**Transaction Document**" has the meaning established therefor in the definition of Material Adverse Change.

"**Two-Phase Projec**t" has the meaning established therefor in Recital L.

"**Unit**" means each dwelling unit required to be developed by Developer pursuant to this Agreement.

"**Very Low Income Unit**" means a Unit which is restricted by the Authority to Very Low Income Households.

"**Very Low Income Households**" or "**50% Very Low Income Households**" means households that at initial occupancy earn not greater than a 50% Income Household for the County as published by TCAC.

"**Wakeland**" or "**Developer Parent**" means Wakeland Housing and Development Corporation, a California nonprofit public benefit corporation.

"**Wakeland Deed of Trust**" means a deed of trust as to the leasehold interest transferred under the Phase 1 Ground Lease to secure the loan being made by Wakeland to the Developer under the Loan Agreement attached as part of Attachment No. 14.

"**Year**" means a calendar year.

1.2 Singular and Plural Terms. Any defined term used in the plural in this Agreement or any Project Document shall refer to all members of the relevant class and any defined term used in the singular shall refer to any number of the members of the relevant class.

1.3 References and Other Terms. Any reference to this Agreement or any Project Document shall include such document both as originally executed and as it may from time to time be modified. References herein to Articles, Sections and Attachments shall be construed as references to this Agreement unless a different document is named. References to subparagraphs shall be construed as references to the same Section in which the reference appears. The term "document" is used in its broadest sense and encompasses agreements, certificates, opinions, consents, instruments and other written material of every kind. The terms "including" and "include" mean "including (include) without limitation."

1.4 Exhibits Incorporated. All attachments and exhibits to this Agreement, as now existing and as the same may from time to time be modified, are incorporated herein by this reference.

1.5 Dual-Track Development Plan.

(a) The parties acknowledge that Developer may elect, by notice to City and Authority, to develop the Site either as the Single Phase Project or the Two-Phase Project. Developer may initially submit funding applications for either or both of the Single Phase Project and Phase 1 of the Two-Phase Project and City and Authority shall cooperate with Developer in connection with all such submissions. If Developer elects the Two-Phase Project, the first phase of such Project shall be referred to herein as "Phase 1" and the second Phase of such project shall be referred to herein as "Phase 2". If Developer elects to develop the Single Phase Project, the term "Phase 1" shall mean the Single Phase Project and all references to and provisions regarding the "Phase 2" or a second phase of the Project shall be disregarded and of no force or effect.

(b) If Developer elects the Two-Phase Project, then, as more fully set forth in Section 8.5, Developer may assign it rights and obligations with respect to Phase 1 to the Phase 1 Assignee (as that term is defined in Section 8.5) and its rights and obligations with respect to Phase 2 to the Phase 2 Assignee (as that term is defined in Section 8.5). Developer or the Phase 2 Assignee will provide to City and the Authority for its review and approval the following for Phase 2: Scope of Improvements, and amendments that Developer may request to the Schedule of Performance for Phase 2; Authority Regulatory Agreement; proposed financing plan for the development and operation of the Phase 2 Improvements, and a density bonus application, if applicable (the "Phase 2 Package"). The parties acknowledge and agree that Developer shall include at least thirty (30) units in Phase 2. The Phase 2 package shall be refined until such time as approved by the City and Authority, which approval shall not be unreasonably withheld, conditioned or delayed. Without limiting the foregoing, the parties acknowledge that Developer may elect not to have an onsite manager in Phase 2, provided that the Phase 2 is managed by the same resident manager that manages Phase 1. In such event, the unit in Phase 2 referred to as a "manager's unit" shall instead be a Low Income Unit or a more restricted Unit, as determined by Developer. Upon such approval, Developer, Authority and City shall amend this Agreement accordingly. If Developer (or Phase 2 Assignee) and City are unable to reach agreement regarding Phase 2, then this Agreement shall terminate as to Phase 2 without liability to any party.

(c) Once the Developer elects to proceed with either the Single Phase Project or Two-Phase Project, the parties agree to amend the Attachments as appropriate to account for the project that will be constructed.

1.6 Representations and Warranties.

1.6.1 Authority Representations. Authority represents and warrants to Developer as follows:

(a) Authority. Authority is the fee owner of the Site. Authority is a public body, corporate and politic, existing pursuant to the Housing Authorities Law, which has been authorized to transact business pursuant to action of City. Authority has full right, power and lawful authority to lease the Site as provided herein and the execution, performance, and delivery of this Agreement by Authority has been fully authorized by all requisite actions on the part of Authority. The parties who have executed this Agreement on behalf of Authority are authorized to bind Authority by their signatures hereto.

(b) Litigation. To the Authority's knowledge, there are no actions, suits, material claims, legal proceedings, or any other proceedings affecting the Site or any portion thereof, at law or in equity before any court or governmental agency, domestic or foreign.

(c) No Conflict. To the Authority's knowledge, Authority's execution, delivery, and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which Authority is a party or by which it is bound.

(d) No Authority Bankruptcy. Authority is not the subject of a bankruptcy proceeding.

Authority shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 1.6.1 not to be true as of the applicable Leasehold Transfer, immediately give written notice of such fact or condition to Developer. Such exception(s) to a representation shall not be deemed a breach by Authority hereunder but shall constitute an exception which Developer shall have a right to approve or disapprove if such exception would have an effect on the value and/or operation of the area being leased (namely, the Phase 1 Site or the Phase 2 Site, as applicable). If Developer elects to accept the Leasehold Transfer for the Phase and possession of the applicable portion of the Site following disclosure of such information, Authority's representations and warranties contained herein shall be deemed to have been made as of the applicable Leasehold Transfer, subject to such exception(s). The representations and warranties set forth in this Section 1.6.1 shall survive the applicable Leasehold Transfer.

1.6.2 City Representations. City represents and warrants to Developer as follows:

(a) City. City is a municipal corporation. City has full right, power and authority to engage in such activities as are provided under this Agreement to be undertaken by City. The parties who have executed this Agreement on behalf of City are authorized to bind City by their signatures hereto.

(b) Litigation. To the City's knowledge, there are no actions, suits, material claims, legal proceedings, or any other proceedings affecting the Site or any portion thereof, at law or in equity before any court or governmental agency, domestic or foreign.

(c) No Conflict. To the City's knowledge, City's execution, delivery, and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which City is a party or by which it is bound.

(d) No City Bankruptcy. City is not the subject of a bankruptcy proceeding.

City shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 1.6.2 not to be true as of the applicable Leasehold Transfer, immediately give written notice of such fact or condition to Developer. Such exception(s) to a representation shall not be deemed a breach by City hereunder but shall constitute an exception which Developer shall have a right to approve or disapprove if such exception would have an effect on the value and/or operation of the area being leased (namely, the Phase 1 Site or the Phase 2 Site, as applicable). If Developer elects to accept the Leasehold Transfer and possession of the applicable portion of the Site following disclosure of such information, City's representations and warranties

contained herein shall be deemed to have been made as of the applicable Leasehold Transfer, subject to such exception(s). The representations and warranties set forth in this Section 1.5.2 shall survive the applicable Leasehold Transfer.

1.6.3 Developer Representations. On a Phase by Phase basis, Developer represents and warrants to each of City and Authority as follows:Developer is a duly organized limited partnership organized within and in good standing under the laws of the State of California. Developer has full right, power and lawful authority to lease and accept leasehold title to and possession of the Phase 1 Site and Phase 2 Site, as applicable, and undertake all obligations as provided herein and the execution, performance and delivery of this Agreement by Developer has been fully authorized by all requisite actions on the part of Developer. The parties who have executed this Agreement on behalf of Developer are authorized to bind Developer by their signatures hereto.

(b) Litigation. To the Developer's knowledge, there are no actions, suits, material claims, legal proceedings, or any other proceedings affecting Developer, at law or in equity before any court or governmental agency, domestic or foreign.

(c) No Conflict. To the Developer's knowledge, Developer's execution, delivery, and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which Developer is a party or by which it is bound.

(d) No Developer Bankruptcy. Developer is not the subject of a bankruptcy proceeding.

(e) Developer Experience; Sophisticated Party. Developer is a sophisticated party, whose sponsor has substantial experience in the acquisition, rehabilitation, development, financing, obtaining financing for, marketing, and operation of affordable housing projects, including rental projects, and with the negotiation, review, and preparation of agreements and other documents in connection with such activities. Developer is familiar with and has reviewed all laws and regulations pertaining to the development and operation of the applicable Improvements, including without limitation the Tax Credit Rules, and has obtained advice from any advisers of its own choosing in connection with this Agreement.

(f) Due Authorization and Execution. Developer has duly authorized the execution of this Agreement.

Developer shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 1.6.3 not to be true as of the applicable Leasehold Transfer, immediately give written notice of such fact or condition to each of City and Authority. Such exception(s) to a representation shall not be deemed a breach by Developer hereunder but shall constitute an exception which each of City and Authority shall have a right to approve or disapprove if such exception would have an effect on the development and/or operation of the Phase 1 Site or Phase 2 Site, as applicable. If Authority elects to proceed with the applicable Leasehold Transfer following disclosure of such information, Developer's representations and warranties contained herein shall be deemed to have been made as of the applicable Leasehold Transfer, subject to such exception(s). The representations and warranties set forth in this Section 1.6.3 shall survive the applicable Leasehold Transfer.

1.6.4 No Material Adverse Change. On a Phase by Phase basis, Developer hereby represents and warrants, as of the Date of Agreement, that all documents, materials and information provided by Developer to Authority relating to Developer's qualifications, financial strength, and ability to perform its obligations hereunder are true, correct and complete in all material respects as of their respective dates and no Material Adverse Change has occurred or is reasonably likely to occur that would make any such documents, materials or information incorrect, incomplete, or misleading in any material respect.

(a) On a Phase by Phase basis, Developer shall, upon learning of any fact or condition which would cause any of the warranties and representations in Sections 1.6.3 and 1.6.4 not to be true in all material respects (i) as of Date of Agreement, and (ii) again, as of the applicable Leasehold Transfer, immediately give written Notice of such fact or condition to Authority. Such exception(s) to a representation shall not be deemed a Default by Developer under this Agreement with respect to the applicable Phase but shall constitute an exception which Authority and City shall have a right to approve or disapprove if Authority or City in their sole discretion, determines that such exception would have an effect on the value of the applicable Phase or Developer's ability to perform Developer's obligations under this Agreement as applicable to the Phase, the Project Documents for the applicable Phase and the Transaction Documents for the applicable Phase. If Authority and City, acting in their sole discretion, elect to close the Escrow for the applicable Phase following disclosure of such information, Developer's representations and warranties contained in Sections 1.6.3 and 1.6.4 shall be deemed to have been made as of both the Date of Agreement and the applicable Leasehold Transfer, subject to stated exception(s). If, following the disclosure of such information, Authority and City elect, acting in their sole discretion, not to fund Developer's acquisition of the Phase 1 Site or Phase 2 Site, as applicable, or to not close the Escrow related to Developer's financing for the applicable Phase, then Authority shall give Notice to Developer of such election within ten (10) days after disclosure of such information and this Agreement, to the extent it pertains to a particular Phase, and the Escrow for such Phase shall thereafter automatically terminate and neither party shall have any further rights, obligations or liabilities hereunder with respect to such Phase.

1.6.5 Survival of Representations. The representations and warranties set forth in Section 1.6.3 and 1.6.4, as altered and as described in Section 1.5.4, shall survive the applicable Leasehold Transfer. During the entire Required Covenant Period for the applicable Phase, within five (5) business days following a written request from Authority or City, Developer shall either re-affirm in writing the material truth and accuracy of the representations and warranties set forth in Sections 1.6.3 and 1.6.4, with respect to the applicable Phase, or identify any material inaccuracies of such representations and warranties. The fact that a representation or warranty contained in Sections 1.6.3 and 1.6.4 has become inaccurate or misleading shall not, in and of itself, constitute a breach under this Agreement with respect to the applicable Phase or the Project Documents for the applicable Phase; however, (i) failure to notify Authority or the City of material inaccuracies in these representations and warranties within ten (10) business days of Authority's or City's request for such information, and (ii) any overt material misrepresentation by Developer relating to such representations and warranties shall each constitute a Default under this Agreement with respect to the applicable Phase, subject to delivery of Notice and expiration of the cure rights provided in this Agreement. During the entire Required Covenant Period for the applicable Phase, Developer shall have the ongoing obligation to promptly (but in no event later than five (5) business days following a Material Adverse Change) inform Authority (in writing) of the occurrence of any Material Adverse Change occurring with respect to the applicable Phase.

1.7 Environmental Condition of the Site.

1.7.1 Studies and Reports. Prior to the applicable Leasehold Transfer, Developer may obtain, for each Phase, data and make any other or additional surveys, tests, studies, and reports necessary to evaluate the suitability of the Phase 1 Site or Phase 2 Site, as applicable, for the Phase 1 Improvements or Phase 2 Improvements, respectively, including the investigation of the environmental condition of the Phase 1 Site or Phase 2 Site, as applicable (collectively, for Phase 1 the "Phase 1 Studies" and for Phase 2 the "Phase 2 Studies"). Any studies undertaken on the Phase 1 Site or Phase 2 Site, as applicable, by Developer prior to the applicable Leasehold Transfer shall be done at the sole expense of Developer, and Developer shall make arrangements with Authority prior to undertaking such work and entering the Phase 1 Site or Phase 2 Site, as applicable. Any studies in connection with a Phase shall be undertaken only after Developer has secured the consent of Authority and any necessary permits therefor from the appropriate governmental agencies, including without limitation City. Developer hereby agrees to promptly provide each of City and Authority with any and all Phase 1 Studies and Phase 2 Studies, as applicable, relating to the environmental condition of the Phase 1 Site or Phase 2 Site, respectively, upon Developer's acquisition thereof.

1.7.2 Approval of Environmental Condition of the Site. Prior to the applicable Leasehold Transfer, Developer shall approve or disapprove the environmental condition of the Phase 1 Site or Phase 2 Site, as applicable, by written notice to each of City and Authority. In the event that Developer disapproves the environmental condition of the Phase 1 Site or Phase 2 Site, as applicable, this Agreement may be terminated as to the Phase 1 Site or Phase 2 Site, as applicable, as further provided in Section 7.3 hereof and provided that such termination occurs prior to the applicable Leasehold Transfer. In the event Developer disapproves the condition of the Phase 1 Site or Phase 2 Site, as applicable, because it determines that the cost or nature of environmental remediation required to place the Phase 1 Site or Phase 2 Site, as applicable, in a condition suitable for use as required hereunder are unacceptable to Developer or will render such Phase infeasible, Developer, City or Authority may terminate this Agreement as to the applicable Phase provided such termination occurs prior to the applicable Leasehold Transfer.

1.7.3 Indemnification. Developer shall save, protect, pay for, defend (with counsel acceptable to each of Authority and City), indemnify and hold harmless each of Authority, City, and their respective elected and appointed officials, officers, employees, attorneys, representatives, volunteers, contractors and agents (collectively, "Indemnitees") from and against any and all liabilities, suits, actions, claims, demands, penalties, damages (including, without limitation, penalties, fines and monetary sanctions), losses, costs or expenses (including, without limitation, consultants' fees, investigation and laboratory fees, attorneys' fees and remedial and response costs and third-party claims or costs) (the foregoing are hereinafter collectively referred to as "Liabilities") that may now or in the future be incurred or suffered by Indemnitees by reason of, resulting from, in connection with or arising in any manner whatsoever as a direct or indirect result of: (i) (a) the presence, use, release, escape, seepage, leakage, spillage, emission, generation, discharge, storage, or disposal of any Hazardous Materials in, on, under, or about, or the transportation of any such Hazardous Materials to or from, the Phase 1 Site occurring after the Closing for Phase 1 or caused or contributed to by Developer; and (b) the presence, use, release, escape, seepage, leakage, spillage, emission, generation, discharge, storage, or disposal of any Hazardous Materials in, on, under, or about, or the transportation of any such Hazardous Materials to or from, the Phase 2 Site occurring after the Closing for Phase 2 or caused or contributed to by Developer; (ii) (a) the violation, or alleged violation, of any statute, ordinance, order, rule, regulation, permit, judgment, or license relating to the use, generation, release,

leakage, spillage, emission, escape, discharge, storage, disposal, or transportation of Hazardous Materials in, on, under, or about, or to or from, the Phase 1 Site occurring after the Phase 1 Closing by Developer or occurring after Closing for Phase 1 or caused by Developer; and (b) the violation, or alleged violation, of any statute, ordinance, order, rule, regulation, permit, judgment, or license relating to the use, generation, release, leakage, spillage, emission, escape, discharge, storage, disposal, or transportation of Hazardous Materials in, on, under, or about, or to or from, the Phase 2 Site occurring after the Phase 2 Closing by Developer or occurring after Closing for Phase 2 or caused by Developer (iii) (a) the physical and environmental condition of the Phase 1 Site caused or contributed to by Developer or occurring after the Closing for Phase 1; and (b) the physical and environmental condition of the Phase 2 Site caused or contributed to by Developer or occurring after the Closing for Phase 2, and (iv) (a) any Liabilities caused or contributed to by acts or omissions of Developer relating to any Environmental Laws and other Governmental Requirements relating to Hazardous Materials and/or the environmental and/or physical condition of the Phase 1 Site; and (b) any Liabilities caused or contributed to by acts or omissions of Developer relating to any Environmental Laws and other Governmental Requirements relating to Hazardous Materials and/or the environmental and/or physical condition of the Phase 2 Site. The foregoing indemnification shall continue in full force and effect regardless of whether such condition, liability, loss, damage, cost, penalty, fine, and/or expense shall accrue or be discovered before or after the termination of the Required Covenant Period for the applicable Phase. Notwithstanding the foregoing, in no event shall Developer have any liability whatsoever due to the mere discovery of the presence of Hazardous Materials or any adverse environmental or physical condition of the Site. Further notwithstanding the foregoing, in no event shall Developer have any liability under this Section 1.7.3 for any Liabilities not caused by Developer and arising after the expiration or earlier termination of the Phase 1 Ground Lease as to Liabilities in connection with Phase 1 or the Phase 2 Ground Lease as to Liabilities in connection with Phase 2. This indemnification supplements and in no way limits the indemnification set forth in Section 4.5.

1.7.4 Duty to Prevent Hazardous Material Contamination. The following obligations shall apply on a Phase by Phase basis: During the construction, development, operation and management of the applicable Improvements, Developer shall take all necessary precautions to prevent the release of any Hazardous Materials into the environment on or under the Phase 1 Site or Phase 2 Site, as applicable. Such precautions shall include, but not be limited to, compliance with all Environmental Laws and other Governmental Requirements. Developer shall notify each of City and Authority, and provide to each of City and Authority a copy or copies of any notices of violation, notices to comply, citations, inquiries, clean up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements and reports filed or applications made pursuant to all Environmental Laws and other Governmental Requirements, and Developer shall report to each of City and Authority, as soon as possible after each incident, any unusual or potentially important incidents in the event of a release of any Hazardous Materials into the environment.

1.7.5 Release of Indemnitees by Developer. Developer hereby waives, releases and discharges forever the Indemnitees from all present and future claims, demands, suits, legal and administrative proceedings and from all liability for damages, losses, costs, liabilities, fees and expenses, including attorneys' fees, court and litigation costs and fees of expert witnesses, present and future, arising out of or in any way connected with Developer's possession or use of the Phase 1 Site, improvement of the Phase 1 Site, the Scope of Improvements for Phase 1, the land use entitlements obtained by Developer for the Phase 1 Improvements, and for the operation of the Phase 1 Improvements at the Phase 1 Site, for any Hazardous Materials on the Phase 1 Site from the activities of Developer or arising from and after the Closing for Phase 1 or the existence of Hazardous Materials

contamination in any state on, under, or about the Phase 1 Site, from the activities of Developer or arising from and after the Closing for Phase 1. Developer hereby waives, releases and discharges forever the Indemnitees from all present and future claims, demands, suits, legal and administrative proceedings and from all liability for damages, losses, costs, liabilities, fees and expenses, including attorneys' fees, court and litigation costs and fees of expert witnesses, present and future, arising out of or in any way connected with Developer's possession or use of the Phase 2 Site, improvement of the Phase 2 Site, the Scope of Improvements for Phase 2, the land use entitlements obtained by Developer for the Phase 2 Improvements, and for the operation of the Phase 2 Improvements at the Phase 2 Site, for any Hazardous Materials on the Phase 2 Site from the activities of Developer or arising from and after the Closing for Phase 2 or the existence of Hazardous Materials contamination in any state on, under, or about the Phase 2 Site, from the activities of Developer or arising from and after the Closing for Phase 2.In connection with the foregoing, Developer acknowledges that it is aware of and familiar with the provisions of Section 1542 of the California Civil Code that provides as follows:

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

As such relates to this Section 1.6.5, Developer hereby waives and relinquishes all rights and benefits that it may have under Section 1542 of the California Civil Code.

Notwithstanding the foregoing, this waiver, discharge, and release shall not be effective in the event the presence or release of Hazardous Materials on the Phase 1 Site or Phase 2 Site, as applicable, occurs as a result of the gross negligence or willful misconduct of Authority or City or their respective officers, employees, representatives and agents.

1.7.6 Environmental Inquiries. The provisions of this Section 1.7.6 shall apply on a Phase by Phase basis. Developer shall notify each of City and Authority upon receipt, and provide to Authority and City a copy or copies, of the following environmental permits, disclosures, applications, entitlements or inquiries relating to the Phase 1 Site and the Phase 1 Improvements and the Phase 2 Site and Phase 2 Improvements, as applicable: notices of violation, notices to comply, citations, inquiries, clean up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements and reports filed or applications made pursuant to any Environmental Laws and other applicable Governmental Requirements relating to Hazardous Materials and underground tanks, and Developer shall report to each of City and Authority, as soon as possible after each incident, all material information relating to or arising from such incident, including, but not limited to, the following: All required reports of releases of Hazardous Materials, including notices of any release of Hazardous Materials as required by any Governmental Requirements;

(b) All notices of suspension of any permits relating to Hazardous Materials;

(c) All notices of violation from federal, state or local environmental authorities relating to Hazardous Materials;

(d) All orders under the State Hazardous Waste Control Act and the State Hazardous Substance Account Act and corresponding federal statutes, concerning investigation, compliance schedules, clean up, or other remedial actions;

(e) All orders under the Porter Cologne Act, including corrective action orders, cease and desist orders, and clean up and abatement orders;

(f) Any notices of violation from OSHA or Cal OSHA concerning employees' exposure to Hazardous Materials;

(g) All complaints and other pleadings filed against Developer relating to Developer's storage, use, transportation, handling or disposal of Hazardous Materials on or about the Phase 1 Site or Phase 2 Site, as applicable; and

(h) Any and all other notices, citations, inquiries, orders, filings or any other reports containing information which would have a materially adverse effect on the Phase 1 Site or Phase 2 Site, as applicable, or Authority's liabilities or obligations relating to Hazardous Materials.

In the event of a release of any Hazardous Materials into the environment, Developer shall, as soon as possible after obtaining knowledge of the release, furnish to each of City and Authority a copy of any and all reports relating thereto and copies of all correspondence with governmental agencies relating to the release. Upon request of City and/or Authority, but subject to any limitations imposed by law or by court order, Developer shall furnish to each of City and Authority a copy or copies of any and all other environmental entitlements or inquiries relating to or affecting the Phase 1 Site or Phase 2 Site, as applicable, in Developer's possession and/or shall notify each of City and Authority of any environmental entitlements or inquiries relating to or affecting the Phase 1 Site or Phase 2 Site, as applicable, within Developer's actual or constructive knowledge if Developer is not in possession of same, including, but not limited to, all permit applications, permits and reports including, without limitation, those reports and other matters which may be characterized as confidential.

2. DISPOSITION OF THE SITE AND FUNDING COMMITMENT.

2.1 Leasing of the Site. The Authority is owner of the Site as a result of the designation by City of Authority to receive the housing assets of the Former Agency following the enactment and effectiveness of the 2011 Dissolution Act, including without limitation improvements thereon. The conveyance of a leasehold interest in the Phase 1 Site under the Phase 1 Ground Lease and the conveyance of a leasehold interest in the Phase 2 Site under the Phase 2 Ground Lease are to be accomplished as set forth in Sections 2.1 to 2.4 hereof.

Based upon its preliminary review, Developer believes that the Site is suitable for the development and use provided under this Agreement; provided that any Hazardous Materials which may exist at the Site as of the date of this Agreement are feasible to address as part of the development and completion of Phase 1 and Phase 2, as applicable. On or before the Determination Date, Developer shall notify Authority to the following effect; (i) that Developer has determined that there are not Materially Adverse Conditions on the Site, or (ii) that there are Materially Adverse Conditions on the Site but Developer has located funding sources to remediate, remove or otherwise satisfy such Conditions and that Developer elects to proceed to accept the Leasehold Transfer and proceed with performance or (iii) that there are Materially Adverse Conditions on the Site and Developer elects to

terminate pursuant to Section 7.3.1 unless Authority and Developer agree, within fifteen (15) days following the date such notice is received by Authority to otherwise resolve such conditions.

Subject to the satisfaction or waiver of the Conditions Precedent for Phase 1, Developer and Authority will enter into the Phase 1 Ground Lease as provided herein. In consideration of Authority entering into the Phase 1 Ground Lease, Developer shall pay rent under the Phase 1 Ground Lease, and shall comply with and cause the use of the Phase 1 Site to conform to (a) the Phase 1 Ground Lease, the Authority Regulatory Agreement throughout the Required Covenant Period for Phase 1 as applicable to the Phase 1 Site under the Phase 1 Ground Lease and (B) the other Project Documents for Phase 1.

Subject to the satisfaction or waiver of the Conditions Precedent for Phase 2, Developer and Authority will enter into the Phase 2 Ground Lease as provided herein. In consideration of Authority entering into the Phase 2 Ground Lease, Developer shall pay rent under the Phase 2 Ground Lease, and shall comply with and cause the use of the Phase 2 Site to conform to (a) the Phase 2 Ground Lease, the Authority Regulatory Agreement throughout the Required Covenant Period for Phase 2 as applicable to the Phase 2 Site under the Phase 2 Ground Lease and (B) the other Project Documents for Phase 2.

Subject to the satisfaction or waiver of the Authority Conditions Precedent for Phase 1, concurrently with and as part of the closing for Phase 1, Authority and Wakeland shall execute and deliver the Grant Agreement and Authority shall disburse the Authority Amount to Wakeland pursuant and subject to the terms of the Grant Agreement.

2.2 Escrow. For each Phase, the parties shall open a separate escrow (each an "Authority Escrow") with the Escrow Holder, by the time established in the Schedule of Performance for the applicable Leasehold Transfer, and the recordation and delivery of documents described in Section 2.4.4. The Authority and Developer agree to execute such escrow instructions as may be reasonably required to implement this Section 2.2.

2.3 Costs of Escrow. For each Phase, the Authority, the City, and the Developer shall pay their respective portions of the premium for the Lessee Title Policy for the applicable Phase as set forth in Section 2.6 hereof, Authority shall pay for the documentary transfer taxes, if any, due with respect to the applicable Leasehold Transfer, and Developer and Authority each agree to pay one-half (½) of all other usual fees, charges, and costs which arise from the applicable Escrow.

2.4 Escrow Instructions. This Agreement, insofar as it is applicable to a particular Phase, constitutes the joint escrow instructions of Developer, City and Authority, with respect to such Phase and the Escrow Holder to whom these instructions are delivered is hereby empowered to act under this Agreement with respect to the applicable leasehold transfer of the Phase 1 Site or Phase 2 Site, as applicable, by Authority to Developer. The parties hereto agree to do all acts reasonably necessary to close the applicable Authority Escrow in the shortest possible time. Insurance policies for fire or casualty are not to be transferred, and Authority will cancel its own policies for the Phase 1 Site at the Leasehold Transfer of Phase 1 and for the Phase 2 Site at the Leasehold Transfer of Phase 2. All funds received in the Authority Escrow shall be deposited with other escrow funds in a general escrow account(s) and may be transferred to any other such escrow trust account in any State or National Bank doing business in the State of California. All disbursements shall be made by check or wire from such account.

If in the opinion of any of Developer, City or Authority it is necessary or convenient in order to accomplish the Leasehold Transfer for Phase 1 or the Leasehold Transfer for Phase 2, such party may require that the parties sign supplemental escrow instructions for such Phase consistent with this Agreement. The parties agree to execute such other and further documents as may be reasonably necessary, helpful or appropriate to effectuate the provisions of this Agreement. The Leasehold Transfer for a Phase shall take place when the Conditions Precedent for such Phase have been satisfied or waived and the parties authorize closing. For each Phase, Escrow Holder is instructed to release Authority's escrow closing and Developer's escrow closing statements to the respective parties.

2.4.1 Authority of Escrow Holder. On a Phase by Phase basis, Escrow Holder is authorized to, and shall:

(a) Pay and charge Developer and Authority for their respective shares of the premium of the Lessee Title Policy for the applicable Phase as set forth in Section 2.6 and any amount necessary to place title in the condition necessary to satisfy Section 2.5 of this Agreement.

(b) Pay and charge Developer and Authority for their respective shares of any escrow fees, charges, and costs payable under Section 2.3 of this Agreement.

(c) Pay and charge Developer for any endorsements to the Lessee Title Policy for the applicable Phase which are requested by Developer.

(d) Disburse funds and record the Recordable Documents or the applicable Phase in the order set forth in Section 2.4.4 below, and take the other actions described therein.

(e) Deliver the counterpart original of the Ground Lease for the applicable Phase executed by the Authority to Developer, and deliver the counterpart original of the Ground Lease or the applicable Phase executed by the Developer to the Authority.

(f) With respect to Phase 1, deliver the counterpart original of the Grant Agreement executed by Authority to Wakeland and delivery the counterpart original of the Grant Agreement executed by Wakeland to Authority;

(g) Prepare and file with all appropriate governmental or taxing authorities a uniform settlement statement, closing statement, tax withholding forms including an IRS 1099-S form, and be responsible for withholding taxes, if any such forms are provided for or required by law.

2.4.2 Closing. The provisions of this Section 2.4.2 shall apply on a Phase by Phase basis. The Closing (as defined below) for the applicable Phase shall occur within thirty (30) days of the parties' satisfaction of all of Authority Conditions Precedent for such Phase, but in no event later than the last day established in the applicable Schedule of Performance for the applicable Leasehold Transfer unless extended by mutual agreement of the parties. The "Closing" means (1) for Phase 1, the time and day the Authority Regulatory Agreement, the Regulatory Agreement (Density Bonus), the Notice of Affordability Restrictions, the Memorandum of Ground Lease and the deed of trust securing the construction loan for the Improvements and the Wakeland Deed of Trust have been recorded by the County Recorder among the Official Records, and counterparts of the Phase 1 Ground Lease has been executed by each party thereto and delivered to escrow (for further delivery to the other party, upon recording of recordable documents); for Phase 2, the time and day the Regulatory Agreement (Density Bonus), the Authority Regulatory Agreement, the Notice of Affordability

Restrictions, the Memorandum of Ground Lease and the deed of trust securing the construction loan for the Improvements have been recorded by the County Recorder among the Official Records, and counterparts of the Phase 2 Ground Lease has been executed by each party thereto and delivered to escrow (for further delivery to the other party, upon recording of recordable documents). The "Closing Date" means the day on which the Closing for the applicable Phase occurs.

2.4.3 Termination of Escrow. If the Authority Escrow is not in condition to close by the time established therefor in the Schedule of Performance, then either party which has fully performed under this Agreement may, in writing, demand the return of money or property and terminate the Authority Escrow. If either party makes a written demand for return of documents or properties, this Agreement shall not terminate until five (5) days after Escrow Holder shall have delivered copies of such demand to all other parties at the respective addresses shown in this Agreement. If any objections are raised within said five (5) day period, Escrow Holder is authorized to hold all papers and documents until instructed by a court of competent jurisdiction or by mutual written instructions of the parties. Developer, however, shall have the sole option to withdraw any money deposited by it with respect to the Closing less Developer's share of costs of Escrow. Authority and City shall also have the option to withdraw any money they deposited with respect to the Closing less the Authority and City's share of costs of Escrow. Termination of the Authority Escrow shall be without prejudice as to whatever legal rights either party may have against the other arising from this Agreement. If no demands are made, the Escrow Holder shall proceed with the Closing as soon as possible.

2.4.4 Closing Procedures. Escrow Holder shall "close" the Authority Escrow for the applicable Phase on a Phase by Phase basis as follows:

(a) Record the following documents in this order, unless otherwise instructed by the Authority and Developer consistent with this Agreement or if required by HCD's uniform multifamily regulations: (i) the Memorandum of Ground Lease; (ii) the Bond Regulatory Agreement (if applicable); (iii) the Regulatory Agreement (Density Bonus), if applicable; (iv) the Authority Regulatory Agreement (v) the construction/permanent lender's deed of trust and other recordables relating to the construction/permanent loan; (vi) if applicable, 1-UCC Financing Statement by Developer in favor of an Approved Construction and/or Permanent Lender (as construction lender) for the applicable Improvements for filing as a fixture filing in the County; (vii) the Notice of Affordability Restrictions (viii) a Request for Notice of Default to be recorded as to each deed of trust or financing statement recorded as to a leasehold interest in the Site under the Ground Lease; (ix) the Wakeland Deed of Trust (for Phase 1 only); and (x) such other instruments, if any, as shall be approved by the Executive Director (upon consultation with Authority's legal counsel) as necessary or convenient to effectuate and implement the initial financing of the Improvements (and the permanent financing thereof).

(b) Deliver the counterpart original of the applicable Ground Lease executed by the Authority to Developer, and deliver the counterpart original of the applicable Ground Lease executed by the Developer to the Authority.

(c) Instruct the Title Company to deliver the applicable Lessee Title Policy to Developer, with a copy to Authority;

(d) For Phase 1, disburse the Grant Funds to Wakeland pursuant to the Grant Agreement, deliver the counterpart original of the applicable Ground Lease executed by the Authority to Wakeland and deliver the counterpart original of the applicable Grant Agreement executed by Wakeland to Authority;

(e) File any informational reports required by Internal Revenue Code Section 6045(e), as amended, and any other applicable requirements;

(f) Deliver the FIRPTA Certificate and California withholding form, if either is or both are required by the Escrow Holder, to Developer; and

(g) Forward to both Developer and Authority a separate accounting of all funds received and disbursed for each party and copies of all executed and recorded or filed documents deposited into the applicable Escrow, with the recording number and filing date thereon.

2.5 Review of Title. The Authority has caused the Title Company to deliver to Developer a standard preliminary title report (the "Site Report") with respect to the leasehold interest in the Phase 1 Site and Phase 2 Site under the applicable Ground Lease (with hyperlinks to the title exceptions documents). Developer shall have the right to reasonably approve or disapprove the title exceptions therein for each Phase ("Site Exceptions"); provided, however, that Developer hereby approves the following Site Exceptions:

(a) The Redevelopment Plan (as defined in Recital E).

(b) The lien of any non-delinquent property taxes and assessments (to be prorated at close of the Authority Escrow).

(c) The provisions of the Regulatory Agreement (Density Bonus) (if applicable), the Authority Regulatory Agreement (for Phase 1), the applicable Ground Lease (and the Memorandum of Ground Lease), the Notice of Affordability Restrictions (for Phase 1), the deed of trust for the construction loan, the Wakeland Deed of Trust (for Phase 1) and, if applicable, the Bond Regulatory Agreement.

(d) Any easements or other matters affecting title which do not materially impact Developer's use of the Phase 1 Site or Phase 2 Site, as applicable, as described in the applicable Scope of Improvements or otherwise prevent financing of the applicable Phase.

Developer shall have thirty (30) days from the date of this Agreement to give written notice to Authority and Escrow Holder of Developer's disapproval of any Site Exceptions not deemed approved above. Developer's failure to give written disapproval within such time limit shall be deemed approval. If Developer notifies Authority of its disapproval of any Site Exceptions in the Site Report, Authority shall have ten (10) business days from the receipt of written notice of disapproval by Developer to determine whether or not it will undertake the removal of any disapproved Site Exceptions. If Authority elects to remove such Site Exceptions, it shall diligently proceed to effect the removal of such Site Exceptions. If Authority cannot remove or does not elect to remove any of the disapproved Site Exceptions within such ten (10) business day period, Developer shall have ten (10) business days after the expiration of such ten (10) business day period to either give Authority written notice that Developer elects to proceed with the ground leasing of the Phase 1 Site or the Phase 2 Site by the applicable Ground Lease subject to the disapproved Site Exceptions or to give Authority written notice

that Developer elects to terminate the Authority Escrow as to an applicable Phase. The Site Exceptions to title approved by Developer as provided herein shall hereinafter be referred to as the "Conditions of Title." Developer shall have the right to approve or disapprove any additional and previously unreported Site Exceptions reported by the Title Company after delivery of the Site Report except that Developer may not disapprove conditions created by Developer).

2.6 Title Insurance. Concurrently with recordation of the applicable Memorandum of Ground Lease, as a condition to Developer's obligations hereunder, there shall be issued to Developer an ALTA extended coverage lessee's policy of title insurance (the "Lessee Title Policy"), in a form and amount approved by Developer's tax credit investor limited partner together with such endorsements as are reasonably requested by Developer or its tax credit investor limited partner, issued by the Title Company ensuring that the title to a leasehold interest in the Phase 1 Site or Phase 2 Site, as applicable, is vested in Developer subject only to the Conditions of Title. The Title Company shall provide Authority with a copy of the applicable Lessee Title Policy. The Authority shall pay that portion of the premium for the applicable Lessee Title Policy equal to the cost of a standard ALTA standard coverage title policy insuring a leasehold in the amount based upon the Site Value. Any additional costs, including the cost of an ALTA owner's extended coverage policy or any endorsements requested by Developer for any Phase, shall be borne by Developer.

2.7 Legal Description. If Developer elects the Two-Phase project, then, at least 60 days prior to Closing for Phase 1, the Developer will provide to the City and Authority for their review and approval a legal description for the Phase 1 Site and the Phase 2 Site, which description shall be refined until such time as approved by the City and Authority, which approval shall not be unreasonably withheld, conditioned or delayed. If the Developer elects to proceed with the Two-Phase Project, the parties shall amend the Agreement to update the legal description included in Attachment 2.

3. CONDITIONS TO DEVELOPER POSSESSION OF THE SITE.

3.1 Authority Conditions Precedent. The Authority shall not effect/complete a Leasehold Transfer, as provided pursuant to this Agreement, and Developer shall not take possession of the Phase 1 Site or the Phase 2 Site, as applicable, (notwithstanding any provision of this Agreement to contrary effect) unless all of the following conditions precedent (the "Authority Conditions Precedent") have been waived in writing by Authority or fully satisfied for each noted Phase, as determined in good faith by the Executive Director (which condition, if it requires action by Developer, shall also be a covenant of Developer):

(a) Issuance of Bonds. (Phase 1 and Phase 2). If the Developer finances the development of the applicable Improvements with bonds, Developer shall have satisfied all conditions precedent to the issuance of multifamily housing bonds and such bonds shall have issued or Developer shall have notified Authority in writing that no bonds are to be issued in connection with the financing of the applicable Improvements.

(b) Recording of Certain Documents. (Phase 1 and Phase 2). Each of the Regulatory Agreement (Density Bonus) if applicable, the applicable Authority Regulatory Agreement, the applicable Memorandum of Ground Lease, the Notice of Affordability Restrictions has been recorded; any documents determined in connection with the applicable Final Financing Package to be executed and delivered have been so executed and delivered and, where required to be recorded, have been recorded; and Title Company has issued or is irrevocably committed to issue upon payment of its

normal premium the Lessee Title Policy. If requested by Developer, then, with the written consent of the Executive Director, and if required due to tax issues explained in writing by Developer to the Executive Director, the applicable Ground Lease and applicable Memorandum of Ground Lease may record a week in advance of the closing of the construction financing.

(c) Evidence of Equity and Financing. (Phase 1 and Phase 2). Developer shall have provided reasonable written proof acceptable to the Executive Director of the Authority that Developer has legally committed internal funds (i.e., "equity"), which may include contributed tax credit equity funds, and has obtained a loan or loans, subject to customary disbursement conditions, which may include, without limitation, proceeds of multifamily housing bonds, sufficient for the construction of the applicable Improvements, and Authority has approved such evidence of financing, and Developer shall have provided to Authority copies of the financing documents (and such loan(s) or other financing must close concurrently with the applicable Leasehold Transfer, with the leasehold deed of trust(s) securing such loan(s) recording immediately after the applicable Memorandum of Lease (and if there is more than one loan, in such order of priority among the deeds of trust as agreed by Developer and lenders), subject however to the last sentence of Section 3.1(b) above), and applicable tax credit investors shall have committed to provide equity sufficient to pay down the construction loan so that it can be refinanced with a permanent loan, as shown by reasonable evidence delivered to Authority.

(d) Grant Agreement; Loan Documents. (applicable to Phase 1 only). Wakeland, City and Authority shall have entered into the grant agreement regarding grant funds in the form attached hereto as Attachment No. 14, and Wakeland and Developer shall have entered into the Loan Agreement and Promissory Note in the forms also attached as Attachment No. 14, and copies of the executed documents shall have been provided to the Authority, and Developer shall have executed the Wakeland Deed of Trust and it shall have been recorded. It is the intention of the parties that the Wakeland Deed of Trust be subordinate to all other recordable documents recorded at the applicable Closing.

(e) Construction Contract. (Phase 1 and Phase 2). Developer shall have provided to Authority a signed copy of a fixed-price contract or "not-to-exceed" guaranteed maximum price contract between Developer and the general contractor for the construction of the applicable Improvements, certified by Developer to be a true and correct copy thereof, and the Executive Director shall have approved such contractor or contractors, and the construction contract or contracts.

(f) Payment, Performance and Completion Bonds. (Phase 1 and Phase 2). Developer shall have obtained payment bonds and performance and completion bonds for off-site improvements required by City as part of the Improvements in an amount and from a surety company reasonably acceptable to the Executive Director. All bonds shall be issued by good and solvent sureties qualified to do business in California and shall have a rating of A or better in the most recent edition of Best's Key Rating Guide.

(g) Map Compliance. If and as required by any entitlements or permits for the Project, Developer shall have prepared and processed, at its cost, a parcel map showing the Site and/or each Phase thereof as a separate subdivided parcel or a lot merger or lot line adjustment, to facilitate the ground leasing or development of the Site or any Phase thereof by Developer and/or segregation of the Site from the surrounding property or, if the Property is developed as the Two-Phase Project, to segregate the Phase 1 Site from the Phase 2 Site.

(h) Permits. (Phase 1 and Phase 2). All construction and grading permit fees and all development fees must be paid (or be ready to be issued upon payment by Wakeland to the City with the funding received at closing). All construction/grading permits have been issued (or be ready to be issued, upon payment by Wakeland to the City with the funding received at closing).

(i) Entitlements. (Phase 1 and Phase 2). All entitlement approvals, if any are required, have been issued and obtained.

(j) Impact Fees. (Phase 1 and Phase 2). All development impact fees have been paid (or will promptly be paid following closing pending receipt of funding at closing).

(k) TCAC Approval. (Phase 1 and Phase 2). On or before the Tax Credit Deadline, all TCAC approvals required in connection with the preliminary reservation of Tax Credits have been obtained and remain in full force and effect.

(l) CDLAC Approval. (Phase 1 and Phase 2). All CDLAC approvals required in connection with the authorization of allocation for private activity bonds, if the applicable Phase is financed with bonds, have been obtained and remain in full force and effect if Bonds are proposed as part of the Final Financing Package for the Improvements.

(m) Insurance. (Phase 1 and Phase 2). Authority shall have received evidence, satisfactory to the Executive Director, that all of the insurance policies required by the applicable Authority Regulatory Agreement, are in full force and effect.

(n) Intentionally omitted.

(o) Representations and Warranties. (Phase 1 and Phase 2). The representations and warranties of Developer contained in this Agreement shall be correct in all material respects as of the applicable Leasehold Transfer as though made on and as of that date, and the Executive Director shall have received a certificate to that effect signed by an officer of Developer.

(p) No Default. (Phase 1 and Phase 2). No Event of Default by Developer shall have occurred under this Agreement or any other agreement between Authority and Developer and/or its officers or employees, no event shall have occurred which, with the giving of notice or the passage of time or both, would constitute an Event of Default by Developer under this Agreement, and the Executive Director shall have received a certificate to that effect signed by an officer of Developer.

All conditions set forth in this Section 3.1, or to Authority's obligations hereunder, are for Authority's benefit only and the Executive Director may waive all or any part of such rights by written notice to Developer. If the Executive Director shall, within the applicable periods set forth herein, disapprove of any of the items which are subject to Authority's approval, or if any of the conditions set forth in this Section 3.1 are not met within the times called for, Authority may thereafter terminate this Agreement as to the applicable Phase prior to Closing without any further liability on the part of Authority by giving written notice of termination to Developer. Section 3.1 (o) shall not apply to an Event of Default that has occurred or that may occur with respect to a Phase that has had a Closing and a Leasehold Transfer.

3.2 Developer Conditions Precedent. The Developer shall not be obligated to enter into a Leasehold Transfer, as provided pursuant to this Agreement, and Developer shall not take possession

of the Phase 1 Site or the Phase 2 Site, as applicable, (notwithstanding any provision of this Agreement to contrary effect) unless all of the following conditions precedent (the "Developer Conditions Precedent") have been waived in writing by Developer or fully satisfied for each noted Phase, as determined in good faith by the Developer (which condition, if it requires action by Authority, shall also be a covenant of Authority).

(a) Issuance of Bonds. (Phase 1 and Phase 2). If the Developer finances the development of the applicable Improvements with bonds, all conditions precedent to the issuance of multifamily housing bonds shall have been satisfied and such bonds shall have issued or Developer shall have notified Authority in writing that no bonds are to be issued in connection with the financing of the applicable Improvements.

(b) Recording of Certain Documents. (Phase 1 and Phase 2). Each of the Regulatory Agreement (Density Bonus) if applicable, the applicable Authority Regulatory Agreement, the applicable Memorandum of Ground Lease, the Notice of Affordability Restrictions has been recorded; any documents determined in connection with the applicable Final Financing Package to be executed and delivered have been so executed and delivered and, where required to be recorded, have been recorded; and Title Company has issued or is irrevocably committed to issue upon payment of its normal premium the Lessee Title Policy. If requested by Developer, then, with the written consent of the Executive Director, and if required due to tax issues explained in writing by Developer to the Executive Director, the applicable Ground Lease and applicable Memorandum of Ground Lease may record a week in advance of the closing of the construction financing.

(c) Evidence of Equity and Financing. (Phase 1 and Phase 2). Developer shall have legally committed internal funds (i.e., "equity"), which may include contributed tax credit equity funds, and obtained a loan or loans, subject to customary disbursement conditions, which may include, without limitation, proceeds of multifamily housing bonds, sufficient for the construction of the applicable Improvements, and Authority shall have approved such evidence of financing, (and such loan(s) or other financing must close concurrently with the applicable Leasehold Transfer, with the leasehold deed of trust(s) securing such loan(s) recording immediately after the applicable Memorandum of Lease (and if there is more than one loan, in such order of priority among the deeds of trust as agreed by Developer and lenders), subject however to the last sentence of Section 3.2(b) above), and applicable tax credit investors shall have committed to provide equity sufficient to pay down the construction loan so that it can be refinanced with a permanent loan.

(d) Grant Agreement; Loan Documents. (applicable to Phase 1 only). Wakeland, City and Authority shall have entered into the grant agreement regarding grant funds in the form attached hereto as Attachment No. 14, the Grant Funds have been disbursed by Authority to Wakeland, and Wakeland and Developer shall have entered into the Loan Agreement and Promissory Note in the forms also attached as Attachment No. 14, and copies of the executed documents shall have been provided to the Authority, and Developer shall have executed the Wakeland Deed of Trust and it shall have been recorded. It is the intention of the parties that the Wakeland Deed of Trust be subordinate to all other recordable documents recorded at the applicable Closing.

(e) Construction Contract. (Phase 1 and Phase 2). Developer shall entered into a fixed-price contract or "not-to-exceed" guaranteed maximum price contract between Developer and the general contractor for the construction of the applicable Improvements.

(f) Permits. (Phase 1 and Phase 2). All construction/grading permits have been issued (or are ready to be issued, upon payment by Wakeland to the City of required fees with the funding received at closing).

(g) Entitlements. (Phase 1 and Phase 2). All entitlement approvals, if any are required, have been issued and obtained.

(h) TCAC Approval. (Phase 1 and Phase 2). On or before the Tax Credit Deadline, all TCAC approvals required in connection with the preliminary reservation of Tax Credits have been obtained and remain in full force and effect.

(i) CDLAC Approval. (Phase 1 and Phase 2). All CDLAC approvals required in connection with the authorization of allocation for private activity bonds, if the applicable Phase is financed with bonds, have been obtained and remain in full force and effect if Bonds are proposed as part of the Final Financing Package for the Improvements.

(j) Representations and Warranties. (Phase 1 and Phase 2). The representations and warranties of Authority contained in this Agreement shall be correct in all material respects as of the applicable Leasehold Transfer as though made on and as of that date, and the Developer shall have received a certificate to that effect signed by the Executive Director or other authorized representative of Authority.

(k) No Default. (Phase 1 and Phase 2). No Event of Default by Authority shall have occurred under this Agreement or any other agreement between Authority and Developer and/or its officers or employees, no event shall have occurred which, with the giving of notice or the passage of time or both, would constitute an Event of Default by Authority under this Agreement.

All conditions set forth in this Section 3.2, or to Developer's obligations hereunder, are for Developer's benefit only and the Developer may waive all or any part of such rights by written notice to Authority. If the Developer shall, within the applicable periods set forth herein, disapprove of any of the items which are subject to Developer's approval, or if any of the conditions set forth in this Section 3.2 or any other express condition to Developer's obligations under this Agreement are not met within the times called for, Developer may thereafter terminate this Agreement as to the applicable Phase prior to Closing without any further liability on the part of Developer by giving written notice of termination to Authority. Section 3.2 (l) shall not apply to an Event of Default that has occurred or that may occur with respect to a Phase that has had a Closing and a Leasehold Transfer.

4. SCOPE OF DEVELOPMENT; INSURANCE AND INDEMNITY, FINANCING.

4.1 Scope of Improvements. Developer shall develop the Phase 1 Improvements in accordance with the Scope of Improvements for Phase 1, and the approved plans, drawings and documents for the Improvements. In the event of any inconsistency between the Scope of Improvements for Phase 1 and the plans for the Phase 1 Improvements which have been approved by Authority and/or City, the approved Phase 1 Improvements plans shall control. Developer shall develop the Phase 2 Improvements in accordance with the Scope of Improvements for Phase 2, and the approved plans, drawings and documents for the Improvements. In the event of any inconsistency between the Scope of Improvements for Phase 2 and the plans for the Phase 2 Improvements which have been approved by Authority and/or City, the approved Phase 2 Improvements plans shall control.

4.2 Design Review. The provisions of this Section 4.2 shall apply on a Phase by Phase basis.

4.2.1 Developer Submissions. Before commencement of construction of the applicable Improvements or other works of improvement upon the Phase 1 Site and the Phase 2 Site, as applicable, Developer shall submit a design review application in compliance with City Code Section 16.08.090, and obtain an approval from the Planning Commission. In addition, Developer shall submit to the City any plans and drawings (collectively, the "Design Improvements Drawings") which may be required by City with respect to any permits and entitlements which are required to be obtained to develop the applicable Improvements, which City shall comment on and return to Developer within twenty (20) business days from the date of receipt thereof. Developer, on or prior to the date set forth in the Schedule of Performance, shall submit to City such plans for the Improvements as required by City in order for Developer to obtain building permits for the Improvements. Within thirty (30) days after City's disapproval or conditional approval of such plans, Developer shall revise the portions of such plans identified by City as requiring revisions and resubmit the revised plans to City.

4.2.2 City Review and Approval.

(a) The City shall have all rights to review and approve or disapprove all Design Improvements Drawings for the applicable Phase and other required submittals in accordance with the City Code, and nothing set forth in this Agreement shall be construed to constitute City's approval of any or all of the Design Improvements Drawings or to limit or affect City's review and right to approve, approve subject to conditions, or disapprove Design Improvements Drawings, plans, drawings, applications, or submittals.

(b) For Phase 1, The Developer has applied for and been granted a density bonus/density bonus concessions and waivers, as reflected in the Regulatory Agreement (Density Bonus). The City is recording the Regulatory Agreement (Density Bonus) as an exercise of its police power and as part of the land use entitlement process. Consistent with Section 4.2.5, Developer will not modify or otherwise request any additional density bonus concessions and waivers other than those set forth in the form of Regulatory Agreement (Density Bonus) attached to this Agreement without the approval of the City Council. The parties acknowledge that if Developer elects the Two-Phase Project, Developer intends to apply for and obtain a density bonus/density concessions and waiver for Phase 2. The parties further acknowledge that the City makes no representations that any density bonus/density concessions and waivers will be granted for Phase 2.

4.2.3 Revisions. Any and all change orders or revisions required by City and its inspectors under the City Code and all other applicable Uniform Codes (e.g. Building, Plumbing, Fire, Electrical, etc.) and under other applicable laws and regulations shall be included by Developer in its Design Improvements Drawings for the applicable Phase and other required submittals and shall be completed during the construction of the applicable Improvements.

4.2.4 Defects in Plans. The Authority and City shall not be responsible either to Developer or to third parties in any way for any defects in the Design Improvements Drawings for the applicable Phase, nor for any structural or other defects in any work done according to such approved Design Improvements Drawings, nor for any delays reasonably caused by the review and approval processes established by this Section 4.2.4.

