

**CITY OF SUNNYVALE
OFFICE OF THE CITY MANAGER
OFFICE OF THE CITY CLERK**

DATE: January 11, 2021

TO: Honorable Mayor and Councilmembers

CC: Kent Steffens, City Manager
Teri Silva, Assistant City Manager
John Nagel, City Attorney

FROM: David Carnahan, City Clerk

SUBJECT: Corrected Minutes of the December 8, 2020 Council Meeting

The following corrections have been made to the draft Council Meeting Minutes of December 8, 2020:

Page 13:

5 20-0954 Provide Direction Regarding Amendment to Employment Agreement between the City of Sunnyvale and City Manager Kent Steffens to Increase the City Manager Salary in an Amount to be Determined by the City Council

...

MOTION: Councilmember Melton moved and Councilmember Larsson seconded the motion to increase the City Manager's salary by 6.5% and a one-time bonus in the amount of \$10,000 and authorize the Mayor to execute a third amendment to the City Manager's Employment Agreement, in a form approved by the City Attorney, to increase the City Manager's annual salary in the amount approved by the City Council, effective December 27, 2020; and ~~if necessary to implement the authorized increase,~~ direct staff to return with a proposed amend~~ment~~ to the salary range for the City Manager classification with the next Salary Table adjustment.



City of Sunnyvale

Meeting Minutes - Draft City Council

Tuesday, December 8, 2020

4:15 PM

City Web Stream | Comcast Channel 15

**Special Meeting: Closed Session - 4:15 PM | Special Meeting: Study Session - 6:15 PM |
Regular Meeting - 7 PM**

4:15 P.M. SPECIAL COUNCIL MEETING (Closed Session)

Call to Order

Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, the meeting was conducted telephonically.

Mayor Klein called the meeting to order at 4:15 p.m. via teleconference.

Roll Call

Present: 7 - Mayor Larry Klein
Vice Mayor Nancy Smith
Councilmember Gustav Larsson
Vice Mayor Glenn Hendricks
Councilmember Russ Melton
Councilmember Michael S. Goldman
Councilmember Mason Fong

Mayor Klein, Vice Mayor Smith and all Councilmembers attended via teleconference.

Public Comment

Public Comment opened at 4:17 p.m.

No speakers.

Public Comment closed at 4:17 p.m.

Convene to Closed Session

A [20-1004](#) Closed Session held pursuant to California Government Code
Section 54956.9:
LEGAL COUNSEL-ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9.

Number of Potential Cases: 1

- B** [20-0696](#) Closed Session Held Pursuant to California Government Code Section 54957:
PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: City Attorney
- C** [20-0697](#) Closed Session Held Pursuant to California Government Code Section 54957:
PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: City Manager
- D** [20-0953](#) Closed Session Held Pursuant to California Government Code Section 54957.6:
CONFERENCE WITH LABOR NEGOTIATORS
Agency designated representatives: Ad Hoc Committee on City Manager Compensation Members Larry Klein, Gustav Larsson and Russ Melton
Unrepresented employee: City Manager

Adjourn Special Meeting

Mayor Klein adjourned the meeting at 6:13 p.m.

6:15 P.M. SPECIAL COUNCIL MEETING (Study Session)

Call to Order

Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, the meeting was conducted telephonically.

Mayor Klein called the meeting to order at 6:15 p.m. via teleconference.

Roll Call

Present: 7 - Mayor Larry Klein
Vice Mayor Nancy Smith
Councilmember Gustav Larsson
Vice Mayor Glenn Hendricks
Councilmember Russ Melton
Councilmember Michael S. Goldman
Councilmember Mason Fong

Mayor Klein, Vice Mayor Smith and all Councilmembers attended via teleconference.

Study Session

E [20-0022](#) Discussion of Upcoming Selection of Vice Mayor for 2021

Councilmember Hendricks and Councilmember Melton expressed interest in becoming the Vice Mayor for 2021.

Public Comment opened at 6:20 p.m.

No speakers.

Public Comment closed at 6:20 p.m.

F [20-0023](#) Discussion of 2021 Council Intergovernmental Assignments

The Council discussed their interest in 2021 Council Intergovernmental Assignments.

Public Comment opened at 6:42 p.m.

Council-elects Omar Din and Alysa Cisneros discussed their interest in 2021 Council Intergovernmental Assignments.

