

Vacant, Chair  
Jeff Ortiz, Vice Chair  
Leo Barrera, Commissioner  
Emily Lares, Commissioner  
Kenneth Tang, Commissioner



Guillermo Arreola,  
Executive Director/ Director of  
Community Development  
Renee Reyes,  
Secretary  
Adrian De Leon,  
Interim Assistant City Attorney

**CITY OF SOUTH EL MONTE  
REGULAR MEETING OF THE SOUTH EL MONTE PLANNING COMMISSION**

**AGENDA**

January 21, 2025, 6:00 PM  
1415 Santa Anita Avenue, South El Monte, CA 91733

**PUBLIC COMMENT**

To participate during public comment via teleconference, see below:

Link: <https://us02web.zoom.us/j/87142342038>

Webinar ID: 871 4234 2038

Or Call In: 1 669 444 9171, when prompted, enter 87142342038#

**AMERICANS WITH DISABILITIES ACT**

In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call the City Clerk's office at (626) 652-3180 or (626) 652-3121 at least 72 hours prior to the meeting.

**GENERAL COMMENT**

Members of the public wishing to submit a general comment or a comment on an agenda item, can email [reyes@soelmonte.org](mailto:reyes@soelmonte.org) or call (626) 652-3175 to leave a voicemail message. All comments received an hour before the scheduled meeting will be read during public comment and made part of the record.

**MEETINGS**

The Planning Commission holds regular meetings on the Third Tuesday of every month. Regular meetings start at 6 p.m. in the Council Chambers at City Hall, 1415 Santa Anita Avenue, South El Monte, California.

**POSTING LOCATIONS OF AGENDA AND/OR CANCELLATION NOTICES**

Regular meeting agendas will be posted at least 72 hours before the meeting  
(Government Code Section 54954(a)(1))

Agenda and Cancellation Notices can be viewed online (at the link below) and are also posted at the following three (3) locations: City Hall located at 1415 Santa Anita Avenue, Senior Center located at 1556 Central Avenue and the Community Center located at 1530 Central Avenue, South El Monte, California.

**VIEWING OF AGENDA PACKETS**

Full agenda packet can be viewed either at <https://www.cityofsouthelmonte.org/373/Agendas-Minutes> or in the Community Development's Office at City Hall during normal business hours Monday through Thursday 7:00 a.m. to 5:30 p.m. Closed on Fridays and major holidays.

**ISSUES RELATED TO AGENDA**

For issues related to the agenda, including a disability-related accommodation necessary to participate in this meeting, please contact:

Renee Reyes, Commission Secretary  
Ph (626) 652-3175

**AGENDA BEGINS ON THE FOLLOWING PAGE**

**1. ROLL CALL**

Commissioners: Barrera, Lares, Tang and Vice Chair Ortiz

**2. PLEDGE OF ALLEGIANCE**

Commissioner Barrera

**3. PRESENTATIONS – NONE**

**4. APPROVAL OF AGENDA**

By motion of the Planning Commission, this is the time to notify the public of any changes to the agenda, remove items from the consent calendar for individual consideration and/or rearrange the order of the agenda.

**5. PUBLIC COMMENT**

Speakers may provide public comments on any matter within the subject matter jurisdiction of the Planning Commission, including items on the agenda. Each speaker will be limited to five minutes. Unless a majority of the Commission objects, the Chair may provide speakers more or less time to speak. All comments or queries shall be addressed to the Commission as a body and not to any specific member thereof. Pursuant to Government Code Section 54954.2(a)(2), the Ralph M. Brown Act, no action or discussion by the Planning Commission shall be undertaken on any item not appearing on the posted agenda, except to briefly provide information, ask for clarification, provide direction to staff, or schedule a matter for a future meeting.

**6. CONSENT CALENDAR**

Items on the consent calendar are considered to be routine and customary and are enacted by a single motion with the exception of items previously pulled by a member of the Planning Commission during "Approval of the Agenda" for individual consideration. Any items pulled shall be individually considered immediately after taking action on the Consent Calendar.

**6.a. Approval of the Regular Planning Commission Meeting Minutes for December 19, 2024.**

**RECOMMENDATION:** Staff recommends the Planning Commission approve Minutes for the December 19, 2024, regular Planning Commission meeting.

**7. PUBLIC HEARING**

**7.a. Public hearing regarding the revocation of Conditional Use Permit No. 22-03 allowing for the operation of a massage establishment.**

**RECOMMENDATION:** Pursuant to Government Code Section 54955.1 this hearing has been continued to February 25, 2025

**7.b. Public hearing regarding the revocation of Conditional Use Permit No. 23-03 allowing for the establishment of a special event facility in conjunction with a Party Rental business.**

**RECOMMENDATION:** Pursuant to Government Code Section 54955.1 this hearing has been continued to February 25, 2025

**8. GENERAL BUSINESS**

**8.a. Master Affordable Housing Covenant and Density Bonus Agreement – 2540 Rosemead Boulevard**

**RECOMMENDATION:** Staff recommends that the Planning Commission adopt Resolution No. 25-01, recommending approval of Master Affordable Housing Covenant and Density Bonus Agreement to the City Council.

**9. COMMISSIONERS REPORTS, INCLUDING AB 1234 REPORTS**

AB 1234, section 53232.3(d) requires Members of a legislative body to provide brief reports on meetings attended at the expense of the local agency (i.e., Conferences, seminars, training etc.) at the next regular meeting of the legislative body.

**10. CORRESPONDENCE – NONE**

**11. COMMISSIONERS AGENDA – NONE**

**12. STAFF MEMBER COMMENTS -**

**13. ADJOURNMENT**

Tuesday, February 25, 2025 at 6:00 p.m.

I Renee Reyes, hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted not less than 72 hours at the following locations: City of South El Monte City Hall, Senior Center and Community Center and made available at [www.cityofsouthelmonte.org](http://www.cityofsouthelmonte.org) on this 16<sup>th</sup> day of January 2025.



Secretary

**CITY OF SOUTH EL MONTE  
REGULAR PLANNING COMMISSION MEETING MINUTES**

Tuesday, December 17, 2024, 6:00 P.M.

1. **ROLL CALL** – Vice Chair Ortiz called the meeting to order at 6:00 p.m.

PRESENT: Commissioner(s): Barrera, Lares, Tang, Vice Chair Ortiz and the Chair is vacant.

ABSENT: Commissioner(s): NONE

STAFF PRESENT: Adrian De Leon, Interim Assistant City Attorney; Guillermo Arreola, Director of Community Development; Gerardo Marquez, Planning Manager; Renee Reyes, Secretary and Charlize Hernandez, Planning Assistant.

Zoom was provided for the Public to participate during public comment via teleconference.

2. **PLEDGE OF ALLEGIANCE** – Commissioner Lares led the Pledge of Allegiance.

3. **PRESENTATIONS** – NONE

4. **APPROVAL OF AGENDA**

A motion was made by Commissioner Barrera, seconded by Commissioner Lares, to approve the agenda. Motion passed 4-0-0 by the following vote:

AYES: Commissioner(s): Barrera, Lares, Tang and Vice Chair Ortiz

NAYS: Commissioner(s): NONE

ABSENT: Commissioner(s): NONE

5. **PUBLIC COMMENT**

Vice Chair Ortiz opened and closed Public Comment seeing no one wishing to speak.

6. **CONSENT CALENDAR**

A motion was made by Vice Chair Ortiz, seconded by Commissioner Tang, to approve the agenda. Motion passed 4-0-0, by the following vote:

**6.a. Approval of the Regular Planning Commission Meeting Minutes for November 19, 2024**

**RECOMMENDED ACTION:** Staff recommends the Planning Commission approve the Minutes for the November 19, 2024, Regular Planning Commission meeting.

AYES: Commissioner(s): Barrera, Lares, Tang and Vice Chair Ortiz

NAYS: Commissioner(s): NONE

ABSENT: Commissioner(s): NONE

## 7. PUBLIC HEARING

### 7.a. Adoption of Resolution No. 24-10 denying a Conditional Use Permit (No. 24-06) to allow for the Off-Sale of Beer and Wine within an existing convenience store & gas station at 1100 Santa Anita Avenue.

Planning Assistant Charlyze Hernandez provided a presentation and gave a summary about subject site. Under the ABC census tract, only one (1) Type 20 license is permitted, with a ratio of one (1) license per 2,500 inhabitants. Currently, there is an existing license operating at the 7-Eleven convenience market, located a mile from the subject site. Establishing off-sale beer and wine as a secondary use at this location would result in an undue concentration of Type 20 licenses in the area. Additionally, Staff received two (2) letters of opposition from neighboring residents.

Commissioners asked questions of Staff about other businesses in the City with a type 20 license.

*Vice Chair Ortiz opened Public Comment.*

1. Harjot Saini, Operating Manager – Expressed his willingness to revamp the subject site and bring the beer and wine license to generate additional revenue. He mentioned that the absence of Type 20 license limits the site's ability to remain competitive. He also noted that there is no gas station along the entire stretch of Santa Anita Avenue and described the site as a gateway to the City, suggesting that having gas, beer and wine available would encourage passerby to stop and patronize the location.

*Vice Chair Ortiz closed Public Comment.*

**RECOMMENDED ACTION:** Staff recommends that the Planning Commission adopt Resolution No. 24-10, denying Conditional Use Permit (No. 24-06).

A motion was made by Commissioner Barrera, seconded by Commissioner Lares to deny Conditional Use Permit (No. 24-06). Motion passed 4-0-0, by the following vote:

AYES: Commissioner(s): Barrera, Lares, Tang and Vice Chair Ortiz

NAYS: Commissioner(s): NONE

ABSENT: Commissioner(s): NONE

### 7.b. Review of Sunny Spa and revocation of Conditional Use Permit No. 22-03.

Interim Assistant City Attorney Adrian De Leon recommended that the Planning Commission continue this item to the next regularly scheduled meeting to have more time to review the administrative record.

*Vice Chair Ortiz opened and closed Public Comment seeing no one wishing to speak.*

**RECOMMENDED ACTION:** Staff recommends that the Planning Commission approve Resolution 24-11 revoking Conditional Use Permit 22-03, which allows the operation of a massage establishment within an existing commercial center located at 1648 Tyler Avenue, Suite A, Zoned C (Commercial).

A motion was made by Commissioner Tang, seconded by Commissioner Barrera, to continue the public hearing to the next regularly scheduled Planning Commission meeting. Motion passed 3-1-0, by the following vote:

AYES: Commissioner(s): Barrera, Tang and Vice Chair Ortiz

NAYS: Commissioner(s): Lares

ABSENT: Commissioner(s):

**7.c. Review of Rustic and Chic to consider revocation of Conditional Use Permit No. 23-03.**

*Vice Chair Ortiz opened and closed Public Comment seeing no one wishing to speak.*

**RECOMMENDED ACTION:** Staff recommends that the Planning Commission open the public hearing, take public testimony and continue the public hearing to the next regularly scheduled Planning Commission meeting.

A motion was made by Commissioner Barrera, seconded by Commissioner Tang, to continue the public hearing to the next regularly scheduled Planning Commission meeting. Motion passed 4-0-0, by the following vote:

AYES: Commissioner(s): Barrera, Lares, Tang and Vice Chair Ortiz

NAYS: Commissioner(s):

ABSENT: Commissioner(s):

8. **GENERAL BUSINESS - NONE**
9. **COMMISSIONERS REPORTS, INCLUDING AB 1234 REPORTS – NONE**
10. **CORRESPONDENCE – NONE**
11. **COMMISSIONERS' AGENDA – NONE**
12. **ADJOURNMENT**

At 6:23 p.m., there being no more business before the Commission, Vice Chair Ortiz adjourned the meeting to a regular Planning Commission Meeting on Tuesday, January 21, 2025, at 6:00 p.m.

I Renee Reyes, hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted not less than 72 hours at the following locations: City of South El Monte City Hall, Senior Center and Community Center and made available at [www.cityofsouthelmonte.org](http://www.cityofsouthelmonte.org) on this 16th day of January 2025.

A handwritten signature in cursive script that reads "Renee Reyes". The signature is written in black ink and is positioned above a horizontal line.

Secretary



# Planning Commission Agenda Report

**Agenda  
Item No.  
7.a**

**DATE:** January 21, 2025

**TO:** Honorable Chairman and Members of the Planning Commission

**APPROVED BY:** Guillermo Arreola, Director of Community Development

**SUBJECT:** Public hearing regarding the revocation of Conditional Use Permit No. 22-03 allowing for the operation of a massage establishment

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**RECOMMENDATION:** Pursuant to Government Code Section 54955.1 this hearing has been continued to February 25, 2025.



# Planning Commission Agenda Report

**Agenda  
Item No.  
7.b**

**DATE:** January 21, 2025

**TO:** Honorable Chairman and Members of the Planning Commission

**APPROVED BY:** Guillermo Arreola, Director of Community Development

**SUBJECT:** Public hearing regarding the revocation of Conditional Use Permit No. 23-03 allowing for the establishment of a special event facility in conjunction with a Party Rental business

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**RECOMMENDATION:** Pursuant to Government Code Section 54955.1 this hearing has been continued to February 25, 2025



# Planning Commission Agenda Report

**Agenda  
Item No.  
8.a.**

**DATE:** January 21, 2025

**TO:** Honorable Chairman and Members of the Planning Commission

**APPROVED/  
PREPARED BY:** Guillermo Arreola, Director of Community Development

**SUBJECT:** Master Affordable Housing Covenant and Density Bonus Agreement  
– 2540 Rosemead Boulevard

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## **PROJECT LOCATION**

Address: 2540 Rosemead Boulevard  
Project Applicant: KB Home  
Zone: “R-3” (Multi Family Residential)  
Lot Size: 12.3 acres

## **BACKGROUND**

On March 2022, the Planning Commission adopted Resolution No. 21-19, which conditionally approved a Site Plan Review (No. 21-19) allowing for the development of 207 single-family and multi-family dwelling units for property made up of the following APNs: 8102-037-020, 8102-037-017, 8102-037-024, and 8102-037-022 (“Project Site”). The project consisted of 207 attached and detached two-, three-, and four-bedroom dwelling units, a recreation center, and common open space.

In conjunction with the Site Plan Review application, the Planning Commission also recommended approval a General Plan Amendment, a Zone Change, a Subdivision, and the Starlite Specific Plan with associated Mitigated Negative Declaration. On April 12, 2022, the City Council adopted Resolution No. 22-25 adopting the Specific Plan (No. 21-05), and a General Plan Amendment (No. 21-18) and Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program. In addition, the Council also adopted Ordinance No. 1258, changing the Zone Designation for the abovementioned parcels from Commercial-Manufacturing to Multi-Family Residential.

Per Government Code Section 65915 (“State Density Bonus Law”), the adoption of Resolution No. 21-19 allowed for a 5.5% density bonus (16.88 dwelling units per acres) at the Project Site. As such, a Master Affordable Housing Covenant and Density Bonus Agreement were prepared for the Commission’s review and recommendation for approval by the City Council.

## **RECOMMENDATION**

Staff recommends that the Planning Commission adopt Resolution No. 25-01, recommending approval of Master Affordable Housing Covenant and Density Bonus Agreement to the City Council.

## **ANALYSIS**

The Applicant requested a density bonus under State Density Bonus Law to achieve a density of 16.88 dwelling units per acre in the Medium Density Residential General Plan Land Use Designation the “R-3” Multi-Family Residential Zone which otherwise permit a maximum of 16 dwelling units per acre. In order to qualify for any density bonus, the Applicant must supply affordable units within the development. For every 10% of low income units provided, 5% of very low income units, or 10% of moderate income units, the Applicant would receive a different density bonus. The Applicant is proposing a total of 21 moderate income units, which equates to 10.5% of the base units. Since the Applicant is providing 10.5% moderate income units, they are allowed to increase density up to 5.5% or 16.88 dwelling units per acre. The Project proposes 16.88 dwelling units per acre. Density bonuses are not discretionary and must be provided in accordance with state law when requested by a developer who is including affordable housing in their project.

The following condition of approval was added to Resolution No. 21-19, which adopted the Site Plan Review and set the parameters for the Density Bonus:

- **Condition No. 21**

In order for the density bonus to be approved, a minimum of 15 single family units shall be dedicated to the moderate income category. Said single-family dwelling units shall be evenly distributed between 3- and 4-bedroom units. Three multi-family units shall be dedicated to the low-income category and three multi-family units shall be dedicated to the very low-income category, said units shall be spread evenly throughout the 2- and 3-bedroom units. After a total of six months, if the multi-family units do not sell, then the Applicant is permitted to elevate the sale of the multi-family units to the next higher income category capping at moderate income. Said sales shall be subject to an affordability covenant as required by State law.

The proposed Master Affordable Housing Covenant and Density Bonus Agreement shall bind the affordable housing units for fifty-five years. Staff has included copies of the draft Master Affordable Housing Covenant and Density Bonus Agreement, as well as Planning Commission Resolution No. 21-19 with this report.