4.2.5 Land Use Approvals. Before commencement of construction of the applicable Improvements or other works of improvement upon the Phase 1 Site or Phase 2 Site, as applicable, Developer shall, at its own expense, secure or cause to be secured any and all land use and other entitlements, permits, and approvals which may be required for the applicable Improvements by City or any other governmental agency affected by or having jurisdiction over such construction or work, except for those which are the responsibility of Authority as set forth herein, including without limitation a license agreement between Developer and Authority allowing entry onto the Phase 1 Site or Phase 2 Site, as applicable, which indemnifies City and Authority from any claims made in connection with the activities of Developer. Developer shall, without limitation, apply for and secure, and pay all costs, charges and fees associated therewith, all permits and fees required by City, the County, and other governmental agencies with jurisdiction over the Improvements. If changes in plans do necessitate such additional or other approvals, in the judgment of the City Manager, Developer will conform to the relevant provisions of this Agreement regarding such applications and approvals in accordance with the customary entitlement process of City. As of the Date of Agreement, R4 zoning is in place with respect to the Phase 1 Site or Phase 2 Site. From and after the date of this Agreement, the Developer will obtain the consent of the City and the Authority prior to seeking any additional land use approvals. Developer understands and agrees that the City and Authority have approved Developer submitting land use entitled for the Single Phase Project, as currently proposed and may, in their capacity as land owner and funders deny any applications for land use approvals which may modify the Single Phase Project. Developer further understands and agrees that City and Authority have approved Developer submitting land use entitlements for a Two-Phase Project which contains a minimum of sixty (60) units in Phase 1 and a minimum of thirty (30) units in Phase 2, but that City and Authority may, in their capacity as land owner and funders deny any applications for land use approvals provided that in their capacity as land owner and funders they agree not to unreasonably withhold approval of applications for Phase 1 of the Two-Phase Project that is consistent with Phase 1 as described in this Agreement.

4.3 Time of Performance; Progress Reports. Developer shall submit all Design Improvements Drawings for a Phase, commence and complete all construction of the applicable Improvements, and satisfy all other obligations and conditions of this Agreement within the times established therefor in this Agreement. Construction of the applicable Improvements shall be commenced on or before the time established therefor in the applicable Schedule of Performance. Once construction is commenced, it shall continuously and diligently be pursued to completion and shall not be abandoned for more than thirty (30) days except when due to causes beyond the control and without the fault of Developer as set forth in Section 7.10. During the course of construction and prior to issuance of the Certificate of Occupancy, Developer shall provide timely reports of the progress of construction when requested by the Executive Director. Developer shall complete construction of all of the Improvements by the time established therefor in the applicable Schedule of Performance.

4.4 Cost of Improvements. The cost of planning, designing, developing, and constructing the applicable Improvements and the cost of any mapping the Phase 1 Site or Phase 2 Site, as applicable, shall be borne solely by Developer. All fees imposed by any governmental entity in connection with the acquisition of a leasehold interest in the Phase 1 Site or Phase 2 Site, as applicable, or the development of the applicable Improvements shall be borne by Developer and shall be paid when due by Developer.

4.5 Indemnity. Developer shall defend (by counsel satisfactory to Authority), indemnify and save and hold harmless the Indemnitees from and against all claims, damages, demands, actions,

losses, liabilities, costs and expenses (including, without limitation, attorneys' fees and court costs) arising from or relating to: (i) this Agreement (including without limitation Section 4.10 hereof); (ii) a claim, demand or cause of action that any person has or asserts against Developer; (iii) a claim, challenge, or cause of action that any person has or asserts against Phase 1 or Phase 2, as applicable arising during the term of the applicable Ground Lease; (iv) a claim, challenge or cause of action relating to the Phase 1 or Phase 2, as applicable, that any person has or asserts against any approval, whether discretionary or ministerial, by City, Authority, zoning administrator, or any other board or commission of City or Authority; (v) the use of any federal funds for the Phase 1 or Phase 2, as applicable and compliance, *vel non.*, with respect thereto, (vi) any act or omission of Developer, any contractor, subcontractor or material supplier, engineer, architect or other person acting on behalf of Developer with respect to the Phase 1 Site or the Phase 2 Site, as applicable; or (vii) the ownership, occupancy or use of the Phase 1 Site or the Phase 2 Site, as applicable, by Developer from and after Closing. Notwithstanding the foregoing, Developer shall not be obligated to indemnify the Indemnitees with respect to the consequences of any act of gross negligence or willful misconduct of Authority. Developer's obligations under this Section 4.5 shall survive the issuance of the Certificate of Occupancy and termination of this Agreement; the requirements under this Section 4.5 are in addition to and do not limit the obligations of Developer under the applicable Ground Lease.

Developer shall reimburse Authority and City immediately upon written demand for all costs reasonably incurred by Authority (including the reasonable fees and expenses of attorneys, accountants, appraisers and other consultants, whether the same are independent contractors or employees of Authority and City) in connection with the enforcement of the Project Documents for the applicable Phase and all related matters including the following: (a) Authority or City's commencement of, appearance in, or defense of any action or proceeding purporting to affect the rights or obligations of the parties to any Project Document for the applicable Phase, and (b) all claims, demands, causes of action, liabilities, losses, commissions and other costs against which Authority is indemnified under the Project Documents for the applicable Phase. Such reimbursement obligations shall bear interest based upon the amounts and times of disbursement by Authority and City, provided that Authority and City gives written demand to Developer at the Applicable Interest Rate. Such reimbursement obligations shall survive the issuance of the Certificate of Occupancy as to each of the applicable Improvements and termination of this Agreement and are in addition to and do not limit the obligations of Developer under the applicable Ground Lease.

This Section 4.5 is not intended to expand, negate, nullify or modify the limited recourse of Authority against Developer provided in Section 7.17 of this Agreement.

In addition, and without limitation to the foregoing, Developer agrees to indemnify, defend and hold Authority harmless from and against any claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense (including, without limitation, reasonable attorneys' fees), resulting from, arising out of, or based upon (i) the presence, release, use, generation, discharge, storage or disposal of any Hazardous Materials on, under, in or about, or the transportation of any such Hazardous Materials to or from, the Phase 1 Site or the Phase 2 Site, as applicable, caused or contributed to by Developer which occurs after the applicable Closing, or (ii) the violation, or alleged violation by Developer or anyone acting by or through Developer, of any statute, ordinance, order, rule, regulation, permit, judgment or license relating to the use, generation, release, discharge, storage, disposal or transportation of Hazardous Materials on, under, in or about, to or from, the Phase 1 Site or the Phase 2 Site, as applicable, caused or contributed to by Developer or its contractors or agents. This indemnity shall include, without limitation, any damage, liability, fine,

penalty, parallel indemnity after closing cost or expense arising from or out of any claim, action, suit or proceeding for personal injury (including sickness, disease or death), tangible or intangible property damage, compensation for lost wages, business income, profits or other economic loss, damage to the natural resource or the environment, nuisance, contamination, leak, spill, release or other adverse effect on the environment. Upon the Closing of the applicable Phase, Developer shall take all necessary precautions to prevent the release into the environment of any Hazardous Materials which are located in, on or under the Phase 1 Site or the Phase 2 Site, as applicable. Such precautions shall include compliance with all Governmental Requirements with respect to Hazardous Materials. At the request of Developer, Authority shall cooperate with and assist Developer in its defense of any such claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense; provided that Authority shall not be obligated to incur any expense in connection with such cooperation or assistance. In addition, Developer shall install and utilize such equipment and implement and adhere to such procedures as are consistent with commercially reasonable standards as respects the disclosure, storage, use, removal and disposal of Hazardous Materials. Notwithstanding anything contained herein to the contrary, Developer shall not indemnify Authority for any claims arising from Authority's gross and active negligence or Authority's willful misconduct.

4.6 Rights of Access. Prior to the issuance of the Certificate of Occupancy for the applicable Improvements, for purposes of assuring compliance with this Agreement, representatives of Authority and City shall have the right of access to the Phase 1 Site or the Phase 2 Site, as applicable, without charges or fees, at normal construction hours during the period of construction for the purposes of this Agreement, including but not limited to, the inspection of the work being performed in constructing the Improvements so long as Authority and City representatives comply with all safety rules. Authority representatives shall, except in emergency situations, notify Developer prior to exercising its rights pursuant to this Section 4.6. In addition, representatives of City shall have access to the Phase 1 Site or the Phase 2 Site, as applicable, in connection with the enforcement of laws, including without limitation the City Code to the extent used in connection with the exercise of police powers of City without regard to any limitations otherwise set forth in this Section 4.6.

4.7 Compliance With Laws. The following shall apply to each Phase, on a Phase by Phase basis. Developer shall carry out the design, construction and operation of the applicable Improvements in conformity with all applicable laws, including all applicable state labor standards and federal prevailing wage laws (including without limitation provisions for payment of prevailing wages in connection with all construction of the Improvements to the extent applicable), City zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the City Code, and the Fair Housing Act, 42 U.S.C. Section 3601 *et seq*. (and 24 C.F.R. Part 100), the Americans With Disabilities Act, 42 U.S.C. Section 12101, *et seq*., Government Code Section 4450, *et seq*., Government Code Section 11135, *et seq*., the Unruh Civil Rights Act, Civil Code Section 51, *et seq*., and the California Building Standards Code, Health and Safety Code Section 18900, *et seq*. Developer, including but not limited to its contractors and subcontractors, shall comply with applicable provisions of Labor Code Section 1720, *et seq*., and its implementing regulations, regarding the payment of prevailing wages (the "State Prevailing Wage Law") and, only if applicable, federal prevailing wage law ("Federal Prevailing Wage Law" and, together with State Prevailing Wage Law, "Prevailing Wage Laws") with regard to the undertaking, constructing, and completing the Improvements, but only if and to the extent such sections are applicable to the development of the Improvements. Developer shall be solely responsible for determining and effectuating compliance with the Prevailing Wage Laws, and Authority or City make no final representation as to the applicability or non-applicability of any applicable Prevailing Wage Laws to

the Improvements, or any part thereof. Developer hereby releases from liability, and agrees to indemnify, defend, assume all responsibility for and hold each of Authority and City, and their respective officers, employees, agents and representatives, harmless from any and all claims, demands, actions, suits, proceedings, fines, penalties, damages, expenses resulting from, arising out of, or based upon Developer's acts or omissions pertaining to the compliance with the Prevailing Wage Laws for the Improvements.

In addition, Developer shall comply with the Bond Regulatory Agreement if bond financing is utilized in connection with the financing of the Improvements.

In addition, Developer shall comply with all laws, regulations, and agreement applicable in connection with the provision of funding by the County, the State of California, or another governmental agency.

Without limiting any other indemnity or defense obligations under this Agreement, Developer shall indemnify, protect, defend and hold harmless Authority and City and their officers, employees, contractors and agents, with counsel reasonably acceptable to Authority and City, from and against any and all loss, liability, damage, claim, cost, expense and/or "increased costs" (including reasonable attorneys' fees, court and litigation costs, and fees of expert witnesses) which, in connection with the development, construction, and/or operation of the Improvements, including, without limitation, any and all public works (as defined by applicable law), results or arises in any way from any of the following: (1) the noncompliance by Developer of any applicable local, state and/or federal law, including, without limitation, any applicable federal and/or state labor laws (including, without limitation, if applicable, the requirement to pay state prevailing wages and/or federal prevailing wages); (2) the implementation of Section 1781 of the Labor Code, as the same may be amended from time to time, or any other similar law; and/or (3) failure by Developer to provide any required disclosure or identification as required by Labor Code Section 1781, as the same may be amended from time to time, or any other similar law. It is agreed by the parties that, in connection with the development of the Improvements, including, without limitation, any and all public works (as defined by applicable law), Developer shall bear all risks of payment or non-payment of prevailing wages under California law and/or the implementation of Labor Code Section 1781, as the same may be amended from time to time, and/or any other similar law. "Increased costs," as used in this Section 4.7, shall have the meaning ascribed to it in Labor Code Section 1781, as the same may be amended from time to time. The foregoing indemnity shall survive termination of this Agreement and shall continue after completion of the construction and development of the Improvements by Developer.

4.8 Nondiscrimination in Employment. The provisions of this Section shall be applicable on a Phase by Phase basis. Developer certifies and agrees that all persons employed or applying for employment by it, its affiliates, subsidiaries, or holding companies are and will be treated equally by it without regard to, or because of race, color, religion, ancestry, national origin, sex, sexual orientation, age (excepting as otherwise provided herein and under the Ground Lease as to restriction of the Required Affordable Units to Senior Citizen Households), pregnancy, childbirth or related medical condition, medical condition (cancer related) or physical or mental disability.

4.9 Taxes and Assessments. The provisions of this Section shall be applicable on a Phase by Phase basis. Subject to Developer's right to contest taxes and assessments as provided in Section 7.2(c), from and after Closing for the applicable Phase, Developer shall pay prior to delinquency all ad valorem real estate taxes and assessments on the applicable portion of the Site.

Developer shall remove or have removed, whether by bond or otherwise, any levy or attachment made on any of the Site or any part thereof which is owned or leased by Developer, or assure the satisfaction thereof within a reasonable time, but in no event to exceed sixty (60) days. Developer shall additionally defend, indemnify, and hold harmless Authority and City from and against any taxes, assessments, mechanic's liens, claims of materialmen and suppliers, or other claims by private parties in connection with (a) activities undertaken by Developer or (b) the Site. Developer shall pay City's utility user taxes, if any, with respect to the Site. Authority and City each acknowledges and does not object that Developer intends to seek exemptions from property taxes to the extent provided by state law.

4.10 Liens and Stop Notices. The provisions of this Section shall be applicable on a Phase by Phase basis. Developer shall not allow to be placed on the applicable Site or any part thereof any lien or stop notice. If a claim of a lien or stop notice is given or recorded affecting the Improvements Developer shall within thirty (30) days of such recording or service or within five (5) days of Authority's demand whichever last occurs:

(a) pay and discharge the same; or

(b) affect the release thereof by recording and delivering to Authority a surety bond in sufficient form and amount, or otherwise; or

(c) provide Authority with indemnification from the Title Company against such lien or other assurance which Authority deems, in its sole discretion, to be satisfactory for the payment of such lien or bonded stop notice and for the full and continuous protection of Authority from the effect of such lien or bonded stop notice.

4.11 INTENTIONALLY OMITTED.

4.12 Further Assurances. The provisions of this Section shall be applicable on a Phase by Phase basis. Developer shall execute and acknowledge (or cause to be executed and acknowledged) and deliver to Authority and City all documents, and take all actions, reasonably required by Authority and City from time to time to confirm the rights created or now or hereafter intended to be created under the applicable Project Documents or otherwise to carry out the purposes of the applicable Project Documents.

4.13 Financing of the Improvements. The provisions of this Section shall be applicable on a Phase by Phase basis. Following receipt of the TCAC award, Developer shall submit to Authority and City evidence reasonably satisfactory to the Executive Director and City Manager that Developer is obtaining sufficient equity capital and is arranging for construction financing necessary to undertake and complete the development of the Phase and the construction of the Improvements in accordance with this Agreement, and shall also provide an updated comprehensive development budget and schedule of sources and uses for the applicable Phase. If the Lender requires a subordination agreement between or among Lender, Authority and/or Developer, the subordination agreement shall be subject to the reasonable review and approval of the Executive Director, City Manager, Authority legal counsel and City Attorney.

(a) Alternate Financing Sources; Tax Credit Equity. Neither the City nor the Authority shall be a source of equity or debt financing for the Improvements except for the above described grant under the Grant Agreement, and other funds from sources other than City and Authority as may be approved in writing by the Executive Director. It is the intent of the parties to conserve City

and Authority funds and to make every effort to secure sources of non-local subsidies for the Improvements, including grants, and federal credits and rebates for the energy efficient appliances to be included in the Improvements in accordance with the Scope of Improvements. Developer shall diligently apply for an allocation of Tax Credits, and shall attempt to increase the chance of obtaining an award of Tax Credits by maximizing the points maintained by the Improvements, including readiness points. The parties intend that Developer is to obtain equity financing for the construction and operation of the Improvements including the use of Tax Credits and obtaining capital contributions from limited partners in Developer in consideration primarily for the receipt of the Tax Credits received by Developer with respect to the Improvements. In the event a preliminary reservation of Tax Credits is not obtained by Developer by the Tax Credit Deadline, this Agreement shall be subject to termination by Authority. If Developer is unsuccessful in a particular round to obtain a preliminary reservation of Tax Credits, Developer shall make Required Submittal Modifications with respect to an application for the next round of allocation of Tax Credits; provided that such modifications shall not include any infusion of Authority or City moneys (except for the grant funds described in the Grant Agreement). If Developer is not competitive for a round of Tax Credits, the Authority and Developer shall meet and confer and make reasonable efforts to agree to modify the applicable Phase or aspects thereof to allow it to be more competitive.

(b) Required Submissions. Developer shall submit the following documents as evidence of Tax Credit financing (and Developer represents that Developer has already submitted a correct copy of its Partnership Agreement of Developer to the Authority as it exists as of the date of this Agreement):

(i) Any amendments to the Partnership Agreement of Developer;

(ii) A complete copy of each application for Tax Credits and supporting documentation submitted to TCAC by Developer, within five (5) days following Developer's submission thereof to TCAC;

(iii) By the Tax Credit Deadline, a copy of a preliminary reservation letter from TCAC notifying Developer that an allocation of Tax Credits for not less than the Tax Credit Amount, has been reserved for construction of the Improvements, and further documentation demonstrating that Developer remains eligible and qualified to receive such allocation, along with certification that there have not been any material changes to the information provided by Developer in the applications for Tax Credits, as defined and referenced in such reservation letters, and that if there are material changes then such information will be provided to TCAC (and Authority) forthwith.

4.14 No Encumbrances Except Deeds of Trust Securing Loans for the Improvements. The provisions of this Section shall be applicable on a Phase by Phase basis. Deeds of trust on Developer's leasehold interest in the Site (but not the underlying fee) shall be permitted for the purpose of securing loans of funds to be used for financing the development, construction and operation of the Improvements (including architecture, engineering, legal, construction period carrying costs such as property taxes, insurance and interest, and related direct costs as well as indirect costs) on or in connection with the Site, and the obtaining of a permanent loan in the amount of the outstanding balance of the construction loan. The indebtedness secured by deeds of trust on Developer's leasehold interest as to the Site may not exceed the projected Developer's cost to develop, construct and operate the applicable Phase that exceed the committed cash equity held by Developer, as evidenced by the loan documents for all debt financing and the comprehensive applicable Phase budget and schedule of

sources and uses and evidence of committed equity funds ("Final Financing Package"). Developer shall notify Authority in advance of any deed of trust if Developer proposes to enter into the same before completion of the construction of the Improvements.

4.15 Holder Not Obligated to Construct Improvements. The provisions of this Section shall be applicable on a Phase by Phase basis. The holder of any deed of trust on Developer's leasehold interest in the Site authorized by this Agreement shall not be obligated by the provisions of this Agreement to construct, complete, or operate the Improvements or any portion thereof, or to guarantee such construction, completion or operation; nor shall any covenant or any other provision in this Agreement be construed so to obligate such holder. Nothing in this Agreement shall be deemed to permit or authorize any such holder to devote the Site to any uses or to construct any improvements thereon, other than those uses or improvements provided for or authorized by the Ground Lease.

4.16 Notice of Default to Site Mortgagee or Deed of Trust Holders; Right to Cure. The provisions of this Section shall be applicable on a Phase by Phase basis. With respect to any deed of trust granted by Developer as to its leasehold interest under the Ground Lease, whenever Authority may deliver any notice or demand to Developer with respect to any breach or default by Developer under this Agreement or any documents/agreements attached as exhibits to this Agreement, Authority shall at the same time deliver to each holder of record of any deed of trust authorized by this Agreement as to the Site a copy of such notice or demand; provided that the failure to notify any holder of record shall not vitiate or affect the effectiveness of notice to Developer. Each such holder shall (insofar as the rights granted by Authority are concerned) have the right, at its option, within sixty (60) days after the receipt of the notice, to cure or remedy or commence to cure or remedy and thereafter to pursue with due diligence the cure or remedy of any such default and to add the cost thereof to the lien of its deed of trust. Nothing contained in this Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction or completion of the Improvements, or any portion thereof (beyond the extent necessary to conserve or protect the improvements or construction already made) without first having expressly assumed Developer's obligations to Authority with respect to the Site and the Improvements by written agreement reasonably satisfactory to Authority. The holder, in that event, must agree to complete, in the manner provided in this Agreement, the Improvements to which the lien or title of such holder relates, but on a schedule which takes into account the time reasonably required for the holder to obtain title to and possession of Developer's leasehold interest in the Site, analyze and negotiate amendments to plans, specifications, construction contracts and operating contracts or to negotiate new construction contracts and operating contracts. It is understood that a holder shall be deemed to have satisfied the sixty (60) day time limit set forth above for commencing to cure or remedy a Developer default which requires title and/or possession of Developer's leasehold interest in the Site under the Memorandum of Ground Lease if and to the extent any such holder has within such sixty (60) day period commenced proceedings to obtain title and/or possession and thereafter the holder diligently pursues such proceedings to completion and cures or remedies the default. The Executive Director is authorized to consent, on behalf of Authority, to the provision of similar cure rights to other lenders and to the limited partner(s) of Developer as reasonably requested in writing by Developer. (For the benefit of Developer, each other lender/holder and the investor limited partners, the City shall follow and comply with the notice and cure obligations applicable to the Authority set forth in this Agreement as it may be amended pursuant to the preceding sentence).

4.17 Intentionally Blank.

4.18 Right of Authority to Cure Deed of Trust Default. The provisions of this Section shall be applicable on a Phase by Phase basis. In the event of a deed of trust default or breach by Developer whether prior to or after the completion of the construction of any of the Improvements or any part thereof (continuing until the expiration of the term of the Ground Lease), Developer shall immediately deliver to Authority a copy of any deed of trust beneficiary's/holder's notice of default. If the holder/beneficiary of any deed of trust has completed a foreclosure action and has not exercised its option to construct, Authority shall have the right but no obligation to cure the default. In such event, Authority shall be entitled to reimbursement from Developer of all proper costs and expenses incurred by Authority in curing such default.

4.19 No Subordination of Density Bonus Regulatory Agreement; Subordination of Authority Regulatory Agreement; Ability to Pursue Remedies. The provisions of this Section shall be applicable on a Phase by Phase basis. The applicable Authority Regulatory Agreement and the Regulatory Agreement (Density Bonus), and the affordability covenants as contained therein and in the Ground Lease will not be subordinated, except that the Authority Regulatory Agreement may be reasonably subordinated to deeds of trust securing the Phase financing if required by HCD or the applicable lender(s) as a condition to such financing, and the Executive Director may execute reasonable subordination agreements in connection therewith. In addition, Authority and City may pursue remedies under any of the instruments executed and delivered in connection herewith and their right and ability to so act will not be limited by virtue of any arrangements with other parties (but allowing for reasonable cure rights by third parties) and the project lender's requirements concerning casualty and condemnation (and related proceeds) shall control. Any liens for financing shall apply only to a leasehold interest of Developer under the Ground Lease and not to a fee interest in the Site, except as may be otherwise required by HCD and approved by the Executive Director. Subject to the foregoing, the Authority will execute a reasonable HCD Lease Rider and a reasonable TCAC Lease if required by HCD and TCAC, respectively.

5. COVENANTS AND RESTRICTIONS.

The provisions of this Article 5 will apply on a Phase by Phase basis from and after the Closing for the applicable Phase.

5.1 Use Covenants. Developer covenants and agrees for itself, its successors, assigns, and every successor in interest to the Phase 1 Site and Phase 2 Site, that Developer shall devote the Phase 1 Site and Phase 2 Site, as applicable, to the uses specified in and shall operate in conformity, as to the Site: with this Agreement, the Regulatory Agreement (Density Bonus), if applicable, the applicable Authority Regulatory Agreement, the applicable Ground Lease and the applicable Bond Regulatory Agreement (if bonds are issued), and any regulatory agreement relating to or required for Tax Credits for the Phase, whichever is the more restrictive in each case unless expressly provided to contrary effect herein. All uses conducted on the Phase 1 Site and Phase 2 Site, as applicable, including, without limitation, all activities undertaken by Developer pursuant to this Agreement, shall conform to all applicable provisions of the City Code. In the event of a conflict, each of the Regulatory Agreement (Density Bonus), as applicable, and the applicable Authority Regulatory Agreement shall, to the greatest feasible extent, be interpreted in a manner consistent with the Bond Regulatory Agreement (if applicable); provided that in the event of express conflict which is required under federal law incident to the issuance of filed tax credits, upon approval of the Bond Regulatory Agreement (if applicable) by Authority, the Bond Regulatory Agreement shall control as to the Site.

5.2 Affordable Housing Requirements. The provisions of this Section shall be applicable on a Phase by Phase basis. Developer shall comply with the applicable Authority Regulatory Agreement and the Regulatory Agreement (Density Bonus), if applicable, as well as the Bond Regulatory Agreement (if applicable) and the TCAC Regulatory Agreement.

5.3 Relationship to Bond Requirements. Notwithstanding any other provisions of this Agreement, to the extent that the Bond Regulatory Agreement (if applicable) or obtaining Tax Credits are more restrictive with respect to the requirements applicable to tenant selection, tenant income levels and unit rent levels than as provided in the Regulatory Agreement (Density Bonus) (if applicable) and/or the applicable Authority Regulatory Agreement, the Bond Regulatory Agreement shall control; With respect to each Phase, Developer will comply with the most restrictive requirements applicable to such Phase.

5.4 Maintenance of the Site. Developer shall maintain the improvements on the Phase 1 Site and Phase 2 Site in conformity with the City Code and the conditions set forth in the Regulatory Agreement (Density Bonus), if applicable, and the applicable Authority Regulatory Agreement and other applicable City land use approvals.

6. REFINANCING NET PROCEEDS.

On a Phase by Phase basis, all Net Refinancing Proceeds, if any, shall be used in a manner approved by the Authority to make further improvements to the applicable Phase that benefit the residents thereof or to otherwise benefit the residents or for other affordable housing purposes within the City (as also described in clause (iii) of the definition of Refinancing Net Proceeds in Article 1 of this Agreement).

7. DEFAULTS, REMEDIES, AND TERMINATION.

7.1 Default Remedies. Subject to any applicable extensions of time described in Section 7.10 of this Agreement, failure by a party to this Agreement to perform any action or covenant required by this Agreement within the time periods provided herein following notice and failure to cure as described hereafter, constitutes a "Default" or "Event of Default" under this Agreement. A party claiming a Default shall give written notice of Default to the other parties specifying the Default. Except as otherwise expressly provided in this Agreement, and without limiting or affecting rights of parties hereto to terminate this Agreement, the claimant shall not institute any proceedings against any other party, and the other party shall not be in Default if such party within thirty (30) days from receipt of such notice immediately, with due diligence, commences to cure, correct or remedy the specified Default and shall complete such cure, correction or remedy with diligence.

7.2 Institution of Legal Actions. In addition to any other rights or remedies and subject to the restrictions otherwise set forth in this Agreement, any party may institute an action at law or equity to seek specific performance of the terms of this Agreement, or to cure, correct or remedy any Default, to recover damages for any Default, or to obtain any other remedy consistent with the purpose of this Agreement. Such legal actions must be instituted in the Superior Court of the County of San Bernardino, State of California.

7.3 Termination by Developer.

7.3.1 Termination Prior to Leasehold Transfer. The provisions of this Section will apply on a Phase by Phase basis. In the event that prior to the Leasehold Transfer:

(a) Developer is not in default under this Agreement, Developer has notified Authority that the Site has Materially Adverse Conditions and the parties have not agreed as to the bearing of costs to remedy the Materially Adverse Conditions or the condition of the Site will preclude completion of the applicable Improvements or delay such completion beyond the date for completion set forth in the Schedule of Performance; or

(b) Developer is not in default under this Agreement and Authority does not execute the Ground Lease and attempt to effect the Leasehold Transfer to Developer in the manner and condition and by the date provided in this Agreement or any of the Developer Conditions Precedent are not satisfied or waived by the deadline for closing under the Schedule or Performance or the applicable Tax Credit requirements or the requirements of any lender; or

(c) on or before the time established therefor in the Schedule of Performance, Developer fails to obtain either approval by the CDLAC for the issuance of multifamily housing bonds for the Improvements (if the Phase is financed with Bonds) or a preliminary reservation for Tax Credits by TCAC; or

(d) in the event of any default of Authority prior to the Leasehold Transfer which is not cured within the time set forth in Section 7.1 hereof; and

any such failure is not cured within the applicable time period after written demand by Developer, then this Agreement may, at the option of Developer, be terminated with respect to the applicable Phase by written notice thereof to Authority.

7.4 Termination by Authority.

7.4.1 Termination Prior to Leasehold Transfer. The following will apply on a Phase by Phase basis. In the event that Developer fails to obtain one or more of an allocation for private activity bonds from CDLAC by the Tax Credit Deadline or to provide by the Tax Credit Deadline evidence satisfactory to the Executive Director that Tax Credit proceeds in an amount of not less than the Tax Credit Amount will be available for the Improvements, or if prior to the time established in the Schedule of Performance for the satisfaction of the Authority Conditions Precedent:One or more of the Milestones is not satisfied by the time established therefor as to the applicable Tax Credit Deadline; or

(b) Authority receives notification from Developer that there are Materially Adverse Conditions at the Phase 1 Site or Phase 2 site, as applicable, or that the condition of the Site will preclude completion of the applicable Improvements or delay such completion beyond the date for completion set forth in the Schedule of Performance; or

(c) Developer (or any successor in interest) assigns this Agreement or any rights therein or in the Phase 1 Site or Phase 2 site, as applicable, or any portion thereof in violation of this Agreement; or

(d) Developer does not fulfill the Authority Conditions Precedent for the applicable Phase and such failure is not caused by Authority or City; or

(e) Developer does not notify each of City and Authority in writing of its approval of the environmental condition of the Site as provided under Section 1.6.2 hereof; or

(f) Developer fails to approve a Site Report under Section 2.5 by the time set forth therein; or

(g) Developer fails to execute (as lessee/covenantee) the applicable Authority Regulatory Agreement, the applicable Ground Lease or applicable the Memorandum of Ground Lease; or

(h) Developer is otherwise in default of this Agreement and fails to cure such default within the time set forth in Section 7.1 hereof.

Then this Agreement and any rights of Developer or any assignee or transferee with respect to or arising out of the Agreement or the applicable Phase (including without limitation all attachments to this Agreement), shall, at the option of Authority, be terminated with respect to the applicable Phase by Authority by written notice to Developer.

7.5 Acceptance of Service of Process. In the event that any legal action is commenced against Authority, service of process on Authority shall be made by personal service upon the Executive Director or in such other manner as may be provided by law. In the event that any legal action is commenced against City, service of process on City shall be made by personal service upon the City Manager of the City or in such other manner as may be provided by law. In the event that any legal action is commenced against Developer, service of process on Developer shall be made in such manner as may be provided by law and shall be effective whether served inside or outside of California.

7.6 Rights and Remedies Are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by a party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by another party.

7.7 Inaction Not a Waiver of Default. Any failures or delays by either party in asserting any of its rights and remedies as to any Default shall not operate as a waiver of any Default or of any such rights or remedies or deprive either such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

7.8 Applicable Law. The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

7.9 More Restrictive Covenants. In the event Developer is required under the Bond Regulatory Agreement (if any) or under other financing sources to restrict the affordability of Units in a manner more restrictive than as set forth under the form of applicable Authority Regulatory Agreement, or the Regulatory Agreement (Density Bonus), if applicable, then Developer shall comply with the most restrictive requirements.

7.10 Enforced Delay; Extension of Times of Performance. Any construction and repair deadlines in this Agreement shall be extended to the extent performance is delayed, due to: war; insurrection; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; pandemics; moratorium, embargoes, unavailability of materials and supplies, strikes,

lockouts or other labor disputes, acts or omissions of another party, or acts or failures to act of City or any other public or governmental agency or entity (excepting that acts or failures to act of Authority or City shall not excuse performance by Authority or City) or any other cause not reasonably within the control of Developer. Notwithstanding anything to the contrary in this Agreement, an extension of time for any such cause shall only be for the period of the resulting delay and shall apply only if notice by the party claiming such extension is sent to the other party within thirty (30) days of the commencement of the cause. Notwithstanding any provision of this Agreement to the contrary, the inability to obtain funds for payments, or an allocation by CDLAC or the lack of issuance of the Bonds, or the lack of funding to complete the Improvements or the inability to accomplish the provision of water service to the Site (or any potion thereof) shall not constitute grounds of enforced delay pursuant to this Section.

In addition to the foregoing (and without regard to the preceding portion of this Section), the Executive Director shall have the authority, at his discretion, to approve extensions of construction and repair deadlines not to exceed a cumulative total of three hundred sixty (360) days, provided that each such extension is in writing.

7.11 Non-Liability of Officials and Employees of Authority. No member, official, officer or employee of Authority or City shall be personally liable to Developer, or any successor in interest, in the event of any Default or breach by Authority (or City) or for any amount which may become due to Developer or its successors, or on any obligations under the terms of this Agreement.

7.12 Relationship Among Authority, City and Developer. It is hereby acknowledged that the relationship among Authority, City and Developer is not that of a partnership or joint venture and that Authority, City and Developer shall not be deemed or construed for any purpose to be the agent of the other. Accordingly, except as expressly provided in this Agreement, including the Attachments hereto, neither Authority nor City shall have rights, powers, duties or obligations with respect to the development, operation, maintenance or management of the Improvements.

7.13 Authority and City Approvals and Actions. Whenever a reference is made herein to an action or approval to be undertaken by Authority, the Executive Director is authorized to act on behalf of Authority unless specifically provided otherwise or the law otherwise requires. When a reference is made herein to an action or approval to be undertaken by City the City Manager is authorized to act on behalf of City unless specifically provided otherwise or the law otherwise requires.

7.14 Real Estate Brokers. Authority and Developer each represent and warrant to each other that no broker or finder is entitled to any commission or finder's fee in connection with this transaction, and each agrees to defend and hold harmless the other from any claim to any such commission or fee resulting from any action on its part.

7.15 Attorneys' Fees. In any action among the parties to interpret, enforce, reform, modify, rescind, or otherwise in connection with any of the terms or provisions of this Agreement, the prevailing party in the action shall be entitled, in addition to any other relief to which it might be entitled, reasonable costs and expenses including, without limitation, litigation costs and reasonable attorneys' fees.

7.16 Limitation Upon Funding. Excepting for the extent to which the Authority is making land and certain resources available to the extent expressly provided under this Agreement, the Authority shall not provide any funding to Developer or with respect to the property that is the subject

of this Agreement. City shall not provide any funding under this Agreement or to Developer. Developer covenants to refrain from requesting any funding from City or Authority.

7.17 Limited Non-recourse Liability of Developer. Notwithstanding anything to the contrary in this Agreement or any other Project Document, Developer's partners shall not be personally liable for any default, loss, claim, damage, expense or liability to any person, and the sole recourse of Authority or City against Developer shall be limited to the assets of Developer.

8. MISCELLANEOUS.

8.1 Obligations Unconditional and Independent. Notwithstanding the existence at any time of any obligation or liability of Authority to Developer, or any other claim by Developer against Authority, in connection with the Site or otherwise, Developer hereby waives any right it might otherwise have (a) to offset any such obligation, liability or claim against Developer's obligations under this Agreement (including without limitation the attachments hereto), or (b) to claim that the existence of any such outstanding obligation, liability or claim excuses the nonperformance by Developer of any of its obligations under the Project Documents.

8.2 Notices. All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments or designations hereunder by any party to the others shall be in writing and shall be given either by (i) by reputable document delivery service such as Federal Express that provides a receipt showing date and time of delivery, or (ii) mailing in the United States mail, certified or registered mail, return receipt requested, postage prepaid, and addressed as follows:

If to Developer:	Wakeland Highland LP 1230 Columbia St., Suite 950 San Diego, CA 92101 Attn: Vice President of Real Estate Development
With a copy to:	(which copy shall not constitute notice to Developer) Goldfarb & Lipman 1300 Clay Street 11th Floor Oakland, CA 94612 Attn: Heather Gould
If to Authority:	Highland Housing Authority 27215 Base Line Highland, CA 92346 Attention: Executive Director
with copy to:	Assistant Executive Director Highland Housing Authority 27215 Base Line Highland, California 92346

If to City:	City of Highland 27215 Base Line Highland, California 92346 Attention: City Manager
with copy to:	Richards Watson & Gershon 350 South Grand Avenue, 37th Floor Los Angeles, California 90071 Attention: Maricela Marroquin, City Attorney

Addresses for notice may be changed from time to time by written notice to all other parties. All communications shall be effective when actually received; provided, however, that nonreceipt of any communication as the result of a change of address of which the sending party was not notified or as the result of a refusal to accept delivery shall be deemed receipt of such communication. Authority will provide copies to Developer's investor limited partner, following receipt of the contact information of such investor limited partner.

8.3 Survival of Representations and Warranties. All representations and warranties in the Project Documents shall survive the Closing and the rental of the Required Affordable Units and have been or will be relied on by Authority notwithstanding any investigation made by Authority.

8.4 No Third Parties Benefited; AB 987. This Agreement is made for the purpose of setting forth rights and obligations of Developer, City, and Authority, and no other person shall have any rights hereunder or by reason hereof. There shall be no third party beneficiaries of this Agreement. Developer acknowledges that, notwithstanding the foregoing portion of this Section 8.4, pursuant to AB 987 and the amendments to Health and Safety Code Section 33334.3 made effective as of January 1, 2008 by that bill, it is possible that violations of the covenants, conditions and restrictions relating to affordable housing contained in the applicable Authority Regulatory Agreement may now be enforceable not only by Authority and City, but also by each of the persons and/or entities listed in Section 33334.3(f)(7) of the Health and Safety Code, specifically (1) residents of affordable units subject to covenants recorded pursuant to Health and Safety Code Section 33334.3(f)(1) (each, a "Covenanted Unit"), (2) the most recent former residents of such a Covenanted Unit, (3) applicants that are Very Low Income Households, or Extremely Low Income Households that are denied occupancy of such a Covenanted Unit, and (4) persons that are Very Low Income Households or Extremely Low Income Households and who are on a waiting list for occupancy of such a Covenanted Unit. The provisions of AB 987 are to be applicable only to the extent required by law. Nothing in this Section 8.4 or this Agreement (including the Attachments hereto) is intended to provide an enforcement right to any person or entity not specifically made an intended third party beneficiary of this Agreement; any such third party shall be limited in their right to enforce affordability restrictions to the extent provided by Health and Safety Code Section 33334.3(f). Neither Authority nor City make any representation concerning the applicability, *vel non*, of Section 33334.3 as described in the foregoing portion of this Section 8.4.

8.5 Prohibition on Assignment. Developer shall not assign any of its rights or obligations under this Agreement or any Project Document without the prior written consent of the Executive Director, which consent may be withheld in the Executive Director's sole and absolute discretion; provided that if Developer elects the Two-Phase Project, the Executive Director shall permit the assignment of this Agreement, with respect to (a) Phase 1, to a California limited partnership formed

in connection with the Closing for Phase 1 where Wakeland controls the general partner (the "Phase 1 Assignee"). The Phase 1 Assignee will be released from and have no rights or obligations under this Agreement with respect to Phase 2 and the Phase 1 Assignee will not be responsible for any rights or obligations of Developer or the Phase 2 Assignee; a default, breach or failure to comply by Developer or the Phase 2 Assignee will not be considered a default, breach or failure by the Phase 1 Assignee; and Phase 1 shall not be cross defaulted with Phase 2 and (b) Phase 2, to a California limited partnership formed in connection with the Closing for Phase 2 where Wakeland controls the general partner (the "Phase 2 Assignee"). The Phase 2 Assignee will be released from and have no rights or obligations under this Agreement with respect to Phase 1 and the Phase 2. Assignee will not be responsible for any rights or obligations of Developer or the Phase 1 Assignee; a default, breach or failure to comply by Developer or the Phase 1 Assignee will not be considered a default, breach or failure by the Phase 1 Assignee. In addition the Authority Executive Director will, reasonably consider an assignment to an entity or entities owned or under majority control by Developer or the Principals where Developer pays Authority's and City's costs to review, estimate, process and document such assignment and no other provisions of this Agreement are amended thereby. Any such assignment without such consent shall be void. In connection with the foregoing consent requirement, Developer acknowledges that Authority and City relied upon Developer's particular expertise in entering this Agreement and continues to rely on such expertise to ensure the satisfactory completion of the Improvements and the use of the Required Affordable Units in conformity with this Agreement.

8.6 City Option to Acquire. The City shall have an option to acquire from Authority all interest of Authority in the Site, together with any improvements thereon, upon payment of the sum of One Dollar ($1.00), at any time commencing as of the Date of Agreement and continuing throughout the Required Covenant Period. In the event City exercises such option, City shall provide notice thereof to Developer and to Authority. The transfer of the Site, together with any improvements thereon, from Authority to City shall not, ipso facto, modify the rights of Developer under this Agreement, including without limitation the Ground Lease, and City, as landlord shall not disturb possession by lessee under the Ground Lease on account of such transfer to City and lessee shall attorn to City as landlord under the Ground Lease. Accordingly, City is prepared to prepare and execute appropriate documentation evidencing City's assumption of Authority's obligations under the Agreement and obligations as lessor in the event City assumes the position of lessor under the Ground Lease, in which event City shall have the same rights and obligations that Authority had under this Agreement and the Ground Lease prior to such assignment.

8.7 Counterparts. Any Project Document may be executed in counterparts, all of which, taken together, shall be deemed to be one and the same document.

8.8 Prior Agreements; Amendments; Executive Director Authority; Consents. This Agreement (together with the other applicable Project Documents) contains the entire agreement among City, Authority and Developer with respect to the Phase 1 Site and the Phase 2 Site, and all prior negotiations, understandings and agreements with respect to such matters are superseded by this Agreement and such other applicable Project Documents. No modification of any Project Document (including waivers of rights and conditions) shall be effective unless in writing and signed by the party or parties against whom enforcement of such modification is sought, and then only in the specific instance and for the specific purpose given.

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements among the parties or their predecessors in interest with respect to all or any part of the subject matter hereof.

All waivers of the provisions of this Agreement must be in writing by the appropriate authorities of Authority, City and Developer, and all amendments hereto must be in writing by the appropriate authorities of Authority, City and Developer. Whenever this Agreement provides for action by Authority, the Executive Director of Authority may act on behalf of Authority unless the context or applicable law requires otherwise. Whenever this Agreement provides for action by City, the City Manager may act on behalf of City unless the context or applicable law requires otherwise.

Without limiting the above or Section 7.13, the Authority Executive Director and City Manager may approve changes to this Agreement, and its attachments, provided that such changes do not materially adversely affect the Authority or increase the Authority Amount, and may also (as provided in the Schedule of Performance attached as Attachment No. 3) extend any of the deadlines in such Schedule of Performance provided the extension is in writing. The City Manager and Executive Director are hereby authorized to amend this Agreement as needed, to effectuate the purposes of a Two-Phase Project, including but not limited to updating the Legal Description, Schedule of Performance, Scope of Improvements and Authority Agreement. The City Manager and Executive Director may approve any such proposed changes administratively through appropriate written amendments. The Authority Executive Director may also make such commercially reasonable changes as may be requested by lenders and investors in connection with the financing for the development and operation of the Improvements.

8.9 Governing Law. All of the Project Documents shall be governed by, and construed and enforced in accordance with, the laws of the State of California. Developer irrevocably and unconditionally submits to the jurisdiction of the Superior Court of the State of California for the County of San Bernardino in connection with any legal action or proceeding arising out of or relating to this Agreement or the other Project Documents. Assuming proper service of process, Developer also waives any objection regarding personal or in rem jurisdiction or venue.

8.10 Severability of Provisions. No provision of any Project Document that is held to be unenforceable or invalid shall affect the remaining provisions, and to this end all provisions of the Project Documents are hereby declared to be severable.

8.11 Headings. Article and section headings are included in the Project Documents for convenience of reference only and shall not be used in construing the applicable Project Documents.

8.12 Conflicts. In the event of any conflict between the provisions of this Agreement and those of any other Project Document, this Agreement shall prevail; provided however that, with respect to any matter addressed in both such documents, the fact that one document provides for greater, lesser or different rights or obligations than the other shall not be deemed a conflict unless the applicable provisions are inconsistent and could not be simultaneously enforced or performed.

8.13 Time of the Essence. Time is of the essence of all of the Project Documents.

8.14 Conflict of Interest. No member, official or employee of Authority shall have any direct or indirect interest in this Agreement, nor participate in any decision relating to the Agreement which is prohibited by law.

8.15 Certification. Each of the parties shall at any time and from time to time, but not more frequently than twice during any calendar year, upon not less than twenty (20) days' prior notice by the other, execute, acknowledge and deliver to such other party a statement in writing certifying that this Agreement is unmodified and is in full force and effect (or if there shall have been modifications that this Agreement is in full force and effect as modified and stating the modifications), and stating whether or not to the knowledge of the signer of such certificate such other party is in default in performing or observing any provision of this Agreement and, if in default, specifying each such default of which the signer may have knowledge, and such other matters as such other party may reasonably request, it being intended that any such statement delivered by Developer may be relied upon by City or Authority or any successor in interest to City or Authority or any prospective or existing tax credit investor or mortgagee or encumbrancer of applicable Phase and it being further intended that any such statement delivered by Authority or City may be relied upon by Developer or any prospective assignee of Developer's interest in this Agreement or any prospective or existing tax credit investor or mortgagee or encumbrancer of the applicable Phase. Reliance on any such certificate may not extend to any default as to which the signer of the certificate shall have had no actual knowledge.

8.16 Warranty Against Payment of Consideration. Developer warrants that it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the dates hereinafter respectively set forth.

DEVELOPER:

WAKELAND HIGHLAND LP,
a California limited partnership

By: WAKELAND HIGHLAND LLC,
a California limited liability company
its managing general partner

By: WAKELAND HOUSING AND
DEVELOPMENT CORPORATION,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Rebecca Louie
President and Chief Executive Officer

AUTHORITY:

HIGHLAND HOUSING AUTHORITY,
a public body, corporate and politic

By: _____
Carlos Zamano, Executive Director

CITY:

CITY OF HIGHLAND,
a municipal corporation

By: _____
Carlos Zamano, City Manager

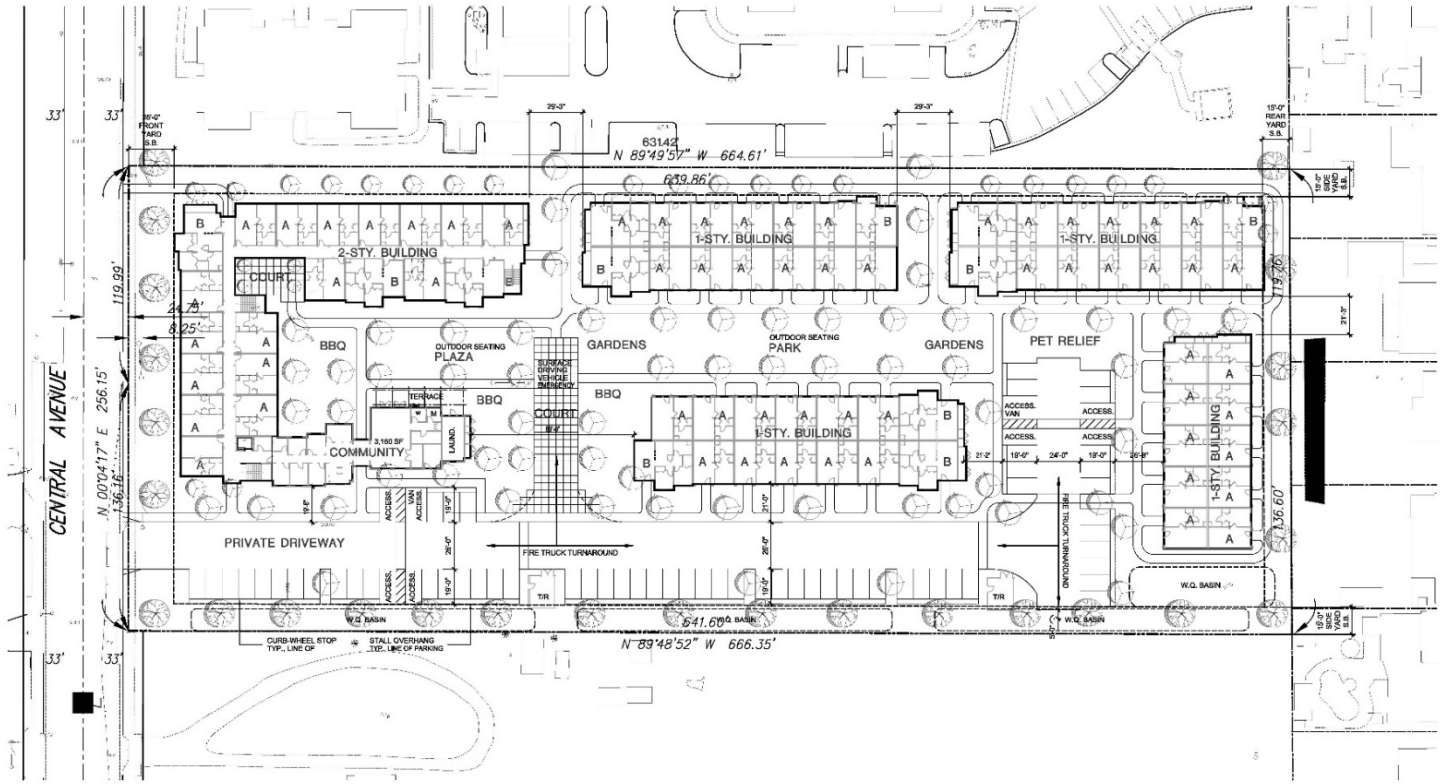
APPROVED AS TO FORM:

_____
Maricela Marroquin,
City Attorney and General Counsel to Authority

ATTACHMENT NO. 1

MAP OF THE SITE

(Attached; but in the event of any discrepancy between such map and the legal description in Attachment No. 2, the legal description shall govern and prevail. The parties acknowledge that the attached preliminary site plans are solely for the purpose of showing diagrams of the Site and shall not constitute final or agreed upon improvement plans. Information on the attached concerning improvement plans, parking, etc. shall be disregarded.)



NORTH

0 15' 30' 60'

SCALE: = 30'

ARCHITECTURAL SITE PLAN

RODRIGUEZ ASSOCIATES ARCHITECTS & PLANNERS, INC.

SITE DATA

SITE LOCATION:	PARCEL LOTS NO.S 4 (1.7 AC) 5 (2.0 AC) ALONG CENTRAL AVE. APPROX. 749.0' SOUTH OF INTERSECTION CENTRAL AVE. & BASELINE STREET. CITY OF HIGHLAND, CA 92346.
ZONE:	R-4
SITE AREA:	3.7 ACRES
DENSITY REQ'D.:	20 MIN. TO 30 MAX. DU / ACRE
DENSITY PROPOSED:	24 DU / ACRE
MAX. LOT COVERAGE:	NONE
SETBACKS:	FRONT YARD - 25'-0" SIDE YARD - 15'-0" REAR YARD - 15'-0"
BLDG. HT. MAX.:	55'-0" / 4 STORIES + LOFT
BLDG. HT. PROPOSED:	35'-0" / 1 STORY & 2 STORY
MIN. DWELLING UNITS SIZE:	1 BDRM. UNITS: 542 S.F. 2 BDRM. UNITS: 798 S.F.

DWELLING UNIT MIX:			
	1 BDRM. UNITS:	77	85%
	2 BDRM. UNITS:	13	15%
	TOTAL UNITS:	90	100%

PROPOSED PARKING:	TOTAL OPEN PARKING	= 68.0
PARKING RATIO:	68 SPACES/90 UNITS	= .75 / UNIT

SITE AMENITIES:
- OUTDOOR COURTS & PLAZAS
- COMMUNITY BLDG. OUTDOOR TERRACE
- BBQ & OUTDOOR EATING AREAS
- GARDEN AREAS
- BENCHES & SITTING AREAS
- PET RELIEF AREAS

HIGHLAND SENIOR APARTMENTS
HIGHLAND - CALIFORNIA

WAKELAND HOUSING AND DEVELOPMENT CORP.

