

EXHIBIT A**AUTHORITY, PURPOSE AND SCOPE OF WORK****1. Super NOFA**

This Agreement is the result of Sponsor's application (the "**Application**") for funding under Department's Multifamily Finance Super Notice of Funding Availability dated March 30, 2022, as amended June 10, 2022, (collectively the "**Super NOFA**"), which among other things noticed the availability of loan program funding under the following programs (the "**Programs**"):

- A. The Multifamily Housing Program ("**MHP**");
- B. The Veterans Housing and Homelessness Prevention Program ("**VHHP**"), and
- C. The Joe Serna, Jr. Farmworker Housing Grant Program ("**FWHG**").

In response to the Application, Sponsor was awarded loan funding under one or more of the above programs up to the maximum specific loan amount or amounts, all as more specifically set forth in Section 1 of Exhibit E of this Agreement. The Program or Programs providing such loan funding which are the subject of this Agreement are referred to herein individually as a "**Funding Program**" and collectively as the "**Funding Programs**".

2. Authority

- A. This Standard Agreement is entered into under the authority of and in furtherance of the following:
 - (i) California Assembly Bill 434 (Chapter 192, Statutes of 2020), as amended and in effect from time to time;
 - (ii) Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code, as amended and in effect from time to time, which establishes MHP;
 - (iii) The Veterans Housing and Homeless Prevention Act of 2014 (the "**VHHP Act**"), which is set forth in Article 3.2 (commencing with Section 987.001) of Chapter 6 of Division 4 of the Military and Veterans Code, as amended and in effect from time to time, which establishes VHHP. The VHHP Act relies on and references provisions of the Veterans Housing and Homeless Prevention Bond Act of 2014 (the "**VHHP Bond Act**"), which is set forth in Article 5y (commencing with Section 998.540) of Chapter 6 of Division 4 of the Military and Veterans Code. Both the VHHP Act and the

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VHHP Bond Act were enacted pursuant to Statutes 2013, chapter 727, sections 1 and 3 (A.B. 639); and

- (iv) Chapter 3.2 (commencing with Section 50517.5) of Part 2 of Division 31 of the Health and Safety Code, as amended from time to time, which establishes FWHG.
- B. This Agreement is the result of the Sponsor's Application for funding under one or more of the Programs, and each loan funding award set forth in Section 1 of Exhibit E of this Agreement shall be referred to as a "**Loan**", and if more than one, collectively, the "**Loans**". This Agreement hereby incorporates by reference the Application and the Project Report in their entirety. This Agreement is governed by the following requirements (collectively, the "**Program Requirements**"):
- (i) The Super NOFA;
 - (ii) The Award Letter issued by the Department to the Sponsor;
 - (iii) All applicable law;
 - (iv) If Section 1 of Exhibit E of this Agreement identifies MHP as a Funding Program, the Program Requirements shall also include the following:
 - (a) Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code, as amended and in effect from time to time;
 - (b) The Multifamily Housing Program Final Guidelines, Adopted pursuant to AB 434 (Chapter 192, Statutes of 2020), dated March 30, 2022, as amended May 5, 2022, and as may be further amended and in effect from time to time (the "**MHP Guidelines**"); and
 - (c) Any provisions of the Uniform Multifamily Regulations (Cal. Code Regs., tit. 25, § 8300 et seq.) as amended and in effect from time to time (the "**UMR**") which the MHP Guidelines incorporate by reference;
 - (v) If Section 1 of Exhibit E of this Agreement identifies VHHP as a Funding Program, the Program Requirements shall also include the following:
 - (a) The VHHP Act and the VHHP Bond Act, as amended and in effect from time to time;

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- (b) The Veterans Housing and Homelessness Prevention Program Final Guidelines, Adopted pursuant to AB 434 (Chapter 192, Statutes of 2020), dated March 30, 2022, as may be amended and in effect from time to time (the “**VHHP Guidelines**”);
 - (c) Any provisions of the UMR which the VHHP Guidelines incorporate by reference; and
 - (d) Any provisions of the MHP Guidelines which the VHHP Guidelines incorporate by reference; and
- (vi) If Section 1 of Exhibit E of this Agreement identifies FWHG as a Funding Program, Program Requirements shall also include the following:
- (a) Chapter 3.2 (commencing with Section 50517.5) of Part 2 of Division 31 of the Health and Safety Code, as amended and in effect from time to time;
 - (b) The Joe Serna, Jr. Farmworker Housing Grant Program - Multifamily Final Guidelines, Adopted pursuant to AB 434 (Chapter 192, Statutes of 2020), dated March 30, 2022, as may be amended and in effect from time to time (the “**FWHG Guidelines**”);
 - (c) Any provisions of the UMR which the FWHG Guidelines incorporate by reference; and
 - (d) Any provisions of the MHP Guidelines which the FWHG Guidelines incorporate by reference.

Clauses B(i) thru (iii) immediately preceding shall be applicable to all Loans regardless of which Funding Program(s), or combination thereof, are providing Loan funding hereunder.