## **ENVIRONMENTAL REVIEW:**

In accordance with the California Environmental Quality Act (“CEQA”) (Pub. Res. Code § 21000 et seq.), the environmental impacts of the Project were already analyzed through Mitigated Negative Declaration (“MND”) and Mitigation Monitoring and Reporting Program (“MMRP”) through the adoption of Planning Commission Resolution No. 21-17 and it can be seen with

certainty that no foreseeable environmental impacts may result through the approval of this Resolution.

**ATTACHMENTS:**

A – Resolution No. 21-19

B – Master Affordable Housing Covenant and Density Bonus Agreement

C – P.C. Resolution No. 25-01

## PLANNING COMMISSION

### RESOLUTION NO. 21-19

A RESOLUTION OF THE SOUTH EL MONTE PLANNING COMMISSION CONDITIONALLY APPROVING A SITE PLAN REVIEW (NO. 21-19) ALLOWING FOR THE DEVELOPMENT OF 207 SINGLE FAMILY AND MULTI-FAMILY UNITS IN THE CITY OF SOUTH EL MONTE AT APNs 8102-037-020 (2540 ROSEMEAD BOULEVARD), 8102-037-017 AND 8102-037-024 (2559-2603 CHICO AVENUE), AND 8102-037-022

WHEREAS, KB Home (“Applicant”) has requested a Site Plan Review for the following real properties in the City of South El Monte: located at: Assessor’s Parcel No. 8102-037-020 (2540 Rosemead Boulevard); Assessor’s Parcel Nos. 8102-037-017 and 8102-037-024 (2559-2603 Chico Avenue, respectively); and Assessor’s Parcel No. 8102-037-022 (collectively, the “Property” or “project site”), as more specifically described in Exhibit “A”, incorporated herein by reference, to build a residential development on the approximately 12.3-acre project site. The project consists of 207 attached and detached two-, three-, and four-bedroom dwelling units, a recreation center, and common open space (“Project” or “proposed Project”). The legal description of the Property following recordation of the Final Map.

WHEREAS, concurrently herewith, Applicant has filed applications for: a General Plan amendment (No. 21-18) and Zone Change (No. 21-17); Subdivision 21-16 (Vesting Tentative Tract Map No. 083399); adoption of the Starlite Specific Plan (No. 21-05); and approval of a Mitigated Negative Declaration.

WHEREAS, pursuant to South El Monte Municipal Code (“SEMMC”) Section 17.23.030, the Project requires a site plan review (“SPR”) and Planning Commission review and approval because the Project consists of a substantial change in use to an existing property.

WHEREAS, a public hearing was held before the Planning Commission on March 15, 2022, to consider the application. All evidence, both written and oral, presented during said public hearing including the staff report and all related documents were considered by the Planning Commission in making its determination.

THE PLANNING COMMISSION OF THE CITY OF SOUTH EL MONTE HEREBY FINDS, RESOLVES, AND ORDERS AS FOLLOWS:

**SECTION 1:** The above recitals are true and correct, and are incorporated herein by reference.

**SECTION 2:** Pursuant to the provisions of the California Environmental Quality Act (Public Resources Code Sections 21000, et seq. (“CEQA”), the State CEQA Guidelines (California Code of Regulations, Title 14, Sections 15000, et seq.), and the City’s Local CEQA Guidelines, City staff had an initial study prepared of the potential environmental effects of the proposed SPR. Based on the information contained in the initial study, staff determined that there was less than substantial evidence that approval of the proposed re-designations may have significant environmental impact with mitigating measures. Accordingly, the City prepared a Mitigated

Negative Declaration in accordance with Section 15070 of the State CEQA Guidelines. Notice of the preparation of the Negative Declaration was posted for the period of January 14, 2022, through February 14, 2022. Pursuant to Section 15074(b) of said Guidelines, the Planning Commission independently reviewed and considered the contents of the initial study and the mitigated negative declaration. Pursuant to the Planning Commission's adoption of Resolution No. 21-17, the Planning Commission has recommended approval of the Mitigated Negative Declaration for the Project in compliance with CEQA Guidelines.

**SECTION 3:** The Site Plan for the proposed Project is attached hereto as Exhibit "B".

**SECTION 4:** A record of the public hearing indicates the following:

A. With regard to the application for a SPR, SEMMC Section 17.23.050 requires that the Planning Commission consider the following criteria:

1. Compatibility with the City's General Plan, improvement plan for the area, and the surrounding area, both existing and planned; and
2. Compatibility of architecture and design with existing and anticipated development in the vicinity, and/or with adopted design guidelines including the aspects of site planning, land coverage, landscaping, appearance and scale of structures and open space, and other features relative to harmonious and attractive development of the area.

B. With the adoption of Planning Commission Resolution Nos. 21-05 and 21-17, and subsequent approval by City Council of the Planning Commission's recommendations, the General Plan Land Use designation for the Property will be "Medium Density Residential" and the Zoning Code designation will be "R-3" (Multi-Family Residential) with a newly established Specific Plan (Starlite Specific Plan).

C. The proposed Project promotes the City's goals and objectives stated in the General Plan, as articulated below. No goal or policy will be impaired.

D. The parcels directly adjacent to the Property are developed with warehouses, multi-family units, and commercial uses. Staff believes the approval of the SPR is compatible with the surrounding area, and the design of the Project is compatible with the future vision of the Rosemead Corridor.

**SECTION 5:** Based on the record of the hearing, including all information presented at the hearing, including the Staff Report dated March 15, 2022, which is hereby incorporated into this Resolution 21-19 by reference, the Planning Commission hereby finds:

A. As conditioned, the Project meets the requirements of SEMMC Chapter 17.23 and will not be detrimental to the public health, safety or welfare, nor will it adversely affect property or the present or future development of the surrounding areas. This is because the Project is compatible with the surrounding uses, as they are zoned mostly Commercial-Manufacturing, Multi-Family Residential, and Manufacturing.

B. Pursuant to SEMMC Section 17.23.050, the site plan is compatible with the surrounding area, and the design of the Project is compatible with the future vision of the Rosemead Corridor. This is so because of the conditions that are included in the resolution which have been added to address any potential impacts, as well as many of the surrounding parcels being utilized as similar uses and as such are likely not to be significantly impacted by the project.

C. As conditioned, the Project represents a quality residential development that will be compatible with surrounding residential and industrial uses, the surrounding area, and the goals of the City. The proposed Project will contribute to the general well-being of the City in that the Project benefits neighboring uses and will be an asset to the surrounding area, as well as to the rest of the City by providing additional housing. As such, the proposed Project will not be inconsistent with the City's General Plan or the Zoning Ordinance.

D. As conditioned, the proposed Project will be consistent with the City's General Plan, provided City Council adopts the amendments to the General Plan (No. 21-18) and Zone Change (No. 21-17), and adopts the Starlite Specific Plan (No. 21-05), recommended by Resolution Nos. 21-17 and 21-05, respectively.

E. As conditioned, the proposed Project is compatible with the objectives, policies, general land uses, economic development and programs specified in the General Plan which includes, but is not limited to, the following goals:

Land Use Element

- (1) Goal 1.0: *Maintain a balanced mix and distribution of land uses throughout South El Monte* by allowing for the development of a large amount of new residential units, which are lacking in the City.
- (2) Policy 1.1: *Provide opportunities for housing development at a range of densities and housing types that accommodate the varied interests and needs of present and future residents.* This Project will serve the area by expanding the housing stock in the City. Currently the Property is undeveloped, and the Project will create 207 for sale dwelling units, including affordable units.
- (3) Policy 1.2: *Allow for the transition of mixed-density neighborhoods to higher density development consistent with underlying General Plan land use and zoning designations.* The multi-family neighborhood to the north of the proposed Project has an average density of approximately 12 dwelling units per acre and this Project will provide a higher density of 16.88 dwelling units per acre.
- (4) Goal 3.0: *Accommodate new development that is compatible with and complements existing land uses* by allowing for the establishment of a large residential development that fits with the surrounding uses.
- (5) Goal 6.0: *Provide for the revitalization of deteriorating land uses and properties* by developing a property that has been undeveloped and underdeveloped for many years.

Housing Element

- (6) Goal 1: *An adequate supply of a variety of housing types to meet the existing and future needs of City residents* by allowing the proposed Project to offer a mix of new multi-family and single family units that will help provide for the needs of residents.
- (7) Policy 1.1: *The City shall provide adequate sites to facilitate the development of a range of residential development types that fulfills its regional housing needs, including low-density single-family units, moderate- to higher-density single-family attached and multiple-family units.* This development will fulfill a housing need the City has by providing multi-family and single family units at a range from moderate income to market rate.
- (8) Goal 3: *Compatible land uses that meet the needs of residents, employers and employees.* The development of housing in this area will help visually as well as physically seamlessly transition between the residential uses in the area and industrial uses.
- (9) Policy 3.3: *The City shall encourage development of higher density housing in close proximity to public transportation, services, employment, recreation, and other resources and amenities.* This is accomplished through the Project consisting of a medium density development located near high quality bus routes that are less than 0.25 miles away.

**SECTION 6:** Per Government Code Section 65915 Density Bonuses and Other Incentives, the Applicant has applied for and qualified for a density bonus. This density bonus is increasing the allowable density by 5.5% to 16.88 dwelling units per acre.

**SECTION 7:** As part of this application, the Applicant is requesting a Specific Plan (No. 21-05), Zone Change (No. 21-17), and General Plan Amendment (No. 21-18), which require final approval by City Council. Thus, the Planning Commission's approval of this SPR will be contingent on the approval of the Specific Plan, General Plan Amendment, and Zone Change by City Council.

**SECTION 8:** Exhibits "A" and "B" attached hereto are incorporated herein by reference.

**SECTION 9:** Based on the aforementioned findings, the Planning Commission hereby **approves** the Project Site Plan (No. 21-19), as more particularly described in Exhibit "B", to develop a residential development subject to the following conditions:

**General Conditions**

1. The Applicant and the business entity allowed for hereunder, including any successor entity thereto (hereafter collectively, Applicant) shall indemnify, defend, and hold harmless the City, its officers, agents, employees, and volunteers from any and all claims, lawsuits, or actions arising from the granting of, or the exercise of, the rights permitted by this approval, and from any and all claims or losses occurring or resulting to any person, firm,

corporation, or property for damage, injury, or death arising out of, or connected in anyway, with the performance of the use permitted hereby. The Applicant's obligation to indemnify, defend, and hold harmless the City shall include, but not be limited to, paying all legal fees and costs incurred by legal counsel of the City's choice in representing the City in connection with any such claims, losses, lawsuits, or actions, and any award of damages or attorney's fees in any such lawsuit or action.

2. The Applicant shall execute an Affidavit of Acceptance of these conditions in the presence of a Notary Public and return the Affidavit to the Director of Community Development within ten calendar days of the date of the Planning Commission's approval.
3. The approval shall lapse and become void if the privilege authorized hereunder is not utilized or where construction pursuant to issuance of a building permit has not commenced within two years from the date of this approval.
4. Applicant and its employees, agents, and contractors shall comply with all South El Monte Municipal Code provisions.
5. The approval of Planning Commission Resolution Nos. 21-19 and 21-16 shall become final and effective immediately only after the City Council of the City of South El Monte i) adopts the Project's Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program, per Planning Commission's recommendation (Planning Commission Resolution No. 21-17); ii) adopts a General Plan amendment, per Planning Commission's recommendation (Planning Commission Resolution No. 21-17); and iii) adopts the Starlite Specific Plan Amendment, per Planning Commission's recommendation (Planning Commission Resolution No. 21-05). If all of the Council approvals are not made within 180 days of the adoption of this Resolution 21-19, then both this and Resolution No. 21-16 shall be returned to the Planning Commission for further consideration and a final decision. If Council approvals are made within 180 days of the adoption of this Resolution, but any change is made by the Council to any of the Council approvals in a manner that could reasonably affect the findings of the Planning Commission herein, or require a modification or addition of a condition of approval to be consistent with a Council approval, then both Resolution Nos. 21-05 and 21-19 shall be returned to the Planning Commission for further consideration and a final decision.

#### **Planning Conditions**

5. The Applicant shall satisfy all conditions of approval in this resolution prior to the issuance of a final Certificate of Occupancy.
6. All mechanical equipment, meter, and above ground utilities shall be located and screened from public view and not visible from the private or public street as required by the utility provider and in conformance with all City approvals.
7. The Applicant shall submit detailed landscape and irrigation plans for review and approval. Installation must be completed and inspected for each phase of development. Once installed, all landscaping must be maintained and preserved for the life of the Project, in accordance with the approved landscape and irrigation plan.

8. The Property shall be maintained in a safe and clean condition and the Applicant shall ensure that no trash or litter originating from the site is deposited on neighboring properties or the public or private right-of-way. At the end of each business day, the Applicant shall ensure pick up of any and all litter, including but not limited to, large discarded items that may have collected in the Property's parking area and public or private right-of-way. After construction has been completed, the HOA is responsible for all above disposal.
9. Any graffiti painted or marked upon the Property or on any adjacent area under the control of the Applicant shall be removed or painted over within 24 hours of discovery or notice from the City.
10. The design of all exterior light fixtures should be compatible with the architecture of the building and not spill over into adjacent parcels.
11. All on-site water facility improvements shall be installed in accordance with the provisions of the San Gabriel Valley Water Company.
12. Decorative perimeter fencing shall be installed subject to the review and approval of the Director of Community Development.
13. Building materials shall be selected for their architectural harmony and aesthetic quality. The materials to be used shall be subject to review and approval by the Director.
14. Natural earth tones or other colors with a subdued quality shall be used as the dominant exterior finish. The colors to be used shall be subject to review and approval by the Director.
15. Submit a copy of the Conditions, Covenants, and Restrictions (CC&Rs) to the City's Community Development Division for approval prior to recordation of the Final Map. The CC&Rs shall be recorded as part of this tract. The CC&Rs shall include the provisions for use and maintenance of the common open space areas.
16. The CC&R's shall include a condition that will hold the homeowners association, common owners, or individual property owners, as applicable (hereafter, "owner"), responsible for the removal of any graffiti visible from the public right-of-way immediately or within 24 hours of notice from the City or if not done, the City will have the right to remove the graffiti and seek recovery of that cost from the owner.
17. The CC&R's shall include a condition that the owner will be responsible for the removal of any large discarded items that may have collected in the Property's private area and public right-of-way. Removal shall be within 24 hours.
18. The CC&R's shall include a requirement for the continued retention of open space and for perpetual maintenance of common areas.
19. In order for the Project not to have any significant impact on the Property, Applicant shall follow all the provisions of the Mitigation Monitoring and Reporting Program ("MMRP") during grading and construction.

20. Pursuant to SEMMC Section 16.36.015, parkland dedication is required for the proposed residential units, or in lieu fees must be paid upon paying for building permits.
21. In order for the density bonus to be approved, a minimum of 15 single family units shall be dedicated to the moderate income category. Said single family dwelling units shall be evenly distributed between 3- and 4-bedroom units. 3 multi-family units shall be dedicated to the low-income category and 3 multi-family units shall be dedicated to the very low-income category, said units shall be spread evenly throughout the 2- and 3-bedroom units. After a total of 6 months, if the multi-family units do not sell, then the Applicant is permitted to elevate the sale of the multi-family unit to the next higher income category, capping at moderate income. Said sales shall be subject to an affordability covenant as required by State law.
22. A Density Bonus Agreement approved by City Council, and an Affordability Covenant restricting the low income units for the period prescribed by law must be recorded, before issuance of any building permits. Income levels shall be calculated using the Official State Income Limits for the most current year provided by the California Department of Housing and Community Development.
23. The existing Starlite sign shall be refurbished back to its original working condition and maintained in perpetuity.
24. Applicant has offered a community benefit to the City in the amount of \$567,500 in lieu of dedicating approximately a half (.50) acre of commercial property fronting Rosemead Boulevard. The community benefit funds offered by the applicant shall be deposited in the City's General Fund and may be used at City's discretion. The funds are due to the City before Final Map recordation.
25. Applicant shall pay the \$595,512 New Developer Fee upon issuance of building permits to satisfy the existing 1% new developer fee.

**Building Conditions**

26. The second sheet of building plans is to list all conditions of approval and to include a copy of the Planning Commission signed resolution. This information shall be incorporated into the plans prior to the first submittal for plan check.
27. School Developmental Fees shall be paid to School District prior to the issuance of the building permits.
28. Fees shall be paid to the County of Los Angeles Sanitation District prior to issuance of the building permits.
29. Each building shall be addressed separately and an application to assign unit numbers shall be filed with City prior to plan check submittal.
30. In accordance with paragraph 5538(b) of the California Business and Professions Code, plans are to be prepared and stamped by a licensed architect.