ARCHITECTURAL SITE PLAN

REV. NO.	DESCRIPTION	DATE	REV. NO.	DESCRIPTION	DATE

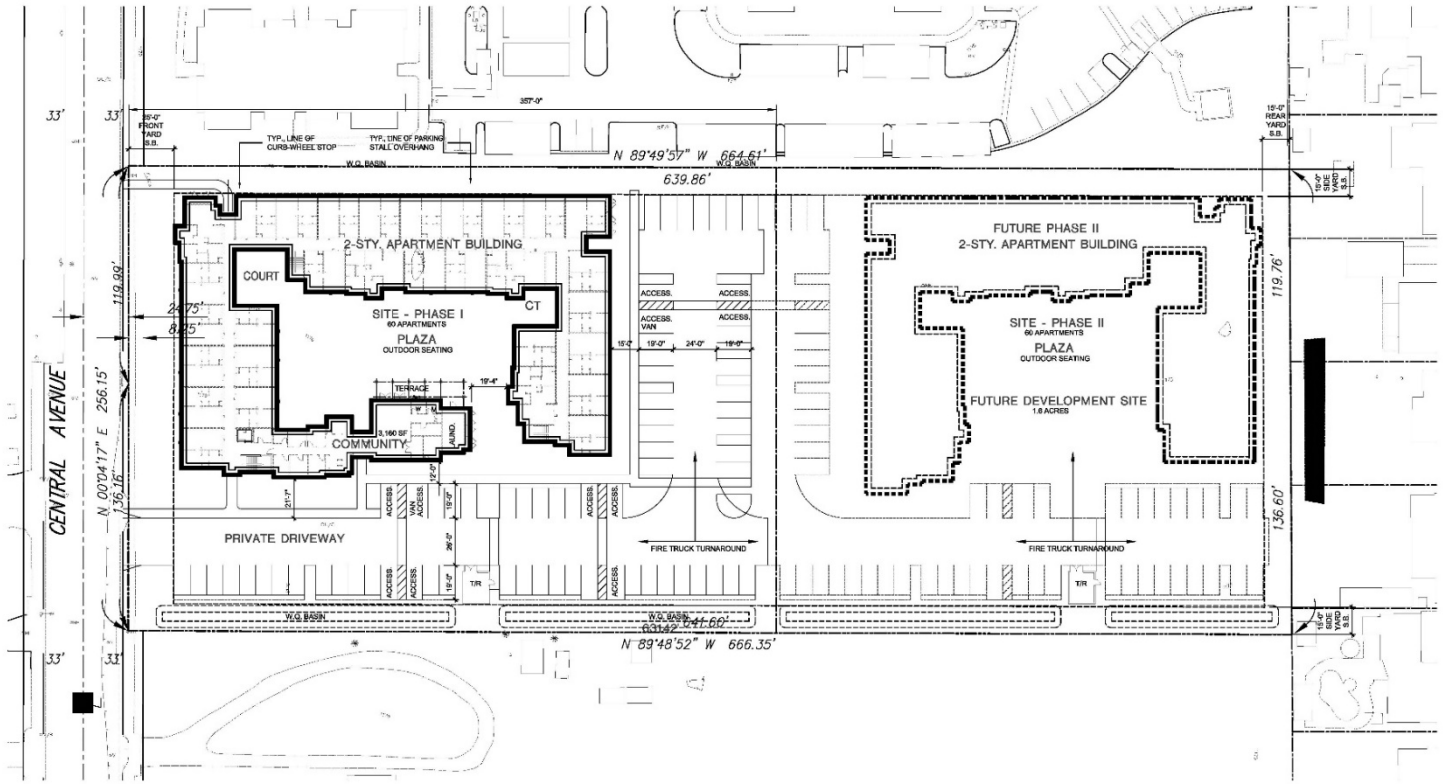
DATE: JAN. 15, 2026
JOB NO.
DRAWN
CHECKED

AS.1

ARCHITECTURAL SCHEMATIC PLANS / W.I.P. - JANUARY 15, 2026

Attachment No. 1
Page 2 of 3

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NORTH

0 15' 30' 60'

SCALE: 1" = 30'

Unit Accessibility	
Covered Units: MOBILITY & ADAPTABLE UNITS (Elevators provided)	60
Mobility Units Min. Required (Per C.B.C.): 5% OF COVERED UNITS (5% X 60 UNITS)	3
Mobility Units Per TCAC: 10% OF COVERED UNITS (10% X 60 UNITS)	9
Total Mobility Units Per TCAC:	9
Communication Units Min. Required (Per C.B.C.): 2% OF COVERED UNITS (2% X 60 UNITS)	2 (1.2)
Communication Units Voluntary (Per TCAC): 10% OF COVERED UNITS (10% X 60 UNITS)	6
Communication Units Voluntary. Provided by Owner (Per TCAC):	6

Required Accessible Parking		Provided Accessible Parking	
ACCESS. PARKING PER REQ'D. MOBILITY UNITS = 9 Spaces		ACCESS. PARKING PER REQ'D. MOBILITY UNITS = 9 Spaces	
ACCESS. PARKING - RESIDENTIAL 2% x (70-80) = 1 Spaces		ACCESS. PARKING - RESIDENTIA..2% x (70-80) = 1 Spaces	
ACCESS. PARKING - COMMUNITY BLDG. = 1 Space		ACCESS. PARKING - COMMUNITY BLDG. = 1 Space	
Total Access. Required	11 Spaces	Total Access. Provided	11 Spaces

ARCHITECTURAL SITE PLAN

RODRIGUEZ ASSOCIATES ARCHITECTS & PLANNERS, INC.
9745 TWIN TRAILS DRIVE, PO BOX 772790, SAN DIEGO, CA 92177 PH: (619) 544-8951

SITE DATA

SITE LOCATION: PARCEL LOTS NO.S 4 (1.7 AC) 5 (2.0 AC) ALONG CENTRAL AVE. APPROX. 749.0' SOUTH OF INTERSECTION CENTRAL AVE. & BASELINE STREET, CITY OF HIGHLAND, CA 92346.

ZONE: R-4

SITE AREAS:

APARTMENT SITE	2.1 ACRES
FUTURE DEV. SITE	1.6 ACRES
TOTAL SITE AREAS	3.7 ACRES

DENSITY REQ'D: 20 MIN. TO 30 MAX. DU / ACRE

SETBACKS:

FRONT YARD	- 25'-0"
SIDE YARD	- 15'-0"
REAR YARD	- 15'-0"

MAX. LOT COVERAGE: NA

BLDG. HT. MAX: 55'-0" / 4 STORIES + LOFT
BLDG. HT. PROPOSED: 35'-0" / 1 STORY & 2 STORY

MIN. DWELLING UNITS SIZE:

1 BDRM. UNITS:	542 S.F.
2 BDRM. UNITS:	798 S.F.

SITE AMENITIES: OUTDOOR COURTS & PLAZAS
COMMUNITY BLDG. OUTDOOR TERRACE
BBQ & OUTDOOR EATING AREAS
GARDEN AREAS
BENCHES & SITTING AREAS
PET RELIEF AREAS

PHASE I

DENSITY PROPOSED: APARTMENT SITE 28.5 DU/AC

DWELLING UNIT MIX:

1 BDRM. UNITS:	52	86.7%
2 BDRM. UNITS:	8	13.3%
TOTAL UNITS:	60	100%

PROPOSED PARKING: TOTAL OPEN PARKING = 70

PARKING RATIO: 70 SPACES/60 UNITS = 1.16 / UNIT

PHASES I & II

DENSITY PROPOSED: APARTMENT SITE 32.4 DU/AC

DWELLING UNIT MIX:

1 BDRM. UNITS:	104	86.7%
2 BDRM. UNITS:	16	13.3%
TOTAL UNITS:	120	100%

PROPOSED PARKING: TOTAL OPEN PARKING = 122

PARKING RATIO: 122 SPACES/120 UNITS = 1.01 / UNIT

HIGHLAND SENIOR APARTMENTS
HIGHLAND - CALIFORNIA

WAKELAND HOUSING AND DEVELOPMENT CORP.
3230 COLUMBIA ST., SUITE 950 SAN DIEGO, CALIF. 92101
(619) 235-1256 PH (619) 235-1286 FAX

ARCH. SITE PLAN - PHASE 1

REV. NO.	DESCRIPTION	DATE	REV. NO.	DESCRIPTION	DATE

DATE: DEC. 24, 2025
JOB NO.
DRAWN
CHECKED

AS.1

ARCHITECTURAL S.D. PLANS / W.I.P. - DECEMBER 23, 2025

Attachment No. 1
Page 3 of 3

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ATTACHMENT NO. 2

LEGAL DESCRIPTION OF THE SINGLE PHASE PROJECT

[If the Developer elects the Two-Phase Project, this legal description shall be updated accordingly]

The real property in the City of Highland, County of San Bernardino, State of California, described as follows:

Parcel A:

ALL THAT PORTION OF THE SOUTHWEST ¼ OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SECTION 5, TOWNSHIP 1 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF HIGHLAND, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT IN THE WEST LINE OF THE NORTHEAST ¼ OF SECTION 5, WHICH IS SOUTH 0^0 05' WEST 116.1 FEET FROM THE NORTHWEST ¼ CORNER OF THE SOUTHWEST ¼ OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 5;

THENCE SOUTH 0^0 05' WEST ALONG THE WEST LINE OF SAID NORTHEAST ¼ OF SAID SECTION, 120 FEET;

THEN SOUTH 89^0 59' 30" EAST 660.5 FEET, MORE OR LESS, TO THE EAST LINE OF THE SOUTHWEST ¼ OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION;

THENCE NORTH 0^0 02' 30" EAST ALONG THE EAST LINE OF THE SOUTHWEST ¼ OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 120 FEET TO A POINT WHICH IS SOUTH 89^0 59' 30" EAST FROM THE POINT OF BEGINNING;

THENCE NORTH 89^0 59' 30" WEST 660.5 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

SAVING AND EXCEPTING THEREFROM THE WEST 1 ½ RODS THEREOF INCLUDED IN CENTRAL AVENUE.

APN 1192-431-04-0000

Parcel B:

THAT PORTION OF THE WEST HALF OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SECTION 5, TOWNSHIP 1 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF HIGHLAND, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE WEST LINE OF THE NORTHEAST ¼ OF SECTION 5, WHICH POINT IS SOUTH 0^0 05' WEST 236.79 FEET FROM THE NORTHWEST CORNER OF SOUTHWEST ¼ OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 5, SAID POINT BEING THE SOUTHWEST CORNER OF PARCEL NO. 1 DESCRIBED IN DEED TO A.L. ABBOTT, ET UX, RECORDED IN BOOK 2193 PAGE 325, OFFICIAL RECORDS AND BEING MARKED BY SURVEYOR'S STAKE L.S. 2345;

THENCE CONTINUING SOUTH 0^0 05' WEST 136.14 FEET TO THE NORTH LINE OF PARCEL NO. 2 DESCRIBED IN DEED TO LAWRENCE B. NELSON, ET UX, RECORDED IN BOOK 2656 PAGE 193 OFFICIAL RECORDS;

THENCE EAST ALONG THE NORTH LINE OF THE NELSON PROPERTY TO A POINT IN THE EAST LINE OF THE SOUTHWEST ¼ OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SECTION 5, WHICH POINT IS SOUTH 136.6 FEET FROM THE SOUTHEAST CORNER OF THE A.L. ABBOTT PARCEL ABOVE REFERRED TO;

THENCE NORTH ALONG THE EAST LINE OF THE SOUTHWEST ¼ OF THE NORTHWEST ¼ OF THE NORTHEAST ¼, 136.6 FEET TO A SURVEYOR'S STAKE L.S. 2345, SAID STAKE MARKING THE SOUTHEAST CORNER OF SAID A.L. ABBOTT PROPERTY;

THENCE NORTH 89^0 59' 30" WEST 660.5 FEET MORE OR LESS TO THE POINT OF BEGINNING.

EXCEPTING THE WEST 1 ½ RODS THEREOF INCLUDED IN CENTRAL AVENUE.

APN 1192-431-05-0000

ATTACHMENT NO. 3

SCHEDULE OF PERFORMANCE FOR SINGLE PHASE PROJECT AND PHASE 1 OF TWO-PHASE PROJECT

Consistent with Section 8.8 of the Agreement (Prior Agreements; Amendments; Consents), the Authority's Executive Director may approve extensions of deadlines below for cause, provided they are in writing (but is not obligated to do so, and may refer any extension request to the Authority board for a decision).

The following is a summary of selected performance obligations described within the Agreement, however, the body of the Agreement should be referred for the particular terms and conditions pertaining to each action. For convenience of the reader, each action item includes a reference section in the Agreement.

	ACTION	**SCHEDULE**
1.	TCAC Approval. Developer shall have obtained a LIHTC allocation by TCAC of a preliminary reservation for tax credits for the Phase 1 Improvements (**§ 4.13**).	Not later than the Tax Credit Deadline (June 30, 2027).
2	CDLAC Approval. Developer shall have obtained an allocation from CDLAC for issuance of private activity bonds (if bonds are required to finance the Phase 1 Improvements) (**§ 4.13**).	Not later than June 30, 2027.
3.	Opening of Escrow and execution of escrow instructions (**§ 2.2**)	As soon as is practicable following the approval and execution of the Agreement by the Parties
4.	Escrow Closing; Recording of Documents. All conditions to the closing shall be satisfied, and the memorandum of ground lease (and other recordable documents) shall be recorded (**§ 2.2 et al**).	After all conditions precedent have been met or waived in writing, but not later than December 30, 2027.
5.	Commencement of Construction. Developer shall have commenced construction of the Phase 1 Improvements (**§ 4.3**).	Within thirty (30) days after the closing.
6.	Completion of Construction. Developer shall complete construction of the Phase 1 Improvements (**§ 4.3**).	Within thirty-six (36) months after the closing.
7.	Rental Units Occupied. Developer causes the Required Affordable Units (Phase 1) to be occupied using rents prescribed by and in conformity with the Agreement or held available for such occupancy (**§ 3 of Authority Regulatory Agreement)**	Within nine (9) months after the City's issuance of a Certificate of Occupancy.

SCHEDULE OF PERFORMANCE FOR PHASE 2 OF TWO-PHASE PROJECT

Consistent with Section 8.8 of the Agreement (Prior Agreements; Amendments; Consents), the Authority's Executive Director may approve extensions of deadlines below for cause, provided they are in writing (but is not obligated to do so, and may refer any extension request to the Authority board for a decision).

The following is a summary of selected performance obligations described within the Agreement, however, the body of the Agreement should be referred for the particular terms and conditions pertaining to each action. For convenience of the reader, each action item includes a reference section in the Agreement.

	ACTION	**SCHEDULE**
1.	TCAC Approval. Developer shall have obtained a LIHTC allocation by TCAC of a preliminary reservation for tax credits for the Phase 1 Improvements (**§ 4.13**).	Not later than the Tax Credit Deadline (June 30, 2032).
2	CDLAC Approval. Developer shall have obtained an allocation from CDLAC for issuance of private activity bonds (if bonds are required to finance the Phase 1 Improvements) (**§ 4.13**).	Not later than June 30, 2032.
3.	Opening of Escrow and execution of escrow instructions (**§ 2.2**)	As soon as is practicable following the approval and execution of the Agreement by the Parties
4.	Escrow Closing; Recording of Documents. All conditions to the closing shall be satisfied, and the memorandum of ground lease (and other recordable documents) shall be recorded (**§ 2.2 et al**).	After all conditions precedent have been met or waived in writing, but not later than December 30, 2032.
5.	Commencement of Construction. Developer shall have commenced construction of the Phase 1 Improvements (**§ 4.3**).	Within thirty (30) days after the closing.
6.	Completion of Construction. Developer shall complete construction of the Phase 1 Improvements (**§ 4.3**).	Within thirty-six (36) months after the closing.
7.	Rental Units Occupied. Developer causes the Required Affordable Units (Phase 1) to be occupied using rents prescribed by and in conformity with the Agreement or held available for such occupancy (**§ 3 of Regulatory Agreement)**	Within nine (9) months after the City's issuance of a Certificate of Occupancy.

ATTACHMENT NO. 4

[INTENTIONALLY OMITTED]

ATTACHMENT NO. 5

NOTICE OF AFFORDABILITY RESTRICTIONS

[In any reasonable statutory form; to come from Authority legal counsel after date of Agreement.]

ATTACHMENT NO. 6

GROUND LEASE

GROUND LEASE

by and between

HIGHLAND HOUSING AUTHORITY

"AUTHORITY/LESSOR"

and

WAKELAND HIGHLAND LP,
a California limited partnership

"LESSEE"

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Exhibit B Legal Description of the Site
Exhibit C Memorandum of Lease
Exhibit D Ground Lease Rider

GROUND LEASE

(PHASE 1 –*ALTERNATIVE PROVISIONS FOR THE SINGLE PHASE PROJECT AND THE FIRST PHASE OF THE TWO PHASE PROJECT ARE NOTED IN BRACKETS. IF DEVELOPER ELECTS THE TWO-PHASE PROJECT, THIS FORM WILL BE ALSO USED FOR PHASE 2 AS REVISED TO REFLECT THE MUTUALLY AGREED PROJECT PROGRAM FOR PHASE 2***)**

This GROUND LEASE (the "Lease") is made as of _____ __, 202____ by and between the **HIGHLAND HOUSING AUTHORITY**, a public body, corporate and politic (the "Authority" or "Lessor"), and [**WAKELAND HIGHLAND LP**, a California limited partnership] ("Lessee").

1. SUBJECT OF LEASE; DEFINITIONS.

This Lease is executed and delivered pursuant to that certain Second Amended and Restated Disposition and Development/Affordable Housing Agreement dated as of March 10, 2026, (the "AHA"). Except as may otherwise be expressly set forth in this Lease, all capitalized terms shall have the same meanings as set forth in the AHA.

1.1 Definitions.

"AHA" or "*Agreement"*, as set forth in the Recitals above, means the Amended and Restated Disposition and Development/Affordable Housing Agreement by and among Authority, City and Lessee, dated as of March 10, 2026.

"Approved Construction and/or Permanent Lender" means one or more of Bank of America, California Community Reinvestment Corporation ("CCRC"), East West Bank, Union Bank, U.S. Bank, Wells Fargo Bank, or Citibank, JP Morgan Chase, Wells Fargo, HCD or another mutually acceptable institutional lender or governmental lender, subject to compliance with the terms and conditions of this Lease.

"Authority" means the Highland Housing Authority, a public body, corporate and politic, exercising governmental functions and powers and organized and existing under the Housing Authorities Law, and any assignee of or successor to its rights, powers and responsibilities.

"Authority Executive Director" or *"Executive Director"* means the Executive Director of Authority or his or her designee.

"Base Period" means a period of sixty eight (68) years, commencing as of the Commencement Date of this Lease.

"*Bond Regulatory Agreement"* means the regulatory agreement which it is contemplated may be required to be recorded against the Site with respect to the issuance of multifamily housing bonds in the event an allocation is obtained from CDLAC.

"Bond Rules" means Section 103(b) of the Internal Revenue Code, the rules and regulations applied by CDLAC in connection with the private activity bond allocation or the issuance of bonds thereunder and as set forth in the Indenture of Trust in connection with the issuance of the Bonds.

"Bonds" means multi-family housing bonds as described in the AHA in connection with the Improvements, if any.

"Capital Replacement Reserve" means a reserve fund to be established by Lessee under this Lease as a capital reserve in the amount required by any Approved Construction and/or Permanent Lender.

"City" means the City of Highland, California, a California municipal corporation.

"Closing" means the day on which a memorandum of lease for this Lease is recorded at the Closing under the AHA).

"Commencement" means the commencement of this Lease (which shall occur as of the Closing).

"Commencement Date" means the date on which the Closing occurs.

"County" means the County of San Bernardino, California.

"County Housing Authority" means the Housing Authority of the County of San Bernardino.

"Date of Agreement" means March 10, 2026.

"Default" means the failure of a party to perform any action or covenant required by this Lease within the time periods provided herein following any applicable notice and opportunity to cure period, as may be set forth herein.

"Developer", for purposes of this Lease, means Wakeland Highland LP, a California limited partnership.

"Developer Fee" has the meaning set forth therefor in the AHA.

"Development" for purpose of this Lease, means the new apartment complex including associated improvements as required by the AHA on the Site to be: (i) constructed by Lessee upon the Site, with related offsite improvements, as more particularly described in the Scope of Development and (ii) operated as an affordable housing complex in conformity with this Lease.

"Environmental Laws" means all laws, ordinances and regulations relating to Hazardous Materials, including, without limitation: the Clean Air Act, as amended, 42 U.S.C. Section 7401, *et seq*.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. Section 1251 *et seq*.; the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. Section 6901, *et seq*.; the Comprehensive Environment Response, Compensation and Liability Act of 1980, as amended (including the Superfund Amendments and Reauthorization Act of 1986, "CERCLA"), 42 U.S.C. Section 9601, *et seq*.; the Toxic Substances Control Act, as amended, 15 U.S.C. Section 2601 *et seq*.; the Occupational Safety and Health Act, as amended, 29 U.S.C. Section 651, the Emergency Planning and Community Right to Know Act of 1986, 42 U.S.C. Section 11001 *et seq*.; the Mine Safety and

Health Act of 1977, as amended, 30 U.S.C. Section 801 *et seq*.; the Safe Drinking Water Act, as amended, 42 U.S.C. Section 300f *et seq*.; all comparable state and local laws, laws of other jurisdictions or orders and regulations; and all laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the State, the County, City, or any other political subdivision in which the Site is located, and of any other political subdivision, agency or instrumentality exercising jurisdiction over Authority, Lessee, or the Site.

"Governmental Requirements" means all laws, ordinances, statutes, codes, rules, regulations, orders, and decrees of the United States, the state, the County, City, or any other political subdivision in which the Site is located, and of any other political subdivision, Authority, or instrumentality exercising jurisdiction over Lessee or the Site, including the Regulatory Agreement (Density Bonus) between the Developer and the City.

"*Ground Lease Rider*" means Exhibit "D" to this Lease.

"*Hazardous Material*" or "*Hazardous Materials*" means and include any substance, material, or waste which is or becomes regulated by any local governmental authority, including the County, the Regional Water Quality Control Board, the State of California, or the United States Government, including, but not limited to, any material or substance which is: (i) defined as a "hazardous waste," "acutely hazardous waste," "restricted hazardous waste," or "extremely hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter Presley Tanner Hazardous Substance Account Act); (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (v) petroleum; (vi) asbestos and/or asbestos containing materials; (vii) lead based paint or any lead based or lead products; (viii) polychlorinated biphenyls, (ix) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317); (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, *et seq*. (42 U.S.C. Section 6903); (xi) Methyl tertiary Butyl Ether; (xii) defined as "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601, *et seq*. (42 U.S.C. Section 9601); (xiii) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any "Governmental Requirements" (as defined in this Lease) either requires special handling in its use, transportation, generation, collection, storage, handling, treatment or disposal, or is defined as "hazardous" or harmful to the environment; and/or (xiv) lead based paint pursuant to and defined in the Lead Based Paint Poisoning Prevention Act, Title X of the 1992 Housing and Community Development Act, 42 U.S.C. § 4800, *et seq*., specifically §§ 4821–4846, and the implementing regulations thereto. Notwithstanding the foregoing, "Hazardous Materials" shall not include such products in quantities below attainment levels identified in one or more of the enactments identified above as Governmental Requirements, including those product and amounts as are customarily used in the construction, maintenance, rehabilitation, management, operation and residence of residential developments or associated buildings and grounds, or typically used in residential activities in a manner typical of other comparable residential developments, or substances commonly ingested by a significant population living within the Development, including without limitation alcohol, aspirin, tobacco and saccharine.

"HCD" means the Housing and Community Development Department of the State of California.

"Housing Authorities Law" means Chapter 1 of Part 2 of Division 24 of the California Health and Safety Code.

"Units" means the [ninety (90)][sixty (60)] individual apartment units within the Development to be constructed and operated by Lessee on the Site, as provided in the AHA and in the Scope of Development, but excluding therefrom one additional unit which Lessee may develop and make available to an on-site manager. The Authority Regulatory Agreement restricts 49% of the Units available for leasing (i.e.,[44][29] of the Units) at Affordable Rent (as defined therein).

"HUD" means the United States Department of Housing and Urban Development or its successor(s).

"Improvements" means all of the improvements to be made to the Site and including such offsite improvements and/or other matters as may be required by City as conditions of development for those improvements alluded to in the AHA.

"Lease" means this Ground Lease, which is referred to in the AHA as the "Lease."

"Lease Year" means the period commencing as of Commencement Date and ending as of December 31 of that calendar year, then each calendar year thereafter; provided that the final Lease Year will be a portion of a calendar year ending on December 31 of the corresponding calendar year; provided that the final Lease Year may be a portion of a calendar year.

"Legal Description of the Site" means the description of the Site which is attached hereto as Exhibit "B" .

"Map of the Site" means the Map of the Site which is attached hereto as Exhibit "A" and incorporated herein.

"Memorandum of Lease" means Exhibit "C" to this Lease.

"Notice" means a notice in the form prescribed by Section 8.2 of the AHA.

"Other Assistance Requirements" means laws, regulations and conditions related to financial assistance, if any, as Developer or Lessee may obtain in connection with the development and/or operation of the Site.

"Partnership Agreement" has the meaning set forth therefor in Section 24.25 of this Lease.

"Person" means an individual, estate, trust, partnership, corporation, limited liability company, limited liability partnership, governmental department or Authority or any other entity which has the legal capacity to own property.

"Prescribed Income Levels" means: means, [*if Developer elects the Single Phase Project:* for the forty-four (44) Required Affordable Units: (i) for twenty-three (23) one bedroom units and four (4) two-bedroom units (twenty-seven (27) units total), a thirty percent (30%) Income Household as published by TCAC for the County (i.e., Extremely Low Income Households); and (ii) for four (4) two

bedroom units and thirteen (13) one bedroom units (seventeen (17) units total), a fifty percent (50%) of Income Households as published by TCAC for the County (i.e., Very Low Income Households). [*If Developer elects the Two-Phase Project:* for the twenty-nine (29) Required Affordable Units: four (4) one bedroom units and two (2) two-bedroom units (6 total), a thirty percent (30%) Income Household as published by TCAC for the County (i.e., Extremely Low Income Households); ten (10) one bedroom units and three (3) two bedroom units (13 total), a fifty percent (50%) Income Households as published by TCAC for the County (i.e., Very Low Income Households); and two (2) one bedroom units and eight (8) two bedroom units (10 total), a sixty percent (60%) come Households as published by TCAC for the County (i.e., Low Income Households).]

"Primary Construction Loan" means the mortgage loans for the Project obtained by Developer or Lessee from a state or local government or instrumentality or a reputable and established bank, savings and loan association, or other similar financial institution for financing the Improvements (but not the operation) of the Project pursuant to the AHA, and reimbursement obligations to approved lenders securing credit enhancement facilities.

"Primary Permanent Loan" means one or more mortgage loans relating to the Project obtained by Developer or Lessee from a state or local government or instrumentality or the Approved Construction and/or Permanent Lender in an amount limited to satisfaction of the outstanding balance of the Primary Construction Loan.

"Principals" means Wakeland.

"Project", for purposes of this Lease, means the residential rental housing development located on the Site and the remainder of the Improvements.

"Property" means the leasehold interest in the Site provided to Lessee by this Lease.

"Property Manager" means ConAm Management Corporation (3990 Ruffin Road, Suite 100, San Diego CA 82123) (or other property manager approved in writing by the Executive Director of the Authority), which shall be responsible for the management and operation of the Project on behalf of Lessee, or another property manager approved in writing by Authority.

"Authority Regulatory Agreement " means the Authority Regulatory Agreement with the Authority which is to be recorded against the Site in accordance the AHA, in the form of Attachment No. 11 to the AHA.

"Regulatory Agreement (Density Bonus)" means the Regulatory Agreement (Density Bonus) with the City which is to be recorded against the Site in accordance with the AHA, in the form of Attachment No. 13 to the AHA.

"Related Entity" means Wakeland.

"Rent" is defined in Section 5 of this Lease.

"Required Affordable Units" means [44][29] of the dwelling units required to be developed on the Site that are required by this Lease and the Authority Regulatory Agreement to be maintained in conformity with the Prescribed Income Levels at Affordable Rents.

"Required Covenant Period" means the Base Period.

"Schedule of Performance" means Attachment No. 3 to the AHA.

"Scope of Development" means that certain Scope of Development attached to the AHA as Attachment No. 9. The Scope of Development is subject to revision only as provided in the AHA.

"Senior Citizen Household" means a household that is lawful senior housing under fair housing laws and California Civil Code Section 51.3 (with which Lessee shall comply).

"Senior Citizen Unit" means all of the units, except for the manager's unit.

"Site" means the land described in Exhibit "A".

"Site Improvements" means those Improvements which are made to the Site.

"Tax Credit Rules" means Section 42 of the Internal Revenue Code and/or California Revenue and Taxation Code Sections 17057.5, 17058, 23610.4 and 23610.5 and California Health and Safety Code Section 50199, *et seq*., and the rules and regulations implementing the foregoing.

"Tax Credits" means 4% Low Income Tax Credits granted pursuant to Section 42 of the Internal Revenue Code and/or California Revenue and Taxation Code Sections 17057.5, 17058, 23610.4 and 23610.5 and California Health and Safety Code Section 50199, *et seq*. or 9% Housing Tax Credits granted pursuant to Section 42 of the Internal Revenue Code and related California law

"TCAC" means the Tax Credit Allocation Committee of the State of California.

"Term" or "*Term of the Lease"* means the Base Period.

"Unit" means each of the dwelling units required to be developed by Lessee under the AHA and this Lease on the Site.

"Wakeland" or "Developer Parent" means Wakeland Housing and Development Corporation, a California nonprofit public benefit corporation.

"Year" means a fiscal year beginning as of July 1 and ending June 30 of the following calendar year or such other annual period as may be mutually agreed to by Authority and Lessee.

2. LEASE OF SITE; AUTHORITY TERMINATION RIGHT.

If the Executive Director of Authority shall have approved in writing the closing under the AHA without the satisfaction of the condition that Lessee have closed all financing necessary to complete the Project, such that the closing occurs (and a Memorandum of Lease for this Lease is recorded) prior to the closing of such financing, then in the event that such financing does not close within twenty (20) calendar days after the date of such closing/recording, the Executive Director shall have the right, in his or her sole and absolute discretion (and in that regard, Lessee hereby waives the implied covenant of good faith and fair dealing), to terminate this Lease by written notice to Developer. Upon any such termination, Developer shall promptly execute and deliver to Authority (for execution by Authority and recording), duly acknowledged, a counterpart of a termination of the Memorandum of Lease, in the form provided by Authority to Lessee, and Lessee's obligations to do so shall survive the termination of this Lease.

Authority, for and in consideration of the rents, covenants, and agreements hereinafter reserved and contained on the part of Lessee to be paid, kept, performed and observed by Lessee, hereby leases to Lessee, and Lessee hereby leases from Authority, that certain real property in the City shown on the "Map of the Site" attached hereto as Exhibit "A", and having the legal description in the Legal Description of the Site attached hereto as Exhibit "B". Except as expressly provided to the contrary in this Lease, reference to the Site is to the described land, exclusive of any improvements now or hereafter located on the land, notwithstanding that any such improvements may or shall be construed as affixed to and as constituting part of the real property.

3. LEASE TERM.

Lessee shall lease the Site from Authority and Authority shall lease the Site to Lessee for a term commencing on the Commencement Date and for the Base Period (the "Term"), unless sooner terminated as provided for herein.

4. USE OF PROPERTY.

4.1 Use of Property; Compliance with Regulatory Agreements. Lessee shall, by the respective times established therefor in the Schedule of Performance (in the AHA), commence and complete the Improvements in conformance with the requirements of the AHA and all applicable laws, and thereafter the Property and the improvements thereon shall be devoted to those uses permitted by this Lease, the Authority Regulatory Agreement and the Regulatory Agreement (Density Bonus).

Lessee shall comply with the Authority Regulatory Agreement and the Regulatory Agreement (Density Bonus).

4.2 Management. Lessee shall manage or cause the Property and the Site improvements to be managed in conformity with, and shall otherwise comply with, the Authority Regulatory Agreement and the Regulatory Agreement (Density Bonus). [For Phase 2, a separate Authority Regulatory Agreement and Regulatory Agreement (Density Bonus) will be entered into if the parties are able to agree on the terms of a density bonus].

4.3 Only Lawful Uses Permitted. Lessee shall not use the Site or the improvements thereon for any purpose that is in violation of any law, ordinance or regulation of any federal, state, county or local governmental Authority, body or entity. Furthermore, Lessee shall not maintain or commit any nuisance or unlawful conduct (as now or hereafter defined by any applicable statutory or decisional law) on the Site or the improvements thereon, or any part thereof.

5. RENT.

5.1 Rent. During each Lease Year during the Term, Lessee agrees to pay the "Rent." The term "Rent" means the Rent, which is One Dollar ($1.00) per Lease Year. The Base Rent shall be paid on the Commencement Date and on the first day of each subsequent Lease Year.

5.2 Net Lease. It is the intent of the parties hereto that the rent provided herein shall be absolutely net to Authority and that Lessee shall pay all costs, taxes, charges, and expenses of every kind and nature against the Site or the improvements thereon which may arise or become due during the Term, and which, except for execution hereof, would or could have been payable by Authority.

5.3 Payment of Rent. All rent that becomes due and payable pursuant to this Lease shall be paid to Authority at the address of Authority listed in Section 24.7 of this Lease or such other place as Authority may from time to time designate by written notice to Lessee without notice or demand, and without setoff, counterclaim, abatement, deferment, suspension or deduction.

6. AFFORDABLE HOUSING REQUIREMENTS.

6.1 Required Affordable Units. Lessee agrees to construct the Development in accordance with the AHA, and make available, restrict occupancy to, and rent [44][29] units (the "Required Affordable Units") of the [90][60] Units at an Affordable Rent as required by the Authority Regulatory Agreement and the Regulatory Agreement (Density Bonus), and shall otherwise comply with the AHA and such Regulatory Agreement(s). However, if the Bond Regulatory Agreement or any other recorded agreement imposes stricter rent requirements, it shall control for so long as it remains in effect.

Lessee acknowledges that Authority uses the Certificate of Continuing Program Compliance required by the Authority Regulatory Agreement , to comply with its own reporting requirements, and to monitor Lessee's compliance with the Authority Regulatory Agreement and time is of the essence with respect to the delivery by Lessee of such annual Certificate as required by the Authority Regulatory Agreement .

7. UTILITIES AND TAXES.

7.1 Utilities. Lessee shall pay or cause to be paid all common area charges for gas, electricity, water, sewer, garbage collection, and other utilities furnished to the Site and the improvements thereon and all sewer use charges, hookup or similar charges or assessments for utilities levied against the Site and the improvements thereon for any period included within the Term.

7.2 Real Estate Taxes.

(a) As used herein, the term "real estate taxes" means all real estate taxes, municipal or county water and sewer rates and charges, or any other assessments or taxes, which shall be levied against the Site and the improvements thereon, or any interest therein, and which become a lien thereon and accrue during the Term, including possessory interest taxes.

(b) Any real estate taxes which are payable by Lessee hereunder shall be prorated between Authority and Lessee as of the Commencement Date and then again at the expiration or earlier termination of the Term.

(c) Lessee shall have the right to contest the amount or validity of any real estate taxes, in whole or in part, by appropriate administrative and legal proceedings, without any costs or expense to Authority, and Lessee may postpone payment of any such contested real estate taxes pending the prosecution of such proceedings and any appeals so long as such proceedings shall not operate to prevent the collection of such real estate taxes and the sale of the Site and any improvements thereon to satisfy any lien arising out of the nonpayment of the same.

(d) Lessee shall have the right to apply for and may obtain any exemption(s) as may be applicable as to real estate taxes, including possessory interest taxes.

7.3 Personal Property. Lessee covenants and agrees to pay before delinquency all personal property taxes, assessments and liens of every kind and nature upon all personalty as may be owned by Lessee and from time to time situated within the Site and any Site Improvements.

7.4 Lessee Payment of Real Estate and Other Property Taxes. Lessee shall pay all possessory interest taxes assessed on its interest under this Lease, but may apply for an exemption. Pursuant to Health and Safety Code Section 33673, to the extent applicable, the Site is to be assessed and taxed in the same manner as privately owned property, and Lessee shall pay taxes upon the entire property and not merely the assessed value of its leasehold interest. Lessee shall pay or cause to be paid, before any fine, penalty, interest or cost may be added thereto for the nonpayment thereof, all real estate taxes which may be levied against any and all interests in the Site and any Site Improvements during the Term; provided, however, that Lessee may apply for and receive any applicable exemption from the payment of property taxes and assessments. Authority acknowledges and does not object that Developer intends to seek exemptions from property taxes to the extent provided by state law.

7.5 Ownership During Term. All improvements constructed on the Site by Lessee as provided in the AHA and as permitted by this Lease shall, during the Term, be and remain the property of Lessee; provided, however, that Lessee shall have no right to cause or permit waste as to the Site Improvements, or to destroy, demolish or remove the Site Improvements except as otherwise permitted pursuant to this Lease; and provided further that Lessee's rights and powers with respect to the Site Improvements are subject to the terms and limitations of this Lease. Authority and Lessee covenant for themselves and all persons claiming under or through them that any improvements to the Site are real property.

7.6 Ownership at Termination. Upon the expiration or earlier termination of this Lease, all improvements to the Site, fixtures and furnishings shall, without compensation to Lessee, then become Authority's property, free and clear of all liens, encumbrances, and claims to or against them by Lessee or any third person, firm or entity, including but not limited to any mortgagee or lender, unless otherwise approved by Authority in writing at its discretion. At the option of Authority, Authority may require Lessee to demolish and remove any improvements to the Site which have not previously been approved by Authority.

8. MECHANICS LIENS.

Lessee shall not suffer or permit any mechanics' or materialmen's liens to be enforced against the fee simple estate in reversion of Authority as to the Site and the improvements thereon, nor against Lessee's leasehold interest therein by reason of work, labor, services or materials supplied or claimed to have been supplied to Lessee or anyone holding the Site and the improvements thereto, or any part thereof, through or under Lessee, and Lessee agrees to defend, indemnify, and hold Authority and City and their respective officers, officials, employees, agents, and representatives, harmless against such liens. If any such lien shall at any time be filed against the Site or any improvements thereon, Lessee shall, within thirty (30) days after notice to Lessee of the filing thereof, cause the same to be discharged of record; provided, however, that Lessee shall have the right to contest the amount or validity, in whole or in part, of any such lien by appropriate proceedings but in such event, Lessee shall notify Authority and promptly bond such lien in the manner authorized by law with a responsible surety company qualified to do business in the State of California or provide other security acceptable to Authority. Lessee shall prosecute such proceedings with due diligence. Nothing in this Lease shall be deemed to be, nor shall be construed in any way to constitute, the consent or request of Authority, express or implied, by inference or otherwise, to any person, firm or limited partnership for the

performance of any labor or the furnishing of any materials for any construction, rebuilding, alteration or repair of or to the Site, improvements to the Site thereto, or any part thereof. Prior to commencement of construction of any improvements on Site, or any repair or alteration thereto having a cost in excess of Ten Thousand Dollars ($10,000), Lessee shall give Authority not less than thirty (30) days advance notice in writing of intention to begin said activity in order that non-responsibility notices may be posted and recorded as provided by State and local laws.

9. MAINTENANCE AND REPAIR; RESERVES.

Lessee shall maintain all reserves required by any holder of a deed of trust on the Site or Improvements under the documents evidencing or relating to the obligation(s) secured by such deed of trust. Lessee shall manage, operate and maintain the Site and the improvements thereon throughout the Term without expense to Authority, and to perform all repairs and replacements necessary to maintain and preserve the Site and the improvements thereon in good repair, in a neat, clean, safe and orderly condition reasonably satisfactory to Authority and in compliance with all applicable laws. Lessee agrees that Authority shall not be required to perform any maintenance, repairs or services or to assume any expense in connection with the Site including the improvements thereon. Lessee hereby waives all rights to make repairs or to cause any work to be performed at the expense of Authority as provided for in Section 1941 and 1942 of the California Civil Code.

10. ENVIRONMENTAL MATTERS.

10.1 Definitions. For the purposes of this Lease, unless the context otherwise specifies or requires the following terms shall have the meanings herein specified:

(a) The term "Hazardous Material" or "Hazardous Materials" means and include any substance, material, or waste which is or becomes regulated by any local governmental authority, including the County, the Regional Water Quality Control Board, the State of California, or the United States Government, including, but not limited to, any material or substance which is: (i) defined as a "hazardous waste," "acutely hazardous waste," "restricted hazardous waste," or "extremely hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter Presley Tanner Hazardous Substance Account Act); (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (v) petroleum; (vi) asbestos and/or asbestos containing materials; (vii) lead based paint or any lead based or lead products; (viii) polychlorinated biphenyls, (ix) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317); (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, *et seq*. (42 U.S.C. Section 6903); (xi) Methyl tertiary Butyl Ether; (xii) defined as "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601, *et seq*. (42 U.S.C. Section 9601); (xiii) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any "Governmental Requirements" (as defined in this Lease either requires special handling in its use, transportation, generation, collection, storage, handling, treatment or disposal, or is defined as "hazardous" or harmful to the environment; and/or (xiv) lead based paint pursuant to and defined in the Lead Based Paint

Poisoning Prevention Act, Title X of the 1992 Housing and Community Development Act, 42 U.S.C. § 4800, *et seq*., specifically §§ 4821–4846, and the implementing regulations thereto. Notwithstanding the foregoing, "Hazardous Materials" shall not include such products in quantities below attainment levels identified in one or more of the enactments identified above as Governmental Requirements, including those product and amounts as are customarily used in the construction, maintenance, rehabilitation, management, operation and residence of residential developments or associated buildings and grounds, or typically used in residential activities in a manner typical of other comparable residential developments, or substances commonly ingested by a significant population living within the Development, including without limitation alcohol, aspirin, tobacco and saccharine.

(b) The term "Hazardous Materials Contamination" means the contamination (whether presently existing or hereafter occurring) of the improvements, facilities, soil, groundwater, air or other elements on, in, or under the Site by Hazardous Materials, or the contamination of the buildings, facilities, soil, groundwater, air or other elements on, in or of any other property as a result of Hazardous Materials at any time (whether before or after the Date of Agreement) emanating from the Site.

(c) The term "Governmental Requirements" means all past, present and future laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the state, the county, the city, or any other political subdivision in which the Site is located, and any other state, county city, political subdivision, authority, instrumentality or other entity exercising jurisdiction over Authority, Lessee or the Site.

10.2 Site Evaluation. Lessee assumes any and all responsibility and Liabilities (as defined in Section 10.3 of this Lease) for all Hazardous Materials Contamination of the Site.

10.3 Indemnification; Lessee's Indemnity. Lessee shall save, protect, pay for, defend (with counsel acceptable to each of Authority and City), indemnify and hold harmless each of Authority, City, and their respective elected and appointed officials, officers, employees, attorneys, representatives, volunteers, contractors and agents (collectively, "Indemnitees") from and against any and all liabilities, suits, actions, claims, demands, penalties, damages (including, without limitation, penalties, fines and monetary sanctions), losses, costs or expenses (including, without limitation, consultants' fees, investigation and laboratory fees, attorneys' fees and remedial and response costs and third-party claims or costs) (the foregoing are hereinafter collectively referred to as "Liabilities") that may now or in the future be incurred or suffered by Indemnitees by reason of, resulting from, in connection with or arising in any manner whatsoever as a direct or indirect result of: (i) the presence, use, release, escape, seepage, leakage, spillage, emission, generation, discharge, storage, or disposal of any Hazardous Materials in, on, under, or about, or the transportation of any such Hazardous Materials to or from, the Site occurring during the Term or caused or contributed to by Developer; (ii) the violation, or alleged violation, of any statute, ordinance, order, rule, regulation, permit, judgment, or license relating to the use, generation, release, leakage, spillage, emission, escape, discharge, storage, disposal, or transportation of Hazardous Materials in, on, under, or about, or to or from, the Site by Developer or occurring during the Term or caused by Developer; (iii) the physical and environmental condition of the Site caused or contributed to by Developer or occurring during the Term, and (iv) any Liabilities caused or contributed to by acts or omissions of Lessee relating to any Environmental Laws and other Governmental Requirements relating to Hazardous Materials and/or the environmental and/or physical condition of the Site. The foregoing indemnification shall continue in full force and effect regardless of whether such condition, liability, loss, damage, cost, penalty, fine, and/or expense shall accrue or be discovered before or after the termination of the Required Covenant Period. This

indemnification supplements and in no way limits the indemnification and defense obligations set forth in Sections 4.5 and 4.7 of the AHA. Lessee's obligations under this Section 10.3 shall survive the expiration of this Lease and shall not merge with any grant deed. Notwithstanding the foregoing, Lessee shall not be obligated to indemnify Authority with respect to the consequences of any act of gross negligence or willful misconduct of Authority.

10.4 Duty to Prevent Hazardous Material Contamination. Lessee shall take all necessary precautions to prevent the release of any Hazardous Materials into the environment. Such precautions shall include compliance with all Governmental Requirements with respect to Hazardous Materials. In addition, Lessee shall install and utilize such equipment and implement and adhere to such procedures as are consistent with the standards generally applied by apartment complexes in San Bernardino County, California as respects the disclosure, storage, use, removal, and disposal of Hazardous Materials. Lessee shall notify each of City and Authority, and provide to each of City and Authority a copy or copies of any notices of violation, notices to comply, citations, inquiries, clean up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements and reports filed or applications made pursuant to all Environmental Laws and other Governmental Requirements, and Lessee shall report to each of City and Authority, as soon as possible after each incident, any unusual or potentially important incidents in the event of a release of any Hazardous Materials into the environment.

10.5 Obligation of Lessee to Remediate Premises. Notwithstanding the obligation of Lessee to indemnify Authority pursuant to Section 10.3 of this Lease, Lessee shall, take (i) all actions required by any federal, state, regional, or local governmental Authority or political subdivision or any Governmental Requirements and (ii) all actions necessary to make full economic use of the Site for the purposes contemplated by this Lease and the AHA, which requirements or necessity arise from the presence upon, about or beneath the Site of any Hazardous Materials or Hazardous Materials Contamination no matter when occurring. Such actions shall include, but not be limited to, the investigation of the environmental condition of the Site, the preparation of any feasibility studies or reports and the performance of any cleanup, remedial, removal or restoration work. Lessee shall take all actions necessary to promptly remediate or restore the Site to an environmentally sound condition for the uses contemplated by this Lease and the AHA.

10.6 Storage or Handling of Hazardous Materials. Lessee shall comply with all Governmental Requirements for the storage, use, transportation, handling and disposal of Hazardous Materials on or about the Site. In the event Lessee does store, use, transport, handle or dispose of any Hazardous Materials, Lessee shall notify Authority in writing at least ten (10) days prior to their first appearance on the Site and Lessee's failure to do so shall constitute a material default under this Lease. Lessee shall conduct all monitoring activities required or prescribed by applicable Governmental Requirements, and shall, at its sole cost and expense, comply with all posting requirements of Proposition 65 or any other similarly enacted Governmental Requirements. In addition, in the event of any complaint or governmental inquiry, or if otherwise deemed necessary by Authority in its reasonable judgment, Authority may require Lessee, at Lessee's sole cost and expense, to conduct specific monitoring or testing activities with respect to Hazardous Materials on the Site. Lessee's monitoring programs shall be in compliance with applicable Governmental Requirements, and any program related to the specific monitoring of or testing for Hazardous Materials on the Site, shall be satisfactory to Authority, in Authority's reasonable discretion. Lessee shall further be solely responsible, and shall reimburse Authority, for all costs and expenses incurred by Authority arising out of or connected with the removal, clean-up and/or restoration work and materials necessary to return the Site and any property adjacent to the Site affected by Hazardous Materials emanating from the Site to their condition existing at the Commencement. Lessee's obligations hereunder shall survive the termination of this Lease and shall not merge with any grant deed.

10.7 Environmental Inquiries. Lessee shall notify each of City and Authority upon receipt, and provide to City and Authority a copy or copies, of the following environmental permits, disclosures, applications, entitlements or inquiries relating to the Site and the Development: notices of violation, notices to comply, citations, inquiries, clean up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements and reports filed or applications made pursuant to any Environmental Laws and other applicable Governmental Requirements relating to Hazardous Materials and underground tanks, and Lessee shall report to each of City and Authority, as soon as possible after each incident, all material information relating to or arising from such incident, including, but not limited to, the following:

(a) All required reports of releases of Hazardous Materials, including notices of any release of Hazardous Materials as required by any Governmental Requirements;

(b) All notices of suspension of any permits relating to Hazardous Materials;

(c) All notices of violation from federal, state or local environmental authorities relating to Hazardous Materials;

(d) All orders under the State Hazardous Waste Control Act and the State Hazardous Substance Account Act and corresponding federal statutes, concerning investigation, compliance schedules, clean up, or other remedial actions;

(e) All orders under the Porter Cologne Act, including corrective action orders, cease and desist orders, and clean up and abatement orders;

(f) Any notices of violation from OSHA or Cal OSHA concerning employees' exposure to Hazardous Materials;

(g) All complaints and other pleadings filed against Lessee relating to Lessee's storage, use, transportation, handling or disposal of Hazardous Materials on or about the Site; and

(h) Any and all other notices, citations, inquiries, orders, filings or any other reports containing information which would have a materially adverse effect on the Site or Authority's liabilities or obligations relating to Hazardous Materials.

In the event of a release of any Hazardous Materials into the environment, Lessee shall, as soon as possible after the release, furnish to each of City and Authority a copy of any and all reports relating thereto and copies of all correspondence with governmental agencies relating to the release. Upon request of City and/or Authority, but subject to any limitations imposed by law or by court order, Lessee shall furnish to each of City and Authority a copy or copies of any and all other environmental entitlements or inquiries relating to or affecting the Site in Lessee's possession and/or shall notify each of City and Authority of any environmental entitlements or inquiries relating to or affecting the Site within Lessee's actual or constructive knowledge if Lessee is not in possession of same, including, but not limited to, all permit applications, permits and reports including, without limitation, those reports and other matters which may be characterized as confidential.

11. ALTERATION OF IMPROVEMENTS.

Upon completion of the Site Improvements, Lessee shall not make or permit to be made any material structural alteration of, addition to or change in the Site Improvements (which shall be deemed to be material if the cost or value of such alteration(s) or addition(s) exceeds One Hundred Ten Thousand Dollars ($110,000.00) as to any item or Five Hundred Twenty-Five Thousand Dollars ($525,000.00) as all such items are aggregated), nor demolish all or any part of the Site Improvements without the prior written consent of Authority; provided, however, that the foregoing shall not prohibit or restrict the repair and/or replacement of the improvements to the Site by Lessee in accordance with Section 9 of this Lease. In requesting such consent Lessee shall submit to Authority detailed plans and specifications of the proposed work and an explanation of the need and reasons therefor. In addition to the foregoing, compliance with City's municipal code and building permitting and inspections shall be required.

This provision shall not limit or set aside any obligation of Lessee under this Lease to maintain the Site and the improvement thereon in a clean and safe condition, including structural repair and restoration of damaged Site Improvements. Authority shall not be obligated by this Lease to make any improvements to the Site or to assume any expense therefor.

Lessee shall not commit or suffer to be committed any waste or impairment of the Site or the improvements to the Site, or any part thereof, except as otherwise permitted pursuant to this Lease. Lessee agrees to keep the Site and the Site Improvements clean and clear of refuse and obstructions, and to dispose of all garbage, trash and rubbish in a manner satisfactory to Authority.

12. DAMAGE OR DESTRUCTION.

The terms of the Authority Regulatory Agreement regarding damage and destruction shall apply.

13. SALE, ASSIGNMENT, SUBLEASE OR OTHER TRANSFER.

Except for (a) leases of particular dwelling Units to tenants, and (b) the lease of or grant of an easement or license to City, Lessee shall not sell, assign, sublease, or otherwise transfer this Lease or any right therein, nor make any total or partial sale, assignment, sublease, or transfer in any other mode or form of the whole or any part of the Site or the Site Improvements (each of which events is referred to in this Lease as an "Assignment"), without prior written approval of Authority in its sole and absolute discretion, except as specifically provided below. The term "Assignment" shall be deemed to include (without limitation) all refinancing thereof and any other loans approved by Authority. Any purported assignment without the prior written consent of Authority shall be made null and void and shall confer no rights whatsoever upon any purported assignee or transferee.

Notwithstanding any other provision of this Lease to the contrary, Authority shall not unreasonably withhold its approval of an assignment of this Lease or conveyance of the Site or the improvements thereto, or any part thereof, in connection with any of the following:

(a) Any transfers to an entity or entities in which Lessee retains a minimum of fifty-one percent (51%) of the ownership or beneficial interest and retains management and control of the transferee entity or entities, provided reasonable evidence of the same is provided to Authority in advance.

(b) The conveyance or dedication of any portion of the Site to City or other appropriate governmental Authority; or the granting of easements or permits to facilitate construction of the Site Improvements provided reasonable evidence of the need for the same is provided to the Authority in advance, and only encumbers Lessee's leasehold interest.

In the event of a proposed assignment by Lessee under subparagraph (a) above, Lessee agrees that at least thirty (30) days prior to such assignment it shall give written notice to Authority including a request for approval of such assignment and satisfactory evidence that the assignee will assume the obligations of this Lease concurrently with the assignment of this Lease.

Authority agrees that it will reasonably consider any other written request for Authority's consent to an assignment of this Lease after the achievement of occupancy of ninety percent (90%) or more of the rental units in conformity with the Authority Regulatory Agreement provided such written request is accompanied by reasonable evidence of the proposed assignee's operational qualifications and experience, and its financial commitments and resources, and the financial terms of such Assignment (including the consideration proposed to flow to Developer or any affiliated person or entity). Notwithstanding the foregoing, the transfer of limited partnership interests to tax credit investors shall not entitle Authority to receive compensation (by virtue of such transfer to tax credit investors). An assignment and assumption agreement in form satisfactory to Authority's legal counsel shall also be required for all proposed assignments. Lessee shall promptly furnish to Authority such further information as may be reasonably requested.

14. TRIPLE NET LEASE; DISCLAIMER.

Authority and Lessee intend that this Lease be a so called "triple net" lease and that except as expressly provided herein all costs, expenses and obligations with respect to the Site during the Lease Term be borne by Lessee and not by Authority.

During the Term, Lessee agrees that Authority and City, their agents, officers, representatives and employees, shall not be liable for any claims, liabilities, penalties, fines or for any damage to the goods, properties or effects of Lessee, its sublessees or representatives, agents, employees, guests, licensees, invitees, patrons or clientele or of any other person whomsoever, nor for personal injuries to, or deaths of any persons, whether caused by or resulting from any act or omission of Lessee or its sublessees or any other person on or about the Site and the Site Improvements, or in connection with the operation thereof, or from any defect in the Site or the Site Improvements, or from any displacement of tenants or liability for relocation assistance pursuant to Government Code Section 7260, *et seq*., due to the acts of Lessee hereunder. Lessee agrees to indemnify and save free and harmless Authority and City and their authorized agents, officers, representatives and employees against any and all claims, actions, damages, liability (including reasonable expenses and attorneys' fees) concerning loss of life, personal injury and/or damage to property arising from or out of any occurrence in, upon or at the Site and/or the Site Improvements or the occupancy or use by Lessee of the Site and/or the Site Improvements or any part thereof, or arising from or out of Lessee's failure to comply with any provision of this Lease or otherwise occasioned wholly or in part by any act or omission of Lessee, its agents, representatives, contractors, employees, servants, customers or licensees. Lessee shall not be responsible for (and such indemnity shall not apply to) any acts, errors or omissions of Authority, City, or their respective agents, officers, representatives or employees.

