

## EXHIBIT A

### AUTHORITY, PURPOSE AND SCOPE OF WORK

#### 1. Authority

California Assembly Bill No. 140 (Chapter 111, Statutes of 2021) (“**AB 140**”) created the statutory basis for the California Housing Accelerator by adding Chapter 6.6 (commencing with Section 50672) to Part 2 of Division 31 of the Health and Safety Code. Health and Safety Code section 50672.3 authorizes the Department of Housing and Community Development (“**Department**” or “**HCD**”) to adopt guidelines to administer this new chapter.

The Department issued a California Housing Accelerator Tier 2 Project Solicitation and Guidelines on February 28, 2022, which was subsequently amended on May 5, 2022 and August 31, 2022 (collectively, “**Project Solicitation**”). This Project Solicitation serves as the Department’s guidelines for administration of the California Housing Accelerator.

California Housing Accelerator funds are derived from the federal Coronavirus State Fiscal Recovery Fund (“**CSFRF**”), which was established by the American Rescue Plan Act of 2021 (“**ARPA**”) (Pub.L. No. 117-2). Through the 2021-22 California state budget, the funds have been allocated to the California Housing Accelerator. Additional State funds have been allocated to the California Housing Accelerator through the 2022-2023 California state budget.

This STD 213, Standard Agreement (“**Agreement**”) is entered under the authority and in furtherance of the California Housing Accelerator. This Agreement is the result of an application by the Sponsor(s) for California Housing Accelerator funding (the “**Application**”). As such, this Agreement shall be executed by all Sponsors. Where the Sponsor comprises more than one entity, all Co-Sponsor entities shall execute and be bound by the Agreement.

This Agreement hereby incorporates by reference the Application in its entirety, as well as the project report prepared by the Department in reliance on the representations and descriptions included in that Application (the “**Accelerator Project Report**”). This Agreement is governed by the following legal authorities and materials, as amended and in effect from time to time (collectively, the “**California Housing Accelerator Requirements**”), and each of them is incorporated hereto as if set forth in full herein:

- A. Chapter 6.6 (commencing with Section 50672) of Part 2 of Division 31 of the Health and Safety Code:
- B. Health and Safety Code section 50406;

- C. The Project Solicitation;
- D. ARPA and related federal guidance;
- E. The award letter issued by the Department to the Sponsor(s); and
- F. All other applicable law.

## 2. **Purpose**

The California Housing Accelerator is intended to expedite the construction and production of Qualified Rental Housing Developments, as defined below, that are unable to proceed due to the short supply of tax credit and bond allocations.

The Department will provide California Housing Accelerator assistance in the form of a forgivable permanent financing loan (the “**Loan**”).

Sponsor(s) applied to the Department for the Loan, which will be expended on Eligible Uses, as defined in Paragraph 3 and as outlined in Paragraph 4 below. By entering into this Agreement and thereby accepting the award of the Loan, the Sponsor(s) agrees to comply with the California Housing Accelerator Requirements and the terms and conditions of this Agreement.

## 3. **Definitions**

Any capitalized terms that are not defined below have the definitions set forth in the California Housing Accelerator Requirements. In the event of any conflict, the definitions in this Agreement and the Project Solicitation are controlling.

- A. “**Application Fee**” means the refundable fee of \$40,000.00, which the Department charged per California Housing Accelerator application. This fee will be fully refunded if the Sponsor meets the Commencement of Construction Deadline, or if the Project obtains a tax credit allocation and the California Housing Accelerator funds are disencumbered prior to the Commencement of Construction Deadline.
- B. “**Assisted Unit**” means a Department-funded residential dwelling unit that is subject to rent, income, occupancy, and other restrictions in accordance with California Housing Accelerator Requirements.
- C. “**Borrower**” means the entity that incurs the obligation for the Loan that is subject to California Housing Accelerator Requirements.