31. Structural calculations prepared under the direction of an architect, civil engineer, or structural engineer shall be provided.
32. A geotechnical and soils investigation report is required. The duties of the soils engineer of record, as indicated on the first sheet of the approved plans, shall include the following:
  - a) Observation of cleared areas and benches prepared to receive fill;
  - b) Observation of the removal of all unsuitable soils and other materials;
  - c) The approval of soils to be used as fill material;
  - d) Inspection of compaction and placement of fill;
  - e) The testing of compacted fills; and
  - f) The inspection of review of drainage devices.
33. The Applicant shall retain the soils engineer preparing the Preliminary Soils and/or Geotechnical Investigation accepted by the City for observation of all grading, site preparation, and compaction testing. Observation and testing shall not be performed by another soils and/or geotechnical engineer unless the subsequent soils and/or geotechnical engineer submits and has accepted by the Public Works Department, a new Preliminary Soils and/or Geotechnical Investigation.
34. A grading and drainage plan shall be approved by the Engineering Division prior to issuance of the building permits. The grading and drainage plan shall indicate how all storm drainage, including contributory drainage from adjacent lots, is carried to the public way or drainage structure approved to receive storm water.
35. Approval is required from the Los Angeles County Flood Control District for any proposed construction encroaching into their drainage easement or for any proposed connection to the existing storm drains within their drainage easement.
36. Approval is required from the Los Angeles County Health Department for public spas, wading pools, and swimming pools.
37. The building permits will not be issued until the Property has been surveyed and the boundaries marked by a land surveyor licensed by the State of California.
38. Foundation inspection will not be made until setback on all sides of each building has been surveyed and the location of the footings has been determined by a land surveyor licensed by the State of California to be in accordance with the approved plans. **THIS NOTE IS TO BE PLACED ON THE FOUNDATION PLAN IN A PROMINENT LOCATION.**
39. Electrical plan check is required.
40. Mechanical plan check is required.

41. Plumbing plan check is required.
42. Project shall comply with the 2019 California Green Building Standards Code ("CalGreen Code") mandatory requirements.
43. At least 10 percent of the total number parking spaces on a building site, provided for all types of parking facilities including but not limited to surface guest parking areas, shall be electrical vehicle charger spaces; all parking spaces shall be capable of supporting future electrical vehicle supply equipment per Section 4.106.4.2 of the CalGreen Code.
44. No work or construction materials will be permitted to encroach into adjacent property without written approval of the affected property owner.
45. Demolition permits are required for any existing buildings that are to be demolished.
46. A separate building permit application is required for each detached structure, including but not limited to, the common use restroom and pool structure.
47. Walls separating townhouse units shall be constructed in accordance with Section R302.2 of the 2019 California Residential Code ("Residential Code").
48. Each detached single-family dwelling in a residential subdivision allowing no fire-resistance and unlimited unprotected openings on the exterior walls shall be equipped with an automatic sprinkler system installed per Section R313 and meet the minimum open setback yard of 6 feet minimum per Table R302.1(2) of the Residential Code.
49. All fire sprinkler hangers must be designed, and their location approved by, an engineer or an architect. Calculations must be provided in the plans indicating that the hangers are designed to carry the tributary weight of the water filled pipe plus a 250-pound point load. A plan indication with this information must be stamped by the engineer or the architect and submitted for approval prior to issuance of building permits.
50. A separate building permit is required for Fire Sprinklers.
51. All State of California disability access regulations for accessibility and adaptability shall be complied with.
52. Multistory condominium dwellings in a multiplex building consisting of 4 attached units or more with no elevator shall comply with the accessibility requirements of Section 1102A.3.1 of the 2019 California Building Code ("Building Code"). The minimum number of covered multifamily dwellings shall be calculated using the total number of all multiplex dwelling units on a site.
53. The accessible and adaptable unit complying with the requirements of Building Code Section 1102A.3.1 shall occur in a plan unit (e.g., Plan 4) that has habitable space (e.g., living room or bedrooms), which includes a powder room or bathroom on the ground floor as the primary entry level.

54. Private garages accessory to covered multifamily dwelling units shall be accessible as required by Building Code Section 1109A.
55. A least 5 percent of the unassigned guest parking spaces shall be accessible and be dispersed to provide access with the shortest possible route (not crossing vehicle traffic lanes) to the accessible entrance to each of the residential multiplex buildings and common use facilities to the extent practical, per Building Code Sections 1109A.5 and 1109A.7.
56. Prior to the issuance of building permits, written consent shall be obtained from all current easement holders for any proposed development encroaching into existing easements, if any.
57. A reciprocal easement for ingress and egress, sanitary sewer, utility, drainage, water shall be provided for each dwelling unit that does not front on or have direct access to a public street. Services to each dwelling unit shall be underground and shall be located in a trench within this easement.
58. City records indicate the proposed site is a combination of lots. A parcel merger shall be processed prior to issuance of building permits. Building permits shall not be issued until the final map has been prepared to the satisfaction of the Building Official/City Engineer.

**Engineering Conditions**

59. Applicant shall provide a total of 85 feet of red curb on each side of the main Project driveway on the west side of Chico Avenue.
60. Pedestrian Safety: Applicant shall contribute its fair share of the following improvements at the uncontrolled marked crossing at Chico Avenue and Fern Street:
  - Pavement Markings
    - Refresh all intersection striping and advance pavement legends for the pedestrian crossing on the approach lanes.
  - Signage
    - Double sided pedestrian warning signs (neon yellow green) (W11-2) with downward arrow (W16-7p) on each side of the uncontrolled crosswalk – six signs total.
    - Advance ped signs (W11-2) with ahead plaque (W16-9p) - three signs total.
    - Remove and replace stop sign for westbound Fern Street – one sign.
  - Curb Ramps

- Install ADA compliant curb ramps aligned with crosswalks, assume three new curb ramps: west side of Chico Avenue north and south of Fern Street and east side of Chico Avenue
61. Construction Management Plan Any detours and street closures that will impact transit services emergency services, or adjacent property owners during construction must be clearly shown on the Construction Management Plan.
  62. Construction Truck Routes: All construction trucks to and from the site shall travel only along designated truck routes avoiding residential areas. All proposed truck routes shall be submitted to City engineering for approval prior to use by trucks.
  63. LID (Low Impact Development) review shall be completed prior submitting grading plans for plan review. Grading plans shall be submitted including the proof of approval of LID or exemption from LID.
  64. Sewer Study shall be reviewed and approved by the City Engineer or his/her designee (hereafter, "City Engineer"), prior to the issuance of permits. If sewer is found to be inadequate, sewer improvement plans shall be submitted to the City for approval and required improvements shall be made at Applicant's sole cost.
  65. Project shall be reviewed and approved by the City Traffic Engineer, prior to the issuance of building permits. Any mitigation measures shown on the traffic study if any shall be made at Applicant's sole cost.
  66. In accordance with SEMMC Section 16.36.015 (Parkland dedications and fees), the Project requires the dedication of park and recreational space or payment of an in-lieu fee. The Project is subject to a dedication of 19,882 square feet of dedicated park space. If in lieu fees are chosen instead, then the fair market value pursuant to the South El Monte Municipal Code is \$57.49 per square foot. The total in lieu fee amount for the 207 homes is \$1,143,038.38. Applicant has requested a reduction in fees per SEMMC 16.36.015(H), providing for a reduction of 25%, for a total fee of \$857,278.79. This fee must be paid to the City prior to the recordation of the Final Map.

**Rosemead Blvd**

67. Install new driveway approach in accordance with Stormwater Pollution Prevention Plan ("SPPWC") Standard Plan 110-2, and as directed by the City Engineer. No portion of the driveway and/or parkway drain shall encroach onto the frontage of any property not included within the Project.
68. Close existing driveway apron(s), and install necessary improvements (parkway, landscape, sidewalk, curb and gutter, and others as determined by the City Engineer) to match required adjacent sections, and as directed by the City Engineer or his/her designee.
69. Install new sidewalk along the length of the property frontage in accordance with SPPWC Standard Plan 113-2, and as directed by the City Engineer.

70. Install an irrigation system and landscape the designated parkway area, and as directed by the City Engineer.
71. Protect and maintain existing street trees through construction of the Project. Existing street trees must be maintained in healthy condition through the duration of any planning and construction. Trees should be deemed healthy and in good condition upon the conclusion of any construction in order for the Project to be accepted as completed by the Public Works Department.
72. Remove and replace broken and off-grade curb and gutter in accordance with SPPWC Standard Plan 120-2, and as directed by the City Engineer.
73. The approved building address(es) shall be painted on the curb to the City's standards as required by the Public Works Inspector prior to final inspection.
74. Relocate any water meters from the sidewalk as directed by the City Engineer.
75. Rehabilitate existing AC street pavement along the length of the property frontage to the centerline of the street as indicated below, and as directed by the City Engineer or pay the equivalent in-lieu fee for the required rehab, in an amount determined by the City Engineer. City will use the in-lieu fees in the future for street rehabilitations as necessary.

**Chico Ave**

76. Install new driveway approach in accordance with SPPWC Standard Plan 110-2, and as directed by the City Engineer. No portion of the driveway and/or parkway drain shall encroach onto the frontage of adjacent property.
77. Close existing driveway apron(s), and install necessary improvements (parkway, landscape, sidewalk, curb and gutter, any others as applicable) to match required adjacent sections, and as directed by the City Engineer.
78. Remove and replace broken and off-grade sidewalk in accordance with SPPWC standard plan 113-2, and as directed by the City Engineer.
79. Install an irrigation system and landscape the designated parkway area, and as directed by the City Engineer.
80. Remove and replace broken and off-grade curb and gutter in accordance with SPPWC Standard Plan 120-2, and as directed by the City Engineer.
81. The approved building address(es) shall be painted on the curb to the City's standards as required by the Public Works Inspector prior to final inspection.
82. Relocate water meters from the sidewalk as directed by the City Engineer.
83. Rehabilitate existing AC street pavement along the length of the property frontage to the entire width, and as directed by the City Engineer or pay the equivalent in-lieu fee for the

required rehab, in an amount determined by the City Engineer. City will use the in-lieu fees in the future for street rehabilitations as necessary.

**Low Impact Development (“LID”) Conditions**

84. The project will disturb over an acre. A Stormwater Pollution Prevention Plan (“SWPPP”) must be submitted, reviewed for sufficiency, and deemed in compliance with the CGP. The SWPPP must be uploaded to SMARTS and issued a WDID number prior to building permit issuance.
85. Final or Precise Grading plans must be submitted for review and approval by the City Engineer. The Precise Grading plans must conform with the approved LID plan for the Project.

**Fire Department Conditions**

86. All on-site Los Angeles County Fire Department (“Fire Department”) vehicular access roads shall be labeled as “Private Driveway and Fire Lane” on the site plan along with the widths clearly depicted on the plan. Labeling is necessary to assure the access availability for Fire Department use. The designation allows for appropriate signage prohibiting parking.
87. Fire Department vehicular access roads must be installed and maintained in a serviceable manner prior to and during the time of construction. Los Angeles County Fire Code (“Fire Code”) § 501.4.
88. All fire lanes shall be clear of all encroachments and shall be maintained in accordance with the Title 32 of the Fire Code.
89. The Fire Apparatus Access Roads and designated fire lanes shall be measured from flow line to flow line.
90. Attached Units: Provide a minimum unobstructed width of 26 feet, exclusive of shoulders, except for approved security gates in accordance with Fire Code Section 503.6, and an unobstructed vertical clearance “clear to sky” Fire Department vehicular access to within 150 feet of all portions of the exterior walls of the first story of the building, as measured by an approved route around the exterior of the building. Fire Code §§ 503.1.1 & 503.2.2.
91. Detached Units: Provide a minimum unobstructed width of 20 feet, exclusive of shoulders, except for approved security gates in accordance with Fire Code Section 503.6, and an unobstructed vertical clearance “clear to sky” Fire Department vehicular access to within 150 feet of all portions of the exterior walls of the first story of the building, as measured by an approved route around the exterior of the building. Fire Code §§ 503.1.1 & 503.2.1.
92. A minimum 5-foot-wide approved firefighter access walkway leading from the fire department access road to all required openings in the building's exterior walls shall be provided for firefighting and rescue purposes. Fire Code § 504.1

**Water Systems Requirements**

93. All fire hydrants shall measure 6"x 4"x 2-1/2" brass or bronze, conforming to current AWWA standard C503 or approved equal, and shall be installed in accordance with the Table B105.1 of the Fire Code.
94. The required fire flow for the public fire hydrants for this project is 2000 gpm at 20 psi residual pressure for 2 hours. Two public fire hydrant(s) flowing simultaneously may be used to achieve the required fire flow. Fire Code § 507.3 & Appendix B105.1.
95. Install three new public fire hydrants, as shown on the site plan.
96. Install eight private-on site fire hydrants, as shown on the site plan.
97. All private on-site fire hydrants shall be installed a minimum of 25' feet from a structure or protected by a 2- hour rated firewall. Exception: For fully sprinkled multi-family structures, on-site hydrants may be installed a minimum of 10 feet from the structure. Fire Code Appendix C106.1.
98. Plans showing underground piping for private on-site fire hydrants shall be submitted to the Fire Department's Sprinkler Plan Check Unit for review and approval prior to installation. Fire Code § 901.2 & County of Los Angeles Fire Department Regulation 7.
99. All required public fire hydrants shall be installed, tested, and accepted by the Fire Department prior to construction.
100. An automatic fire sprinkler system approved by the Fire Department is required for the all buildings in the Project. Submit design plans to the Fire Department Sprinkler Plan Check Unit for review and approval prior to installation.

**Los Angeles County Sheriff Department Recommendations**

101. A Construction Traffic Management Plan shall be implemented as part of the Project to address construction-related traffic congestion and emergency access issues. If temporary lane closures are necessary for the installation of utilities, emergency access should be maintained at all times. Flag persons and/or detours should also be provided as needed to ensure safe traffic operations, and construction signs should be posted to advise motorists of reduced construction zone speed limits. On-site inspector shall notify the Los Angeles County Sheriff's Department, Temple Station ("Station") when these measures are in place.
102. The Project will benefit from a landscaping maintenance program that would minimize opportunities for individuals to hide. The surrounding areas have experienced an increase in the amount of homeless persons loitering on the streets and sleeping encampments, and improvements deterring this practice would be beneficial. The Sheriff Station also recommends limiting the height of hedge-type plants around security gates to allow visibility from the street.

- 103. The building configuration and its relationship with the adjacent existing commercial buildings and residential buildings would potentially create hiding places for criminal activities. The Station recommends the installation of security fences and gates, security cameras, and building lights with motion sensors. It is also recommended that appropriate gate hardware such as keypad/keycard access, automatic gate closer, and tire spike strips to limit unauthorized access and for easy monitoring be implemented. In addition, proposed location of exterior building security cameras shall be located in areas where they can adequately identify vehicle license plates upon entry/exit into the proposed Project with adequate lighting to enhance visibility. The Station also recommends installation of security cameras inside the building at each level's entry/exit points, at the elevators, and at the stairwells in addition to interior keypad/keycard access. This recommendation can be satisfied through a perimeter wall, automated gates, and a video surveillance system at the Project entrances and exits.
- 104. The Station reviewed the Project's site plan, which appears to indicate that there are no existing street lights installed; outdoor lighting, standard parking light posts and exterior lighting fixtures along the building frontage will be installed at the Project. We recommend the installation of outdoor lighting and street lighting with shielding devices on the proposed types of light fixtures to ensure that the light distribution does not spillover into the neighborhood.
- 105. The Station recommends the installation of video monitoring system.

**SECTION 10:** Any interested party may appeal this decision to the City Council pursuant to SEMMC Section 17.74.050.

ADOPTED this 15<sup>th</sup> day of March 2022.

  
 \_\_\_\_\_  
 Chair of the Planning Commission

ATTEST:

  
 \_\_\_\_\_  
 Secretary, Angie Hernandez

STATE OF CALIFORNIA            )  
 COUNTY OF LOS ANGELES        ) SS  
 CITY OF SOUTH EL MONTE        )

I, Angie Hernandez, Secretary to the Planning Commission of the City of South El Monte, do hereby certify that the foregoing Resolution, being Resolution No. 21-19 was duly passed and adopted by the Planning Commission of the City of South El Monte at a regular meeting of said Commission held on the 15<sup>th</sup> day of March, 2022.

Resolution No. 21-19  
Page 16 of 19

AYES: Commissioner(s): Barrera, Tang, Vice Chair Ortiz, and Chair Rodriguez  
NOES: None  
ABSENT: Diaz  
ABSTAIN: None



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Secretary, Angie Hernandez

**EXHIBIT "A"**

**LEGAL DESCRIPTION OF THE PROPERTY**

The APNs and legal description of the Property will change with the filing of VTTM No. 083399.

