

**STANDARD AGREEMENT - AMENDMENT**

STD 213A (Rev. 4/2020)

☒ CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED 28 PAGESAGREEMENT NUMBER  
23-DRHBA-00001AMENDMENT NUMBER  
2

Purchasing Authority Number

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

Department of Housing and Community Development

CONTRACTOR NAME

Golden State Finance Authority

2. The term of this Agreement is:

START DATE

02/27/2024

THROUGH END DATE

07/01/2031

3. The maximum amount of this Agreement after this Amendment is:

\$56,847,265.54

4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

-Contract amount will be increased from \$55,242,633.00 to \$56,847,265.54 (adding \$1,604,632.54 in this amendment). Contract term will be extended for one year, from 7/1/2030 to 7/1/2031.

-Exhibit A, Authority, Purpose and Scope of Work is hereby deleted in its entirety and replaced with new Exhibit A, Authority, Purpose, and Scope of Work Am 2. (Rev 6/2025) attached hereto and made a part hereof.

-Exhibit B, Budget Details and Payment Provisions is hereby deleted in its entirety and replaced with new Exhibit B, Budget Details and Payment Provisions, Am. 2 (Rev 06/2025) attached hereto and made a part hereof.

All other terms and conditions shall remain the same.

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

**CONTRACTOR**

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

Golden State Finance Authority a California Joint Powers Authority

CONTRACTOR BUSINESS ADDRESS

1215 K Street, Suite 1650

CITY

Sacramento

STATE

CA

ZIP

95814

PRINTED NAME OF PERSON SIGNING

Patrick Blacklock

TITLE

Executive Director

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED


9-26-2025

STD 213A (Rev. 4/2020)

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AGREEMENT NUMBER 23-DRHBA-00001	AMENDMENT NUMBER 2	Purchasing Authority Number
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**STATE OF CALIFORNIA**

CONTRACTING AGENCY NAME Department of Housing and Community Development				
CONTRACTING AGENCY ADDRESS 651 Bannon Street, Suite 700		CITY Sacramento	STATE CA	ZIP 95811
PRINTED NAME OF PERSON SIGNING Edona Evans		TITLE Contract Office Manager, Contract Services Section		
CONTRACTING AGENCY AUTHORIZED SIGNATURE 		DATE SIGNED 10/3/2025		
CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL		EXEMPTION (If Applicable) Exempt per SCM Vol. 1, 4.04.A.3 (DGS memo dated 6/12/1981)		

## EXHIBIT A

### **AUTHORITY, PURPOSE, AND SCOPE OF WORK**

#### **1. Authority & Purpose**

The California Department of Housing and Community Development (hereinafter “Department” or “HCD”) is the lead and responsible entity for administering the Community Development Block Grant – Disaster Recovery (hereinafter “CDBG-DR”) funds appropriated under the Supplemental Appropriations for Disaster Relief Requirements (Appropriations Act), under United States Public Laws 115-254, 116-20 and 117-43 and allocated to the State of California by the Department of Housing and Urban Development (hereinafter “HUD”). The Department’s HUD-approved Action Plan for:

- 2017 federally declared disasters DR-4344 and DR-4353
- 2018 federally declared disasters DR-4382 and DR-4407
- 2020 federally declared disasters DR-4558 and DR-4569

authorizes the use of CDBG-DR funds to provide down payment and other housing assistance to low – to moderate-income disaster impacted survivors, enabling them to relocate outside of high-fire risk areas or most impacted and distressed (MID) areas.

#### **2. Scope of Agreement**

##### **A. Grant Funds**

Subject to the terms and conditions of this Standard Agreement (hereinafter “Agreement”), the Department has allocated and agrees to provide grant funds in the maximum amount identified in Exhibit B, Section 1 – Budget herein to the subrecipient identified as “Contractor” on page 1, Section 1 of the STD 213 form (hereinafter “Subrecipient”) for all Work (defined below) identified in this Agreement (hereinafter “Subrecipient Award”). All payments made to the Subrecipient will adhere to the provisions described in Exhibit B herein. In no instance shall the Department be liable for any costs in excess of this amount, nor for any unauthorized or ineligible costs or expenses including any contractor costs incurred or paid by Subrecipient prior to the effective date of this Agreement.

##### **B. Implementation of Agreement**

By entering into this Agreement and thereby accepting the Subrecipient Award, the Subrecipient agrees to comply with and implement this Agreement in a manner satisfactory to the Department and the United States Department of Housing and Urban Development (hereinafter “HUD”) and consistent with all applicable laws, regulations, policies and procedures as may be required from

**EXHIBIT A**

time to time as a condition of the Department providing the grant funds, including but not limited to, all applicable CDBG-DR program administration and compliance requirements set forth by this Agreement. The Department's providing of grant funds under this Agreement is specifically conditioned on Subrecipient's compliance with this provision and all terms and conditions of this Agreement, as well as the most recently published Program policies and

## EXHIBIT A

procedures, once completed, and the most recently published version of the Department's CDBG-DR Action Plans for **2017**, 2018 and 2020 disasters and any amendments thereto, related Federal Register notices, (<https://www.hcd.ca.gov/grants-and-funding/disaster-recovery-and-mitigation/action-plans-and-federal-register-notices-frns>) and the requirements of the authorities cited above, as all the same may be amended from time to time.

This Agreement is subject to written modification and termination as necessary by the Department in accordance with requirements contained in any future state or federal legislation and/or state or federal regulations. All modifications must be in written form and approved by both parties.

