

DATE SUBMITTED October 29, 2025
SUBMITTED BY City Manager's Office
DATE ACTION REQUIRED November 5, 2025

COUNCIL ACTION (X)
PUBLIC HEARING REQUIRED ()
RESOLUTION ()
ORDINANCE 1ST READING ()
ORDINANCE 2ND READING ()
CITY CLERK'S INITIALS ()

**IMPERIAL CITY COUNCIL
AGENDA ITEM**

SUBJECT DISCUSSION/ACTION:
APPROVE REGULATORY AGREEMENT TO ESTABLISH 6TH STREET/ H STREET APARTMENTS AS AFFORDABLE HOUSING.

DEPARTMENT INVOLVED: CITY MANAGER'S OFFICE

BACKGROUND/SUMMARY:

City Council previously approved Resolution 2024-06 authorizing the application and agreement with the California Department of Housing and Community Development's (HCD), Permanent Local Housing Allocation Program (PLHA) 23-PLHA-18293.

This action allowed the City to receive grant funding from PLHA for rehabilitation of the city apartments located at 6th street and H street. This is a 10-unit complex and the City intends to utilize awarded funding for needed repairs and upgrades to the apartments.

As part of the PLHA agreement, and approved Resolution, a regulatory agreement to establish the apartments as affordable housing must be recorded on the property. This regulatory agreement would restrict the household income to residents at 60% of the Area Median Income (AMI), and rent maximum of 30% of the 60% AMI for a period of 55 years.

To date the City of Imperial has received funding for the following allocation years:

- Year 2020 in the amount of \$147,535.00
- Year 2021 in the amount of \$169,834.00
- Year 2022 in the amount of \$89,147.00

Total received funding to date: \$406,516.00

A new application was submitted for round 5, requesting allocation Year 2023 funds in the amount of \$72,922.00.

If approved, this Regulatory Agreement would be recorded with the County Recorder and conditions outlined in the agreement would be applicable to any future owners of the property for the term of 55 years from the date of Council's execution of this document. Approval of this agreement would also allow the use of grant funds to complete needed improvements of the 10-unit apartment complex.

See Attached:

- Resolution 2024-06
- Draft PLHA approved Regulatory Agreement

<p>FISCAL IMPACT:</p> <p>\$406,516 - PLHA grant funds</p>	<p>ADMIN SERVICES SIGN INITIALS <u>JMS</u></p>
<p>STAFF RECOMMENDATION:</p> <p>City Council approved Regulatory Agreement establishing affordable housing of City apartments for a period of 55 years.</p>	<p>DEPT. INITIALS <u>TG</u></p>
<p>MANAGER'S RECOMMENDATION:</p> <p><u>approve</u></p>	<p>CITY MANAGER'S INITIALS <u>AM</u></p>
<p>MOTION:</p> <p>SECONDED:</p> <p>AYES:</p> <p>NAYES:</p> <p>ABSENT:</p> <p>APPROVED ()</p> <p>DISAPPROVED ()</p> <p>REJECTED ()</p> <p>DEFERRED ()</p> <p>REFERRED TO:</p>	

RESOLUTION NO. 2024-06

**AUTHORIZING RESOLUTION OF THE CITY OF IMPERIAL
AUTHORIZING THE APPLICATION AND ADOPTING THE
PLHA PLAN FOR THE PERMANENT LOCAL HOUSING
ALLOCATION PROGRAM**

City of Imperial City Council hereby adopts the following resolution:

WHEREAS, the Department is authorized to provide up to \$296 million under the Permanent Local Housing Allocation Program Formula Component from the Building Homes and Jobs Trust Fund for assistance to Cities and Counties (as described in Health and Safety Code section 50470 et seq.

(Chapter 364, Statutes of 2017 (SB 2)).

WHEREAS, the State of California (the "State"), Department of Housing and Community Development ("Department") issued a Notice of Funding Availability ("NOFA") dated 12/29/2023 under the Permanent Local Housing Allocation (PLHA) Program; and

WHEREAS, the City of Imperial is an eligible Local government who has applied for program funds to administer one or more eligible activities, or a Local or Regional Housing Trust Fund to whom an eligible Local government delegated its PLHA formula allocation; and

WHEREAS, the Department may approve funding allocations for PLHA Program, subject to the terms and conditions of the Guidelines, NOFA, Program requirements, the Standard Agreement, and other contracts between the Department and PLHA grant recipients;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF IMPERIAL DOES RESOLVE, DETERMINE, ORDER AND PROCLAIM AS FOLLOWS:

1. If Applicant receives a grant of PLHA funds from the Department pursuant to the above referenced PLHA NOFA, it represents and certifies that it will use all such funds in a manner consistent and in compliance with all applicable state and federal statutes, rules, regulations, and laws, including without limitation all rules and laws regarding the PLHA Program, as well as any and all contracts Applicant may have with the Department.
2. Applicant is hereby authorized and directed to receive a PLHA grant, in an amount not to exceed the five-year estimate of the PLHA formula allocations, as stated in Appendix B of the current NOFA (\$548,568) in accordance with all applicable rules and laws.

