

NOTICE TO PROCEED

Camino de Salud

County of Ventura

Pursuant to the Master Standard Agreement (“Agreement”) entered into on the 5th day of October 2021, by and between the California Department of Housing and Community Development (“Department”) and The County of Ventura (“Subrecipient”), this NOTICE TO PROCEED (“NTP”) is entered into on this 11th day of March 2026. This NTP sets forth specific details concerning the individual project proposed by Subrecipient for the multifamily affordable housing development located at 11432 N Ventura Ave, Ojai, CA 93023, consisting of 48 affordable housing units (“Project”) and related activities undertaken for the development of affordable multifamily housing units by Subrecipient, as required. This Project is subject to, and hereby incorporates by this reference, the terms of the Agreement and is subject to the overall program funding allocation amount for Subrecipient as determined by the Department and set forth in the Agreement. There may be other projects either already existing under the Agreement, or that may be proposed in the future. The budget for this Project, when added together with the total cumulative budget of all existing Approved Projects for Subrecipient, may not exceed the total funding allocation for Subrecipient.

1. Project Details

Project Name: Camino de Salud

Developer Name: Cabrillo Economic Development Corporation

Project Address: 11432 N Ventura Ave, Ojai, CA 93023

Project Description: Cabrillo Economic Development Corporation proposes to develop a 49-unit /low-income housing development on the subject property. The existing 4,600 square foot vacant restaurant structure, built in 1965, was recently demolished per Ventura County notice of compliance. New grading and construction on site will yield 49 single room occupancy (studio) units, 2 parking lots, landscaping and a community garden. Interior improvements include common meeting and kitchen area, a laundry room for residents only, as well as offices for supportive services providers for residents needing these services, which include: medical, dental, psychiatric, benefits advocacy, housing retention training, women's health, jobs training. Except for a two-bedroom unit for the onsite property manager, 100% of the proposed housing will be income-restricted to area residents who qualify in two different income and needs categories:

1. 50% of the units (24) will be reserved for area residents who are experiencing homelessness and who have chronic and severe illnesses such that they are high medical facilities users.

2. 50% of the units (24) will be reserved for area residents making below 80% of the area median income, or low-income wage earners of the area.

The project will have state-of-the-industry efficient plumbing fixtures and drought-tolerant landscaping in order to use the minimal amount of water possible to support the anticipated 49 +/- residents. The project will be net-zero in energy use relying on all-electric appliances powered by PV panels on the roofs. The project includes; 27 parking spaces, 24 residential care facility studios, 24 studio apartments, 1 two-bedroom manager's apartment, a residents' laundry room, a communal meeting room with kitchen area, two communal restrooms, two offices for residential care providers, manager's office, elevator, nighttime security gate, other outdoors active spaces, drought-tolerant landscaping, net-zero energy use (100% electric project powered by roof solar panels), and fire-resistant building construction.

Project Approval Date: July 17, 2025

2. Unit Mix

# of Bedrooms	DR-MHP Assisted Units	Restricted Units (including DR-MHP Assisted Units)	Non-Restricted Units	Total Units	Gross Rent	Utility Allowance	Net Rent (gross – utility allowance)	Annual Net Rent	Income Limit
0	29	29		29	\$697	\$0	\$340	\$11,645	30% AMI
0	19	19		19	\$1162	\$0	\$697	\$18,714	50% AMI
2	0	0	1	1	\$0	\$0	\$0	\$0	Mgr. Unit
Totals	48	48	1	49	-	-	-	\$30,359	-

3. Project Budget and Project Scope of Work

- A. The Project shall follow the budget and scope of work (hereinafter “Project Work”) as described in the Project application, which is on file at the Department, Division of Financial Assistance, 651 Bannon Street, Sacramento, California and which is incorporated herein by reference.

Total Development Cost: \$45,789,366

Total DR-MHP Activity Allocation: \$15,080,607

Total DR-MHP Activity Delivery Allocation: \$40,085

- B. All written materials or alterations submitted as addenda to the original Project Application and which are approved in writing by the Department Contract Coordinator, as appropriate, are hereby incorporated as part of the Project Application. The Department reserves the right to require the Subrecipient to modify any or all parts of the Project Application in order to comply with DR-MHP, federal and/or state regulations or requirements.
- C. Any proposed revision to the Project Work must be submitted in writing for review and approval by the Department and may require an amendment to this NTP. Any approval shall not be presumed unless such approval is made by the Department in writing in its sole and absolute discretion.
- D. Subrecipient shall withhold as retainage 10% of all DR-MHP funded Developer payments. No retainage payments shall be released to the Developer or reimbursed to the Subrecipient until receipt and approval by the Department of all required Approved Project completion documents identified in Exhibit B, Section 6 of the Agreement.

