

## **RESOLUTION NO. 2025-**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY, CALIFORNIA, RATIFYING A SUBORDINATION AGREEMENT WITH ORANGE ST PARTNERS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, AND ARV FINANCE INC., SUBORDINATING THE PERFORMANCE DEED OF TRUST TO THE LENDER DEED OF TRUST AND SUBORDINATING THE LENDER DEED OF TRUST TO THE AFFORDABLE HOUSING DENSITY BONUS AGREEMENT FOR 1628 ORANGE ST. IN NATIONAL CITY.**

**WHEREAS**, on January 17, 2023, the City Council approved by Resolution 2023-01 a Density Bonus Agreement (“Agreement”) that obligates Orange St. Partners, LLC (“Developer”) to restrict one (1) unit as affordable to very low-income households for fifty-five (55) years; and

**WHEREAS**, the Agreement was entered into on December 12, 2022 and recorded with the Office of the Recorder of the County of San Diego on January 27, 2023; and

**WHEREAS**, a Performance Deed of Trust was recorded concurrently with the Agreement on January 27, 2023 to secure the Agreement on the property located at 1628 Orange St. in National City; and

**WHEREAS**, Orange St. Partners, LLC requested that the City expedite the Subordination Agreement process in order to secure refinancing for the development and, on April 28, 2025, the City Manager executed the Subordination Agreement with Developer and ARV Finance Inc. (“Lender”) incorporated herein as Exhibit “A”; and

**WHEREAS**, the Deed of Trust securing the performance of the Agreement was made subordinate and subject to Lender’s Deed of Trust through the Subordination Agreement; and

**WHEREAS**, the Density Bonus Agreement will remain a lien superior to Lender’s Deed of Trust.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NATIONAL CITY, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:**

**Section 1:** That the City Council hereby ratifies the Subordination Agreement with Orange St. Partners, LLC and ARV Finance Inc., subordinating the Deed of Trust to the performance of an Affordable Housing Density Bonus Agreement entered into on January 17, 2023.

**Section 2:** That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

**PASSED and ADOPTED this 3rd day of June, 2025.**

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Ron Morrison, Mayor

**ATTEST:**

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Shelley Chapel, MMC, City Clerk

**APPROVED AS TO FORM:**

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Barry J. Schultz, City Attorney