3. Applicant hereby agrees to use the PLHA funds for eligible activities as approved by the Department and in accordance with all Program requirements, Guidelines, other rules and laws, as well as in a manner consistent and in compliance with the Standard Agreement and other contracts between the Applicant and the Department.
4. **Pursuant to Section 302(c)(4) of the Guidelines, Applicant's PLHA Plan for the 2019-2023 Allocations is attached to this resolution, and Applicant hereby adopts this PLHA Plan and certifies compliance with all public notice, public comment, and public hearing requirements in accordance with the Guidelines.**
5. **If applicable:** Applicant certifies that it has or will subgrant some or all of its PLHA funds to another entity or entities. Pursuant to Guidelines Section 302(c)(3), "entity" means a housing developer or program operator, but does not mean an administering Local government to whom a Local government may delegate its PLHA allocation.
6. **If applicable:** Applicant certifies that its selection process of these subgrantees was or will be accessible to the public and avoided or shall avoid any conflicts of interest.
7. Pursuant to Applicant's certification in this resolution, the PLHA funds will be expended only for eligible Activities and consistent with all program requirements.
8. **If applicable:** Applicant certifies that, if funds are used for the development of an Affordable Rental Housing Development, the Local government shall make PLHA assistance in the form of a low-interest, deferred loan to the Sponsor of the Project, and such loan shall be evidenced through a Promissory Note secured by a Deed of Trust and a Regulatory Agreement shall restrict occupancy and rents in accordance with a Local government-approved underwriting of the Project for a term of at least 55 years.
9. Applicant shall be subject to the terms and conditions as specified in the Standard Agreement, the PLHA Program Guidelines and any other applicable SB 2 Guidelines published by the Department.
10. The City Manager and/or his designee is authorized to execute the PLHA Program Application, the PLHA Standard Agreement and any subsequent amendments or modifications thereto, as well as any other documents which are related to the Program or the PLHA grant awarded to Applicant, as the Department may deem appropriate.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Imperial on the 21st day of February 2024.

Signature of Approving Officer: _____


ROBERT AMPARANO,
Mayor

CERTIFICATE OF THE ATTESTING OFFICER

The undersigned, Kristina Shields, does hereby attest and certify that the attached Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of the City of Imperial City Council which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

AYES: Burnworth, Mendoza, Obeso-Martinez, Tucker, Amparano

NOES: None

ABSENT: None

ABSTAIN: None

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Imperial, California, this 21st day of February 2024.



KRISTINA SHIELDS,
City Clerk

RECORDING REQUESTED BY:

City of Imperial
420 South Imperial Avenue
Imperial, CA 92251

WHEN RECORDED MAIL TO:

City of Imperial
City Clerk
420 South Imperial Avenue
Imperial, CA 92251

SPACE ABOVE THIS LINE FOR RECORDER’S USE

DOCUMENT TITLE(S): AFFORDABLE HOUSING REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS

CITY APARTMENTS, 6TH STREET AND H STREET. (UNITS 101 THROUGH 107 AND UNITS 206 THROUGH 212½).

AFFORDABLE HOUSING REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS

This Agreement is entered into as of the __ day of, 2025 (the “Effective Date”), by and between the CITY OF IMPERIAL (“City”), and any successors in interest of the real property described herein (collectively, the “Property”).

I. RECITALS

A. Property Ownership and Description the City is the Owner of the Property, more fully described in Exhibit A attached hereto and incorporated by reference. The Property includes all rights, privileges, easements, appurtenances, mineral and water rights, and permanent improvements.

B. Intent to Preserve Affordability the City intends to preserve the affordability of the Property for persons with incomes which do not exceed 60% of the Area Median Income for the City of Imperial, ensuring that affordability restrictions remain attached to the Property in compliance with the authorities which govern use of PLHA Funds.

