

SCO ID:

STATE OF CALIFORNIA- DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

AGREEMENT NUMBER

PURCHASING AUTHORITY NUMBER (If Applicable)

STD 213 (Rev. 04/2020)

24-DRMHP-24001

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

Del Rio Ridge, LP., People's Self-Help Housing Corporation

2. The tem1 of this Agreement is:

START DATE

Upon HCD Approval

THROUGH END DATE

05/10/2084

3. The maximum amount of this Agreement is:

\$34,049,563.00

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

Exhibits	Title	Pages
Exhibit A	Authority, Purpose and Scope of Work	13
Exhibit B	Budget Detail and Payment Provisions	2
Exhibit C *	State of California General Terms and Conditions	GTC02/25
+ - Exhibit D	CDBG-DR General Terms and Conditions	39
+ - Exhibit E	Project-Specific Special Terms and Conditions	12

Items shown with an asterisk (), are hereby incorporated by reference and made part of this agreement as if attached hereto.*

These documents can be viewed at <https://www.dgs.ca.gov/OL/S/Resources>

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.)

See Attached

CONTRACTOR BUSINESS ADDRESS

See Attached

CITY

See Attached

STATE

SeeAtt

ZIP

SeeAtt

PRINTED NAME OF PERSON SIGNING

See Attached

TITLE

See Attached

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

See Attached

SCO ID:

STATE OF CALIFORNIA- DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER 24-DRMHP-24001	PURCHASING AUTHORITY NUMBER (If Applicable)
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STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

Department of Housing and Community Development

CONTRACTING AGENCY ADDRESS

651 Bannon Street, Suite400

CITY

Sacramento

STATE

CA

ZIP

95811

PRINTED NAME OF PERSON SIGNING

Crystal Alvarez

TITLE

Contract Services Manager

CONTRACTING AGENCY AUTHORIZED SIGNATURE

DATE SIGNED

11/19/2025

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)

Exempt per: SCM Vol. 1, 4.04.A.3 (DGS memo dated 6/12/1981)

STD 213 (Rev. 04/2020)

CONTRACTOR

BORROWER:

Del Rio Ridge, LP.,
a California limited partnership

By: Del Rio Ridge LLC,
a California limited liability company
Its: General Partner

By: People's Self-Help Housing Corporation,
a California nonprofit public benefit corporation
Its: Sole member/manager


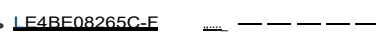
By ,
Kenneth Trigueiro,
Chief Executive Officer and President

Date: 111712025

Address: 1060 Kendall Rd, San Luis Obispo, CA 93401

SPONSOR:

People's Self-Help Housing Corporation,
a California nonprofit public benefit corporation,


By ,
Kenneth Trigueiro,
Chief Executive Officer and President

Date: 111712025

Address: 1060 Kendall Rd, San Luis Obispo, CA 93401

EXHIBIT A

AUTHORITY, PURPOSE AND SCOPE OF WORK

1. Authority

Community Development Block Grant – Disaster Recovery (“**CDBG-DR**”) funds were appropriated by Congress through the Disaster Relief Supplemental Appropriations Act, 2023 (division B of Public Law 117-43) and remaining funding made available through Public Law 117-32 for FEMA DR-4683. This CDBG-DR funding was provided to the Department of Housing and Community Development (“**Department**” or “**HCD**”) pursuant to Federal Register, Vol. 88, (88 FR 82982) published November 27, 2023. The Department’s 2023 CDBG-DR Action Plan established the Disaster Recovery Multifamily Housing Accelerator (“**DR-ACCEL**”) program as one of the eligible uses of the CDBG-DR funds. The Action Plan was approved by the U.S. Department of Housing and Urban Development (“**HUD**”) on July 15, 2024.

The Department issued a DR-ACCEL Project Solicitation and Policies and Procedures on January 31, 2025 (collectively, “**Project Solicitation**”). This Project Solicitation serves as the Department’s Policies and Procedures manual for administration of DR-ACCEL.

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

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

- A. The Project Solicitation;
- B. The Department’s 2023 CDBG-DR Action Plan that established DR-ACCEL. The Action Plan was approved by HUD on July 15, 2024.

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- C. The Disaster Relief Supplemental Appropriations Act, 2023 (Division B of Public Law 117-43) and Public Law 117-32, Federal Register, Vol. 88, (88 FR 82982) published November 27, 2023;
- D. The award letter issued by the Department to the Sponsor(s); and
- E. All other applicable federal, state, and local laws, regulations, and guidelines.

2. **Purpose**

DR-ACCEL is intended to expedite the construction and production of Qualified Rental Housing Developments, that are unable to proceed due to the short supply of tax credit and bond allocations.

The Department will provide DR-ACCEL assistance in the form of a forgivable permanent financing loan (the “**Loan**”).

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

3. **Definitions**

Any capitalized terms that are not defined below have the definitions set forth in the DR-ACCEL Requirements. In the event of any conflict, the definitions in this Agreement are controlling.

- A. “**Affordable Rents**” means the annual Multifamily Tax Subsidy Projects (MTSP) Regular Income and Rent Limits published by HCD annually for each County.
- B. “**Affordable Unit**” means a residential Unit that is used as a primary residence by its occupant(s) that earn less than sixty-five percent (65%) of Area Median Income adjusted for household size as published by HCD annually in the MTSP Regular Income and Rent Limits, and the rent does not exceed the applicable published MTSP Rent Limit.
- C. “**Annual Income**” means annual income as defined at 24 CFR Part 5.609.
- D. “**Borrower**” means the entity that incurs the obligation for the Loan that is subject to DR-ACCEL Requirements.

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- E. **“CDLAC”** means the California Debt Limit Allocation Committee.
- F. **“Commencement of Construction” or “Commenced Construction”** means the first land-disturbing activity associated with a Project, including land preparation such as clearing, grading, and filling.
- G. **“Commencement of Construction Deadline”** means the date, no later than one hundred and eighty (180) days from the date of the DR-ACCEL award letter, by which construction shall have commenced on the Project, or that extended date, up to ninety (90) days beyond the one hundred and eighty (180)-day period, which was approved by the Department in its sole and absolute discretion and on the basis of conditions beyond the control of the Sponsor. This date is identified with specificity at Exhibit E of this Agreement.
- H. **“DR-ACCEL Assisted Unit”** means a Department-funded Affordable Unit that is subject to rent, income, occupancy, and other restrictions in accordance with DR-ACCEL Requirements.
- I. **“DR-ACCEL Requirements”** means the legal authority and Disaster Recovery Multifamily Housing Program Accelerator materials listed at Paragraph 1 (A – D), above.
- J. **“Duplication of Benefits (DOB)”** means any person, business concern, or other entity receiving financial assistance from multiple sources for a cumulative amount that exceeds the total need for the same recovery purpose as the CDBG-DR funds per Section 312 of the Stafford Act.
- K. **“Existing HCD Loan Commitment”** means the existing direct commitment of Department multifamily loan program funds to the Qualified Rental Housing Development that predated the Application for DR-ACCEL funds, as well as the Department loan program making that commitment.
- L. **“Local Public Entity”** is defined at Health and Safety Code section 50079, and means any county, city, city and county, the duly constituted governing body of an Indian reservation or rancheria, tribally designated housing entity as defined in Section 4103 of Title 25 of the United States Code and Section 50104.6.5, redevelopment agency organized pursuant to Part 1 (commencing with Section 33000) of Division 24, or housing authority organized pursuant to Part 2 (commencing with Section 34200) of Division 24, and also includes any state agency, public district, or other political subdivision of the state, and any instrumentality thereof, that is authorized to engage in or assist in the

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development or operation of housing for persons and families of low or moderate income. In addition, and in accord with this Health and Safety Code definition, the term “**Local Public Entity**” also includes two or more local public entities acting jointly.

