

EXHIBIT E

PROJECT-SPECIFIC PROVISIONS AND SPECIAL TERMS AND CONDITIONS
Interim Housing-to-Permanent Housing

A. PROJECT-SPECIFIC PROVISIONS

Project Name Street Address				APN: [#-#-#]	
County of [NAME]					
# of Bedrooms	Units	Non-Homekey Units	Homekey-Assisted Units	AMI Income Limit	Restriction to Subset of Target Population [Homeless Youth] [Youth at Risk of Homelessness] [Chronically Homeless]
Manager Unit					
0 (Studio)					
0 (Studio)					
1-Bedroom					
1-Bedroom					
2-Bedroom					
3-Bedroom					
4-Bedroom					
5-Bedroom					
Totals:					

- Interim-to-Permanent Housing – Award, Disbursement, and Eligible Use(s).**
 Grantee received a Homekey Program award letter on [Date] (the “Award Date”). Pursuant to that award letter, the Grantee is receiving Homekey Grant funds in the amount of \$[.00] (the “Award”). The [Payee/Designated Payee] of these funds is [Full legal name of the Public Entity or Tribal Entity/Full legal name of the

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Co-Applicant. In the immediate term, Grantee will use the funds to provide Interim Housing for the Target Population. Specifically, Grantee will apply the Homekey funds towards the following Eligible Use(s):

- a. **Example**: Acquisition and rehabilitation of a hotel to provide Interim Housing for the Target Population (with a plan for future conversion of the facility to Permanent Housing)]
- b. **Example**: Master lease of a property to provide non-congregate Interim Housing for the Target Population (with a plan for future conversion of the facility to Permanent Housing)]
- c. **Example**: Capitalization of an operating subsidy for the Assisted Units]

Grantee will then convert the Interim Housing facility to Permanent Housing. Such conversion must be completed before the expiration of the affordability period for the Interim Housing.

Grantee's Award includes \$[_____.00] for capital expenditures and \$[_____.00] for operating funds. The Expenditure Deadline for Capital Funds is set forth herein as a Milestone Completion Date. The Expenditure Deadline for Operating Funds is set forth herein as a Milestone Completion Date. **Please delete any portion of this language that is not applicable to this Project.**

Grantee's Award includes \$[_____.00] for relocation costs. The Department has awarded this money in accordance with the NOFA. This amount represents one-half of the relocation cost per door. The Grantee is responsible for paying the balance of any and all relocation costs necessitated by the Project. **Please delete this language if it is not applicable to this Project.**

Grantee will receive additional funds in the amount of \$[_____.00] (the "**Bonus Award**") if the Project's Assisted Units achieve full occupancy (with consideration for an average of 10 percent vacancy) within eight (8) months of the Award Date. The occupancy deadline in connection with Grantee's Bonus Award is set forth herein as a Milestone Completion Date. The Department will not disburse the Bonus Award until it receives documentary evidence, in form and substance reasonably satisfactory to the Department, that the Milestone Completion Date has been met. Grantee shall only use such Bonus Award for its incurred or prospective operating costs for the Project. If Grantee duly satisfies all requirements and conditions relative to the Bonus Award, Grantee's total award amount will be \$[(Award) + (Bonus

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Award)] (the “Total Award Amount”). [Please delete this language if it is not applicable to this Project.]

- 2. Project Narrative.** [Please provide a lean, but reasonably comprehensive description of the Project. *Briefly describe the site, the asset, and the location. (Proximity to public transit? Proximity to essential services?) *Briefly describe whether this Project involves acquisition only or acquisition and rehabilitation. If the Project involves a master lease of the property, please note that here. *Identify any subpopulation (e.g., Homeless Youth) that will be served by the Project. *Briefly describe any physical features, services, or amenities that are unique to this Project. *Detail any additional communal amenities that will be supplied, such as a meeting room, a community room, or a communal kitchen.]

Homeless Youth Project. This Project received prioritized set-aside funding as a Homeless Youth Project. As such, at least 25 percent of its Assisted Units must be restricted to occupancy by Homeless Youth or Youth at Risk of Homelessness, **and/or** Grantee shall provide Supportive Services for the Youth Assisted Units using a Positive Youth Development (PYD) model and trauma-informed care. Grantee shall abide by all additional representations in the Application that qualified the Grantee’s Project for prioritized funding as a Homeless Youth Project. [Please delete all or any portion of this language if it is not applicable to this Project.]