C. Authority and Funding on February 21, 2024, the City Council of the City adopted Resolution 2024-06 authorizing this Agreement under the PLHA Grant in collaboration with the California Department of Housing and Community Development (HCD). The City was awarded \$406,516.00

in PLHA Funds (CY 2020, 2021 & 2022) to refurbish and improve the Property. This project supports the City's Housing Element by:

- **Goal 2:** Providing diverse housing options that accommodate various economic needs.
- **Goal 4:** Promoting affordability for very low-, low-, and moderate-income households.
- **Goal 5:** Pursuing additional resources to aid in affordable housing creation. The use of PLHA Funds complies with Activity §301(a)(1) regarding the predevelopment, development, acquisition, rehabilitation, and preservation of multifamily residential rental housing affordable to extremely low-, very low-, low-, or moderate-income households.

D. Imposition of Restrictions This Agreement imposes enduring occupancy and affordability restrictions on the Property to ensure that all future Transferees adhere to the affordability standards established herein.

II. DEFINITIONS

For purposes of this Agreement, the following terms shall have the meanings specified below:

1. **Affordable Rent:** "Affordable Rent" means Rent which is limited for initial occupancy, and for each subsequent occupancy, by a new Eligible Household following the calculation procedures used by the California Tax Credit Allocation Committee (TCAC), but in no event to exceed 30% of 60% of the Area Median Income applicable to the City of Imperial.
2. **City:** The "City" refers to the City of Imperial.
3. **Eligible Household:** "Eligible Households" refers to households whose incomes do not exceed 60% of the Area Median Income applicable to the City of Imperial.
4. **Owner:** "Owner" refers to any person or entity which, as of the Effective Date of this Agreement, has any interest in the Property whether through a fee estate, a leasehold estate, hypothecation or otherwise, and shall include their heirs, successors, assigns, and Transferees.
5. **Property:** The "Property" is located within the City of Imperial at the corner of 6th Street and H Street. It comprises units 101 through 107 on 6th Street and units 206 through 212½ on H Street. The Property is identified as County Assessor's Parcel No. 064-103-013 and is more fully described in Exhibit A. This includes all rights, privileges, easements, appurtenances, mineral and water rights, and permanent improvements.
6. **Rent:** "Rent" means the same as "gross Rent," as defined in the Internal Revenue Code (26 USC 42(g)(2)(B)). It includes all mandatory charges, other than deposits, paid by the tenant for the use and occupancy of the Assisted Unit, plus a utility allowance established in accordance with TCAC Regulations. For units assisted under the U.S. Department of Housing and Urban Development (HUD) Section 8 or similar rental subsidy program, Rent includes only the tenant contribution portion of the contract rent.
7. **Transferee:** A "Transferee" is any person or entity who at any time after the Effective Date of this Agreement becomes an Owner as that term is defined herein.
8. **Term:** "Term" refers to the fixed period of occupancy or lease as defined herein. In Section 5(a), the Term shall be fifty-five (55) years, commencing on the Affordable Housing Occupancy Date.

9. **Very Low Income Household:** A “Very Low Income Household” is one whose gross income does not exceed 30% of the Area Median Income, based on applicable federal or state guidelines.
10. **Lower Income Household:** A “Lower Income Household” is a household whose income falls within the qualifying range defined by applicable local, state, or federal guidelines and which may rent a unit under this Agreement’s provisions if said household meets the definition of an Eligible Household as set forth herein.
11. **Affordability Period:** The “Affordability Period” is the duration during which the restrictions and covenants of this Agreement shall remain in full force and effect.
12. **Affordable Housing Occupancy Date:** This term refers to the date on which the last of the ten Affordable Housing Units made the subject of this Agreement is first occupied under the terms of this Agreement.
13. **PLHA Funds:** “PLHA Funds” means funds received under the PLHA Grant from the California Department of Housing and Community Development (HCD) for the purposes set forth herein.

III. AGREEMENT

1. Purpose and Binding Effect

The City, acting as Declarant, agrees to regulate the occupancy, rents, operation, ownership, and management of the Property to preserve its affordability for eligible households. These covenants run with the land and bind all successors and assigns.

2. Successors and Binding Provision: This Agreement shall bind any Owner, successor, heir, or assign of the City—whether a change in interest occurs voluntarily or involuntarily by operation of law or otherwise. In the event the City contemplates or proceeds with the sale of the Property to a successor, such sale shall be conditional upon adherence to and consideration of the covenants set forth herein.

3. Acknowledgment and Certification

Each purchaser of the Property must acknowledge and certify acceptance of these restrictive covenants by executing a certification form substantially similar to that provided in Exhibit B. Such certification is a condition precedent to any Transfer and shall continue to bind all subsequent purchasers.