- M. “**Low- to Moderate-Income (LMI)**” means a low to moderate income household having Annual Income not more than the “moderate-income” level eighty percent (80%) Area Median Family Income) set by the federal government for HUD-assisted housing programs. This income standard is updated from year to year and varies by household size, county and the metropolitan statistical area. Pursuant to 25 U.S.C. 4103, the term “median income” means, with respect to an area that is an Indian area on Native American Lands, the greater of—(A) the median income for the Indian area, which the Secretary shall determine; or (B) the median income for the United States.
- N. “**Most Impacted and Distressed (MID) Area**” means an area that meets the definition of Most Impacted and Distressed set by HUD in the Federal Register Notices incorporated herein. For purposes of the unmet needs’ allocation, HUD has defined Most Impacted and Distressed as an area (county) that meets the following criteria:
- 1) Individual Assistance/Individual and Households Program (IHP) designation. HUD has limited allocations to those disasters where FEMA had determined the damage was sufficient to declare the disaster as eligible to receive IHP funding.
 - 2) Concentrated damage. HUD has limited its estimate of serious unmet housing need to counties with high levels of damage, collectively referred to as “most impacted areas”.

For 2023 DR-ACCEL funds, HUD defined Most Impacted and Distressed areas as all of Merced, Santa Cruz, San Joaquin, San Luis Obispo, and Ventura counties.

- O. “**Performance Milestones**” means the indicators and metrics of progress and performance that are identified as such at Exhibit E of this Agreement. Sponsor’s failure to satisfy any one of the Performance Milestones will constitute a breach of this Agreement and will entitle the Department to exercise any and all available remedies, including the recapture of disbursed Loan funds and the cancellation of this Agreement.

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- P. **“Permanent Loan Conversion”** means the Project has leased up to a minimum of ninety percent (90%) occupancy for at least thirty (30) days in accordance with the applicable Department funding requirements; the units have been leased to the appropriate or designated populations identified at Exhibit E, and they have met the terms and conditions of all Department funding awarded to the Project; and all construction period financing has been converted to permanent financing.
- Q. **“Permanent Loan Conversion Deadline”** means the date set forth in Exhibit E and in the DR-ACCEL Solicitation. This date is the disbursement and expenditure deadline for all DR-ACCEL funds.
- R. **“Project”** or **“Rental Housing Development”** means new construction of multifamily apartment complexes and mixed-use developments, which may include mixed-used development components. This also includes Scattered Site Projects.
- S. **“Qualified Rental Housing Development”** means a rental housing development that received an award letter from any qualifying multifamily housing program administered by the Department prior to January 1, 2024, located in a MID Area.
- T. **“Regulatory Agreement”** means a legal document that the Department shall use to set forth the DR-ACCEL terms and affordability restrictions on rent and occupancy for a specific awarded Project for the development of affordable multifamily housing units in a manner consistent with the DR-ACCEL Program. The Regulatory Agreement shall be recorded against each Project’s real property in the official records of the county or counties in which the Project is located and shall have priority over all other liens, encumbrances and other matters of record for the duration of the fifty-five (55)-year affordability period except as may be approved by the Department.
- U. **“Scattered Site Project”** means a Project with five or more units on one or more contiguous or non-contiguous sites that meet the additional requirements in UMR Section 8303(b)(1)-(5).
- V. **“Scope of Work”** or **“Work”** means the work to be performed by the Sponsor to accomplish the DR-ACCEL purpose as specified at Exhibit E.
- W. **“Sponsor”** is defined in accordance with Health and Safety Code sections 50675.2 and 50669. When the Sponsor comprises two or more entities, the entities may be referred to, both individually and collectively, as the “Sponsor.” Each such entity may also be referred to individually as a **“Co-Sponsor.”** The

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Sponsor structure shall include any Local Public Entity that is a Co-Sponsor of the Existing HCD Loan Commitment; such Local Public Entity shall execute the Standard Agreement as a duly authorized Co-Sponsor prior to construction loan closing. The Sponsor entities shall be bound by the DR-ACCEL Standard Agreement, and by each and every one of the DR-ACCEL terms, conditions, and restrictions. On the STD 213 portion of this Agreement, the Sponsor is identified as the Contractor.

- X. **“TCAC”** means the California Tax Credit Allocation Committee.
- Y. **“UMR”** means the Uniform Multifamily Regulations (Cal. Code Regs., tit. 25, § 8300 et seq.), effective November 15, 2017, and as subsequently amended.
- Z. **“Unit”** means a residential Unit that is used as a primary residence by its occupants, including efficiency Units as defined in the California Building Code.

4. **Eligible and Ineligible Uses of Funds**

Pursuant to Section II.C of the DR-ACCEL Project Solicitation and Policies and Procedures, the following are eligible uses of funds:

- A. Property acquisition costs;
- B. Architectural, appraisal, engineering, environmental, legal and other consulting costs, and fees, which are directly related to the planning and execution of the Project, and which are incurred through third-party contracts;
- C. Escrow, title insurance, recording and other related costs;
- D. Building permits, and state and local fees;
- E. Local development impact fees;
- F. Developer fees, as set forth in the UMR;
- G. Mobilization, demolition, site prep, and clean up;
- H. Interest and financing costs;
- I. Residential construction costs; and

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J. Onsite improvements related to the Project.

Pursuant to Section II.C of the Project Solicitation, the following are ineligible Project costs:

- A. Costs incurred between the date of application and environmental clearance (e.g., Authority to Use Grant Funds) that constitute an adverse environmental impact or that limit the choice of reasonable alternatives pursuant to 24 CFR 58.22(a);
- B. Application development costs;
- C. Advances of any type, including construction;
- D. Facility operating or maintenance expenses;
- E. Furnishings;
- F. Reserves and contingencies;
- G. Offsite Improvements, except where the improvement is contiguously adjacent to the Project parcel and serves the housing;
- H. Construction or any other costs related to any non-residential component of the Project, except as otherwise approved on a case-by-case basis by the Department; and
- I. Reimbursement of Sponsor's capital investment or prepaid expenses.

HCD reserves the right in its sole and absolute discretion to approve or deny the applicability and eligibility of costs on a per-application basis depending on the specific needs of the Project. All costs must be eligible, reasonable, and necessary. HCD requires that construction costs are reasonable and consistent with current market costs for the area where the multifamily construction will take place. The Department will require verification of no Duplication of Benefits in accord with DR-ACCEL requirements. The Department reserves the right to disallow costs that do not constitute reasonable project costs, as determined by the Department in its sole and absolute discretion.

Additionally, HCD will not allow capitalized reserves in excess of those approved in connection with the Existing HCD Loan Commitment, nor local agency fees or payments that would only have been required if bonds were issued or that were not

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shown in the application for the Existing HCD Loan Commitment. HCD reserves the right, consistent with applicable law, to require prior written approval from HCD for all reserve withdrawals, whether the reserve was required by HCD or not. DR-ACCEL funds may not be used to fund capitalized reserves.

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

5. DR-ACCEL Deadlines

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

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

- B. Within one (1) month of Commencement of Construction, the Sponsor shall submit documentary evidence to the Department that construction commenced by the Commencement of Construction Deadline. Sponsor shall make this showing as specified by Paragraph 7 of Exhibit A of this Agreement.
- C. The Loan proceeds shall be disbursed through permanent close of escrow and must be expended on Eligible Uses no later than **August 31, 2029**.

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6. Project Performance Milestones

Sponsor shall complete each of the Project Performance Milestones set forth at Exhibit E of this Agreement by the date designated for such completion therein (each a "**Milestone Completion Date**").

Sponsor may apply to the Department for an extension of any such Milestone Completion Date. Approval of any such extension request shall be in the Department's reasonable discretion. In no event will the Department approve an extension request in the absence of Sponsor's demonstration of good cause for said extension, along with Sponsor's reasonable assurances that the extension will not result in Sponsor's failure to meet other Performance Milestones under this Agreement.