Set-Aside Funds – Homeless Youth or Youth at Risk of Homelessness Occupancy. This Project’s Award included set-aside funds for Homeless Youth or Youth at Risk of Homelessness in the amount of \$[_____.00]. In exchange for these set-aside funds, the Grantee has agreed that at least [#] doors in this Project will be restricted to occupancy by Homeless Youth or Youth at Risk of Homelessness for the duration of the 15-year affordability term. [Please delete this language if it is not applicable to this Project.]

Set-Aside Funds – Tribal Entity Grantee or Co-Grantee. This Project’s Award included set-aside funds in the amount of \$[_____.00] because the Grantee or Co-Grantee is a Tribal Entity. [Please delete this language if it is not applicable to this Project.]

Obligation to Serve Subsets of the Target Population. [Grantee shall ensure that at least 25 percent of the Project’s Assisted Units are restricted to occupancy by the Chronically Homeless.] [Grantee shall ensure that at least 50 percent of the Project’s Assisted Units are restricted to occupancy by the Homeless.] [Grantee shall ensure that at least 25 percent of the Project’s Assisted Units have three or more bedrooms,

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and that an additional 25 percent of the Project's Assisted Units have two or more bedrooms, consistent with TCAC regulations.] [Please delete this paragraph, or any portion of this paragraph, as required by the facts of this Project.]

3. **Scope of Work.** [Please include a clear, precise description of the work to be performed; the services to be provided; and all other goals, objectives, and deliverables to be fulfilled. *Please identify the construction activities, rehabilitation activities, and site modifications to be completed. *Please identify all services outlined in the Supportive Services plan.] *Please briefly identify the steps that the Grantee will take to convert the Interim Housing facility to Permanent Housing.
4. **Conversion Obligations.** During the conversion process, and in accordance with the NOFA and Exhibit D of this Agreement, Grantee shall ensure one-for-one replacement of any Assisted Units that are taken offline during construction and/or rehabilitation. Furthermore, Grantee shall ensure that any tenants that are displaced during the conversion process receive relocation assistance and benefits in accordance with applicable law. Grantee shall complete the Interim Housing-to-Permanent Housing conversion before the expiration of the 15-year interim affordability period. Grantee shall ensure that the Permanent Housing Project provides the same square footage of space for the Target Population as the Interim Housing Project did, and that corresponding AMI levels do not exceed 30 percent AMI. Upon completion of the conversion, the Grantee shall cause the recordation of a regulatory agreement or other use restriction in accordance with and as more fully set forth in the Special Conditions below.
5. **Grantee Contract Coordinator.**

Authorized Representative Name:	
Authorized Representative Title:	
Entity Name:	
Address:	
Telephone No.:	
E-Mail Address:	

EXHIBIT E**6. Additional Conditions Precedent to Disbursement.****7. Budget Detail.**

Grantee is obligated to cover the Project's operations and service costs for five (5) years. Grantee will satisfy this obligation by leveraging funding commitments, or other reasonable funding assurances, from the following funding sources: [List each government, philanthropic, and private funding source by its full legal name. This list may include the Homekey Program.]

Master Lease. Grantee shall abide by its obligation and 15-year plan to cover the Project's operations and service costs. Grantee will satisfy this obligation by leveraging the following funding sources: [List each government, philanthropic, and private funding source by its full legal name]. [Please delete this paragraph if it is not applicable to this Project.] [If this paragraph is applicable, please delete the paragraph above.] [If the Department has chosen to waive the master leasing requirement of a 15-year plan, please briefly describe the Department's rationale for that waiver.]

Grantee shall maintain the ongoing affordability of the Project by leveraging the following non-Homekey sources of rental or operating subsidies: [Identify the relevant non-Homekey funding sources.] [Please delete this language if it is not applicable to this Project (i.e., the Project did not receive points under the relevant evaluation criterion in the NOFA).]

8. Performance Milestones.

[Add, customize, or delete rows as required by the facts of this transaction. Please delete this instruction before routing this Exhibit E for internal review.]