Provisions contained in this Agreement that are solely and exclusively applicable to Programs not awarded shall have no force and effect. All other provisions contained herein related to the Funding Programs shall, in all cases, be applicable and in effect regardless of which Program(s), or combination thereof, constitute the Funding Program(s).

To the extent of any conflict between the Program Requirements with respect to a particular matter, the most restrictive of such requirements, as determined by the Department in its sole and absolute discretion, shall prevail.

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3. Purpose

Sponsor applied to the State of California Department of Housing and Community Development (the “**Department**” or “**HCD**”) for the Loan(s) in order to develop, construct, rehabilitate and/or preserve an Affordable Housing Development, as defined in Section 4.A. of this Exhibit A for the applicable Target Populations to be served by the Funding Program(s). The Affordable Housing Development will be developed on certain real property (the “**Property**”), as described in the Application and the Project Report. The Department will make the Loan(s) to the Sponsor, or to the Sponsor’s Department-approved affiliate (the “**Borrower**”), as owner of the Development. The Department will require that the Affordable Housing Development be developed, owned, rented, managed, maintained, and operated in accordance with the applicable Program Requirements for the full term of the Loan(s), regardless of sale or transfer of the Property or prepayment of all or any portion of the Loan(s).

To further effect this purpose, if Sponsor or Borrower is an entity other than the Sponsor identified in the Application and approved by the Department as having the requisite capacity and experience, the Department will require the Sponsor identified in the Application and so approved by the Department to enter into the Department’s form sponsor operating guaranty (the “**Sponsor Operating Guaranty**”) as a condition of closing the Loan(s).

By entering into this Agreement and thereby accepting the award of the Loan funds described herein, the Sponsor and Borrower agree to comply with the Program Requirements and the terms and conditions of this Agreement. As noted above, this Agreement incorporates by reference the Application and the Project Report in their entirety.

4. Definitions

Capitalized terms set forth herein and not otherwise expressly defined herein shall have the definitions set forth in the applicable Guidelines. In addition:

- A. “**Affordable Housing Development**” or “**Development**” refers to the transitional or rental housing development which was described in the Application and which provides units that are affordable to lower income households. The Affordable Housing Development must meet all applicable Program Requirements and is in consideration of the Loan(s).
- B. “**Agreement**” refers to this Standard Agreement.
- C. “**Borrower**” or “**Ultimate Borrower**” refers to the borrowing entity and owner of the Development, as identified in Section 2 of Exhibit E of this Agreement. The

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Sponsor, or its wholly controlled affiliate, must have continuing control of the Borrower and the Development. The organizational structure of the Borrower must comply with UMR section 8313.2 and Section 16 of Exhibit D of this Agreement.

Additionally, as relates to FWHG Loan funding, Borrowers must be responsible to ensure that their organizational structure(s) are compliant with applicable authority, which may restrict the composition of eligible entities (e.g. Members within an LLC, the inclusion of For-Profits within a Limited Partnership, etc.). Relevant authority includes, but is not limited to, Health and Safety Code section 50517.5(e); and Cal. Code Regs., Title 25 sections 7205 and 7205.1.

- D. **“Funding Program(s)”** refer to the Program(s) providing Loan funding as specifically set forth in Section 1 of Exhibit E of this Agreement.
- E. **“Guidelines”** refer to the MHP Guidelines, the VHHP Guidelines and/or the FWHG Guidelines, generically, either individually or in combination with each other.
- F. **“Performance Milestones”** refers to the development schedule and/or milestones referenced in Section 7 of this Exhibit A.
- G. **“Program(s)”** refers to the MHP, the VHHP Program and/or the FWHG Program, generically, either individually or in combination with each other.
- H. **“Project Report”** refers to the Departmental staff report presented to and approved by the Department’s Internal Loan Committee. The Project Report sets forth the project criteria approved by the Department at the time of the award of the Loan funds contemplated by this Agreement. The project criteria may be amended only upon the Department’s written approval.
- I. **“Residual Receipts”** refers to the 50 percent (50%) share of cash or other benefits which, pursuant to UMR section 8314(a)(2), is available to the Department on an annual basis as payment on the Loan(s). The Department may agree to share the Residual Receipts with other public agency lenders. Only public agency lenders can receive Residual Receipts.
- J. **“Sponsor”** or **“Development Sponsor”** refer to the entity defined as Sponsor in Section 7 of Exhibit E, and also includes any affiliate or assignee of the Sponsor approved in writing by the Department and undertaking all the obligations of the Sponsor hereunder. In the case of joint applicants, “Sponsor” shall refer to each applicant or the approved assignee of such applicant. Each joint applicant is jointly and severally liable for all obligations of a Sponsor as set forth herein.