4. Allocation of PLHA Funds

The City shall allocate its annual PLHA Funds toward the rehabilitation and preservation of a designated 10-unit low-income rental community on the Property (the “Rental Development”), specifically targeted for households earning 60% of the Area Median Income (AMI).

5. Maintenance and Inspection

a. **Maintenance Obligations:** The purchaser shall maintain the Property and all associated improvements in good condition and in strict compliance with all applicable building, plumbing, electrical, fire, habitability and housing codes.

b. **Inspection Rights:** Should City determine it is necessary, upon reasonable notice to the Owner and, in the case of inspections of the interior of any occupied units, upon reasonable notice to the occupants of the units, the City shall have the right to enter onto and inspect the Property and all records pertaining to the operation of the Rental Development, including, but not limited to, tenant income certifications, Rents charged to Eligible Households, and records of maintenance and repair. Upon the receipt of a notice of intent to Transfer (as provided in Section 5), the City shall have the right to access and inspect the Property to ensure compliance with this Agreement.

c. **Remedy of Deficiencies:** Any deficiencies (“Deficiencies”) identified during an inspection must be remedied by the purchaser within sixty (60) days following written notice from the City. In connection with any transfer of interest, the City or an eligible purchaser may require that escrow funds be withheld to address any Deficiencies prior to escrow closing.

6. Occupancy and Income Eligibility Restrictions

a. **Affordability Requirements and Term:** Each unit shall be leased exclusively to Eligible Households at an Affordable Rent for the Term of fifty-five (55) years, commencing on the Affordable Housing Occupancy Date. Prior to leasing any unit to a new tenant, the Owner shall take reasonable steps to certify that the prospective new tenant qualifies as an Eligible Household, and shall recertify the income of each Eligible Household in the Rental Development not more and not less than once in any 12-month period.

b. **Household Income Recertification:** In the event that, upon recertification, a tenant’s gross income exceeds the qualifying threshold for an Eligible Household as defined herein, then—subject to applicable local and state law—the tenant shall be required to vacate the unit upon the later of a sixty (60) day notice or upon the expiration of the current lease term. For projects financed with Tax Credits or other Federal/State assistance, applicable IRS regulations (including section 1.42) and any other relevant provisions shall apply. Notwithstanding any interim rent adjustments, the unit shall at all times remain in compliance with this Agreement.

7. Covenants Running with the Land

All provisions of this Agreement shall run with the land, thereby binding every Owner, occupant, lessee, purchaser, and Transferee throughout the Affordability Period.

8. Periodic Review Clause

To ensure that the terms of this Agreement remain relevant in light of evolving housing market conditions, regulatory changes, and community needs, the following provisions shall apply:

a. **Review Schedule:** The City shall conduct a comprehensive review of this Agreement every five (5) years from the Effective Date.

b. **Scope of Review:** The review shall assess compliance with the affordability provisions, the effectiveness of maintenance and inspection requirements, and the overall impact of the Agreement on sustaining affordable housing.

c. **Recommendations and Amendments:** Any recommendations for amendments arising from the review shall be documented and, if adopted by the City Council, become binding on all parties. Any such adopted amendments shall be attached as an addendum to this Agreement and shall comply with the authorities governing the use of PLHA Funds.

d. **Stakeholder Consultation:** The City shall engage relevant stakeholders—including tenants, property managers, and housing advocacy groups—during each review to gather input on the performance and relevance of the existing covenants.

e. **Public Reporting:** A summary report of each periodic review shall be publicly available to maximize transparency and community involvement.

9. Protection of Current Occupancy and Conversion to Affordable Housing

a. **Continued Occupancy Rights.** Notwithstanding any subsequent conversion of any Unit into the Affordable Housing Program, any person, family, or entity (hereinafter, the “Resident” or “Tenant”) lawfully occupying such Unit as of the Effective Date of this Agreement shall be entitled to continue occupancy under the terms and conditions of their existing tenancy, lease, or occupancy agreement (collectively, the “Existing Lease”), subject only to any modifications required by applicable law. No action under this Agreement shall be taken that would require the premature termination of a current tenancy solely as a result of the Unit’s conversion to an affordable housing designation. The rights granted in this Section 9(a) shall not continue past the expiration of the Existing Lease, nor shall the Existing Lease be extended or renewed past its current date of expiration.