- D. **“California Housing Accelerator Requirements”** means the legal authority and California Housing Accelerator materials listed at Paragraph 1 (A – F), above.
- E. **“CDLAC”** means the California Debt Limit Allocation Committee.
- F. **“Commencement of Construction Deadline”** means the date, no later than 180 days from the date of the award, by which construction shall have commenced on the Project, or that extended date, up to 90 days beyond the 180-day period, which was approved by the Department in its sole and absolute discretion and on the basis of conditions beyond the control of the Sponsor. This date is identified with specificity at Exhibit E of this Agreement. For purposes of this definition, “commencement of construction” means the first land-disturbing activity associated with a Project, including land preparation such as clearing, grading, and filling, or the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building.
- G. **“Eligible Uses”** means the expenses that are categorized as reasonable project costs by the federal low-income housing tax credit program (e.g., reasonable reserves), as well as the construction loans that funded such expenses, and any other expenses allowed by the Department in its sole and absolute discretion.
- H. **“Existing HCD Loan Commitment”** means the Department’s direct loan commitment of funds to the Qualified Rental Housing Development that predated the Application for California Housing Accelerator funds, as well as the Department loan program making that commitment.
- I. **“Homeless Household”** or **“Household Experiencing Homelessness”** means a household that meets one of the (1) – (4) criteria set forth at California Code of Regulations, title 4, section 10315, subdivision (b), unless the Existing HCD Loan Commitment is based on a different definition of this or a similar term, in which case the definition associated with the Existing HCD Loan Commitment shall apply.
- J. **“Local Public Entity”** is defined at Health and Safety Code section 50079, and means any county, city, city and county, the duly constituted governing body of an Indian reservation or rancheria, tribally designated housing entity as defined in Section 4103 of Title 25 of the United States Code and Section 50104.6.5, redevelopment agency organized pursuant to Part 1 (commencing with Section 33000) of Division 24, or housing authority organized pursuant to Part 2 (commencing with Section 34200) of Division 24, and also includes any state agency, public district, or other political subdivision of the state, and any instrumentality thereof, that is authorized to engage in or assist in the development or operation of housing for persons and families of low or moderate income. In

- addition, and in accord with this Health and Safety Code definition, the term “**Local Public Entity**” also includes two or more local public entities acting jointly.
- K.** “**Performance Milestones**” means the indicators and metrics of progress and performance that are identified as such at Exhibit E of this Agreement. Sponsor’s failure to satisfy any one of the Performance Milestones will constitute a breach of this Agreement and will entitle the Department to exercise any and all available remedies, including the recapture of disbursed Loan funds and the cancellation of this Agreement.
- L.** “**Permanent Loan Conversion**” means the Project has leased up to a minimum of 90 percent occupancy for at least 30 days in accordance with the applicable Department funding requirements; the units have been leased to the appropriate or designated populations identified at Exhibit E, and they have met the terms and conditions of all Department funding awarded to the Project; and all construction period financing has been paid off or converted to permanent financing.
- M.** “**Permanent Loan Conversion Deadline**” means the date of November 30, 2026. This date is the disbursement and expenditure deadline for all California Housing Accelerator funds.
- N.** “**Project**” or “**Rental Housing Development**” means the following: (i) a “qualified low-income housing project,” as defined in Section 42(g) of the Internal Revenue Code (26 U.S.C. § 42(g)); or (ii) a Qualifying Infill Project, as defined under the Infill Incentive Grant Program of 2007 or the Infill Infrastructure Grant Program of 2019, that meets the requirements of those programs. A “**Project**” or “**Rental Housing Development**” must also be a “**Qualified Rental Housing Development**.”
- O.** “**Qualified Rental Housing Development**” is defined in accordance with Health and Safety Code section 50672.1, subdivision (e), and means a rental housing development that received an award letter from any qualifying multifamily housing direct loan program administered by the Department, and that therefore has an Existing HCD Loan Commitment.
- P.** “**Scope of Work**” or “**Work**” means the work to be performed by the Sponsor to accomplish the California Housing Accelerator purpose, as specified at Exhibit E.
- Q.** “**Sponsor**” is defined in accordance with Health and Safety Code sections 50675.2 and 50669. When the Sponsor comprises two or more entities, the entities may be referred to, both individually and collectively, as the “Sponsor.” Each such entity may also be referred to individually as a “**Co-Sponsor**.” The Sponsor structure shall include any Local Public Entity that is a Co-Sponsor of the Existing HCD Loan Commitment; such Local Public Entity shall execute the Standard Agreement as a duly authorized Co-Sponsor prior to construction loan closing. The

Sponsor entities shall be bound by the California Housing Accelerator Standard Agreement, and by each and every one of the California Housing Accelerator terms, conditions, and restrictions. On the STD 213 portion of this Agreement, the Sponsor is identified as the Contractor.

- R. “TCAC” means the California Tax Credit Allocation Committee.
- S. “UMR” means the Uniform Multifamily Regulations (Cal. Code Regs., tit. 25, § 8300 et seq.), effective November 15, 2017, and as subsequently amended.