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- K. **“Target Population”** means the following:
- (i) For MHP, an “Eligible Household” as defined in Appendix A to the MHP Guidelines;
 - (ii) For VHHP, a “VHHP Eligible Household” as defined in Appendix A to the VHHP Guidelines; and
 - (iii) For FWHG, an “Agricultural Household” as defined in Appendix A to the FWHG Guidelines.
- L. **“TCAC”** refers to the California Tax Credit Allocation Committee.
- M. Any reference to a specific **“Section”** or **“section”** of any of the Guidelines shall initially refer to that specific numbered section of the referenced Guidelines. If the Department amends any portion of any of the Guidelines, all references herein to any such portion of the amended Guidelines shall be deemed to refer to the updated version of such Guidelines, either in whole or in part, as may be applicable. To the extent that any Guidelines provision is amended, and thereafter receives a new section number, any reference herein to the old Guidelines section number shall be interpreted to refer instead to the Guidelines section as amended.

5. Scope of Work

The **“Scope of Work”** or **“Work”** for this Agreement shall consist of the development and construction of the Affordable Housing Development which is described in the Application and the Project Report, and which is identified in the Award Letter. Sponsor must perform the Work, or cause the Work to be performed, in full accordance with this Agreement and the Program Requirements. Any reference in this Agreement to “construction” shall include rehabilitation construction, if applicable.

All written materials or alterations submitted as addenda to the original Application, and which are approved in writing by a Division of Financial Assistance Program Manager or higher departmental official, as appropriate, are hereby incorporated as part of the Application and the Project Report, and hereby incorporated as part of the Agreement. The Department hereby reserves the right, but assumes no obligation, to review and approve any and all of the Work, and the Scope of Work may in no event be revised or altered without the Department’s prior express written consent and approval, which consent and approval is within the Department’s sole and absolute discretion.

6. Evidence of Point Generating Activities

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Sponsor assures the Department that the completed Affordable Housing Development will include all the features, components and activities that were proposed in the Application, awarded points during the Application scoring process, and memorialized in the Project Report.

At the request of the Department, Sponsor must demonstrate, to the Department's satisfaction in its sole and absolute discretion, that the Affordable Housing Development will or does include all of the features, components, and activities, as referenced above, that provided the basis for the Loan awards contemplated in this Agreement. Failure to provide such evidence and otherwise make such a demonstration to the Department may result in a reevaluation of the Application and the reduction or cancellation of the Loan awards, the repayment of any and all disbursed Program funds, and/or the disencumbrance of all Program funds awarded.

7. Performance Milestones

Sponsor must complete each of the Performance Milestones set forth in the Project Report and in Section 3 of Exhibit E of this Agreement by the date designated for such completion therein (each a "**Milestone Completion Date**"). If there is a conflict of milestones between what is set forth in the Project Report and set forth in Exhibit E of this Agreement, then the milestones set forth in Exhibit E to this Agreement shall prevail.

Sponsor must inform the Department in writing of any anticipated delays, or changes to the Sponsor's proposed Performance Milestones no later than 30 calendar days prior to the date designated for completion therein. Sponsor may submit a written request for extension of any such Milestone Completion Date. Any such request must include Sponsor's demonstration of good cause and reasonable assurances that the extension will not adversely affect completion of the Development. Approval of any such extension request shall be in writing and in the Department's sole and absolute discretion.

8. Reporting Requirements

Sponsor must comply with all reporting requirements set forth in the Guidelines for the Funding Programs and applicable law, all if, as, and to the fullest extent applicable to the Development.

9. State Coordinator

The coordinator of this Agreement for the state is the Section Chief, Division of State Financial Assistance, or their designee, for the Multifamily Finance Super NOFA, Division of State Financial Assistance. Any notice, report, or other communication

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required by this Agreement shall be mailed by first-class mail to the Manager at the following address:

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

10. Sponsor's Contract Coordinator

The Sponsor's Contract Coordinator for this Agreement is listed below. Unless the Department is otherwise informed, any notice, report, or other communication required by this Agreement will be mailed by first-class mail to the Sponsor's Contract Coordinator at the following address:

Sponsor:	Insert Contact Info Here
Authorized Representative Name and Title:	Insert Contact Info Here
Address:	Insert Contact Info Here
Phone No.:	Insert Contact Info Here
Email Address:	Insert Contact Info Here

11. Construction Loan Agreement (AKA "Development Agreement")

If Section 1 of Exhibit E of this Agreement describes a construction Loan under the FWHG Program, then the Department, Sponsor and Borrower will enter into a separate Construction Loan Agreement (aka Development Agreement) (hereafter the "**Development Agreement**"). A Development Agreement is a legally binding contract, detailing the promises and commitments all parties must uphold through successful project completion.

The money borrowed through a FWHG construction Loan will be disbursed in a series of conditional advances or draws according to a prearranged schedule or milestones as set forth in the Development Agreement subject to the satisfaction of certain conditions to and requirements of disbursement, all as reflected in greater detail therein.

Borrower is put on notice that the Department will be making construction loan payment disbursements directly to Borrower subject to and in accordance with the disbursement provisions of the Development Agreement, and the Department needs sufficient time to

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set up payment from the State Controller's Office. Borrower and Sponsor are advised to submit draw request(s) early to minimize delay in payment.

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