15. INSURANCE.

15.1 Insurance to be Provided by Lessee. During the Term, Lessee, at its sole cost and expense, shall:

(a) Maintain or cause to be maintained a policy or policies of insurance against loss or damage to the Site Improvements and all improvements of all property of an insurable nature located upon the Site, resulting from fire, lightning, vandalism, malicious mischief, and such other perils ordinarily included in extended coverage fire insurance and casualty loss policies. The amount of the policies shall cover the Full Insurable Value.

(b) Maintain or cause to be maintained use and occupancy or business interruption or rental income insurance against the perils of fire, lighting, vandalism, malicious mischief, and such other perils ordinarily included in extended coverage fire insurance policies, in an amount equal to not less than twelve (12) months' gross rental income payable to Lessee from tenants on the Site, assuming one hundred percent (100%) occupancy.

(c) Maintain or cause to be maintained, comprehensive general liability insurance with respect to the Site and the Site Improvements and the operations of Lessee in, on or about the Site and the Site Improvements, including, but not limited to, owned and hired motor vehicle liability, cross liability and severability of interests, personal injury, XC&U, blanket contractual, owners protective broad form property damage, and product/completed operations liability coverage in an amount not less than Two Million Dollars ($2,000,000), combined single limit, public liability insurance to protect against loss from liability for damages on account of personal injury, including death therefrom,

suffered or alleged to be suffered by any person or persons whomsoever on or about the Site and the Site Improvements, or in connection with the operation thereof, resulting directly or indirectly from any acts or activities of Lessee or its sublessees, or any person acting for Lessee, or under their respective control or direction, and also to protect against loss from liability imposed by law for damages to any property of any person occurring on or about the Site and the Site Improvements, or in connection with the operation thereof, caused directly or indirectly by or from acts or activities of Lessee of its sublessees, or any person acting for Lessee, or under their respective control or direction. Such property damage and personal injury insurance shall also provide for and protect against incurring any legal cost in defending claims for alleged loss. The required amount of insurance shall be subject to increases as Authority may reasonably require from time to time, but not more frequently than every twenty-four (24) months. In no event shall such increase or increases exceed the increase during such period in the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for Urban Wage Earners and Clerical Workers, Subgroup "All Items," in the geographical area applicable to San Bernardino County. Lessee agrees that provisions of this paragraph as to maintenance of insurance shall not be construed as limiting in any way the extent to which Lessee may be held responsible for the payment of damages to persons or property resulting from Lessee's activities, activities of its sublessees or the activities of any other person or persons for which Lessee is otherwise responsible.

(d) Maintain or cause to be maintained worker's compensation insurance issued by a responsible carrier authorized under the laws of the State of California to insure employers against liability for compensation under the workers' compensation laws now in force in California, or any laws hereafter enacted as an amendment or supplement thereto or in lieu thereof. Such workers' compensation insurance shall cover all persons employed by Lessee in connection with the Site and the Site Improvements and shall cover full liability for compensation under any such act aforesaid, based upon death or bodily injury claims made by, for on behalf of any person incurring or suffering injury or death in connection with the Site or the Site Improvements or the operation thereof by Lessee.

15.2 Definition of "Full Insurable Value. The term "Full Insurable Value" as used in this Section 15 means the actual replacement cost (excluding the cost of excavation, foundation and footings below the lowest floor and without deduction for depreciation) of the Site Improvements, including the cost of construction of the Site Improvements, architectural and engineering fees, and inspection and supervision. To ascertain the amount of coverage required, Lessee shall cause the Full Insurable Value to be determined from time to time by appraisal by the insurer or, if no such appraisal is available, by an appraiser mutually acceptable to Authority and Lessee, not less often than once every three (3) years.

15.3 General Insurance Provisions. All policies of insurance provided for in this Section 15, except for the workers' compensation insurance, shall name Lessee as the insured and loss payee and Authority and City and their respective officers, employees, agents, and representatives, as additional insureds, as their respective interests may appear. All property casualty insurance policies shall include the interest of any Lessee's Mortgagee, and may provide that any loss is payable to Lessee's Mortgagee in which event such policies shall contain standard mortgage loss payable clauses. Lessee agrees to timely pay all premiums for such insurance and, at its sole cost and expense, to comply and secure compliance with all insurance requirements necessary for the maintenance of such insurance. Lessee agrees to submit policies of all insurance required by Section 15 of this Lease, or certificates evidencing the existence thereof, to Authority **on or before the effective date of this Lease**, indicating full coverage of the contractual liability imposed by this Lease. At least thirty (30) days prior to expiration of any such policy or any subsequent policy, as applicable, copies of renewal

policies, or certificates evidencing the existence thereof, shall be submitted to Authority. All policies of insurance required of Lessee herein shall be issued by insurance companies with a general policy holder's rating of not less than A and a financial rating of not less that Class X, as rated in the most current available "Best's Key Rating Guide", and which are qualified to do business in the State of California. All policies or certificates of insurance shall also: (i) provide that such policies shall not be canceled or limited in any manner without at least thirty (30) days prior written notice to Authority; and (ii) provide that such coverage is primary and not contributing with any insurance as may be obtained by Authority and shall contain a waiver of subrogation for the benefit of City and Authority.

Coverage provided hereunder by Lessee shall be primary insurance and not be contributing with any insurance maintained by Authority or City, and the policy shall contain such an endorsement. The insurance policy or the endorsement shall contain a waiver of subrogation for the benefit of City and Authority. None of the above-described policies shall require Lessee to meet a deductible or self-insured retention amount of more than Five Thousand Dollars ($5,000.00) unless first approved in writing by the Authority Executive Director. All policies shall be written by good and solvent insurers qualified to do business in California and shall have a policyholder's rating of A or better in the most recent edition of "Best's Key Rating Guide – Property and Casualty." The required certificate shall be furnished by Lessee at the time set forth herein.

15.4 Failure to Maintain Insurance/Maintenance. If Lessee fails or refuses to procure or maintain insurance as required by this Lease, Authority shall have the right, at Authority's election, and upon ten (10) days prior notice to Lessee, to procure and maintain such insurance. Lessee shall pay to Authority within ten (10) days after written demand with evidence of costs, as rent, an amount equal to one hundred fifteen percent (115%) of the amounts paid by Authority for insurance premiums or costs to repair and maintain the Development upon the failure by Lessee to timely and fully provide such insurance and/or maintenance.

15.5 Insurance Proceeds Resulting from Loss or Damage to Site Improvements. All proceeds of insurance with respect to loss or damage to the Site Improvements during the term of this Lease shall be payable, under the provisions of the policy of insurance, to Lessee, and said proceeds shall constitute a trust fund to be used for the restoration, repair and rebuilding of the Site Improvements in accordance with plans and specifications approved in writing by Authority. To the extent that such proceeds exceed the cost of such restoration, repair or rebuilding, then such proceeds shall be retained by the party that purchased the insurance.

If this Lease is terminated by mutual agreement of Authority and Lessee and said Site Improvements are not restored, repaired or rebuilt, the insurance proceeds shall be jointly retained by Authority and Lessee and shall be applied first to any payments due under this Lease from Lessee to Authority, second to restore the Site and Site Improvements to their original condition and to a neat and clean condition, and finally any excess shall be apportioned between Lessee and Authority as their interests may appear; provided, however, that within any period when there is an outstanding mortgage upon the Site Improvements, such proceeds shall be applied first to discharge the debt secured by the mortgage and then for the purposes and in the order set forth above in this paragraph.

16. EMINENT DOMAIN.

If the Site and/or the Site Improvements or any part thereof shall be taken for public purposes by any public authority other than Authority by condemnation as a result of any action or proceeding in eminent domain, then, as between Authority and Lessee (or mortgagee, if a mortgage is then in

effect), the interests of Authority and Lessee (or mortgagee) in the award and the effect of the taking upon this Lease shall be as set forth in the construction and permanent loan documents, and if no such loan encumbers the property then as follows:

(a) In the event of such taking of only a part of the Site, leaving the remainder of the Site in such location and in such form, shape and size as to be used effectively and practicably for the conduct thereon of the uses permitted hereunder, this Lease shall terminate and end as to the portion of the Site so taken as of the date title to such portion vests in the condemning authority, but shall continue in full force and effect as to the portion of the Site not so taken and from and after such date the rental required by this Lease to be paid by Lessee to Authority shall be reduced in the proportion which the number of square feet so taken bears to the total number of square feet in the Site.

(b) In the event of taking of only a part of the Site, leaving the remainder of the Site in such location, or in such form, shape or reduced size as to render the same not effectively and practicably usable, for the conduct thereon of the uses permitted hereunder, this Lease and all right, title and interest thereunder shall cease on the date title to the Site or the portion thereof so taken vests in the condemning authority.

(c) In the event the entire the Site is taken, this Lease and all of the right, title and interest thereunder, shall cease on the date title to the Site so taken vests in the condemning authority.

(d) Promptly after a partial taking, at Lessee's expense and in the manner specified in provisions of this Lease related to maintenance, repairs, alterations, Lessee shall restore the Site Improvements, to the extent of condemnation proceeds received by Lessee, so as to place them in a condition suitable for the uses and purposes for which the Site was leased.

(e) In the event of any taking under subparagraphs (a), (b) or (c) hereinabove, that portion of any award of compensation attributable to the fair market value of the Site or portion thereof taken, valued as subject to this Lease, shall belong to Authority. That portion of any award attributable to the fair market value of Lessee's leasehold interest in the Site and fee interest in the improvement thereon pursuant to this Lease shall belong to Lessee. Said award shall be used for the restoration, repair or rebuilding of the Site Improvements in accordance with plans and specifications approved in writing by Authority to the extent necessary to restore or repair the Site Improvements and any remaining severance damages shall be payable to Lessee; except that, during the last ten (10) years of the Term, any remaining severance damages shall be payable to Authority. The value of each interest for the purpose of apportionment under this Section 16 shall be the fair market value of such interests at the time of the taking.

(f) Provided, however, that within the period during which there is an outstanding mortgage on the Site Improvements, the mortgagee shall be entitled to any portion of the award attributable to the Site Improvements, to the extent of its interest therein.

(g) Notwithstanding the foregoing provisions of this Section 16, Authority may, in its discretion and without affecting the validity and existence of this Lease, transfer Authority's interests in the Site in lieu of condemnation to any authority entitled to exercise the power of eminent domain. In the event of such transfer by Authority, Lessee (or mortgagee if a mortgage is then in effect) and Authority shall retain whatever rights they may have to recover from said authority the fair market value of their respective interests in the Site Improvements taken by the authority.

(h) All valuations to be made pursuant to this Section 16 shall be made by mutual agreement of Authority and Lessee.

(i) Authority agrees that during the Term, provided that this Lease shall remain in effect, Authority shall not exercise eminent domain powers as to the Site or the Site Improvements.

17. OBLIGATION TO REFRAIN FROM DISCRIMINATION.

There shall be no discrimination against or segregation of any person or group of persons, on account of sex, marital status, race, color, creed, religion, national origin or ancestry in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the Site and the Site Improvements, and Lessee itself or any person claiming under or through it shall not establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees thereof or any portion thereof, or in the providing of goods, services, facilities, privileges, advantages and accommodation.

Lessee shall refrain from restricting the rental, sale, or lease of the Site and the Site Improvements, or any portion thereof, on the basis of sex, marital status, race, color, creed, religion, ancestry or national origin of any person. All such leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(a) In Leases:

"The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

"That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

(b) In Contracts:

"There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this Agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees,

subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

18. NONDISCRIMINATION IN EMPLOYMENT.

Lessee, for itself and its successors and assigns, agrees that during the operation of the Site Improvements provided for in this Lease, and during any work of repair or replacement, Lessee shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, marital status, physical or mental disability, sexual orientation, ancestry or national origin, or on the basis of any other category or status not permitted by law.

19. [INTENTIONALLY OMITTED].

20. COMPLIANCE WITH LAW.

Lessee agrees, at its sole cost and expense, to comply and secure compliance by all contractors and tenants of the Site in connection with the development of the Site and the operation of the Site with all the requirements now in force, or which may hereafter be in force, of all municipal, county, state and federal authorities, pertaining to the Site and the improvements to the Site, as well as operations conducted thereon, and to faithfully observe and secure compliance by all contractors and tenants of the Site and the Site Improvements with, in the use of the Site and the Site Improvements all applicable county and municipal ordinances and state and federal statutes now in force or which may hereafter be in force, and to pay before delinquency all taxes, assessments, and fees, if any, assessor levied upon Lessee or the Site or the Site Improvements, including the land and any buildings, structures, machines, appliances or other improvements of any nature whatsoever, erected, installed or maintained by Lessee or by reason of the business or other activities of Lessee upon or in connection with the Site and the Site Improvements. Lessee shall use good faith efforts to prevent tenants from maintaining any nuisance or other unlawful conduct on or about the Property, and shall take such actions as are reasonably required to abate any such violations by tenants of the Site and the Site Improvements. The judgment of any court of competent jurisdiction, or the admission of Lessee or any sublessee or permittee in any action or proceeding against them, or any of them, whether Authority be a party thereto or not, that Lessee, sublessee or permittee has violated any such ordinance or statute in the use of the Site or the Site Improvements shall be conclusive of that fact as between Authority and Lessee, or such sublessee or permittee. Lessee shall comply with all applicable laws, regulations, and any applicable labor standards, all of which laws and regulations shall be deemed to be incorporated herein by reference. Lessee shall comply with the Tax Credit Rules.

21. ENTRY AND INSPECTION.

In addition to and without limitation to such rights as Authority or City may have as a matter of law, Authority reserves and shall have the right between the hours of 8:00 a.m. and 8:00 p.m., upon twenty-four (24) hours prior notice (except in cases of emergency in which case entry may be made at any time and without notice) to Lessee by the Authority Executive Director, to enter the Site and the Site Improvements for the purpose of viewing and ascertaining the condition of the same, or to protect its interests in the Site and the improvements to the Site or to inspect the operations conducted thereon.

22. RIGHT TO MAINTAIN.

In the event that the entry or inspection by Authority pursuant to Section 21 of this Lease discloses that the Site or the Site Improvements are not in a decent, safe, and sanitary condition, Authority shall have the right, after thirty (30) days written notice to Lessee (except in case of emergency, in which event no notice shall be necessary), to have any necessary maintenance work done for and at the expense of Lessee and Lessee hereby agrees to pay promptly any and all costs incurred by Authority in having such necessary maintenance work done in order to keep the Site and the Site Improvements in a decent, safe and sanitary condition. The rights reserved in this Section 24 shall not create any obligations on Authority or increase obligations elsewhere in this Lease imposed on Authority.

23. EVENTS OF DEFAULT AND REMEDIES.

23.1 Events of Default by Lessee. The occurrence of any one (1) or more of the following shall constitute an event of default hereunder:

(a) Lessee shall fail to construct the Improvements in accordance with the AHA and within the times set forth in the AHA; or

(b) Lessee shall otherwise fail to comply with the AHA, or shall fail to comply with the Authority Regulatory Agreement or the Regulatory Agreement (Density Bonus), or Lessee's Loan Agreement with or related Promissory Note to Wakeland (loaning the grant funds provided to Wakeland by Authority) or the deed of trust (if any) securing such Promissory Note, and shall fail to cure the default within thirty (30) days after written notice from Authority; or

(c) Wakeland shall default under the Grant Agreement among Wakeland, Authority, and the City, and shall fail to cure the default within thirty (30) days after written notice from Authority; or

(d) Lessee shall fail or refuse to pay, within ten (10) days of notice from Authority that the same is due, any installment of rent or any other sum required by this Lease to be paid by Lessee; or

(e) Lessee shall fail to perform any covenant or condition of this Lease other than as set forth in subparagraphs (a) or (b) above, and any such failure shall not be cured within thirty (30) days following the service on Lessee of a written notice from Authority specifying the failure complained of, or if it is not practicable to cure or remedy such failure within such thirty (30) day period, then Lessee shall not be deemed to be in default if Lessee shall commence such cure within such thirty (30) day period and thereafter diligently prosecute such cure to completion; or

(f) Subject to any restrictions or limitations placed on Authority by applicable laws governing bankruptcy, Lessee's (i) application for, consent to or suffering of the appointment of a receiver, trustee or liquidator for all or for a substantial portion of its assets; (ii) making a general assignment for the benefit of creditors; (iii) admitting in writing its inability to pay its debts or its willingness to be adjudged a bankrupt; (iv) becoming unable to or failing to pay its debts as they mature; (v) being adjudged a bankrupt; (vi) filing a voluntary petition or suffering an involuntary petition under any bankruptcy, arrangement, reorganization or insolvency law (unless in the case of an involuntary petition, the same is dismissed within ninety (90) days of such filing); (vii) convening a

meeting of its creditors or any class thereof for purposes of effecting a moratorium, extension or composition of its debts; or (viii) suffering or permitting to continue unstayed and in effect for sixty (60) consecutive days any attachment, levy, execution or seizure of all or a portion of Lessee's assets or of Lessee's interest in this Lease, then, upon notice having been given by Authority and the failure to cure within thirty (30) of such notice, such event shall constitute an event of default under this Lease. Any cure provided by the limited partner of Lessee shall be treated as a cure by Lessee.

23.2 Remedies of Authority. In the event of any such default as described in Section 23.1 of this Lease which default has not been timely cured, Authority may, at its option:

(a) Correct or cause to be corrected said default and charge the costs thereof (including costs incurred by Authority in enforcing this provision) to the account of Lessee, which charge shall be due and payable within thirty (30) days after presentation by Authority of a statement of all or part of said costs;

(b) Correct or cause to be corrected said default and pay the costs thereof (including costs incurred by Authority in enforcing this provision) from the proceeds of any insurance;

(c) Exercise its right to maintain any and all actions at law or suits in equity to compel Lessee to correct or cause to be corrected said default;

(d) Have a receiver appointed to take possession of Lessee's interest in the Site and the Site Improvements, with power in said receiver to administer Lessee's interest in the Site and the Site Improvements, to collect all funds available to Lessee in connection with its operation and maintenance of the Site and the Site Improvements; and to perform all other consistent with Lessee's obligation under this Lease as the court deems proper;

(e) Terminate this Lease by written notice to Lessee.

23.3 Right of Authority in the Event of Termination of Lease. Upon termination of this Lease pursuant to Section 23.2 of this Lease, it shall be lawful for Authority to re-enter and repossess the Site and the Site Improvements and Lessee, in such event, does hereby waive any demand for possession thereof, and agrees to surrender and deliver the Site and the Site Improvements peaceably to Authority immediately upon such termination in good order, condition and repair, except for reasonable wear and tear. Lessee agrees that upon such termination, title to all the Site Improvements on the Site shall vest in Authority.

Termination of this Lease shall not relieve or release Lessee from any obligation incurred pursuant to this Lease prior to the date of such termination. Termination of this Lease shall not relieve Lessee from the obligation to pay any sum due to Authority or from any claim for damages against Lessee.

23.4 Damages. Should Authority elect to terminate this Lease pursuant to the provisions of this Section 23, Authority may recover from Lessee, as damages, any and all rent charged by Lessee to tenants in excess of the rent permitted by the Authority Regulatory Agreement and Regulatory Agreement (Density Bonus), and the costs incurred by Authority to cure any then ongoing default by Lessee under this Lease (notwithstanding the termination of the Lease), and any other amounts necessary to compensate Authority for all the detriment proximately caused by Lessee's failure to perform its obligations under this Lease or which, in the ordinary course of things, would be likely to

result therefrom including, but not limited to, any costs or expenses incurred by Authority in (i) retaking possession of the Site and the improvements thereon, including reasonable attorneys' fees therefor, (ii) maintaining or preserving the Site and the Site Improvements after default, (iii) preparing the Site and the Site Improvements for reletting to a new tenant, including repairs or alterations to the Site and the Site Improvements, (iv) leasing commissions, or (v) any other costs necessary or appropriate to relet the Site and the Site Improvements, plus (e) at Authority's election, any other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by the law of the State of California.

23.5 Rights and Remedies are Cumulative. The remedies provided by this Section are not exclusive and shall be cumulative to all other rights and remedies possessed by Authority. The exercise by Authority of one or more such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by Lessee.

24. MISCELLANEOUS.

24.1 Governing Law; Interpretation. The laws of the State of California shall govern the interpretation and enforcement of this Lease.

This Lease shall be interpreted as if jointly prepared by both parties.

24.2 Legal Actions. In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purpose of this Lease. Such legal actions must be instituted in the Superior Court of San Bernardino County, State of California, in any other appropriate court in that County, or in the Federal District Court in the District of California in which the Site is located.

24.3 Acceptance of Service of Process. In the event that any legal action is commenced by Lessee against Authority, service of process on Authority shall be made by personal service upon the Chairman of Authority or the Authority Executive Director, or in such other manner as may be provided by law. In the event that any legal action is commenced by Authority against Lessee, service of process on Lessee shall be made by personal service upon Lessee or in such other manner as may be provided by law, and shall be effective whether made within or without the State of California.

24.4 Attorneys' Fees And Court Costs. In the event that either Authority or Lessee shall bring or commence an action to enforce the terms and conditions of this Lease or to obtain damages against the other party arising from any default under or violation of this Lease, then the prevailing party shall be entitled to and shall be paid reasonable attorneys' fees and court costs therefor in addition to whatever other relief such prevailing party may be entitled.

24.5 Financial Statement; Inspection of Books And Records. Lessee shall submit to Authority on an annual basis, not later than seventy-five (75) days after the last day of each Lease Year, an Audited Financial Statement for the operation of the Site and the Site Improvements, which is prepared by a certified public accounting firm. In addition, Authority shall have the right (at Lessee's office, upon not less than forty-eight (48) hours' notice, and during normal business hours) to inspect the books and records of Lessee pertaining to the Site as pertinent to the purposes of this Lease and the AHA. Lessee also has the right (at Authority's office, upon not less than forty-eight (48) hours' notice,

and at all reasonable times) to inspect the books and records of Authority pertaining to the Site as pertinent to the purposes of this Lease and the AHA.

24.6 Interest. Any amount due Authority that is not paid when due shall bear interest from the date such amount becomes due until it is paid. Interest shall be at a rate equal to the lesser of (i) seven percent (7%) per annum, compounded annually, on the first day of the month such amount becomes due, and (ii) the maximum rate permitted by applicable law.

24.7 Notices; Cure by Limited Partners. All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments or designations hereunder by either party to the other shall be in writing and shall be given either by (i) delivery by reputable document delivery service such as Federal Express that provides a receipt showing date and time of delivery, or (ii) mailing in the United States mail, certified or registered mail, return receipt requested, postage prepaid, and addressed as follows:

Authority: Highland Housing Authority
27215 Base Line
Highland, California 92346
Attention: Executive Director

with a copy to: (delivery of which shall not constitute notice to Authority)

Richards Watson & Gershon
350 South Grand Avenue, 37th Floor
Los Angeles, California 90071
Attention: Maricela Marroquin, City Attorney

Lessee: [Wakeland Highland LP]
1230 Columbia St., Suite 950
San Diego, California 92101
Attention: Rebecca Louie

or to such other address as either party shall later designate for such purposes by written notice to the other party. Notices shall be deemed effective: (i) if sent by messenger, one business day after delivery to a reputable delivery service for overnight delivery; or (ii) if sent by certified mail, then the date of delivery (or inability to deliver or refusal to accept delivery) shown on the return receipt.

Copies of all notices which are sent to Lessee under the Lease shall also be sent to limited partners of Lessee provided that Lessee shall have delivered the names and addresses of such limited partner(s) to Authority in writing with a reference to this Section; provided, however, that a failure by Authority to send such notice shall not constitute a default by Authority or vitiate or otherwise negatively affect any notice given to Lessee. Lessee and Authority hereby agree that any cure of any default made or tendered by Lessee's limited partners shall be deemed to be a cure by Lessee and shall be accepted or rejected on the same basis as if made or tendered by Lessee.

24.8 Time is of the Essence. Time is of the essence in the performance of the terms and conditions of this Lease.

24.9 Non-Merger of Fee and Leasehold Estates. If both Authority's and Lessee's estates in the Site or the Site Improvements or both become vested in the same owner, this Lease shall nevertheless not be destroyed by application of the doctrine of merger except at the express election of Authority and Lessee's Mortgagee. The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation thereof, shall not work as a merger and shall, at the option of Authority, terminate all or any existing sublease or subtenancies or may, at the option of Authority, operate as an assignment to Authority of any or all such existing subleases or subtenancies.

24.10 Holding Over. The occupancy of the Site after the expiration of the Term of this Lease with the written consent of the Authority shall be construed to be a tenancy from month to month, and all other terms and conditions of this Lease shall continue in full force and effect.

24.11 Conflict of Interest. No member, official or employee of Authority shall have any personal interest, direct or indirect, in this Lease nor shall any such member, official or employee participate in any decision relating to the Lease which affects his personal interests or the interests of any limited partnership, partnership or association in which he is directly or indirectly interested.

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

24.12 Non-Liability of Authority Officials And Employees. No member, official, officer, employee, agent, or representative of Authority shall be personally liable to Lessee, or any successor in interest, in the event of any default or breach by Authority or for any amount which may become due to Lessee or successor or on any obligations under the terms of this Lease.

24.13 Relationship. The relationship between the parties hereto shall at all times be deemed to be that of landlord and tenant. The parties do not intend nor shall this Lease be deemed to create a partnership or joint venture.

24.14 Waivers And Amendments. All waivers of the provisions of this Lease must be in writing and signed by the appropriate authorities of Authority or Lessee. The waiver by Authority of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition, or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Authority shall not be deemed to be a waiver of any preceding breach of Lessee of any term, covenant or condition of this Lease, regardless of Authority's knowledge of such preceding breach at the time of acceptance of such rent. Failure on the part of Authority to require or exact full and complete compliance with any of the covenants or conditions of this Lease shall not be construed as in any manner changing the terms hereof and shall not prevent Authority from enforcing any provision hereof.

All amendments or modifications hereto must be in writing and signed by the appropriate authorities of Authority and Lessee.

Lessee's mortgagee permitted by this Lease shall not be bound by any waiver or amendment to this Lease without Lessee's mortgagee giving its prior written consent.

24.15 Non-Merger With AHA. None of the terms, covenants or conditions agreed upon in writing in the AHA and other instruments between the parties to this Lease with respect to obligations to be performed, kept or observed by Lessee or Authority in respect to the Site or any part thereof, shall be deemed to be merged with this Lease.

24.16 Entire Agreement; Counterparts. This Lease sets forth the entire understanding of the parties with respect to the specific terms set forth in this Lease, but the parties acknowledge that the AHA, Authority Regulatory Agreement and Regulatory Agreement (Density Bonus) are also agreements by Authority, City and Developer that apply to the Development.. This Lease may be executed in counterparts, each of which and all of which together are one and the same agreement.

24.17 Severability. If any provision of this Lease or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Lease and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforceable to the greatest extent permitted by law.

24.18 Recordation. A short form memorandum of this Lease, in the form attached hereto as Exhibit "C", shall be recorded as required by the AHA.

24.19 Binding Effect. This Lease, and the terms, provisions, promises, covenants and conditions hereof, shall be binding upon and (subject to restrictions on transfer, assignment and subletting herein) shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

24.20 Estoppel Certificates. Each of the parties shall at any time and from time to time, but not more frequently than twice during any calendar year, upon not less than twenty (20) days' prior notice by the other, execute, acknowledge and deliver to such other party a statement in writing certifying that this Lease is unmodified and is in full force and effect (or if there shall have been modifications that this Lease is in full force and effect as modified and stating the modifications), and stating whether or not to the knowledge of the signer of such certificate such other party is in default in performing or observing any provision of this Lease, and, if in default, specifying each such default of which the signer may have knowledge, and such other matters as such other party may reasonably request, it being intended that any such statement delivered by Lessee may be relied upon by Authority or any successor in interest to Authority or any prospective mortgagee or encumbrancer thereof, and it being further intended that any such statement delivered by Authority may be relied upon by any prospective assignee of Lessee's interest in this Lease or any prospective mortgagee or encumbrancer thereof. Reliance on any such certificate may not extend to any default as to which the signer of the certificate shall have had no actual knowledge.

24.21 Force Majeure. Any construction or repair deadline obligation in this Lease shall be extended to the extent performance is delayed due to: war; insurrection; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; pandemics; acts or omissions of another party, or acts or failures to act of City or any other public or governmental agency or entity (excepting that acts or failures to act of Authority shall not excuse performance by Authority). Notwithstanding anything to the contrary in this Agreement, an extension of time for any such cause shall only be for the period of the enforced delay and shall apply only if notice by the party claiming such extension is sent to the other party within thirty (30) days of the commencement of the cause. Notwithstanding any provision of this Lease to the contrary, the inability to obtain funds for payments, or an allocation by CDLAC or the lack of issuance of the Bonds, or the lack of funding to complete

the Improvements or the inability to accomplish the provision of water service to the Site (or any potion thereof) shall not constitute grounds of enforced delay pursuant to this Section.

In addition to the foregoing (and without regard to the preceding portion of this Section), the Executive Director shall have the authority, at his discretion, to approve construction and repair deadlines not to exceed a cumulative total of three hundred sixty (360) days, provided that each such extension is in writing.

24.22 Quiet Enjoyment. Authority does hereby covenant, promise and agree to and with Lessee that Lessee, for so long as Lessee is not in default hereof, shall and may at all times peaceably and quietly have, hold, use, occupy and possess the Site throughout the Term.

24.23 Authority Approvals and Actions. Whenever a reference is made herein to an action or approval to be undertaken by Authority, the Authority Executive Director or his or her designee is authorized to act on behalf of Authority unless specifically provided otherwise or the law otherwise requires.

24.24 No Third Parties Benefited Except for City and Approved Leasehold Mortgagee; City Option to Acquire Interest of Authority. This Lease is made for the purpose of setting forth rights and obligations of Lessee and Authority, and no other person or entity (except for City) shall have any rights hereunder or by reason hereof. Except for City, and each leasehold mortgagee approved by Authority, each of which shall be deemed to be a third party beneficiary of this Lease, there shall be no third party beneficiaries of this Lease. City shall have the authority to enforce this Lease.

City shall have an option to acquire from Authority all interest of Authority in the Site, together with any improvements thereon, upon payment of the sum of One Dollar ($1.00), at any time commencing as of the Date of Agreement and continuing throughout the Required Covenant Period. In the event City exercises such option, City shall provide notice thereof to Lessee and to Authority. The transfer of the Site, together with any improvements thereon, from Authority to City shall not, ipso facto, modify the rights of Lessee under this Lease (or the rights of Developer under the AHA).

24.25 Lessee's Limited Partners. Lessee has advised Authority that Wakeland Highland LLC, as general partner (the "General Partner") shall be entering into an Amended and Restated Partnership Agreement for Borrower ("Partnership Agreement") with a limited partner that will be investing funds to construct the Project (the "Investor Limited Partner").Notwithstanding anything to the contrary contained in this Lease or the Agreement, the interests of Investor Limited Partner shall be freely transferable and any amendment to Partnership Agreement, to the extent such amendment effectuates such transfers, shall not require Authority or City consent; provided that Lessee or Lessee's Investor Limited Partner inform Authority in writing of any such transfers.

(b) Notwithstanding anything to the contrary contained in this Lease or the Agreement, the removal, or withdrawal in lieu of removal, of Lessee's general partner(s) for cause in accordance with the Partnership Agreement shall not require the consent of Authority and/or City and shall not constitute a default under any of the Lease or the Agreement. If such general partner is removed, or withdraws in lieu of removal, Authority will reasonably consider the admission of a substitute general partner; provided that (i) the Investor Limited Partner submits written evidence reasonably demonstrating that the substitute general partner has substantial experience operating affordable rental housing projects in California (at least five years' experience managing at least five

hundred (500) units, including without limitation the Required Affordable Units, shall be deemed to satisfy the foregoing), and (ii) Authority does not receive written notice that Lessee's general partner objects to the substitution; provided that if the Investor Limited Partner designates itself as the substitute general partner, Lessor agrees that the admission of such substitute general partner shall not be required. Any amendment to Lessee's Partnership Agreement, to the extent such amendment effectuates such removal and/or withdrawal, and such admission of the substitute general partner shall not require Lessor consent.

(c) Notwithstanding anything to the contrary contained in this Lease or the Agreement, if a non-monetary default or event of default occurs under the terms of this Lease, prior to exercising any remedies thereunder, Lessor will give Lessee and its Investor Limited Partner written notice of such default; provided that the failure by Authority to notify the Investor Limited Partner shall not vitiate or negatively affect any notice given to Lessee. If the default is reasonably capable of being cured within thirty (30) days, Lessee shall have such period to effect a cure prior to exercise of remedies by Lessor under this Lease, or such longer period of time as may be specified in this Lease. If the default is such that it is not reasonably capable of being cured within thirty (30) days (or such longer period if so specified), and if Lessee (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Lessee shall have such additional time as is reasonably necessary to cure the default prior to the exercise of any remedies by Lessor.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their lawfully authorized officers.

AUTHORITY:

HIGHLAND HOUSING AUTHORITY,
a public body, corporate and politic

By: _____
Carlos Zamano, Executive Director

LESSEE:

[WAKELAND HIGHLAND LP],
a California limited partnership

By: [WAKELAND HIGHLAND LLC], a California limited liability company, its managing general partner

By: WAKELAND HOUSING AND DEVELOPMENT CORPORATION,
a California nonprofit public benefit corporation
its sole member/manager

By: _____
Rebecca Louie
President and Chief Executive Officer

EXHIBIT A

MAP OF THE SITE

Attached, but in the event of any discrepancy between such map and the legal description attached as Exhibit B, said legal description shall govern and prevail.

To be attached at closing for the applicable Phase and consistent with the terms of the AHA

EXHIBIT B

LEGAL DESCRIPTION OF THE SITE

The real property in the City of Highland, County of San Bernardino, State of California, described as follows:

To be attached at Closing for the applicable Phase and consistent with the terms of the AHA

EXHIBIT C

FORM OF MEMORANDUM OF LEASE

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO: Highland Housing Authority 27215 Base Line Highland, CA 92346 Attention: Executive Director APNs: 1192-431-04-0000 and 1192-431-05-0000	

Exempt from Recording Fee Pursuant to Government Code Section 27383.

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE ("Memorandum") is hereby made and dated as of _____ __, 202_ by and between the **HIGHLAND HOUSING AUTHORITY**, a public body, corporate and politic (the "Authority"), and [**WAKELAND HIGHLAND LP]**, a California limited partnership (the "Lessee").

RECITALS

A. Authority and Lessee have entered into an unrecorded ground lease dated as of _____ __, 202_, for that certain parcel of real property (the "Property") which is legally described in Addendum "A" attached hereto and incorporated herein by reference (the ground lease, as amended is hereafter referred to as the "Lease"). A copy of the Lease is available for public inspection at Authority's office at 27215 Base Line, Highland, California.

C. The Lease provides that Lessee shall pay taxes upon the assessed value of the entire Property, and not merely a leasehold interest, as provided pursuant to Section 33673 of the California Health and Safety Code, to the extent such Section 33673 is applicable.

NOW, THEREFORE, the parties hereto certify as follows:

Authority, pursuant to the Lease, has leased the Property to Lessee upon the terms and conditions provided for therein. This Memorandum of Lease is not a complete summary of the Lease, and shall not be used to interpret the provisions of the Lease.

HIGHLAND HOUSING AUTHORITY,
a public body, corporate and politic

By: _____
Carlos Zamano, Executive Director

[WAKELAND HIGHLAND LP],
a California limited partnership

By: [WAKELAND HIGHLAND LLC], a California limited liability company, its managing general partner

By: WAKELAND HOUSING AND DEVELOPMENT CORPORATION,
a California nonprofit public benefit corporation
its sole member/manager

By: _____
Name: Rebecca Louie
Title: President and Chief Executive Officer

ADDENDUM "A"

LEGAL DESCRIPTION

The real property in the City of Highland, County of San Bernardino, State of California, described as follows:

To be attached at Closing for the applicable Phase and consistent with the terms of the AHA

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A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____ , Notary Public,
(Print Name of Notary Public)

personally appeared _____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:_____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title Or Type Of Document

_____
Number Of Pages

_____
Date Of Documents

_____
Signer(s) Other Than Named Above

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A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____ , Notary Public,
(Print Name of Notary Public)

personally appeared _____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:_____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title Or Type Of Document

_____
Number Of Pages

_____
Date Of Documents

_____
Signer(s) Other Than Named Above

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EXHIBIT "D"

GROUND LEASE RIDER

THIS GROUND LEASE RIDER (the "Rider") is attached to and forms a part of that certain Ground Lease (the "Lease") by and between the Highland Housing Authority, as lessor (the "Landlord") and [Wakeland Highland LP, a California limited partnership,] as lessee (the "Tenant"). All capitalized terms used herein and not otherwise defined shall have the meanings given that term in the Lease.

1. **TENANT'S RIGHT TO MORTGAGE:**

1.1 Tenant shall have the right, with Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed, to mortgage the Lease and Tenant's leasehold interest by one or more deeds of trust (each, a "Leasehold Mortgage"). No foreclosure (or deed or other transfer in lieu of foreclosure) under any Leasehold Mortgage shall require the consent of the Landlord under, or constitute a breach or default under, the Lease. In the event a Leasehold Mortgagee shall acquire title to Tenant's leasehold interest by foreclosure (or deed or other transfer in lieu of foreclosure), such Leasehold Mortgagee may freely assign such leasehold interest to an assignee agreeing unconditionally to be bound by and be subject to the Lease as well as covenants of record as to the subject property after notice to but without the consent of Landlord, and thereupon Leasehold Mortgagee shall be released from all liability for performance or observance of the covenants and conditions in the Lease from and after the date of such assignment.

1.2 If Tenant shall mortgage the Lease and Tenant's leasehold estate hereunder, then Tenant or the holder (each, a "Leasehold Mortgagee") of such mortgage shall forward to Landlord:

(a) an executed counterpart of the mortgage or mortgages, in form proper for recording, or, at Tenant's option, a true copy of such mortgage or mortgages; and

(b) a written notice setting forth the name and address of the holder of such mortgage.

In the event of any assignment of the mortgage or mortgages held by a Leasehold Mortgagee, or change in its name and/or address, the assignee of the Leasehold Mortgagee shall give written notice thereof to Landlord, changing the name of the Leasehold Mortgagee and/or the address to which copies of notices are to be sent.

1.3 Until the time, if any, that each Leasehold Mortgage shall be satisfied of record, or each Leasehold Mortgagee shall give to Landlord written notice that the Leasehold Mortgage held by it has been satisfied:

(a) no surrender or acceptance of the demised premises, or cancellation, amendment or modification of the Lease, shall be binding upon any Leasehold Mortgagee, or affect any Leasehold Mortgage, if the same is effectuated without the prior written consent of such Leasehold Mortgagee;

(b) if Landlord shall give any notice of default and/or termination to Tenant under the Lease, Landlord shall, at the same time and in the same manner, give a copy of such notice to each Leasehold Mortgagee at the respective address theretofore designated by each of them to Landlord in writing; and

(c) no notice of default and/or termination given by Landlord to Tenant shall be binding upon, or affect, any Leasehold Mortgagee, unless a copy of such notice shall be given to such Leasehold Mortgagee.

1.4 Each Leasehold Mortgagee shall be afforded the right, but not the obligation, to perform any term, covenant, or condition of the Lease to be performed by Tenant, as well as to remedy any default by Tenant hereunder, and Landlord shall accept such performance by any Leasehold Mortgagee with the same force and effect as if furnished by Tenant, provided, however, that the Leasehold Mortgagee shall not thereby or hereby be subrogated to the rights of Landlord. Additionally, Tenant may delegate irrevocably to any Leasehold Mortgagee(s) the authority to exercise any or all of Tenant's rights hereunder, including, but not limited to the right of the Leasehold Mortgagee to participate (in conjunction with or to the exclusion of Tenant) in any proceeding, arbitration or settlement involving condemnation or eminent domain affecting Tenant's leasehold interest in the demised premises, but no such delegation shall be binding upon Landlord unless and until either Tenant or the Leasehold Mortgagee in question shall give to Landlord a true copy of a written instrument effecting such delegation, in form required for recording. Such delegation of authority may be effected by the terms of a Leasehold Mortgage itself, in which event the service upon Landlord of an executed counterpart or certified copy of the Leasehold Mortgage in accordance with Section 2 of this Rider, together with a written notice specifying the provisions therein that delegate such authority to such Leasehold Mortgagee, shall be sufficient to give Landlord notice of such delegation. Any provision of the Lease that gives a Leasehold Mortgagee the privilege of exercising a particular right of Tenant hereunder on condition that Tenant shall have failed to exercise such right shall not be deemed to diminish any privilege that any Leasehold Mortgagee may have, by virtue of a delegation of authority from Tenant, to exercise such right without regard to whether or not Tenant shall have failed to exercise such right. No foreclosure (or deed or other transfer of foreclosure) under any Leasehold Mortgage shall require the consent of Landlord under, or constitute a breach or default under, the Lease.

1.5 If:

(a) Tenant shall default under the provisions of the Lease and Landlord shall give notice of such default as provided under the provisions of the Lease;

(b) such default shall not be remedied within any applicable grace and/or cure period pursuant to the provisions of the Lease; and

(c) Landlord, by reason of such default, shall become entitled to (i) re-enter the demised premises or the improvement thereon, or (ii) terminate the Lease or (iii) bring a proceeding to dispossess Tenant and/or any other occupants of the demised premises or improvements thereon, re-enter the demised premises and/or improvements thereon and/or terminate the Lease,

then, before so re-entering the demised premises or the improvements, terminating the Lease or commencing such proceeding, and as a condition precedent thereto, Landlord shall:

(d) give to each Leasehold Mortgagee not less than thirty (30) days additional written notice as to a monetary default (specifying the amount and description thereof to the extent then known to Landlord) or default in furnishing any insurance required to be furnished by Tenant hereunder, or ninety (90) days' additional written notice of any non-monetary default (which shall specify in detail the nature of such default); and

(e) allow each Leasehold Mortgagee:

(i) such thirty (30) days or ninety (90) days (as the case may be) within which to cure the default; or

(ii) if such default is a non-monetary default (other than a default in furnishing any insurance required to be furnished by Tenant hereunder) and cannot, with the exercise of due diligence, be cured by such Leasehold Mortgagee within such ninety (90) day period, then provided:

(A) prior to the expiration of such ninety (90) day period, such Leasehold Mortgagee has delivered to Landlord an instrument in writing duly executed and acknowledged wherein it agrees to use reasonable efforts to cure such default; and

(B) such default is susceptible of being cured by Leasehold Mortgagee and such Leasehold Mortgagee shall, prior to the expiration of such ninety (90) day period, have commenced curing such default, then such ninety (90) day period shall be extended, as long as such Leasehold Mortgagee diligently pursues the curing of such default with continuity, for such period as may be necessary to cure same provided that such period of time shall not be so extended if to do so would subject Landlord to any criminal or civil liability or the cancellation of any insurance required to be maintained by Tenant or the inability to obtain any such insurance.

Nothing herein contained shall affect the right of Landlord, upon occurrence of any subsequent default, to exercise any right or remedy herein reserved to Landlord, subject, however, to the provisions of this Section.

1.6 If:

(a) Tenant shall default in the performance or observance of any term, covenant, or condition of the Lease on Tenant's part to be performed or observed, other than a term, covenant or condition requiring the payment of a sum of money; and

(b) such default is of such a nature that the same either:

(i) cannot practicably be cured by a Leasehold Mortgagee without taking possession of the demised premises and/or the improvements thereon; or

(ii) is not susceptible of being cured by any Leasehold Mortgagee, then Landlord shall not:

(A) re-enter the demised premises and/or the improvements thereon or serve a notice of election to terminate the Lease;

(B) bring a proceeding to dispossess Tenant and/or any other occupants of the demised premises or the improvements, re-enter the demised premises and/or the improvements and/or terminate the Lease; or

(C) otherwise terminate the leasehold estate of Tenant hereunder,

(c) such default is susceptible of being cured by any Leasehold Mortgagee without taking possession of the demised premises and/or the improvements thereon, then the Leasehold Mortgagee shall cure the default within the time permitted to the Tenant to cure (but measured from the time notice of the default is delivered to the Leasehold Mortgagee, it being understood that no such notice need be given unless the Leasehold Mortgagee shall have given Landlord its address for notices and a copy of its deed of trust, and then the Leasehold Mortgagee's cure period shall be the same as the Tenant's);

(iv) if the default is of such a nature that same cannot practicably be cured by a Leasehold Mortgagee without taking possession of the demised premises and/or the improvements, a Leasehold Mortgagee shall proceed diligently, subject to any stay in any proceedings involving the insolvency of Tenant or any other person, to obtain possession of the demised premises and/or the improvements by foreclosure or deed in lieu of foreclosure, and, upon obtaining such possession, shall promptly cure such default; and

(v) if the default is of such a nature that the same is not susceptible of being cured by any Leasehold Mortgagee, a Leasehold Mortgagee shall institute foreclosure proceedings and diligently prosecute the same to completion, subject to any stay in any proceedings involving the insolvency of Tenant or other proceeding or injunction (unless, in the meantime, the Leasehold Mortgagee shall acquire Tenant's estate hereunder, either in its own name or through a nominee, by assignment in lieu of foreclosure).

1.7 No Leasehold Mortgagee shall be required to continue to proceed to obtain possession, or to continue in possession as mortgagee, of the demised premises or the Site Improvements or to continue to prosecute foreclosure proceedings if and when Tenant's default shall be cured. Nothing contained in the Lease shall preclude Landlord from exercising any of its rights or remedies with respect to any other default by Tenant during any period of Landlord's forbearance under the Lease but, in such event, if any Leasehold Mortgagee, any nominee thereof, or any purchaser at a foreclosure sale shall:

(a) acquire title to Tenant's leasehold estate hereunder; and

(b) cure all defaults of Tenant hereunder that are susceptible of being cured by such Leasehold Mortgagee, nominee or purchaser, as the case may be, then the defaults of any prior holder

of Tenant's leasehold estate hereunder that are not susceptible of being cured by such Leasehold Mortgagee, nominee or purchaser shall no longer be deemed to be defaults hereunder, provided, however, that nothing herein shall be deemed to relieve such Leasehold Mortgagee, nominee or purchaser from the obligation to cure any monetary defaults of Tenant hereunder, as well as all non-monetary defaults that are susceptible of being cured by such Leasehold Mortgagee.

1.8 If, for any reason, the Lease shall be terminated prior to the expiration of the Lease, Landlord will, on written request of any Leasehold Mortgagee made within thirty (30) days of such termination, enter into a new lease of the demised premises with such Leasehold Mortgagee, within thirty (30) days after the receipt of such request, for the remainder of the term, effective as of the date of such termination, at the rent, and upon the other terms, covenants and conditions herein contained in the Lease and otherwise in a form reasonably acceptable to Landlord acting in good faith, subject, however, to the rights, if any, of the parties then in possession of any part of the demised premises, provided that such Leasehold Mortgagee shall:

(a) contemporaneously with such written request upon Landlord for such new lease, pay to Landlord the Rent due and payable by Tenant hereunder as of the date of termination of the Lease (which payments shall be specified in reasonable written detail by Landlord to the Leasehold Mortgagee, and such payments shall be held in escrow by Landlord until such time as Tenant submits such new lease of the demised premises to such Leasehold Mortgagee); and

(b) on or before execution and delivery of said new lease, and as a condition to the execution and delivery thereof by Landlord:

(i) pay to Landlord:

(A) any and all sums which would have been due under the Lease but for such termination from the date of termination of the Lease to the date of execution and delivery of said new lease; and

(B) any reasonable expenses (including, without limitation, reasonable attorneys' fees, disbursements and court costs) to which Landlord shall have been subjected by reason of such default;

(ii) perform and observe all the other covenants and conditions herein contained on Tenant's part to be performed and observed, to the extent that Tenant shall have failed to perform and observe the same, except that:

(A) with respect to any default that cannot be cured by a Leasehold Mortgagee until it obtains possession of the demised premises, the Leasehold Mortgagee shall have a reasonable time, after the Leasehold Mortgagee obtains possession, to cure such default, provided that such Leasehold Mortgagee shall first agree, in writing, to proceed diligently to remedy such default after it obtains possession of the demised premises, provided, however, that such extension of time shall not subject Landlord to either civil or criminal liability; and

(B) in no event shall the Leasehold Mortgagee be required to cure a default not susceptible of cure by the Leasehold Mortgagee or its nominee or purchaser (such as a breach of a representation); and

In the event that more than one Leasehold Mortgagee qualifies to receive a new lease pursuant to the terms of this Section, such new lease shall be entered into with the holder of the Leasehold Mortgagee that is most senior in priority. Upon the execution and delivery of such new lease, any subleases that may have theretofore been assigned and transferred to Landlord shall thereupon be assigned and transferred, without recourse by Landlord, to the new tenant; and

(c) return such new lease to Landlord, duly executed and acknowledged, within ten (10) days after receipt thereof from Landlord.

1.9 The rights hereunder of the Leasehold Mortgagees shall be exercisable by them in order of priority of lien of their respective Leasehold Mortgages. The liability of any Leasehold Mortgagee acquiring Tenant's interest hereunder shall be limited to such Leasehold Mortgagee's then interest in the demised premises.

1.10 No Leasehold Mortgagee shall be liable, as tenant, under the provisions of the Lease unless and until such time as it becomes, and then only for as long as it remains, the owner of Tenant's interest hereunder.

1.11 Notwithstanding anything to the contrary contained in the Lease, all proceeds arising from any casualty insurance, business interruption insurance, rental loss insurance or similar insurance policy relating to the demised premises and/or any improvements now or hereafter located thereon, and all proceeds of any award or payment made in connection with any condemnation or eminent domain proceeding (or deed or other transfer under threat of the same or in lieu thereof) involving all or any part of the demised premises and/or any improvements now or hereafter located thereon, shall be paid to the Leasehold Mortgagees for application in accordance with their respective Leasehold Mortgages.

1.12 Landlord shall, within thirty (30) days after the written request of any Leasehold Mortgagee:

(a) acknowledge in writing to them, or to any of them, the receipt by Landlord of any notice or instrument given, sent, or delivered to Landlord pursuant to the provisions of this Article; and/or

(b) furnish to them, or to any of them, a written statement, duly acknowledged, of the following items:

(i) amounts by Lessee to Landlord under the Lease;

(ii) whether the fire and other insurance required by the Lease have been supplied in compliance therewith;

(iii) whether the Lease is unmodified and in full force and effect (or, if there have been modifications, that the same are in full force and effect as modified and stating the modifications);

(iv) whether, to the knowledge of Landlord, Tenant is in default, specifying the nature of any known default and any pertinent facts with respect thereto; and

(v) whether Landlord has given Tenant any notice of default under the lease, and if given, whether the default set forth therein remains uncured.

Any such statement shall be for the sole benefit of the Leasehold Mortgagee and shall have no effect, as an estoppel or otherwise, with respect to any third party.

ATTACHMENT NO. 7

Intentionally Blank

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ATTACHMENT NO. 8

FORM OF REQUEST FOR NOTICE OF DEFAULT

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO: Highland Housing Authority 27215 Base Line Highland, California 92346 Attention: Executive Director APN(s):	

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

Exempt from recording fees pursuant to Government Code § 6103 and § 27383.

Request for Notice Under Section 2924b Civil Code

In accordance with Section 2924b, Civil Code, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust recorded as Instrument No. _____ on _____, 202__, in Book _____, Page _____, Official Records of San Bernardino County, California, and describing land therein as

See Exhibit A attached hereto

executed by _____, as Trustor, in which _____ is named as Beneficiary, and _____ as Trustee, be mailed to HIGHLAND HOUSING AUTHORITY, at 27215 Base Line, Highland, California 92346, Attention: Executive Director.

NOTICE: A COPY OF ANY NOTICE OF DEFAULT AND OF ANY NOTICE OF SALE WILL BE SENT ONLY TO THE ADDRESS CONTAINED IN THIS RECORDED REQUEST. IF YOUR ADDRESS CHANGES, A REQUEST MUST BE RECORDED.

_____
Carlos Zamano, Executive Director

Date: _____

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A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____ , Notary Public,
(Print Name of Notary Public)

personally appeared

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:_____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title Or Type Of Document

_____
Number Of Pages

_____
Date Of Documents

_____
Signer(s) Other Than Named Above

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ATTACHMENT NO. 9

SCOPE OF IMPROVEMENTS

PHASE 1
(Brackets indicate the Single Phase Project and Phase 1 of the Two-Phase Project alternatively)

I. GENERAL DESCRIPTION

The Site is specifically delineated on the Map of the Site and shall be further described in the Legal Description of the Site.

II. DEVELOPMENT

Developer shall construct [ninety(90)][sixty (60]) rental housing units on the Phase 1 Site (which includes one manager's unit), together with all on-site and off-site features described in this Scope of Improvements (Phase 1) (as presented to the City Council of the City and Board of the Housing Authority in connection with the consideration of this Agreement), including without limitation landscaping. All such improvements collectively constitute the "Phase 1 Site Improvements."

The bedroom count per unit shall be as follows: [(i) seventy-seven (77) one bedroom units and (ii) thirteen (13) two bedroom units][(i) fifty-two (52) one bedroom units; and (ii) eight (8) two bedroom units].

Certain site and offsite improvements shall be accomplished concurrent with the Phase 1 Site Improvements as hereafter approved by City pursuant to application of its land use and planning review processes, as applicable. The Phase 1 Site Improvements and such additional improvements to the Phase 1 Site and such offsite prepayments as required as part of the land use approvals and entitlements for Phase 1 together constitute the "Phase 1 Improvements."

The construction of the Phase 1 Improvements shall be of a high quality. The Phase 1 Improvements shall conform to the Design Improvements Drawings for the Phase 1 Improvements (the "Approved Plans").

All development on the Phase 1 Site shall conform to land use approvals to be made hereafter by the City acting in its governmental capacity; the approval of this Agreement does not indicate prior approval of the Phase 1 plans by the City.

Developer shall commence and complete the Phase 1 Improvements by the respective times established therefor in the Schedule of Performance for Phase 1.