7. Reporting Requirements

- A. Sponsor shall comply with all reporting requirements set forth at Section II.F.14 of the Project Solicitation and in this Agreement, all in accordance with any Milestone Completion Date(s) set forth at Exhibit E of this Agreement.
- B. After satisfaction of each Performance Milestone, the Sponsor shall promptly report its progress, in writing, to the Department.
- C. Within one (1) month of Commencement of Construction, the Sponsor shall submit documentary evidence to the Department that construction commenced by the Commencement of Construction Deadline. If the Department extends the Commencement of Construction Deadline, as authorized, the Sponsor's deadline for submitting the foregoing documentary evidence shall be extended in the same increment as the extension of the Commencement of Construction Deadline. Qualifying forms of documentary evidence include the following:
 - 1) Recordation of a notice of commencement;
 - 2) Date- and time-stamped photographs;
 - 3) Physical inspection report; or
 - 4) Other documentation subject to the approval of the Department.

Failure to submit qualifying documentary evidence of the Commencement of Construction within the specified timeframes may result in forfeiture of the award, termination of this Agreement by the Department, and/or an assessment of

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negative points against all Sponsor(s) relative to any future application for Department funding.

- D. Construction and Lease Up Reporting: Following the execution of this Agreement, Sponsor must timely submit the reports prescribed below. The Department reserves the right to request additional detail 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 Sponsor's performance under this Agreement will be assessed based in part on whether it has submitted the reports on a timely basis.
- 1) Monthly Activity Report: Sponsor must submit a Monthly Activity Report, in the form and format prescribed by the Department, that addresses the following, at a minimum: (1) a description of the current status of the Project, including number of units leased, and demographics of the Households assisted; (2) a description of activities to be undertaken in the next reporting period; (3) a description of problems or delays encountered in Project and course of action taken to address them; (4) a description of actions taken to achieve Project expenditure deadlines; (5) a summary of Project fiscal status, including award amount, funds drawn, and remaining balance, and (6) Compliance with the 24 CFR Part 75 Section 3 requirements, including the number of hours worked on the project by targeted Section 3 workers and Section 3 workers, as applicable. 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 Agreement and must continue through the receipt and approval by the Department of the Project Completion Report, detailed below.
 - 2) Semi-Annual Labor Standards Report: During the term of construction for each Project, on or about April 1st and October 1st, or as otherwise specified by the Department, the Sponsor shall 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's website and are also available upon request.
 - 3) Project Completion Report: At the completion of construction and once a Project is placed in service, the Sponsor 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. The Project Completion Report shall also include a Section 3 Summary Report of the total number of labor hours worked by all contractors and subcontractors, the total number of labor hours worked by Section 3 workers, and the total number of labor hours worked by Targeted Section 3 workers, as required pursuant to 24 CFR 75.25(a), as applicable. In the event that the number of Section 3 worker labor hours divided by the total labor hours worked by all workers on a Section 3 project does not meet or exceed HUD's twenty-five percent (25%) standard, and/or that the number of Section 3 targeted worker labor hours divided by the total labor hours worked by all workers on a Section 3 project does not meet or exceed HUD's five percent (5%) standard, Sponsor shall provide additional reporting on the qualitative nature of its activities and those its contractors and subcontractors pursued, as defined at 24 CFR 75.25(b).

- E. **Affordability Period Reporting:** Once a Project is placed in service and through the Affordability Period, the Sponsor must timely submit the reports prescribed below. The Department reserves the right to request additional detail 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 Sponsor's performance under this Agreement will be assessed based in part on whether it has submitted the reports on a timely basis.
- 1) **Annual Beneficiary Report:** Sponsor must submit an Annual Beneficiary Report providing the household size, tenants demographics household annual income, and unit rents for each DR-ACCEL unit.
 - 2) **Annual Audit:** Sponsors shall provide an annual audit of the Project prepared by an independent-certified public accountant.
 - 3) **Annual Operating Budget and Schedule of Rental Income:** Sponsor shall submit proposed operating budgets and Schedule of Rental Income (SRI) to the Department prior to occupancy and annually thereafter. These operating budgets and SRI shall be subject to Department approval, be consistent with related and supporting documentation, and comply with the following requirements:
 - a) For the Initial Operating Year, the Sponsor shall operate the Project in accordance with the initial operating budget and SRI, which were approved by the Department prior to permanent loan closing. Such budget shall show all anticipated Operating Income, debt service,

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Operating Expenses and amount payable to reserves for the Initial Operating Year. Such SRI shall set forth the rent roll, which will identify each tenant household (by unit number or other method of household identification that is acceptable to the Department), as well as the following information in connection with each tenant household: size, demographics, income, current Rent, and proposed Rent adjustments (including utility allowances, if applicable). Such SRI shall provide estimated income projections for DR-ACCEL Assisted Units, Affordable Units, non-Assisted Units, and Commercial Space or use.

- b) For as long as deemed necessary by the Department to ensure compliance with Program requirements, but for no less than the full term of the recorded Regulatory Agreement, the Sponsor shall submit to the Department for its approval, sixty (60) days prior to the end of each Project fiscal year, a proposed operating budget and SRI on forms provided by the Department. The proposed annual operating budget and SRI, together, shall set forth the borrowing entity's estimates for the upcoming year of Operating Income, Operating Expenses, debt service amounts payable to reserves, and proposed Rent adjustments. The Department, at its sole discretion, may request in situations, such as, but not limited to, re-syndication, change of ownership, or change of Project fiscal year, submission of limited budget information, such as a proposed Rent schedule, proposed management fees, and reserve deposit amounts. The Department may re-impose the requirement for submission of complete operating budgets where necessary to ensure compliance with program requirements.
- c) The initial and subsequent proposed operating budgets shall be subject to the approval of the Department based on its determination that the budget line items are reasonable and necessary, considering costs for comparable Rental Housing Developments and prior year budgets. Actual expenditures in excess of the approved budget amount shall be subject to Department approval.
- d) The initial and subsequent proposed SRI shall be subject to approval of the Department based on its determination that the proposed rents are in accordance with these guidelines and applicable regulations and statutes.

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e) For Projects with non-DR-ACCEL Assisted Units or Commercial Space, all budgets submitted pursuant to this section shall show income and uses of income allocated among DR-MHP Assisted Units, Affordable Units, non-Restricted Units, and Commercial Space. The allocation method used for each budget line item shall be subject to Department approval and shall apportion income and expenses in a manner that accurately reflects the particular physical, operational, and economic characteristics of the Project.

4) At any time during the term of the Standard Agreement, HCD may perform or cause to be performed, at HCD's expense, an independent financial audit of any and all phases of the Sponsor's Project. At HCD's request, the Sponsor shall provide, at its own expense, a financial audit prepared by a certified public accountant.

8. Department Contract Coordinator

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

California Department of Housing and Community Development
Disaster Recovery Multifamily Housing Accelerator Program
Division of Federal Financial Assistance
CDBG-DR MHP Program Manager
P. O. Box 952054
Sacramento, CA 94252-2054

9. Sponsor Contract Coordinator

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

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EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Terms of Loan

Sponsor has been awarded a permanent financing forgivable Loan in the amount set forth in this Agreement. The Loan will have an interest rate of zero percent (0%) for twenty (20) years. The twenty (20)-year term will commence on the date of recordation of the DR-ACCEL Loan documents at Permanent Loan Conversion. There will be no residual receipts or periodic payment requirements during the life of the Loan.

The Loan will be forgiven by the Department at the end of the twenty (20)-year term if all of the following are true at that time, as determined by the Department in its sole and absolute discretion:

- A. The Sponsor and Borrower (if a separate entity) remains in good standing with agencies, departments, and instrumentalities of the State of California, including the California Secretary of State;
- B. The Project is not in default under the terms of any of the Department's loan documents for the Project or any other Department Standard Agreement or loan document;
- C. The Project continues to be occupied by Low-to-Moderate-Income households at Affordable Rents; and
- D. Negative points have not been assessed against the Sponsor and Borrower (if a separate entity) during the previous five (5) years in connection with any Department-assisted project.