Public Comment closed at 6:48 p.m.

Adjourn Special Meeting

Mayor Klein adjourned the meeting at 6:48 p.m.

7 P.M. COUNCIL MEETING

CALL TO ORDER

Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, the meeting was conducted telephonically.

Mayor Klein called the meeting to order at 7:00 p.m. via teleconference.

ROLL CALL

Present: 7 - Mayor Larry Klein
Vice Mayor Nancy Smith
Councilmember Gustav Larsson
Vice Mayor Glenn Hendricks
Councilmember Russ Melton
Councilmember Michael S. Goldman
Councilmember Mason Fong

Mayor Klein, Vice Mayor Smith and all Councilmembers attended via teleconference.

CLOSED SESSION REPORT

Vice Mayor Smith reported that Council met in Closed Session held pursuant to California Government Code Section 54956.9: LEGAL COUNSEL ANTICIPATED LITIGATION Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9. Number of Potential Cases: 1; nothing to report.

Vice Mayor Smith reported that Council met in Closed Session held pursuant to California Government Code Section 54957: PUBLIC EMPLOYEE PERFORMANCE EVALUATION Title: City Attorney; nothing to report.

Vice Mayor Smith reported that Council met in Closed Session held pursuant to California Government Code Section 54957: PUBLIC EMPLOYEE PERFORMANCE EVALUATION Title: City Manager; nothing to report.

Vice Mayor Smith reported that Council met in Closed Session Held Pursuant to California Government Code Section 54957.6: CONFERENCE WITH LABOR NEGOTIATORS Agency designated representatives: Ad Hoc Committee on City Manager Compensation Members Larry Klein, Gustav Larsson and Russ Melton Unrepresented employee: City Manager; nothing to report.

ORAL COMMUNICATIONS

Dawn Maher, CEO, Sunnyvale Chamber of Commerce requested Council defer the upcoming minimum wage increase until the City's declaration of a local emergency has expired.

Dani Muller spoke towards mobile home park real estate and space rental costs. She requested Council consider enacting a rent-increase moratorium until a

Sunnyvale mobile home park Memorandum of Understanding (MOU) has been finalized.

Irene Murphy, General Manager, Fibbar MaGee's requested Council consider postponing the upcoming minimum wage increase.

Michael Johnson, Executive Director, Sunnyvale Downtown Association shared concerns with the upcoming minimum wage increase and requested Council defer the increase until the COVID-19 Pandemic has ended.

Max Antonio Valle, Business Owner, Gumba's Italian Restaurant shared support for deferring the upcoming minimum wage increase until the COVID-19 Pandemic as ended.

Tony spoke towards the impacts small business are experiencing due to the COVID-19 Pandemic and requested Council delay the upcoming minimum wage increase.

Rick spoke regarding mobile home park space rental costs and implementation of a Sunnyvale mobile home park MOU.

Katie Voong, Business Owner, K Tea Café requested Council defer the upcoming minimum wage increase.

Maria Hamilton shared concerns regarding the impact to workers if the upcoming minimum wage increase is deferred and opposition to delaying the increase.

Amit, District Manager, Dish Dash shared support for deferring the upcoming minimum wage increase.

CONSENT CALENDAR

MOTION: Vice Mayor Smith moved and Councilmember Melton seconded the motion to approve agenda items 1.A through 1.N.

The motion carried with the following vote:

Yes: 7 - Mayor Klein
Vice Mayor Smith
Councilmember Larsson
Vice Mayor Hendricks
Councilmember Melton
Councilmember Goldman
Councilmember Fong

No: 0

1.A [20-0011](#) Approve City Council Meeting Minutes of November 30, 2020
(Moffett Park Specific Plan Study Session)

Approve the City Council Meeting Minutes of November 30, 2020 as submitted.

1.B [20-0013](#) Approve City Council Meeting Minutes of December 1, 2020

Approve the City Council Meeting Minutes of December 1, 2020 as submitted.

1.C [20-0736](#) Approve the List(s) of Claims and Bills Approved for Payment
by the City Manager

Approve the list(s) of claims and bills.

1.D [20-0952](#) Adopt Two Resolutions Enabling the City of Sunnyvale to
Submit an Application to the State of California for up to \$122
million in Clean Water State Revolving Funds to Fund the City
of Sunnyvale Site Preparation and Existing Plant Rehabilitation
Project

Adopt two Resolutions enabling the City of Sunnyvale to submit an application to
the State of California for up to \$122 million in Clean Water State Revolving Funds
to fund the site preparation and existing plant rehabilitation.