III. DEVELOPMENT STANDARDS

The Phase 1 Improvements shall conform to all applicable state laws and regulations and to local zoning, applicable provisions of the City Code and the following development standards:

A. General Requirements:

1. Vehicular Access. The following shall apply to the design of Phase 1. The placement of vehicular driveways shall be coordinated with the needs of proper street traffic flow as approved by City. In the interest of minimizing traffic congestion, City will control the number and location of curb breaks for access to the Site for off-street parking and truck loading. The planning for vehicular areas shall specifically address the use of bicycles. All access driveways shall require written approval of City staff.

2. Building Signs. Signs for Phase 1 shall be limited in size, subdued and otherwise designed to contribute positively to the environment. Signs identifying the building use in Phase 1 will be permitted, but their height, size, location, color, lighting and design will be subject to City staff approval, and signs must conform to the City Code.

3. Screening. All outdoor storage of materials or equipment for Phase 1 shall be enclosed or screened to the extent and in the manner required by City staff.

4. Landscaping. Developer shall provide and maintain landscaping within the Phase 1 Site, including the public rights-of-way and within setbacks along all street frontages and conforming with the plans as hereafter approved by City. Landscaping for Phase 1 shall consist of trees, shrubs and installation of an automatic irrigation system adequate to maintain such plant material. The type and size of trees to be planted as part of Phase 1, together with a landscaping plan, shall be subject to City staff approval prior to planting.

5. Utilities. All utilities on the Phase 1 Site shall be underground at Developer's expense, unless otherwise approved by the City.

6. Building Design. Buildings shall be constructed such that the Phase 1 Improvements shall be of high architectural quality and shall be effectively and aesthetically designed and in conformance with City approvals.

B. Design Features:

The following design features are considered essential components to the Phase 1 Improvements:

Handicapped Units - Units within the Phase 1 Site are to be fully handicapped accessible or adaptable in compliance with State Housing Code - Title 24 requirements.

Security - The details of security will be reviewed upon submission of the detailed plans for Phase 1.

Overall Design Quality, Materials, Colors, Design Features - Quality of design is important, materials and colors are to be approved by City.

Housing Type – Site: Rental housing for occupancy consisting of [ninety (90) units] [sixty (60) units].

Mobility/Agility - All facilities on the Phase 1 Site shall comply, to the extent feasible, with those portions of Title 24 of the California Code of Regulations that have been adopted by HCD relating to handicapped units, and the requirements of the federal Department of Housing and Urban Development, as applicable, including the accessibility provisions of the Federal Fair Housing Act, as amended.

IV. DEMOLITION AND SOILS

Developer assumes all responsibility for surface and subsurface conditions at the Phase 1 Site, and the suitability of the Phase 1 Site for the Phase 1 Improvements. Developer has undertaken or will undertake prior to the Close of Escrow for Phase 1 all investigation of the Phase 1 Site as it shall deem necessary and has not received or relied upon any representations of Authority, City, or their respective officers, agents and employees.

ATTACHMENT NO. 10

[INTENTIONALLY OMITTED]

ATTACHMENT NO. 11

FORM OF AUTHORITY REGULATORY AGREEMENT

RECORDING REQUESTED BY, AND WHEN RECORDED RETURN TO: Highland Housing Authority 27215 Base Line Highland, California 92346 Attention: Executive Director with a copy to: Wakeland Highland LP 1230 Columbia St., Suite 950 San Diego, CA 92101 APN(s):	

(Space above for Recorder's Use.)

This document is exempt from the payment of a recording fee under Government Code Sections 6103 and 27383.

AUTHORITY REGULATORY AGREEMENT

(Brackets indicate the Single Phase Project and Phase 1 of the Two-Phase Project alternatively)

THIS AUTHORITY REGULATORY AGREEMENT ("Regulatory Agreement") is dated as of _____, 202__ and is entered into by and between the **HIGHLAND HOUSING AUTHORITY**, a public body, corporate and politic ("Authority"), and [**WAKELAND HIGHLAND, L.P.**,] a California limited partnership ("Developer").

R E C I T A L S

WHEREAS, Authority, City, and Developer [or Developer's predecessor in interest] have entered into that certain unrecorded Amended and Restated Disposition and Development/Affordable Housing Agreement dated as of _____ 2026 (the "AHA") for the improvement and development of the real property described in Exhibit "A" (the "Phase 1 Site"). The AHA provides for the recordation of this Regulatory Agreement.

WHEREAS, the AHA also requires that, prior to the recordation of this Regulatory Agreement, Developer shall have entered into a lease of the Phase 1 Site with Authority as lessor ("Phase 1 Ground Lease") and record a Memorandum of Lease for the Phase 1 Ground Lease. The

AHA also requires that Developer enter into and record this Regulatory Agreement with the Authority which is required due to the grant of low income set aside funds and other funds by the Authority for the Phase described in and required by the AHA.

WHEREAS, Authority and Developer wish to adopt this Regulatory Agreement to further govern the use of the Phase 1 Site in conjunction and along with the AHA and to ensure that Authority achieves credit for production of affordable housing units in the manner described by Section 33413 of the California Health and Safety Code.

NOW, THEREFORE, Authority and Developer desire that the Phase 1 Site shall be held, transferred, encumbered, used, sold, conveyed, leased and occupied subject to this Agreement, which shall run with the land and be binding on the parties hereto and their successors, assigns, and successors-in-interest to all or any portion of or interest in the Phase 1 Site.

ARTICLE I
DEFINITIONS

The definitions provided herein shall be applicable to this Regulatory Agreement and also to any amendment or supplemental Regulatory Agreement (unless the context implicitly or explicitly shall prohibit), recorded against the Site pursuant to the provision of this Regulatory Agreement. Any capitalized terms not defined herein shall have the respective meanings established therefor by the AHA.

Section 1. "Affordable Housing Project" means an affordable housing project operated in conformity with this Regulatory Agreement throughout the Required Covenant Period.

Section 2. "Affordable Rent" has the meaning set forth in the AHA.

Section 3. "AHA" is defined in the second recital hereof.

Section 4. "Approved Housing Project" means all improvements as provided to be developed by Developer as the Improvements under the AHA. The Approved Housing Project must be completed in strict conformity with all specifications contained in or referred to in the AHA.

Section 5. "Area" means the San Bernardino Primary Metropolitan Statistical Area, as periodically defined by HUD.

Section 6. "Authority" means the Highland Housing Authority and its successors in interest.

Section 7. "Base Period" means a period of 68 years commencing as of the Commencement Date of the Ground Lease.

Section 8. "Bond Regulatory Agreement" means the regulatory agreement required to be recorded against the Site in connection with the issuance of Tax Credits.

Section 9. Intentionally Blank.

Section 10. "Certificate" or "Certification" is defined in Section 3(a).

Section 11. "City" is defined in the first recital hereof.

Section 12. "City Code" means and refers to the City of Highland Municipal Code as revised from time to time.

Section 13. "Commencement Date of the Ground Lease" means the commencement of the Ground Lease as more particularly set forth therein.

Section 14. "Common Area" means all areas on the Site that are open or accessible to all tenants of the Site (such as grounds but excluding buildings).

Section 15. "Extremely Low Income Households" is defined in the AHA

Section 16. "Extremely Low Income Unit" means the [twenty-seven (27)][six (6))] Units to be occupied at Affordable Rent by an Extremely Low Income Household.

Section 17. "Gross Income" means all payments from all sources received by a person (together with the gross income of all persons of the age of 18 years or older who intend to reside with such person in one residential unit) whether in cash or in kind as calculated pursuant to the Department of Housing and Community Development ("HCD") Regulations.

Section 18. "Ground Lease" means a lease substantially in the form of Attachment No. 6 to the AHA.

Section 19. "Improvements" has the meaning established therefor in the AHA.

Section 20. "Low Income Household" is defined in the AHA.

Section 21. "Low Income Unit" means the ten (10) units in Phase 1 of the Two-Phase Project to be occupied at an Affordable Rent by a 60% Low Income Household.

Section 22. "Map of the Site" means Exhibit B hereto.

Section 23. "Median Income for the Area" "Median Income" shall mean the median gross yearly income in the County of San Bernardino, California, as used by TCAC in publishing maximum earnings for 30% Income Households for the County, 50% Income Households for the County and 60% Income Households for the County. In the event that such income determinations are no longer published, or are not updated for a period of at least eighteen (18) months, the City shall provide the Borrower with other income determinations which are reasonably similar with respect to methods of calculation to those previously published by TCAC.

Section 24. "Prescribed Income Levels" means, [*if Developer elects the Single Phase Project):* for the forty-four (44) Required Affordable Units: (i) for twenty-three (23) one bedroom units and four (4) two-bedroom units (twenty-seven (27) units total), the income earned by a 30% Income Household for the County as published by TCAC and (ii) for four (4) two bedroom units and thirteen (13) one bedroom units (seventeen (17) units total), the income earned by a 50% Income Household for the County as published by TCAC. [*If Developer elects the Two-Phase Project:* for the twenty-nine (29) Required Affordable Units: four (4) one bedroom units and two (2) two-bedroom units (6 total), the income earned by a 30% Income Household for the County as published by TCAC;

ten (10) one bedroom units and three (3) two bedroom units (13 total), the income earned by a 50% Income Household for the County as published by TCAC; and two (2) one bedroom units and eight (8) two bedroom units (10 total), the income earned by a 60% Income Household for the County as published by TCAC.

Section 25. "Regulatory Agreement" means this Regulatory Agreement and any amendments, modifications or supplements.

Section 26. "Rental Project" means the [60] or [90] Unit residential rental development on the Site.

Section 27. "Required Affordable Unit" means any of [29 of the 60] or [44 of the 90] dwelling units in the Rental Project, as constructed under the AHA, and available to, occupied by, or held vacant for occupancy only by tenants qualifying as Extremely Low Income Households, Low Income Households and 50% Very Low Income Households conforming to Prescribed Income Levels and rented at Affordable Rent.

Section 28. "Required Covenant Period" means the period commencing on the date this Regulatory Agreement is recorded and including the Base Period.

Section 29. "Senior Citizen Household" means a lawful senior household, in compliance with applicable fair housing laws and California Civil Code Section 51.3.

Section 30. "Senior Citizen Unit" means all units in the Rental Project except the manager's unit; all units except the manager's unit are restricted to occupancy by a Senior Citizen Household as provided under this Regulatory Agreement.

Section 31. "Site" means all of the real property and appurtenances as described in the Recitals above, including all structures and other improvements thereon, and those hereafter constructed.

Section 32. "Unit" means a dwelling unit on the Rental Project.

Section 33. "Very Low Income Unit" means the [seventeen (17)] [thirteen (13)] Units to be occupied at Affordable Rent by a 50% Very Low Income Household.

Section 34. "Year" means a calendar year, excepting that the last Year hereunder shall be deemed to end as of the expiration of this Regulatory Agreement.

Section 35. "50% Very Low Income Households" or "Very Low Income Households" is defined in the AHA.

ARTICLE II
LAND USE RESTRICTIONS; IMPROVEMENTS

Section 1. Uses. Developer shall develop the Approved Housing Project on the Site in conformity with the AHA. Thereafter, the Site shall be operated as an Affordable Housing Project and devoted only to the uses specified in the AHA and the Ground Lease for the periods of time specified herein. All uses conducted on the Site, including, without limitation, all activities undertaken by

Developer pursuant to the AHA, shall conform to all applicable provisions of the City Code and the City Approvals.

The Site shall be used, maintained and operated in accordance with the AHA, the Ground Lease, and this Regulatory Agreement for the Required Covenant Period. None of the units in the Rental Project shall at any time be utilized on a transient basis nor shall the Rental Project or any portion thereof ever be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer court or park. No part of the Site, from the date Developer acquired a leasehold interest in the Site, has been or will at any time be owned or used as a cooperative housing corporation or a community apartment project or a stock cooperative.

Section 2. Affordable Housing.

(a) *Number of Units*. Throughout the Base Period, the Required Affordable Units shall be rented to households with the Prescribed Income Levels at the applicable Affordable Rent. For this purpose, a tenant who qualifies as an Extremely Low Income Household at the time he or she first occupies an Affordable Unit shall be deemed to continue to be so qualified until such time as a recertification of such individual's or family's income in accordance with Section 3 below demonstrates that such individual or family no longer qualifies as an Extremely Low Income Household. Moreover, a unit previously occupied by an Extremely Low Income Household, and then vacated shall be considered occupied by such Extremely Low Income Household until reoccupied, other than for a temporary period, at which time the character of the unit shall be redetermined; a similar protocol shall apply with respect to 50% Very Low Income Households [For Phase 1 of the Two Phase Project only: or a 60% Low Income Household]. In no event shall such temporary period exceed thirty-one (31) days.

(b) After year 65, rents may be increased as necessary to meet the true debt test.

At such time as a tenant ceases to qualify as an Extremely Low Income Household or Very Low Income Household, the unit occupied by such tenant shall cease to be an Extremely Low Income Unit or Very Low Income Unit [for Phase 1 of the Two Phase Project only: or a 60% Low Income Household], but Developer will remain in compliance with this Agreement provided that Developer replaces each such Extremely Low Income Unit or Very Low Income Unit [for Phase 1 of the Two Phase Project only: or a 60% Low Income Household], as applicable, by designating the next available unit of the same unit size and any necessary units of the same unit size thereafter as an Extremely Low Income Unit or Very Low Income Unit [for Phase 1 of the Two Phase Project only: or a 60% Low Income Household], as applicable, except that if more than one tenant of a Required Affordable Unit ceases to qualify, those tenants who are occupants of Extremely Low Income Units shall have priority for the next available unit(s).

Except to the extent prohibited by federal law or other regulatory agreements applicable to the property, in the event a household's income initially complies with the corresponding income restriction for an Extremely Low Income Household or Very Low Income Household [for Phase 1 of the Two Phase Project only: or a 60% Low Income Household] but the income of such household increases, such increase shall not be deemed to result in a violation of the restrictions of this Regulatory Agreement concerning limitations upon income of occupants.

Duration of Affordability Requirements. The Required Affordable Units shall be available to and occupied by Extremely Low Income Households, and Very Low Income Households

[*for Phase 1 of the Two-Phase Project*: and Low Income Households] at Affordable Rent throughout the Required Covenant Period subject to 2(b) above. In addition to providing notice as required by Government Code Section 65863.10, as may be amended from time to time, all tenants residing in any Unit for which rents are limited by virtue of this Regulatory Agreement or pursuant to other regulation during the last two (2) Years of the Required Covenant Period shall be given notice by Developer at least once every six (6) months prior to the expiration date of this requirement, that the rent payable on such Unit may be raised to a market rate rent at the end of the Required Covenant Period.

Selection of Tenants. As specified hereinbelow, Developer shall demonstrate to Authority that the proposed tenants of each of the Required Affordable Units constitutes an Extremely Low Income Household or Very Low Income Household [for Phase 1 of the Two Phase Project only: or a 60% Low Income Household].

Senior Housing. Developer shall operate the property as lawful senior housing and in compliance with California Civil Code Section 51.3.

Prior to the rental or lease of an Required Affordable Unit to a tenant, and as set forth in this Section 2 of Article II of this Agreement, Developer shall require the tenant to execute a written lease and to complete an Income Verification certifying that the tenant(s) occupying the Required Affordable Unit is/are an Extremely Low Income Household or, to the extent provided herein, a 50% Very Low Income Household [for Phase 1 of the Two Phase Project only: or a 60% Low Income Household], and otherwise meet(s) the eligibility requirements established for the Required Affordable Unit. Developer shall verify the income of the tenant(s).

Determination of Affordable Rent for the Affordable Units. The Affordable Units shall be rented or leased at Affordable Rent (or lower rent) as defined in the AHA. .

Relationship to Tax Credit Requirements. Notwithstanding any other provision of this Regulatory Agreement, to the extent that requirements associated with the provision of financing/grants or tax credits, other than by Authority, are more restrictive with respect to the requirements applicable to tenant selection, tenant income levels and unit rent levels than as provided in this Regulatory Agreement, whichever is more restrictive in each case, shall control and Developer's compliance therewith shall not be a default hereunder.

THE DEVELOPER UNDERSTANDS AND KNOWINGLY AGREES THAT THE MAXIMUM RENTAL FOR THE AFFORDABLE UNITS ESTABLISHED BY THE AHA, THIS REGULATORY AGREEMENT AND THE GROUND LEASE IS SUBSTANTIALLY BELOW THE FAIR MARKET RENT FOR THE UNITS RESTRICTED AS AFFORDABLE UNITS.

Section 3. Developer Verification and Program Compliance.

Income and Senior Citizen Household Verification and Certification; Review Fee..

The Authority shall perform an annual Program Compliance review based on the data provided by or acquired from the Developer, as more particularly described below. Developer shall cooperate with the Authority with respect to the annual Program Compliance review. Beginning on that June 15 which first follows commencement of construction of the Improvements and annually thereafter, Developer shall pay to Authority a Program Compliance annual review fee equal to Four

Thousand Dollars ($4,000), increasing annually on each anniversary of the date of this Agreement by one percent (1%) (the "Authority Program Compliance Annual Review Fee").

On that June 15 which first follows commencement of construction of the Improvements and annually thereafter, Developer shall file with Authority a Certificate in the form attached hereto as Exhibit B covering the immediately preceding fiscal year, and containing all information described pursuant to Health and Safety Code Section 33418.

Developer will obtain and maintain on file an Income Verification form(s) from each tenant, in the applicable form(s) attached hereto as Exhibit C, including verification that each household is a Senior Citizen Household (for every Unit on the Site other than the manager's unit), dated immediately prior to the initial occupancy of such tenant in the Rental Project. Developer shall maintain on file throughout the Required Covenant Period each tenant's executed lease and rental records for the Rental Project and the Housing Units. Developer shall maintain complete and accurate records pertaining to the Extremely Low Income Units, the 50% Very Low Income Units [for Phase 1 of the Two Phase Project only: or a 60% Low Income Household], and any other Units, and will permit any duly authorized representative of Authority to inspect the books and records of Developer pertaining to the Rental Project, including those records pertaining to the occupancy of the Extremely Low Income Units, the 50% Very Low Income Units, [for Phase 1 of the Two Phase Project only: or a 60% Low Income Household] and any other units.

At Authority's request, Developer shall also provide to Authority the Income Verification forms for any such tenant or tenants.

Developer shall obtain an annual certification from each household of each Unit demonstrating that such household is an Extremely Low Income Household, or a 50% Very Low Income Household, as applicable, and meets the eligibility requirements established for each such Unit. Developer shall verify the income certification of each tenant household.

In order to comply with this Section 3, Developer shall also submit to Authority any and all tenant income and occupancy certifications and supporting documentation required to be submitted to TCAC; provided, Authority may request (and Developer shall provide) additional documentation to assist Authority's evaluation of Developer's compliance with this Agreement, if determined to be necessary in the good faith discretion of the Executive Director, specifically including (without limitation) any documentation or additional certifications that may be necessary to verify compliance with all requirements from all funding sources, and each tenant's status as to each Required Affordable Unit as a Senior Citizen Household. This requirement is in addition to and does not replace or supersede Developer's obligation to annually submit the Certificate of Continuing Program Compliance to Authority. Further, Authority has the right, but not the obligation to monitor compliance with respect to each tenant household at the Rental Project, and Authority's election to monitor some, but not all, of the Units shall not constitute a waiver of Authority's right to monitor and enforce compliance with respect to all Units in the future.

Verification of Income of New and Continuing Tenants. Gross income calculations for prospective (and continuing) tenants shall be determined in accordance with 25 Cal. Code Regs. Section 6914. Developer shall verify the income and information provided in the income certification of the proposed tenant as set forth below.

(a) Developer shall verify the income of each proposed tenant of the Rental Project and by at least one of the following methods as appropriate to the proposed tenant:

(i) obtain two (2) paycheck stubs from the person's two (2) most recent pay periods;

(ii) obtain a true copy of an income tax return from the person for the most recent tax year in which a return was filed;

(iii) obtain an income verification certification from the employer of the person;

(iv) obtain an income verification certification from the Social Security Administration and/or the California Department of Social Services if the person receives assistance from such agencies;

(v) obtain an alternate form of income verification reasonably requested by Authority, if none of the above forms of verification is available to Developer; or

(vi) as to the Required Affordable Units obtain verification and supporting documentation of the household as a Senior Citizen Household.

Verification Regarding Eligibility of New Tenants. Developer shall retain documentation regarding the eligibility of each new tenant household.

Reporting Amounts. Authority may be required by Section 33418 of the California Health and Safety Code to require Developer to monitor affordability of the Affordable Units and submit the annual reports required by Section 3 of Article II of this Regulatory Agreement. The Authority relies upon the information contained in such reports to satisfy its own reporting requirements and to provide certain information described at Sections 33080 and 33080.1 of the California Health and Safety Code. In the event Developer fails to submit to Authority or its designee the Certification as required by Section 3(a), Developer shall be in noncompliance with this Regulatory Agreement. In the event Developer remains in noncompliance for thirty (30) days following receipt of written notice from Authority of such noncompliance under Sections 3(a) and 3(b) of Article II hereinabove, then Developer shall, without further notice or opportunity to cure, pay to Authority Two Hundred Fifty Dollars ($250.00) per Required Affordable Unit for each Lease Year Developer fails to submit a Certificate covering each and every housing unit on the Site.

Section 4. Nondiscrimination. Developer shall refrain from restricting the rental, sale or lease of the Site, or any portion thereof, on the basis of race, color, creed, religion, sex, marital status, national origin or ancestry of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or no segregation clauses:

(1) In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use,

occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

(2) In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

"That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

(3) In contracts: "There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this Agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

The covenants established in this Agreement and the deeds of conveyance for the Site shall, without regard to technical classification and designation, be binding for the benefit and in favor of Authority, its successors and assigns, City and any successor in interest to the Site, together with any property acquired by Developer pursuant to this Agreement, or any part thereof. The covenants against discrimination as set forth in this Section 4 of Article II shall remain in effect in perpetuity.

Section 5. Management of the Rental Project.

Management Company/Management Plan. Developer has contracted with a management company or manager that may be an affiliate of Developer, to operate and maintain the Site in accordance with the terms of this Agreement (hereinafter "Property Manager" or "Management Company"); the selection and hiring of such management company was subject to, and the selection of any other manager shall be subject to, approval by Authority Executive Director.

Developer shall submit for the approval of Authority a "Management Plan" which sets forth the duties of the Property Manager.

Maintenance and Repair; Capital Replacement Reserve. Developer agrees to assume full responsibility for the management, operation and maintenance of the Improvements and the Site

throughout the Required Covenant Period without expense to Authority, and to perform all repairs and replacements necessary to maintain and preserve the Improvements and the Site in good repair, in a neat, clean, safe and orderly condition reasonably satisfactory to Authority and in compliance with all applicable laws. Developer agrees that Authority shall not be required to perform any maintenance, repairs or services or to assume any expense in connection with the Improvements and the Site. Developer hereby waives all rights to make repairs or to cause any work to be performed at the expense of Authority as provided for in Section 1941 and 1942 of the California Civil Code.

The following standards shall be complied with by Developer and its maintenance staff, contractors or subcontractors:

(1) Developer shall maintain the Improvements, including individual Required Affordable Units, all common areas, all interior and exterior facades, and all exterior project site areas, in a safe and sanitary fashion suitable for a high quality, rental housing project. Developer agrees to provide utility services, administrative services, supplies, contract services, maintenance, maintenance reserves, and management for the entire project including interior tenant spaces (but not tenant units), common area spaces and exterior common areas. The services provided by Developer shall include, but not be limited to, providing all common area electricity, gas, water, property, paying all property taxes, any and all assessments, maintenance and replacement of all exterior landscaping, and all administration and overhead required for any property manager.

(2) Landscape maintenance shall include, but not be limited to: watering/irrigation; fertilization; mowing, edging, and trimming of grass; tree and shrub pruning; trimming and shaping of trees and shrubs to maintain a healthy, natural appearance and safe road conditions and visibility, and optimum irrigation coverage; replacement, as needed, of all plant materials; control of weeds in all planters, shrubs, lawns, ground covers, or other planted areas; and staking for support of trees.

(3) Clean-up maintenance shall include, but not be limited to: maintenance of all private paths, parking areas, driveways and other paved areas in clean and weed-free condition; maintenance of all such areas clear of dirt, mud, trash, debris or other matter which is unsafe or unsightly; removal of all trash, litter and other debris from improvements and landscaping prior to mowing; clearance and cleaning of all areas maintained prior to the end of the day on which the maintenance operations are performed to ensure that all cuttings, weeds, leaves and other debris are properly disposed of by maintenance workers.

(4) The Improvements shall be maintained in conformance and in compliance with the approved construction and architectural plans and design scheme, as the same may be amended from time to time with the approval of Authority.

(5) All maintenance work shall conform to all applicable federal and state Occupation Safety and Health Act standards and regulations for the performance of maintenance.

(6) Any and all chemicals, unhealthful substances, and pesticides used in and during maintenance shall be applied only by persons in strict accordance with all governing regulations.

(7) Parking lots, lighting fixtures, trash enclosures, and all areas shall be kept free from any accumulation of debris or waste materials by regularly scheduled maintenance.

(8) Capital repairs to and replacement of the Improvements shall include only those items with a long useful life, including without limitation the following:

(a) Appliance replacement;

(b) Hot water heater replacement;

(c) Plumbing fixtures replacement, including tubs and showers, toilets, lavatories, sinks, faucets;

(d) Air conditioning and heating replacement;

(e) Asphalt replacement;

(f) Roofing replacement;

(g) Landscape tree replacement and irrigation pipe and controls replacement;

(h) Gas line pipe replacement;

(i) Lighting fixture replacement; and

(j) Miscellaneous motors and blowers.

Exterior Building Maintenance. All exterior, painted surfaces shall be maintained at all times in a clean and presentable manner, free from chipping, cracking and defacing marks. Any such defacing marks shall be cleaned or removed within a reasonable period of time as set forth herein.

Front and Side Exteriors. Developer shall at all times maintain the front exterior and yard in a clean, safe and presentable manner, free from defacing marks or any disrepair and any visible side exteriors. Developer shall hire maintenance personnel to maintain and/or repair any front exterior or yard or visible side yard and exterior of any lot or building.

Graffiti Removal. All graffiti, and defacement of any type, including marks, words and pictures must be removed and any necessary painting or repair completed by the later to occur of (i) seventy two (72) hours of their creation or (ii) seventy two (72) hours after notice to Developer.

Driveways. All driveways must be paved and maintained with impervious material in accordance with the City Code. In addition, all water must be made to drain freely to the public part of the waterway without any pooling.

Exterior Illumination. Developer shall at all times maintain adequate lighting in all entrance ways and parking areas. Adequate lighting means outdoor, night lighting designed and installed, which provides no less than one (1.0) foot candles in the parking areas and no less than one and one-half (1-1/2) foot candles in the walking areas or common areas and no less than 0.2 foot candles at the point of least illumination.

Front Setbacks. All front setback areas that are not buildings, driveways or walkways shall be adequately and appropriately landscaped in accordance with minimum standards established

by Authority and shall be maintained by Developer. The landscaping shall meet minimum standards set from time to time by Authority.

Trash Bins. All trash shall be collected and placed at all times in an enclosable bin to be placed in a designated refuse/trash bin area. The designated area shall be located so that the bin will, to the extent possible, be readily accessible from the street.

Prohibited Signs. No sign of any kind shall be displayed to the public view on or from any portion of the Site without the approval of Authority and appropriate City departments if any as required by the City Code.

Gross Mismanagement. During the Required Covenant Period, and in the event of "Gross Mismanagement" (as defined below) of the Improvements, the Executive Director shall have and retain the authority to direct and require any condition(s), acts, or inactions of Gross Mismanagement to cease and/or be corrected immediately, if such condition(s) is/are not ceased and/or corrected after expiration of 60 days from the date of written notice from the Executive Director. If Developer or Property Manager has commenced to cure such Gross Mismanagement condition(s) on or before the 50th day from the date of written notice (with evidence of such submitted to the Executive Director), but has failed to complete such cure by the 60th day, then Developer shall have an additional thirty (30) days to complete the cure of Gross Mismanagement condition(s).

For purposes of this Agreement, the term "Gross Mismanagement" means management of the Improvements in a manner which violates the terms and/or intention of this Agreement to operate a first quality affordable housing complex, and shall include, but is not limited to, any one or more of the following:

(a) Leasing to tenants who exceed the prescribed income levels;

(b) Leasing of a Required Affordable Unit to a household that is not a Senior Citizen Household;

(c) Subject to fair housing laws, allowing tenants to exceed the prescribed occupancy levels without taking immediate action to stop such overcrowding;

(d) Under-funding required reserve accounts;

(e) Failing to submit timely and/or adequate annual reports to Authority as required herein;

(f) Failing to comply with the Regulatory Agreement (Density Bonus);

(g) Failing to comply with this Regulatory Agreement;

(h) Failing to comply with any regulatory agreement required in connection with tax credits;

(i) Fraud or embezzlement of Improvements funds, including without limitation funds in the reserve accounts required by the Ground Lease;

(j) Failing to fully cooperate with the Highland Police Department or other local law enforcement agency(ies) with jurisdiction over the Improvements, in maintaining a crime-free environment within the Improvements;

(k) Failing to fully cooperate with the Highland Fire Department or other local public safety agency(ies) with jurisdiction over the Improvements, in maintaining a safe and accessible environment within the Improvements; and

(l) Failing to fully cooperate with the Highland Planning and Building and Safety Department, or other local health and safety enforcement agency(ies) with jurisdiction over the Improvements, in maintaining a decent, safe and sanitary environment within the Improvements.

Developer is obligated and shall use its best efforts to correct any defects in property management or operations at the earliest feasible time.

Code Enforcement. Developer acknowledges and agrees that Authority and its employees and authorized agents, shall have the right to conduct code compliance and/or code enforcement inspections of the Improvements and the individual dwelling units at the Improvements (and not limited to the Required Affordable Units), both exterior and interior, at reasonable times and upon reasonable notice (not less than 48 hours prior notice, except in an emergency) to Developer and/or an individual tenant. If such notice is provided by Authority representative(s) to Developer, then Developer shall immediately and directly advise any affected tenant of such upcoming inspection and cause access to the area(s) and/or Units at the Improvements to be made available and open for inspection. Developer shall include express advisement of such inspection rights within the lease/rental agreements for each Unit in the Improvements in order for each and every tenant and tenant household to be aware of this inspection right. The foregoing portion of this Section 5 is without limitation as to the exercise of police powers by City.

Section 6. Keeping of Animals. No animals of any kind shall be raised, bred or kept on the Site, except that domesticated dogs, cats or other household pets may be kept by the tenants in the Rental Project at the discretion of Developer and subject to compliance with all laws. However, no animal shall be kept, bred or maintained for any commercial purpose or for fighting purposes. Nothing permitted herein shall derogate in any way the right of Developer to further restrict keeping of pets.

Section 7. Parking of Vehicles. Developer shall not permit the parking, storing or keeping of any vehicle except wholly within the parking areas designated for the Required Affordable Units. Developer shall not permit the parking, storing or keeping of any large commercial type vehicle (dump truck, cement mixer truck, oil or gas truck, etc.), or any recreational vehicle over twenty (20) feet in length (camper unit, motor home, trailer, mobile home or other similar vehicle), boats over twenty (20) feet in length, or any vehicle other than a private passenger vehicle, upon any portion of the Common Areas, including parking spaces. For purposes of this section, a pickup truck with a pickup bed mounted camper shall be considered a private passenger vehicle; provided however, that no such vehicle shall be used for residential purposes while parked on the premises.

Developer shall not permit major repairs or major restorations of any motor vehicle, boat, trailer, aircraft or other vehicle to be conducted upon any portion of the Common Area, including the parking areas, except for emergency repairs thereto and then only to the extent necessary to enable movement of the vehicle to a proper repair facility. No inoperable vehicle shall be stored or kept in the Common Area. Developer shall give the vehicle owner not less than four (4) days, nor more than

seven (7) days' notice and an opportunity to remove any vehicle parked, stored or kept in violation of the provisions of this Agreement. Notice shall consist minimally of a reasonably diligent attempt to personally notify the vehicle owner or alternatively leaving written notice on the subject vehicle. After due notice and opportunity have been given to the vehicle owner, Developer shall have the right to remove, at the vehicle owner's expense, any vehicle parked, stored or kept in violation of the provisions of this Agreement.

Section 8. Maximum Occupancies. No persons shall be permitted to occupy any Apartment within the Rental Project in excess of applicable limit of maximum occupancy set by the City Code and the laws of the State of California.

Section 9. Signs Required. "No loitering" signs will be posted at each building and enforced by Developer. "Illegally parked vehicles will be towed" signs in compliance with California Vehicle Code requirements will be posted and enforced by Developer.

Section 10. Fences and Electronic Installations. Subject to applicable laws, Developer shall not install or knowingly permit to be installed on the exterior of any improvement or building on any fences or any antenna or other television or radio receiving device, excepting satellite dishes having a diameter of eighteen inches (18") or less, without prior written consent of City. This prohibition shall not prohibit the installation of cable television or subscription wires or receiving devices.

Section 11. Structural Change. Nothing shall be done on the Site in, on or to any building which would materially structurally change the exterior or the interior bearing walls of any such building or structure, except as otherwise provided herein. Nothing herein shall affect the rights of Developer to repair, alter or construct improvements on the buildings on the Site unless such repair, alteration or improvement would impair the structural integrity and/or exterior appearance of said buildings. Nothing herein shall be deemed to prohibit work ordered to be performed by the City building official. Nothing herein shall prevent developer from altering the color or finishes or other exterior of the Improvements, provided such exterior complies will applicable law..

Section 12. Compliance with Laws. Developer shall comply with all applicable laws in connection with the development and use of the Site, including without limitation the California Community Redevelopment Law (Health and Safety Code Section 33000, *et seq.*) and Fair Housing Act (42 U.S.C. § 3601, *et seq.,* and 24 C.F.R. § 100.300, *et seq.)*. Developer is a sophisticated party, with substantial experience in the acquisition, development, financing, obtaining financing for, marketing, and operation of affordable housing projects, and with the negotiation, review, and preparation of agreements and other documents in connection with such activities. Developer is familiar with and has reviewed all laws and regulations pertaining to the acquisition, development and operation of the Rental Project and has obtained advice from any advisers of its own choosing in connection with this Agreement.

ARTICLE III
OBLIGATION TO MAINTAIN, REPAIR AND REBUILD

Section 1. Maintenance by Developer. Developer shall, at its sole cost and expense, maintain and repair the Site and the improvements thereon keeping the same in a decent, safe and sanitary manner, in accordance with all applicable City Code and Uniform Code provisions. Developer shall also maintain the landscaping required to be planted in a healthy condition. If, at any time, Developer fails to maintain the Rental Project or any portion thereof, and said condition is not corrected

after the expiration of forty-five (45) days from the date of written notice from Authority, either Authority or City may, in addition to all other rights and remedies, and in its/their sole and absolute discretion, perform the necessary maintenance and Developer shall pay such costs as are reasonably incurred for such maintenance. Payment shall be due within fifteen (15) days of receipt of an invoice from Authority or City. Developer shall also be responsible to cause maintenance of the Site and improvements thereon to conform to the Bond Regulatory Agreement (if any).

Section 2. Damage and Destruction Affecting Project - Developer's Duty to Rebuild. If all or any portion of the Site and the improvements thereon is damaged or destroyed by fire or other casualty, it shall be the duty of Developer to demolish, rebuild, repair or reconstruct said portion of the Site and/or the improvements in a timely manner which will restore it to Code compliance condition.

In furtherance of the requirements of this Section 2, Developer shall keep the construction on the Site insured by carriers at all times satisfactory to Authority against loss by fire and such other hazards, casualties, liabilities and contingencies as included within an all risk extended coverage hazard insurance policy, in an amount of the full replacement cost of the constructions. In the event of loss, Developer shall give prompt notice to the insurance carrier and to Authority.

If the Site is abandoned by Developer, or if Developer fails to respond to Authority within thirty (30) days from the date notice is mailed by Authority to Developer that the insurance carrier offers to settle a claim for insurance benefits, Authority is authorized to collect and apply the insurance proceeds at Authority's option either to restoration or repair of the Site.

Section 3. Variance in Exterior Appearance and Design. In the event the Rental Project sustains substantial physical damage due to a casualty event, Developer may apply to City for approval to reconstruct, rebuild or repair in a manner which will provide a materially different exterior appearance and lot design from that which existed prior to the date of the casualty.

Section 4. Timeline for Rebuilding. Upon damage to the Site or the Rental Project or other improvements, Developer shall be obligated to proceed with all diligence and commence reconstruction within two (2) months after the damage occurs and complete reconstruction within six (6) months after damage occurs, unless prevented by causes beyond their reasonable control, in which event reconstruction shall be commenced and completed at the earliest feasible time.

ARTICLE V
ENFORCEMENT

Section 1. Remedies. Breach of the covenants contained in the Regulatory Agreement may be enjoined, abated or remedied by appropriate legal proceeding by Authority or City, and shall constitute a default under the loan by Authority to Developer. This Regulatory Agreement does not in any way infringe on the right or duties of City to enforce any of the provisions of the City Code including, but not limited to, the abatement of dangerous buildings.

City is a third party beneficiary of this Regulatory Agreement. Except for City, there shall be no other third party beneficiaries of this Regulatory Agreement.

Section 2. Nuisance. The result of every act or omission whereby any of the covenants contained in this Regulatory Agreement are violated in whole or in part is hereby declared to be and constitutes a nuisance, and every remedy allowable at law or equity, against a nuisance, either public

or private, shall be applicable against every such result and may be exercised by any owner or its successors in interest, without derogation of City's rights under law.

Section 3. Right of Entry. In addition to the above general rights of enforcement, City shall have the right through its agents and employees, to enter upon any part of the Site for the purpose of enforcing the California Vehicle Code, and the ordinances and other regulations of City, and for maintenance and/or repair of any or all publicly owned utilities. In addition, City has the right of entry at reasonable hours and upon and after reasonable attempts to contact Developer, on any lot to effect emergency repairs or maintenance which Developer has failed to perform. Subsequent to sixty (60) days written notice to Developer specifically outlining Developer's noncompliance, City shall have the right of entry on the Site at reasonable hours to enforce compliance with this Agreement which Developer has failed to perform. The Authority shall additionally have rights of entry as a landlord under the Ground Lease. This Section 3 is without limitation as to the exercise of police powers of City.

Section 4. Costs of Repair. The costs borne by City or Authority of any such repairs or maintenance emergency and/or non-emergency, shall become a charge for which Developer shall be responsible.

Section 5. Cumulative Remedies. The remedies herein provided for breach of the covenants contained in this Declaration shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

Section 6. Failure to Enforce. The failure to enforce any of the covenants contained in this Regulatory Agreement shall not constitute a waiver of the right to enforce the same thereafter.

Section 7. Enforcement and Nonliability. The City or Authority may from time to time make such efforts, if any, as it shall deem appropriate enforce and/or assist in enforcing this Regulatory Agreement. However, neither Authority nor City will be subject to any liability for failure to affirmatively enforce any provision of this Agreement.

ARTICLE VI
GENERAL PROVISIONS

Section 1. Covenant Against Partition. By acceptance of its interest in the Site, Developer shall be deemed to covenant for itself and for its heirs, representatives, successors and assigns, that it will not institute legal proceedings or otherwise seek to effect partition of its right and interest in the interest being conveyed to Developer, or the burdens running with the land as a result of this Regulatory Agreement.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in all force and effect.

Section 3. Term. This Agreement shall run with and bind the interest of Developer in the Site, and shall inure to the owner(s) of any property subject to this Agreement, their legal representatives, heirs, successors and assigns, and as provided in Article VI, Sections 2 and 3, be enforceable by City or Authority, for a term equal to the Required Covenant Period as defined in the

AHA, provided; however, that the covenants regarding nondiscrimination set forth in Section 4 of Article II of this Agreement shall remain in effect for perpetuity.

Section 4. Construction. The provisions of this Agreement shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of rental housing available at Affordable Rent for Extremely Low Income Households, and 50% Very Low Income Households [*for Phase 1 of the Two-Phase Project*, and Low Income Households] in conformity with the Prescribed Income Levels. The article and section headings have been inserted for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction.

Developer shall be obligated by this Agreement to comply with the provisions hereof, as well as the Ground Lease. In the event of conflict, Developer shall comply with the most stringent requirements, in each case.

Section 5. Amendments. This Agreement may be amended only by the written agreement of Developer and Authority.

Section 6. Encroachments. None of the rights and obligations of Developer created herein shall be altered in any way by encroachments due to settlement or shifting of structures or any other cause. There shall be valid easements for the maintenance of said encroachments so long as they shall exist; provided, however, that in no event shall a valid easement for encroachment be created in favor of Developer if said encroachment occurs due to the willful conduct of said Developer.

Section 7. Notices. Any notice permitted or required to be delivered as provided herein to Developer shall be in writing and may be delivered by certified mail or reputable overnight delivery service. Notice to Authority shall addressed to the Executive Director at 27215 Base Line, Highland, California 92346. Notice to Developer shall be addressed to Wakeland Highland, L.P., a California limited partnership, 1230 Columbia St., Suite 950, San Diego, California 92101. Notices by overnight delivery shall be deemed delivered on the next business day after delivery to the messenger service; notices by certified mail shall be delivered on the date of delivery or inability to deliver/refusal to accept shown on the return receipt. Such addresses may be changed from time to time by notice in writing. A copy of all notices to Developer will be provided to Developer's investor limited partner. Developer shall provide the Executive Director with the name and address of Developer's investor limited partner at a later date. The investor limited partner will have the same notice and cure rights as Developer hereunder, provided that the Developer's investor limited partner will be provided with an additional 30 days cure period beyond that provided to Developer. A cure by investor limited partner will be deemed to be a cure by Developer.

HIGHLAND HOUSING AUTHORITY,
a public body, corporate and politic

By: _____
Carlos Zamano, Executive Director

WAKELAND HIGHLAND LP,
a California limited partnership

By: WAKELAND HIGHLAND LLC,
a California limited liability company,
its managing general partner

By: Wakeland Housing and Development Corporation,
a California nonprofit public benefit corporation
its sole member/manager

By: _____
Rebecca Louie
President and Chief Executive Officer

EXHIBIT A

LEGAL DESCRIPTION OF THE PHASE 1 SITE

The real property in the City of Highland, County of San Bernardino, State of California, described as follows:

The real property in the City of Highland, County of San Bernardino, State of California, described as follows:

Parcel A:

ALL THAT PORTION OF THE SOUTHWEST ¼ OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SECTION 5, TOWNSHIP 1 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF HIGHLAND, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT IN THE WEST LINE OF THE NORTHEAST ¼ OF SECTION 5, WHICH IS SOUTH 0^0 05' WEST 116.1 FEET FROM THE NORTHWEST ¼ CORNER OF THE SOUTHWEST ¼ OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 5;

THENCE SOUTH 0^0 05' WEST ALONG THE WEST LINE OF SAID NORTHEAST ¼ OF SAID SECTION, 120 FEET;

THEN SOUTH 89^0 59' 30" EAST 660.5 FEET, MORE OR LESS, TO THE EAST LINE OF THE SOUTHWEST ¼ OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION;

THENCE NORTH 0^0 02' 30" EAST ALONG THE EAST LINE OF THE SOUTHWEST ¼ OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 120 FEET TO A POINT WHICH IS SOUTH 89^0 59' 30" EAST FROM THE POINT OF BEGINNING;

THENCE NORTH 89^0 59' 30" WEST 660.5 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

SAVING AND EXCEPTING THEREFROM THE WEST 1 ½ RODS THEREOF INCLUDED IN CENTRAL AVENUE.

APN 1192-431-04-0000

Parcel B:

THAT PORTION OF THE WEST HALF OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SECTION 5, TOWNSHIP 1 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF HIGHLAND, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE WEST LINE OF THE NORTHEAST ¼ OF SECTION 5, WHICH POINT IS SOUTH 0^0 05' WEST 236.79 FEET FROM THE NORTHWEST CORNER OF SOUTHWEST ¼ OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 5, SAID POINT BEING THE SOUTHWEST CORNER OF PARCEL NO. 1 DESCRIBED IN DEED TO A.L. ABBOTT, ET UX, RECORDED IN BOOK 2193 PAGE 325, OFFICIAL RECORDS AND BEING MARKED BY SURVEYOR'S STAKE L.S. 2345;

THENCE CONTINUING SOUTH 0^0 05' WEST 136.14 FEET TO THE NORTH LINE OF PARCEL NO. 2 DESCRIBED IN DEED TO LAWRENCE B. NELSON, ET UX, RECORDED IN BOOK 2656 PAGE 193 OFFICIAL RECORDS;

THENCE EAST ALONG THE NORTH LINE OF THE NELSON PROPERTY TO A POINT IN THE EAST LINE OF THE SOUTHWEST ¼ OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SECTION 5, WHICH POINT IS SOUTH 136.6 FEET FROM THE SOUTHEAST CORNER OF THE A.L. ABBOTT PARCEL ABOVE REFERRED TO;

THENCE NORTH ALONG THE EAST LINE OF THE SOUTHWEST ¼ OF THE NORTHWEST ¼ OF THE NORTHEAST ¼, 136.6 FEET TO A SURVEYOR'S STAKE L.S. 2345, SAID STAKE MARKING THE SOUTHEAST CORNER OF SAID A.L. ABBOTT PROPERTY;

THENCE NORTH 89^0 59' 30" WEST 660.5 FEET MORE OR LESS TO THE POINT OF BEGINNING.

EXCEPTING THE WEST 1 ½ RODS THEREOF INCLUDED IN CENTRAL AVENUE.

APN 1192-431-05-0000

EXHIBIT B

CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

To be filled out consistent with the Single Phase Project or Phase 1 of the Two-Phase Project, as applicable

TO: Highland Housing Authority
27215 Base Line
Highland, California 92346
Attention: Executive Director

The undersigned, _____, being duly authorized to execute this Certificate of Continuing Program Compliance (this "Certificate") on behalf of Wakeland Highland, L.P., a California limited partnership (the "Developer"), hereby represents and warrants that:

1. He/she has read and is thoroughly familiar with the provisions of the Regulatory Agreement (Density Bonus Phase 1) between the Developer and the City of Highland, the Authority Regulatory Agreement between the Developer and the Authority, and the Phase 1 Ground Lease between the Developer and the Authority.

2. As of the date of this Certificate, the following number of completed residential units at the Phase 1 Site: (i) are currently occupied by Extremely Low Income Households at Affordable Rent; or (ii) are currently vacant and being held available for occupancy by an Extremely Low Income Household and have been so held continuously since the date an Extremely Low Income Household vacated such unit, or, (iii) are currently occupied by Very Low Income Households at Affordable Rent; or (iv) are currently vacant and being held available for occupancy by an Very Low Income Household and have been so held continuously since the date an Very Low Income Household vacated such unit, [*for Phase 1 of the Two-Phase Project:* or (v) are currently occupied by Low Income Households at Affordable rent or (vi) are currently vacant and being held available for occupancy by Low Income Households and have been held so consistently since the date a Low Income Household vacated such unit]with all Affordable Units having been occupied by Senior Citizen Households: [*for Phase 1 of the Two-Phase Project, add in a., b. and c. below "Low Income Households (60%)]*

a. <u>Occupied at an Affordable Rent by</u>:

i. Extremely Low Income Households (30%) # of Units: _____, Nos.: _____

ii. Very Low Income Households (50%) # of Units: _____, Nos.: _____

b. <u>Vacant but held for occupancy by</u>:

i. Extremely Low Income Households (30%) # of Units: _____, Nos.: _____

ii. Very Low Income Households (50%) # of Units: _____, Nos.: _____

c. Last occupied by:

i. Extremely Low Income Households (30%) # of Units: _____, Nos.: _____

ii. Very Low Income Households (50%) # of Units: _____, Nos.: _____

3. At no time since the date of filing of the last Certification of Continuing Program Compliance have less than one hundred percent (100%) of the Required Affordable Units (Phase 1) as completed units in the Phase 1 been occupied by, or been last occupied, or have been available for occupancy by Extremely Low Income Households and 50% Very Low Income Households at an Affordable Rent with all such households being Senior Citizen Households.

4. Developer has enclosed with this Certificate, as a material part hereof, a copy of that report most recently tendered to _____ [governmental entity providing assistance]; Developer shall update this Certificate to reflect any update, modification or amendment to the report made to _____].

5. Developer is not in default under the terms of the Regulatory Agreement.

[WAKELAND HIGHLAND LP,
a California limited partnership

By: WAKELAND HIGHLAND LLC, a California limited liability company, its managing general partner]

By: Wakeland Housing and Development Corporation,
a California nonprofit public benefit corporation
its sole member/manager

By: _____
Name: Rebecca Louie
Title: President and Chief Executive Officer

EXHIBIT C

INCOME VERIFICATION FORMS

Part I -- General Information

1. Project Location: _____

2. Landlord's Name: _____

Part II -- Unit Information

3. Unit Number ____	4. Number of Bedrooms ___	5. Monthly Rent $_____	6. Number of Occupants ___

Part III -- Affidavit of Tenant

1. I, , and I, , as applicants for rental of an Apartment Unit at the above-described location, do hereby represent and warrant as follows:

A. (My/Our) gross income (anticipated total annual income) **does not exceed thirty percent (30%)** of the median income for the San Bernardino-Riverside Primary Metropolitan Statistical Area such income levels are established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937 and published by the State Department of Housing and Community Development in the California Code of Regulations. (I/We) understand that the applicable median income is $. The following computation includes all income (I/we) anticipate receiving for the 12-month period beginning on the date (I/we) execute a rental agreement for an Affordable Unit or the date on which (I/we) will initially occupy such unit, whichever is earlier. I/we certify that I/we meet the requirements of the senior housing restrictions associated with my housing unit..

_____
Tenant(s)' Initials

B. (My/Our) gross income (anticipated total annual income) **does not exceed fifty percent (50%)** of the median income for the San Bernardino-Riverside Primary Metropolitan Statistical Area such income levels are established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937 and published by the State Department of Housing and Community Development in the California Code of Regulations. (I/We) understand that the applicable median income is $_____. The following computation includes all income (I/we) anticipate receiving for the 12 month period beginning on the date (I/we) execute a rental agreement for an Affordable Unit or the date on which (I/we) will initially occupy such unit, whichever is earlier. I/we certify that I/we meet the requirements of the senior housing restrictions associated with my housing unit..

_____
Tenant(s)' Initials

C. *For Phase of the Two-Phase Project:* My/Our) gross income (anticipated total annual income) **does not exceed sixty percent (60%)** of the median income for the San Bernardino-Riverside Primary Metropolitan Statistical Area such income levels are established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937 and published by the State Department of Housing and Community Development in the California Code of Regulations. (I/We) understand that the applicable median income is $_____. The following computation includes all income (I/we) anticipate receiving for the 12 month period beginning on the date (I/we) execute a rental agreement for an Affordable Unit or the date on which (I/we) will initially occupy such unit, whichever is earlier. I/we certify that I/we meet the requirements of the senior housing restrictions associated with my housing unit..

_____

Tenant(s)' Initials

D. All tenants must complete the following:

Monthly Gross Income
(All Sources of Income of All Adult Household Members Must be Listed)

Source	**Head of Household**	**Co-Tenants**	**Total**
Gross amount, before payroll deductions of wages, salaries, overtime pay, commissions, fees, tips and bonuses			
Interest and/or dividends			
Net income from business or from rental property			
Social security, annuities, insurance policies, pension/retirement funds, disability or death benefits received periodically			
Payment in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay			
Alimony, child support, other periodic allowances			
Public assistance, welfare payments			

Source	Head of Household	Co-Tenants	Total
Regular pay, special pay and allowances of members of Armed Forces			
Other			
Total:			

Total x 12 _____ = Gross Annual Household Income

Note: The following items are **not** considered income: casual or sporadic gifts; amounts specifically for or in reimbursement of medical expenses; lump sum payments such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses; educational scholarships paid directly to the student or educational institution; government benefits to a veteran for education; special pay to a serviceman head of family away from home and under hostile fire; foster child care payments; value of coupon allotments for purpose of food under Food Stamp Act of 1964 which is in excess of amount actually charged the eligible household; relocation payments under Title II of Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; payments received pursuant to participation in the following programs: VISTA, Service Learning Programs, and Special Volunteer Programs, SCORE, ACE, Retired Senior Volunteer Program, Foster Grandparent Program, Older American Community Services Program, and National Volunteer Program to Assist Small Business Experience.

2. This affidavit is made with the knowledge that it will be relied upon by the Landlord to determine maximum income for eligibility and (I/we) warrant that all information set forth in this document is true, correct and complete and based upon information (I/we) deem reliable and that the estimate contained in paragraph 1 of this Part III is reasonable and based upon such investigation as the undersigned deemed necessary.

3. (I/We) will assist the Landlord in obtaining any information or documents required to verify the statements made in this Part III and have attached hereto copies of federal income tax return for most recent tax year in which a return was filed (past two years federal income tax returns for self-employed persons).

4. (I/We) acknowledge that (I/we) have been advised that the making of any misrepresentation or misstatement in this affidavit will constitute a material breach of (my/our) agreement with the Landlord to rent the unit and will additionally enable the Landlord and/or the Highland Housing Authority to initiate and pursue all applicable legal and equitable remedies with respect to the unit and to me/us.

(I/We) do hereby swear under penalty of perjury that the foregoing statements are true and correct.

Date	Tenant
Date	Tenant

INCOME VERIFICATION
(for employed persons)

The undersigned employee has applied for a rental unit located in a project financed under a multifamily housing program of the City of Highland and the Highland Housing Authority for persons of Extremely Low Income and Very Low Income [for Phase 1 of the Two Phase Project only: or a Low Income Household]. 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 a multifamily housing program of the City of Highland and the Highland Housing Authority.