### 3. **Subrecipient Scope of Work**

- A. The Subrecipient shall provide or cause to be provided, the homebuyer assistance program management activities (hereinafter "Scope of Work" as described in this exhibit on behalf of HCD and the ReCoverCA Homebuyer Assistance (HBA) program to assist program participants in purchasing a property that is affordable for them and meets their housing needs as defined in the HBA program policies and procedures.
- B. Subrecipient shall require that all staff and lenders participating in HBA program ("Participating Lenders") assigned to the Scope of Work to follow all HUD regulations, consumer lending laws and regulations, best practices, and applicable Federal Register Notices governing the Scope of Work and HCD's CDBG-DR grant awards, California CDBG-DR Action Plans, HCD policies, and most recently published HBA PnPs. Subrecipient shall provide guidance and training to its staff as needed for program consistency and compliance.

#### C. **The Subrecipient Scope of Work and deliverables shall include:**

##### 1) **Policies and Procedures (PnPs)**

The program will provide draft Policies and Procedures for the ReCoverCA HBA Program. Once the standard agreement is executed, the subrecipient will be fully responsible for finalizing and managing the policies and procedures document which will include tracking updates to program policies, procedures, forms, agreements, and checklists.

##### 2) **Standard Operating Procedures (SOP)**

Subrecipient shall establish, for the Scope of Work, SOPs that support the implementation of HBA PnPs. Subrecipient shall be responsible for providing

## **EXHIBIT A**

policy and process recommendations for all items in the Scope of Work but shall follow any guidance and policy given by HCD.

### **3) Loan Documents**

Subrecipient shall be responsible for drafting and finalizing program documents in compliance with consumer lending requirements as applicable. Program documents shall include but not limited to:

- a) Golden State Finance Authority (GSFA) Lender Agreement
- b) Program Term Sheet(s)
- c) Data Sharing Agreement(s)
- d) Program Application
- e) Denial Letter
- f) Tax Return Affidavit
- g) Certification of No Income
- h) Homebuyer Income Affidavit
- i) Primary Residence Affidavit
- j) Homebuyer Assistance Authorization and Agreement
- k) Partial Exemption Disclosure
- l) Reservation Letter/Confirmation
- m) Funding Commitment Notice and Gift Letter
- n) Lender Closing Affidavit
- o) Borrower's Closing Affidavit
- p) Duplication of Benefit Affidavit
- q) Second Mortgage Recapture Acknowledgment
- r) Escrow Instructions
- s) Forgivable Second Mortgage Note
- t) Second Mortgage Deed of Trust
- u) Declaration of Restrictive Covenant
- v) Applicant Appeals Document

### **4) Communication, Outreach, and Marketing Plan**

Subrecipient shall be responsible for drafting and finalizing an Outreach Plan approved by the Department that details each outreach activity including social media, radio, and newspaper advertising, media buys and in person events.

- a) Subrecipient shall launch a public education and outreach campaign as set forth in the outreach plan. Implementation of the approved outreach plan will begin within twelve (12) weeks of the Effective Date of this Agreement and continue actively for at least

## EXHIBIT A

six (6) months, for the purposes of encouraging program participation. This will require Subrecipient to secure space and equipment necessary to stand up and operate temporary and/or “pop up” assistance events across multiple days or weeks in the disaster impacted areas. The Subrecipient must plan on at least one assistance event in each of the Impacted Counties as appropriate.

- b) Subrecipient shall launch call-out and letter campaigns in accordance with the outreach plan to be developed by the Subrecipient pursuant to Section 3 C.4). Subrecipient shall create all forms and marketing materials within eight (8) weeks of the Effective Date of this Agreement. **For the 2017 program subrecipient shall create all direct mail campaign materials within two (2) weeks of the effective date of this Agreement Amendment 1.**
- i. Client forms, marketing, and outreach:  
Subrecipient shall create printed and digital marketing materials that will assist disaster survivors in understanding the Program and will encourage participation in the Program. All outreach and marketing materials must be approved by HCD Program leadership and HCD Communications Division prior to use. Standard review time is two (2) weeks. All materials must comply with Section 3 C.4).c). requirements herein.
- ii. Lender forms, marketing, and outreach:  
Subrecipient shall create printed and digital marketing materials that will assist lenders in understanding program requirements and the benefits of participating as an HBA approved lender. All outreach and marketing materials must be approved by HCD Communications Division prior to use. Standard review time is two (2) weeks. All materials must comply with Section 3 C.4).c). requirements herein.
- iii. Real estate agents and brokers forms, marketing, and outreach:  
Subrecipient shall create printed and digital marketing materials that will assist real estate agents and brokers in understanding Program property requirements and how they can assist their clients to identify, enter into contract, and close on a Program-approved property. All outreach and marketing materials must be approved by HCD Communications Division prior to use. Standard review time is two (2) weeks. All materials must comply with Section 3 C.4).c). requirements herein.

**EXHIBIT A**

- c) Marketing and Program Materials for Website Posting Subrecipient shall provide all HCD-approved marketing materials digital format. All final outreach materials shall be compliant with Section 508 ADA accessibility Including client forms marketing and outreach Lender forms.

- d) Correspondence and Media Relations

Subrecipient shall support and/or represent HCD in all media interactions. All media requests shall be immediately communicated to HCD for review and guidance. All media responses must be approved by HCD prior to use. As needed, Subrecipient shall make its management available for media interviews, meetings with federal officials, and other necessary external meetings, each instance of which must be requested by and/or approved by HCD.

- e) Other Languages Support

Subrecipient shall create Applicant-facing documents and digital materials such as marketing flyers and brochure templates supplied to lenders and real estate professional for distribution to disaster survivors in both English and Spanish. All documents must comply with Section 3 C.4).c). requirements herein.