4. Project Schedule

Milestone	Date
Close Construction Loan	March 31, 2026
Begin Construction	March 31, 2026
Complete Construction	November 30, 2027
100% Occupancy	February 28, 2028

5. Project Performance Milestones

- A. Subrecipient shall record in the applicable County Recorder's office the DR-MHP Regulatory Agreement, substantially in the form provided by the Department, against the property before construction begins but not more than 180 days subsequent to the issuance of a Notice to Proceed by the Department. The DR-MHP Regulatory Agreement, and specifically the affordability and rent covenants therein, shall have priority over other liens, encumbrances, and other matters of record except as may be approved by the Department. Exceptions to the position of the DR-MHP Regulatory Agreement must be approved in writing and in advance by the Department.
- B. Subrecipient shall execute a Development Agreement (defined in section 5 below) with the Developer no later than **180 days after the execution of the Master Standard Agreement Amendment #1, which was executed on 03/04/2026.**
- C. Subrecipient shall monitor the Project construction schedule, as provided in the Project Application and attached to this NTP as Exhibit A, to ensure progress is being made as proposed. If any milestone dates identified in the Project construction schedule increase or decrease by more than 30 calendar days, Subrecipient must notify the Department in writing as described subsection F of this section below.
- D. All DR-MHP units must be leased to qualified households within eighteen (18) months of construction completion (as identified by a Certificate of Occupancy from the local permitting agency) or by January 31, 2029, whichever comes first.
- E. Failure to meet Project performance milestones. If any Project performance milestones listed above are not met, the Department reserves the right to withhold further payments to Subrecipient until such time as satisfactory progress is made toward meeting the performance measures. Subrecipient shall submit a written plan specifying: (a) the reason for the delay; (b) the actions to be taken to complete the task and request assistance from the Department, as needed; (c) the date by which the completion of said task will occur and (d) provide a revised Project construction schedule, if applicable to the missed milestone.

6. Development Agreement

Upon execution of this Notice to Proceed, Subrecipient shall enter into a development agreement or loan agreement with the Project Developer (“Development Agreement”). The Development Agreement shall include a Rider to Development Agreement, substantially in the form to be provided by the Department.

The Developer entity specified in Section 1 above, shall not be removed or substituted with a different Developer entity without the prior written consent of both the Department and Subrecipient, and the Development Agreement shall contain a provision to this effect. No Developer may be listed on any state or federal debarment list and must be in good standing with the Department and the State of California.

7. Reporting Requirements

A. Subrecipient must timely submit the reports prescribed below. The Department reserves the right to request additional details and support for any report made. Reports must be made according to the dates identified, in the formats provided by the Department and via the Department’s Grants Network unless otherwise specified at the discretion of the Department. The Subrecipient’s performance under the Agreement will be assessed in part on whether it has submitted the reports on a timely basis.

- 1) Monthly Activity Report: Subrecipient must submit a Monthly Activity Report that addresses the following, at a minimum: (1) a description of the current status of the Collective Work, including number of units leased, and Households assisted; (2) a description of activities to be undertaken in the next reporting period; (3) a description of problems or delays encountered in Collective Work and course of action taken to address them; (4) a description of actions taken to achieve Collective Work expenditure deadlines; and (5) a summary of Collective Work fiscal status, including award amount, funds drawn, and remaining balance. Unless otherwise waived in writing by the Department, Monthly Activity Reports must begin on the 10th calendar day of the second month following execution of this NTP and must continue through the receipt and approval by the Department of the Project Completion Report, detailed below.
- 2) Monthly Program Income Report: Program Income, if identified as a funding source for any approved Project, must be included in the Project budget and must be substantially expended prior to drawing Grant Funds. During the term of the Agreement, if Program Income is generated, the Subrecipient must submit a Monthly Program

Income Report certifying the amount of Program Income generated, retained, and expended. Program Income remaining at the end of each quarter and at the expiration of the Agreement in excess of \$35,000 must be remitted to the Department.