b. **Automatic Conversion Upon Vacancy.** In the event that a Unit which is subject to the provisions of Section 9(a) becomes vacant—whether through termination of the current Tenant’s occupancy under the terms of the existing agreement or through any other lawful vacancy—the Unit shall automatically (and without further discretionary action) be designated as an Affordable Housing Unit. Following vacancy, for the remaining term of this Agreement, all new tenancies shall be subject to the eligibility criteria, rent limitations, and other affordability requirements established pursuant to this Agreement and applicable law.

c. **Compliance and Enforcement.** The Owner, in conjunction with the administering agency or Affordable Housing Program, shall ensure that, upon vacancy, the Unit meets all requirements to be classified and maintained as an Affordable Housing Unit. Any new agreements entered into for occupancy of the Unit following its vacancy shall incorporate such affordable housing provisions without exception. Nothing in this clause shall be construed to reduce or

otherwise modify the rights or obligations that current Tenants may have under existing agreements until such agreements expire or are lawfully terminated.

IV. EXHIBITS

1 Exhibits. The following Exhibits are attached hereto and incorporated into this Agreement by this reference:

A. Legal Description of the Property

B. Purchaser Certification Form

CITY OF IMPERIAL

IN WITNESS WHEREOF, the parties hereto set their hands this 5th day of November, 2025.

CITY:

CITY OF IMPERIAL

By _____
James Tucker, Mayor

ATTEST:

By _____
Kristina Shields,
City Clerk

APPROVED AS TO FORM:

By _____
Katherine Turner
City Attorney

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA}
COUNTY OF IMPERIAL}
CITY OF BRAWLEY}

On **November 5, 2025**, before me , **City Clerk** for the City of Imperial California, a Municipal Corporation, personally appeared **James Tucker, Mayor** 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 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

City Clerk

(Seal)

Civil Code 1189 Certificate of Acknowledgment

Exhibit A

Legal Description of the Property

THE EAST 85 FEET OF THE WEST 145 FEET OF THE SOUTH 145 FEET ANF THE WEST 60 FEET OF THE SOUTH 215 FEET OK BLOCK 96, TOWNSITE OF IMPERIAL, IN THE CITY OF IMPERIAL, COUNTY OF IMPERIAL, STATE OF CALIFORNIA, ACCORDING TO MAP NO. 833 ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGOCOUNTY, A COPY OF SAID MAP ON FILE IN THE OFFICE OF THE COUNTY RERCORDER OF IMPERIAL COUNTY.

SAID LAND IS ALSO SHOWN AS PARCEL 3 OF THAT CERTAIN CERTIFICATE OF COMPLINANCE RECORDED MAY 17, 1996, IN BOOK 1897, PAGE 1280OF OFFICIAL RECORDS

APN: 064-103-013

Exhibit B:

Purchaser Certification Form

Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants
Effective Date: _____, June 2025

1. Purchaser Information

- **Name:** _____
- **Address:** _____
- **City / State / Zip:** _____
- **Telephone:** _____
- **Email:** _____

2. Property Information

The Property is located within the City of Imperial at the corner of 6th Street and H Street, comprising units 501 through 507 6th Street and 406 through 412½ H Street. It is identified as County Assessor’s Parcel No. 064-103-013, with a full legal description provided in Exhibit A.

3. Certification

The undersigned Purchaser hereby certifies the following:

- **Acknowledgment:** I have received, read, and fully understand the Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants, including all attachments, addenda, and amendments. I further acknowledge that this Agreement imposes restrictive covenants and obligations on the Property.
- **Acceptance of Restrictions:** I agree to take title to the Property subject to and in compliance with all the terms, covenants, restrictions, and conditions set forth in the Agreement, including those related to occupancy, rent, operation, and maintenance.
- **Binding Effect:** I understand that the provisions of the Agreement shall bind me, my successors, and any assignees, and that this certification is a condition precedent to any transfer of the Property.
- **Periodic Review:** I acknowledge that the Agreement is subject to a periodic review every five (5) years by the City, during which the affordability and maintenance provisions will be evaluated. Any amendments approved by the City Council as a result of such a review will be binding on all parties.
- **Further Representations:** I warrant that the information provided in this Certification Form is true and accurate to the best of my knowledge.

4. Execution

By signing below, I confirm that I have read, understood, and agreed to the terms and conditions set forth in the Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants.

Date: _____

Purchaser Signature: _____

Printed Name: _____

Title (if applicable): _____

5. Notary Acknowledgment (If Required)

State of _____ County of _____

Subscribed and sworn before me on this _____ day of _____, 20____, by _____, who is personally known to me or has produced _____ as identification.

Notary Public Signature: _____

My Commission Expires: _____