Performance Milestones	Milestone Completion Date
Capital funds must be fully expended.	[Insert date which is eight (8) months from date of Award]
The Project's escrow must be closed, and the capital funds must be fully expended. [For Projects that involve acquisition and a capital award.]	[Insert date which is eight (8) months from date of Award]

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Performance Milestones	Milestone Completion Date
All Homekey-funded construction or rehabilitation must be completed.	[Insert date which is twelve (12) months from date of Award]
Full occupancy by the Target Population must be accomplished in accordance with the descriptions and representations set forth in the Application.	[Bonus Award Project/Expedited Occupancy: Insert date which is eight months from date of Award] [or] [Acquisition or master lease only: Insert date which is eight months from date of Award + ninety (90) days] [or] [Construction/rehabilitation: Insert date which is twelve (12) months from date of Award + ninety (90) days]
A copy of Grantee's written nondiscrimination policy (in accordance with <u>Exhibit D</u> of this Agreement) must be submitted to the Department.	[Insert date which is eight (8) months from date of Award]
A [DRAFT] Covenant must be submitted to the Department for review and approval.	[Insert date which is eight (8) months from date of Award]
A Department-approved Covenant must be recorded against the Project as specified and described in the NOFA and this Agreement.	[Insert date which is twelve (12) months from date of Award]
Homekey-funded operating funds must be fully expended.	June 30, 2026

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Performance Milestones	Milestone Completion Date
A Homekey Program and Expenditure Report must be submitted to the Department as specified and described in the NOFA.	January 31 – Each year for five (5) years following the Effective Date of this Agreement
Conversion of the Interim Housing facility to Permanent Housing must be completed.	[Insert date which is twelve (12) months from date of Award + 15 years]
Regulatory Agreement/Use Restriction must be recorded against the Project site of the Permanent Housing.	Within three (3) months of completion of conversion.

B. SPECIAL TERMS AND CONDITIONS

The following Special Terms and Conditions are applicable to this Project and shall control notwithstanding anything to the contrary herein:

- Master Lease.** [Payee/Designated Payee] shall apply the funds towards a lump sum pre-payment of all lease payment obligations for the Project calculated over the Project's full Homekey term of affordability and reduced to net present value (NPV). [Please delete this paragraph if it is not applicable to this Project.]
- Interim Housing Use Restriction.** The state, regional, local, or tribal Grantee shall ensure that the Project is duly encumbered with a 15-year covenant, declaration, regulatory agreement, or similar use restriction (the "**Covenant**") that **(a)** is recorded in first position against the Project for the benefit of the Department; **(b)** restricts the use, operation, occupancy, and affordability of the Project in accordance with this Agreement and the applicable Program Requirements; and **(c)** is otherwise in form and substance acceptable to the Department.

The Covenant must be recorded against the real property of the Project site by the Milestone Completion Date set forth herein. The Grantee shall obtain the Department's express written approval of the Covenant prior to the recordation of the same. After recordation, the Grantee shall promptly provide the Department with a conformed copy of the recorded Covenant.

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Unless otherwise authorized by the prior and express written approval of the Department, the Covenant must be recorded as a lien against the Project in first position, and must remain in first position, over all other Project agreements, covenants, or other matters of record on the real property for the period of affordability required by the Program.

3. **Interim Housing Use Restriction – Master Lease.** The state, regional, local, or tribal Grantee shall ensure that the Project is duly encumbered with a 15-year covenant, declaration, regulatory agreement, or similar use restriction (the “**Covenant**”) that (a) is recorded in first position against the Project for the benefit of the Department; (b) restricts the use, operation, occupancy, and affordability of the Project in accordance with this Agreement and the applicable Program Requirements; and (c) is otherwise in form and substance acceptable to the Department.

The Grantee shall obtain the Department’s express written approval of the Covenant prior to the recordation of the same. The Covenant must be recorded against both the Grantee’s interest in the Project and the fee interest in the real property of the Project site by the Milestone Completion Date set forth herein. At the time of recordation, the lease shall have a term remaining that is at least fifteen (15) years in duration. After recordation, the Grantee shall promptly provide the Department with a conformed copy of the recorded Covenant.