_____ _____
Signature Date

Please send to:

_____
_____
_____

INCOME VERIFICATION
(for self-employed persons)

I hereby attach 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

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1628\31\4105128.2

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____ , Notary Public,
(Print Name of Notary Public)

personally appeared

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:_____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title Or Type Of Document

_____
Number Of Pages

_____
Date Of Documents

_____
Signer(s) Other Than Named Above

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1628\31\4105128.2

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____ , Notary Public,
(Print Name of Notary Public)

personally appeared

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:_____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title Or Type Of Document

_____
Number Of Pages

_____
Date Of Documents

_____
Signer(s) Other Than Named Above

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A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____ , Notary Public,
(Print Name of Notary Public)

personally appeared

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:_____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title Or Type Of Document

_____
Number Of Pages

_____
Date Of Documents

_____
Signer(s) Other Than Named Above

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ATTACHMENT NO. 12

[INTENTIONALLY OMITTED]

ATTACHMENT NO. 13

FORM OF DENSITY BONUS AGREEMENT FOR PHASE 1 ONLY

RECORDING REQUESTED BY: AND WHEN RECORDED RETURN TO: City of Highland 27215 Base Line Highland, California 92346 Attn: City Manager with a copy to: Wakeland Highland LP 1230 Columbia St., Suite 950 San Diego, CA 92101 APN(s):	

(Space above for Recorder's Use.)

This document is exempt from the payment of a recording fee under Government Code Sections 6103 and 27383.

REGULATORY AGREEMENT
(DENSITY BONUS)
(Brackets indicate the Single Phase Project and Phase 1 of the Two-Phase Project alternatively**)**

This REGULATORY AGREEMENT (DENSITY BONUS) is entered into by and between the CITY OF HIGHLAND, a municipal corporation ("City") and WAKELAND HIGHLAND, L.P., a California limited partnership ("Developer").

R E C I T A L S

WHEREAS, Developer applied for a "density bonus" under Section 16.40.090 of the Highland Municipal Code ("Code") and Government Code section 65915 for its proposed [90][60] unit multifamily senior residential rental project ("Affordable Housing Project") on the site described in Exhibit "A" ("Site"), which is ground leased by Developer from the Highland Housing Authority.

WHEREAS, the City adopted its Resolution No. 2026- ___ on March 10, 2026 granting development incentives and land use waivers requested by Developer in such application in exchange for the restrictions in this Regulatory Agreement (Density Bonus) ("Regulatory Agreement"), which restricts [for the Single Phase Project: eighty-nine (89) of the units as follows: (i) twenty-seven (27) units (twenty-three (23) one-bedroom units and four (4) two-bedroom units) are restricted to senior households who make no more than 30% of Median Income for the Area (i.e., extremely low income households); (ii) another twenty-seven (27) units (twenty-three (23) one-bedroom and four (4) two-

bedroom units) are restricted to senior households who make no more than 50% of Median Income for the Area (i.e., very low income households); and (iii) and another thirty (35) units (thirty-one (31) one-bedroom units and four (4) two-bedroom units) are restricted to senior households who make no more than 60% of Median Income for the Area (i.e., low income households). There will be one unrestricted manager's unit][for Phase 1 of the Two-Phase Project: fifty-nine (59) of the units as follows: (i) six (6) units (four (4) one bedroom units and two (2) two bedroom units are restricted to senior households who make no more than 30% of Median Income for the Area (i.e., extremely low income households); (ii) another thirteen (13) units (eleven (11) one bedroom units and two (2) two bedroom units) are restricted to senior households who make no more than 45% of Median Income for the Area; (iii) another thirty (30) units (twenty-three (23) one bedroom units and seven (7) two bedroom units) are restricted to senior households who make no more than 50% Median Income for the Area; and (iv) another ten (10) units (two (2) one bedroom units and eight (8) two bedroom units) are restricted to senior households who make no more than 60% of Median Income for the Area. There will be one unrestricted manager's unit].

WHEREAS, this Regulatory Agreement is a density bonus housing agreement within the meaning of Title 16, Chapter 16.40, Section 16.40.090 of the Highland Municipal Code. This City Regulatory Agreement shall be recorded in the Official Records of San Bernardino County, California as senior, non-subordinate covenants and restrictions. In no event shall these Restrictions be made junior or subordinate to any deed of trust or other documents providing financing for the construction or operation of the Affordable Housing Project or any other lien or encumbrance whatsoever on Developer's ground leasehold interest in the Site for the period that this Regulatory Agreement (Density Bonus) remains in effect.

NOW, THEREFORE, City and Developer declare that the Affordable Housing Project and Developer's ground leasehold interest in the Site shall be held, transferred, encumbered, used, sold, conveyed, subleased and occupied subject to this Agreement, which shall run with the land and be binding on the parties hereto and their successors, assigns, and successors-in-interest to all or any portion of or interest in the ground lease or the Site.

ARTICLE I
DEFINITIONS

The definitions provided herein shall be applicable to this Agreement and also to any amendment or supplemental Agreement (unless the context implicitly or explicitly shall prohibit), recorded against the Site pursuant to the provision of this Agreement.

Section 1. "Affordable Housing Project" means the Project on the Site that is required to be constructed and operated in conformity with this Regulatory Agreement throughout the Required Covenant Period.

Section 2. "Affordable Rent" means the maximum rent for an applicable household income level described herein determined under California Health and Safety Code Section 50053(b) and any related regulations, it being understood that rent may be less than such maximum, and notwithstanding the foregoing, for an Extremely Low Income Household, Affordable Rent means a monthly rent which does not exceed 30% Tax Credit Rent for the applicable unit size in the County as published by TCAC, for a 45% Very Low Income Household, Affordable rent means a monthly rent which does not exceed 45% Tax Credit Rent for the applicable unit size in the County as published by TCAC, for a Very Low Income Household, Affordable Rent means a monthly rent which does not

exceed 50% Tax Credit Rent for the applicable unit size in the County as published by TCAC for a Low Income Household, Affordable Rent means a monthly rent which does not exceed 60% Tax Credit Rent for the applicable unit size in the County as published by TCAC. The maximum monthly rental amount of the Units shall be adjusted annually upon TCAC's publication of its Tax Credit Rents as published by the California Tax Credit Allocation Committee ("TCAC") for the County of San Bernardino ("County"). Actual rent charged may be less than the Affordable Rent.

Section 3. "Approved Housing Project" means the Affordable Housing Project and related ancillary improvements.

Section 4. "Area" means the San Bernardino Primary Metropolitan Statistical Area, as periodically defined by HUD.

Section 5. "Authority" means the Highland Housing Authority and its successors in interest.

Section 6. "Base Period" means a period of 68 years commencing as of the Commencement Date of the Ground Lease.

Section 7. "Certificate" or "Certification" is defined in Article II, Section 3(a).

Section 8. "City" means and refers to the City of Highland, a municipal corporation.

Section 9. "Commencement Date of the Ground Lease" means the commencement of the Ground Lease as set forth therein.

Section 10. "Common Area" means all areas on the Site that are open or accessible to all tenants of the Site (such as grounds, but excluding buildings).

Section 11. "Extremely Low Income Households" means households that, at initial occupancy, earn no greater than the income limit for a 30% Income Household for the County, as published by TCAC.

Section 12. "Extremely Low Income Unit" means a Unit restricted to an Extremely Low Income Household.

Section 13. "Gross Income" means all payments from all sources received by a person (together with the gross income of all persons of the age of 18 years or older who intend to reside with such person in one residential unit) whether in cash or in kind as calculated pursuant to the Department of Housing and Community Development Regulations.

Section 14. "Ground Lease" means the ground lease by which Developer has a leasehold interest in the Site.

Section 15. "Household size appropriate to the Unit," as used herein, means two persons for each one-bedroom Unit (if any), and three persons for each two bedroom Unit.

Section 16. "Improvements" means the improvements on the Site.

Section 17. "Low Income Household" means households that, at initial occupancy, earn no greater than the income limit for a 60% Income Household for the County as published by TCAC.

Section 18. "Low Income Unit" means a unit restricted to a Low Income Household.

Section 19. "Map of the Site" means Exhibit "B" hereto. In the event of a discrepancy between the map attached hereto as Exhibit "B" and the legal description attached hereto as Exhibit "A", said legal description shall govern and prevail.

Section 20. "Median Income for the Area" or "Median Income" shall mean the median gross yearly income in the County of San Bernardino, California, as used by TCAC in publishing the maximum earnings for 30% Income Households for the County, 45% Income Households for the County, 50% Income Households for the County and 60% Income Households for the County. In the event that such income determinations are no longer published, or are not updated for a period of at least eighteen (18) months, the City shall provide the Developer with other income determinations which are reasonably similar with respect to methods of calculation to those previously published by TCAC.

Section 21. "Municipal Code" means and refers to the City of Highland Municipal Code as revised from time to time.

Section 22. "Prescribed Income Levels" means that any household may not make more than the following income levels: [*if the 90-unit Single Phase Project*: eighty-nine (89) of the units as follows: (i) twenty-seven (27) units (twenty-three (23) one-bedroom units and four (4) two-bedroom units) a 30% Income Household as published by TCAC for the County (i.e., Extremely Low Income Households); (ii) another twenty-seven (27) units (twenty-three (23) one-bedroom and four (4) two-bedroom units) a 50% Income Household as published by TCAC for the County (i.e., Very Low Income Households); and (iii) and another thirty-five (35) units (thirty-one (31) one-bedroom units and four (4) two-bedroom units) a 60% Income Household as published by TCAC for the County (i.e., Low Income Households). There will be one unrestricted manager's unit] [*if the 60- Unit Two-Phase Project*: fifty-nine (59) of the units as follows: (i) six (6) units (four (4) one bedroom units and two (2) two bedroom units a 30% Income Household as published by TCAC for the County (i.e., extremely low income households); (ii) another thirteen (13) units (eleven (11) one bedroom units and two (2) two bedroom units) a 45% Income Household as published by TCAC for the County; (iii) another thirty (30) units (twenty-three (23) one bedroom units and 7 two bedroom units) a 50% Income Household as published by TCAC for the County; and (iv) another ten (10) units (two (2) one bedroom units and eight (8) two bedroom units) a 60% Income Household as published by TCAC for the County. There will be one unrestricted manager's unit.

Section 23. "Regulatory Agreement" means this Regulatory Agreement and any amendments, modifications or supplements hereto. (The Authority and Developer are parties to a separate recorded Regulatory Agreement, the terms of which do not affect this Regulatory Agreement with the City.)

Section 24. "Required Affordable Units" means the [89][59] units on the Site that are restricted by this Agreement.

Section 25. "Required Covenant Period" means the period commencing on the date this Regulatory Agreement is recorded and ending at the end of the Base Period.

Section 26. "Senior Citizen Household" means a lawful senior household, in compliance with applicable fair housing laws and California Civil Code Section 51.3.

Section 27. "Senior Citizen Unit" means all units in the project except the manager's unit; all units except the manager's unit are restricted to occupancy by a Senior Citizen Household as provided under this Regulatory Agreement (Density Bonus).

Section 28. "Site" means all of the real property and appurtenances as described in the Recitals above, including all structures and other improvements thereon, and those hereafter constructed.

Section 29. "Unit" means a dwelling unit on the Site.

Section 30. "Very Low Income Households" means households that, at initial occupancy, earn no greater than the income limit for a 50% Income Household for the County as published by TCAC.

Section 31. "Very Low Income Unit" means a Unit restricted to a Very Low Income Household.

[For Phase 1 of the Two-Phase Project]:

Section 32. "45% Very Low Income Households" means households that, at initial occupancy, earn no greater than the income limit for a 45% Income Household for the County as published by TCAC.

Section 31 "45% Very Low Income Unit" means a Unit restricted to a 45% Very Low Income Household.

ARTICLE II
PERMITTED USES; DENSITY BONUS CONCESSIONS AND WAIVERS; AFFORDABLE SENIOR HOUSING RESTRICTIONS

Section 1. Permitted Uses; Land Use Incentives and Waivers.

A. *Uses*. Developer shall develop the Approved Housing Project on the Site; thereafter, the Site shall be operated as an Affordable Housing Project in compliance with this Regulatory Agreement. None of the units in the Affordable Housing Project shall at any time be utilized on a transient basis nor shall the Affordable Housing Project or any portion thereof ever be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer court or park. No part of the Site, from the date Developer acquired a leasehold interest in the Site, has been or will at any time be owned or used as a cooperative housing corporation or a community apartment project or a stock cooperative.

B. *Four Incentives*. Developer shall be entitled to the following four incentives:

(i) Exterior Storage Space. Municipal Code Section 16.16.040.C.3 requires that apartments provide a minimum of 200 cubic foot of exterior storage space. Developer may construct the Affordable Housing Project with all storage interior to the units rather than exterior.

(ii) Laundry Facilities. Municipal Code Section 16.16.040.E.3.g requires that apartments located within the R-4 Zoning District install laundry facilities, including washers and dryers, in every residential unit. Developer may construct a community laundry facility on the Site rather than individual washers and dryers in every residential unit.

(iii) Covered Parking. Table 16.52.030A of the Municipal Code requires that resident parking in the R-4 Zoning district be covered within a garage or carport; guest parking may be uncovered. Developer may construct at least [*for Single Phase Project*: 60 uncovered parking spaces and a 8 handicapped parking spaces, [*for Phase 1 of Two-Phase project*: forty (40) uncovered parking spaces and five (5) handicapped parking spaces] but the handicapped spaces must be covered by carports]. The [60][40] uncovered spaces shall be shaded by trees species as recommended by the City's Landscape Architect and planted within parking lot landscape islands and half diamond planters as approved by the Highland Planning Commission (through the Design Review process).

(iv) Masonry Wall. Municipal Code Section 16.16.040.C.13 requires the construction of a masonry wall 6 feet in height or as approved by the Highland Planning Commission and screen landscaping at least 5 feet in width where a multi-family dwelling abuts the property in a single-family district; under those standards, a masonry wall would be required along the eastern and southern property lines and partially along the western property line with screening landscaping. [for the Single Phase Project, Developer may construct a tubular steel fence, instead of a masonry wall, along such property lines.] [for Phase 1 of the Two-Phase Project, Developer may construct a tubular steel fence along the southern property line and partially along the western property line, and the easterly property line separating phases. Phase 2 of the Two-Phase Project may require vinyl type fencing along the easterly boundary line contiguous to existing single family residential uses. No masonry wall is required. Screening landscaping shall not be used in place of fencing as stipulated above.]

C *Two Waivers:* Developer shall be entitled to the following two waivers:

(i) Unit Size. Table 16.16.040.B.12 of the Municipal Code requires that one bedroom units be a minimum of 650 square feet in size and that two or more bedroom units be a minimum of 800 square feet in size. Developer may construct the one bedroom units with a size of 542 square feet and the two-bedroom with a size of 798 square feet.

(ii) Private Open Space. Municipal Code Section 16.16.040.E.3.d requires each dwelling unit have a minimum of 150 square feet of private open space with a minimum dimension of 10 feet. Developer may construct and operate the Affordable Housing Project so that all the open space shall be common open space available to be shared by all residents, rather than private open space in the form of a common interior multi-purpose room and outdoor plaza. [*For the Single Phase project only:* Developer shall provide a small seating area near the single-story units front doors for one or two all-weather chairs] [*Note: no single story residential units in the Phase 1 of the Two-Phase Project]*]

D. *Parking:*

Table 16.52.030 of the Municipal Code requires that senior housing projects located in the R-4 Zoning District provide one space per unit and 0.25 spaces per unit for guest parking. [Based on the 90 units that will be constructed, the development is required to provide 113 parking spaces.] [Based on the 60 units that will be constructed, the development is required to provide 75 parking spaces].

Government Code section 65915(p)(3) provides that if a development meets the criteria set forth in Government Code section 65915(b)(1)(G)(B) then the development does not need to provide any parking if it is a for-rent housing development for individuals who are 55 years of age or older that complies with Sections 51.2 and 51.3 of the Civil Code and the development has either paratransit service or unobstructed access, within one-half mile, to fixed bus route service that operates at least eight times per day.

The development meets the criteria of Government Code section 65915(b)(1)(G)(B), such that Developer is not required to provide any parking for the Affordable Housing Project; nevertheless, Developer has agreed (and does hereby agree) to construct the parking spaces described in Section 1B(iii).

Section 2. Affordable Senior Housing Restrictions.

In exchange for the foregoing incentives, waivers and agreements:

Number of Units. During the Base Period, the Required Affordable Units shall be rented to households at the Prescribed Income Levels at Affordable Rent. All of the Units, except the manager's unit, shall be Senior Citizen Units.

At such time as a tenant ceases to qualify as an Extremely Low Income Household, Very Low Income Household, or Low Income Household, [*for Phase 1 of the Two Phase Project*, a 45% Very Low Income Household] as applicable, Developer shall hold the next available unit of the same unit size as a unit available only to an Extremely Low Income Unit, Very Low Income Unit, or Low Income Unit, [*for Phase 1 of the Two Phase Project*, a 45% Very Low Income Household] as applicable, except that if more than one tenant of a Required Affordable Unit ceases to qualify, those tenants who are occupants of Extremely Low Income Units shall have priority for the next available unit(s).

Except to the extent prohibited by federal law or other regulatory agreements applicable to the property, in the event a household's income initially complies with the corresponding income restriction for an Extremely Low Income Household, Very Low Income Household, or Low Income Household, [*for Phase 1 of the Two Phase Project*, a 45% Very Low Income Household], but the income of such household increases, such increase shall not be deemed to result in a violation of the restrictions of this Regulatory Agreement concerning limitations upon income of occupants, but Developer must comply with the previous paragraph.

Duration of Housing Restrictions. The Required Affordable Units shall be available to and occupied by Extremely Low Income Households, Very Low Income Households, and Low Income Households, [*for Phase 1 of the Two Phase Project*, a 45% Very Low Income Household] at Affordable Rent throughout the Required Covenant Period. All tenants residing in any Unit for which rents are limited by virtue of this Regulatory Agreement or pursuant to other regulation during the last two (2) Years of the Required Covenant Period shall be given notice by Developer at least once every

six (6) months prior to the expiration date of this requirement, that the rent payable on such Unit may be raised to a market rate rent at the end of the Required Covenant Period.

Senior Housing Restriction: Occupancy of all of the Required Affordable Units shall be restricted to lawful senior housing and shall comply with California Civil Code Section 51.3.

Selection of Tenants. As specified below, Developer shall demonstrate to City that the proposed tenants of each of the Required Affordable Units constitutes an Extremely Low Income Household, Very Low Income Household, or Low Income Household [*for Phase 1 of the Two Phase Project*, a 45% Very Low Income Household]. Prior to the rental or lease of an Required Affordable Unit, Developer shall require the tenant to execute a written lease and to complete an Income Verification certifying that the tenant(s) occupying the Required Affordable Unit is/are a lawful senior household and an Extremely Low Income Household, Very Low Income Household, or Low Income Household [*for Phase 1 of the Two Phase Project*, a 45% Very Low Income Household], and meet(s) the eligibility requirements established for the Required Affordable Unit. Developer shall verify the income of the tenant(s).

Determination of Affordable Rent for the Affordable Units. The Affordable units shall be rented at not more than Affordable Rent, as defined herein.

Section 3. Developer Reporting and Records; Tenant Verification.

In satisfying the reporting and verification obligations under this Agreement, Developer may in part use the verification forms attached as exhibits to the separate Regulatory Agreement (Phase 1 Grant Funds) entered into between Developer and the Highland Housing Authority.

Income Verification and Certification. Developer will obtain and maintain on file an Income Verification from each tenant for every Required Affordable Unit on the Site dated immediately prior to the initial occupancy of such tenant in the Rental Project.

On that June 15 which first follows commencement of the Improvements and annually thereafter, Developer shall file with City or its designee a Certificate, containing all information required pursuant to Health and Safety Code Section 33418, in a form prescribed by City. Each Certificate shall cover the immediately preceding fiscal year.

Developer shall maintain on file throughout the Required Covenant Period each tenant's executed lease and Income Verification and rental records for the Required Affordable Units. Developer shall maintain complete and accurate records and will permit any duly authorized representative of City to inspect the books and records of Developer pertaining to the Required Affordable Units. Developer shall prepare and submit to City annually commencing the June 15 first following the recording of the Memorandum of Ground Lease and continuing throughout the Required Covenant Period, a Certificate of Continuing Program Compliance. Such documentation shall state for each Affordable Rental Unit the number of bedrooms, the rental amount, the number of occupants, and the income of the occupants and any other information which may be used to determined compliance with the terms of this Regulatory Agreement.

As part of its annual report, at City's request, but not less frequently than prior to each initial and subsequent rental of each Required Affordable Unit to a new tenant household (but not lease

renewals) and annually thereafter, Developer shall also provide to City completed income computation, asset evaluation, and certification forms, for any such tenant or tenants, in substantially the form provided by City from time to time. Developer shall obtain an annual certification from each household of each Unit demonstrating that such household is an Extremely Low Income Household, Very Low Income Household, or Low Income Household [*for Phase 1 of the Two Phase Project*, a 45% Very Low Income Household], as applicable, and meets the eligibility requirements established for each such Required Affordable Unit.

Developer shall submit to City any and all tenant income and occupancy certifications and supporting documentation required to be submitted to the Authority and/or TCAC; provided, City may request (and Developer shall provide) additional documentation to assist City's evaluation of Developer's compliance with this Agreement, if determined to be necessary in the reasonable discretion of the City Manager, specifically including (without limitation) any documentation or additional certifications that may be necessary to verify compliance with all requirements from all funding sources, and each tenant's status as to each Required Affordable Unit as a lawful senior household. The City's election to monitor some, but not all, of the Affordable Housing Units shall not constitute a waiver of the City's right to monitor and enforce compliance with respect to all Affordable Housing Units in the future.

Verification of Income of New and Continuing Tenants. Gross income calculations for prospective (and continuing) tenants shall be determined in accordance with 25 Cal. Code Regs. Section 6914, as applicable. Developer shall verify the income and information provided in the income certification of the proposed tenant as set forth below.

(a) Developer shall verify the income of each proposed tenant of the Affordable Housing Project and by at least one of the following methods as appropriate to the proposed tenant:

(i) obtain two (2) paycheck stubs from the person's two (2) most recent pay periods;

(ii) obtain a true copy of an income tax return from the person for the most recent tax year in which a return was filed;

(iii) obtain an income verification certification from the employer of the person;

(iv) obtain an income verification certification from the Social Security Administration and/or the California Department of Social Services if the person receives assistance from such agencies;

(v) obtain an alternate form of income verification reasonably requested by Authority, if none of the above forms of verification is available to Developer; or

(vi) as to the Required Affordable Units obtain verification and supporting documentation of the household as a lawful senior household.

Verification Regarding Eligibility of New Tenants. Developer shall retain documentation regarding the eligibility of each new tenant household.

Section 4. Nondiscrimination.

Developer shall refrain from restricting the rental, sale or lease of the Site, or any portion thereof, on the basis of race, color, creed, religion, sex, marital status, national origin or ancestry of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(1) In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

(2) In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

"That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

(3) In contracts: "There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this Agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

The covenants established in this Agreement and the deeds, if any, for conveyance for the Site shall, without regard to technical classification and designation, be binding for the benefit and in favor of City. The covenants against discrimination as set forth in this Section 4 shall remain in effect in perpetuity.

ARTICLE III

ENFORCEMENT

Section 1. Remedies. Breach of the covenants contained in this Agreement may be enjoined, abated or remedied by appropriate legal proceeding by City. This Agreement does not in any way infringe on the right or duties of the City to enforce any of the provisions of the City Code including, but not limited to, the abatement of dangerous buildings.

Section 2. Nuisance. The result of every act or omission whereby any of the covenants contained in this Agreement are violated in whole or in part is hereby declared to be and constitutes a nuisance, and every remedy allowable at law or equity, against a nuisance, either public or private, shall be applicable against every such result and may be exercised by any owner or its successors in interest, without derogation of City's rights under law.

Section 3. Right of Entry. In addition to the above general rights of enforcement, City shall have the right through its agents and employees, to enter upon any part of the Site for the purpose of enforcing the California Vehicle Code, and the ordinances and other regulations of City, and for maintenance and/or repair of any or all publicly owned utilities. In addition, City has the right of entry at reasonable hours and upon and after reasonable attempts to contact Developer, on any lot to effect emergency repairs or maintenance which Developer has failed to perform.

Section 4. Costs of Repair. The costs borne by City for repairs or maintenance, emergency and/or non-emergency, shall become a charge for which Developer shall be responsible.

Section 5. Cumulative Remedies. The remedies herein provided for breach of the covenants contained in this Agreement shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

Section 6. Failure to Enforce. The failure to enforce any of the covenants contained in this Agreement shall not constitute a waiver of the right to enforce the same thereafter.

Section 7. Enforcement and Nonliability. The City may from time to time make such efforts, if any, as it shall deem appropriate enforce and/or assist in enforcing this Agreement. However, City will not be subject to any liability for failure to affirmatively enforce any provision of this Agreement.

ARTICLE IV
GENERAL PROVISIONS

Section 1. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in all force and effect.

Section 2. Term. This Agreement shall run with and bind the interest of Developer in the Site, and shall bind the owner(s) of all or any portion of or interests in said interest, and shall be enforceable by City, for a term equal to the Ground Lease, provided; however, that the covenants regarding nondiscrimination set forth in Section 4 of Article II of this Agreement shall remain in effect for perpetuity.

Section 3. Construction. The provisions of this Agreement shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of senior rental housing available at Affordable Rent for Extremely Low Income Households, Very Low Income Households, and Low Income Households [*for Phase 1 of the Two Phase Project*, a 45% Very Low Income Household] at Affordable Rent.

Section 4. Amendments. This Agreement may be amended only by the written agreement of Developer and City.

Section 5. Notices. Any notice permitted or required to be delivered as provided herein to Developer shall be in writing and may be delivered by certified mail or reputable overnight delivery service. Notice to City shall addressed to the City Manager at 27215 Base Line, Highland, California 92346. Notice to Developer shall be addressed to Wakeland Highland, L.P., a California limited partnership, 1230 Columbia St., Suite 950, San Diego, California 92101. Notices by overnight delivery shall be deemed delivered on the next business day after delivery to the messenger service; notices by certified mail shall be delivered on the date of delivery or inability to deliver/refusal to accept shown on the return receipt. Such addresses may be changed from time to time by notice in writing.

A copy of all notices to Developer will be provided to Developer's investor limited partner. Developer shall provide the City Manager with the name and address of the Developer's investor limited partner. The investor limited partner will have the same notice and cure rights as Developer hereunder, provided that the Developer's investor limited partner will be provided with an additional 30 days cure period beyond that provided to Developer. A cure by investor limited partner will be deemed to be a cure by Developer.

Section 6. Time of Essence. Time is of the essence of every provision hereof in which time is a factor.

CITY OF HIGHLAND,
a municipal corporation

By: _____
Carlos Zamano, City Manager

WAKELAND HIGHLAND LP,
a California limited partnership

By: WAKELAND HIGHLAND LLC,
a California limited liability corporation,
its managing general partner

By: _____
Rebecca Louie
President and Chief Executive Officer

EXHIBIT "A"

LEGAL DESCRIPTION OF THE SITE

[If the Developer elects to construct a Two-Phase Project, this legal description will be updated accordingly]

The real property in the City of Highland, County of San Bernardino, State of California, described as follows:

The real property in the City of Highland, County of San Bernardino, State of California, described as follows:

Parcel A:

ALL THAT PORTION OF THE SOUTHWEST ¼ OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SECTION 5, TOWNSHIP 1 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF HIGHLAND, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT IN THE WEST LINE OF THE NORTHEAST ¼ OF SECTION 5, WHICH IS SOUTH 0^0 05' WEST 116.1 FEET FROM THE NORTHWEST ¼ CORNER OF THE SOUTHWEST ¼ OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 5;

THENCE SOUTH 0^0 05' WEST ALONG THE WEST LINE OF SAID NORTHEAST ¼ OF SAID SECTION, 120 FEET;

THEN SOUTH 89^0 59' 30" EAST 660.5 FEET, MORE OR LESS, TO THE EAST LINE OF THE SOUTHWEST ¼ OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION;

THENCE NORTH 0^0 02' 30" EAST ALONG THE EAST LINE OF THE SOUTHWEST ¼ OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 120 FEET TO A POINT WHICH IS SOUTH 89^0 59' 30" EAST FROM THE POINT OF BEGINNING;

THENCE NORTH 89^0 59' 30" WEST 660.5 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

SAVING AND EXCEPTING THEREFROM THE WEST 1 ½ RODS THEREOF INCLUDED IN CENTRAL AVENUE.

APN 1192-431-04-0000

Parcel B:

THAT PORTION OF THE WEST HALF OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SECTION 5, TOWNSHIP 1 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF HIGHLAND, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE WEST LINE OF THE NORTHEAST ¼ OF SECTION 5, WHICH POINT IS SOUTH 0^0 05' WEST 236.79 FEET FROM THE NORTHWEST CORNER OF SOUTHWEST ¼ OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 5, SAID POINT BEING THE SOUTHWEST CORNER OF PARCEL NO. 1 DESCRIBED IN DEED TO A.L. ABBOTT, ET UX, RECORDED IN BOOK 2193 PAGE 325, OFFICIAL RECORDS AND BEING MARKED BY SURVEYOR'S STAKE L.S. 2345;

THENCE CONTINUING SOUTH 0^0 05' WEST 136.14 FEET TO THE NORTH LINE OF PARCEL NO. 2 DESCRIBED IN DEED TO LAWRENCE B. NELSON, ET UX, RECORDED IN BOOK 2656 PAGE 193 OFFICIAL RECORDS;

THENCE EAST ALONG THE NORTH LINE OF THE NELSON PROPERTY TO A POINT IN THE EAST LINE OF THE SOUTHWEST ¼ OF THE NORTHWEST ¼ OF THE NORTHEAST ¼ OF SECTION 5, WHICH POINT IS SOUTH 136.6 FEET FROM THE SOUTHEAST CORNER OF THE A.L. ABBOTT PARCEL ABOVE REFERRED TO;

THENCE NORTH ALONG THE EAST LINE OF THE SOUTHWEST ¼ OF THE NORTHWEST ¼ OF THE NORTHEAST ¼, 136.6 FEET TO A SURVEYOR'S STAKE L.S. 2345, SAID STAKE MARKING THE SOUTHEAST CORNER OF SAID A.L. ABBOTT PROPERTY;

THENCE NORTH 89^0 59' 30" WEST 660.5 FEET MORE OR LESS TO THE POINT OF BEGINNING.

EXCEPTING THE WEST 1 ½ RODS THEREOF INCLUDED IN CENTRAL AVENUE.

APN 1192-431-05-0000

EXHIBIT "B"

MAP OF THE SITE

(Attached.)

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1628\31\4105128.2

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____ , Notary Public,
(Print Name of Notary Public)

personally appeared _____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:_____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title Or Type Of Document

_____
Number Of Pages

_____
Date Of Documents

_____
Signer(s) Other Than Named Above

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11026-0001\3222116v2.doc
1628\31\4105128.2

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____ , Notary Public,
(Print Name of Notary Public)

personally appeared

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:_____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title Or Type Of Document

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Number Of Pages

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Date Of Documents

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Signer(s) Other Than Named Above

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____ , Notary Public,
(Print Name of Notary Public)

personally appeared

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:_____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

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Number Of Pages

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Date Of Documents

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Signer(s) Other Than Named Above

ATTACHMENT NO. 14

FORMS OF GRANT AGREEMENT, LOAN AGREEMENT AND PROMISSORY NOTE

(Attached.)

GRANT AGREEMENT

THIS AGREEMENT (the "**Agreement**") is made as of this _____ day of _____, 202_, by and among WAKELAND HOUSING AND DEVELOPMENT CORPORATION, a California nonprofit public benefit corporation (the "**Grantee**" or "**Wakeland**"), the HIGHLAND HOUSING AUTHORITY, a public body, corporate and politic (the "**Grantor**" or "**Authority**"), and the CITY OF HIGHLAND, a municipal corporation (the "**City**").

RECITALS

A. Grantor, City and Wakeland Highland LP a California limited partnership ("**Developer**" or "**Owner**") have entered into that certain agreement entitled "Amended and Restated Disposition and Development/Affordable Housing Agreement" dated as of March 10, 2026 (the "**AHA**"). A copy of this AHA is on file with the Grantor as a public record. Capitalized terms not defined herein shall have the respective meanings established therefor in the AHA. Grantee has been provided with and has reviewed the provisions of the AHA.

B. The AHA provides for Developer to develop improvements to certain real property defined therein as the "Site", including without limitation the construction of housing units and related infrastructure facilities on those portions of the Site described in the AHA as well as the operation of affordable rental housing under a ground lease, all as more particularly set forth in the AHA. Under the terms of this Agreement, Authority will release certain moneys up to the maximum amount of Four Million Five Hundred Seventy-Seven Thousand Four Hundred Fifty Dollars ($4,577,450.00) (the "**Authority Amount"**), which is to be used to defray certain costs of developing the Phase 1 Improvements (as that term is defined in the AHA). The release of any such moneys shall be subject to the prior satisfaction of various conditions precedent and consent of Authority as more fully set forth in this Agreement.

With respect to any moneys released by Authority to Wakeland, Wakeland shall disburse such moneys to Developer as a loan pursuant to a Loan Agreement between Wakeland and Developer (the "Loan Agreement") and a Promissory Note by Developer to Wakeland ("Promissory Note"). At Wakeland's option, such loan may be unsecured, or may be secured by a subordinate deed of trust on the Site and Improvements ("Subordinate Deed of Trust"), to pay for costs of developing the Improvements in strict compliance with the AHA. Wakeland shall and further provided that Wakeland execute and deliver this Agreement to Authority; but for assurance of the execution and delivery of this Agreement, Authority would not have agreed to such an arrangement regarding the disbursement of money. Wakeland is a sophisticated party with substantial experience in the financing, development and operation of affordable rental housing projects in California. Those moneys which are to be disbursed at the direction of Authority under the AHA are referred to herein as the "**Grant Moneys**" or the "**Grant**" for purposes of this Agreement.

C. Owner (Developer) is or shall be the owner of those improvements to be developed on the Site under the AHA.

D. Subject to the terms and conditions as set forth herein, as well as the AHA, Grantor wishes to grant, and Grantee wishes to accept the Grant Moneys so that Grantee may loan them to Owner for Phase 1 (the "**Project**") .

NOW, THEREFORE, Grantor and Grantee agree as follows:

1. GRANT. Grantor and City agree to grant to Grantee, and Grantee agrees to receive the proceeds of the Grant subject to the following terms and conditions:

1.1 Grantee agrees to disburse the proceeds of the Grant to Owner promptly upon release of such moneys by Authority to Grantee.

1.2 Grantee agrees to not allow Owner to use the proceeds of the Grant in a manner or for purposes other than the acquisition and development of the Project.

The term of this Agreement will terminate upon completion of construction of the Improvements.

2. DISBURSEMENTS. Grantor agrees to disburse all of the Grant Moneys to Grantee in a single disbursement upon closing of the primary construction financing of the Improvements upon Grantor's receipt of a written draw request signed by both Grantee and Developer and which includes:

(a) a representation that no default by Developer under the Ground Lease has occurred;

(b) reasonable evidence of the costs to be paid with the funds (such as invoices) in an amount that do not exceed the Project costs in the budget that were to be paid with those Grant Moneys;

(c) appropriate conditional mechanics lien waivers from contractors/subcontractors to be paid with the draw.

The Grant Moneys shall not exceed the Authority Amount, and no moneys will be disbursed to Grantee by the City (as the City has deposited with Authority any City funds that are to be used). Upon receipt and verification that Grantee and Developer have satisfied the conditions of (a) through (c) above, Grantor shall immediately disburse the Grant Moneys to Owner under the Loan Agreement. Grantee shall ensure that Owner uses such disbursed Grant Moneys only for purposes in connection with the payment of costs and expenses incurred in connection with the development of the Project, which costs may include, but shall not be limited to, design and engineering costs, permit fees, legal fees, fees and costs incurred in connection with the financing of the Project, and construction costs (collectively, "**Eligible Uses**").

3. REPRESENTATION AND WARRANTY. Wakeland represents and warrants to each of Authority and City that any moneys disbursed to Wakeland by Authority shall be applied immediately upon receipt only to defray the cost of development of housing improvements on the Site (or payment to an institutional lender of amounts previously expended for such purpose), which may include supporting infrastructure, in strict conformity with the AHA.

4. INDEMNIFICATION. Grantee covenants that Grantee shall defend, indemnify and hold harmless each of Grantor, City and their respective officers, trustees, agents, elected officials, and employees (the "Indemnitees"), from and against any and all claims, losses, costs, damages, or liabilities of any kind or nature, whether direct or indirect, arising from or relating to the grant of the Grant proceeds described herein or the use of Grant proceeds by Grantee, Developer or any other entity,

as well as any other claim, loss, suit, or demand which may arise with respect to this Agreement or the subject matter hereof.

5. GRANTEE'S DEFAULT AND RIGHT TO CURE. Failure by Grantee to immediately disburse to Owner Grant Moneys received from Grantor or to cause the expenditure of such Grant Moneys in compliance with the terms hereof shall be a default hereunder. Upon receipt of written notice from Grantor of such default Grantee shall have thirty (30) calendar days from the receipt of such notice to cure such default (except in the case of a default because of failure to disburse Grant Moneys to Owner in which case the period shall be five (5) calendar days) provided, however, that so long as Grantee has commenced to cure within such time, then Grantee shall have a reasonable period thereafter (but not to exceed 120 days) within which to fully cure the default.

6. GRANTOR'S REMEDIES. Should Grantee fail to cure a default under this Agreement pursuant to Section 5 above, in addition to other rights and remedies permitted by the Agreement or applicable law, Grantor may choose in its sole discretion to proceed with any or all of the following remedies in any order or combination:

6.1 Bring an action in equitable relief (1) seeking the specific performance by Grantee of the terms and conditions of this Agreement, and/or (2) enjoining, abating, or preventing any violation of said terms and conditions, and/or (3) seeking declaratory relief;

6.2 Bring an action for return of any Grant Moneys disbursed to Grantee that Grantee has not used pursuant to the terms of this Agreement;

6.3 Terminate this Agreement and cease to disburse Grant Moneys;

6.4 Pursue any other remedy allowed at law or in equity; or

6.5 Pursue any other remedy allowed under the AHA and/or this Agreement.

7. GOVERNING LAW. This Agreement shall be interpreted under and governed by the laws of the State of California consistent with the overriding principle that the moneys disbursed by Authority under the AHA and as described in this Agreement shall be used only as disbursements to Developer and shall thereupon be exclusively used for the development of the Improvements as affordable rental housing units.

8. NO WAIVER. Any waiver by Grantor, City or Grantee of any obligation in this Agreement must be in writing. No waiver shall be implied from any failure of Grantor, City or Grantee to take, or any delay or failure by Grantor or City to take action on any default by Grantee or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to Grantee to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligations under this Agreement. Consent by Grantor and City or Grantee to any act or omission by the other party shall not be construed to be consent to any other act or omission or to waive the requirement for Grantor, City or Grantee's written consent to future waivers.

9. NOTICES. All notices, requests and demands given to or made upon the respective parties shall be deemed to have been given or made when upon deposit with any overnight delivery

service, or three (3) days after deposit with certified mail, return receipt requested, and addressed as follows:

Grantee:	Wakeland Housing and Development Corporation 1230 Columbia St., Suite 950 San Diego, California 92101 Attention: Rebecca Louie
With a copy to:	Goldfarb & Lipman LLP 1300 Clay Street, 11th Floor Oakland, CA 94162 Attn: Heather Gould Telephone: (510) 836-6336 Email: hgould@goldfarblipman.com
Grantor:	Highland Housing Authority 27215 Base Line Highland, California 92346 Attention: Executive Director
City:	City of Highland 27215 Base Line Highland, California 92346 Attention: City Manager
With a copy to:	Richards, Watson & Gershon 350 S. Grand Avenue 37 Floor Attn: Maricela Marroquin Telephone: (213) 253-0270 Email: mmarroquin@rwglaw.com

10. BINDING UPON SUCCESSORS. All provisions of this Agreement shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors-in-interest, transferees, and assigns of each of the parties; provided, however, that this section does not waive the prohibition on assignment of this Agreement by Grantee without Grantor's consent. The term "Grantee" as used in this Agreement shall include all assigns, successors-in-interest, and transferees of Grantee.

11. RELATIONSHIP OF PARTIES. The relationship of Grantee, City, and Grantor under this Agreement is and shall remain solely that of a grantor and grantee under a grant agreement and shall not be construed as a joint venture, equity venture, partnership, or any other relationship. Neither City nor Grantor undertakes nor assumes any responsibility or duty to Grantee (except as provided herein) or to any third party with respect to the matters described herein. Grantee shall have no authority to act as an agent of Grantor or City or to bind Grantor or City to any obligation. The relationship of the parties to this Agreement does not affect the relationship of the parties to the AHA.

12. NO THIRD PARTY BENEFICIARIES. There shall be no third party beneficiaries of this Agreement.

13. AMENDMENTS AND MODIFICATIONS. Any amendments or modifications to this Agreement or to the Loan Agreement, Promissory Note or Deed of trust must be in writing, and amendments to this Agreement shall be effective only if executed by each of City, Grantee and Grantor, while amendments to the Loan Agreement, Promissory Note or Deed of Trust shall be effective only if executed by Grantee and Owner (Developer), and approved by City in writing in advance.

14. TIME. Time is of the essence in this Agreement.

15. SEVERABILITY. If any provision of this Agreement shall be held invalid, illegal or unenforceable by a court of competent jurisdiction, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired by such holding.

16. EXECUTION OF COUNTERPARTS. This Agreement may be simultaneously executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument; provided, however, that only the counterpart delivered to the Grantor shall be deemed the original.

SIGNATURE PAGE IS THE NEXT PAGE

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year first hereinabove written.

GRANTOR:

HIGHLAND HOUSING AUTHORITY,
a public body, corporate and politic

By: _____
Name: _____
Title: _____

CITY:

CITY OF HIGHLAND,
a municipal corporation

By: _____
Name: _____
Title: _____

GRANTEE:

WAKELAND HOUSING AND DEVELOPMENT CORPORATION,
a California nonprofit public benefit corporation

By: _____
Rebecca Louie
President & CEO

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____ , Notary Public,
(Print Name of Notary Public)

personally appeared _____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:_____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

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DESCRIPTION OF ATTACHED DOCUMENT

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Number Of Pages

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STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____ , Notary Public,
(Print Name of Notary Public)

personally appeared _____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Signature of Notary Public

OPTIONAL

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☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:_____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

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LOAN AGREEMENT

(Wakeland Highland)
(Authority Grant
Phase 1)

THIS LOAN AGREEMENT (this "**Agreement**") is entered into as of _____, 202__, by and among [WAKELAND HIGHLAND LP, a California limited partnership] (the "**Borrower**"), and WAKELAND HOUSING AND DEVELOPMENT CORPORATION, a California nonprofit public benefit corporation (the "**Lender**") (each, a "**Party**," and collectively, the "**Parties**").

RECITALS

A. The Highland Housing Authority, a public body, corporate and politic (the "**Authority**") owns that certain real property located in the City of Highland, California, as more particularly described in Exhibit A, attached hereto (the "**Phase 1 Site**").

B. The Authority, the City of Highland, a municipal corporation (the "**City**"), and the Borrower have entered into that certain Amended and Restated Disposition and Development/Affordable Housing Agreement dated as of _____, 2025 (the "**AHA**"). A copy of the AHA is on file with the Authority as a public record. Capitalized terms not defined herein shall have the respective meanings established therefor in the AHA.

C. Under that certain Ground Lease dated _____, the Authority has transferred to Borrower a leasehold interest in the Phase 1 Site, whereupon Borrower shall develop certain improvements pursuant the AHA, including without limitation the construction of housing units and related infrastructure facilities on those portions of the Phase 1 Site described in the AHA (collectively, the "**Phase 1 Improvements**" or the "**Project**"). Borrower is or shall be the owner of those improvements to be developed on the Phase 1 Site under the AHA.

D. The Authority is releasing certain moneys to the Lender, up to the maximum amount of Four Million Five Hundred Seventy-Seven Thousand Four Hundred Fifty Dollars ($4,577,450.00) (the "**Authority Amount**"), which shall be used to defray costs of the development and construction of the Phase 1 Improvements described as "**Eligible Uses**" in Section 2 of the Grant Agreement. The release of any such moneys shall be subject to the prior satisfaction of the conditions precedent and consent of the Authority as more fully set forth in Section 3.1 of the AHA and Section 2 of the Grant Agreement. Those moneys which are to be disbursed at the direction of the Authority under the AHA are referred to herein as the "**Funds**" for purposes of this Agreement.

E. Pursuant to that certain Grant Agreement (Phase 1) by and between Lender, and the Authority, dated _____ 2026 (the "**Grant Agreement**"), the Authority is granting the Funds to the Lender and the Lender shall be designated a payee of the Funds.

F. The Lender desires to loan, and the Borrower desires to borrow, those Funds pursuant to this Agreement for use in the development of the Phase 1 Improvements.

NOW, THEREFORE, the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND EXHIBITS

Section 1.1 Definitions.

The following capitalized terms have the meanings set forth in this Section 1.1 wherever used in this Agreement, unless otherwise provided:

(a) "**Agreement**" shall mean this Loan Agreement.

(b) "**AHA**" shall have the meaning set forth in Recital B of this Agreement.

(c) "**AHA Documents**" shall mean the AHA, and, if applicable, all other documents entered into by Lender, an affiliate thereof, or the Borrower and Authority related to the Project and the Funds.

(d) "**Borrower**" shall mean Wakeland Highland LP, a California limited Partnership.

(e) "**City**" shall mean the City of Highland, California.

(f) "**Deed of Trust**" shall mean the Deed of Trust and Security Agreement by the Borrower in favor of the Lender, which will be entered into upon acquisition of the Phase 1 Site by the Borrower, if required by Lender.

(g) "**Default**" shall have the meaning set forth in Section 3.1 of this Agreement.

(h) "**Draw Request**" shall have the meaning set forth in Section 2.7(a)(1) of

this Agreement.

(i) "**Eligible Uses**" shall have the meaning set forth in Recital D of this Agreement.

(j) "**Funds**" shall have the meaning set forth in Recital D of this Agreement.

(k) "**Grant Agreement**" shall have the meaning set forth in Recital E of this Agreement.

(l) "**Phase 1 Improvements**" shall have the meaning set forth in Recital C of this Agreement.

(m) "**Investor Limited Partner**" shall have the meaning set forth in Section 4.4 of this Agreement.

(n) "**Lender**" shall mean Wakeland Housing and Development Corporation, a California nonprofit public benefit corporation.

(o) "**Loan**" shall mean the loan from the Lender to the Borrower in the approximate amount of $4,577,450.

(p) "**Loan Documents**" shall mean this Agreement, the Note, [and the Deed of Trust].

(q) "**General Partner**" shall mean [Wakeland Highland LLC, a California limited liability company].

(r) "**Note**" shall mean the promissory note that will evidence the obligation of the Borrower to repay the Loan to the Lender, dated of even date herewith.

(s) "**Project**" shall have the meaning set forth in Recital C of this Agreement.

(t) "**Phase 1 Site**" shall have the meaning set forth in Recital A of this Agreement.

(u) "**Specific Performance**" shall mean mandamus or other suit, action or proceeding at law or in equity to require a Party to perform its obligations and covenants under the Loan Documents or to enjoin acts on things which may be unlawful or in violation of the provisions of the Loan Documents or the AHA Documents.

(v) "**Term**" shall have the meaning set forth in Section 2.5 of this Agreement.

Section 1.2 Exhibits.

The following exhibits are attached to this Agreement and incorporated into this Agreement by this reference:

Exhibit A: Legal Description of the Phase 1 Site.

ARTICLE 2

LOAN PROVISIONS

Section 2.1 Loan.

The Lender shall loan to the Borrower the Loan in the principal amount of up to $4,577,450.00, for the purposes set forth in Section 2.6 of this Agreement. The obligation to repay the Loan shall be evidenced by the Note.

Section 2.2 Interest.

(a) The outstanding principal balance of the Loan shall not bear interest.

(b) In the event of Default, interest shall accrue on the outstanding principal, as of the date of Default (following the expiration of applicable notice and cure periods), and continuing until such time as the Loan funds are repaid in full or the Default is cured, at the default rate of the lesser of ten and No/100ths percent (10.00%), compounded annually, or the highest rate permitted by law.

Section 2.3 Repayment of the Loan.

The Loan shall be repaid in accordance with the Note.

Section 2.4 Recourse.

The Loan shall be recourse to the Borrower [*Borrower and Lender may agree prior to closing to make the Loan secured, non-recourse debt I which case the loan documents will be appropriately revised]*.

Section 2.5 Term.

The Term of this Agreement shall commence on the date of this Agreement and continue for fifty-five years from the date of the closing of the construction financing for the Project, but in no event later than [*fill in the applicable date at closing*] (the "**Term**").

Section 2.6 Use of the Funds; Compliance with AHA Documents.

The Borrower shall use the Funds for Eligible Uses. The Borrower shall comply with the applicable terms of the AHA Documents and will not cause a breach under the AHA Documents or cause or permit the development and construction of the Phase 1 Improvements to cause a breach under the AHA Documents.

Section 2.7 Conditions Precedent to Disbursement.

(a) Upon satisfaction of the following conditions, the Lender shall promptly loan any of the Funds received from the Authority to the Borrower:

(1) The Borrower has delivered a request for the Funds (a "**Draw Request**") for the Eligible Uses, in a form acceptable to the Lender, identifying the amount of the Loan that the Borrower wishes to draw down. The Draw Requests for the Funds shall meet the requirements for submission to the Authority under the Grant Agreement and comply with this Agreement;

(2) The Authority has approved the Draw Request without qualification and shall permit disbursement by Lender of the Funds to the Lender and the Borrower; and

(3) There exists no Default nor any act, failure, omission or condition that would constitute an event of Default under this Agreement or the Loan Documents.

ARTICLE 3

DEFAULT AND REMEDIES

Section 3.1 Default of the Borrower.

Each of the following shall constitute a "**Default**" by the Borrower under this Agreement:

(a) Failure to Make Payment. Failure to repay the principal and any interest on the Loan within ten (10) calendar days of receipt of written notice from the Lender that such payment is due pursuant to the Loan Documents.

(b) Breach of Covenants. Failure by the Borrower to duly perform, comply with, or observe any of the conditions, terms, or covenants of any of the Loan Documents, and such failure having continued uncured for thirty (30) calendar days.

(c) Insolvency. A court having jurisdiction shall have made or entered any decree or order (i) adjudging the Borrower to be bankrupt or insolvent, (ii) approving as properly filed a petition seeking reorganization of the Borrower or seeking any arrangement for the Borrower under the bankruptcy law or any other applicable debtor's relief law or statute of the United States or any state or other jurisdiction, (iii) appointing a receiver, trustee, liquidator, or assignee of the Borrower in bankruptcy or insolvency or for any of their properties, (iv) directing the winding up or liquidation of the Borrower, if any such decree or order described in clauses (i) to (iv), inclusive, shall have continued unstayed or undischarged for a period of thirty (30) calendar days; or (v) the Borrower shall have admitted in writing its inability to pay its debts as they fall due or shall have voluntarily submitted to or filed a petition seeking any decree or order of the nature described in clauses (i) to (iv), inclusive. The occurrence of any of the events of Default in this paragraph shall act to accelerate automatically, without the need for any action by the Lender, the indebtedness evidenced by the Note.

(d) Assignment; Attachment. The Borrower shall have assigned its assets for the benefit of its creditors or suffered a sequestration or attachment of or execution on any substantial part of its property, unless the property so assigned, sequestered, attached or executed upon shall have been returned or released within ninety (90) calendar days after such event or, if sooner, prior to sale pursuant to such sequestration, attachment, or execution. The occurrence of any of the events of default in this paragraph shall act to accelerate automatically, without the need for any action by the Lender, the indebtedness evidenced by the Note.

(e) Suspension; Termination. The Borrower shall have voluntarily suspended its business.

Section 3.2 Remedies of the Lender.

The occurrence of any Default hereunder following the expiration of all applicable notice and cure periods shall, either at the option of the Lender or automatically where so specified, relieve the Lender of any obligation to make or continue the Loan and shall give the Lender the right to proceed with any and all remedies set forth in this Agreement and the Loan Documents, including but not limited to the following:

(a) Acceleration of the Note. The Lender shall have the right to cause all indebtedness of the Borrower to the Lender under this Agreement and the Note, together with any accrued interest thereon, to become immediately due and payable. The Borrower waives all right to presentment, demand, protest or notice of protest or dishonor. The Lender may proceed to

enforce payment of the indebtedness and to exercise any or all rights afforded to the Lender as a creditor and secured party under the law including the Uniform Commercial Code, [including foreclosure under the Deed of Trust]. The Borrower shall be liable to pay the Lender on demand all reasonable expenses, costs and fees (including, without limitation, reasonable attorneys' fees and expenses), paid or incurred by the Lender in connection with the collection of the Loan and the preservation, maintenance, protection, sale, or other disposition of the security given for the Loan.

(b) Specific Performance. The Lender shall have the right to Specific Performance.

Notwithstanding anything to the contrary herein, as long as the general partner of the Borrower is an affiliate of the Lender, the Lender must obtain the prior written consent of the Investor Limited Partner prior to exercising any remedies under this Agreement, the Note, [the Deed of Trust] or any other document evidencing or securing the Loan.

Section 3.3 Right of Contest.

The Borrower shall have the right to contest in good faith any claim, demand, levy, or assessment the assertion of which would constitute a Default hereunder. Any such contest shall be prosecuted diligently and in a manner unprejudicial to the Lender or the rights of the Lender in this Agreement.

Section 3.4 Remedies Cumulative.