**5) Initial Eligibility and Intake**

Subrecipient's staff, and its's contractors must comply with handling Personally Identifiable Information (PII) in accordance with the requirements of their order to assist with the completion of and/or review of program applications. Subrecipient and its contractors will be required to execute Data Sharing Agreement in the form provided by HCD. In most cases, Program anticipates that intake may be completed using the Subrecipient System of Record, however, the Subrecipient is expected to continually provide necessary staffing and equipment, that allow or causes to allow Participating Lenders for completion of client intake using physical (paper) applications via mail, fax, or in-person interaction using leased office space or public space, if the Program participant chooses to use a paper application.

- a) At the application phase, Subrecipient shall identify eligible applicants and filter those persons not directly impacted by the 2017, 2018 and 2020 disaster in the Eligible Counties per the most recently published HBA PnPs and in accordance with the



## **EXHIBIT A**

Program approved eligibility Standard Operating Procedures (SOP) as required by Section 3 C.2). Application eligibility questions must include, at a minimum:

- Applicant's primary residence at the time of the disaster was/is located in an Eligible County; and
- Applicant is Low- to Moderate Income (LMI), which is defined as household income at or below 80% of HUD area median income (AMI), adjusted for family size. The county used for income eligibility is the county where the proposed property will be located.

### **6) Application Processing**

#### **a) Homebuyer Counseling and Education Certification**

Subrecipient shall ensure at least one person per application completes an 8-hour Homebuyer Education counseling course from the list of HUD-approved counseling agencies which will be provided by Golden State Finance Authority (GSFA), and a completion certification is required prior to execution of their HBA loan documents.

Homebuyer Education curriculum shall at a minimum include the following topics:

- i. Decision to Purchase: Budgeting, credit, assessing homeownership readiness, mortgage application process and shopping for a home.
- ii. Issues arising during or affecting the period of ownership of the home and other financial decisions, refinancing, default and foreclosure.
- iii. Sale or other disposition of a home.
- iv. A certificate of successful completion of Homebuyer Education shall be issued to each prospective Homeowner and a copy retained in the subrecipients System of Record. All Homebuyer Education certificates will expire the earlier of one (1) year from issuance or the expiration date on the certificate.

#### **b) Affordability and Eligibility Underwriting**

## EXHIBIT A

Subrecipient shall complete or cause to be completed for each Applicant the affordability underwriting process and provide an affordability determination per the most recently published HBA PnPs and in accordance with the Program-approved affordability underwriting SOP as required by Section 3 C.2). Ineligible Applicants must be notified within 30 days of their application date, provide reasons for the determination, and information about the appeal process. The Subrecipient shall maintain all information and documentation used in completing this process and reaching the affordability determination in the subrecipient's System of Record such that all documentation is available to HCD to review, monitor and audit.

### c) **Duplication of Benefits Review**

In accordance with the Stafford Act, Disaster Recovery Reform Act of 2018 (PL 115 – 254, Division D) ("DRRA"), applicable Federal Register Notices (FRNs), and the most recent published HBA PnPs, and in accordance with the Program approved DOB review SOP as required by Section 3 C.2). The Subrecipient shall perform, for each applicant, the first level of review for all potential duplication of benefits (DOB) during preliminary eligibility determinations. As part of this review, the Subrecipient evaluates all benefits reported by the Applicant during the application for accuracy, coordinates with third-party data sources to identify potential DOB that was not reported by the Applicant.

An Applicant's total DOB amount received will impact the assistance available to them. The total DOB amount is deducted from the total award determination for the homebuyer assistance program, as calculated by the Subrecipient.

The Subrecipient shall maintain all information and documentation used in completing this process in Subrecipient's System of Record such that all documentation is available to HCD to review, monitor, and audit.

### d) **Award Determination and Program Approval**

Subrecipient shall complete or cause to be completed, for each Applicant, a detailed calculation of the HBA program award per the most recently published HBA PnPs and in accordance with the Program-approved grant award calculation SOPs as required by section 3 C.2). The Subrecipient shall maintain all information and documentation used in completing this process in the

## EXHIBIT A

Subrecipient's System of Record such that all documentation is available to HCD to review, monitor, and audit.

e) **Commitment Letter**

After completing eligibility, affordability, homebuyer education counseling certification and review of DOB, Subrecipient shall issue or cause to be issued, to the Applicant, Commitment Letter that includes detailed guidance and instructions on how property characteristics must meet program requirements as well as provide a copy of the most recent HBA Property Minimum Standards.

Commitment letter shall be completed per most recently published HBA PnPs and in accordance with the Program approved grant award calculation SOPs as required by section 3 C.2). The Subrecipient shall maintain all information and documentation used in completing this process in the Subrecipient's System of Record such that all documentation is available to HCD to review, monitor, and audit.

f) **Property Eligibility Verification (Inspection and Valuation)**

Subrecipient shall review an appraisal report provided by the Applicant's first lender and verify the property condition is in compliance with minimum property standards as stated in the HBA PnPs with no health and safety concerns. If the property does not meet minimum property standards the property is ineligible for HBA funds. However, seller/buyer may remedy the deficiencies at their sole expense prior to close of escrow with evidence of repairs and additional inspections to verify property meets minimum standards that the property is eligible for HBA funds.

g) **Hazard Insurance**

Each borrower will be required to maintain hazard insurance, including fire and extended coverage, that provides for claims to be settled on a replacement cost basis. Subrecipient shall review the borrower's hazard insurance policy to ensure it complies with the HBA PnPs prior to loan closing. All policies shall contain a loss payable endorsement first to the Lender and second to HCD as mortgagee interest in an amount equal to the replacement value of the structure improvements established by the property insurer as selected by the borrower, with coverage endorsements for code upgrades. The Subrecipient shall obtain, review, and maintain in the borrower's file a copy of the Certificate of Insurance showing

## EXHIBIT A

HCD as an additional insured and shall also provide a copy of such Certificate of Insurance to HCD upon request. The selected hazard insurer must be licensed to do business in the State of California and have a current rating in Best's Insurance Guide of BV1 or better. The first lender's guidelines should be followed in respect to the minimum deductible allowable.