Unless otherwise authorized by the prior and express written approval of the Department, the Covenant must be recorded as a lien against the Project in first position and as specified above, and it must remain in first position, over all other Project agreements, covenants, or other matters of record on the real property for the period of affordability required by the Program. [Please delete this specific “Use Restriction – Master Lease” paragraph if it is not applicable to this Project. If this paragraph does apply to this Project, please delete the foregoing general “Use Restriction” paragraph.]

4. [Any Department-approved extensions to deadlines will be described in this section.]
5. Grantee has committed to a 55-year use restriction for the Project and has waived any potential accommodation by the Department to increase income limits, as described in the NOFA, for [at least 25 percent of the Assisted Units] [or] [at least 50 percent of the Assisted Units] [or] [at least 75 percent of the Assisted Units] [or] [100 percent of the Assisted Units]. During the Homekey Application review process and in accordance with the NOFA, the Grantee received a scoring advantage for making

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this commitment. [Please delete this paragraph, or any portion of this paragraph, as required by the facts of this Project.] [If this paragraph does apply to this Project, please ensure that the “Interim Housing Use Restriction” paragraph above sets forth terms that are typically used for Permanent Housing Projects.]

6. Grantee has made the following accessibility commitments with respect to the Project: The Project will exceed the state and federal accessibility requirements set forth in the NOFA. At least 15 percent of the Project’s Assisted Units must have features accessible to persons with mobility disabilities, as specified and described in the NOFA. [and/or] At least 10 percent of the Project’s units must have features accessible to persons with hearing or vision disabilities, as specified and described in the NOFA. [Please delete this paragraph, or any portion of this paragraph, as required by the facts of this Project.]
7. [If the Project is subject to AB 1010, indicate that here, and describe any waivers and modifications of the Program Requirements.]
8. **Post-Conversion Regulatory Agreement**. After the Interim Housing facility has been converted to Permanent Housing, the state, regional, local, or tribal Grantee shall ensure that the Permanent Housing Project is duly encumbered with a 55-year covenant, declaration, regulatory agreement, or similar use restriction (the “**Regulatory Agreement**”) that **(a)** is recorded in first position against the Project for the benefit of the state, regional, local, or tribal Grantee; **(b)** restricts the use, operation, occupancy, and affordability of the Project in accordance with this Agreement and the applicable Program Requirements; **(c)** duly names the Department as a third-party beneficiary with the right and privilege, but not the obligation, of enforcement thereof; and **(d)** is otherwise in form and substance acceptable to the Department.

The Regulatory Agreement must be recorded against the real property of the Project site by the Milestone Completion Date set forth herein. The Grantee shall obtain the Department’s express written approval of the Regulatory Agreement prior to the recordation of the same. After recordation, the Grantee shall promptly provide the Department with a conformed copy of the recorded Regulatory Agreement.

Unless otherwise authorized by the prior and express written approval of the Department, the Regulatory Agreement must be recorded as a lien against the Project in first position, and must remain in first position, over all other Project agreements, covenants, or other matters of record on the real property for the period of affordability required by the Program.

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9. **Post-Conversion Use Restriction (Tribal Land)**. After the Interim Housing facility has been converted to Permanent Housing, the tribal Grantee shall ensure that the Permanent Housing Project is duly encumbered with a 50-year covenant, declaration, regulatory agreement, or similar use restriction (the “**Use Restriction**”) that **(a)** is recorded in first position against the Project for the benefit of the tribal Grantee; **(b)** restricts the use, operation, occupancy, and affordability of the Project in accordance with this Agreement and the applicable Program Requirements; **(c)** duly names the Department as a third-party beneficiary with the right and privilege, but not the obligation, of enforcement thereof; and **(d)** is otherwise in form and substance acceptable to the Department.

The Use Restriction must be recorded against the real property of the Project site by the Milestone Completion Date set forth herein. The Grantee shall obtain the Department’s express written approval of the Use Restriction prior to the recordation of the same. After recordation, the Grantee shall promptly provide the Department with a conformed copy of the recorded Use Restriction.

Unless otherwise authorized by the prior and express written approval of the Department, the Use Restriction must be recorded as a lien against the Project in first position, and must remain in first position, over all other Project agreements, covenants, or other matters of record on the real property for the period of affordability required by the Program. [Please delete or revise this paragraph, or any portion of this paragraph, as required by the facts of this Project. If this paragraph is applicable to this Project, please delete the “Post-Conversion Regulatory Agreement” paragraph above.]

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