No right, power, or remedy given to the Lender by the terms of this Agreement or the Loan Documents is intended to be exclusive of any other right, power, or remedy; and each and every such right, power, or remedy shall be cumulative and in addition to every other right, power, or remedy given to the Lender by the terms of any such instrument, or by any statute or otherwise against the Borrower and any other person. Neither the failure nor any delay on the part of the Lender to exercise any such rights and remedies shall operate as a waiver thereof, nor shall any single or partial exercise by the Lender of any such right or remedy preclude any other or further exercise of such right or remedy, or any other right or remedy.

Section 3.5 Notice and Cure Rights of Investor Limited Partner.

(a) Loan Documents. The Lender will provide the Investor Limited Partner a duplicate copy of all notices of default that the Lender may give to or serve in writing upon Borrower pursuant to the terms of the Loan Documents, at the address set forth in Section 4.8 hereof. The Investor Limited Partner shall have the right, but not the obligation, to cure any Default of the Borrower set forth in such notice, during any applicable cure period described in the Loan Documents, and the Lender will accept tender of such cure as if delivered by the Borrower. Notwithstanding anything herein to the contrary, in the event no cure period is provided for a Default under the Loan Documents, the Investor Limited Partner shall have a period of thirty (30) days to

cure any such Default following its receipt of notice in accordance with Section 4.8 hereof.

(b) AHA Documents. The Lender agrees to provide the Investor Limited Partner, at the address set forth in Section 4.8 hereof, a duplicate copy of all notices of default that the Lender may be given or served in writing pursuant to the terms of the AHA Documents. To the extent permitted by the Authority, the Investor Limited Partner shall have the right, but not the obligation, to cure any default of the Lender set forth in such notice, during any applicable cure period described in the AHA Documents. The provisions of this Section 4.2 shall survive expiration of the Term or other termination of this Agreement, and shall remain in full force and effect.

ARTICLE 4

GENERAL PROVISIONS

Section 4.1 Relationship of the Parties.

Nothing contained in this Agreement shall be interpreted or understood by any of the Parties, or by any third persons, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between the Lender and the Borrower or its agents, employees or contractors, and the Borrower shall at all times be deemed an independent contractor and shall be wholly responsible for the manner in which it or its agents, or both, perform the services required of it by the terms of this Agreement. The Borrower has and retains the right to exercise full control of employment, direction, compensation, and discharge of all persons assisting in the performance of services under this Agreement. The Borrower shall be solely responsible for all matters relating to payment of its employees, including compliance with social security, withholding, and all other laws and regulations governing such matters, and shall include requirements in each contract that contractors shall be solely responsible for similar matters relating to their employees. The Borrower shall be solely responsible for its own acts and those of its agents and employees.

Section 4.2 Indemnity.

The Borrower shall release and indemnify, defend and hold the Lender, and their respective board members, officers, representatives, agents, assigns and employees, harmless from and against any and all claims, suits, actions, losses and liability of every kind, nature and description made against it and reasonable expenses (including reasonable attorneys' fees) which arise out of or in connection with the Loan, except to the extent such claim arises from the grossly negligent or willful misconduct of the Lender. The provisions of this Section 4.2 shall survive expiration of the Term or other termination of this Agreement, and shall remain in full force and effect.

Section 4.3 No Claims.

Nothing contained in this Agreement shall create or justify any claim against the Lender by any person that the Borrower may have employed or with whom the Borrower may have contracted relative to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services with respect to the Loan.

Section 4.4 Amendments.

No alteration or variation of the terms of this Agreement shall be valid unless made in writing by the Borrower and the Lender, and any such alteration or variation must be approved in writing by the Investor Limited Partner of the Borrower, which as of the closing date is [_____], a [_____] (the "**Investor Limited Partner**").

Section 4.5 Change in Ownership.

Notwithstanding anything to the contrary in the Loan Documents, the following changes of ownership in the Borrower shall be permitted without the prior consent of the Lender: (i) the transfer of partnership interest in the Borrower by the Investor Limited Partner; (ii) the transfer of any direct or indirect ownership interests in the Investor Limited Partner; and (iii) the removal and substitution by the Investor Limited Partner of the general partner of the Borrower pursuant to the terms of the Borrower's limited partnership agreement, as the same may be amended from time to time.

Section 4.6 Non-Liability of Members, Officials, Employees and Agents of the Lender.

No member, official, employee or agent of the Lender shall be personally liable to the Borrower in the event of any default or breach by the Lender or for any amount which may become due to the Borrower or its successor or on any obligation under the terms of this Agreement.

Section 4.7 No Third-Party Beneficiaries.

There shall be no third-party beneficiaries to this Agreement.

Section 4.8 Notices, Demands and Communications.

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

The Lender: Wakeland Housing and Development Corporation
1230 Columbia Street, Suite 950 San
Diego, CA 92101
Attention: Chief Executive Officer

The Borrower: [Wakeland Highland LP]
1230 Columbia Street, Suite 950 San
Diego, CA 92101
Attention: Chief Executive Officer

With a copy to:

[Wakeland Highland LLC]
c/o Wakeland Housing and Development Corporation 1230
Columbia Street, Suite 950
San Diego, CA 92101
Attention: President

With a copy to: Goldfarb & Lipman LLP
1300 Clay Street, 11th Floor
Oakland, CA 94162
Attn: Heather Gould
Telephone: (510) 836-6336
Email: hgould@goldfarblipman.com

Investor Limited Partner: To be provided at a later date by the Borrower

With a copy to: To be provided at a later date by the Borrower

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected Party may from time to time designate by mail as provided in this Section 4.8. Receipt shall be deemed to have occurred on the date shown on a written receipt as the date of delivery or refusal of delivery (or attempted delivery if undeliverable).

Section 4.9 Applicable Law.

This Agreement shall be governed by California law.

Section 4.10 Parties Bound.

Except as otherwise limited herein, the provisions of this Agreement shall be binding upon and inure to the benefit of the Borrower and the Lender and their heirs, executors, administrators, legal representatives, successors, and assigns. Notwithstanding anything to the contrary in this Loan

Agreement, the Note,[or the Deed of Trust], the Borrower shall not sell, assign, convey, or transfer the Loan to any third party without the prior written consent of the Lender in its sole and absolute discretion.

Section 4.11 Attorneys' Fees.

If any lawsuit is commenced to enforce any of the terms of this Agreement, the prevailing Party shall have the right to recover its reasonable attorneys' fees and costs of suit from the other Party.

Section 4.12 Severability.

If any term of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the Parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

Section 4.13 Waivers.

Any waiver by the Lender of any obligation or condition in this Agreement must be in writing. No waiver shall be implied from any delay or failure by the Lender to take action on any breach or default of the Borrower or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to the Borrower to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligations under this Agreement. Consent by the Lender to any act or omission by the Borrower shall not be construed to be consent to any other or subsequent act or omission or to waive the requirement for the written consent of the Lender to future waivers.

Section 4.14 Title of Parts and Sections.

Any titles of the sections or subsections of this Agreement are inserted for convenience of reference only and shall be disregarded in interpreting any part of the provisions of this Agreement.

Section 4.15 Entire Understanding of the Parties.

This Agreement along with the Note [and the Deed of Trust], constitutes the entire understanding and agreement of the Borrower and the Lender with respect to the Loan and the Funds.

Section 4.16 Multiple Originals; Counterpart.

This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

Section 4.17 AHA Documents.

The Parties understand and agree that the provisions of this Agreement are subject to the AHA Documents and in the event of a conflict between this Agreement and the AHA Documents, the AHA Documents shall control. The Borrower shall provide documentation to the Lender evidencing compliance with the applicable requirements of the AHA Documents.

[**SIGNATURE PAGES FOLLOW**]

WHEREAS, this Agreement has been entered into by the undersigned as of the date first above written.

LENDER:

WAKELAND HOUSING AND DEVELOPMENT CORPORATION,
a California nonprofit public benefit corporation

By: _____
Rebecca Louie, President and Chief Executive Officer

BORROWER:

[WAKELAND HIGHLAND LP,
a California limited partnership

By: Wakeland Highland LLC,]
a California limited liability company, its general partner

By: Wakeland Housing and Development Corporation,
a California nonprofit public benefit corporation,
its sole member and manager

By: _____
Rebecca Louie, President and Chief Executive Officer

EXHIBIT A

LEGAL DESCRIPTION OF PHASE 1 SITE

PROMISSORY NOTE
(Wakeland Highland)

$4,577,450.00 **Highland, California**
_____, 20__

FOR VALUE RECEIVED, Wakeland Highland LP, a California limited partnership (the "**Borrower**"), promises to pay, or cause to be paid, to Wakeland Housing and Development Corporation, a California nonprofit public benefit corporation (the "**Lender**"), the principal amount of $4,577,450.00.

1. Loan Amounts. Lender is receiving certain grant moneys from the Highland Housing Authority, a public body, corporate and politics (the "**Authority**"), in the amount of $4,577,450.00 (the "**Funds**"), in connection with the development and construction of housing units and related infrastructure facilities on that certain real property located at [7433 Central Avenue], Highland, California 92346 (the "**Project**").

2. Obligation of the Borrower. This Note evidences the obligation of the Borrower to pay the Lender the principal amount of $4,577,450.00, for the Funds loaned to the Borrower from the Lender (the "**Loan**") for the development of the Project pursuant to that certain Loan Agreement by and between the Borrower and the Lender of even date herewith (the "**Loan Agreement**"). All capitalized terms not otherwise defined in this Note shall have the meanings set forth in the Loan Agreement.

3. Interest. This Note shall not bear interest.

4. Term and Repayment Requirements. The term of this Note (the "**Term**") commences with the date of this Note and expires fifty-five (55) years from the date of the closing of the construction financing for the Project, but in no event later than [*date that is 55 years after closing to be filled in at closing*]. All principal owed under this Note is due in full on the earlier to occur of: (i) the date of any Default, (ii) the expiration of the Term, and (iii) any sale, transfer, assignment, or conveyance of the Property except to an affiliate of Lender.

5. [Security]; Recourse Obligation.

(a) [*if agreed by Wakeland and Borrower:* This Note is secured by a Deed of Trust and Security Agreement (the "**Deed of Trust**"), dated of even date herewith, wherein the Borrower is the Trustor and the Lender is the Beneficiary.]

(b) The Loan shall be recourse to the Borrower [*Wakeland and Borrower may agree to make this debt secured, nonrecourse debt]*.

6. Terms of Payment.

(a) All payments due under this Note are to be paid in currency of the United States of America, which at the time of payment is lawful for the payment of public and private debts.

(b) All payments on this Note are to be paid to the Lender at 1230 Columbia Street, Suite 950, San Diego, CA 92101, Attn: Chief Executive Officer, or to such other place as the Lender may from time to time designate.

(c) All payments on this Note are without expense to the Lender, and the Borrower agrees to pay all costs and expenses, including re-conveyance fees and reasonable attorneys' fees of the Lender, incurred in connection with the payment of this Note and the release of any security hereof.

(d) There shall be no repayment of this Loan prior to maturity, except the Borrower may prepay the amounts due under this Note at any time without premium or penalty if such repayment is made from distributions from the Project.

7. Default.

(a) Any of the following constitutes an event of default under this Note (each, a "**Default**"):

(i) Any failure to pay, in full, any payment required under this Note within ten (10) calendar days of written notice that such payment is due;

(ii) Other than the failure addressed in Section 7(a)(i) of this Note, failure of the Borrower to duly perform, comply with, or observe any of the conditions, terms, or covenants of this Note and such failure having continued uncured for thirty (30) calendar days after receipt of written notice thereof from the Lender to the Borrower; and

(iii) The occurrence of any event of default under the Loan Agreement, [Deed of Trust], or other instrument securing the obligations of the Borrower under this Note or under any other promissory notes hereafter issued by the Borrower to the Lender pursuant to the Loan Documents, subject to notice and cure periods, if any, set forth therein.

(b) Upon the occurrence of a Default, the entire unpaid principal balance, and together with all other sums then payable under the Loan Documents shall at the option of the Lender become immediately due and payable upon written notice by the Lender to the Borrower without further demand.

(c) The failure to exercise the remedy set forth in Section 7(b) of this Note or

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

(d) The investor limited partner of the Borrower shall have the right, but not the obligation, to cure any Default of the Borrower during any applicable cure period described above, and the Lender shall accept tender of such cure as if delivered by the Borrower.

8. Waivers.

(a) The Borrower hereby waives diligence, presentment, protest and demand, and notice of protest, notice of demand, and notice of dishonor of this Note. The Borrower expressly agrees that this Note or any payment hereunder may be extended from time to time, and that the Lender may accept further security or release any security for this Note, all without in any way affecting the liability of the Borrower.

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

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

9. Miscellaneous Provisions.

(a) All notices to the Lender or the Borrower 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:

The Lender: Wakeland Housing and Development Corporation
1230 Columbia Street, Suite 950
San Diego, CA 92101
Attention: Chief Executive Officer

The Borrower: [Wakeland Highland LP
c/o Wakeland Housing and Development Corporation
1230 Columbia Street, Suite 950
San Diego, CA 92101
Attention: Chief Executive Officer

With a copy to: Wakeland Highland LLC

c/o Wakeland Housing and Development Corporation 1230
Columbia Street, Suite 950
San Diego, CA 92101
Attention: President]

With a copy to: Goldfarb & Lipman LLP
1300 Clay Street, 11th Floor
Oakland, CA 94162
Attn: Heather Gould
Telephone: (510) 836-6336
Email: hgould@goldfarblipman.com

With a copy to: Investor Limited Partner - Borrower shall provide this information at a later date

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected party may from time to time designate by mail as provided in this Section 9. Receipt is deemed to have occurred on the date shown on a written receipt as the date of delivery or refusal of delivery (or attempted delivery if undeliverable).

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

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

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

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

(f) This document, together with the Loan Agreement, and the [Deed of Trust], contains the entire agreement between the Lender and the Borrower as to the loan evidenced by this Note. It may not be modified except upon written consent of the parties.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed and delivered on the date set forth above.

BORROWER:

[WAKELAND HIGHLAND LP,
a California limited partnership

By: Wakeland Highland LLC,]
a California limited liability company,
its general partner

By: Wakeland Housing and Development Corporation,
a California nonprofit public benefit corporation,
its sole member and manager

By: _____
Rebecca Louie, President and Chief Executive Officer

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Staff Report
to the City Council

Agenda Item No.16.

Date: March 10, 2026

From: Carlos Zamano, City Manager

Reviewed By: Alondra Muñoz, City Clerk

Prepared By: Carlos Zamano, City Manager

Subject: Adopt Resolution No. 2026-____, Approving the Expenditure Plan for the Expenditure of Revenues in San Bernardino County Expected to be Derived from the Proposed Continuation of Measure I

Recommendation:
Adopt Resolution No. 2026-__, A Resolution of the City Council of the City of Highland, California, Approving the Expenditure Plan for the Expenditure to be derived from the Proposed Continuation of Measure I.

Fiscal Impact:
None.

Public Notice:
The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:
On February 5, 2026, the City/County Manager's Technical Advisor Committee received a presentation of the draft Measure I 3.0 Ordinance No. 26-1 and Expenditure Plan at SBCTA's Board Room. The key recommendations for the San Bernardino Valley Expenditure Plan include transitioning to three (3) programs:

1. Local Mobility 25%	2. Regional Mobility 50%	3. Operations 25%
• Local Street Improvements • Potholes • Sidewalk/Bike Lanes	• Highway Improvements • Interchanges • Bus/Rail Capital Projects	• Transit Operation • Senior/Disabled • Student/Veteran

The Measure I 3.0 Transportation Expenditure Plan, attached hereto as Exhibit "A" to the accompanying resolution, is provided in draft form for member agency review and input, and remains subject to revision prior to formal approval by the San Bernardino County

Transportation Authority Board. SBCTA requests the City Council take action on this Resolution no later than April 15, 2026.

Attachments:

1. Measure I 3.0 Resolution

RESOLUTION NO. 2026-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA, APPROVING THE EXPENDITURE PLAN FOR THE EXPENDITURE OF REVENUES IN SAN BERNARDINO COUNTY EXPECTED TO BE DERIVED FROM THE PROPOSED CONTINUATION OF MEASURE I

THE CITY COUNCIL OF THE CITY OF HIGHLAND DOES RESOLVE AS FOLLOWS:

WHEREAS, the voters of San Bernardino County passed Measure I in November 1989 and renewed it in 2004, authorizing San Bernardino Associated Governments, acting as the San Bernardino County Transportation Authority, to impose a one-half of one percent transactions and use tax for transportation improvements, applicable in the incorporated and unincorporated territory of the County of San Bernardino, through April 1, 2040, and

WHEREAS, Measure I has provided funding for numerous transportation projects, including freeways, local roads, major streets, interchanges, the Metrolink commuter train system, public buses, traffic signals, and more; and

WHEREAS, the imposition of the one-half of one percent transactions and use tax is set to expire in 2040, and

WHEREAS, San Bernardino County Transportation Authority, after engagement with private sector stakeholders and city and County representatives, has prepared an Expenditure Plan for the revenues expected to be derived from the proposed continuation of Measure I, which is anticipated to be placed on the November 3, 2026, ballot, and

WHEREAS, the proposed Expenditure Plan for the continuation of Measure I is attached hereto as Exhibit A, and

WHEREAS, if approved by the voters, the continuation of Measure I would authorize the collection of a one-half of one percent sales tax and generate an estimated $7.5 billion in its first 30 years for local transportation projects, and

WHEREAS, if approved by the voters, the continuation of Measure I would not institute a new tax, but continue the existing one-half of one percent sales tax for transportation after April 1, 2040, and

WHEREAS, revenues raised from the continuation of Measure I would remain in San Bernardino County and could not be allocated by the state or federal government, and

WHEREAS, Measure I would provide a long-term funding source to help fight traffic congestion; improve local streets, major roads and highways; and enhance San Bernardino County's economy by providing construction-related jobs, manufacturing jobs, and an effective transportation system to meet the needs of residents and the business community, and

WHEREAS, Public Utilities Code section 180206 requires that the Measure I Continuation Expenditure Plan be approved by the County Board of Supervisors and a majority of the cities representing a majority of the population residing in incorporated areas.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Highland hereby approves the Measure I Continuation Expenditure Plan developed by the Board of Directors of the San Bernardino County Transportation Authority (Exhibit A).

PASSED, ADOPTED and **ADOPTED** this 10th day of March, 2026.

_____
Penny Lilburn
Mayor

ATTEST:

_____
Alondra Muñoz, CMC
City Clerk

AS TO FORM:

_____
Maricela Marroquin
City Attorney

Staff Report
to the City Council

Agenda Item No.17.

Date:	March 10, 2026
From:	Carlos Zamano, City Manager
Reviewed By:	Melissa Morgan, Public Services Manager
Prepared By:	Carlos Zamano, City Manager
Subject:	4th of July Fireworks Event at Immanuel Baptist Church

Recommendation:
Discuss and provide direction to City Staff regarding the possibility of the City taking over the fireworks at Immanuel Baptist Church.

Fiscal Impact:
The fiscal impact associated with the 4th of July Fireworks event varies depending on the direction given by the City Council.

Public Notice:
The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:
On February 25, 2026, Pastor Chris Morgan of Immanuel Baptist Church (IBC) sent a letter to City Staff requesting the City to take the lead financial role in coordinating the 4th of July fireworks event (see attached letter). This is due to the recent passing of a close friend of the Church and donor who generously underwrote most of the cost of the fireworks' event, and as a result IBC cannot continue to serve as the primary finance lead. They are interested in separating the 4th of July event held at their property into two separate events as follows:

IBC 4th of July Community Celebration
IBC to host an event for Highland families to gather from 6:00 p.m. to 9:00 p.m. on their property. The services include food vendors, limited family seating and activities on the ballfields, and broadcasting music throughout the event. This event is anticipated to attract 5,000 to 7,000 people from the community. The Church's volunteer safety and medical teams will provide parking direction, traffic control from the campus, security on site, along with a First Aid Booth set up for minor needs. All solid waste collection services will be provided by Burrtec Waste. Restroom facilities will include portable toilets, with some handicap accessible, and handwashing stations, as well as sanitizing dispensers will be provided throughout the event. IBC will apply for a permit, pay necessary fees and provide a certificate of liability insurance.

City 4th of July Fireworks Show

The City will provide approximately 20 to 25 minutes of aerial fireworks at IBC at about 9:00 p.m. The City will contract directly with Pyro Spectaculars, Inc. (Pyro) for the fireworks show. Pyro is a professionally licensed pyrotechnic company, who will provide a full-service Sky Concert consisting of a licensed operator, an electronic firing system, choreography and design similar to previous shows, insurance coverage and delivery. Pyro is the only company that provides this service in our region. Because of the 250-year America celebration, there are no other fireworks options available. The City will continue to be responsible for the Police Department expenses, permit fee, and Public Works traffic control support. IBC will provide the same support for the City's event, eliminating the need for City staff beyond the Fire inspector. This is necessary because City staff is already committed to the 4th of July parade in the morning and fireworks enforcement operation at night. A 50% deposit is due to Pyro in April 2026. Pyro has agreed to hold this date for the City until a decision is made by the City Council. The cost for Pyro to do this event last year was $38,000. Below is a cost estimate of the fireworks show this year:

City Cost Estimate

Service	Cost
Pyro turnkey service	$40,000.00
Police Department expenses	$13,554.00
Public Works Department expenses	$2,660.00
Permit fees (Planning review by Fire Prevention, and onsite inspection)	$242.60
	Total $56,456.60

The City Council may consider one of the following options:

1. Deny the request made by IBC. They would only do the 4th of July Community Celebration without the fireworks show.
2. Accept the request from IBC to have the City serve as the primary finance lead for the fireworks show. Approve a budget adjustment to cover the full cost of approximately $56,500.
3. Variation of option 2 except directing staff to seek sponsors to help cover some of the city's cost of this event. Approve a budget adjustment of the difference not covered by sponsors, amounts to be determined.

Attachments:

1. City of Highland July 4th Request

IMMANUEL
BAPTISTCHURCH

February 25, 2026

Mr. Carlos Zamano,

We are grateful for you and for the privilege of serving alongside the City of Highland. Our church deeply loves this community and desires to be a meaningful blessing to our city in both practical and relational ways.

One of the more visible expressions of that desire has been our annual July 4th fireworks celebration. It has been a joy to host this event and to see families across Highland gather together in a safe and festive environment.

However, due to the recent passing of a dear friend and donor who generously underwrote much of the cost of this event, we no longer believe we are able to continue serving as the primary financial lead.

With that in mind, we wanted to ask whether the City of Highland might have interest in taking the lead financial role in coordinating this community celebration moving forward. We recognize and deeply appreciate the city's ongoing investment in this event, particularly through the support of police and fire services.

While we are not able to lead financially, we would still be glad to partner by hosting the event on our property and contributing in ways that remain feasible for us.

For context, last year the total cost of the event was approximately $49,000, with fireworks accounting for roughly $38,000. Additional expenses included light towers, restroom facilities, and crowd control rentals.

If this is something the city would be open to discussing, we would welcome the opportunity to meet and explore how we might continue working together to serve our community well.

It is truly a privilege to partner with you as we collectively seek the good of Highland.

Gratefully,

Pastor Chris Morgan

Immanuel Baptist Church - Highland, CA
(909)425-1777
cmorgan@ibchighland.org

Staff Report
to the City Council

Agenda Item No.18.

Date:	March 10, 2026
From:	Carlos Zamano, City Manager
Reviewed By:	Octavio Duran, Public Works Director/City Engineer
Prepared By:	Octavio Duran, Public Works Director/City Engineer
Subject:	Actions Related to the Highland/Redlands Regional Gap Connector Project

Recommendation:

1. Approve the proposal from H.W. Lochner to provide design services for the Highland/Redlands Regional Gap Connector Project in the amount of $347,296;
2. Authorize the City Manager to enter into a reimbursement agreement with the City of Redlands for costs associated with design of the project within their jurisdiction;
3. Approve a Cooperative Agreement with the San Bernardino County Transportation Authority (SBCTA) for management and delivery of the construction phase of the Highland/Redlands Regional Gap Connector Project in the amount of $417,085;
4. Authorize the City Manager to sign agreements for the project as approved by the City Attorney;
5. Authorize the City Manager to approve contract amendments up to 10% of the contract amount for contracts associated with the Project; and
6. Approve a budget adjustment in the amount of $777,184 from the DIF Unreserved/Undesignated fund balance for Regional Circulation Arterials (007-2100) to be expended from 007.8330.6550.

City Council Work Program

Fiscal Impact:
This project is included in the City's adopted Capital Improvement Program (CIP) and is a Work Program Item; however, since costs for the project were unknown, it did not include budget information. The cost associated with completion of the design is $347,296 with the Highland share being $289,446 and the City of Redlands' share being $57,850. The City Manager will enter into a reimbursement agreement with the City of Redlands. Highland's share for construction as outlined in the cooperative agreement with SBCTA is $417,085.

To account for unforeseen conditions, staff is requesting a 10% contingency on both agreements which requires an additional $70,653. The total funding required for the project is $777,184 and staff is proposing to use Development Impact Fee funds.

Public Notice:
The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:

Project History
The Highland/Redlands Regional Gap Connector Project (Project) is a regionally significant project that proposes to construct bicycle and pedestrian improvements within the cities of Highland and Redlands, generally from Citrus Valley High School in Redlands to Arroyo Verde Elementary School in Highland. These improvements would directly impact students using non-motorized transportation to access Citrus Valley High School (CVHS) with an attendance area boundary map almost entirely in the City of Highland. Currently, the only direct route to the school from Highland is via Boulder Avenue and Orange Street, which is currently a two-lane roadway with no bicycle/pedestrian facility. Upon completion of the Project, both cities will have a direct connection dedicated for pedestrian and bicycle users. In addition, the proposed facility would also provide a connection to the planned Santa Ana River Trail (SART) which terminates at the Pacific Ocean.

The Project has a long history and has been in the works since 2016 when the City received a federal grant. In 2021, the project ran into significant challenges during the permitting phase with the California Department of Fish and Wildlife (CDFW) with the state imposing 31 acres in mitigation for temporary and permanent impacts to the San Bernardino Kangaroo Rat (SBKR). The estimated cost for the environmental mitigation from CDFW was $6.5 million which was more than the estimated construction cost of $4 million. Due to this issue, the cities of Highland and Redlands were forced to forfeit the federal grant.

In an attempt to ensure the project was completed, the cities partnered with San Bernardino County Transportation Agency (SBCTA). On March 1, 2023, the SBCTA Board of Directors (Board) approved funding and splitting the Highland/Redlands Regional Connector Project into three separate projects including: Highland Regional (1.55 miles), Redlands Regional South (0.85 miles), and the Gap Project (2.85 miles). The first two phases are within each agency's sole jurisdiction and the Gap phase is entirely within the environmental sensitivity area as shown in Attachment A. Each agency agreed to complete its respective phase, while SBCTA agreed to be the lead agency for the Gap Project.

Current Status
The City of Highland and Redlands completed their respective projects last summer, 2025. In collaboration with both cities, SBCTA has been working diligently to obtain additional funding for the project and environmental clearance necessary to complete the Gap Project.

The Project was able to secure $3 million in funding from Mobile Source Air Pollution Reduction Review Committee (MSRC) funds, as approved by the South Coast Air South Coast Air Quality Management District Board in October 2025. In addition, the Project was selected to receive $2 million in Community Project Funding through fiscal year 2026 appropriations bills with support from Representative Pete Aguilar's Office. SBCTA also secured a Federal Carbon Reduction Program grant in the amount of $1.4 million to be used on the Highland portion of the project.

The Project also received its environmental permits from CDFW on February 27, 2026 which

outlines required mitigations related to the protection of the SBKR. The permit application for the Gap project took into account concerns brought up during the original project and also reduced the project impact area. With these changes, CDFW agreed to 3.26 acres of required mitigation with a cost of $1,184,486. With this milestone complete and additional funding secured, the project can now move forward with final design and construction.

Project Design

On February 14, 2017, the City Council approved a professional services contract with KOA Corporation to provide environmental and engineering design services for the Project. Three subsequent amendments were approved by the City Council, one in 2019 to increase the scope of work as a result of environmental challenges, a second to increase the term of the agreement, and the third to complete the PS&E for the Highland Regional Connector Project. At the time the project was split, the project design was not fully completed or updated to reflect the phased approach.

Although work on the Project has been ongoing, it was limited to staff time and environmental clearance efforts. Design work was put on hold until environmental permits were secured to ensure SBKR mitigation and the project's financial obligation was feasible. The City of Highland agreed to be the lead for the final design phase as it had in the past and for efficiency.

To re-initiate the phase, staff requested a proposal from H.W. Lochner (Lochner), formally KOA Corporation, to complete the final design for the Gap project. Since Lochner provided the design for the original project and has an experienced team that is familiar with transportation improvement projects, they will be able to complete the work more efficiently. The scope of work includes completion of the final project plans and specifications with the addition of hydrology, geotechnical, and structural calculation for two pedestrian/bicycle bridges. These studies had not been previously included in the project as both bridges were intended to be design-build. Designing these upfront allows for better control of construction costs. Staff reviewed the proposal and negotiated the proposed fee of $347,296, which is reasonable for this type and size of the project. The fee includes an optional task of performing high-frequency sonic boring for more accurate geotechnical findings in the amount of $37,565. It should be noted that the two bridges that are being designed account for the majority of the cost and both are fully within the City of Highland's jurisdiction.

The cost of the design is being split between the City of Highland and City of Redlands based on scope of work within each jurisdiction. The Highland share is $289,446 and the City of Redlands' share is $57,850. Highland's share is significantly higher due to the bridge designs mentioned above. A cooperative agreement is being prepared and reviewed to formalize the cost-sharing. If approved, the City would target completing design by July 2026.

Cooperative Agreement

SBCTA has agreed to be the lead agency in the construction phase and a cooperative agreement was prepared which defines roles, responsibilities, and funding responsibilities between each agency. SBCTA will provide project management services during the construction phase, including securing a construction management firm and a contractor to complete the work. Each City will be responsible to pay its share of the actual SBCTA project management costs, construction management services and construction costs. The total cost of delivering the construction phase and environmental mitigation is estimated to be $9,000,000 and a funding breakdown is shown in the agreement attachment and the table below.

Construction of the project is proposed to be funded as follows:

- Federal Carbon Reduction Program Grant: $1,405,800
- Mobile Source Air Pollution Reduction Allocation: $3,000,000
- FY26 Federal Earmark: $2,000,000
- Measure I Arterial Program Redlands Portion (through SBCTA): $1,996,324
- City of Redlands Local Match: $440,396
- Measure I Arterial Program Highland Portion (through SBCTA): $1,017,435
- City of Highland Local Match: $417,085

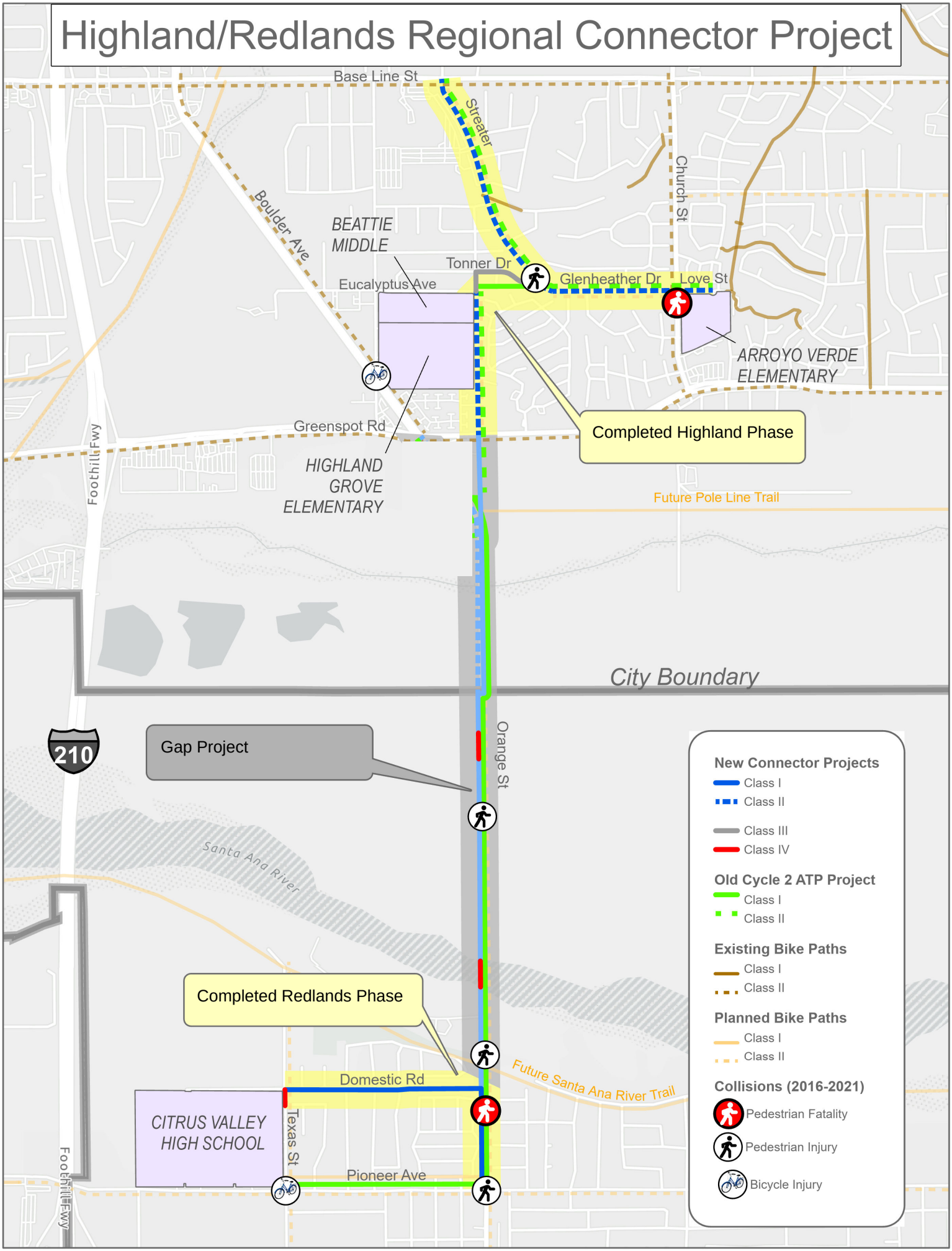
To meet matching requirements for grants and Measure I Arterial Program funds, the City of Highland has an estimated share of $417,085 in construction costs. Staff is recommending approval of the cooperative agreement and a budget adjustment to cover the match.

If all items are approved, SBCTA is targeting to advertise the project for construction in Summer 2026 as soon as the design is complete. Construction is estimated to begin Fall 2026 and take 12 months to complete.

Attachments:

1. Project Map
2. Lochner Design Proposal
3. SBCTA Cooperative Agreement

ATTACHMENT A


Highland/Redlands Regional Connector Project
Base Line St
Streater
Boulder Ave
Church St
BEATTIE MIDDLE
Tonner Dr
Glenheather Dr
Love St
Eucalyptus Ave
ARROYO VERDE ELEMENTARY
Greenspot Rd
Foothill Fwy
HIGHLAND GROVE ELEMENTARY
Completed Highland Phase
Future Pole Line Trail
City Boundary
210
Gap Project
Orange St
Santa Ana River
Completed Redlands Phase
Domestic Rd
Future Santa Ana River Trail
CITRUS VALLEY HIGH SCHOOL
Texas St
Pioneer Ave
Foothill Fwy
New Connector Projects
Class I
Class II
Class III
Class IV
Old Cycle 2 ATP Project
Class I
Class II
Existing Bike Paths
Class I
Class II
Planned Bike Paths
Class I
Class II
Collisions (2016-2021)
Pedestrian Fatality
Pedestrian Injury
Bicycle Injury

ATTACHMENT B

Lochner

2855 E Guasti Road, Suite 410 • Ontario, CA 91761
OFFICE 909.890.9693 • hwlochner.com

December 19, 2025

Octavio Duran Jr., PE
Public Works Director/City Engineer
City of Highland
27215 Base Line
Highland, CA 92346

Subject: City of Highland – Highland-Redlands Regional Connector Project (GAP Project)

Dear Mr. Duran:

H.W. Lochner (Lochner) is pleased to submit this letter proposal to continue supporting the City with the preparation of PS&E package for the Highland-Redlands Regional Connector Project (GAP Project). The Project segment (~1.6 miles) is along Orange St between Greenspot Road and Domestic Avenue. Refer to **Attachment A** for Project Limits.

PROJECT BACKGROUND

The Cities of Highland and Redlands jointly plan to improve the non-motorized transportation network by constructing regional bikeways and walkways. Lochner, formerly KOA, performed professional engineering services for bicycle and pedestrian improvements along 4.7 contiguous miles of streets and easements in the cities of Highland and Redlands, along Orange Street from Base Line Street to Pioneer Avenue. During the preparation of 100% Plans, Specifications and Estimates (PS&E) it became clear that the improvements near the construction of the bridges will not receive environmental clearance. The 4.7 miles of improvements had to split into three phases: the first Base Line Street to Greenspot Road, second Greenspot Road to Domestic Avenue, and finally Domestic Avenue to Pioneer Avenue. The first phase, under the previous KOA contract, was complete and signed in December of 2024, the City of Redlands completed the third phase, and this proposal will complete the second phase. The City of Highland will serve as the lead agency.

SCOPE OF WORK

TASK 1 – PROJECT MANAGEMENT

This task will include the following items:

- Host one virtual kick-off meeting with the City and SBCTA (San Bernardino County Transportation Authority); prepare and circulate agenda, action items and meeting minutes for the kick-off meeting.
- Host up to 4 design meetings with the City and SBCTA staff to resolve any project issues. Excludes preparation of agenda, meeting minutes, and action items.
- Prepare monthly invoices with their respective progress reports.
- Conduct internal meetings as needed to resolve any project issues

Task 1 Deliverables:

- Meeting agendas and minutes.
- Monthly invoices with progress reports (electronic copies).

TASK 2 – FINAL DESIGN

Plan Revisions, Bridge Plans, Reports & Design Calculations

- **Roadway Plans (100%)**
  The Team will use the existing 95% Roadway Plans to prepare the 100% Submittal and will retain the existing scale and orientation of the sheets. The Roadway Plans and its jurisdiction are as follows:
    - Title Sheet – 1 Sheet
    - Street Improvement Plans with Typical Sections – 9 Sheets (4 within the City of Highland and 5 within the City of Redlands)
    - Detail Sheets – 2 Sheets
    - Drainage Plan & Profile – 1 Sheet (within the City of Redlands)
    - Retaining Wall Plan & Profile – 1 Sheet (within the City of Redlands)
    - Signing & Striping – 5 Sheets (2 within the City of Highland and 3 within the City of Redlands)
    - Traffic Signal Plans – 2 Sheets (within the City of Highland)

- **Bridge Plans (30%, 95%, & 100%)**
  Lochner Team will prepare 30%, 95% and 100% Bridge Structure Plans for the two bridges (Trail Bridge ~60' Long & Plunge Creek Bridge ~ 195' Long). The plans and its jurisdiction are as follows:

    - Within the City of Highland:
        - Bridge General Plan (Elevation/Plan/Typical Section) – 2 Sheets
        - Foundation Plan – 2 Sheets
        - Abutment Details – 5 sheets (for 95% & 100% only)
        - Bridge Details – 3 Sheets (for 95% & 100% only)
    - Within the City of Redlands:
        - Barrier Details – 1 sheet
    - Bridge Design Calculations with independent Checks will also be provided.

- **Foundation Report and Geotechnical Report Update (95%, & 100%)**
    - Lochner will sub-consult these services to Ninyo & Moore and they will perform the work specified in the proposal shown in **Attachment B**.

- **Hydrology Study, Floodplain, Bridge Hydraulics and Scour Report (95%, & 100%)**
    - Lochner will sub-consult these services to Aguilar Consulting Inc. and they will perform the work specified in the scope of work shown in **Attachment C.**

Deliverables:

- Roadway Plans (100%) – 21 Sheets
- Bridge and Barrier Plans (30%, 95%, 100%) – 13 Sheets at final submittal
- Bridge and Barrier Design Calculation with Independent Check
- Geotechnical Report (updates)
- Foundation Report
- Hydrology Study
- Floodplain, Bridge Hydraulics, and Scour Study Report

Specifications

Lochner will prepare the technical specifications using the City's boilerplate template. We will use the Standard Specifications for Public Works Construction (SSPWC) and Caltrans Standard Specifications throughout the course of this project as a basis for specification preparation. Specifications will be submitted at 100% design stage.

Deliverables:

- Specifications at 100%

Cost Estimate

Cost Estimates will be prepared at 100% design stage. We will apply market construction costs for each bid item to the quantities measured using a combination of available sources including Caltrans published data, recent bid prices from other local projects, and any other data provided for our use by the City. We will update the cost estimates based on the refinement of the quantities throughout the project.

Deliverables:

- Cost Estimate at 100%

SCOPE OF WORK ASSUMPTIONS & EXCLUSIONS

- All submittals will be made electronically.
- Bridge Plans will be submitted at 30%, 95%, and 100%. Roadway Plans will be submitted at 100%. City and SBCTA review.
- Any unforeseen scope of work items not described above will be considered as additional work and will be discussed with the City.
- Any significant changes on the scope will be treated as additional work and a new scope of work and fee will be negotiated with the City.
- City will provide as-builts for existing bridges on which new barriers will be placed.
- It is assumed that 95% Plans are accurate. Any verification or revisions to 95% Design will be considered additional work and new scope of work and feel will be negotiated with the City.

FEE ESTIMATE

Lochner will perform the work specified in the scope above based on the fee below. See **Attachment D** for fee breakdown.

TASKS	FEE
1. Project Management (City of Highland)	$14,265
Project Management (City of Redlands)	$4,755
2. Final Design (City of Highland)	$237,616
Final Design (City of Redlands)	$53,095
TOTAL	**$309,731**

The budget is based upon the work scope and level of effort presented above and includes the cost of all related technical and administrative services. The work scope is considered complete upon submittal of final documents by Lochner. Any additional services requested after document submittal will be considered as extra work and those fees will be negotiated prior to start of work and secured in writing.

If the work described within this letter is not authorized in 30 days, if changes occur in the work scope or level of effort, or if our work is suspended for more than 180 days due to any circumstances beyond Lochner's control, we reserve the right to revise the work scope, budget and schedule to reflect current conditions. Such revisions will be effected through mutually agreed-upon amendments or modifications to this agreement.

WORK SCHEDULE

Refer to **Attachment E** for draft project schedule.

Lochner is not responsible for delays caused by factors beyond Lochner's reasonable control, including but not limited to delays because of strikes, lockouts, work slowdowns or stoppages, accidents, acts of God, failure of any governmental or other regulatory authority to act in a timely manner, failure of the Client to furnish timely information or approve or disapprove of the Lochner's services or work product promptly, or delays caused by faulty performance by the Client or by other consultants or contractors of any level. When such delays beyond Lochner's reasonable control occur, the Client agrees the Lochner is not responsible for damages, nor shall Lochner be deemed to be in default of this Agreement.

AUTHORIZATION

A professional service agreement shall be prepared and executed prior to work.

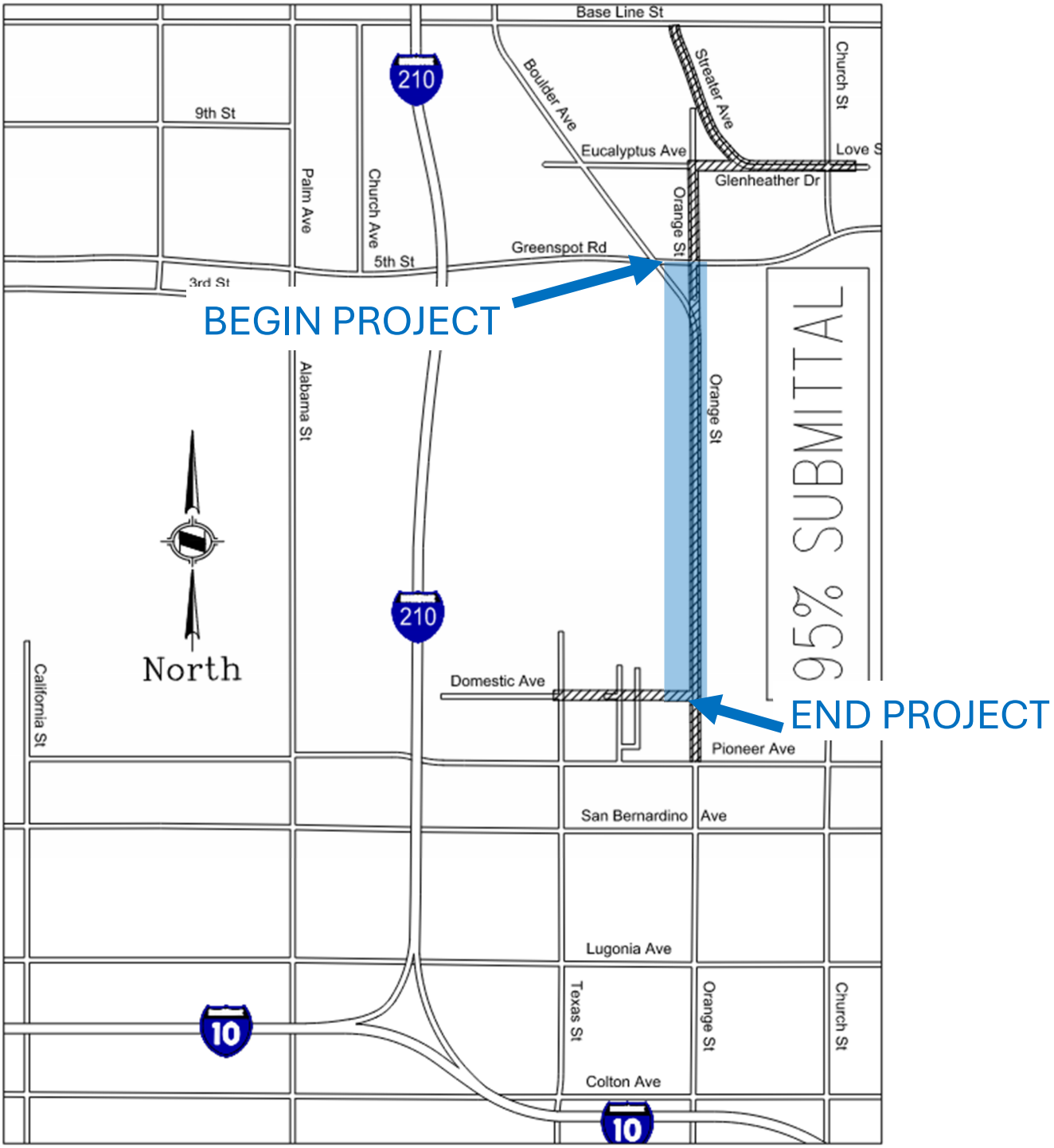
Sincerely,
H.W. Lochner, Inc.



Giuseppe Canzonieri, PE
Principal | Southern California Design Lead

ATTACHMENT – A

PROJECT VICINITY MAP



ATTACHMENT – B

Ninyo & Moore
Geotechnical & Environmental Sciences Consultants

35+ YEARS

November 19, 2025
Project No. 210123001

Mr. Marlon Medina
Lochner
2855 East Guasti Road, Suite 410
Ontario, California 91761

Subject: Proposal for Supplemental Geotechnical Consulting Services
Highland/Redlands Regional Connector Project
Highland and Redlands, California

References: KOA Corporation, Undated, Project Plans (95% Submittal), Highland/Redlands Regional Connector Project, City of Highland, California.

Ninyo & Moore, 2017, Geotechnical Evaluation, Highland/Redlands Regional Connector Project, Highland and Redlands, California, dated July 17.

Dear Mr. Medina:

In accordance with your request, we are pleased to submit this proposal to provide supplemental geotechnical consulting services for the Highland/Redlands Regional Connector Project located in Highland and Redlands, California. We previously prepared the referenced geotechnical evaluation report for the project, dated July 17, 2017, which provided geotechnical recommendations in accordance with the 2016 California Building Code (CBC). We understand that the 2025 CBC will become effective on January 1, 2026. Lochner also recently provided us with review comments on our geotechnical report.

It is our understanding that a portion of the project will consist of the construction of two pedestrian bridges, including a 200-foot long span at Plunge Creek and a 65-foot-long span approximately 600 feet south of Plunge Creek. The bridges will be single-span structures supported by two abutments. Based on our discussions, we have also been requested to prepare a Foundation Report (FR) for the bridges in accordance with the California Department of Transportation (Caltrans) guidelines.

Our supplemental geotechnical consulting services will include providing updated geotechnical recommendations and updating our geotechnical evaluation report in accordance with the 2025 CBC and Caltrans seismic design criteria, in addition to addressing Lochner's review comments. We will also further evaluate the soil and geologic conditions for the two bridge structures in order to prepare geotechnical design and construction recommendations for the bridges and associated

improvements in accordance with Caltrans Guidelines, including the preparation of a Foundation Report.

We previously drilled two hollow-stem auger borings on both sides of Plunge Creek during our prior subsurface evaluation and we encountered early refusal at depths of approximately 3 and 6 feet due to the presence of cobbles and boulders. Based on our discussions, we have assumed that conventional drilling methods consisting of hollow-stem auger borings will be performed as part of this proposal. However, we have also provided an optional scope of work consisting of performing sonic borings at the bridge abutments as an alternative method to advance through the cobble and boulder layers.

Regional geologic mapping indicates that the bridge sites are underlain by Holocene-age alluvial deposits consisting predominantly of sand and gravel deposits. The historic high depth to groundwater is mapped at approximately 30 feet below the ground surface. The project area is not located in an Earthquake Fault Zone but the central segment of the alignment near the Santa Ana River and Plunge Creek is located in an area mapped as having a high liquefaction susceptibility. We anticipate that the primary geotechnical considerations for the project will consist of the potential for liquefaction and difficult excavations at the bridge structures due to the presence of oversized materials.

GEOTECHNICAL DESIGN SERVICES

Based on our understanding of the project and our experience with similar projects, our scope of services will be as follows. As requested, we have included optional sonic borings at the site as an as an alternative method to advance through the cobble and boulder layers.

Geotechnical Report Update

- Project coordination and consultation with the project team to provide geotechnical input.
- Review of readily available background materials, including our previous geotechnical evaluation report, geologic maps and published literature, stereoscopic aerial photographs, in-house information, and existing plans.
- Geotechnical site reconnaissance to observe and map existing geotechnical and geologic conditions to compare the current site conditions with what was observed during our geotechnical evaluation in 2017.
- Data compilation and geotechnical analyses of the information obtained from our background review and site reconnaissance. Our geotechnical recommendations will be updated to reflect changes in the 2025 CBC and we will analyze seismic design parameters and retaining wall lateral earth pressures in accordance with Caltrans criteria.
- Preparation of an updated geotechnical evaluation report in accordance with the 2025 CBC guidelines and Caltrans seismic design criteria.

Foundation Report

- Project coordination, meeting attendance, scheduling of field work, and consultation with the project team to provide geotechnical input.

- Acquisition of a San Bernardino County Environmental Health Services permit for drilling deeper than 20 feet below the ground surface.

- Acquisition of an encroachment permit from the City of Redlands for performing our subsurface exploration along the Orange Street right-of-way. We will prepare traffic control plans in accordance with City of Redlands standards.

- Geotechnical site reconnaissance to select and mark the proposed boring locations. After marking the exploration locations, we will coordinate with Underground Service Alert (USA) for underground utility location.

- Subsurface exploration consisting of the drilling, logging, and sampling of four hollow-stem auger borings with a truck-mounted rig. Two of the borings will be advanced to a depth of approximately 60 feet below the ground surface and two of the borings will be advanced to a depth of approximately 30 feet below the ground surface. Each boring will be drilled within or near the footprints of the four proposed abutments along the shoulder areas of Orange Street. The borings will be advanced to the planned depths or refusal, whichever is shallower. The borings will be logged by a representative of our firm, and bulk and relatively undisturbed soil samples will be collected at selected intervals for laboratory testing. Borings will be backfilled with grout in accordance with San Bernardino County Environmental Health Services requirements. Soil cuttings obtained from the borings will be spread on-site.

- Laboratory testing performed on representative soil samples including in-situ moisture content and dry density, gradation, expansion index, Proctor density, collapse/consolidation potential, direct shear strength, R-value, and soil corrosivity, as applicable.

- Compile data and analyze the information obtained from our background review, subsurface evaluation, and laboratory testing. Our geotechnical analyses and recommendations will include:

    - Description of the geology and soils anticipated during construction.

    - Excavation characteristics of the on-site materials, including anticipated difficult excavation and caving potential.

    - Evaluation of appropriate remedial grading depths to support new fills and foundations.

    - Evaluation of existing groundwater conditions and seasonal fluctuations as they pertain to the anticipated construction.

    - Evaluation of the site seismicity and geologic hazards that may impact the project improvements. Seismic design coefficients in accordance with Caltrans seismic design criteria will be presented. Seismic hazards to be evaluated will include the potential for fault rupture, soil liquefaction, dynamic settlement potential, and lateral spread.

    - Developing foundation and grading recommendations for the proposed bridge structures, including shallow foundations for the abutments and retaining walls. Geotechnical design parameters will consist of bearing capacity of spread footings, settlement, and lateral earth pressures. Pile foundation recommendations will be provided, if needed.

- Evaluation of fill material and compaction requirements, including general fill for grading, as well as the suitability of on-site soils for utility trench backfill, bedding, and pipe zone material.
- Temporary stability of trench excavations.
- Pipe design criteria for new utilities, including modulus of soil reaction.
- Pavement subgrade preparation and structural pavement design.
- Evaluation of corrosion potential of on-site soils.

- Preparation of a draft FR for the bridge structures presenting the results of our data review, subsurface exploration and laboratory testing, geotechnical engineering analyses, as well as our conclusions and recommendations relative to the geotechnical aspects of the proposed project. The draft FR will be prepared in accordance with Caltrans standards. The report will include the items listed above and also the following:
  - Foundation data tables per Caltrans format/requirements.
  - Log of Test Boring (LOTB) plan sheets in accordance with Caltrans Standards.
  - Recommendations for retaining wall foundations as well as earth pressure diagrams representing static and dynamic loadings.
- After Caltrans has reviewed our draft FR, comments will be addressed, and the report will be finalized. We anticipate two rounds of review comments from Caltrans submittals.