Condominium or Planned Unit Developments ("PUD") insurance shall be in the form of a "master" or "blanket" policy for the entire project.

Hazard insurance premiums are to be paid through an impound account maintained by the first loan servicer on behalf of the borrower.

### h) **Appeals**

The Subrecipient shall, for each Applicant, make available an appeal process that includes appeal intake, review, and response by the Subrecipient within 15 days of receipt, and an escalation path for review by HCD's ReCoverCA Appeals Review Panel. The Subrecipient shall also provide information on how Applicants can appeal Program decisions to HUD as per the most recently published HBA PnPs and in accordance with the Program approved appeals process SOP as required by Section 3 C.2).

- i) Subrecipient shall provide monthly appeals logs to HCD that includes a trend analysis and maintain all communication, information, and documentation of appeals received, resolved, and/or escalated in the subrecipient's System of Record such that all documentation is available to HCD to review, monitor, and audit.

### 7) **Supporting Other Partners**

#### a) **Role in the First Mortgage Lender Approval Process**

The Subrecipient and /or its Participating Lenders shall assist the Applicant in preparing for, completing, and submitting their mortgage loan application to obtain a pre-approval letter. This includes collaborating with the Applicant and third parties such as real estate agents, title companies, insurance companies to prepare for the application submittal, providing a checklist of required documents, document collection, and document digitization or scanning.

## EXHIBIT A

Once a conditional approval is received, Subrecipient and/or its Participating Lenders shall assist the applicant with understanding and responding to underwriting conditions, as required, to receive a final approval.

The Subrecipient and its Participating Lenders shall interact with mortgage brokers and real estate agents professionally, ethically, and in compliance with applicable Federal and State statutes, regulations, consumer lending practice and any other such guidance as may be issued by a federal, state, or local governmental agency with jurisdiction.

### b) **Role in the Property Search and Contract Process**

The Subrecipient shall, at a minimum, make the Program-approved HBA Minimum Property Standards (MPS) available to real estate agents and brokers to guide real estate professionals on how to assist their clients in identifying, contracting, and closing on a property that meets Program's requirements. In no event shall the Subrecipient or any of its designated staff provide any legal, tax, financial, or investment advice to any party in connection with any services it is providing under this Agreement.

The Subrecipient shall coordinate, cooperate, and make available designated staff to respond to inquiries from real estate professionals working with applicants on Program property eligibility specifics. In no event shall the Subrecipient or any of its designated staff provide any legal, tax, financial, or investment advice to any party in connection with any services it is providing under this Agreement.

The Subrecipient shall ensure that all its interactions with real estate agents and real estate brokers are conducted professionally, ethically, and in compliance with applicable Federal and State statutes, regulations, and any other such guidance as may be issued by a federal, state, or local governmental agency with jurisdiction.

### c) **Role in the Environmental Review and Clearance Process**

The Subrecipient shall, for each identified Applicant property, prepare a site-specific review at the Categorically Exempt Not Subject To (CENST) review level for final approval and signature by HCD's certifying officer.

**EXHIBIT A**

**8) Closing Process**

- a) Subrecipient shall complete, for each awarded Applicant, a review of the preliminary title report and provide the title company with comment for any disallowed exceptions to title coverage per most recently published HBA PnPs. The title company and/or the escrow holder must be licensed to provide escrow services in California. Subrecipient and its contractors shall not provide tax, legal or financial advice to any applicant. Any material provided is for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal or financial advice. Applicants should consult their own tax, legal and financial advisors before engaging in this transaction.
- b) Subrecipient shall engage legal counsel to prepare the templates that will be used for the Deed of Trust, Promissory Note and restrictive covenant for the HBA second mortgage. All such documents shall be subject to the review and approval by HCD. Subrecipient shall be the lender/beneficiary on the loan documents and provide copies of the fully completed Note and Deed of Trust and restrictive covenant to the closing agent for Applicant signatures per the most recently published HBA PnPs.
- c) Subrecipient shall prepare and provide the escrow or closing agent, for each awarded Applicant, escrow instructions to ensure closing is completed per the most recently published HBA PnPs.
- d) Subrecipient shall, for each awarded Applicant, complete a full review of the final Loan Estimate (LE) to ensure the structure of the transaction meets all Program requirements prior to closing. Only after the review is concluded, and the LE is deemed acceptable, can closing take place. The LE review process shall be completed in accordance with the most recently published HBA PnPs and in accordance with the Program-approved LE review process.
- e) Subrecipient shall deposit into the property purchase escrow account (which must be held by a California duly licensed third-party escrow holder) the amount of the HBA Program subsidy necessary to complete the buyer side obligation to complete the transaction per the executed purchase contract. Subrecipient shall, after successful closing on a property that meets a National Objective and program requirements for an eligible Applicant,

## EXHIBIT A

request from HCD reimbursement for the total amount provided to the escrow account for the benefit of the Applicant per their executed purchase contract and the final closing disclosure. Subrecipient shall account for all funds requested and received from HCD that are disbursed to a purchase escrow account for the benefit of the Applicant and maintain records in the subrecipient's System of Record. Subrecipient shall not charge any fee for the program or services provided to the applicant, record and document all payments through Electronic Funds Transfer (EFT) confirmations or cleared checks and shall maintain all information and documentation in the subrecipient's System of Record such that all documentation is available to HCD to review, monitor, and audit.