1.E [20-0942](#) Receive and File the FY 2019/20 Annual Status Report on
Receipt and Use of Development Impact Fees and Adopt a
Resolution Approving Findings Regarding Unspent Impact
Fees and Find that the Action is Exempt from the California
Environmental Quality Act

Take the following actions:

- Receive and file FY 2019/20 Annual Status Report on receipt and use of
development impact fees;

- Adopt a Resolution making findings regarding unspent impact fees as required by the Mitigation Fee Act (California Government Code Section 66000 et seq.); and
- Find that the action is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15378(b)(4) of the CEQA Guidelines.

- 1.F** [20-0946](#) Award of Bid No. PW21-01 to Cratus, Inc. for Lawrence Expressway Sanitary Sewer Rehabilitation - Re-Bid, Finding of CEQA Categorical Exemption, and Approve Budget Modification No. 11

Take the following actions:

- Make a finding of a categorical exemption from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 (b);
- Award a contract in substantially the same form as Attachment 2 to the report in the amount of \$4,119,600 to Cratus, Inc.;
- Authorize the City Manager to execute the contract when all necessary conditions have been met;
- Approve a 10% construction contingency in the amount of \$411,960; and
- Approve Budget Modification No. 11 in the amount of \$992,662 to provide additional project funding.

- 1.G** [20-0959](#) Authorize Amending an Existing Agreement with Union Bank for Banking Services (F21-069)

Take the following actions:

- Authorize the City Manager to execute the fifth amendment to an existing Banking Services Agreement with Union Bank, in substantially the same form as Attachment 1 to the report, extending the term of the agreement until December 31, 2022; and
- Authorize the City Manager to amend the agreement for up to two additional years, provided pricing and services remain acceptable to the City.

- 1.H** [20-0923](#) Authorize the Issuance of a Blanket Purchase Order to Motorola Solutions, Inc. for Emergency and Non-Emergency Related Radio Equipment (F21-055)

Take the following actions:

- Authorize the issuance of a multi-year blanket purchase order to Motorola Solutions, Inc., in substantially the same format as Attachment 1 to the report, in a not-to-exceed contract amount of \$3,325,000; and
- Authorize the City Manager to amend the blanket purchase order, subject to available budget and if pricing and service remain acceptable to the City.

- 1.I** [20-1000](#) Approve the Second Amendment to Outside Counsel Agreement with Bertrand, Fox, Elliot, Osman & Wenzel for Litigation Services in the matter of Casa De Amigos v. City of Sunnyvale.

Authorize the City Attorney to execute a second amendment, in substantially the same form as Attachment 1 to the report, to the outside counsel agreement with the law firm of Bertrand, Fox, Elliot, Osman & Wenzel to increase the not-to-exceed amount by \$250,000, for a new not-to-exceed contract amount of \$350,000, and to extend the term of the Agreement to February 19, 2024.

- 1.J** [20-0904](#) Adopt a Resolution Extending the City's Declaration of Local Emergency for COVID-19

Adopt a Resolution extending the City Manager/Director of Emergency Services' Proclamation of existence of a local emergency (COVID-19).

- 1.K** [20-0872](#) Approve Amendments to Council Policy 7.3.4 (Roles and Responsibilities of Mayor, Vice Mayor and Councilmembers) and Council Policy 7.3.10 (Mayor and Vice Mayor Selection) to Reflect the Transition to a Directly Elected Mayor

Approve amendments to Council Policy 7.3.4 (Roles and Responsibilities of Mayor, Vice Mayor and Councilmembers) and Council Policy 7.3.10 (Mayor and Vice Mayor Selection) to reflect the transition to a directly elected Mayor.

- 1.L** [20-1001](#) Ratify Councilmember Hendricks' Appointment as the Santa Clara County Cities Alternate to the Association of Bay Area Governments (ABAG) Executive Board

Council ratifies Councilmember Hendricks' appointment as the Santa Clara County Cities Alternate to the Association of Bay Area Governments (ABAG) Executive Board.