- 3) Semi-Annual Labor Standards Report: During the term of construction for each Approved Project, each April 1st and October 1st, the Subrecipient must submit the Labor Standards Cover Memo, the HUD Form 4710 and the Davis Bacon Labor Standards Report 5.7 (if applicable). These forms are located on the Department website and are also available upon request.
- 4) Project Completion Report: At the completion of construction and once a Project is placed in service, the Subrecipient must submit a Project Completion Report that includes the total number of units built and leased, affordable units built and leased, DR-MHP units built and leased, an accomplishment narrative, and the tenants' names, demographics, and income for each DR-MHP unit.
- 5) Annual Beneficiary Report: Once a Project is placed in service and through the Affordability Period described in Exhibit D, section 4 of the Agreement, the Subrecipient must submit an Annual Beneficiary Report providing the tenants names, demographics, and income for each DR-MHP unit.

8. Special Conditions

No work may start on the Project, nor any sites may be acquired for the Project, until all the Special Conditions listed below are met to the satisfaction of the Department and the Subrecipient receives written permission from the Department that construction may begin.

Until the Subrecipient completes all the Special Conditions listed below to the Department's satisfaction, only Activity Delivery Costs for Subrecipients staff and consultant time to implement the Project are eligible for reimbursement.

- A. Environmental. An environmental review must be performed on the Project prior to federal funds being committed or disbursed by HCD and Subrecipients. The environmental review shall document compliance with 24 CFR Part 58, NEPA, and all related laws, authorities, and executive orders. For DR-MHP, each Subrecipient is the Responsible Entity and must submit complete Environmental Review Records (ERR) to HCD to grant the authority to use funds.

No work may start on a proposed Project, or proposed site acquisition, if applicable, before both the federal and state environmental review processes are completed, even if that work/acquisition is being done using

non-federal funds. Subsequent to submission of an application by a Developer to a Subrecipient for the use of DR-MHP funds, there can be no choice-limiting actions on the part of the Developer/owner until environmental clearance is received in the form of an Authority to Use Grant Funds (AUGF) or environmental clearance letter issued by the Department.

OR Prior to construction closing, Subrecipient must submit to HCD a Categorically Excluded, Not Subject To §58.5 (CENST) to include the additional funding from the 2018 Action Plan Amendment #9.

- B. Environmental. Subrecipient shall include within its Development Agreement with the Developer for the Approved Project a special condition containing the full text of any mitigation measures that were identified in the NEPA Environmental Review document. The special condition shall require the Developer to complete or coordinate completion of each mitigation measure and shall require the Developer to supply documentation evidencing completion to Subrecipient. Subrecipient shall maintain documentation evidencing completion of the mitigation measures in its environmental review record for the project.
- C. Project Financing. All other sources of funding (whether in the form of loans, grants, tax credits, or otherwise) that are needed to complete the Approved Project must remain fully committed, binding, and available to timely complete construction of the Approved Project as contemplated by the terms of the Agreement and this Notice to Proceed. The obligation of the Department to fund any amounts, whether in the form of reimbursements or otherwise, under the Agreement and this NTP is expressly conditioned on the continuing satisfaction of the foregoing financing condition. Any proposed changes to the terms, conditions, and/or amounts of the funding sources and/or the security of the Project financing are subject to review and approval by the Department in its reasonable discretion. Any such changes may require a re-review and reapproval of the Application by the Department, which could result in delays.
- D. Limited Partnership Agreement: Prior to construction closing, Subrecipient must submit a Partnership Agreement listing the ultimate borrower entity and the tax credit equity partnership entity, including any Amended and Restated Limited Partnership Agreement (if applicable).


- E. Affirmative Marketing Plan: Prior to construction closing, Subrecipient must submit a revised Affirmative Marketing Plan (form HUD-935.2A) that includes outreach to individuals and households impacted by the wildfire disasters.

- F. Labor Standards Officer: Prior to construction closing, Subrecipient must submit a signed Labor Standard Officer Form CDBG-DR template.

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By signing below, Subrecipient acknowledges and agrees to all terms and conditions of this Notice to Proceed. All terms and conditions set forth herein are deemed fully incorporated into and made a part of the Agreement.

Authorized Signatory:



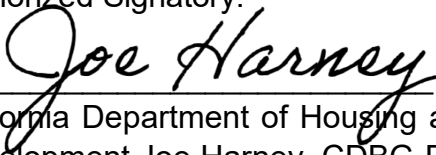
County of Ventura

3/13/2026

Date

Kimberlee Albers, Deputy Executive Officer
Signatory Name and Title

Authorized Signatory:



California Department of Housing and Community
Development Joe Harney, CDBG-DR Multi-Family Housing
Branch Manager

3/13/2026

Date

Signatory Name and Title