The Loan shall be subject to full repayment if, during the twenty (20)-year term, the Project is (i) converted to market-rate housing; or (ii) sold or refinanced with a distribution of net equity. The amount of any funds expended by the Department for the purposes of curing or averting a default will be added to the Loan amount secured by the Project payable to the Department upon demand.

2. Payment

At the time of the Project's permanent financing closing, all DR-ACCEL Loan proceeds must be disbursed through an independent escrow/title company licensed to do

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business in the State of California, to be selected by the Sponsor and approved by the Department. The Department shall prepare and submit escrow instructions to the escrow holder. The Department's escrow instructions will further detail the requirements for, and conditions to, the release of Loan proceeds to the Sponsor.

The Loan proceeds will be released through escrow upon the Sponsor's, or its assignee's, submittal of the STD 204, Payee Data Record, and the HCD 846, Request for Funds, and, in all events, upon the Sponsor's satisfaction of the terms and conditions of this Agreement, all applicable DR-ACCEL Requirements, and all applicable requirements of Department funding programs for this Project. The Department reserves the right to retain ten (10%) percent of the approved Loan proceeds pending receipt and acceptance of the cost audit and any outstanding loan closing items.

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EXHIBIT D

CDBG-DR GENERAL TERMS AND CONDITIONS

1. Effective Date, Term of Agreement, Timing, and Deadlines

- A. This Agreement, when fully executed by the Department and the Sponsor and Borrower (if a separate entity), is effective upon the date of the Department representative's signature on the STD 213, Standard Agreement (such date, the "**Effective Date**").
- B. This Agreement will terminate fifty-eight (58) years after the Effective Date, as stated in Paragraph 2 of the STD 213, Standard Agreement (such date, the "**Expiration Date**"), except that provisions governing the Affordability Period shall survive the Expiration Date, as set forth in the Regulatory Agreement.
- C. The Department will make best efforts to do the following as of the construction loan closing date: (a) review all transaction documents that are made available to the Department in advance of closing. For purposes of this subparagraph, "transaction documents" includes, but is not limited to, construction and permanent loan documents, environmental reports, preliminary reports from title companies, surveys, appraisals, authorization and organizational documents, property management agreements, applicable leases, and relocation plans or certifications.
- D. The Sponsor shall close the construction financing approved by the Department and commence construction of the Project in accordance with the Performance Milestones approved by the Department. Upon the Department's request, the Sponsor shall promptly provide evidence of recorded deeds of trust for all construction financing, payment of all construction lender fees, issuance of building permits, and the notice to proceed delivered to the contractor. Evidence of a grading permit is not sufficient for purposes of this subparagraph.
- E. The Loan proceeds shall be disbursed at Permanent Loan Conversion through escrow and must be expended on Eligible Uses no later than **August 31, 2029**. If Sponsor fails to meet this Permanent Loan Conversion Deadline, the Department will terminate this Agreement and exercise all legal and equitable remedies, including the events of default remedies of Paragraph 3 of Exhibit D, unless an alternate arrangement is legally permissible and has been approved by the Department in advance and in writing, in the Department's discretion, which may

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be given, withheld, or conditioned in the Department's sole and absolute discretion.

2. Existing HCD Loan Commitment - General Terms and Conditions of Standard Agreement

This Agreement incorporates by reference the Department's General Terms and Conditions set forth in each Existing HCD Loan Commitment's STD 213, Standard Agreement (the "**Existing HCD General Terms and Conditions**"). (The Existing HCD General Terms and Conditions may, but need not, be set forth at Exhibit D of each Existing HCD Loan Commitment's STD 213, Standard Agreement.) Each Existing HCD Loan Commitment is identified at Paragraph 7 of Section A of Exhibit E of this Agreement.

In the event of any conflict between the Existing HCD General Terms and Conditions, this Agreement and the DR-ACCEL Requirements, the DR-ACCEL Requirements shall control to the furthest extent allowed by law. In no event shall the Existing HCD General Terms and Conditions be interpreted to frustrate, limit, or impair the Department's objectives, rights, and remedies in connection with the DR-ACCEL.

3. Termination for Cause

The Department may terminate this Agreement for cause at any time by giving at least fourteen (14) calendar days' advance written notice to the Sponsor. Such termination will not limit any other remedies that may be available to the Department under this Agreement, at law, or in equity. Cause consists of Sponsor's breach of, or failure to satisfy, any of the terms or conditions of this Agreement. Cause includes but is not limited to the following:

- A. Sponsor's failure to meet the Permanent Loan Conversion Deadline of **August 31, 2029**.
- B. Sponsors' failure to timely satisfy each or any of the conditions set forth in these DR-ACCEL General Conditions, the Project-Specific Provisions and Special Terms and Conditions set forth at Exhibit E of this Agreement (including any one of the Performance Milestones), or the award letter.
- C. Sponsor's violation of any of the DR-ACCEL Requirements.
- D. The Department's determination that:

- 1) Any material fact or representation, made or furnished to the Department by the Sponsor in connection with the Application or the award letter, is untrue or misleading at the time that such fact or representation was made known to the Department, or subsequently becomes untrue or misleading; or
 - 2) Sponsor has concealed any material fact from the Department related to the Application or the Project.
- E. Filing of a petition by Sponsor, or any affiliate or general partner of Sponsor, for relief under the Bankruptcy Code; the filing of any pleading or answer by Sponsor, or any affiliate or general partner of Sponsor, in any involuntary proceeding under the Bankruptcy Code; a general assignment by Sponsor, or any affiliate or general partner of Sponsor, for the benefit of creditors; or the filing of an application for the appointment of a receiver, trustee, custodian or liquidator of Sponsor or any of its property, or of any affiliate or general partner of Sponsor or any of its property.
- F. Failure of Sponsor, or of any affiliate or general partner of Sponsor, to effect a full dismissal of any involuntary petition under the Bankruptcy Code that is filed against Sponsor, or any affiliate or general partner of Sponsor, or that in any way restrains or limits Sponsor, any affiliate or general partner of Sponsor, or the Department regarding the Loan or the Project, prior to the earlier of the entry of any court order granting relief sought in such involuntary petition, or thirty (30) days after the date of filing of such involuntary petition.
- G. Attachment, levy, execution, or other judicial seizure of any portion of the Project, or any substantial portion of the other assets of Sponsor, or of any affiliate or general partner of Sponsor, that is not released, expunged, bonded, discharged, or dismissed within thirty (30) days after the attachment, levy, execution, or seizure.
- H. Pendency of any proceeding challenging the legal existence or authority of Sponsor, or of any affiliate or general partner of Sponsor, or the pendency of any proceeding challenging the legality of the Project.
- I. The Department's determination that the objectives and the requirements of the DR-ACCEL Program cannot be met in accordance with applicable timeframes, as memorialized by this Agreement.

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- J. Sponsors' failure to comply with the Department's General Terms and Conditions for any Department funding source for this Project.

In the event of this or any other breach, violation, or default by the Sponsor, the Department may give written notice to the Sponsor to cure the breach, violation, or default. If the breach, violation, or default is not cured to the Department's satisfaction within thirty (30) days or such other reasonable time as determined by the Department in its sole and absolute discretion and based on the totality of the circumstances, then the Department may declare a default under this Agreement and seek any and all remedies that are available under this Agreement, at law, or in equity. The remedies of the Department are cumulative and not exclusive.

4. State Contracting Manual Requirements (Section 3.11, Federally Funded Contracts (Rev. 4/22)):

- A. All contracts, except for State construction projects that are funded in whole or in part by the Federal government, must contain a thirty (30)-day cancellation clause and the following provisions:
- 1) It is mutually understood between the parties that this contract may have been written for the mutual benefit of both parties before ascertaining the availability of congressional appropriation of funds to avoid program and fiscal delays that would occur if the contract were executed after that determination was made.
 - 2) This contract is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the fiscal year(s) indicated in Section 4 of Exhibit E, for the purpose of this Program. In addition, this contract is subject to any additional restrictions, limitations, or conditions enacted by the Congress or to any statute enacted by the Congress that may affect the provisions, terms, or funding of this contract in any manner.
 - 3) The parties mutually agree that if the Congress does not appropriate sufficient funds for the program, this contract shall be amended to reflect any reduction in funds.
 - 4) The Department has the option to invalidate the contract under the thirty (30)-day cancellation clause or to amend the contract to reflect any reduction in funds.