- 1.M** [20-1008](#) Adopt Ordinance No. 3169-20 to amend Chapter 19.54 (Wireless Telecommunication Facilities) of Title 19 of the Sunnyvale Municipal Code

Adopt Ordinance No. 3169-20 to amend Chapter 19.54 (Wireless Telecommunication Facilities) of Title 19 of the Sunnyvale Municipal Code.

- 1.N** [20-1010](#) Adopt Uncodified Ordinance No. 3170-20 Authorizing the Tax Collector to Allow Small Businesses Experiencing Financial Hardship Because of the COVID-19 Pandemic to Defer

Payment of Business License Tax Until June 30, 2021

Adopt uncoded Ordinance No. 3170-20 authorizing the Tax Collector to allow small businesses experiencing financial hardship because of the COVID-19 Pandemic to defer payment of Business License Tax until June 30, 2021

PUBLIC HEARINGS/GENERAL BUSINESS

- 2 [20-0898](#) Housing Strategy: Approve Scope of Work for Project Manager Services Regarding implementation of the Sunnyvale Mobile Home Park Memorandum of Understanding, and Approve Budget Modification No. 9 in the amount of \$81,380

Housing Officer Jenny Carloni provided the staff report and presentation.

Public Hearing opened at 8:21 p.m.

Gail Rubino, Livable Sunnyvale shared support for a mobile home park Memorandum of Understanding (MOU). She requested Council consider establishing a city-sponsored outreach campaign, including the land in the MOU and hiring consultants and lawyers that are experts in the field of mobile home parks.

Mark Mollineaux spoke towards goals to keep in mind during the MOU process such as creating stability in the community and reducing displacement. He voiced support for rent stabilization programs and land trusts.

Linda Sell communicated support for a resident stakeholder group, public outreach meetings and acquiring the services of individuals that are experts in the field of developing mobile home park MOUs and rent stabilization ordinances.

Judy Pavlick, Founder, Sunnyvale Mobile Home Park Alliance requested that the MOU scope of work include components such as identifying a retention location and an oversight commission to ensure conditions are met.

Mitch Mankin on behalf of Silicon Valley at Home shared support for the staff and Livable Sunnyvale endorsed recommendations. He spoke towards SV@Home's proposed elements to include in the MOU process.

Council-elect Omar Din voiced support for a city-sponsored informational campaign, commission comprised of mobile home park residents and implementation of a rent

stabilization ordinance (RSO) should the MOU process reach impasse.

Tim Kerr communicated support for a MOU and urged Council consider developing an RSO concurrently.

Jason Feinsmith spoke towards stakeholder group members, communication and public outreach during the development of the MOU.

Fred Kameda spoke towards the mobile home park coalition and a plan in development to reach all mobile home park residents.

Richard Mehlinger, Chair, Livable Sunnyvale spoke towards the group's endorsed recommendations. He shared support for establishing an RSO should the MOU process reach an impasse.

Julia Liu, Livable Sunnyvale communicated support for the group's endorsed recommendations.

Public Hearing closed at 8:51 p.m.

MOTION: Councilmember Fong moved and Councilmember Larsson seconded the motion to approve Alternative 2: Approve the scope of work for Project Manager services regarding implementation of the Sunnyvale Mobile Home Memorandum of Understanding/Accord; and approve Budget Modification No. 9 in the amount of \$81,380; with the following modifications:

- Direct staff to produce and distribute one (1) outreach flier to Sunnyvale mobile home park residents that directs the reader to the City's website that contains information about the mobile home park memorandum of understanding process; and
- Increase Budget Modification No. 9 by up-to \$10,000 for the production of the outreach flier for a new amount of \$91,380.

The motion carried with the following vote:

Yes: 7 - Mayor Klein
Vice Mayor Smith
Councilmember Larsson
Vice Mayor Hendricks
Councilmember Melton
Councilmember Goldman
Councilmember Fong

No: 0

Council took recess at 9:15 p.m. and reconvened at 9:25 p.m. with all Councilmembers present via teleconference.

- 3** [20-0983](#) Approve the Preferred Concept for the Lakewood Branch Library and Learning Center Project as shown on Attachment 5 of the Report

Public Works Assistant Director Jennifer Ng provided the staff report and presentation.

Public Hearing opened at 9:53 p.m.

No speakers.

Public Hearing closed at 9:53 p.m.