Real property in the City of South El Monte, County of Los Angeles, State of California, described as follows:

PARCEL 1: (APN: 8102-037-020 AND 8102-037-022)

PARCEL 1 OF CERTIFICATE OF COMPLIANCE /LOT LINE ADJUSTMENT RECORDED MARCH 18, 2016 AS INSTRUMENT NO. 20160296565 OF OFFICIAL RECORDS, BEING THAT PORTION OF LOT 30, TRACT NO. 621, IN THE CITY OF SOUTH EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP FILED IN BOOK 15, PAGES 182 AND 183 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:

BEGINNING AT A POINT IN THE EASTERLY LINE OF SAID LOT DISTANT NORTHERLY THEREON 100 FEET FROM THE SOUTHEASTERLY CORNER OF SAID LOT; THENCE NORTHWESTERLY IN A DIRECT LINE TO A POINT IN THE NORTHERLY LINE OF THE SOUTHERLY 200 FEET OF SAID LOT DISTANT WESTERLY THEREON 100 FEET FROM SAID EASTERLY LINE; THENCE WESTERLY ALONG SAID NORTHERLY LINE TO THE WESTERLY LINE OF THE EASTERLY 200 FEET OF SAID LOT; THENCE NORTHERLY ALONG SAID WESTERLY LINE TO THE NORTHERLY LINE OF THE SOUTHERLY 300 FEET OF SAID LOT; THENCE WESTERLY ALONG SAID LAST MENTIONED NORTHERLY LINE TO THE EASTERLY LINE OF THE WESTERLY 52 FEET OF SAID LOT; THENCE NORTHERLY ALONG SAID LAST MENTIONED EASTERLY LINE TO THE NORTHERLY LINE OF THE SOUTHERLY 500 FEET OF SAID LOT; THENCE EASTERLY ALONG SAID LAST MENTIONED NORTHERLY LINE TO THE WESTERLY LINE OF THE EASTERLY 100 FEET OF SAID LOT; THENCE NORTHERLY ALONG SAID LAST MENTIONED WESTERLY LINE TO THE NORTHERLY LINE OF SAID LOT; THENCE EASTERLY ALONG SAID LAST MENTIONED NORTHERLY LINE TO THE NORTHEASTERLY CORNER OF SAID LOT; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID LOT TO THE POINT OF BEGINNING.

PARCEL 2: (APN: 8102-037-024)

PARCEL 2 OF CERTIFICATE OF COMPLIANCE /LOT LINE ADJUSTMENT RECORDED MARCH 18, 2016 AS INSTRUMENT NO. 20160296565 OF OFFICIAL RECORDS, BEING LOT 29 OF TRACT 621, IN THE CITY OF SOUTH EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP FILED IN BOOK 15 PAGES 182 AND 183 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3: (APN: 8102-035-017)

THAT PORTION OF LOT 12, OF TRACT 621, IN THE RANCHO POTRERO GRANDE, IN THE CITY OF SOUTH EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 15 PAGES 182 AND 183 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EAST LINE OF SAID LOT, DISTANT SOUTH ALONG SAID EAST LINE, 250 FEET FROM THE SOUTHEAST CORNER OF LOT 22, BLOCK "C" OF TRACT 11814, AS PER MAP RECORDED IN BOOK 216 PAGE 21 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE WEST PARALLEL WITH THE SOUTH LINE OF SAID LOT 22, A DISTANCE OF 150 FEET TO THE NORTHEAST CORNER OF THE LAND DESCRIBED IN THE DEED TO TUNIS ANTHONY KOLL AND WIFE, RECORDED DECEMBER 27, 1946 IN BOOK 24017 PAGE 407 OF OFFICIAL RECORDS OF SAID COUNTY; THENCE SOUTH ALONG THE EAST LINE AND THE SOUTHERLY PROLONGATION THEREOF OF

THE LAND SO CONVEYED, TO A POINT IN THE SOUTH LINE OF SAID LOT 12, DISTANT WEST ALONG SAID SOUTH LINE, 150 FEET FROM THE SOUTHEAST CORNER OF SAID LOT 12; THENCE EAST ALONG SAID SOUTH LINE OF LOT 12, A DISTANCE OF 150 FEET TO SAID SOUTHEAST CORNER OF LOT 12; THENCE NORTH ALONG SAID EAST LINE OF LOT 12 TO THE POINT OF BEGINNING.

EXCEPT ALL PETROLEUM, OIL AND ASPHALTUM, GAS AND ALL HYDROCARBONS IN, ON OR UNDER THE SOUTH HALF OF LOT 12, EXCEPTED AND RESERVED BY LINUS J. NIEMEYER AND CHRISTA MIEMEYER AS PER DEED RECORDED JULY 7, 1948 INSTRUMENT NO. 546, OF OFFICIAL RECORDS.

**EXHIBIT "B"**

**SITE PLAN**

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

City of South El Monte  
1415 Santa Anita Avenue  
South El Monte, CA 91733  
Attn: City Clerk

APN: 8102-037-020, 8102-037-022, 8102-037-024 &  
8102-035-017

AREA ABOVE FOR RECORDER'S USE ONLY  
Exempt from recording fees per Govt. Code § 6103

### MASTER AFFORDABLE HOUSING COVENANT AND DENSITY BONUS AGREEMENT

This MASTER AFFORDABLE HOUSING COVENANT AND DENSITY BONUS AGREEMENT ("**Agreement**") is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2025 ("**Effective Date**") by and between CITY OF SOUTH EL MONTE, a municipal corporation ("**City**") and KB HOME GREATER LOS ANGELES INC., a California corporation ("**Developer**").

#### **RECITALS**

A. Developer owns and is developing that certain real property in City of South El Monte, County of Los Angeles, California (APNs 8102-037-020, 8102-037-022, 8102-037-024 & 8102-035-017) legally described on Exhibit A attached hereto ("**Property**").

B. City has granted a density bonus ("**Density Bonus**") pursuant to Chapter 17.83 (Density Bonus Provisions) of City's Municipal Code and Government Code Section 65915 (collectively, the "**Density Bonus Law**") and South El Monte Planning Commission Resolution No. 21-19 ("**Planning Commission Resolution**"). The Density Bonus allows Developer to construct up to two hundred seven (207) total residential dwelling units on the Property ("**Project**").

C. In order to obtain the Density Bonus, Developer has agreed to restrict the sale and occupancy of fifteen (15) single family dwelling units and six (6) townhome dwelling units as affordable pursuant to the Density Bonus Law as provided in this Agreement. The layout of the Project and all the residential units are depicted and their locations identified on Exhibit B attached hereto ("**Project Layout**").

D. This Agreement shall satisfy Developer's obligation to enter into a written agreement with City as required by Section 17.83.050 of City's Municipal Code and as required by General Condition 22 of Planning Commission Resolution No. 21-19. In consideration of Developer's covenants hereunder, and on the condition subsequent that Developer performs its obligations hereunder, City hereby agrees that Developer has satisfied City's requirements with the provision of the Affordable Units as described herein to qualify for the Density Bonus for the Property, pursuant to the Planning Commission Resolution and the Density Bonus Law.

NOW, THEREFORE, in consideration of the above Recitals, which are incorporated herein by this reference, and of the mutual covenants hereinafter contained and for other good and valuable

consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

## ARTICLE 1. DEFINITIONS AND EXHIBITS

1.1 **Definitions.** The following terms when used in this Agreement shall be defined as follows:

1.1.1 **Applicable Affordable Housing Cost** shall mean the maximum costs that can be borne by purchasers of the applicable Restricted AH Units under the requirements imposed by HSC Section 50052.5. The pertinent calculations are:

(a) **Affordable Housing Cost for Low Income Household** means a Total Housing Cost which does not exceed thirty percent (30%) of seventy percent (70%) of Area Median Income.

(b) **Affordable Housing Cost for Very Low Income Household** means a Total Housing Cost which does not exceed thirty percent (30%) of fifty percent (50%) of Area Median Income.

(c) **Affordable Housing Cost for Moderate Income Household** means a Total Housing Cost which does not exceed thirty-five percent (35%) of one hundred ten percent (110%) of Area Median Income.

1.1.2 **Applicable AH Household Income** shall have the following meanings, as applicable for the Restricted AH Unit:

(a) **Low Income Household** means a Household whose Gross Income meets the standards defined in HSC Section 50079.5. The maximum household income shall be the amount published by the California Department of Housing and Community Development (HCD) as adjusted to reflect the actual size of the Household purchasing a particular AH Restricted Unit.

(b) **Moderate Income Household** means a Household whose Gross Income meets the standards defined in HSC Section 50093. The maximum household income shall be the amount published by HCD as adjusted to reflect the actual size of the Household purchasing a particular AH Restricted Unit.

(c) **Very Low Income Household** shall mean a Household whose Gross Income meets the standards defined in HSC Section 50105. The maximum household income shall be the amount published by HCD as adjusted to reflect the actual size of the Household purchasing a particular AH Restricted Unit.

1.1.3 **Area Median Income** means the Los Angeles County area median income, adjusted for household size, as established by the United States Department of Housing and Urban Development (HUD), and as published periodically by HCD pursuant to Section 50093 et seq. of California Health and Safety Code and applicable regulations.

1.1.4 **Benchmark Down Payment** shall be set at 5% of the Purchase Price for Restricted AH Unit. This shall solely be used for the purpose of calculating the Purchase Price for Restricted AH Unit.

1.1.5 **Covenant Agreement for Restricted AH Unit** means the "Affordability

Covenants and Restrictions Affecting Real Property with Option to Purchase Secured by Deed of Trust” substantially in the form attached hereto as Exhibit D to be adjusted to the Affordable AH Household Income for the applicable Restricted AH Unit and to be recorded against the Restricted AH Unit as provided in Article 2 which shall bind the Restricted AH Unit for fifty-five (55) years. The Fannie Mae Shared Equity Amendment (Form 2200), shall be attached and included as part of each Covenant Agreement for Restricted AH Unit.

**1.1.6 Covenant Deed of Trust** shall mean a deed of trust in the form attached as Exhibit E to be executed by the applicable Eligible Purchaser which shall secure the Covenant Agreement for Restricted AH Unit for the applicable Restricted AH Unit being purchased to be recorded against the Restricted AH Unit concurrently with the Covenant Agreement as provided in Article 2.

**1.1.7 Eligible Purchaser** shall mean a person who is purchasing one of the Restricted AH Units who meets with all income and asset verification requirements in this Agreement for the applicable Restricted AH Unit and who is not an Ineligible Purchaser.

**1.1.8 FMV of the Restricted AH Unit** shall mean the fair market value of the Restricted AH Unit determined as provided in Section 2.7.1.

**1.1.9 Gross Income** means all income from whatever sources for all adult Household members, which is anticipated to be received during the 12-month period following the date of the determination of Gross Income. The applicable sources of income are defined in California Code of Regulations Title 25 Housing and Community Development Section 6914.

**1.1.10 Household** means all persons residing in a Restricted AH Unit.

**1.1.11 HSC** means California Health and Safety Code.

**1.1.12 Ineligible Purchaser** shall have the meaning defined in Section 2.5.

**1.1.13 Market Rate Units** means the Units within the Project which are not Restricted AH Units.

**1.1.14 Purchase Price for Restricted AH Unit** means the purchase price for the sale of the applicable Restricted AH Unit to an Eligible Purchaser which shall be calculated pursuant to HSC Section 50052.5 and Section 2.1 of this Agreement. The Purchase Price for a Restricted AH Unit shall be equal to the sum of the Supportable Mortgage plus the Benchmark Down Payment.

**1.1.15 Required Marketing Efforts** means marketing efforts that Developer is required to make with respect to the Restricted AH Units (as set forth in Section 2.3(a), below).

**1.1.16 Restricted AH Units** shall mean the following Units which are restricted for sale to Eligible Purchasers for the applicable affordability level as follows:

(SEE FOLLOWING PAGE)

Affordability Level	Single Family Units <sup>1</sup>	Townhome Units <sup>1</sup>	Totals
Very Low Income		187, 196 & 202	3
Low Income		186, 197 & 201	3
Moderate Income	26, 36, 51, 55, 67, 83, 89, 93, 105, 121, 127, 131, 158, 164 & 167		15
<b>Totals</b>	<b>15</b>	<b>6</b>	<b>21</b>

**1.1.17 Supportable Mortgage** means the mortgage amount that can be supported by an Eligible Purchase of a Restricted AH Unit based on the Affordable Housing Cost calculations. The mortgage calculation is based on the prevailing market interest rate for a 30-year fully amortizing mortgage with a fixed interest rate.

**1.1.18 Total Housing Cost** means the total monthly or annual recurring expenses required of a household to obtain shelter, and includes the mortgage payment (principal and interest, based on a fixed interest rate mortgage with a thirty (30) year term), and household-paid utilities, homeowner association dues, real estate taxes, mortgage insurance and any other related assessments.

**1.1.19 Unit** means a residential unit in the Project.

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

- Exhibit A                      Legal Description of the Property
- Exhibit B                      Project Layout Plan
- Exhibit C                      2024 Household Income Information Published by HCD and Sample Computations of Purchase Prices for Restricted AH Units
- Exhibit D                      Covenant Agreement for Restricted AH Units
- Exhibit E                      Covenant Deed of Trust

**ARTICLE 2. RESTRICTED AH UNITS**

**2.1 Purchase Price for Restricted AH Unit.**

**2.1.1 Determination.** Developer shall sell each of the Restricted AH Units to an Eligible Purchaser for an amount that does not exceed the applicable Purchase Price for the Restricted AH Unit.

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<sup>1</sup> As located on the Project Layout attached as Exhibit B.

**2.1.2 Example Computation of Purchase Price.** Example computations of the Purchase Prices for Restricted AH Units are provided on Exhibit C.

**2.1.3 Loan.** The maximum home loan amount for a Restricted AH Unit shall not exceed ninety-five percent (95%) of the Purchase Price for Restricted AH Unit. The maximum home loan amount for the Restricted AH Unit shall be submitted by Developer and approved or rejected by City within ten (10) business days from receipt.

**2.1.4 Actual Down Payment.** The maximum down payment contributed by an Eligible Purchaser shall not exceed 20% of the Purchase Price for the Residential AH Unit.

**2.2 Purchase Price Ranges for Restricted AH Units.** Prior to listing the Restricted AH Units, Developer shall calculate the applicable Purchase Prices for each Restricted AH Unit based on the number of bedrooms included in the applicable Restricted AH Unit and the with the range for the Applicable AH Household Income level. City shall reasonably cooperate to provide such confirmation to Developer within ten (10) business days of written request therefore.

**2.3 Marketing and Selection of Eligible Purchasers.**

(a) Developer shall conduct, "Required Marketing Efforts" in connection with the initial sales of the Restricted AH Units, which shall include: (i) production of specific marketing information highlighting the Restricted AH Units, including the specific affordability features for each Restricted AH Unit and the eligibility requirements and restrictions applicable to each Restricted AH Unit; and (ii) utilization of typical web-based outreach methods that can reasonably ensure an effective and efficient means of reaching the broadest range of potential Eligible Purchasers, including best efforts to contact nonprofit organizations and business associations that serve South El Monte residents in housing-related issues, and affordable housing advocacy groups, with the intent of reaching community based organizations serving people in the appropriate income levels. The City agrees, at no cost to City, to use its best efforts to identify, and reasonably assist the Developer with contacting, nonprofit organizations and business associations that serve South El Monte residents in housing-related issues, and affordable housing advocacy groups. Required Marketing Efforts will additionally include those marketing efforts that are typical customary practice and expected for the sale of real estate in the County of Los Angeles, including, a website marketing the Restricted AH Units in detail (sizes, locations, prices) and the criteria used to purchase them, as well as a form for interested parties to complete online indicating their interest in being notified about the availability of the Restricted AH Units.

(b) The Restricted AH Units may be sold to Eligible Purchasers selected by Developer who meet the income and affordability requirements provided in this Agreement and subject to the written approval of City. The City acknowledges the challenging nature of selling Restricted AH Units and agrees, at no cost to City, to reasonably assist the Developer with the advertising and marketing of the Restricted AH Units, which shall include a link on the City's website directing potential purchasers to the Developer's website for the Project. Developer is not required to sell a Restricted AH Unit to an Eligible Purchaser referred by City, but Developer shall accept or reject any such Eligible Purchaser based upon the same evaluation criteria that Developer applies to buyers of other Restricted AH Units. Upon City's request, Developer shall provide to City a written response detailing the reasons for rejection of an Eligible Purchaser referred by City.

**2.4 Income and Assets of Eligible Purchasers.** Prior to the sale of the Restricted AH Unit, Developer shall submit to City a completed income computation and certification form acceptable to or otherwise provided by City certifying that the Gross Income of the Eligible Purchaser

(including any co-purchaser) does not exceed the limit established for the Restricted AH Unit. Developer shall obtain an income certification form from the proposed Eligible Purchaser certifying that (i) the income of the proposed Eligible Purchaser is truthfully set forth in the income certification form; (ii) the proposed Eligible Purchaser does not own any real estate; and (iii) the proposed Eligible Purchase is not an Ineligible Purchaser.

Developer shall verify the income certification of the proposed Eligible Purchaser by providing the following documents:

- Signed copies of the two most recent years of federal income tax returns (with all schedules and attachments) for all Household members and persons who will appear on title to the Restricted AH Unit. If self-employed, four most recent quarterly tax filings must be provided.
- Copies of three most recent months of checking, savings, and other investment account statements for all Household members and persons who will appear on title to the Restricted AH Unit.
- If applicable:
  - Copy of separation agreement, divorce decree evidencing dissolution of marriage and/or alimony.
  - Paycheck stubs from the proposed Eligible Purchaser's three (3) most recent pay periods.
  - Copy of pension statements.
  - Income verification certification from the Social Security Administration and/or the California Department of Social Services if the proposed Eligible Purchaser receives assistance from such agencies.

Developer shall provide copies of all verification documentation to City.