4. **Eligible Uses**

Sponsor shall apply the Loan to Eligible Uses, as defined in Paragraph 3 of this Exhibit A. The Department reserves the right to disallow expenditures that do not constitute Eligible Uses, as determined by the Department in its sole and absolute discretion. The Department reserves the right, consistent with applicable law, to require its prior written approval of all reserve withdrawals, regardless of whether the reserve was required by the Department.

Sponsor’s use of the funds and Scope of Work are specified at Exhibit E of this Agreement.

5. **California Housing Accelerator Deadlines**

- A. The Project must commence construction no later than the Commencement of Construction Deadline, as specified at Exhibit E of this Agreement. The Department may, in its sole and absolute discretion, extend the Commencement of Construction Deadline due to conditions beyond the control of the Sponsor, for a period not to exceed 90 days.

Failure to meet the Commencement of Construction Deadline, or any Department-approved extension, will result in the forfeiture of the Application Fee and the California Housing Accelerator award. Such failure will also cause the Department to assess negative points when scoring any future application by the Sponsor for Department funding. The foregoing penalties will not apply, however, if the Sponsor secures a CDLAC/TCAC allocation, and the California Housing Accelerator funds are disencumbered by the Commencement of Construction Deadline.

- B. Within seven (7) months of the award, the Sponsor shall submit documentary evidence to the Department that construction commenced by the Commencement of Construction Deadline. Sponsor shall make this showing as specified by Paragraph 7 of Exhibit A of this Agreement.

- C. The Loan proceeds shall be disbursed through permanent financing close of escrow and expended on Eligible Uses no later than the Permanent Loan Conversion Deadline of **November 30, 2026**. This Permanent Loan Conversion Deadline is derived from the federal expenditure deadline of December 31, 2026 for the CSFRF funds.

## 6. Performance Milestones

Sponsor shall complete each of the Performance Milestones set forth at Exhibit E of this Agreement by the date designated for such completion therein (each a “**Milestone Completion Date**”). The Performance Milestones shall include, but not be limited to, the Commencement of Construction Deadline, any deadlines for the submission of necessary documentary evidence, and any reporting deadlines.

Sponsor may apply to the Department for an extension of any such Milestone Completion Date. Approval of any such extension request, with the exception of the Commencement of Construction Deadline, shall be in the Department’s reasonable discretion. (The Department maintains sole and absolute discretion to approve an extension of the Commencement of Construction Deadline.) In no event will the Department approve an extension request in the absence of Sponsor’s demonstration of good cause for said extension, along with Sponsor’s reasonable assurances that the extension will not result in Sponsor’s failure to meet other Performance Milestones under this Agreement. In no event will the Department approve an extension of the Construction Commencement Deadline beyond the statutorily authorized 90 days.

## 7. Reporting Requirements

- A. Sponsor shall comply with all reporting requirements set forth at Section II.F.11 of the Project Solicitation and in this Agreement, all in accordance with any Milestone Completion Date(s) set forth at Exhibit E of this Agreement.
- B. After satisfaction of each Performance Milestone, the Sponsor shall promptly report its progress, in writing, to the Department.
- C. Within seven (7) months of the award, the Sponsor shall submit documentary evidence to the Department that construction commenced by the Commencement of Construction Deadline. If the Department extends the Commencement of Construction Deadline, as authorized, the Sponsor’s deadline for submitting the foregoing documentary evidence shall be extended in the same increment as the extension of the Commencement of Construction Deadline. Qualifying forms of documentary evidence include the following:
- 1) Recordation of a notice of commencement;

- 2) Date- and time-stamped photographs;
- 3) Physical inspection report; or
- 4) Other documentation subject to the approval of the Department.

Failure to submit qualifying documentary evidence within the specified timeframes may result in forfeiture of the Application Fee, forfeiture of the award, and/or an assessment of negative points relative to any future application for Department funding.

**8. Department Contract Coordinator**

The Department's Contract Coordinator for this Agreement is the Program Manager for the California Housing Accelerator. Unless otherwise informed, Sponsor shall mail any notice, report, or other communication required under this Agreement by First-Class Mail to the Department Contract Coordinator at the following address:

California Department of Housing and Community Development  
California Housing Accelerator Program Manager  
Division of State Financial Assistance – PDI Branch  
P. O. Box 952054  
Sacramento, CA 94252-2054

**9. Sponsor Contract Coordinator**

Unless otherwise informed, the Department shall mail any notice, report, or other communication required under this Agreement by First-Class Mail, or through a commercial courier, to the Sponsor Contract Coordinator at the address specified at Exhibit E of this Agreement.