- f) The Subrecipient shall record or cause to be recorded against the Applicant's property a Deed of Trust securing the Promissory Note and restrictive covenant for the full amount of the HBA forgivable loan amount. The HBA Deed of Trust, securing the Note and the restrictive covenant must be recorded in the second position subordinate only to the lien of the first lender's deed of trust and must be recorded with the county recorder's office with subrecipient being the lender/beneficiary. The original Promissory Note recorded Deed of Trust and Restrictive Covenant must be delivered to the Department at 651 Bannon Street, c/o DR-HBA Program, Sacramento, CA 95811 within thirty (30) days of closing. Subrecipient must also upload copies of all original/recorded documents to the subrecipient's System of Record within 30 days of closing.

### 6) **Post-Closing**

#### a) **Client Monitoring**

Subrecipient shall, upon closing an Applicant's purchase, establish a monitoring checklist for each Applicant and track compliance by way of conducting an annual review to be completed within 30 days from the annual closing anniversary. Monitoring checklist shall be completed by trained Subrecipient staff and shall provide documentation and certification that Applicant continues to meet requirements of ownership and occupancy per the Program monitoring period and in compliance with approved PnP and SOPs as required by Section 3 C.2). During the annual review, Subrecipient shall also track and maintain documentation to show the forgivable and remaining portions of the HBA loan total subsidy on each anniversary date. If the Applicant is not in default, the

## EXHIBIT A

outstanding principal balance of the Note will be reduced each year on the anniversary date of the Note by an amount equal to twenty percent (20%) of the original Principal amount.

Subrecipient shall provide HCD with monthly client monitoring logs commencing one month after the one-year anniversary of the first closing. Monthly monitoring logs shall include complete details of the Applicant, property, and compliance certification, or the lack thereof, with the HBA Program's monitoring requirements.

Subrecipient shall continue to monitor all closings for a period of five (5) years, and provided the borrower is not in default, the last (fifth) annual review will result in 100% of the HBA subsidy being forgiven. Upon successful completion of the last monitoring review, the Subrecipient shall prepare release the record full reconveyance of the Deed of Trust with the applicable county recorder's office. Subrecipient shall inform the borrower in writing of the lien release.

b) **Default and Recapture**

Subrecipient shall administer the collection, processing and tracking of all, default transactions as listed in the most recently published HBA PnPs.

c) **Information Dissemination and Correspondence**

In accordance with 24 CFR 8.6, Subrecipients shall indicate on correspondence materials disseminated to clients and prospective clients how to access information through alternative means if they have an impairment, disability, or language barrier, etc. For example, written communications may include instructions on how to contact the Subrecipient via TTY, Relay services or access translation or interpreter services. Additionally, written communication should ask clients and prospective clients whether they need assistance for mobility impairments, visual or hearing impairments or other disabilities.

d) **Termination of Service**

Subrecipient must document in the client's file when Homebuyer Assistance Program Management services are terminated. Subrecipient must notate the client's file with the date and cause/explanation of termination and cease billing to HCD upon termination. Client files must not remain open indefinitely. All



## EXHIBIT A

terminations of services must follow the requirements as set forth in the most recently published version of the HBA PnPs.

e) **Limited English Proficiency (LEP)**

The Subrecipient must make reasonable efforts to provide language assistance to persons who are LEP. See guidance in “Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons” published in the Federal Register on January 22, 2007, or an updated version, to determine the extent of the assistance the Subrecipient should make reasonable efforts to provide language assistance to ensure meaningful access for LEP persons to the HBA program.

f) **Civil Rights**

The Subrecipient must at all times conduct their Homebuyer Assistance Program Management activities in accordance with all applicable State and Federal laws, regulations, and guidance, including without limitation the following nondiscrimination regulatory and legislative requirements:

- 1) Title VI of the Civil Rights Act of 1964,
- 2) Title VIII of the Civil Rights Act of 1968,
- 3) Executive Order 11063,
- 4) Section 504 of the Rehabilitation Act of 1973,
- 5) The Age Discrimination Act of 1975,
- 6) Americans with Disabilities Act,
- 7) Title IX of the Education Amendments of 1972,
- 8) The Fair Employment and Housing Act (federal),
- 9) The Unruh Civil Rights Act of 1959,
- 10) California Fair Employment and Housing Act: The California requirements expand upon the federal requirements and are designed to prevent discrimination in the delivery of benefits and services because of race, color, religion, sex/gender, gender identity, gender expression, sexual orientation,

## EXHIBIT A

marital status, medical condition, military or veteran status, national origin, ancestry, disability (mental and physical), genetic information, or age (over 40).

g) **Affirmatively Furthering Fair Housing**

In accordance with Section 808(e)(5) of the Fair Housing Act, the Subrecipient must affirmatively further fair housing for classes protected under the Fair Housing Act (Protected classes include race, color, national origin, religion, sex, disability, and familial status.) the Subrecipient is expected to help remedy discrimination in housing and promote fair housing rights and fair housing choice. In accordance with Program policies and procedures, Subrecipient must prepare and submit for Department approval an Affirmative Fair Housing Marketing Plan per County, form HUD-935.2B or similar, that includes the groups least likely to apply, media used to market the Program, and community contacts and schedule and method of contact, at minimum.

h) Subrecipient shall perform the Homebuyer Assistance Program Management activities described herein. The Department reserves the right from time to time to require the Subrecipient to modify any or all parts of the HBA Application process in order to comply with CDBG-DR and HBA program requirements. The Department reserves the right to monitor all Scope of Work to be performed by the Subrecipient, its Participating Lenders in relation to this Agreement. Any proposed revision to the Scope of Work must be submitted in writing for review and approval by the Department and will require a written amendment to this Agreement. Approval shall not be presumed unless such approval is made by the Department in writing.

i) For the purposes of performing the Scope of Work, the Department agrees to provide the amount(s) identified in Exhibit B, Budget. The Department shall not be liable for any costs in excess of the total approved budget. The Department shall not, under any conditions, be liable for any unauthorized or ineligible costs or costs not deemed reasonable and necessary by the Program (see Definitions in Exhibit D).

j) Homebuyer Assistance Program Management Scope of Work carried out pursuant to this contract shall meet one of the two CDBG-DR National Objectives:

1) Benefit to Low/Moderate Income Persons; or

## EXHIBIT A

### 2) Urgent Need.

- D. Subrecipient shall collect data and submit reports to the Department in accordance with the reporting requirements detailed in Exhibit D.
- E. If the Subrecipient uses contractors to carry out the Scope of Work, the Subrecipient shall monitor all Homebuyer Assistance Program Management activities in accordance with the requirements of 2 CFR 200.300-200.346.