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- B. Exemptions from provisions A.1 through A.4 above may be granted by the Department of Finance provided that the director of the State agency can certify in writing that Federal funds are available for the term of the contract.
- B. Gov. Code § 8546.4(e) provides that State agencies receiving Federal funds shall be primarily responsible for arranging for Federally required financial and compliance audits, and shall immediately notify the Director of Finance, the State Auditor, and the State Controller when they are required to obtain Federally required financial and compliance audits.
- D. Agencies that may be eligible for Federal Emergency Management Agency (FEMA) funding and/or reimbursements should consult the Governor's Office of Emergency Services (Cal OES) on contract provisions required by Title 2 of the Code of Federal Regulations, Part 200.

5. Sponsor Liability

Sponsor shall remain liable to the Department for performance under this Agreement and compliance with all DR-ACCEL Requirements regardless of any Department-approved transfer or assignment of interest, or of any designation of a third party for the undertaking of all or any part of the Scope of Work. Likewise, each Co-Sponsor shall remain jointly and severally liable to the Department for performance under this Agreement and compliance with all DR-ACCEL Requirements regardless of any Department-approved transfer or assignment of interest, or of any designation of a third party for the undertaking of all or any part of the Scope of Work.

6. Disputes

In the event of any conflict between this Agreement and any documents internal to the Sponsor or Borrower (e.g., limited partnership agreement), this Agreement and the DR-ACCEL Requirements will prevail, are applicable, and will be enforceable by the Department, notwithstanding, without limitation, any prior or preliminary review or approval of any such documents by the Department at the time of construction loan closing or otherwise.

7. Consent

The parties agree that wherever the consent or approval of the Department or the Sponsor is required under this Agreement, such consent or approval must not be unreasonably withheld, conditioned, or delayed, unless the same is specified as being in that party's sole and absolute discretion or other words of similar import.

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8. Relocation Plan

Sponsor must comply with all applicable federal, state, and local relocation law. Pursuant to relocation law, a Sponsor must have a relocation plan prior to proceeding with any phase of a Project or other activity that will result in the displacement of persons, businesses, or farm operations. To ensure that displaced persons and entities do not suffer a disproportionate impact as a result of Projects which benefit the public, all notices to vacate and relocation services must be provided to them in accordance with applicable law. Before this Agreement will be executed, Sponsor must have a Department-approved relocation plan or a department-issued Certification Regarding Non-Application of Relocation Benefits and Indemnification Agreement, which has been duly executed by the Sponsor(s) and approved by the Department.

Where the Sponsor's activities will or may result in displacement, the Sponsor's development budget must include enough funds to pay all costs of relocation benefits and assistance.

Any modifications to the foregoing process requirements are set forth at Exhibit E of this Agreement.

9. Updated Information

Sponsor and/or Borrower shall provide the Department with updated documentation for any change in the information previously provided relating to the DR-ACCEL Loan, including updated sources and uses and qualifying tenant income and unit rent information. All changes shall be subject to Department approval. However, if the Project is changed in any way as to make it ineligible for DR-ACCEL funding, then the DR-ACCEL Loan commitment will be cancelled, and all DR-ACCEL Loan funds awarded to the Borrower shall be disencumbered, if project becomes ineligible prior to permanent conversion, or funds shall be repaid immediately and in full by Borrower if project becomes ineligible subsequent to permanent conversion at any time during the term of the twenty (20)-year forgivable loan.

10. Project Insurance Requirements

Sponsor and/or Contractor shall display evidence, as applicable for the relevant Project, of the following on a certificate of insurance evidencing the below coverages. No work shall be commenced on any Project prior to such coverages being in effect and the required certificate(s) have been provided to the Department. The limits of any

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insurance coverages shall in no way limit the liability of a Sponsor to the Department under this Agreement.

- A. Commercial General Liability – Sponsor and Contractor on a Project shall maintain commercial general liability insurance on an occurrence form with limits not less than \$1,000,000 per occurrence for bodily injury and property damage liability combined with a \$2,000,000 annual policy aggregate for the duration of this Agreement. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal & advertising injury, and liability assumed under an insured contract. This insurance shall apply separately to each insured against whom claim is made or suit is brought, subject to the Developer's or Contractor's limit of liability. The policy must name The State of California, its officers, agents, and employees as additional insureds, but only with respect to work performed under this Agreement.
- B. Automobile Liability – Sponsor and Contractor shall maintain, as applicable, business automobile liability insurance for limits not less than \$1,000,000 combined single limit. Such insurance shall cover liability arising out of a motor vehicle including owned, hired, and non-owned motor vehicles. Should the scope of the relevant Project involve transportation of hazardous materials, evidence of an MCS-90 endorsement is required. The policy must name The State of California, its officers, agents, and employees as additional insured, but only with respect to work performed under this Agreement.
- C. Workers Compensation and Employer's Liability – Sponsor and Contractor shall maintain statutory worker's compensation and employer's liability coverage for all its employees who will be engaged in the performance of this Agreement and the relevant Project. In addition, employer's liability limits of \$1,000,000 are required. By signing this Agreement, Sponsor acknowledges compliance with these regulations. A Waiver of Subrogation or Right to Recover endorsement in favor of the State of California must be attached to certificate.
- D. Flood Insurance – Sponsor shall comply with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001). Sponsor shall ensure flood insurance coverage is provided for the Project if required by the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001). The Department shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of

- financial assistance for acquisition or construction purposes (including rehabilitation).
- E. Builders Risk Insurance – Sponsor or Sponsor's contractor on a Project shall maintain builders risk coverage prior to or upon commencement of construction of the Project, including any delivery and storage of materials to be incorporated into the Project, through the completion of construction and until property insurance can be secured. This coverage must cover all risk of physical damage or risk of loss for an amount equal to the full amount of the cost of construction. This coverage must include coverage for flood if the Property is located in a Special Flood Hazard Area as determined by the Federal Emergency Management Agency. Additionally, Sponsor or Sponsor's general contractor must obtain a builder's risk installation floater for coverage of the contractor's labor, materials, and equipment to be used for completion of work performed under the construction contract. The minimum amount of coverage to be carried must be equal to the full amount of the cost of construction.
- F. Property Insurance – Sponsor on a Project shall maintain including all risk coverage or standard fire and extended coverage insurance, with vandalism and malicious mischief endorsements to the extent of full replacement value of the Project for the duration of the term of the Affordability Period. Coverage amount may be adjusted for fluctuation in replacement values. This coverage is required upon completion of construction of the Project and must name the Department as Loss Payee.
- G. Additional Coverages – In the event that Sponsor and/or any of its Contractors will be engaging in any Hazardous Activity as part of the Project contemplated by this Agreement, then the party(ies) engaging in any Hazard Activity(ies) shall provide to the Department, prior to commencement of any such activity(ies), such insurance coverages in such forms and in such amounts as the Department may require in its sole discretion. Such coverages are in addition to all other insurance coverages required by this Agreement and shall be imposed on the Sponsor pursuant to this Agreement. For purposes of the provision, the term "Hazardous Activity" includes the following: (a) the removal, storage, and/or transportation of any "hazardous material", as such term is defined under federal, state, or local law, ordinance, regulation, or guideline, (b) the removal, storage, or transportation of lead-based paint, (c) blasting, (d) any activity which by its nature is abnormally dangerous, and (d) any "ultrahazardous activity" as defined in California case law. In addition to providing proof of such required coverages, the party(ies) engaging in the Hazardous Activity(ies) shall procure, at its expense prior to the commencement of any work, all required permits, licenses,

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consents, and approvals that are required for the lawful conduct of such activities and shall provide adequate written proof thereof to the Department. No Hazardous Activity work may be commenced, or contracted for, prior to the provision of the required insurance coverages and licensure proof to the Department.”