**2.5 Ineligible Purchaser.** No Relative (as defined below) of (a) any employee, officer, board member or shareholder of Developer (or any successor Developer of the Project) or any of its members, affiliates or subsidiaries, or (b) any employee or official of City, may purchase a Restricted AH Unit. "**Relative**" shall mean a parent, children, sibling, spouse, uncle, aunt, cousin, niece, nephew, grandparent, and grandchild and shall also extend to any of the foregoing persons related through marriage (i.e., in-laws or step relationships).

**2.6 Covenant Agreement for Restricted AH Unit.** In accordance with Section 2.7 below, each Restricted AH Unit shall be subject to the Covenant Agreement for Restricted AH Unit which shall be effective for a period of fifty-five (55) years (unless terminated pursuant to such Covenant Agreement for Restricted AH Unit) commencing on the date of the recordation of (i) the grant deed from Developer to the Eligible Purchaser of the Restricted AH Unit; together with (ii) the Covenant Agreement for Restricted AH Unit and the Covenant Deed of Trust.

**2.7 Close of Escrow for Restricted AH Unit.**

**2.7.1 Fair Market Value (FMV) for Restricted AH Unit.** Developer shall determine the FMV of the Restricted AH Unit which would be the sale price of the Unit if it was not restricted. Developer

may determine the FMV for the Restricted AH Unit based on its sale prices within the Project for comparable Units which shall be confirmed by a written broker opinion. Developer shall provide such information to City regarding the determination of the FMV of the Restricted AH Unit. The FMV of the Restricted AH Unit shall be inserted in the Covenant Agreement for Restricted AH Unit prior to execution by the Eligible Purchaser and City.

**2.7.2 Process for Sale of Restricted AH Unit.** The sale of the Restricted AH Unit to the Eligible Purchaser shall comply with the following requirements.

(a) A full copy of the executed sale agreement between Developer and the Eligible Purchaser shall be provided to City.

(b) The Covenant Agreement for Restricted AH Unit and Fannie Mae Shared Equity Amendment (Form 2200) shall be executed and acknowledged by the Eligible Purchaser and City. Concurrently the Eligible Purchaser shall also execute and acknowledge the Covenant Deed of Trust. The Covenant Agreement for Restricted AH Unit and Fannie Mae Shared Equity Amendment (Form 2200) and Covenant Deed of Trust shall be recorded in the Official Records, subordinate to the First Deed of Trust (as defined in the Covenant Agreement for Restricted AH Unit).

(c) A Request for Notice (as to the First Trust Deed) which shall be recorded at the closing.

(d) A Request for Notice of Delinquency executed by the Eligible Purchaser and City as to the First Trust Deed which shall be recorded at the closing.

(e) The Eligible Purchaser shall provide a certification in a form acceptable to City declaring under penalty of perjury that it is an Eligible Purchaser and such other information as requested by City.

(f) Developer shall provide a certification in a form acceptable to City declaring under penalty of perjury with respect to compliance with this Agreement as to the sale of the Restricted AH Unit.

(g) City shall execute a release of this Agreement from the Restricted AH Unit to be recorded at the close of escrow in accordance with Section 2.9.

(h) Upon close of escrow, escrow holder shall promptly deliver to City (i) conformed copies of all recorded documents, (ii) a copy of the escrow closing statement, (iii) complete final copies of all executed loan documents for the senior loan; and (iv) the Title Policy pursuant to Section 2.8.

**2.8 Title Insurance Policy.** At the close of the escrow for each Restricted AH Unit, an ALTA loan policy of title insurance shall be provided to City insuring the Covenant Deed of Trust subordinate only to the First Trust Deed in the amount of one hundred twenty percent (120%) of the difference between the FMV of the Restricted AH Unit less the purchase price of that Restricted AH Unit ("**Title Policy**"). The cost of the Title Policy shall be paid by Developer.

**2.9 Release.** At the close of escrow for each Restricted AH Unit, this Agreement shall terminate AS TO THAT SPECIFIC RESTRICTED AH UNIT ONLY. City shall execute, acknowledge and deliver to escrow in time for close of escrow, such documentation as reasonably required by the title company to confirm the release of this Agreement as to the applicable Restricted AH Unit.

**2.10 Use of Qualified Third Party.** City may elect to retain a third party who is qualified to provide the financial analysis and verification of each Eligible Purchaser as well as the calculation of the applicable Purchase Price for a Restricted AH Unit. Developer shall reimburse City for the cost of the qualified third party reasonably acceptable to Developer. Keyser Marston Associates is approved as such a qualified third party to provide such services.

### **ARTICLE 3. SALES AND RELEASES**

**3.1 Timing of Sale of Restricted AH Units.** Developer shall use diligent efforts to market and sell the Restricted AH Units concurrently with the sale of the Market Rate Units. For the issuance of certificates of occupancy for the market rate Units in each phase, Developer must obtain certificates of occupancy for the Restricted AH Units in each phase (which may occur concurrently with issuance of the certificates of occupancy for the market rate Units). Compliance with this requirement may be enforced by City not issuing additional certificates of occupancy for the Market Rate Units until Developer is in compliance. Notwithstanding the foregoing, in accordance with General Condition 21 of the Planning Commission Resolution: (i) in the event any of the Very Low Income Restricted AH Units have not been sold to Very Low Income Households within 6 months of being marketed for sale and provided Developer has made reasonable and customary efforts to sell those Very Low Income Restricted AH Units to Very Low Income Households, then those (formerly) Very Low Income Restricted AH Units may be sold to Low Income Households for an amount that does not exceed the Purchase Price for Restricted AH Unit for Low Income Restricted AH Units; (ii) in the event any of the (formerly) Very Low Income Restricted AH Units, as described in the immediately preceding clause, have not been sold to Low Income Households within 12 months of being marketed for sale and provided Developer has made reasonable and customary efforts to sell those (formerly) Very Low Income Restricted AH Units to Low Income Households, then those (formerly) Very Low Income Restricted AH Units may be sold to Moderate Income Households for an amount that does not exceed the Purchase Price for Restricted AH Unit for Moderate Income Affordable Units; and (iii) in the event any of the Low Income Restricted AH Units have not been sold to Low Income Households within 6 months of being marketed for sale and provided Developer has made reasonable and customary efforts to sell those Low Income Restricted AH Units to Low Income Households, then those (formerly) Low Income Restricted AH Units may be sold to Moderate Income Households for an amount that does not exceed the Purchase Price for Restricted AH Unit for Moderate Income Affordable Units.

**3.2 Release of Market Rate Units.** Provided Developer is in compliance with the requirements in Section 3.1, upon transfer of any Market Rate Unit to an individual owner in conformity with the California Department of Real Estate issued public report ("**White Report**"), the provisions of this Agreement shall terminate with respect to that Market Rate Unit. City shall cooperate with providing any documents which the title company may require to affect the foregoing.

**3.3 Common Area Property.** Upon transfer of common area within the Project to the homeowners association which governs the Project in accordance with the White Report, this Agreement shall automatically terminate with respect to the common area so transferred. City shall cooperate with providing any documents which the title company may require to affect the foregoing.

### **ARTICLE 4. DUTIES AND RIGHTS**

**4.1 Construction of Project.** As required by the Density Bonus Law, the Restricted AH Units shall be constructed concurrently with the Market Rate Units and the Restricted AH Units shall be dispersed through the Project and are highlighted on the Project Layout.

**4.2 Maintenance.** Until fee title of a Restricted AH Unit is transferred to an Eligible Purchaser, Developer shall, at its sole cost and expense, maintain the interiors and exteriors of the

Restricted AH Units in good, decent, safe and sanitary manner, in accordance with the standard of maintenance of the other Units in the Project.

**4.3 Monitoring.** Representatives of City shall be entitled to inspect and copy any and all records of Developer relating to sales of the Restricted AH Units to Eligible Purchasers at any time, upon reasonable notice, and to conduct an audit of such records. City shall pay the cost of the audit, provided, however, that if the audit discloses a default by Developer, the cost of the audit shall be borne by Developer who shall, upon demand, promptly reimburse City for the cost of the audit. Until a Restricted AH Unit is occupied by an Eligible Purchaser, representatives of City shall, upon reasonable notice to Developer, be entitled to enter the Restricted AH Unit to monitor compliance with this Agreement. City shall have the right to transfer this Agreement and the Covenant Agreement for Restricted AH Unit to any other public agency in its sole discretion.

## **ARTICLE 5. ENFORCEMENT**

**5.1 Enforcement & Remedies.** This Agreement, without regard to technical classification or designation, shall be binding for the benefit of the City, and its successors and assigns for the entire period during which such covenants shall be in force and effect, without regard to whether the City, or its successors and assigns are or remain the owner of any land or interest therein to which such covenants relate. In the event of any breach of any such covenants, City, or its successors or assigns, shall be entitled to all rights and remedies available under the law upon the default of the terms of this Agreement by Developer, including to the extent applicable: (a) specific performance of the terms of this Agreement; (b) disgorgement of any amounts of sales proceeds which exceed the Purchase Price for Restricted AH Unit; (c) an award of its reasonable attorneys' fees, specifically including the cost to City of time expended by the office of City Attorney and reasonable expert and attorneys' fees; (iv) damages; (v) right to revoke certificates of occupancy; (vi) record a lien against the Property; and (vii) any other remedies available at law or equity. The rights and remedies are cumulative, and the exercise 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.

**5.2 Indemnification.** Developer shall defend, indemnify and hold harmless City, its elected and appointed officials, officers, agents and employees, from all liability from loss, damage or injury to persons or property, including the payment by Developer of any and all reasonable legal costs and attorneys' fees, in any manner arising out of the acts and/or omissions of Developer pursuant to this Agreement. The indemnification obligations of Developer under this Agreement shall survive the expiration or earlier termination of this Agreement.

**5.3 Agreement Appurtenant to Property.** This Agreement is appurtenant to and shall run with the Property as an equitable servitude and covenant in favor of City and shall be binding on all successors of the Property until this Agreement is otherwise terminated.

**5.4 Term.** This Agreement shall terminate and be of no further force or effect (except as specified below) upon the last to occur (i) all Restricted AH Units have been sold to qualified Eligible Purchasers in accordance with this Agreement as evidenced by a recorded grant deed; and (ii) the Covenant Agreement for Restricted AH Unit and Covenant Deed of Trust have been executed by the Eligible Purchaser of each of the Restricted AH Units and recorded against the Restricted AH Unit concurrently with the grant deed. Notwithstanding the termination of this Agreement of record, the provisions of Sections 5.1, 5.2 and 6.1 shall remain in full force and effect as the personal obligation of Developer to City or City to Developer, as applicable.

**5.5 Further Assurances: City Manager Authority.** The parties shall execute any further documents in recordable form consistent with the terms of this Agreement as may from time to time

be reasonably necessary or appropriate to effectuate the purpose of this Agreement. Except as otherwise expressly provided in this Agreement, approvals or consents required of City shall be deemed granted by the written approval of City Manager or his/her designee. City Manager is also authorized to execute any further documents on behalf of City, including the Covenant Agreement for Restricted AH Unit and any subordination agreements for the sale of the Restricted AH Unit. Notwithstanding the foregoing, City Manager or designee may, in his or her sole and absolute discretion, refer to City Council any item requiring City approval.

**5.6 Cooperation Covenant.** The parties agree to cooperate with each other to effectuate the intent of this Agreement including, but not limited to, modifying some provisions in this Agreement (and the Covenant Agreement for Restricted AH Unit) as may be reasonably required by the California Department of Real Estate or other applicable governmental agencies.

**5.7 Applicable Law.** The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

## **ARTICLE 6. GENERAL PROVISIONS**

**6.1 Attorney's Fees and Costs.** If any action or proceeding is brought by either party against the other under this Agreement, whether for interpretation, enforcement or otherwise, whether or not a final court judgment is entered, the prevailing party shall be entitled to reimbursement of all reasonable costs and expenses incurred by the prevailing party in such legal proceeding, including reasonable attorneys' fees, court costs and expenses and consultant and expert witness fees and expenses.

**6.2 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.

**6.3 Construction.** The provisions of this Agreement shall be liberally construed for the purpose of effecting the intent under the Density Bonus Law and Planning Commission Resolution to increase the number of affordable dwellings in City. 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.

**6.4 Amendments.** This Agreement may only be amended or modified by written agreement executed by Developer and City and recorded in the Official Records of Los Angeles County.

**6.5 Notices.** Formal notices, demands and communications between City and Developer shall be sufficiently given if delivered personally, or dispatched by registered or certified mail, postage prepaid, return receipt requested, to the respective addresses of City and Developer. Such notices, demands and communications, if given in person, shall be deemed given when delivered, and, if given by mail, shall be deemed given three (3) business days after deposit in the mail. If delivered by national overnight carrier service, it shall be deemed to have been delivered the following business day. Such written notices, demands and communications may be sent to the following addresses unless either party designates by notice a different address:

To Developer: KB Home Greater Los Angeles, Inc.  
26650 The Old Rd, Ste 110  
Valencia, CA 91381  
Attn: Jake Persons

With copy to: KB Home  
10990 Wilshire Blvd., 7th Floor  
Los Angeles, CA 90024  
Attn: Will Son, Esq.

To City: City of South El Monte  
1415 Santa Anita Avenue  
South El Monte, CA 91733  
Attn: City Manager

With a copy to: Susie Altamirano, City Attorney  
Olivarez Madruga Law  
Organization, LLP  
500 S. Grand Avenue  
12<sup>th</sup> Floor  
Los Angeles, CA 90071

## **6.6 Conflicts of Interest.**

**6.6.1** No member, official or employee of City shall have any personal interest, direct or indirect, in this Agreement; nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his personal interests or the interests of any corporation, partnership or association in which he is, directly or indirectly, interested.

**6.6.2** Developer warrants that it has not paid or given, and will not pay or give, any person any money or other consideration for obtaining this Agreement, other than normal fees paid to Developer's independent contractors, attorneys, and consultants.

**6.7 Non-liability.** No member, official, employee, attorney or consultant of City shall be personally liable to Developer, or any successor in interest of Developer, in the event of any default or breach by City or for any amount which may become due to Developer or to its successor, or on any obligations under the terms of this Agreement. No director, officer, employee, attorney or consultant of Developer shall be personally liable to City, or any successor in interest of City, in the event of any default or breach by Developer or for any amount which may become due to City or to its successor, or on any obligations under the terms of this Agreement.

**6.8 Qualification: Authority.** Each individual executing this Agreement on behalf of Developer, represents, warrants and covenants to City that (a) Developer is duly formed and authorized to do business in the state of its incorporation, (b) such person is duly authorized to execute and deliver this Agreement on behalf of Developer in accordance with authority granted under the organizational documents of such entity, and (c) Developer is bound under the terms of this

Agreement.

**6.9 Assignment Prohibited.** Developer shall not assign or transfer any portion of this Agreement without the prior express written consent of City, which consent may be given or withheld in City's sole discretion. However, if any such assignment or transfer is to a purchaser of the entire Project, City shall not unreasonably withhold or delay its consent of the assignment provided that the purchaser shall assume all obligations under this Agreement in a form satisfactory to City.

**6.10 No Waiver.** The failure of City to enforce any term, covenant, or condition of this Agreement on the date it is to be performed shall not be construed as a waiver of City's right to enforce this, or any other, term, covenant, or condition of this Agreement at any later date or as a waiver of any term, covenant, or condition of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as indicated below.

**CITY:**

CITY OF SOUTH EL MONTE,  
a municipal corporation

By: \_\_\_\_\_  
Gloria Olmos, Mayor

**DEVELOPER:**

KB HOME GREATER LOS ANGELES  
INC., a California corporation

By: \_\_\_\_\_  
Keltie B. Cole, President

ATTEST:

\_\_\_\_\_  
Adrian Garcia, MMC  
City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Susie Altamirano  
City Attorney

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 \_\_\_\_\_        )

On \_\_\_\_\_ 2024, before me, \_\_\_\_\_, 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.

\_\_\_\_\_

[SEAL]

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 \_\_\_\_\_        )

On \_\_\_\_\_ 2024, before me, \_\_\_\_\_, 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.

\_\_\_\_\_

[SEAL]

## EXHIBIT A

### Legal Description of the Property

That certain real property in City of South El Monte,

County of Los Angeles,

State of California legally described as follows:

PARCEL 1: (APN: 8102-037-020 AND 8102-037-022)

PARCEL 1 OF CERTIFICATE OF COMPLIANCE /LOT LINE ADJUSTMENT RECORDED MARCH 18, 2016 AS INSTRUMENT NO. [20160296565](#) OF OFFICIAL RECORDS, BEING THAT PORTION OF LOT 30, TRACT NO. 621, IN THE CITY OF SOUTH EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP FILED IN [BOOK 15, PAGES 182 AND 183](#) OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:

BEGINNING AT A POINT IN THE EASTERLY LINE OF SAID LOT DISTANT NORTHERLY THEREON 100 FEET FROM THE SOUTHEASTERLY CORNER OF SAID LOT; THENCE NORTHWESTERLY IN A DIRECT LINE TO A POINT IN THE NORTHERLY LINE OF THE SOUTHERLY 200 FEET OF SAID LOT DISTANT WESTERLY THEREON 100 FEET FROM SAID EASTERLY LINE; THENCE WESTERLY ALONG SAID NORTHERLY LINE TO THE WESTERLY LINE OF THE EASTERLY 200 FEET OF SAID LOT; THENCE NORTHERLY ALONG SAID WESTERLY LINE TO THE NORTHERLY LINE OF THE SOUTHERLY 300 FEET OF SAID LOT; THENCE WESTERLY ALONG SAID LAST MENTIONED NORTHERLY LINE TO THE EASTERLY LINE OF THE WESTERLY 52 FEET OF SAID LOT; THENCE NORTHERLY ALONG SAID LAST MENTIONED EASTERLY LINE TO THE NORTHERLY LINE OF THE SOUTHERLY 500 FEET OF SAID LOT; THENCE EASTERLY ALONG SAID LAST MENTIONED NORTHERLY LINE TO THE WESTERLY LINE OF THE EASTERLY 100 FEET OF SAID LOT; THENCE NORTHERLY ALONG SAID LAST MENTIONED WESTERLY LINE TO THE NORTHERLY LINE OF SAID LOT; THENCE EASTERLY ALONG SAID LAST MENTIONED NORTHERLY LINE TO THE NORTHEASTERLY CORNER OF SAID LOT; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID LOT TO THE POINT OF BEGINNING.