## 4. **Effective Date and Commencement of Scope of Work**

- A. This Agreement is effective upon approval by the Department representative's signature on page one of the fully executed Standard Agreement, STD 213 (the "Effective Date").
- B. Subrecipient agrees that no Scope of Work toward the implementation of the Program or program activity, as identified herein, shall incur, or pay any cost prior to the effective date of this Agreement by the Department or without prior written authorization from the Department.

## 5. **Term of Agreement, Expenditure Deadlines, and Performance Milestones**

- A. Term of Agreement: With the exception of the activity closeout procedures set forth in Exhibit B, Section 6, the Subrecipient shall complete the Approved Scope of Work described herein on or before the Agreement expiration date identified on the STD 213 of this Agreement and identified below.
  - 1) All applications/reservations must be submitted by: August 1, 2025
  - 2) All loans must be closed by: March 31, 2026
  - 3) All Activity Funds must be expended by: June 30, 2026
  - 4) All Activity Delivery Funds must be expended by: July 1, 2031
  - 5) This Agreement will expire on July 1, 2031.
- B. Performance Milestones: Subrecipient shall adhere to the performance milestones below. Time is of the essence with respect to all such milestones.
  - 1) Administrative Performance Milestones:
    - a) **Implementation Timeline:** Subrecipient shall provide an implementation timeline, which includes deliverables, milestones,

**EXHIBIT A**

and closeout ("Implementation Timeline") to HCD for approval within four (4) weeks of the Effective Date of this Agreement.

- b) **Outreach Plan:** Subrecipient shall work with HCD to develop and finalize an Outreach Plan that details each outreach activity including social media, radio, and newspaper advertising, media buys and in person events, and timeline in order to effectively market the program to the public. Delivery of the final document to HCD shall be within six (6) weeks of the Effective Date of this Agreement. For the 2017 program the updated outreach plan shall be delivered to HCD within two (2) weeks of effective date of this Agreement Amendment 1
- c) **Policies and Procedures:** Subrecipient shall work with HCD Program leadership to develop and finalize the HBA Policies and Procedures (HBA PnPs) document. Delivery of the final document to HCD leadership shall be within eight (8) weeks of the Effective Date of this Agreement.
- d) **Standard Operating Procedures:** Subrecipient shall establish SOPs for the Scope of Work to enact the HBA PnPs; Subrecipient shall be responsible for providing policy and process recommendations for all items in the Scope of Work but shall follow any guidance and policy given by HCD. Delivery of the final SOPs to HCD leadership shall be within ten (10) weeks of the Effective Date of this Agreement.
- e) **HBA Loan Documents:** Subrecipient shall provide a draft Deed of Trust, Promissory Note, and Covenant Restriction for the HBA Program to HCD as detailed in Section 3 herein, with twelve (12) weeks of the Effective Date of this Agreement.
- f) **Education and Outreach Campaign:** Subrecipient shall launch an education and public outreach campaign as described in Section 3 C (1) herein within twelve (12) weeks of the Effective Date of this Agreement for the purpose of encouraging Program participation. For the 2017 program subrecipient shall complete at least seven (7) in person outreach to applicants in each of the MID counties for 2017 disaster prior to launch of the program. The other outreach effort to lenders and realtors to continue per the updated approved outreach plan for the next 6 months of effective date of this Agreement Amendment 1 or earlier if allocated funds get fully subscribed.

**EXHIBIT A**

- 2) Production Performance Milestones:
  - a) Within thirty (30) business days of application submission, issue to borrower: a Commitment Letter, which is subject to any additional documents including completion of homebuyer education and other required documents to complete processing the borrower's application.
  - b) Beginning one-hundred fifty (150) business days from Program launch, Subrecipient must complete a minimum of one (1) loan closing within the first 150 days of program launch and a minimum of two (2) loan closings per month thereafter.
- C. Failure to meet performance milestones:
  - 1) If any performance milestones listed above are not met, in addition to any other rights and remedies it has hereunder, the Department reserves the right to withhold further payments to Subrecipient until such time as satisfactory progress is made toward meeting the performance milestones. Subrecipient shall diligently work with CDBG-DR staff to submit: (a) a written mitigation plan specifying the reason for the delay or missed milestone; (b) the actions to be taken to complete the task that is the subject of the missed milestone; and (c) the date by which the completion of said tasks will occur.
  - 2) The Department, in its sole and absolute discretion, reserves the right to terminate this Agreement and reallocate unspent grant funds within the CDBG-DR program if the Department determines the Subrecipient is unable or unwilling to promptly address the missed performance milestone(s) in a manner acceptable to the Department. The Department reserves all rights and remedies available to it in case of a default by Subrecipient on its responsibilities and obligations under the terms of this Agreement. All remedies available to the Department are cumulative and not exclusive.
  - 3) The Subrecipient and its Contractors, as applicable, shall adhere to all Program performance and milestones as established above.