Optional Sonic Borings

If requested, Ninyo & Moore can perform sonic borings at the proposed bridge abutments as an alternative to conventional hollow-stem auger borings. Sonic technology uses high frequency vibrations to penetrate the ground and is better suited for areas where gravel, cobbles, and boulders are prevalent. Since we encountered early refusal in our prior borings at Plunge Creek, it is our opinion that sonic borings will have a higher success rate at advancing to the proposed boring depths of up to 60 feet. Our scope of work will remain the same except for the subsurface exploration methodology.

ASSUMPTIONS

Based on our experience with similar projects, the following assumptions have been made in the preparation of our scope of services:

- Site access will be granted and truck-mounted equipment will be able to mobilize to the proposed exploration locations during restricted working hours (Monday through Friday, 7:00 AM to 4:00 PM). Our work will be performed within the shoulder areas along Orange Street.
- Our services are subject to prevailing wage requirements.
- Encroachment permit fees from the City of Redlands will be waived.

- Ninyo & Moore will be provided with substructure drawings indicating the locations of surface improvements (i.e., curbs, gutters, sidewalks, fire hydrants, street light standards, traffic signals, etc.) and substructures of record along the proposed alignment at a scale of 1 inch to 40 feet. These drawings will be used to plot our proposed boring locations for permit acquisition and utility clearance. We will also be provided with plans showing the locations of the existing utilities. Ninyo & Moore will not be responsible for damage to utilities not shown on the plans nor marked out by USA.

- Drill cuttings may be spread on-site. If cuttings are required to be drummed and disposed of off-site, additional charges for drumming, storage, testing, and disposal will be accrued

- Our geotechnical evaluation will not include any sampling, testing, or chemical analysis of soil, groundwater, surface water, or other materials for the purpose of evaluating possible hazards or risks. In the event that signs of contamination are observed, such as staining or odors, we will notify the client. Additional work may be appropriate to further evaluate the extent of contamination and to develop appropriate remediation measures. Recommendations for additional work and estimated fees for additional services will be provided, if appropriate.

- Our fee does not include a review of construction drawings and project specifications. These services, if requested, can be provided for an additional fee.

- This proposal does not include geotechnical and materials testing services during construction. A proposal for these services will be provided upon request.

SCHEDULE

Following receipt of the Notice to Proceed, Ninyo & Moore will commence the services described herein. The geotechnical report update is anticipated to be completed approximately three weeks from the date of receipt of the notice to proceed. We anticipate that our geotechnical field work will begin within approximately two weeks after receipt of permits and will take approximately one week to perform. Our laboratory testing will be completed approximately three weeks after completion of the fieldwork. Our FR will be completed approximately three weeks after completion of the laboratory testing. Preliminary foundation and earthwork recommendations can be provided upon completion of the laboratory testing upon request.

FEE

We propose to provide our geotechnical design services in accordance with the rates in the attached Schedule of Fees. A detailed breakdown of our fee and hours for updating our geotechnical report is presented in the attached Table 1 ($9,690). A detailed breakdown of our fee and hours for preparing the FR is presented in the attached Table 2 ($68,510). If the optional sonic borings are requested, our additional fee is $62,225 (net increase of $37,565 if the hollow-stem auger borings are not performed) and a detailed breakdown of our fee is presented in Table 3. Additionally, we assumed that Caltrans will be reviewing our FR. If Caltrans will not be reviewing our FR, then our fee will be reduced accordingly.

Ninyo & Moore appreciates the opportunity to provide this proposal and we look forward to continue working with you on this project.

Respectfully submitted,
NINYO & MOORE



Spencer Marcinek, PE, GE
Principal Engineer

SCM/mlc

Attachments: Table 1 – Breakdown of Fee – Geotechnical Report Update
Table 2 – Breakdown of Fee – Foundation Report
Table 3 – Breakdown of Fee – Optional Sonic Borings
Schedule of Fees

Table 1 - Breakdown of Fee - Geotechnical Report Update								
Project Coordination and Background Review								
Principal Engineer/Geologist/Environmental Scientist	1 hour	@	$	250.00	/hour	$	250.00
Senior Project Engineer/Geologist/Environmental Scientist	2 hours	@	$	220.00	/hour	$	440.00
Senior Staff Engineer/Geologist/Environmental Scientist	4 hours	@	$	200.00	/hour	$	800.00
			Subtotal			**$**	**1,490.00**
Site Reconnaissance							
Senior Staff Engineer/Geologist/Environmental Scientist	6 hours	@	$	200.00	/hour	$	1,200.00
Field Vehicle and Equipment Usage	6 hours	@	$	15.00	/hour	$	90.00
			Subtotal			**$**	**1,290.00**
Data Compilation and Analyses							
Principal Engineer/Geologist/Environmental Scientist	2 hours	@	$	250.00	/hour	$	500.00
Senior Project Engineer/Geologist/Environmental Scientist	6 hours	@	$	220.00	/hour	$	1,320.00
Senior Staff Engineer/Geologist/Environmental Scientist	8 hours	@	$	200.00	/hour	$	1,600.00
			Subtotal			**$**	**3,420.00**
Report Preparation							
Principal Engineer/Geologist/Environmental Scientist	2 hours	@	$	250.00	/hour	$	500.00
Senior Project Engineer/Geologist/Environmental Scientist	6 hours	@	$	220.00	/hour	$	1,320.00
Senior Staff Engineer/Geologist/Environmental Scientist	6 hours	@	$	200.00	/hour	$	1,200.00
Technical Illustrator/CAD Operator	2 hours	@	$	140.00	/hour	$	280.00
Data Processor	2 hours	@	$	95.00	/hour	$	190.00
			Subtotal			**$**	**3,490.00**
TOTAL FEE						**$**	**9,690.00**

Table 2 - Breakdown of Fee - Foundation Report							
Project Coordination and Meeting Attendance							
Principal Engineer/Geologist/Environmental Scientist	2 hours	@	$	250.00	/hour	$	500.00
Senior Engineer/Geologist/Environmental Scientist	6 hours	@	$	235.00	/hour	$	1,410.00
Senior Staff Engineer/Geologist/Environmental Scientist	10 hours	@	$	200.00	/hour	$	2,000.00
			Subtotal			**$**	**3,910.00**
Permit Acquisition							
Senior Staff Engineer/Geologist/Environmental Scientist	10 hours	@	$	200.00	/hour	$	2,000.00
Permit Fees (Groundwater)		Lump Sum				$	1,000.00
			Subtotal			**$**	**3,000.00**
Site Reconnaissance and Markout for Utility Clearance							
Senior Staff Engineer/Geologist/Environmental Scientist	6 hours	@	$	200.00	/hour	$	1,200.00
Field Vehicle and Equipment Usage	6 hours	@	$	15.00	/day	$	90.00
			Subtotal			**$**	**1,290.00**
Subsurface Evaluation (Assumes two hollow-stem auger borings to 60 feet deep and two hollow-stem auger borings to 30 feet deep)							
Senior Staff Engineer/Geologist/Environmental Scientist	22 hours	@	$	200.00	/hour	$	4,400.00
HSA Truck Drill Rig (Subcontractor) - Prevailing Wage	18 hours	@	$	490.00	/hour	$	8,820.00
Drill Rig Support Vehicle	2 days	@	$	575.00	/day	$	1,150.00
Drill Rig Mobilization/Demobilization (Prevailing Wage)	4 hours	@	$	490.00	/hour	$	1,960.00
Grout Backfill	180 feet	@	$	15.00	/foot	$	2,700.00
Traffic Control	2 days	@	$	2,400.00	/day	$	4,800.00
Field Vehicle and Equipment Usage	22 hours	@	$	15.00	/day	$	330.00
Supplies		Lump Sum				$	500.00
			Subtotal			**$**	**24,660.00**
Laboratory Analyses							
Tests may include in-situ moisture content and dry density, gradation, expansion index, Proctor density, collapse/consolidation potential, direct shear strength, R-value, and soil corrosivity, as appropriate.						$	6,600.00
			Subtotal			**$**	**6,600.00**
Data Compilation and Analyses							
Principal Engineer/Geologist/Environmental Scientist	8 hours	@	$	250.00	/hour	$	2,000.00
Senior Engineer/Geologist/Environmental Scientist	16 hours	@	$	235.00	/hour	$	3,760.00
Senior Staff Engineer/Geologist/Environmental Scientist	24 hours	@	$	200.00	/hour	$	4,800.00
			Subtotal			**$**	**10,560.00**
Draft Report Preparation (Foundation Report)							
Principal Engineer/Geologist/Environmental Scientist	8 hours	@	$	250.00	/hour	$	2,000.00
Senior Engineer/Geologist/Environmental Scientist	12 hours	@	$	235.00	/hour	$	2,820.00
Senior Staff Engineer/Geologist/Environmental Scientist	16 hours	@	$	200.00	/hour	$	3,200.00
Technical Illustrator/CAD Operator	16 hours	@	$	140.00	/hour	$	2,240.00
Data Processor	6 hours	@	$	95.00	/hour	$	570.00
			Subtotal			**$**	**10,830.00**

Table 2 - Breakdown of Fee - Foundation Report							
Response to Caltrans Review Comments and Preparation of a Final Report							
Principal Engineer/Geologist/Environmental Scientist	6	hours	@	$	250.00	/hour	$ 1,500.00
Senior Engineer/Geologist/Environmental Scientist	10	hours	@	$	235.00	/hour	$ 2,350.00
Senior Staff Engineer/Geologist/Environmental Scientist	12	hours	@	$	200.00	/hour	$ 2,400.00
Technical Illustrator/CAD Operator	6	hours	@	$	140.00	/hour	$ 840.00
Data Processor	6	hours	@	$	95.00	/hour	$ 570.00
				Subtotal			**$ 7,660.00**
TOTAL FEE							**$ 68,510.00**

Table 3 - Breakdown of Fee - Optional Sonic Borings							
Subsurface Evaluation (Assumes two sonic borings to 60 feet deep and two sonic borings to 30 feet deep)							
Senior Staff Engineer/Geologist/Environmental Scientist	50	hours	@	$ 200.00	/hour	$	10,000.00
Truck-Mounted Sonic Rig (Subcontractor) - Prevailing Wage	40	hours	@	$ 625.00	/hour	$	25,000.00
Drill Rig Support Vehicle	5	days	@	$ 575.00	/day	$	2,875.00
Drill Rig Mobilization/Demobilization (Prevailing Wage)	10	hours	@	$ 465.00	/hour	$	4,650.00
Forklift Rental	5	days	@	$ 750.00	/day	$	3,750.00
Grout Backfill	180	feet	@	$ 15.00	/foot	$	2,700.00
Traffic Control	5	days	@	$ 2,400.00	/day	$	12,000.00
Field Vehicle and Equipment Usage	50	hours	@	$ 15.00	/day	$	750.00
Supplies			Lump Sum			$	500.00
TOTAL FEE						**$**	**62,225.00**

Schedule of Fees

Hourly Charges for Personnel

Professional Staff

Principal Engineer/Geologist/Environmental Scientist/Certified Industrial Hygienist	$ 250
Senior Engineer/Geologist/Environmental Scientist	$ 235
Senior Project Engineer/Geologist/Environmental Scientist	$ 220
Project Engineer/Geologist/Environmental Scientist	$ 210
Senior Staff Engineer/Geologist/Environmental Scientist	$ 200
Staff Engineer/Geologist/Environmental Scientist	$ 180
GIS Analyst	$ 160
Technical Illustrator/CAD Operator	$ 140

Field Staff

Certified Asbestos/Lead Technician	$ 220
Field Operations Manager	$ 150
Nondestructive Examination Technician (UT, MT, LP)	$ 145
Supervisory Technician	$ 140
Special Inspector (Concrete, Masonry, Structural Steel, Welding, and Fireproofing)	$ 135
Senior Technician	$ 135
Technician	$ 130

Administrative Staff

Information Specialist	$ 120
Geotechnical/Environmental/Laboratory Assistant	$ 120
Data Processor	$ 95

Other Charges

Concrete Coring Equipment (includes technician)	$ 190/hr
Anchor Load Test Equipment (includes technician)	$ 190/hr
GPR Equipment	$ 180/hr
CWA/PLA Fees	$ 19/hr
Inclinometer	$ 100/hr
Hand Auger Equipment	$ 80/hr
Rebar Locator (Pachometer)	$ 25/hr
Vapor Emission Kit	$ 65/kit
Nuclear Density Gauge	$ 12/hr
X-Ray Fluorescence	$ 70/hr
PID/FID	$ 25/hr
Air Sampling Pump	$ 10/hr
Field Vehicle	$ 15/hr
Expert Witness Testimony	$ 450/hr
Direct Expenses	Cost plus 15 %

Special equipment charges will be provided upon request.

Notes

For field and laboratory technicians and special inspectors, overtime rates at 1.5 times the regular rates will be charged for work performed in excess of 8 hours in one day Monday through Friday and all day on Saturday. Rates at twice the regular rates will be charged for all work in excess of 12 hours in one day, all day Sunday and on holidays.

Field technician and special inspection hours are charged at a 4-hour minimum, and 8-hour minimum for hours exceeding 4 hours.

Pricing shall remain firm for the entire term of the Agreement.

Schedule of Fees for Laboratory Testing

SOILS

Atterberg Limits, D 4318, CT 204	$ 170
California Bearing Ratio (CBR), D 1883	$ 550
Chloride and Sulfate Content, CT 417 & CT 422	$ 175
Consolidation, D 2435, CT 219	$ 300
Consolidation, Hydro-Collapse only, D 2435	$ 150
Consolidation – Time Rate, D 2435, CT 219	$ 200
Direct Shear – Remolded, D 3080	$ 350
Direct Shear – Undisturbed, D 3080	$ 300
Durability Index, CT 229	$ 175
Expansion Index, D 4829, IBC 18-3	$ 190
Expansion Potential (Method A), D 4546	$ 170
Geofabric Tensile and Elongation Test, D 4632	$ 200
Hydraulic Conductivity, D 5084	$ 350
Hydrometer Analysis, D 6913, CT 203	$ 220
Moisture, Ash, & Organic Matter of Peat/Organic Soils	$ 120
Moisture Only, D 2216, CT 226	$ 35
Moisture and Density, D 2937	$ 45
Permeability, CH, D 2434, CT 220	$ 300
pH and Resistivity, CT 643	$ 175
Proctor Density D1557, D 698, CT 216, AASHTO T-180	$ 220
Proctor Density with Rock Correction D 1557	$ 340
R-value, D 2844, CT 301	$ 375
Sand Equivalent, D 2419, CT 217	$ 125
Sieve Analysis, D 6913, CT 202	$ 145
Sieve Analysis, 200 Wash, D 1140, CT 202	$ 100
Specific Gravity, D 854	$ 125
Thermal Resistivity (ASTM 5334, IEEE 442)	$ 925
Triaxial Shear, C.D, D 4767, T 297	$ 550
Triaxial Shear, C.U., w/pore pressure, D 4767, T 2297 per pt	$ 450
Triaxial Shear, C.U., w/o pore pressure, D 4767, T 2297 per pt	$ 350
Triaxial Shear, U.U., D 2850	$ 250
Unconfined Compression, D 2166, T 208	$ 180

MASONRY

Brick Absorption, 24-hour submersion, 5-hr boiling, 7-day, C 67	$ 70
Brick Compression Test, C 67	$ 55
Brick Efflorescence, C 67	$ 55
Brick Modulus of Rupture, C 67	$ 50
Brick Moisture as received, C 67	$ 45
Brick Saturation Coefficient, C 67	$ 60
Concrete Block Compression Test, 8x8x16, C 140	$ 70
Concrete Block Conformance Package, C 90	$ 500
Concrete Block Linear Shrinkage, C 426	$ 200
Concrete Block Unit Weight and Absorption, C 140	$ 70
Cores, Compression or Shear Bond, CA Code	$ 70
Masonry Grout, 3x3x6 prism compression, C 39	$ 45
Masonry Mortar, 2x4 cylinder compression, C 109	$ 35
Masonry Prism, half size, compression, C 1019	$ 120
Masonry Prism, Full size, compression, C 1019	$ 200

REINFORCING AND STRUCTURAL STEEL

Chemical Analysis, A 36, A 615	$ 135
Fireproofing Density Test, UBC 7-6	$ 90
Hardness Test, Rockwell, A 370	$ 80
High Strength Bolt, Nut & Washer Conformance, per assembly, A 325	$ 150
Mechanically Spliced Reinforcing Tensile Test, ACI	$ 175
Pre-Stress Strand (7 wire), A 416	$ 170
Reinforcing Tensile or Bend up to No. 11, A 615 & A 706	$ 75
Structural Steel Tensile Test: Up to 200,000 lbs., A 370	$ 90
Welded Reinforcing Tensile Test: Up to No. 11 bars, ACI	$ 80

CONCRETE

Compression Tests, 6x12 Cylinder, C 39	$ 35
Concrete Mix Design Review, Job Spec	$ 300
Concrete Mix Design, per Trial Batch, 6 cylinder, ACI	$ 850
Concrete Cores, Compression (excludes sampling), C 42	$ 120
Drying Shrinkage, C 157	$ 400
Flexural Test, C 78	$ 85
Flexural Test, C 293	$ 85
Flexural Test, CT 523	$ 95
Gunite/Shotcrete, Panels, 3 cut cores per panel and test, ACI	$ 275
Lightweight Concrete Fill, Compression, C 495	$ 80
Petrographic Analysis, C 856	$ 2,000
Restrained Expansion of Shrinkage Compensation	$ 450
Splitting Tensile Strength, C 496	$ 100
3x6 Grout, (CLSM), C 39	$ 55
2x2x2 Non-Shrink Grout, C 109	$ 55

ASPHALT

Air Voids, T 269	$ 85
Asphalt Mix Design, Caltrans (incl. Aggregate Quality)	$ 4,500
Asphalt Mix Design Review, Job Spec	$ 180
Dust Proportioning, CT LP-4	$ 85
Extraction, % Asphalt, including Gradation, D 2172, CT 382	$ 250
Extraction, % Asphalt without Gradation, D 2172, CT 382	$ 150
Film Stripping, CT 302	$ 120
Hveem Stability and Unit Weight D 1560, T 246, CT 366	$ 225
Marshall Stability, Flow and Unit Weight, T 245	$ 240
Maximum Theoretical Unit Weight, D 2041, CT 309	$ 150
Moisture Content, CT 370	$ 95
Moisture Susceptibility and Tensile Stress Ratio, T 238, CT 371	$ 1,000
Slurry Wet Track Abrasion, D 3910	$ 150
Superpave, Asphalt Mix Verification (incl. Aggregate Quality)	$ 4,900
Superpave, Gyratory Unit Wt., T 312	$ 100
Superpave, Hamburg Wheel, 20,000 passes, T 324	$ 1,000
Unit Weight sample or core, D 2726, CT 308	$ 100
Voids in Mineral Aggregate, (VMA) CT LP-2	$ 90
Voids filled with Asphalt, (VFA) CT LP-3	$ 90
Wax Density, D 1188	$ 140

AGGREGATES

Clay Lumps and Friable Particles, C 142	$ 180
Cleanness Value, CT 227	$ 180
Crushed Particles, CT 205	$ 175
Durability, Coarse or Fine, CT 229	$ 205
Fine Aggregate Angularity, ASTM C 1252, T 304, CT 234	$ 180
Flat and Elongated Particle, D 4791	$ 220
Lightweight Particles, C 123	$ 180
Los Angeles Abrasion, C 131 or C 535	$ 200
Material Finer than No. 200 Sieve by Washing, C 117	$ 90
Organic Impurities, C 40	$ 90
Potential Alkali Reactivity, Mortar Bar Method, Coarse, C 1260	$ 1,250
Potential Alkali Reactivity, Mortar Bar Method, Fine, C 1260	$ 950
Potential Reactivity of Aggregate (Chemical Method), C 289	$ 475
Sand Equivalent, T 176, CT 217	$ 125
Sieve Analysis, Coarse Aggregate, T 27, C 136	$ 120
Sieve Analysis, Fine Aggregate (including wash), T 27, C 136	$ 145
Sodium Sulfate Soundness, C 88	$ 450
Specific Gravity and Absorption, Coarse, C 127, CT 206	$ 115
Specific Gravity and Absorption, Fine, C 128, CT 207	$ 175

ROOFING

Roofing Tile Absorption, (set of 5), C 67	$ 250
Roofing Tile Strength Test, (set of 5), C 67	$ 250

Special preparation of standard test specimens will be charged at the technician's hourly rate.
Ninyo & Moore is accredited to perform the AASHTO equivalent of many ASTM test procedures.

ATTACHMENT – C

SCOPE OF WORK
HYDROLOGY, FLOODPLAIN, MULTI-TRAIL BRIDGE HYDRAULICS, AND SCOUR STUDY IN SUPPORT OF THE HIGHLAND/REDLANDS REGIONAL CONNECTOR PROJECT IN THE CITY OF HIGHLAND

DRAINAGE ENGINEERING SERVICES

Task 1: Data Collection and Review

ACI will gather and perform a thorough review of available drainage plans and floodplain/hydraulics reports relevant to the hydrology, floodplain and multi-trail bridge hydraulics study.

Deliverables: None Identified.

Task 2: Hydrology Study

ACI will perform a 100-year hydrological analysis for the drainage area tributary to the proposed southerly multi-trail bridge on Orange Street based on the San Bernardino Couty Flood Control District's methodology. The calculations will utilize the unit hydrograph method based on AMC-3. The scope also includes preparation of a hydrology map showing the drainage boundary and area, stream length, stream flowline elevations and nodal points.

Deliverables: Hydrology Calculations and Hydrology Map to be Included in the Study Report (Task 4).

Task 3: Floodplain and Multi-Trail Bridge Hydraulic Analysis and Scour Study

The floodplain and bridge hydraulic study will be performed for the proposed Orange Street northerly and southerly multi-trail bridge crossings over Plunge Creek based on the clear-water 100-year flows. It is assumed that single-span bridge crossings will be constructed with a target minimum bridge freeboard of 1 foot.

The project team will utilize a steady-state, one-dimensional hydraulic model (HEC-RAS model) to determine the channel capacities, water surface elevations, backwater effects, bridge clearance (freeboard), and flow velocities for the with-project (proposed) condition. The with-project condition will reflect the proposed multi-trail bridge section. The hydraulic study will be performed based on the 100-year clear-water flow. The existing FEMA-approved CLOMR floodplain study for Tract 17630 will be used to the maximum extent practical. The limits of the floodplain study will extend approximately 1,000 feet upstream and 120 feet downstream of the multi-trail bridge crossings. It is assumed that the existing channel section located at the downstream face of the existing Orange Street bridge will provide the downstream hydraulic boundary condition for the hydraulic analysis. The HEC-RAS model will incorporate stream cross sections using the project aerial topographic map that was used for Tract 17630 CLOMR study.

Based on the results of the HEC-RAS analysis, ACI will determine the abutment scour using the FHWA's HEC-18 "Evaluating Scour at Bridges, Fifth Edition", April 2012. The Long-Term Scour will be determined using a qualitative analysis based on the available topographic maps from different

time periods. Additionally, ACI will develop a preliminary 100-year scour countermeasure plan based on FHWA HEC-23; and National Cooperative Highway Research Program (NCHRP) report. The scour countermeasure plan will incorporate embankment lining and cutoff wall using riprap and concrete.

Deliverables: Floodplain, Bridge Hydraulics and Scour Study to be Included as part of the Study Report (Task 4).

Task 4: Floodplain, Bridge Hydraulics, and Scour Study Report Preparation and Submittal including Study Processing for Approval

ACI will prepare and submit the floodplain, Bridge Hydraulics, and Scour Study Report to the City of Highland and SBCTA, for review and approval. This scope includes engineering time needed to address the Agencies' review comments including updating the study report and resubmitting it to the agencies for final review and approval.

Deliverables: Floodplain, Bridge Hydraulics, and Scour Study Report (Initial and Updated Study Report based upon the Agency's Review Comments).

Task 5: Project Review (Status) Meetings and Coordination

ACI will meet with Lochner and City/SBCTA staff to review, discuss and resolve design issues. A maximum of three (3) project review meetings is provided in this proposal. Continuous coordination will be maintained throughout the design phase of the project. Additionally, ACI will provide Lochner with a written report as necessary to provide an update on the progress of the work throughout the duration of the project.

Deliverables: Drainage Meeting Notes and Progress Reports.

REIMBURSABLE EXPENSES

ACI will bill Lochner for mileage and plotting costs as incurred based on a Time-and-Material Basis (T&M) with an initial budget amount of $500.00.

OPTIONAL TASKS

Debris Production Study and Bulking Factor Analysis: If necessary and as directed by the City of Highland and SBCTA, ACI will prepare a debris production study and debris bulking factor analysis for Plunge Creek based on the 100-year flood event. The debris production study will be performed using the latest U.S. Army Corps of Engineers, Los Angeles District's method. The Riverside County Flood Control District's bulking factor equation will be used to calculate the appropriate 100-year bulking factor.

SCHEDULE OF FEES

Task 1: Data Collection and Reveiw	$1,060
Task 2: Hydrology Study	4,815
Task 3: Floodplain and Multi-Trail Bridge Hydraulic Analysis and Scour Study	13,040
Task 4: Floodplain, Bridge Hydraulics, and Scour Study Report Preparation and Submittal including Study Processing for Approval	7,560
Task 5: Project Review (Status) Meetings and Coordination	1,825
REIMBURSABLE EXPENSES	500
Total Fee Amount =	**$28,800**

OPTIONAL TASKS

Debris Production Study and Bulking Factor Analysis	$9,980

HYDROLOGY, FLOODPLAIN, MULTI-TRAIL BRIDGE HYDRAULICS, AND SCOUR STUDY IN SUPPORT OF THE HIGHLAND/REDLANDS REGIONAL CONNECTOR PROJECT IN THE CITY OF HIGHLAND
MAN-HOUR AND FEE SCHEDULE
18-November-2025

Task	Task Description	Proj. Mgr. / Principal	Design Engr.	CADD	Total Task	Total Fee
1	Data Collection and Review	2.0	6.0	0.0	8.0	$1,060
2	Hydrology Study	3.0	24.0	20.0	47.0	$4,815
3	Floodplain and Multi-Trail Bridge Hydraulic Analysis and Scour Study	16.0	72.0	24.0	112.0	$13,040
4	Floodplain, Bridge Hydraulics, and Scour Study Report Preparation and Submittal including Study Processing for Approval	12.0	36.0	16.0	64.0	$7,560
5	Project Review (Status) Meetings and Coordination	8.0	3.0	0.0	11.0	$1,825
		41	**141**	**60**	**242**	**$28,300**
Standard Hourly Fee		**$185**	**$115**	**$75**		
Reimbursable Costs						
Mileage and Reproduction Costs						$500
TOTAL FEE		**$7,585**	**$16,215**	**$4,500**		**$28,800**

DEBRIS PRODUCTION STUDY AND BULKING FACTOR ANALYSIS IN SUPPORT OF THE HIGHLAND/REDLANDS REGIONAL CONNECTOR PROJECT IN THE CITY OF HIGHLAND
MAN-HOUR AND FEE SCHEDULE
18-November-2025

Task	Task Description	Proj. Mgr. / Principal	Design Engr.	CADD	Total Task	Total Fee
1	Debris Production Study and Bulking Factor Analysis	2.0	6.0	0.0	8.0	$1,060
2	Debris Production Study and Bulking Factor Analysis Report Preparation and Submittal including Study Processing for Approval	16.0	44.0	12.0	72.0	$8,920
		18	**50**	**12**	**80**	**$9,980**
Standard Hourly Fee		**$185**	**$115**	**$75**		
Reimbursable Costs						
Mileage and Reproduction Costs						$0
TOTAL FEE		**$3,330**	**$5,750**	**$900**		**$9,980**

AGUILAR CONSULTING, INC.
HOURLY FEE RATE SCHEDULE

January 1, 2025

The following rates shall apply to services provided on a time-and-material basis. Rates reflected are hourly.

General

President/Principal	$185.00
Clerical/Miscellaneous Office Work	$45.00

Civil

Engineering Director	$165.00
Senior Project Manager/ Project Manager	$155.00
Assistant Project Manager/Senior Project Engineer	$140.00
Senior Designer/Project Engineer/Calculator	$125.00
Design Engineer/Designer	$115.00
CADD Designer	$75.00
Senior CADD Drafter	$65.00
CADD Drafter	$50.00

Other

Litigation Consultant/Expert Witness Testimony during Deposition*	$350.00
Computer Time	$40.00
Plan Checking (Flat Rate)	$120.00

Note: * - Minimum Billable Time of Four (4) hours; Driving time is considered billable time.

REIMBUSABLE EXPENSES

The following expenses will be billed at cost.

Reproduction Services: Includes blueprinting, copying, printing and plotting. In-house plots will be billed at $6.00 per sheet for each client set and for a final in-house review set. The client is welcome to contract directly with an outside reprographic firm for those services not provided in-house.

Rental Equipment and Fees: Any equipment rental and any fees advanced by our firm including plan check and filing fees.

Commercial Delivery Services: Including Express Mail, Federal Express, UPS and independent courier services.

In-House Pick-Up and Delivery Services: These services provided by our firm will be reimbursed at $44.00 per hour. In addition, mileage will be billed at IRS rates with no markup.

Travel Expenses: Mileage to and from the job site will be billed at IRS rates with no markup.

Waiver of Subrogation: If the client requires a *Waiver of Subrogation for Worker's Compensation Insurance*, the client will be required to pay the additional insurance premium for this request. The approximate amount for waiver is $250.00.

NOTE: Invoicing will be submitted on a monthly, progressive cycle.

ATTACHMENT – D

FEE ESTIMATE

City of Highland

Highland-Redlands Regional Connector Project (GAP Project)

	LOCHNER												SUB-CONSULTANTS			COST SHARE	
	Principal I	Project Manager II	Associate Engineer III (Civil)	Associate Engineer II (Civil)	Associate Engineer I (Civil)	Project Manager II (Structures)	Engineer III (Structures)	Designer II (Structures)	Project Services Coordinator II	Total Hours	Other Direct Costs	Lochner Total	Geotechnical (Ninyo & Moore)	Drainage (ACI)	Team Total	City of Highland	City of Redlands
Hourly Rates (Fully Burdened)	**$310.00**	**$270.00**	**$190.00**	**$170.00**	**$150.00**	**$273.00**	**$273.00**	**$189.00**	**$130.00**								
BASE SERVICES																	
TASK 1: PROJECT MANAGEMENT																	
Kick-off Meeting (1)	1					1		1		3		$772			$772	$579	$193
Design Meetings (up to 4)	4	4		4		4		4		20		$4,848			$4,848	$3,636	$1,212
General Project Management		40							20	60		$13,400			$13,400	$10,050	$3,350
SUBTOTAL	**5**	**44**		**4**		**5**		**5**	**20**	**83**		**$19,020**			**$19,020**	**$14,265**	**$4,755**
TASK 2: FINAL DESIGN																	
Roadway Plans (100%)		44	24	118	16			16		218		$41,924			$41,924	$18,500	$23,424
Structural Plans (30%)						3	7	76		86		$17,094			$17,094	$14,280	$2,814
Bridge Plans (95%)						5	15	106		126		$25,494			$25,494	$24,570	$924
Bridge Plans (100%)						5	7	26		38		$8,190			$8,190	$7,266	$924
Ped Bridge Design Calculations						4	16	130		150		$30,030			$30,030	$30,030	
Barrier Design Calculations						4	16	40				$13,020			$13,020		$13,020
Foundation Report & Geotechnical Report Updates													$78,200		$78,200	$78,200	
Hydrology, Floodplain, Bridge Hydraulics and Scour Study														$28,800	$28,800	$28,800	
Specifications (100%)	4	40	20			6	6	50		126		$28,566			$28,566	$21,425	$7,141
Estimates (100%)		16	20	40		3	12	2		93		$19,393			$19,393	$14,545	$4,848
SUBTOTAL	**4**	**100**	**64**	**158**	**16**	**30**	**79**	**446**		**837**		**$183,711**	**$78,200**	**$28,800**	**$290,711**	**$237,616**	**$53,095**
TOTAL BASE SERVICES	**9**	**144**	**64**	**162**	**16**	**35**	**79**	**451**	**20**	**920**		**$202,731**	**$78,200**	**$28,800**	**$309,731**	**$251,881**	**$57,850**

Fee for optional sonic borings in-lieu of standard borings	**$37,565**
Subsurface Evaluation **(Assumes two sonic borings to 60 feet deep and two sonic borings to 30 feet deep)**	

Base Fee with Optional Task = $347,296

ATTACHMENT – E

PROJECT SCHEDULE

| | 2026 | | |

ATTACHMENT C

COOPERATIVE AGREEMENT NO. 25-1003334

BETWEEN

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

AND

CITY OF HIGHLAND

FOR

CONSTRUCTION PHASE FOR THE REGIONAL GAP CONNECTOR IN THE CITIES OF HIGHLAND AND REDLANDS

FOR ORANGE STREET FROM 0.25 MILES NORTH OF PIONEER AVENUE TO GREENSPOT ROAD IN THE CITIES OF HIGHLAND AND REDLANDS

This COOPERATIVE AGREEMENT ("AGREEMENT") is made and entered into by and between the San Bernardino County Transportation Authority ("SBCTA") and the City of Highland ("CITY"). SBCTA and CITY may be referred to herein individually as a "PARTY" and collectively as "PARTIES".

I. RECITALS

A. WHEREAS, CITY intends to initiate improvements to Orange Street from 0.25 miles north of Pioneer Avenue to Greenspot Road within the limits of the City of Highland and City of Redlands, which includes constructing new active transportation improvements including bicycle and pedestrian facilities, including traffic signal modifications, connecting the City of Highland to City of Redlands, as reflected in Attachment A and depicted in Attachment B, both of which are attached hereto and made part of this AGREEMENT, and are defined herein as the "PROJECT"; and

B. WHEREAS, the PROJECT has been awarded Mobile Source Air Pollution Reduction Review Committee ("MSRC") funds; and

C. WHEREAS, the PROJECT has been awarded Community Project Funding/Congressionally Directed Spending ("CPF/CDS") discretionary grant funding; and

D. WHEREAS, the PARTIES wish to enter into this AGREEMENT to delineate roles, responsibilities, and funding commitments relative to project management and construction activities of the PROJECT; and

E. WHEREAS, the CITY desires SBCTA to provide project management services, estimated at $100,000, for the PROJECT, and understands it is the CITY's sole responsibility to pay 56% of the CITY's share of actual SBCTA project management costs estimated at $56,000; and

F. WHEREAS, the PROJECT cost shall be funded with pending grant funds, Measure I Valley Major Streets – Arterial Subprogam funds, and Local Funds for the construction of the PROJECT; and

NOW, THEREFORE, for good and valuable consideration and the mutual promises contained herein, the PARTIES agree to the following:

II. TERM

Unless this AGREEMENT is terminated early as provided in Section V, Paragraph F, this AGREEMENT shall terminate upon completion of the PARTIES' obligations and responsibilities associated with the construction of the PROJECT described herein or June 30, 2028, whichever is earlier in time. The indemnification provisions identified in Section V, Paragraphs C through D, shall survive the termination of this AGREEMENT. Should any claims arising out of this AGREEMENT be asserted against one of the PARTIES prior to the termination of this AGREEMENT, the AGREEMENT shall be extended until such time as the claims are settled, dismissed or paid.

III. SBCTA RESPONSIBILITIES

SBCTA agrees:

A. To perform project management ("PM") of the construction of the PROJECT. SBCTA's PM responsibilities include, but are not limited to, overseeing the selection, retention, and management of consultants and contractors, ensuring compliance with federal and state standards, coordinating with the CITY, managing project schedules and budgets, and providing regular updates through Project Development Team (PDT) meetings. Performance of services under these consultant contracts shall be subject to the technical direction of SBCTA's Director of Project Delivery, or their designee, with input and consultation from CITY. SBCTA shall ensure that consultants and contractors participating in PROJECT work are appropriately qualified or licensed to perform the tasks assigned to them and shall be responsible for managing the quality of the PROJECT work.

B. To be the lead agency for the PROJECT under the California Environmental Quality Act (CEQA), and to comply with CEQA as applied to lead agencies.

C. To contribute towards the CITY's share of the construction cost of the PROJECT in an amount not to exceed $417,115 ("SBCTA FUNDS") as shown in Attachment A, to be paid from the CITY's balance of Measure I Valley Major Streets – Arterial Subprogam funds. The actual cost of construction may ultimately vary from the estimates provided in Attachment A; however, under no circumstance are the SBCTA FUNDS to exceed $417,115 without a written amendment to this AGREEMENT signed by both Parties.

D. To prepare and submit to CITY signed invoices for reimbursement of allowable project management services expenditures. Invoices may be submitted to CITY as frequently as monthly.

E. To establish and maintain an accounting system conforming to Generally Accepted Accounting Principles ("GAAP") to support SBCTA's request for reimbursement, payment

vouchers, or invoices, which segregate and accumulate costs of PM and CONSTRUCTION work elements, and produce monthly reports that clearly identify reimbursable costs, matching fund costs, and other allowable expenditures by SBCTA.

F. To prepare a final accounting of expenditures, including a final invoice for the actual PM and CONSTRUCTION costs. The final accounting and invoice shall be submitted no later than one hundred and twenty (120) calendar days following the completion of this AGREEMENT and shall be submitted to CITY. The invoice shall include a statement that these PROJECT funds were used in conformance with this AGREEMENT and for those PROJECT-specific PM and CONSTRUCTION work activities.

G. To cooperate in having a PROJECT-specific audit completed by CITY, at its option, upon completion of PM and CONSTRUCTION work. The audit should justify and validate that all funds expended on the PROJECT were used in conformance with this AGREEMENT.

H. To reimburse CITY for costs (Highland Development Share Match) that are determined by subsequent audit to be unallowable within ninety (90) calendar days of SBCTA receiving notice of audit findings, which time shall include an opportunity for SBCTA to respond to and/or resolve the finding. Should the finding not be otherwise resolved and SBCTA fails to reimburse monies due CITY within ninety (90) calendar days of audit finding, or within such other period as may be agreed between both PARTIES hereto, the CITY's Council reserves the right to withhold future payments due SBCTA from any source under CITY's control.

I. SBCTA's Director of Project Delivery is authorized to act on behalf of SBCTA under this Section of the AGREEMENT.

J. To designate a responsible staff member that will be SBCTA's representative in attending the PDT meetings, receiving day-to-day communication, and providing PM services.

K. To complete review and provide comments on PROJECT documents in a timely manner that is consistent with the schedule.

L. To provide CITY with a proposed project schedule to complete the PROJECT.

M. To include CITY in PDT meetings and related communications on PROJECT progress as well as to provide CITY with copies of PDT meeting minutes and action items.

N. To perform the PROJECT work in accordance with State and Federal standards and practices.

O. To provide CITY with a reasonable amount of review and approval time and an opportunity to review, comment on, and approve CONSTRUCTION documents.

P. To apply for encroachment permits authorizing entry of SBCTA and its consultants and contractors onto CITY right of way to perform investigative activities, including surveying and geotechnical borings, and other field activities required by the PROJECT; and to receive encroachment permits from the CITY at no cost to SBCTA, its consultants, and contractors.

Q. To obtain all necessary PROJECT permits, agreements, and/or approvals from appropriate agencies. All mitigation, monitoring, and/or remedial action required by said permits and/or

agreements obtained from agencies other than the CITY shall constitute part of the PROJECT cost.

R. To identify the utilities within the PROJECT area and coordinate with utility companies to determine their location, and if necessary, their potential relocation.

S. To require all contractors and/or consultants under contract to perform services related to the PROJECT to include the CITY, its officers, directors, employees, and agents as additional insureds and to indemnify, defend, and hold harmless the CITY, its officers, directors, employees, and agents from any liability, claims, demands, suits, or actions which may be made by any person resulting from the PROJECT.

IV. CITY RESPONSIBILITIES

CITY agrees:

A. To reimburse SBCTA for CITY's share of actual SBCTA costs incurred in an estimated amount of $417,085 ("CITY FUNDS"), which includes $56,000 towards PM, as shown in Attachment A. The actual cost may ultimately vary from the estimates provided in Attachment A and should CITY's total share of PROJECT costs exceed the estimates as shown in Attachment A, CITY agrees to work with SBCTA in good faith to attempt to agree upon an amendment to the AGREEMENT to account for the additional costs in accordance with Section V, Paragraph A, below.

B. When conducting an audit of the costs claimed under the provisions of this AGREEMENT, to rely to the maximum extent possible on any prior audit of SBCTA performed pursuant to the provisions of State and Federal laws. In the absence of such an audit, work of other auditors will be relied upon to the extent that work is acceptable to CITY when planning on conducting additional audits.

C. To designate a responsible staff member that will be CITY's representative in attending the PDT meetings, receiving day-to-day communication, and reviewing the PROJECT documents.

D. To review, provide comments on, and approve PROJECT documents within two (2) weeks of receiving the review request from SBCTA. All necessary PROJECT reviews, permits, agreements, and/or approvals from the CITY shall be provided at no cost to SBCTA, its consultants, and contractors.

E. CITY's Public Works Director/City Engineer is authorized to act on behalf of CITY under this Section of the AGREEMENT.

F. To provide permits, inspections, reviews, and oversight at no cost to SBCTA or to consultants and contractors contracted by SBCTA to work on the PROJECT.

G. To provide SBCTA copies of the franchise/utility agreements for the utilities in the PROJECT area for the purpose of determining prior rights and estimating utility relocation costs.

H. To assist SBCTA as requested and when necessary exercise the City's rights under utility relocation law or under any franchise agreement, to cause each utility to relocate or rearrange its utility facility.

I. To place the acceptance of the PROJECT on a City Council agenda within thirty (30) days of receipt of written notice from SBCTA that the PROJECT is substantially completed, which acceptance shall not be unreasonably withheld or delayed.

V. MUTUAL RESPONSIBILITIES

The PARTIES agree:

A. To abide by all applicable Federal, State, and Local laws and regulations pertaining to the PROJECT, including payment of prevailing wages and compliance with the policies in the applicable program in the Measure I 2010-2040 Strategic Plan, as amended, as of the Effective Date of this AGREEMENT. In the event SBCTA determines PM and CONSTRUCTION work may exceed the amounts identified in Attachment A of this AGREEMENT, SBCTA shall inform CITY of this determination and thereafter the PARTIES shall work together in an attempt to agree upon an amendment to the amounts identified in this AGREEMENT. In no event, however, shall the PARTIES be responsible for PROJECT costs in excess of the amounts identified in this AGREEMENT without a written amendment that is approved by the PARTIES.

B. Eligible PROJECT reimbursements shall include only those costs incurred by SBCTA for PROJECT-specific work activities that are described in this AGREEMENT and shall not include escalation or interest.

C. Neither SBCTA nor any officer, director, employee or agent thereof is responsible for any injury, damage or liability occurring or arising by reason of anything done or omitted to be done by CITY under or in connection with any work, authority or jurisdiction delegated to CITY under this AGREEMENT. It is understood and agreed that, pursuant to Government Code Section 895.4, CITY shall fully defend, indemnify and save harmless SBCTA, its officers, directors, employees or agents from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined by Government Code Section 810.8) occurring by reason of anything done or omitted to be done by CITY under or in connection with any work, authority or jurisdiction delegated to CITY under this AGREEMENT.

D. Neither CITY nor any officer, director, employee or agent thereof is responsible for any injury, damage or liability occurring or arising by reason of anything done or omitted to be done by SBCTA and under or in connection with any work, authority or jurisdiction delegated to SBCTA under this AGREEMENT. It is understood and agreed that, pursuant to Government Code Section 895.4, SBCTA shall fully defend, indemnify and save harmless CITY, its officers, directors, employees or agents from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined by Government Code Section 810.8) occurring by reason of anything done or omitted to be done by SBCTA under or in

connection with any work, authority or jurisdiction delegated to SBCTA under this AGREEMENT.

E. CITY and SBCTA represent that they have sufficient insurance coverage for purposes of Professional Liability, General Liability, Automobile Liability and Workers' Compensation, and warrant that through their respective insurance programs they have adequate coverage or resources to protect against liabilities arising out of the performance of the terms, conditions or obligations of this Agreement.

F. Notwithstanding any other provision herein, to the extent consistent with the terms and obligations hereof, any PARTY may terminate this AGREEMENT at any time, with or without cause, by giving thirty (30) calendar days' written notice to the other PARTY. In the event of a termination, the PARTY terminating this AGREEMENT shall be liable for any costs or other obligations it may have incurred under the terms of the AGREEMENT prior to termination.

G. The Recitals to this AGREEMENT are true and correct and are incorporated into this AGREEMENT.

H. All signatories hereto warrant that they are duly authorized to execute this AGREEMENT on behalf of said PARTY and that by executing this AGREEMENT, the PARTIES hereto are formally bound to this AGREEMENT.

I. This AGREEMENT shall be governed by and construed in accordance with the laws of the State of California. All PARTIES agree to follow all applicable local, state, county, and federal laws and ordinances with respect to performance under this AGREEMENT.

J. The PARTIES agree that each PARTY and any authorized representative, designated in writing to the PARTIES, and upon reasonable notice, shall have the right during normal business hours to examine all PARTIES' financial books and records relating to this AGREEMENT. The PARTIES agree to retain their books and records for a period of three (3) years from the later of: a) the date on which this AGREEMENT terminates; or b) the date on which such book or record was created.

K. If any clause or provisions of this AGREEMENT is illegal, invalid, or unenforceable under applicable present or future laws, then it is the intention of the PARTIES that the remainder of this AGREEMENT shall not be affected but shall remain in full force and effect.

L. This AGREEMENT cannot be amended or modified in any way except in writing, signed by all PARTIES hereto.

M. Neither this AGREEMENT, nor any of the PARTIES' rights, obligations, duties, or authority hereunder may be assigned in whole or in part by either PARTY without the prior written consent of the other PARTY in its sole, and absolute, discretion. Any such attempt of assignment shall be deemed void and of no force and effect.

N. No waiver of any default shall constitute a waiver of any other default whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or

performed by a PARTY shall give the other PARTY any contractual rights by custom, estoppel, or otherwise.

O. In the event of litigation arising from this AGREEMENT, each PARTY to this AGREEMENT shall bear its own costs, including attorneys' fees. This paragraph shall not apply to the costs or attorneys' fees relative to paragraphs C and D of this Section.

P. This AGREEMENT may be signed in counterparts, each of which shall constitute an original, and may be signed using electronic signatures. This AGREEMENT is effective and shall be dated on the date executed by SBCTA ("Effective Date").

Q. Any notice required, authorized, or permitted to be given hereunder or any other communications between the PARTIES provided for under the terms of this AGREEMENT shall be in writing, unless otherwise provided for herein, and shall be served personally or by reputable courier addressed to the relevant party at the address/fax number stated below:

If to SBCTA: Kristi Lynn Harris
Director of Project Delivery
1170 West Third Street, Second Floor
San Bernardino, CA 92410-1715
Telephone: (909) 884-8276

If to CITY: Octavio Duran Jr., PE
Public Works Director/City Engineer
27215 Base Line
Highland, CA 92346
Telephone: (909) 864-6861

Q. There are no third-party beneficiaries, and this AGREEMENT is not intended, and shall not be construed to be for the benefit of, or be enforceable by, any other person or entity whatsoever.

---------- SIGNATURE PAGE TO FOLLOW ----------

SIGNATURE PAGE TO
COOPERATIVE AGREEMENT NO. 25-1003334
BETWEEN
SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
and CITY OF HIGHLAND

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY	**CITY OF HIGHLAND**
By:_____	By:_____
Rick Denison President, Board of Directors	CITY Manager
Date:_____	Date:_____
APPROVED AS TO FORM:	APPROVED AS TO FORM:
By:_____	By:_____
Iain MacMillan Assistant General Counsel	CITY Attorney

Attachment A

Project Scope:
Orange Street from 0.25 miles north of Pioneer Avenue to Greenspot Road within the limits of the City of Highland and City of Redlands.

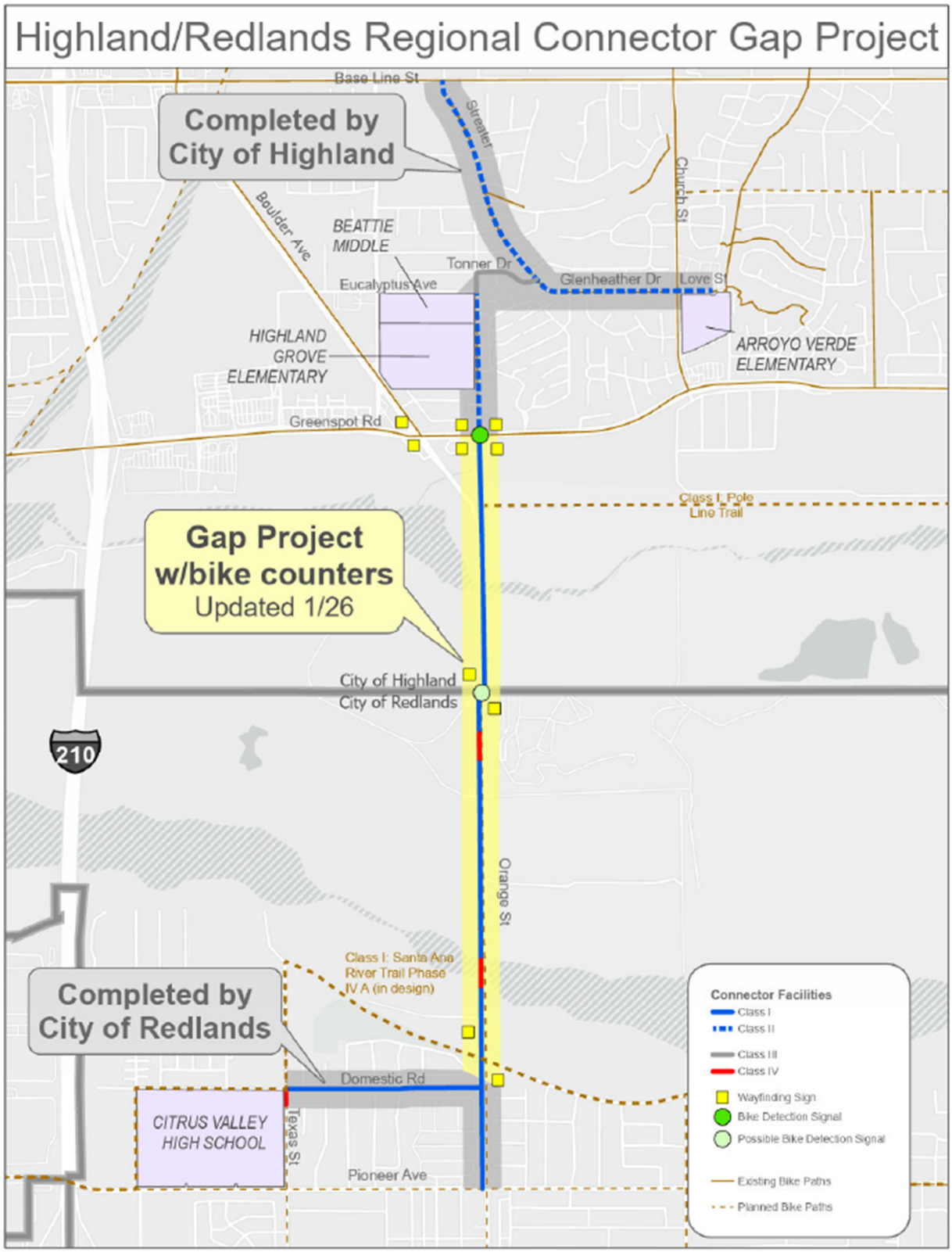
Total Project Cost Estimate and Funding Shares:
Highland Share of Project Costs: 56%
Redlands Share of Project Costs: 44%

Highland Development Share Match to SBCTA Funds: 46.4%
Redlands Development Share Match to SBCTA Funds: 23.1%

PHASE	TOTAL COST	FEDERAL CRP	FEDERAL CPF/CDS	MSRC	SBCTA FUNDS - HIGHLAND	SBCTA FUNDS - REDLANDS	CITY FUNDS - HIGHLAND	CITY FUNDS - REDLANDS
HIGHLAND NORTH*	$1,587,936	$1,405,800			$97,625		$84,511	
GAP - NORTH	$3,396,064		$1,120,000	$1,680,000	$319,490		$276,574	
GAP - SOUTH	$3,916,000		$880,000	$1,320,000		$1,319,604		$396,396
PROJECT MANAGEMENT	$100,000						$56,000	$44,000
TOTAL	$9,000,000	$1,405,800	$2,000,000	$3,000,000	$417,115	$1,319,604	$417,085	$440,396

*HIGHLAND NORTH includes portions of the project within the City of Highland which received Federal Carbon Reduction Program funds

Attachment B
Project Limits



Staff Report
to the City Council

Agenda Item No.19.

Date:	March 10, 2026
From:	Carlos Zamano, City Manager
Reviewed By:	Alondra Muñoz, City Clerk
Prepared By:	Lissette Nock, Deputy City Clerk
Subject:	City Manager Report and Comments (Work Program, Regional/Legislative/ Development Issues, Subcommittees, etc.)

Recommendation:
Discussion and possible action.

Fiscal Impact:
None

Public Notice:
The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:

Attachments:
None

Staff Report
to the City Council

Agenda Item No.20.

Date:	March 10, 2026
From:	Carlos Zamano, City Manager
Reviewed By:	Alondra Muñoz, City Clerk
Prepared By:	Lissette Nock, Deputy City Clerk
Subject:	Councilmember Comments (Agency/Committee/AB 1234 Reports, District Updates, etc.)

Recommendation:
Discussion and possible action.

Fiscal Impact:
None

Public Notice:
The agenda for this item was posted at the three locations per Resolution No. 2011-047 and on the City's website.

Background:

Attachments:
None