PARCEL 2: (APN: 8102-037-024)

PARCEL 2 OF CERTIFICATE OF COMPLIANCE /LOT LINE ADJUSTMENT RECORDED MARCH 18, 2016 AS INSTRUMENT NO. [20160296565](#) OF OFFICIAL RECORDS, BEING LOT 29 OF TRACT 621, IN THE CITY OF SOUTH EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP FILED IN [BOOK 15 PAGES 182 AND 183](#) OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3: (APN: 8102-035-017)

THAT PORTION OF LOT 12, OF TRACT 621, IN THE RANCHO POTRERO GRANDE, IN THE CITY OF SOUTH EL MONTE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 15 PAGES 182 AND 183](#) OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EAST LINE OF SAID LOT, DISTANT SOUTH ALONG SAID EAST LINE, 250 FEET FROM THE SOUTHEAST CORNER OF LOT 22, BLOCK "C" OF TRACT 11814, AS PER MAP RECORDED IN [BOOK 216 PAGE 21](#) OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE WEST PARALLEL WITH THE SOUTH LINE OF SAID LOT 22, A DISTANCE OF 150 FEET TO THE NORTHEAST CORNER OF THE LAND DESCRIBED IN THE DEED TO TUNIS ANTHONY KOLL AND WIFE, RECORDED DECEMBER 27, 1946 IN [BOOK 24017 PAGE 407](#) OF OFFICIAL RECORDS OF SAID COUNTY; THENCE SOUTH ALONG THE EAST LINE AND THE SOUTHERLY PROLONGATION THEREOF OF

THE LAND SO CONVEYED, TO A POINT IN THE SOUTH LINE OF SAID LOT 12, DISTANT WEST ALONG SAID SOUTH LINE, 150 FEET FROM THE SOUTHEAST CORNER OF SAID LOT 12; THENCE EAST ALONG SAID SOUTH LINE OF LOT 12, A DISTANCE OF 150 FEET TO SAID SOUTHEAST CORNER OF LOT 12; THENCE NORTH ALONG SAID EAST LINE OF LOT 12 TO THE POINT OF BEGINNING.

EXCEPT ALL PETROLEUM, OIL AND ASPHALTUM, GAS AND ALL HYDROCARBONS IN, ON OR UNDER THE SOUTH HALF OF LOT 12, EXCEPTED AND RESERVED BY LINUS J. NIEMEYER AND CHRISTA NIEMEYER AS PER DEED RECORDED JULY 7, 1948 INSTRUMENT NO. 546, OF OFFICIAL RECORDS.

**EXHIBIT B**  
**PROJECT LAYOUT**



Built on Relationships<sup>®</sup>

# Starlite Site Plan



## EXHIBIT C

### Sample Computation of Purchase Price for Restricted AH Units

TABLE 1

MAXIMUM HOUSEHOLD INCOMES  
 INCOME QUALIFICATION TESTS  
 OCTOBER 1 - DECEMBER 31, 2024  
 SOUTH EL MONTE, CALIFORNIA

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	Very Low Income Households H&SC §50105	Low Income Households H&SC §50079.5	Moderate Income Households H&SC §50093
1 Person Household	\$48,550	\$77,700	\$82,500
2 Person Household	\$55,450	\$88,800	\$94,300
3 Person Household	\$62,400	\$99,900	\$106,050
4 Person Household	\$69,350	\$110,950	\$117,850
5 Person Household	\$74,900	\$119,850	\$127,300
6 Person Household	\$80,450	\$128,750	\$136,700
7 Person Household	\$86,000	\$137,600	\$146,150
8 Person Household	\$91,550	\$146,500	\$155,550

TABLE 2

1

**AFFORDABLE SALES PRICE CALCULATIONS**  
**H&SC SECTION 50052.5 CALCULATION METHODOLOGY**  
**OCTOBER 1 - DECEMBER 31, 2024**  
**SOUTH EL MONTE, CALIFORNIA**

	Townhomes		Single Family Homes
	Very Low Income Two-Bedroom Units	Low Income Two-Bedroom Units	Moderate Income Three-Bedroom Units
<b>I. <u>Income Information</u></b>			
Benchmark Household Size	3	3	4
Area Median Income (AMI)	\$88,400	\$88,400	\$98,200
Percentage of AMI Used for Calculations	50%	70%	110%
Household Income Used for Calculations	\$44,200	\$61,880	\$108,020
% of Income Allocated to Housing	30%	30%	35%
Household Income Allotted to Housing	\$13,260	\$18,560	\$37,810
<b>II. <u>Ongoing Expenses</u></b>			
Annual Utilities Allowance	\$3,120	\$3,120	\$3,804
Annual HOA Dues	4,740	4,740	2,952
Annual Maintenance Allowance	600	600	600
Property Taxes @ 1.15% of ASP	684	1,440	4,339
<b>Total Expenses</b>	<b>\$9,144</b>	<b>\$9,900</b>	<b>\$11,695</b>
<b>III. <u>Income Available for Mortgage</u></b>	<b>\$4,116</b>	<b>\$8,660</b>	<b>\$26,115</b>
<b>IV. <u>Affordable Sales Price</u></b>			
Supportable Mtg @ 6.12% Interest	\$56,500	\$118,800	\$358,400
Benchmark Down Payment @ 5% ASP	3,000	6,300	18,900
<b>Maximum Affordable Sales Price</b>	<b>\$59,500</b>	<b>\$125,100</b>	<b>\$377,300</b>

<sup>1</sup> The Affordable Sales Price are updated on the first day of each calendar quarter to reflect changes in the Area Median Income, the utilities allowances, and mortgage interest rates.

<sup>2</sup> Based on the 2024 Area Median Income published by HCD.

<sup>3</sup> Based on the based on the LACDA All Electric Single Family Home utility allowance schedule effective as of 7/1/24. Monthly Utilities Allowance @ \$260 for the Two-Bedroom Units and \$317 for the Three-Bedroom Units.

<sup>4</sup> Monthly HOA Dues @ \$395 for the Townhomes and \$246 for the Single Family Homes.

<sup>5</sup> Monthly Maintenance Allowance @ \$50.

<sup>6</sup> Based on the assumption that the units are subject to long-term income and affordability covenants.

<sup>7</sup> Based on the average interest rate for a 30-year fixed interest rate fully amortizing mortgage loan published by Freddie Mac for the week of October 3, 2024.

**EXHIBIT D**

**Covenant Agreement for Restricted AH Unit**

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

City of South El Monte  
1415 Santa Anita Avenue  
South El Monte, CA 91711  
Attn: City Clerk

APN: \_\_\_\_\_

SPACE ABOVE FOR RECORDER'S USE ONLY  
Exempt from recording fee per Gov. Code §§ 27383 & 6103

**AFFORDABILITY COVENANTS AND RESTRICTIONS AFFECTING REAL PROPERTY AND  
OPTION TO PURCHASE PROPERTY SECURED BY DEED OF TRUST**

Owner: \_\_\_\_\_

Residence: \_\_\_\_\_  
South El Monte, California

THIS AFFORDABILITY COVENANTS AND RESTRICTIONS AFFECTING REAL PROPERTY AND OPTION TO PURCHASE PROPERTY SECURED BY DEED OF TRUST ("**Agreement**") is entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2025 ("**Agreement Date**") by and between CITY OF SOUTH EL MONTE, a California municipal corporation ("**City**"), and \_\_\_\_\_ (jointly and severally "**Owner**"). City and Owner are sometimes referred to as a "**Party**" and jointly as the "**Parties**."

**RECITALS**

- A. Concurrently with the recordation of this Agreement, Owner has acquired that certain residence located at \_\_\_\_\_ in City of South El Monte, County of Los Angeles, State of California, and legally described in Exhibit A attached hereto and incorporated by reference ("**Residence**").
- B. The Residence is part of that certain residential development commonly known as "**Starlight**" ("**Project**") which was developed by KB HOME GREATER LOS ANGELES INC., a California corporation ("**Developer**").
- C. As a condition to developing the Project, Developer was required to record covenants to designate and restrict twenty-one (21) of the units in the Project as affordable housing. Developer and City entered into that certain Master Affordable Housing Covenant and Density Bonus Agreement dated \_\_\_\_\_, 2025 recorded on \_\_\_\_\_, 2025 as Instrument No. \_\_\_\_\_ in the Official Records of Los Angeles County ("**Developer Agreement**").
- D. Pursuant to the Developer Agreement, the use, occupancy and transfer of the Residence is restricted to **qualified** **-Income** purchasers to ensure its continued availability to Income Households (as defined below) for a period of at least fifty-five (55) years. The term "**Income Household**" means a household whose Gross Income, as defined in California Code of Regulations Title 25 Housing and Community Development Section 6914, meets the standards defined in Section \_\_\_\_\_ of the California Health & Safety Code Section and

applicable regulations adopted by HCD, including Subchapter 2 of Division 1 of Title 25 of the California Code of Regulation (beginning at Section 6910) (“**HCD Laws/Regulations**”).

- E. Owner is acquiring the Residence pursuant to the Developer Agreement for a purchase price of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) (“**Original Sales Price**”) which amount is less than the fair market value of the Residence which is agreed to be \_\_\_\_\_ Dollars (\$\_\_\_\_\_) as of the Effective Date (“**Original Fair Market Value**”). In consideration for acquiring the Residence at less than its Original Fair Market Value, Owner agrees that the Residence shall be restricted by the covenants and restrictions as set forth in this Agreement.
  
- F. This Agreement is secured by a deed of trust executed by Owner and recorded concurrently with this Agreement in the Official Records (“**Deed of Trust**”).

NOW, THEREFORE, in consideration for Owner acquiring the Residence for less than the Original Fair Market Value, Owner agrees to the following covenants and restrictions which shall run with the Residence in favor of the City.

1. **DEFINITIONS.**

The following terms shall have the definitions below which can be found in the referenced sections:

- “Agreement” – Preamble (page 1).
- “Agreement Date” – Preamble (page 1).
- “Alternative Sale” – Section 10(b).
- “Base Price” – Section 12.1.
- “Breach Notice” – Section 14.
- “City” – Preamble (page 1).
- “City’s Share of Appreciation” – Section 13.2.
- “Deed of Trust” – Recital F.
- “Default Interest” – Section 13.2.
- “Default Purchase Exercise Notice” – Section 15.1.
- “Default Purchase Option” – Section 15.1.
- “Effective Date” – Section 2.
- “Eligible Purchaser” – Section 11.2.
- “Eligible Transfer” – Section 11.
- “Exercise Notice” – Section 8.

“Exercise Price” – Section 8.

“Fair Market Value” – Section 9.1.

“First Lender” – Section 21.1.

“First Deed of Trust” – Section 21.1.

“Gross Income – Recital D.

“HCD Laws/Regulations” – Recital D.

“Increased Base Price” – Section 12.1.

“Ineligible Purchaser” – Section 10(b).

“Initial Subsidy” – Section 13.2.

“ \_\_\_Income Household” – Recital D.

“Notice of Default” – Section 14.

“Official Records” – Section 2.

“Option” – Section 8.

“Original Fair Market Value” – Recital E.

“Owner” – Preamble (page 1).

“Owner’s Share of Appreciation” – Section 13.3.

“Project” – Recital B.

“Proposed Purchaser” – Section 10.

“Relative” – Section 3.

“Residence” – Recital A.

“Restricted Sales Price” – Section 12.

“Restrictive Covenants” – Section 11.1(e).

“Subordination Agreement” – Section 21.2.

“Term” – Section 2.

“Total Appreciation” – Section 13.4.

“Transfer” – Section 5.

“Transfer Notice” – Section 7.

“Value of Capital Improvements” – Section 12.2.

**2. TERM OF AGREEMENT.** The covenants, restrictions and equitable servitudes in this Agreement shall burden the Residence and run in favor of and for the benefit of, City. The term of this Agreement shall commence on the date this Agreement is recorded (“**Effective Date**”) in the Official Records of Los Angeles County (“**Official Records**”) and shall continue for a term of fifty-five (55) years, unless otherwise terminated as set forth in this Agreement including, but not limited to, Sections 8, 13 and/or 17 (“**Term**”).

**3. OWNER CERTIFICATIONS.** Owner certifies to City that (i) the financial and other information previously provided in order to qualify to purchase the Residence was true, correct and complete; (ii) Owner does not own any other residential property as of the Agreement Date; (iii) Owner intends to occupy the Residence as Owner’s principal place of residence; and (iv) Owner is not a Relative (as defined below) of any employee, officer, board member or shareholder of Developer (or any successor Developer of the Project) or any of its members, affiliates, or subsidiaries, or of any employee or official of City. “**Relative**” shall mean a parent, child, sibling, spouse, uncle, aunt, cousin, niece, nephew, grandparent and grandchild and shall also extend to any of the foregoing persons related through marriage (i.e. in-laws or step relationships).

**4. LEASING AND OCCUPANCY OF RESIDENCE; ANNUAL CERTIFICATION.**

**4.1. Occupancy of Residence.** Owner shall continuously occupy the Residence as his/her/their principal residence and the Residence shall be used as the primary residence of the Owner and Owner’s household and for no other purpose. City may grant a temporary written waiver of this occupancy requirement for good cause in its reasonable discretion. No more than ( ) persons shall occupy the Residence, not including children born after the Effective Date.

**4.2. Leasing of Residence.** Owner may not lease any portion of the Residence.

**4.3. Annual Certification.** On an annual basis, Owner shall provide a certification in a form required by City that the Residence is owned and occupied by Owner.

**5. TRANSFER OF RESIDENCE.** “**Transfer**” means any sale, assignment or transfer, voluntary or involuntary, of any interest in the Residence, including, but not limited to, a fee simple interest, a joint tenancy interest, a life estate, a leasehold interest, or an interest under a land sale contract by which possession of the Residence is transferred and Owner retains title. Any Transfer without satisfaction of the provisions of this Agreement is prohibited. Transfers by devise, or inheritance to an existing spouse, children, surviving joint tenant, or a spouse as part of a dissolution proceeding or in connection with marriage, shall not be considered a Transfer for the purposes of this Agreement.

**6. REFINANCE OF RESIDENCE.**

**6.1 Refinancing of First Deed of Trust.** Subject to Section 6.3, Owner may refinance a loan secured by a First Deed of Trust (defined in Section 20.1) encumbering the Residence provided that City has previously reviewed and approved in writing the terms and conditions thereof including, but not limited to, the principal amount of the proposed loan, the interest rate, the terms of repayment, the identity of the maker of the proposed loan, any documentation pertaining to the subordination or enforcement of this Agreement, and the costs and fees associated with the making of the proposed loan. Owner must have received the written approval of the proposed loan by City prior to the date of its closing. In the event of a proposed refinance that includes a principal amount in excess of that needed to repay the loan secured by the First Deed

of Trust, any approval by City shall include conditions which, in the sole discretion of City, are warranted in order to insure the continued affordability of the Residence. Any refinancing of a First Deed of Trust that has not been previously approved by City shall constitute a default under this Agreement.

**6.2 Junior Liens.** Subject to Section 6.3, Owner may enter into a loan secured by a lien junior and subordinate to this Agreement provided that (i) the proceeds of each loan shall be used solely to pay for repairs or the construction of improvements to the Residence which improvements are consistent with all applicable covenants and restrictions of the Project; (ii) City has previously reviewed and approved the terms and conditions thereof, including, but not limited to, the principal amount of the proposed loan, the interest rate, the terms of repayment, the identity of the maker of the proposed loan, the costs and fees associated with the making of the proposed loan, and the nature and costs of the proposed repairs or the construction of improvements, to be paid with the proceeds thereof; and (iii) Owner shall have received the written approval of the proposed loan by City prior to the date of its closing. Without limiting the foregoing, the proceeds of the proposed loan shall not be used to pay for the construction of improvement of a luxury nature such as ground pools, spas, or interior or exterior decorative items, or improvements with an unreasonable useful life. The failure of Owner to comply fully with the provisions of this subsection when entering into a loan that is secured by a lien junior and subordinate to this Agreement shall constitute a default under this Agreement.