**6. CDBG-DR Program Contract Management**

A. Department Contract Manager:

The Department Contract Manager for this Agreement is the CDBG-DR HBA Program Specialist (HCDSII). Written communication regarding this Agreement shall be directed to the Department Contract Manager(s) via email or at the following address:

**EXHIBIT A**

*CA Department of Housing and Community Development  
Division of Financial Assistance – Disaster Recovery Branch  
P.O. Box 952054  
Sacramento, CA 94252-2054*

**B. Contract Management:**

Day-to-day administration of this Agreement shall take place in Grants Network, including but not limited to:

- 1) Financial Reports (Funds Requests)
- 2) Activity Reports
- 3) Other Reports, as required
- 4) Submittal of any and all requested supporting documentation
- 5) Standard Agreement issuance and amendments

**C. Subrecipient Contract Administrator:**

The Subrecipient Contract Administrator (must be a Subrecipient employee) is identified in Exhibit F, Subrecipient File. Unless otherwise directed by the Department, any notice, report, or other communication required by this Agreement shall be directed via Grants Network or written to the Subrecipient's Contract Administrator.

**EXHIBIT B**

**BUDGET DETAILS AND PAYMENT PROVISIONS**

1. **Budget**

The total budget cannot exceed \$56,847,265.54.00 broken out by Program year as follows:

**2018 CDBG-DR Homebuyer Assistance Program**

Activity	Grant Funds
Total Activity Budget	\$36,688,200.54
Total Activity Delivery Budget	\$3,002,076.00
<b>TOTAL</b>	<b>\$39,690,276.54</b>

**2020 CDBG-DR Homebuyer Assistance Program**

Activity Delivery Cost	Grant Funds
Total Activity Budget	\$7,334,065.00
Total Activity Delivery Budget	\$822,924
<b>TOTAL</b>	<b>\$8,156,989.00</b>

**2017 CDBG-DR Homebuyer Assistance Program**

Activity	Grant Funds
Total Activity Budget	\$8,230,200.00
Total Activity Delivery Budget	\$769,800.00
<b>TOTAL</b>	<b>\$9,000,000.00</b>

**EXHIBIT B**

The Activity Delivery costs must not exceed the hourly rate or rate per file and the total budgets for each task provided below.

All cost must be itemized and identified on invoicing template and will be agreed upon by HCD and GSFA. Quantities will vary depending on program conditions and available funds including but not limited to:

Task	Rate per File	Total
File Origination, Processing, Underwriting and Closing Fee	\$5090 per loan plus 4% per annum simple interest for three months on the award amount.	\$1,894,200.00
Program Reporting	\$600 per closed loan	\$168,000



**EXHIBIT B**

Reservation Portal - Software Development - Hosting Fee	\$5000 per month for 60 months	\$315,000
Program Legal Review	Finalized Loan Documents templates, drafted and reviewed by subrecipients Legal Counsel as per exhibit A section 3 C.3).	\$104,000
Monitoring Fee	\$700 per file per annum	\$980,000
Program Marketing	Development of marketing content, external communication and county specific marketing as described in exhibit A section 3 C.4).	\$962,400
Disposition Fee	- Foreclosure Processing - Hardship and Recapture - Loan payoff/Lien release - Subordination Processing	\$171,200
<b>TOTAL</b>		<b>\$4,594,800</b>

**2. Availability of Funds**

The Department's provision of funding to Subrecipient pursuant to this Agreement is contingent on the availability of CDBG-DR funds, and subject to the requirements to spend 80% of CDBG-DR grant funds to benefit the Most Impacted and Distressed (MID) area, 70% of grant-wide funds for Low and Moderate-Income (LMI) benefit and continued federal and state authorization for CDBG-DR activities. Furthermore, Department funding is subject to amendment or

## EXHIBIT B

termination due to lack of funds or authorization. The Department shall be relieved of any obligation for making payments to the Subrecipient if funds

- A. allocated to the State by HUD cease to be available for any reason or there is any limitation on, or withdrawal of, the Department's authority to administer the CDBG-DR program or any portion thereof. This Agreement is contingent upon HUD's approval of a substantial Action Plan amendment.

### 3. **Expenditure of Funds**

- A. Activity Costs

No Activity costs may be incurred, or funds reimbursed, until and unless the

Department has documented compliance with the National Environmental Protection Act (NEPA) requirements established in 24 CFR 50, 24 CFR 58, and 42 USC 4321, et seq., the California Environmental Quality Act (CEQA), Public Resources Code, section 21000 et seq., and related CEQA guidelines located in the California Code of Regulations, Title 14, Division 6, Chapter 3, Sections 15000 – 15387 as referenced in Exhibit D, section 11.

Activity Delivery Costs may be incurred prior to documented NEPA and CEQA. Compliance. Activity delivery cost may not be incurred prior to this Agreement Effective Date. See Section 4 below for reimbursement requirements of Activity Delivery costs.

If the Subrecipient does not have any client contact within a 90-day period, the Subrecipient must not bill or count the nonresponsive client as an active file against any future billing periods.

- B. No Supplantation of Funds

The Subrecipient agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

- C. Withholding Funds

In addition to any of its other rights or remedies herein, the Department reserves the right to withhold payments pending timely delivery of Program reports or documents, curing any missed milestones, and in

## EXHIBIT B

the event of any defaults by the Subrecipient under this Agreement, as noted in Exhibit D, Section 3.

D. Disencumbering Funds

Subrecipient agrees that funds determined by the Department to be surplus upon completion of the Activity, or that have not been spent prior to the Expenditure Deadline, will be subject to disencumbrance by the Department.

E. Indirect Costs

The Department will only consider reimbursement of indirect cost expenditures from Subrecipients that have an approved Indirect Cost Rate Proposal from the Department, HUD, or other cognizant federal agency. If Subrecipient does not have an approved Indirect Cost Rate Proposal, Subrecipient shall develop a proposal for determining the appropriate CDBG-DR share of indirect costs and shall submit it to the Department for approval prior to submission of Financial Reports for reimbursement of indirect cost expenditures.

