

NOTICE TO PROCEED
CLARK ROAD APARTMENTS
TOWN OF PARADISE

Pursuant to the Master Standard Agreement (“Agreement”) entered into on the 16 day of December 2021, by and between the California Department of Housing and Community Development (“Department”) and Town of Paradise (“Subrecipient”), this NOTICE TO PROCEED (“NTP”) is entered into on this 11th day of July 2025. This NTP sets forth specific details concerning the individual project proposed by Subrecipient for the multifamily affordable housing development located at **6480 Clark Road, Paradise, California 95969** consisting of 71 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: Clark Road Apartments

Developer Name: Clark Road Apartments, LP

Project Address: 6480 Clark Road, Paradise, California 95969

Project Description: The project is a new construction development consisting of 71 affordable units plus one two-bedroom manager’s unit spread between six buildings (B through G). Each building will be two stories with 12 apartment units per building, and Building A would be developed as a 2,988-square-foot (sf) community building to include management offices, laundry facilities, and a community room with a kitchenette and a computer library. The proposed project would provide a total of 24 one-bedroom units, 29 two-bedroom units, and 18 three-bedroom units. Each unit, ranging in size from 620 to 1,156 sf, would have a private entrance, and either a front porch or private deck. The proposed project would provide 106 parking spaces, including 14 parking spaces designed in compliance with the Americans with Disability Act. Landscaping, including trees, shrubs, and open space areas, would be provided throughout the project site, surrounding the proposed buildings and parking areas.

Project Approval Date: 01/26/2023

21-DRMHP-21004-NTP7

Approved Date: 01/26/2023

Prep Date: 06/12/2025

2. Unit Mix

# of Bedrooms	Income Limit	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
1	30% AMI	5	5		5	\$528	\$127	\$2,005	\$24,060
1	50% AMI	9	9		9	\$881	\$127	\$6,786	\$81,432
1	60% AMI	10	10		10	\$1,057	\$127	\$9,300	\$111,600
2	30% AMI	5	5		5	\$634	\$165	\$2,345	\$28,140
2	50% AMI	1	1		1	\$1,057	\$165	\$892	\$10,704
2	50% AMI	5	5		5	\$1,057	\$165	\$4,460	\$53,520
2	50% AMI	7	7		7	\$1,057	\$165	\$6,244	\$74,928
2	60% AMI	11	11		11	\$1,269	\$165	\$12,144	\$145,728
3	30% AMI	5	5		5	\$732	\$191	\$2,705	\$32,460
3	50% AMI	2	2		2	\$1,221	\$191	\$2,060	\$24,720
3	50% AMI	2	2		2	\$1,221	\$191	\$2,060	\$24,720
3	50% AMI	3	3		3	\$1,221	\$191	\$3,090	\$37,080
3	60% AMI	6	6		6	\$1,465	\$191	\$7,644	\$91,728
2	Manager Unit			1	1	-	-	-	-
TOTAL		71	71	1	72				\$740,820

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: \$53,862,954.00

Total DR-MHP Allocation: \$27,898,156.00

Total Activity Delivery Allocation: \$200,000.00

- 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	11/01/2025
Begin Construction	11/17/2025
Complete Construction	05/01/2027
100% Occupancy	08/01/2027

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 Master Standard Agreement Amendment execution date.**
- 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.

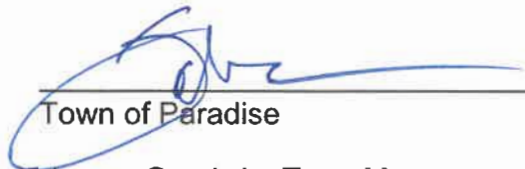
No work may start on a proposed Project, or proposed site acquisition, if applicable, before both the federal and state environmental review processes are completed, even if that work/acquisition is being done using non-federal funds. Subsequent to submission of an application by a Developer to a Subrecipient 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.

- 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. Financial Information: Subrecipient must provide documented proof of all funding commitments, as identified in the Project application, including any tax credits ("Tax Credits") to be issued by the California Tax Credit Allocation Committee ("TCAC"). All funding commitments and the contemplated Tax Credits must be substantially the same as presented in the Project application, the proposed sources and uses of Project funds must be in balance, there must be no remaining funding gap, and the Department's underwriting analysis must remain valid and acceptable to the Department. Subrecipient must provide the final pro forma for the Department's re-review once all other funding is committed.
- E. Land Use Approvals or Entitlements: Subrecipient must provide an updated letter signed by a local building official stating all land use approvals or entitlements necessary for the issuance of a building permit have been completed.
- F. Limited Partnership Entities: The limited partnership entities and managing general partner must register at sam.gov and Subrecipient must provide proof that those entities are not included on any federal or state debarment list.
- G. Relocation Plan: Subrecipient must submit a revised Relocation Plan including the short-term lease for review and approval from the Department's Legal Affairs Division.
- H. Duplication of Benefits: Subrecipient must upload a Construction Budget showing all funding sources by use into the Duplication of Benefits (DOB) form in Grants Network.

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:

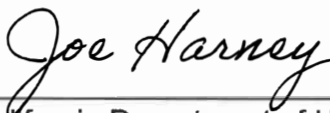


Town of Paradise
James Goodwin, Town Manager

Signatory Name and Title

7/10/2025
Date

Authorized Signatory:



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

7/11/2025
Date