**6.3 Notification Prior to Encumbrance or Hypothecation.** If Owner desires to refinance a First Deed of Trust pursuant to Section 6.1, or to borrow funds for a new loan to be secured by a junior lien encumbering the Residence the proceeds of which are to be used to pay for repairs or the construction of improvements to the Residence pursuant to Section 6.2, prior written approval of City is required. Owner must request such approval in writing at least thirty (30) days prior to the recordation of a lien securing any such refinancing or loan, Owner shall submit in writing the following information and the applicable documents:

- i. Name and address of lender.
- ii. Terms of the loan, including, but not limited to, principal, interest rate, term, and loan fees.
- iii. Closing date of the loan.
- iv. Copy of all proposed escrow instructions, loan applications, security agreement, loan documents, and other agreements between Owner and the lender.
- v. Written documentation of compliance with the conditions for City approval as set forth in Section 6.1 and 6.2, as applicable.
- vi. Other written documentation reasonably requested by City.

City shall have fifteen (15) business days after its receipt of all of such information to approve or disapprove the proposed refinancing or loan. If the City does not issue its written approval within the fifteen (15) business day period, the loan shall be deemed disapproved.

**7. NOTICE OF INTENDED TRANSFER.** In the event Owner intends to Transfer or vacate the Residence, Owner shall promptly notify City in writing of such intent delivered at least ninety (90) days prior to the actual date of the proposed Transfer or vacation of the Residence (“**Transfer Notice**”).

**8. CITY PURCHASE OPTION.** Upon City’s receipt of a Transfer Notice, City shall have the option, but not the obligation, to purchase the Residence for the Exercise Price (defined below) (“**Option**”). City may exercise its Option to purchase the Residence by delivering written notice of exercise to Owner within thirty (30) days of receipt of the Transfer Notice (“**Exercise Notice**”). Within ninety (90) days of the date of the Exercise Notice, City shall purchase the Residence at the lesser of: (i) the Fair Market Value of the Residence, or (ii) Restricted Sales Price calculated pursuant to Section 12 (“**Exercise Price**”). City may assign its right to purchase the Residence to an Eligible Purchaser or to a governmental agency or nonprofit organization that is devoted to developing or preserving low and moderate income housing. After a Transfer, if the City does not exercise the Option, the Option rights set forth herein shall remain in full force and effect and apply to any future Transfer of the Residence during the Term.

**9. FAIR MARKET VALUE.**

**9.1.** After the Effective Date, the term “**Fair Market Value**” shall have the meaning ascribed in Section 1263.320 of the California Code of Civil Procedure, as it now exists or may subsequently be amended and shall be determined by a real estate appraiser selected by City. The appraiser shall have been previously approved by the Federal National Mortgage Association or the Federal Housing Administration and at the time of the appraisal shall be on the list of approved single-family housing appraisers. If possible, the appraisal shall be based upon properties sold in the market during the three (3) month period prior to the date of the Transfer Notice. The cost of the appraisal shall be divided equally between City and Owner. In the event that improvements to the Residence have been made by Owner that increase the value of the Residence, or if damage to the Residence has occurred or deferred maintenance while Owner owned the Residence has decreased the value of the Residence, the appraisal shall specifically ascribe a value to these adjustment factors and state what the Fair Market Value of the Residence would be without such adjustments. Nothing in this Section shall preclude Owner and City from establishing the Fair Market Value of the Residence by mutual written agreement in lieu of an appraisal pursuant to this Section.

**9.2.** If no appraisal has been conducted pursuant to Section 9.1, and it is necessary to determine the Value of Capital Improvements made to the Residence by Owner, such determination shall be made by a real estate appraiser selected by City. The cost of the appraisal shall be divided equally between City and Owner.

**10. TRANSFER BY OWNER.** If City does not exercise its Option under Section 8, Owner may sell the Residence to a person of Owner’s choosing (“**Proposed Purchaser**”) subject to the following limitations:

**a. Transfer to Eligible Purchaser:** If Owner transfers the Residence in a transaction that meets the Eligible Transfer requirements in Section 11, the maximum amount that Owner may receive for the Transfer shall be the Restricted Sales Price and the transfer shall comply with the requirements in Section 11.

**b. Transfer by Alternative Sale:** If Owner transfers the Residence in a transaction that does not meet the Eligible Transfer requirements of Section 11, or is in Ineligible Purchaser as defined in Section 2.5, or fails to provide Transfer Notice as required by Section 7 (“**Alternative Sale**”), the gross proceeds of such sale shall be divided between Owner and City pursuant

to Section 13.

**11. ELIGIBLE TRANSFER.** A Transfer of the Residence that meets the requirements set forth in this Section 11 shall qualify as an approved Transfer to an Eligible Purchaser (as defined below) ("**Eligible Transfer**").

**11.1. Disclosures and Submittals.** Owner and the Proposed Purchaser shall provide the following information in writing and documents to City:

- a. The name, address and telephone number of the Proposed Purchaser.
- b. Financial information certified by the Proposed Purchaser in a form acceptable to City and any other supporting documentation requested by City which shall include authorization for City to verify the information provided. The financial information shall be used by City to determine the income eligibility of the Proposed Purchaser as a Income Household in accordance with HCD Laws/Regulations.
- c. The proposed sales contract, escrow instructions and all other related documents that shall set forth the terms of the sale of the Residence.
- d. A written certification from Owner and the Proposed Purchaser in a form acceptable to City that the sale shall be closed in accordance with the terms of the sales contract and other documents submitted to and approved by City. The certification shall also provide that the Proposed Purchaser or any other party has not paid and will not pay to Owner, and Owner has not received and will not receive from the Proposed Purchaser or any other party, money or other consideration, including personal property, in addition to what is set forth in the sales contract and documents submitted to City. The written certification shall also include a provision that in the event a Transfer is made in violation of the terms of this Agreement or false or misleading statements are made in any documents or certification submitted to City, City shall have the right to file an action at law or in equity to make the parties terminate and/or rescind the sale contract and/or declare the sale void or pursue damages, notwithstanding the fact that the sale may have closed and become final as between Owner and the Proposed Purchaser. In any event, any costs, liabilities or obligations incurred by Owner and the Proposed Purchaser for the return of any monies paid or received in violation hereunder or for any costs and legal expenses, shall be borne by Owner and/or the Proposed Purchaser and they shall hold City and its designee harmless and reimburse their expenses, legal fees and costs for any action they reasonably take in good faith in enforcing the terms of this Agreement.
- e. Restrictive Covenants in favor of the City executed and acknowledged by the Proposed Purchaser with substantially the same terms as the terms of this Agreement in a form acceptable to the City ("**Restrictive Covenants**"). City's approval of the proposed sale shall be effective upon the recordation in the Official Records of both the Restrictive Covenants and a request for notice of default under the First Deed of Trust in favor of City. City may require the Proposed Purchaser to pay a reasonable fee to City and reimburse it for out-of-pocket costs to cover the costs of administering its right and obligations under this Agreement.
- f. Upon the close of the proposed sale, the escrow must provide to City a conformed copy of the recorded Restrictive Covenants, a Request for Notice of

Delinquency and the Request for Notice, a copy of the final sales contract, settlement statement, escrow instructions, an endorsement updating the City's loan title insurance policy and any other document that City may reasonably request.

**11.2. Eligibility of Purchaser.** A Proposed Purchaser who meets the following requirements shall be an **"Eligible Purchaser"**:

- a. Each Proposed Purchaser shall certify to City in a form acceptable to City that he or she will occupy the Residence as his or her principal residence;
- b. Each Proposed Purchaser shall not own any other real property; and
- c. The combined Gross Income for all household members of the Proposed Purchaser qualifies as a \_\_\_\_\_ Laws/Regulations.

Income Household in accordance with HCD.

**12. DETERMINATION OF SALES PRICE.** The maximum sales price ("**Restricted Sales Price**") that Owner shall receive for an Eligible Transfer of the Residence shall be the Increased Base Price as adjusted by Section 12.2, but, in no event, shall the sales price exceed the amount specified in Section 50052.5 of the Health & Safety Code and HCD Laws/Regulations.

**12.1. Increased Base Price.** The "**Base Price**" of the Residence means the purchase price paid by Owner (which is set forth in Recital E for the initial Owner), inclusive of closing costs actually paid by Owner. The "**Increased Base Price**" of the Residence means the Base Price, increased by the percentage of increase for a \_\_\_\_\_ Income Household adjusted for family size, for Los Angeles County as published by the California Department of Housing and Community Development as determined by California Health & Safety Code Section 50000 et seq. and applicable regulations adopted from time to time. The increase in household income shall be computed from the date of the original purchase of the Residence by Owner to the date of Transfer Notice. In the event that such income determination is no longer published, or has not been updated for a period of at least eighteen (18) months, City may use or develop such other reasonable method as it may choose in order to determine such increase in income.

**12.2. Adjusted Increased Base Price.** The Increased Base Price shall also be adjusted for the Value of Capital Improvements. The "**Value of Capital Improvements**" shall mean the value of substantial structural or permanent fixed improvements that cannot be removed without substantial damage to the Residence or substantial or total loss of value of the improvements. No such valuation shall be made except for improvements (i) made or installed by or under the direction of Owner and permitted by the covenants restricting the Project; (ii) approved in advance by City or its designee; and (iii) with an initial cost of Two Thousand Dollars (\$2,000) or more. The value of such improvements to be taken into account in calculation of the Increased Base Price shall be the increase in value of the Residence by reason of the improvements, and shall be determined by agreement of City and Owner, or, in the event of failure to agree, by appraisal pursuant to Section 9.2.

**13. ALTERNATIVE SALE & PAYMENT TO CITY.** If a Transfer is not to an Eligible Purchaser (i.e., an Alternative Sale), Owner and City shall each receive a portion of the proceeds of the sale pursuant to this Section.

**13.1. Disclosures and Submittals.** Owner and Proposed Purchaser shall deliver to City the same information and documents as required by Section 11.1, except that (i) the financial

statement of the Proposed Purchaser described in Section 11.1(b), and (ii) the Restrictive Covenants described in Section 11.1(e) and 11.1(f), shall not be required.

**13.2. Amount Paid to City.** City shall be entitled to receive the lesser of (i) its Initial Subsidy (defined below) plus the City's proportionate share of appreciation, and (ii) the sales price (provided the sales price is equal to Fair Market Value). The City's proportionate share of the Total Appreciation (defined in Section 13.4) shall be equal to the ratio of the City's Initial Subsidy to the Fair Market Value at the time of the initial sale to Owner ("**City's Share of Appreciation**"). City's Initial Subsidy means the Original Fair Market Value (as defined in Recital E) minus the Original Sales Price (as defined in Recital E), plus any down payment assistance from City ("**Initial Subsidy**").

City's share of sale proceeds shall be paid to City directly from escrow upon close of the Alternative Sale. In the event the amount due to City is not paid when due, the amount due to City shall accrue interest at the rate of ten percent (10%) per annum but not to exceed the (maximum amount permitted by law, commencing on the date said amount should have been paid to City until said amount is actually paid to City ("**Default Interest**").

**13.3. Amount Paid to Owner.** Owner shall be entitled to receive the sum of (i) his/her/their down payment, (ii) the Value of Capital Improvements, if any, plus (iii) the Owner's Share of Appreciation, but less (a) any amounts to pay off the First Lender and any other liens, and (b) closing costs to be paid by Owner. "**Owner's Share of Appreciation**" shall be the Total Appreciation of the Residence less the City's Share of Appreciation.

**13.4. "Total Appreciation"** shall mean Fair Market Value (as defined in Section 9.1) at the time of the sale, less the sum of (i) the Fair Market Value at the time of original acquisition and (ii) the Value of Capital Improvements.

**14. DEFAULTS AND REMEDIES.** Upon a breach of this Agreement or the Deed of Trust by Owner, City shall give written notice to Owner specifying in reasonable detail the nature of the breach ("**Breach Notice**"). If the breach is not cured to the satisfaction of City within (i) ten (10) days after delivery of the Breach Notice for failure to pay any sums due to the City under this Agreement; (ii) within thirty (30) days after delivery of the Breach Notice for failure to cure any non-monetary breach, and (iii) within thirty (30) days after recordation of a notice of default under any senior note or trust deed, City may thereafter elect to declare Owner in default under this Agreement by delivering a notice of default to Owner and First Lender ("**Notice of Default**").

Immediately following the Notice of Default, City may apply to a court of competent jurisdiction for specific performance of this Agreement, or for any such other relief at law or in equity as may be appropriate, including foreclosure of the Deed of Trust for the amount the amounts to be paid to City pursuant to this Agreement including its attorney's fees.

**15. NON-LIABILITY OF CITY.** City shall not be liable or obligated to Owner or any successor-in-interest to Owner by reason of its option to purchase under Section 8 or for any failure to exercise its option to purchase under those Sections.

**16. FANNIE MAE REQUIREMENTS.**

**16.1 Insurance Settlements and Condemnation Proceeds.** The holder of the First Deed of Trust shall have first claim to insurance settlements and condemnation proceeds.

**16.2 Termination Upon Foreclosure or Deed in Lieu of Foreclosure.** The provisions

of this Agreement shall automatically terminate and be of no further force and effect upon a foreclosure or deed in lieu of foreclosure. Any mortgagee who forecloses or accepts a deed in lieu of foreclosure shall take title free and clear of this Agreement and the covenants, conditions and restrictions set forth herein, and the City shall not be entitled to any proceeds from future sales or transfer of the property after foreclosure or acceptance of a deed in lieu of foreclosure.

**16.3 Non-Applicability to Private Loans.** To the extent Owner obtains a loan from a private individual, the provisions of this Section 16 shall not apply. Notwithstanding the foregoing, the provisions of this Section 16 are intended to fully comply with all requirements of Fannie Mae and nothing contained in this Section 16.3 shall be deemed to supersede any requirements of 16.1 or 16.2 as to any Fannie Mae loan.

**17. RESTRICTIONS OF FORECLOSURE PROCEEDS.** If a creditor acquires title to the Residence through a deed in lieu of foreclosure, a trustee's deed upon foreclosure sale, or otherwise, Owner shall not be entitled to the proceeds of sale to the extent that such proceeds otherwise payable to Owner when added to the proceeds paid or credited to the creditor exceed the amount Owner would have received by a sale in accordance with Section 11. Owner hereby irrevocably instructs the holder of such excess proceeds to pay such proceeds to City as consideration for the regulatory requirements of City allowing the Residence to be sold to a household that would not otherwise have been able to afford it.

**18. COVENANTS RUN WITH THE LAND.** Notwithstanding any other provision of law, this Agreement shall run with the land and shall be enforceable against Owner and successors-in-interest by the City..

**19. SUPERIORITY OF RESTRICTIVE COVENANT.** Owner covenants that he/she/they have not, and will not, execute any other agreement with provisions contradictory to or in opposition to the provisions hereof, and that, in any event, this Agreement is controlling as to the rights and obligations between Owner (and its successors) and City.

**20. RIGHTS OF BENEFICIARIES UNDER FIRST DEED OF TRUST.**

**20.1** This Agreement shall not diminish or affect the rights of the First Lender under the First Deed of Trust or any subsequent First Deed of Trust recorded against the Residence after the Effective Date in accordance with Section 6. For purposes of this Agreement, "**First Lender**" shall be the lender of a purchase money loan used for purchase of the Residence which loan is secured by a deed of trust in first position on record title to the Residence as well as a permitted refinancing permitted under Section 6 ("**First Deed of Trust**").

**20.2** Upon written request from Owner, City shall execute a subordination agreement in a form reasonably required by the First Lender subordinating this Agreement to the lien of a First Deed of Trust provided that the First Lender agrees (i) to provide notice of any default to City concurrently with such notice being provided to Owner, and (ii) to permit the City to cure any default under the First Deed of Trust ("**Subordination Agreement**"). Any Subordination Agreement shall only run to the benefit of the First Lender and any subsequent holder of the First Deed of Trust but shall not affect the rights and obligations of City and Owner under this Agreement including, but not limited to, Section 15.

**21. INVALID PROVISIONS.** If any one or more of the provisions contained in this Agreement shall be held to be invalid, illegal or unenforceable in any respect, such provision or provisions shall be deemed severable from the remaining provisions contained in this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

**22. GOVERNING LAW.** This Agreement shall be interpreted under the laws of the State of California.

**23. NOTICES.** All notices required herein shall be sent by certified mail, return receipt requested or express delivery service with a delivery receipt and shall be deemed to be effective as date received or the date delivery was refused as indicated on the return receipt as follows:

To Owner:	At the address of the Residence
To City:	City of South El Monte 1415 Santa Anita Avenue South El Monte, CA 91733 Attn: City Manager
With copy to:	City of South El Monte 1415 Santa Anita Avenue South El Monte, CA 91733 Attn: City Attorney
To First Lender:	At the address shown on the First Deed of Trust.

A Party may subsequently change addresses by providing written notice of the change in address to the other parties in accordance with this Section 23.

**24. ATTORNEY'S FEES.** Should either Party incur attorney's fees in seeking the enforcement of this Agreement, whether or not a final court judgment is entered, the prevailing Party shall be entitled to reimbursement of all reasonable costs and expenses incurred by the prevailing Party in such legal proceeding, including reasonable attorneys' fees, court costs and expenses and consultant and expert witness fees and expenses.