F. Compliance with the OMB Uniform Guidance Audit Requirements

Grant funds will not be disbursed to any Subrecipients identified by the State Controller's Office (SCO) as noncompliant with the Federal Single Audit Act, as applicable, and described in the OMB Uniform Guidance and 2 CFR Part 200 Subpart F. No funds may be disbursed until compliance with the OMB Uniform Guidance is demonstrated to the satisfaction of the Department.

G. Grant Administration

The Subrecipient agrees to administer this Agreement in accordance with the provisions of the State's CDBG-DR Grant Administration Manual as well as all applicable laws, regulations, guidelines, Federal Register Notices, and Program published Policies and Procedures (PnPs).

4. **Method of Payment**

Payments will be made directly to Subrecipient only as reimbursements based on the documented and satisfactory completion of Subrecipient Scope of Work detailed in Section 3 of Exhibit A and performance milestones detailed in Section 5.B Exhibit A and confirmation of Subrecipient's compliance with the terms of this Agreement. No advances of funds will be made to the

## EXHIBIT B

Subrecipient under any circumstance, as this is a reimbursement-only program.

Financial Reports to request reimbursement shall be submitted electronically through Grants Network. The Department will not authorize any payments or reimbursements unless it has determined the activities indicated in the Financial Report have been performed in compliance with the terms of this Agreement, any other agreements executed by the parties in connection herewith, and all applicable federal and state laws, regulations, guidelines, Federal Register Notices, and Program PnPs. Financial Reports shall be submitted by the Subrecipient to the Department no later than the 14th calendar day of each month.

### A. Reimbursements for Costs Incurred

- 1) The Subrecipient may be reimbursed by the Department for Eligible Expenses as defined herein, applied to the Work as described in Exhibit A.  
A. Eligible Expenses, which are defined in Section 1 of Exhibit D of this Agreement, include but are not limited to, costs associated with Subrecipient program implementation, including staff time.
- 2) Activity Delivery Costs incurred shall be reimbursed only after such costs are expended for Work satisfactorily completed, provided the Department determines, that the Subrecipient is performing in accordance with the standards set forth in Section 3, Exhibit A.
- 3) To receive reimbursement for Subrecipient activities approved in Section 3: Subrecipient Scope of Work, of Exhibit A, the Subrecipient shall timely submit all required Department forms via Grants Network. Financial Reports must include the level of documentation specified in the Department's [CDBG-DR Grant Administration Manual](#) and [Management Memo 23-01](#) located on the Department's website, in order to be reviewed and processed.

### B. Final Financial Reports

- 1) The final Financial Report for the Subrecipient Award must be submitted to the Department before the expenditure deadline of this Agreement.

## EXHIBIT B

- 2) If the final Financial Report for costs expended during the term of this Agreement **has not** been received by the Department before the expenditure deadline in Exhibit A, the Department may disencumber any funds remaining in which case grant funds will no longer be available to the Subrecipient.

### C. Recapture of Funds

A Subrecipient may be required to repay all, or a portion of the funds received from the Department, including for Activity Delivery, pursuant to this Agreement if the Subrecipient, among other things, does not fulfill its obligations under this Agreement or fails to meet applicable federal requirements. The reasons for a recapture of funds by the Department include, but are not limited to, the following:

- 1) The Subrecipient does not comply with the terms of this Agreement, or any agreement executed by the Subrecipient and the Department in connection herewith.
- 2) The Subrecipient withdraws from the Program prior to completion of the Activity(ies).
- 3) The Subrecipient fails to meet a National Objective.

The potential recapture of funds pursuant to this provision is in addition to, and not in lieu of, any other rights and remedies of the Department under this Agreement.

## 5. **Budget Revisions and Amendments**

Budget line-item adjustments may be made in accordance with the following:

- A. Budget Revisions: Adjustments to the Budget that do not require an increase or reduction of total budget, a change in National Objective, or a change in the type or a reduction in number of beneficiaries assisted may be completed as a Budget Revision. Budget Revisions shall include but not be limited to:
  - 1) Adjustments that reallocate funds between budget line items
  - 2) Adjustments that increase or decrease the detail included in the submitted lined item budgets, including adding and removing

## EXHIBIT B

budget line items, without increasing or decreasing the scope of work and without changing the overall budget.

- B. Budget Revisions must be approved by the Department prior to implementation. If approved, Budget Revisions shall automatically be deemed a part of, and incorporated into, this Agreement. Budget revisions must be submitted through Grants Network and subsequently approved by the Department prior to implementation. Approval shall be provided through Grants Network.
- C. Agreement Budget Revisions: Adjustments to the budget that result in an increased or a reduced total amount shall require an Agreement amendment. Agreement amendments must be fully executed by both the Subrecipient and the Department prior to implementation.

### 6. **Activity Closeout Procedures**

The Subrecipient must submit the following to the Department at the completion of the HBA Program.

- A. A Final Activity Report (known departmentwide as the Project Completion Report) that includes all required reporting data for the Activity including but not limited to eligible activities, costs, beneficiaries, and National Objective.
- B. Evidence, satisfactory to the Department, of compliance with any other Special Conditions of this Agreement; and,
- C. A resolution from the governing body acknowledging the accomplishments and confirming that the Approved Activity is complete and that all Financial Reports have been processed and reimbursed.

Upon receipt of the above documentation, the Department will close the Activity and finalize the activity in DRGR for final reporting to HUD.

### 7. **Document Retention Policy**

Subrecipient shall retain all books, records, accounts, documentation, and all other materials relevant to this Agreement for a minimum period of five (5) years after the Department notifies the Subrecipient that the grant agreement between HUD and the State of California has been closed.