11. Condemnation

- A. The Sponsor shall at all times keep the Project insured against loss by fire and such other hazards, casualties, liabilities and contingencies, and in such amounts and for such periods as required by the Department. All insurance policies and renewals thereof shall be issued by a carrier and in form acceptable to the Department.
- B. In the event of any fire or other casualty to the Project or eminent domain proceedings resulting in condemnation of the Project or any part thereof, Sponsor shall be obligated to rebuild the Project, and to use all available insurance or condemnation proceeds therefore, provided that, as determined by the Department in its sole discretion, (i) such proceeds are sufficient to keep the Assistance in balance and rebuild the Project in a manner that provides adequate security to the Department for repayment of the Assistance or if such proceeds are insufficient, then Sponsor shall have funded any deficiency (ii) the Department shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement, and (iii) no material breach or default then exists under the Program Legal Documents. If the casualty or condemnation affects only part of the Project and total rebuilding is infeasible, then proceeds may be used for partial rebuilding and partial repayment of the Assistance in a manner that provides adequate security to the Department for repayment of the remaining balance of the Assistance.
- C. In the event that the Sponsor fails to commence or to complete the rebuilding, repair, replacement or restoration of the Project timely, the Department shall have the right, in addition to any other remedies granted in the Program Legal Documents or at law or in equity, to repair, restore, rebuild or replace the Project so as to prevent the occurrence of a default hereunder.

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12. DR-ACCEL Loan Documents

The Sponsor shall enter into this Agreement with the Department, which shall govern the encumbrance of the DR-ACCEL Loan funds.

In addition, DR-ACCEL terms, conditions, and restrictions will be expressly incorporated into the loan documents of the Existing HCD Loan Commitment.

The Department will append and incorporate a DR-ACCEL exhibit into the Existing HCD Loan Commitment's loan regulatory agreement to be recorded on the property. The exhibit will set forth the Project's DR-ACCEL-specific requirements, terms, and conditions. The exhibit will impose, for a fifty-five (55)-year period, the same income, occupancy, and rent restrictions that were represented in the Sponsor's most recent unsuccessful application to TCAC/CDLAC, if applicable, and it will require the same service amenities that were represented in that application. If the Sponsor did not apply to TCAC/CDLAC, then the exhibit will impose, for a fifty-five (55)-year period, the same income, occupancy, and rent restrictions required by the most recent Existing HCD Loan Commitment(s). If the most recent Existing HCD Loan Commitment was structured with unrestricted market rate units, then the DR-ACCEL will not restrict or regulate those units. In all cases, the Department may expressly approve alternative DR-ACCEL restrictions and required service amenities for the purpose of maintaining consistency with the Existing HCD Commitment(s). The regulations, guidelines, and other terms of the Existing HCD Loan Commitment(s) shall govern the integrated regulatory agreement.

DR-ACCEL requirements, terms, and conditions will also be incorporated into the promissory note and deed of trust of the Existing HCD Loan Commitment, as well as any other of the Existing HCD Loan Commitment's loan documents, as necessary and appropriate. All such documents will be executed and recorded, as appropriate, at permanent financing close of escrow. For Projects secured by leasehold security, leases must meet the requirements of UMR section 8316, and both the Borrower and the fee owner of the property must execute the Department's form template lease rider without modification. The lease rider amends the lease and must be recorded on the fee estate.

13. Cross-Default

If, in connection with the DR-ACCEL-funded Project, the Sponsor defaults in the performance or observance of any Department loan term, condition, or restriction during the term of any Department contract or regulatory period, and such default continues beyond any cure period provided with respect thereto, the Department will avail itself of

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any and all remedies available to it under any and all Department terms, conditions, restrictions, and agreements relative to the Project, to include those of the Existing HCD Loan Commitment.

14. Restrictions on Transfer and Change of Ownership

The Sponsor shall not, without the prior written approval of the Department in its sole discretion, either directly or indirectly:

- A. Sell, transfer, convey, encumber, hypothecate or pledge any of the Project or the Project property, or any portion or interest in either of them;
- B. Discharge or replace any general or managing partner if Sponsor is a partnership, or amend, modify or add to its partnership agreement except that the Sponsor may sell or transfer limited partnership interests without the Department's approval;
- C. If Sponsor is a limited liability company: change the manager(s), amend, modify or add to its operating agreement or management structure;
- D. Wind up, liquidate or dissolve its affairs or enter into any transaction of merger or consolidation; or
- E. Change the organizational structure of the Sponsor.

15. Construction Standards

All residential construction Projects, where applicable, must comply with the housing construction codes of the State of California. All units developed under DR-ACCEL must meet these codes as well as any locally adopted codes and ordinances. Housing construction codes for building in California follow federal and state laws, regulations, and adaptations for construction of single family and multifamily units. The State Housing Law Program within HCD continuously refines the building standards to ensure they comply with new or changing laws and regulations and develops statewide building standards for new construction of all building types and accessories. The State Housing Law Program also develops the building standards necessary to provide accessibility in the design and construction of all housing other than publicly funded housing. The building standards are published as the California Building Standards Code under the California Code of Regulations, Title 24, and construction standards in the Standard Agreement must meet or exceed all applicable requirements for housing or building

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construction. Tribal Entities with Projects on Native American Lands are required to follow their own tribal building codes or the International Building Code.

A. California Building Codes (CBC)

All residential construction Projects, where applicable, shall comply with the housing construction codes of the State of California, including all units developed under DR-ACCEL. Housing construction codes for building in California follow federal and state laws, regulations, and adaptations for construction of single family and multifamily units.

B. California Green Buildings Standards Code (CALGreen)

CALGreen is California's first green building code, enacted as mandatory in 2011, and adopted to address five divisions of building construction and improve public health, safety and general welfare. The divisions addressed are as follows: planning and design, energy efficiency, water efficiency and conservation, material conservation and resource efficiency, and environmental quality. CALGreen applies to the planning, design, operation, construction, use, and occupancy of nearly every newly constructed building or structure in the state, as well as additions and alterations to existing buildings that increase the building's conditional area, interior volume, or size.

HCD determined that CALGreen meets the standards as equivalent comprehensive green building program per 87 FRN 6364, II.B.2.a. "Green and resilient building standard for new construction and reconstruction of housing" and has received HUD concurrence. As a mandatory standard, all Sponsors are required to follow CALGreen requirements for construction permits and approvals. Sponsors shall ensure access to local verifications that demonstrate CALGreen compliance in the Project plans and in the constructed development at construction closeout.

The most recent CAL Green code, guides, and checklists are available on the State website.

C. Wildland Urban Interface Building Codes (WUI codes)

California continues to be a national leader in implementing statewide policy to both prepare for climate change and reduce greenhouse gas emissions and has dedicated substantial resources to mitigating the impacts of climate change. Housing resilience measures are set forth in state legislation, including

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requirements for local building codes, such as the Wildland-Urban Interface building codes (WUI codes) addressing wildfire risk since 2005.

In accordance with the Federal Register Notice requirement to support the adoption and enforcement of modern and/or resilient building codes and mitigation of hazard risk, structures located in any Fire Hazard Severity Zone within State Responsibility Areas, any Local Agency Very-High Fire Hazard Severity Zone, or any Wildland Urban Interface Fire Area designated by the enforcing agency must comply with WUI codes, found in Title 24, Chapter 7a of the California Building Code, which offer specific material, design and construction standards to maximize ignition resistance.