**25. AGREEMENT APPURTENANT TO RESIDENCE.** This Agreement is appurtenant to and shall run with the Residence as a covenant and equitable servitude in favor of City and shall be binding on all subsequent owners of the Residence.

**26. FURTHER ASSURANCES.** The Parties shall execute any further documents in recordable form consistent with the terms of this Agreement as may from time to time be necessary or appropriate to effectuate the purpose of this Agreement. The City Manager is authorized to execute any further documents on behalf of City.

**27. AMENDMENT OR MODIFICATION.** No modification, rescission, waiver, release or amendment of any provision of this Agreement shall be made except by a written agreement executed by Developer and City.

**28. CONSTRUCTION.** This Agreement shall be construed according to its fair meaning as if prepared by both Parties to this Agreement. Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent.

**29. NO WAIVER.** The failure of City to enforce any term, covenant, or condition of this Agreement on the date it is to be performed shall not be construed as a waiver of City's right to enforce this, or any other, term, covenant, or condition of this Agreement at any later date or as a waiver of any term, covenant, or condition of this Agreement.

**30. ENTIRE AGREEMENT.** This Agreement, together with its specific references, attachments, Exhibits incorporated here and all documents executed pursuant hereto, constitute the entire understanding and agreement of the Parties and supersedes all prior negotiations, discussions and previous agreements between City and Owner concerning all or any part of the subject matter of this Agreement. The Recitals are incorporated herein and made a part of this Agreement.

**31. AUTHORITY.** All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, persons, states or firms and that all former requirements necessary or required by state or federal law in order to enter into this Agreement had been fully complied with. Further, by entering into this Agreement no Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such break would have a material effect herein.

**32. GOOD FAITH COVENANT.** The Parties agree to cooperate in good faith to effectuate the intent of this Agreement.

**33. NO THIRD PARTY BENEFICIARIES.** This Agreement and all provisions hereof are made and entered into for the sole protection and benefit of the City and Owner and their successors and assigns as may be approved in accordance with this Agreement. No other person shall have a right of action based upon any provision of this Agreement. \_\_\_\_\_

**34. COUNTERPARTS.** This Agreement may be signed in counterparts, each of which shall constitute an original.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

**“OWNER”**

**“CITY”**

CITY OF SOUTH EL MONTE,  
a municipal corporation

\_\_\_\_\_  
Name: \_\_\_\_\_

Name: \_\_\_\_\_

By: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Susie Altamirano, City  
Attorney

**EXHIBIT E**  
**Covenant Deed of Trust**

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

City of South El Monte  
1415 Santa Anita Avenue  
South El Monte, CA 91711  
Attn: City Clerk

Exempt from payment of recording fees pursuant to Government Code § 6103.

## DEED OF TRUST WITH ASSIGNMENT OF RENTS (Securing Affordable Housing Covenants)

THIS DEED OF TRUST WITH ASSIGNMENT OF RENTS (“**Deed of Trust**”) is made as of the \_\_\_ day of \_\_\_\_\_, 202\_, by \_\_\_\_\_ (as “**Trustor**”), whose address is \_\_\_\_\_ South El Monte, California \_\_\_\_\_, to FIDELITY NATIONAL TITLE INSURANCE COMPANY (as “**Trustee**”), for the benefit of the CITY OF SOUTH EL MONTE, a California municipal corporation (as “**Beneficiary**”), whose address is 1415 Santa Anita Avenue, South El Monte, CA 91711.

WITNESSETH: That Trustor grants to Trustee in trust, with power of sale, that property in the City of South El Monte, County of Los Angeles, State of California, described as set forth on Exhibit A attached hereto and hereby incorporated herein by reference (“**Property**”) together with rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits for the purpose of securing (1) that certain Affordability Covenants and Restrictions Affecting Real Property and Option to Purchase Property Secured by Deed of Trust of even date herewith between Trustor and Beneficiary, and extensions of modifications thereof which is being recorded concurrently herewith (“**Affordable Housing Agreement**”); (2) the performance of each agreement of Trustor incorporated by reference or contained herein; and (3) payment of any and all sums and interest thereon which may hereafter be loaned to Trustor, or his or her successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

***THIS DEED OF TRUST IS HEREBY MODIFIED/SUPPLEMENTED BY THE TERMS OF THAT CERTAIN RIDER TO DEED OF TRUST WHICH IS ATTACHED TO THIS DEED OF TRUST AND HEREBY INCORPORATED BY REFERENCE.***

To protect the security of this Deed of Trust, and with respect to the Property, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the fictitious deed of trust recorded in Orange County August 17, 1964, and in all other counties August 18, 1964, in the book and at the page of Official Records in the office of the county recorder of the county where said property is located, noted below opposite the name of such county, namely:

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE
Alameda	1288	556	Kings	858	713	Placer	1028	379	Sierra	38	187
Alpine	3	130-31	Lake	437	110	Plumas	166	1307	Siskiyou	506	762
Amador	133	438	Lassen	192	367	Riverside	3778	347	Solano	1287	621
Butte	1330	513	Los Angeles	T-3878	874	Sacramento	5039	124	Sonoma	2057	427
Calaveras	185	338	Madera	911	136	San Benito	300	405	Stanislaus	1970	56
Colusa	323	391	Marin	1849	122	San Bernardino	6213	768	Sutter	655	585
Contra Costa	4684	1	Mariposa	90	453	San Francisco	A-804	596	Tehama	457	183
Del Norte	101	549	Mendocino	667	99	San Joaquin	2855	283	Trinity	108	595
El Dorado	704	635	Merced	1660	753	San Luis Obispo	1311	137	Tulare	2530	108
Fresno	5052	623	Modoc	191	93	San Mateo	4778	175	Tuolumne	177	160
Glenn	469	76	Mono	69	302	Santa Barbara	2055	881	Ventura	2607	237
Humboldt	801	83	Monterey	357	239	Santa Clara	6626	664	Yolo	769	16
Imperial	1189	701	Napa	704	742	Santa Cruz	1638	607	Yuba	398	693

Inyo	165	672	Nevada	363	94	Shasta	800	633
Kern	3756	690	Orange	7182	18	San Diego	SERIES 5 Book 1964, Page 149774	

shall inure to and bind the parties hereto, with respect to the property above described. Said agreements, terms and provisions contained in said subdivision A and B (identical in all counties, and printed on pages 3 and 4 hereof) are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefor does not exceed the maximum allowed by law.

**TRUSTOR**

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DO NOT RECORD

The following is a copy of Subdivisions A and B of the fictitious Deed of Trust recorded in each county in California as stated in the foregoing Deed of Trust and incorporated by reference in said Deed of Trust as being a part thereof as if set forth at length therein.

A. To protect the security of this Deed of Trust, Trustor agrees:

- 1) To keep said property in good condition and repair, not to remove or demolish any building thereon; to complete or restore promptly and in a good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.
- 2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at the option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
- 3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.
- 4) To pay: at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.  
Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.
- 5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from the date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

B. It is mutually agreed:

- 1) That any award in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.
- 2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.
- 3) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon, or join in any extension agreement or any agreement subordinating the lien or charge hereof.
- 4) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto."
- 5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in the performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or be a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collecting of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
- 6) That upon default by Trustor in payment of any indebtedness secured hereby or in the performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which

notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

7) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

8) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

9) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

**DO NOT RECORD**

REQUEST FOR FULL RECONVEYANCE

TO \_\_\_\_\_, TRUSTEE:

The undersigned is the legal owner and holder of the note or notes and of all indebtedness secured by the foregoing Deed of Trust. Said note or notes, together with all other indebtedness secured by said Deed of Trust, have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note or notes above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you under the same.

Dated \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Please mail Deed of Trust,  
Note and Reconveyance to \_\_\_\_\_

**Do Not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.**

## **RIDER TO DEED OF TRUST WITH ASSIGNMENT OF RENTS**

THIS RIDER TO DEED OF TRUST WITH ASSIGNMENT OF RENTS (“**Rider**”) is attached to and incorporated by reference to that certain Deed of Trust With Assignment of Rents, executed by \_\_\_\_\_ as “**Trustor**,” in which FIDELITY NATIONAL TITLE INSURANCE

COMPANY is “**Trustee**,” in favor of the CITY OF SOUTH EL MONTE, a California municipal corporation, as “**Beneficiary**.” The Deed of Trust, as hereby modified/supplemented by this Rider, is hereinafter referred to as the “**Deed of Trust**.”

All terms which are not defined in this Deed of Trust shall have the meaning given in the Affordable Housing Agreement.

The parties hereto agree:

**1. Obligations Secured.** Trustor makes this grant and assignment for the purpose of securing the following obligations:

- a. Payment and performance of all obligations of Trustor under this Deed of Trust recorded as Instrument No. \_\_\_\_\_;
- b. Payment of all obligations of Trustor under the Master Affordable Housing Agreement;
- c. Payment of all future advances and other obligations of Trustor or any other person, firm, or entity with the approval of Trustor, may agree to pay and/or perform (whether as principal, surety or guarantor) for the benefit of Beneficiary, when the obligation is evidenced by a writing which recites that it is secured by this Deed of Trust; and
- d. All modifications, extensions and renewals of any of the obligations secured hereby, however evidenced.

**2. No Renting or Leasing.** Trustor acknowledges and agrees that Trustor shall occupy the Property as Trustor's principal residence in accordance with the Affordable Housing Agreement and shall not rent or lease any portion of the Property. Nothing in the Deed of Trust including the assignment of rents shall be interpreted or construed to permit the Trustor to rent or lease any portion of the Property.

**3. Mortgagee-in-Possession.** Neither the assignment of rents set forth in the Deed of Trust nor the exercise by Beneficiary of any of its rights or remedies hereunder shall be deemed to make Beneficiary a “mortgagee-in-possession” or otherwise liable in any manner with respect to the Property, unless Beneficiary, in person or by agent, assumes actual possession thereof. Nor shall appointment of a receiver for the Property by any court at the request of Beneficiary or by agreement with Trustor, or the entering into possession of the Property by such receiver, be deemed to make Beneficiary a “mortgagee-in-possession” or otherwise liable in any manner with respect to the Property.

**4. Restriction on Transfer of Property; Beneficiary's Right to Accelerate.** In no event shall Borrower transfer any portion of the Property in violation of the Affordable Housing Agreement without the prior express written consent of Beneficiary which consent shall be given by Beneficiary only in the event that Beneficiary determines that the assignee or transferee is an Eligible Purchaser, that the assignee's or transferee's monthly housing payments are at, or less than, an Affordable Housing Cost, and that the assignee or transferee has expressly assumed the Note and the Affordable Housing Agreement by execution of a written assignment document to be provided by the Beneficiary. Violation of the transfer restrictions can result in the acceleration of Note as provided in the Affordable Housing Agreement.

**5. No Cure.** In the event Beneficiary collects and receives any rents under the Deed of Trust upon any default hereof, such collection or receipt shall in no way constitute a curing of the default.

**6. Waiver.** No delay or omission by Beneficiary in exercising any right or power accruing upon the compliance or failure of performance by Trustor hereto under the provisions of this Deed of Trust

shall impair any such right or power or be construed to be a waiver thereof. A waiver by Beneficiary of a breach, default or any other failure of performance by Trustor of any of the covenants, conditions or agreements hereof to be performed by Trustor shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions hereof.

**7. Default.** Any default under the Affordable Housing Agreement shall be deemed a default under this Deed of Trust.

IN WITNESS WHEREOF, Trustor has executed this Rider to be effective for all purposes as of the day and year first set forth above.

**TRUSTOR:**

\_\_\_\_\_  
\_\_\_\_\_

**PLANNING COMMISSION  
RESOLUTION NO. 25-01**

**A RESOLUTION OF THE SOUTH EL MONTE PLANNING  
COMMISSION RECOMMENDING APPROVAL OF THE DENSITY  
BONUS AGREEMENT AND AFFORDABILITY COVENANT AND  
RESTRICTIONS AFFECTING A HOUSING DEVELOPMENT LOCATED  
AT 2559-2603 CHICO AVENUE AND 2540 ROSEMEAD BOULEVARD,  
SOUTH EL MONTE, CALIFORNIA**

**WHEREAS**, KB Home (“Applicant”) filed an application pursuant to the Subdivision Map Act (Gov. Code § 66410 *et. seq.*) and Title 16 (Subdivisions) of the South El Monte Municipal Code (“SEMMC”) proposing to merge four lots into two for properties comprised of Assessor Identification Number (“AIN”) 8102-037-020 (2540 Rosemead Boulevard); AIN 8102-037-017 and 8102-037-024 (2559-2603 Chico Avenue, respectively); and AIN 8102-037-022 in the City of South El Monte (collectively, the “Property”), as more specifically described in the legal description attached hereto and incorporated as Exhibit “A”, for the purpose of developing of up to 207 single- and multi-family dwelling units on the approximately 12.3-acre property (“Project”);

**WHEREAS**, concurrently with subdivision application, the Applicant filed an application for a General Plan Amendment, Zone Change, Density Bonus, adoption of a Specific Plan, and Site Plan Review;

**WHEREAS**, the Project achieved a 5.5 percent density increase pursuant to Government Code Section 65915 (“State Density Bonus Law”) to achieve a density of 16.88 dwelling units per acre;

**WHEREAS**, on March 15, 2022, the Planning Commission approved Vesting Tentative Tract Map (“VTTM”) No. 083399 through the adoption of Planning Commission Resolution No. 21-16 (“March 2022 Resolution”), proposed density increase (Planning Commission Resolution No. 21-19), General Plan Amendment (Planning Commission Resolution No. 21-18), Zone Change (Planning Commission Resolution No. 21-17), and Starlite Specific Plan (Planning Commission Resolution No. 21-05), and the adoption of the Mitigated Negative Declaration for the Project;

**WHEREAS**, VTTM No. 083399 inadvertently included language representing that a commercial component was included in the Project;

**WHEREAS**, the Applicant requested the verbiage associated with the adjacent commercial lot be removed because there was no commercial component that was proposed or analyzed for this Project;

**WHEREAS**, a revised map was brought before the Planning Commission for review and approval to memorialize the correction for clarification purposes consisting of removal of “and Commercial” from the Vesting Tentative Tract Map title page;

**WHEREAS**, on November 21, 2023, the Planning Commission adopted Resolution No. 21-16 (“November 2023 Resolution”) approving the revised VTTM No. 083399;

**WHEREAS**, in accordance with Chapter 17.13 (Density Bonus) of the SEMMC and

conditions of approval listed in Resolution No. 21-19, the Planning Commission has reviewed the Master Affordable Housing Covenant and Density Bonus Agreement attached hereto and incorporated by reference as Exhibit “B”, and the Affordability Covenants and Restrictions Affecting Real Property and Option to purchase Property Secured by Deed of Trust documents attached hereto and incorporated by reference as Exhibit “C”, and found them to be satisfactory and in compliance with the foregoing requirements;

**WHEREAS**, the City Engineer has determined that the Final Map for Tract No. 083399 in substantial compliance with VTTM No. 083399, complies with Title 16 (Subdivisions) of the SEMMC, the Applicant has satisfied all related conditions of approval, and the City Engineer has executed the certificate on the Final Map in compliance with Subdivision Map Act;

**WHEREAS**, on January 21, 2025 the City Planning Commission reviewed, considered and recommended the Master Affordable Housing Covenant and Density Bonus Agreement and related covenants by the City Council through the adoption of Resolution No. 25-01; and

**WHEREAS**, the City Planning Commission hereby transmits its recommendation to approve the Project’s proposed Master Affordable Housing Covenant and Density Bonus Agreement.

**NOW THEREFORE, THE SOUTH EL MONTE CITY PLANNING COMMISSION HEREBY FINDS, DETERMINES, ORDERS AND RESOLVES AS FOLLOWS:**

SECTION 1. The recitals above are true and correct and hereby incorporated, in full, herein.

SECTION 2. The Master Affordable Housing Covenant and Density Bonus Agreement and Affordability Covenants and Restrictions Affecting Real Property and Option to Purchase Property Secured by Deed of Trust documents are hereby recommended for approval by the City Council pursuant to SEMMC Section 17.13.070.

SECTION 3. The City Planning Commission hereby transmits its recommendation to approve the Project’s proposed Master Affordable Housing Covenant and Density Bonus Agreement.

SECTION 4. Should any provision, section, paragraph, sentence or word of this Resolution be rendered or declared invalid by any court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences, and words of this Resolution shall remain in full force and effect.

PASSED, APPROVED AND ADOPTED this 21<sup>st</sup> day of January 2025.

\_\_\_\_\_  
Jeffrey Ortiz, Vice Chair

ATTEST:

\_\_\_\_\_  
Renee Reyes, Secretary

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES    ) SS:  
CITY OF SOUTH EL MONTE     )

I, Renee Reyes, Secretary of the City of South El Monte Planning Commission, do hereby certify that the foregoing Resolution, being Resolution No. 25-01 was passed and approved by the City Planning Commission of the City of South El Monte, at a regular meeting of said Council held on January 21, 2025 and that said Resolution was adopted by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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Renee Reyes, Secretary