MOTION: Councilmember Fong moved and Councilmember Hendricks seconded the motion to approve Alternative 1: Approve the preferred concept for the Lakewood Branch Library and Learning Center project as shown in Attachment 5 to the report.

The motion carried with the following vote:

Yes: 7 - Mayor Klein
Vice Mayor Smith
Councilmember Larsson
Vice Mayor Hendricks
Councilmember Melton
Councilmember Goldman
Councilmember Fong

No: 0

- 4** [20-0997](#) Introduce an Ordinance Amending Sunnyvale Municipal Code Chapters 2.08 and 2.09 Related to the Purchases of Goods and Services and Public Works Construction Contracting

Finance Director Tim Kirby provided the staff report and presentation.

Public Hearing opened at 10:04 p.m.

No speakers.

Public Hearing closed at 10:04 p.m.

MOTION: Councilmember Hendricks moved and Councilmember Fong seconded the motion to approve Alternative 1: Introduce an Ordinance amending Sunnyvale Municipal Code Chapters 2.08 (Purchases of Goods and Services) and 2.09 (Public Works Contracting) related to competitive bidding, contract award authority thresholds and other actions to create efficiencies, streamline procurement procedures and clarify/codify current procedures and practices.

City Clerk David Carnahan read the Ordinance title for the record.

The motion carried with the following vote:

Yes: 7 - Mayor Klein
 Vice Mayor Smith
 Councilmember Larsson
 Vice Mayor Hendricks
 Councilmember Melton
 Councilmember Goldman
 Councilmember Fong

No: 0

- 5** [20-0954](#) Provide Direction Regarding Amendment to Employment Agreement between the City of Sunnyvale and City Manager Kent Steffens to Increase the City Manager Salary in an Amount to be Determined by the City Council

City Manager Kent Steffens left the teleconference meeting during consideration of this item.

Human Resources Director Tina Murphy provided the staff report.

Public Hearing opened at 10:09 p.m.

No speakers

Public Hearing closed at 10:09 p.m.

MOTION: Councilmember Melton moved and Councilmember Larsson seconded the motion to increase the City Manager's salary by 6.5% and a one-time bonus in the amount of \$10,000 and authorize the Mayor to execute a third amendment to the City Manager's Employment Agreement, in a form approved by the City Attorney, to increase the City Manager's annual salary in the amount approved by the City Council, effective December 27, 2020; and direct staff to return with a proposed amendment to the salary range for the City Manager classification with the next Salary Table adjustment.

The motion carried with the following vote:

Yes: 6 - Mayor Klein
Vice Mayor Smith
Councilmember Larsson
Vice Mayor Hendricks
Councilmember Melton
Councilmember Goldman

No: 1 - Councilmember Fong

COUNCILMEMBERS REPORTS ON ACTIVITIES FROM INTERGOVERNMENTAL COMMITTEE ASSIGNMENTS

Councilmember Hendricks reported he was elected Chair of the Valley Transportation Authority Board of Directors for 2021.

NON-AGENDA ITEMS & COMMENTS

-Council

MOTION: Councilmember Melton moved and Councilmember Fong seconded the motion to direct staff to schedule a Special Council Meeting to take place before December 31, 2020 and agendaize delaying the minimum wage Consumer Price Index increase otherwise scheduled for January 1, 2021 until such time that the local state of emergency is ended by Council:

- This item may be placed on the agenda of any other December Special Council meeting already being arranged; and
- If the current local state of emergency continues through 2021 into 2022, then the 2021 and the 2022 minimum wage Consumer Price Index increase would be combined and take effect at the end of the local state of emergency.

FRIENDLY AMENDMENT: Councilmember Larsson offered a friendly amendment to allow for flexibility regarding the end date of the minimum wage increase delay.

Councilmember Melton accepted the friendly amendment.

The motion carried with the following vote:

Yes: 4 - Mayor Klein
Councilmember Larsson
Councilmember Melton
Councilmember Fong

No: 3 - Vice Mayor Smith
Vice Mayor Hendricks
Councilmember Goldman

-City Manager

City Manager Kent Steffens announced a special City Council meeting is tentatively scheduled for Tuesday, Dec. 22, 2020.

INFORMATION ONLY REPORTS/ITEMS

[20-0015](#) Tentative Council Meeting Agenda Calendar

[20-0693](#) Information/Action Items

ADJOURNMENT

Mayor Klein adjourned the meeting at 10:29 p.m.