D. National Floodplain Elevation Standards

Sponsors must comply with the national floodplain elevation standards for new construction, repair of substantially damaged structures, or substantial improvements to residential structures in flood hazard areas. All structures designed for residential use within a one hundred (100)-year (or one percent (1%) annual chance) floodplain will be elevated with the lowest floor at least two feet above the base flood elevation level and comply with the requirements of 87 FRN 6364, Section II.B.2.c. "Elevation standards for new construction, reconstruction, and rehabilitation of substantial damage, or rehabilitation resulting in substantial improvements" as well as Executive Order 11988 and 24 CFR Part 55. Additionally, Sponsors with Projects approved to build within a one hundred (100)-year floodplain must obtain and maintain flood insurance in perpetuity, per part 24 CFR Part 58.6, as a condition of federal assistance.

E. Resilient Home Construction Standards

Sponsors are strongly encouraged to incorporate Resilient Home Construction Standards, meaning that Projects meet an industry-recognized standard such as those set by the FORTIFIED Home Silver and Bronze levels. The Department will consider any other standard that results in a discounted or reduced hazard insurance rate to be cost reasonable.

16. Affirmative Marketing Plan

Sponsors shall advertise Projects and units to fill vacant units or to develop a waiting list of interested applicants for the subsidized housing. DR-ACCEL applications, where applicable, must include an Affirmative Marketing Plan developed using the Affirmative Fair Housing Marketing Plan (AFHMP) Form HUD-935.2A. Affirmative Marketing

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involves special outreach and advertising efforts designed to communicate the availability of DR-ACCEL assisted housing to those groups or individuals who might otherwise be unlikely to apply. Those groups are identified through analysis of local housing market area demographics using statistics readily available from the U.S. Census Bureau and determining appropriate advertising and outreach efforts to be followed by Sponsors to reach out to those least likely to apply for the housing opportunity. Affirmative marketing efforts must begin at least ninety (90) days prior to initial occupancy.

HCD has determined that in addition to the required demographic analysis, individuals and families that were impacted by the disasters, low-income immigrants, persons with limited English proficiency, and Section 8 Housing Choice Voucher holders are least likely to apply. Examples of renters impacted by the disasters include renters that have lost rental units or have been displaced due to the impacts of DR-4683.

Affirmative Marketing Plans submitted with applications shall demonstrate that the proposed Projects will affirmatively further fair housing and adequately address the tenant market in ways that are likely to lessen area racial, ethnic, and low-income concentrations, and/or promote affordable housing in low-poverty, nonminority areas in response to natural hazard-related impacts.

To prepare the Affirmative Marketing Plan:

- A. Sponsors shall download [Form HUD-935.2A](#).
- B. Review the form and its instructions.
- C. Identify the [Census Tract](#) where the housing is located.
- D. Determine the Census Tract(s) that comprise the Housing Market Area (generally multiple Census Tracts comprising a City or portion of a County). Develop a map to represent this market area.
- E. Determine the Census Tract(s) that comprise the Expanded Housing Market Area (generally multiple Census Tracts that comprise an entire County and often areas that extend beyond jurisdictional boundaries).
- F. Using CPD Maps or U.S. Census Bureau data, complete Form HUD-935.A Worksheet 1, listing the number of residents in each category (existing Project residents if applicable, Project wait list applicant data if applicable, residents of the Census Tract, residents of the designated Housing Market Area, and finally

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residents of the Expanded Housing Market Area).

- G. Based on the data evaluation in Worksheet 1, to identify any under-representation of certain demographic groups in terms of race, color, national origin, religion, sex, familial status, or Disability. If there is significant under-representation of any demographic group among Project residents or current applicants (for existing housing) in relation to the housing/expanded housing market area, then targeted outreach and marketing should be directed towards these individuals least likely to apply. To identify underrepresented groups least likely to apply for housing in newly constructed Projects that do not currently have existing occupants or waitlists, evaluate the Census Tract data against the Housing Market Area and the Expanded Housing Market Area to identify underrepresented groups in the Census Tract. Note that individuals and families that were impacted by the disasters and Section 8 Housing Choice Voucher holders shall be considered among those who are under-represented and least likely to apply.
- H. Worksheet 2 shall not be used. Residency Preference Areas shall not be established for DR-ACCEL Projects.
- I. Complete Worksheet 3 to identify each targeted underrepresented population and the specific community contacts to be consulted for the purpose of effectuating Affirmative Marketing. To reach out to individuals and families that were impacted by the disasters and to Section 8 Housing Choice Voucher holders, the AFHMP shall, to the extent feasible, identify non-profit caseworkers who were on the ground during the disaster, contact area public housing agencies, advertise through TV / Radio / Newspapers / Billboards / 211 system. Within the interest list and application, data shall be collected to determine if a prospective applicant was impacted by the disasters or is a Section 8 Housing Choice Voucher holder.
- J. Complete Worksheet 4 to identify appropriate advertising methods (publications, outlets) for each targeted population.
- K. Review and update the AFHMP every five (5) years, or when there are significant changes to the demographics of the Project or the local housing market area.

17. Completing an Environmental Review

An environmental review must be performed on the Project prior to federal funds being disbursed. Sponsors shall prepare the appropriate level of environmental review and

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submit the environmental review document, complete with appropriate citations and supporting analysis and studies, to HCD for review at Sponsor's expense. The environmental review shall document compliance with [24 CFR Part 58](#), NEPA, and all related laws, authorities, and executive orders.

For DR-ACCEL, HCD is the Responsible Entity and will review Sponsor-submitted Environmental Review Records (ERR) for compliance with [24 CFR Part 58](#) requirements prior to submitting a Request for Release Of Funds (RROF) to HUD. HUD shall grant the authority to use funds. The conversion to Exempt must be documented, and documentation must be submitted to the Department as part of the ERR.

Sponsors are also responsible for working with the City or County where the Project is located to ensure compliance with CEQA, including the submission or designation of applicable waivers to the CEQA Clearinghouse with a copy to HCD.

Pursuant to [87 FRN 6364](#), HCD may accept another federal agency's environmental review. The DR-ACCEL will not provide funding for Projects that have a Finding of Significant Impact (FOSI).

For a Project located on Native American Lands, the Department will be the lead agency and will prepare any exemption documentation for all other Projects subject to CEQA. The lead agency shall document Project compliance.

No work, including any land-disturbing activity associated with the Project, such as land preparation such as clearing, demolition, grading, and filling 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 Sponsor to HCD for the use of DR-ACCEL funds, there can be no **choice-limiting actions** on the part of the Sponsor/Developer/owner until environmental clearance is received in the form of an Authority to Use Grant Funds (AUGF) or environmental clearance letter issued by HUD or the Department.

The concept of prohibiting "**choice-limiting**" actions is to prevent the Sponsor/Developer/owner from investing in a Project before all necessary environmental clearances are obtained. Market studies, environmental studies, plan development, engineering or design costs, inspections and tests are not considered "choice-limiting" actions. "**Choice-limiting actions**" are defined as any activity that would have an adverse environmental impact or limit the choice of reasonable alternatives, such as acquisition of the Project property by the Sponsor/Developer/owner (or any subsidiary of the Sponsor), construction, demolition

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of buildings, or rehabilitation or reconstruction of buildings. Per 24 CFR Part 58.22, failure to comply with the prohibition against committing funds or taking physical action (using either HUD funds or non-HUD funds) before the completion of the environmental review process could result in loss of HUD assistance, cancellation of the Project, reimbursement by the Sponsor/owner to HUD for the amount expended, or suspension of the disbursement of funds for the affected activity.

To process the environmental review for each Project:

- A. Sponsors must submit all ERRs and RROF, if applicable, to HCD for review at submission of the Project application (if available) or following Project approval by HCD. [HUD provides guidance on preparation of ERRs on its website.](#)
- B. Upon receipt, review and approval of a completed ERR, HCD will publish the Notice of Intent – Request for Release Of Funds (NOI-RROF) and process the RROF to HUD. Alternatively, for Categorically Excluded, Subject to Part 58.5 reviews, HCD may issue an environmental clearance letter to the Sponsor.
- C. Upon receipt of the AUGF from HUD or HCD's issuance of the environmental clearance letter, HCD and the Sponsor may enter into a Standard Agreement and Sponsor may incur Project costs and drawdown funds.