FIRST AMENDMENT TO
DISPOSITION AND DEVELOPMENT AGREEMENT
SUNNYVALE BLOCK 15-HOUSING PROJECT

This First Amendment to Disposition and Development Agreement- Sunnyvale Block 15-Housing Project ("Amendment") is entered into as of this _____ day of _____, 2021 by and between the City of Sunnyvale, a municipal corporation (the "City") and Sunnyvale Block 15 Housing Partners, L.P., a California limited partnership (the "Partnership") with reference to the following:

RECITALS

A. The City owns fee title to 1.44 acres of improved land located at 365-388 Charles Street (APN# 165-130-74), 396 Charles Street (APN# 165-130-46), 397 South Mathilda Avenue (APN# 165-130-68), 402 Charles Street (APN# 165-130-45), 406 Charles Street (APN# 165-130-73), and 403 South Mathilda Avenue (APN# 165-130-69) in the City of Sunnyvale and legally described as Parcel A on Exhibit A attached hereto (collectively, the "Property")

B. The City and the Partnership entered into that certain Disposition and Development Agreement dated as of January ____ 2019 ("Agreement") whereby the City agreed to ground lease the Property to the Partnership pursuant to the terms of a ground lease attached to and incorporated into the DDA ("Ground Lease") and the Partnership agreed to develop on the Property a 90-unit affordable rental housing projects with office space and interior amenities for residents that are no less than 4,000 square feet of floor area and an additional 1,500 square feet of floor are that may be used as either resident-serving or commercial space (the "Project").

C. The City also agreed to provide to the Partnership certain financial assistance in the form of a loan in the amount of Twelve Million Five Hundred Thousand Dollars (\$12,500,000) in accordance with the terms and conditions set forth in the DDA.

D. The City, pursuant to prior City Council Actions, has increased its financial assistance to the Project by allocating an additional Four Million Five Hundred Dollars (\$4,500,000) from Housing Mitigation Funds and Four Hundred Eighty Three Thousand Dollars (\$483,000) in Home Investment Partnership Funding (HOME) to bring the City's total financial commitment to the Project to Seventeen Million Four Hundred Eighty Three Thousand Dollars (\$17,483,000). The HOME funds will be evidenced by a separate agreement between the City and the Partnership. The additional Housing Mitigation Funds will be provided to the Partnership on the same terms and conditions as the funds previously committed to the Partnership in the DDA.

E. The Partnership has been proceeding with the Project and has received the Land Use Entitlements for the Project. In addition the Partnership has obtained financing commitments from various sources for a portion of the costs of constructing the Project, including a commitment for a loan from the California Department of Developmental Services/San Andreas Regional Center ("SARC Loan").

F. The SARC Loan requires certain amendments to the DDA to allow for the loan to be secured by the Property.

G. The City and the Partnership now desire to amend the DDA to address the increased City commitment of Housing Trust Funds and to make changes necessary to allow the Partnership to obtain the SARC Loan.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and conditions herein contained the City and the Partnership agree as follows:

1. Section 12.1 of the DDA is hereby amended to change the amount of the City Subordinate Loan from Twelve Million Five Hundred Thousand Dollars (\$12,500,000) to Seventeen Million Dollars (\$17,000,000).
2. Notwithstanding anything set forth in the DDA or the Ground Lease, the City agrees that the Partnership may secure the SARC Loan in the amount of \$1,000,000 with a deed of trust encumbering the City's fee interest in the Property provided that the City Manager approves the terms of the SARC Loan and the terms of any deed of trust recorded on the City's fee interest in the Property.
3. Effect of Amendment. The Amendment shall be effective as of the date set forth herein. In the event of a conflict between this Amendment and the Agreement or Ground Lease, this Amendment shall control. Unless otherwise amended by this Amendment, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the dates hereinafter respectively set forth.

PARTNERSHIP:

SUNNYVALE BLOCK 15 HOUSING PARTNERS,
L.P., a California limited partnership

By: **RELATED/SUNNYVALE DEVELOPMENT**
CO., LLC, a California limited liability company, its
general partner

By: _____
Ann Silverberg, Vice President

[signatures continue on next page]

CITY:

CITY OF SUNNYVALE,
a municipal corporation

By: _____
Its City Manager

APPROVED AS TO FORM:

City Attorney