18. Duplication of Benefits

A Duplication of Benefits (DOB) occurs when a program beneficiary receives financial assistance from multiple sources for a cumulative amount that exceeds the total need for the same recovery purpose of the DR-ACCEL Loan funds. The amount of the duplication is the amount of assistance provided in excess of the need. It is the Department's responsibility to ensure that the DR-ACCEL provides financial assistance only to the extent that the disaster recovery need has not been fully met by funds that have already been paid, or will be paid, from another source.

The Sponsor must report all funds obtained for the Project from any source from the date of the disaster until the Project is completed.

Additionally, the Department has performed a check for DOB prior to executing this Agreement to ensure that duplicative financial assistance is not provided for multifamily housing. The Department also reserves the right to perform additional DOB checks throughout the course of the Project's performance period, up to and through the closeout of each Project, to ensure there is no duplicative financial assistance throughout the course of the Project. Any person who knowingly makes a false claim or

statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C. 3729.

The Sponsor agrees to repay to the Department any financial assistance later received for the same purpose as the CDBG–DR funds from another source, and that exceeds the total need for the particular recovery purpose.

19. Other State and Federal Requirements

A. State Prevailing Wage

When applicable, Sponsor shall ensure that the requirements of [California Labor Code](#) Chapter 1, commencing with Section 1720, Part 7 pertaining to the payment of prevailing wages and administered by the California Department of Industrial Relations (“DIR”) are met. Projects may be exempt from these requirements under State Prevailing Wage rules; accordingly, Sponsors should thoroughly evaluate the California Labor Code with their counsel and consult DIR as necessary to determine if the Project qualifies for any exemption based on the Project’s unique attributes.

For the purposes of this requirement "construction work" includes, but is not limited to rehabilitation, alteration, demolition, installation, or repair done under contract and paid for, in whole or in part, through this Agreement. All construction work shall be done through the use of a written contract with a properly licensed building contractor incorporating these requirements (the "Construction Contract"). Where the Construction Contract will be between the Sponsor and a licensed building contractor, the Sponsor shall serve as the "awarding body" as that term is defined in the California Labor Code. Where the Sponsor will provide funds to a third party that will enter into the Construction Contract with a licensed building contractor, the third party shall serve as the "awarding body."

The applicable wage rate determination on construction work will be the more restrictive of the rate prescribed in the California Labor Code Sections 1770-1784 or the Davis-Bacon Wage Determination. HCD does not make determinations of any wage rates. The California DIR publishes prevailing wage rates for the State, and the U.S. Department of Labor publishes the Davis-Bacon prevailing wage rates.

B. Federal Labor Standards

Federally-Assisted Construction Contracts trigger the Davis-Bacon and Related

Acts. As required by Section 110 of the Housing and Community Development Act, and as outlined in [HUD Handbook 1344.1 Rev 3](#), Federal Labor Standards Requirements in HUD Programs, Sponsors are responsible for ensuring compliance with Davis-Bacon (DBA) requirements as well as the Copeland Anti-Kickback Act, the Contract Work Hours and Safety Standards Act (CWHSSA) and the Fair Labor Standards Act (FLSA), collectively referred to herein as Davis-Bacon and Related Acts (DBRA). In general, DBRA requires payment of prevailing wages to laborers and mechanics on contracts, financed in whole or in part with CDBG-DR funds on residential Projects that include eight (8) or more units. Advertising for bids, bid solicitation and contracts are to incorporate Davis-Bacon Labor Standards and wage determinations, "Attention of Bidders" paragraph and CDBG-DR Compliance Provisions for Construction Contracts. Please reference the state's [Grant Administration Manual](#), Section XII(E) for additional labor standards procedures and requirements.

C. Minority and Women Business Enterprise (M/WBE)

Per [2 CFR 200.321](#), Sponsors, contractors, and/or Developers, where applicable, must take all necessary affirmative steps to ensure that minority business, women's business enterprises, and labor surplus area firms are used when possible. Affirmative steps include:

- 1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- 2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- 3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- 4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
- 5) Using the services and assistance, as appropriate, of such organizations as the SBA and the Minority Business Development Agency of the Department of Commerce;
- 6) Requiring the prime contractor, if subcontracts are to be let, to take the

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affirmative steps listed in paragraphs (1) through (5) above;
Sponsor shall collect information from all contractors subcontractors and report all contracts and subcontracts awarded to minority businesses, women's business enterprises and labor surplus area firms to HCD on an annual basis.

D. Section 3 of the HUD Act of 1968

Section 3 is a provision of the HUD Act of 1968 (implementing regulation at [24 CFR Part 75](#)) that helps foster local economic development, neighborhood economic development, and individual self-sufficiency. Section 3 requires recipients of HUD housing and community development financial assistance to provide job training, employment and contracting to the greatest extent feasible, for low- or very low-income residents in connection with projects and activities in their neighborhoods. Projects assisted with DR-ACCEL funds in excess of \$200,000 trigger Section 3 requirements. When triggered, best efforts must be made to extend Section 3 opportunities to verified Section 3 residents and business concerns to meet these minimum numeric goals: (1) Twenty-five percent (25%) of the total hours worked on a Section 3 project must be worked by Section 3 workers; and (2) Five percent (5%) of the total hours worked on a Section 3 project must be worked by Targeted Section 3 workers.

The Sponsor and the Sponsor's Contractors and consultants shall comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (HDA), and implementing regulation at 24 CFR, Part 75, where applicable. Tribal Entity Applicants are exempt from the requirements of Section 3 of the HDA and are permitted to comply with Indian preference requirements as set forth in 25 CFR. 1000.42.

The responsibilities outlined in 24 CFR Part 75.19 include:

- Implementing procedures designed to notify Section 3 workers about training and employment opportunities generated by Section 3 covered assistance and Section 3 business concerns about contracting opportunities generated by Section 3 covered assistance.
- Notifying potential Contractors for Section 3 covered projects of the requirements of Part 75, Subpart C and incorporating the Section 3 clause set forth below in all solicitations and contracts.

Section 3 Clause

The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

The parties to this contract agree to comply with HUD's regulations in 24 CFR. Part 75, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 75 regulations.

The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 75 and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 75. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 75.

The contractor acknowledges that subrecipients, contractors, and subcontractors are required to meet the employment, training, and contraction requirements of 24 CFR 75.19, regardless of whether Section 3 language is included in recipient or subrecipient agreements, program Regulatory Agreement, Declaration of Restrictive Covenant, or contracts.

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The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 75 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 75. Noncompliance with HUD's regulations in 24 CFR Part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

The contractor agrees to submit, and shall require its subcontractors to submit to them, annual reports detailing the total number of labor hours worked on the Section 3 Project, the total number of labor hours worked by Section 3 Workers, and the total number of hours worked by Targeted Section 3 Workers, and any affirmative efforts made during the quarter to direct hiring efforts to low- and very low-income persons, particularly persons who are Section 3 workers and Targeted Section 3 workers.

The Sponsor's Project Completion Report shall also include a Section 3 Summary Report of the total number of labor hours worked by all contractors and subcontractors, the total number of labor hours worked by Section 3 workers, and the total number of labor hours worked by Targeted Section 3 workers, as required pursuant to 24 CFR 75.25(a). In the event that the number of Section 3 worker labor hours divided by the total labor hours worked by all workers on a Section 3 project does not meet or exceed HUD's Twenty-five (25) percent standard, and/or that the number of Section 3 targeted worker labor hours divided by the total labor hours worked by all workers on a Section 3 project does not meet or exceed HUD's Five percent (5%) standard, Sponsor shall provide additional reporting on the qualitative nature of its activities and those its contractors and subcontractors pursued, as defined at 24 CFR 75.25(b).

The standards for hours worked by Section 3 Workers and Targeted Section 3 Workers are subject to change by HUD as published in the Federal Register.

E. Broadband Infrastructure

Per [87 FRN 6364](#), Section II.B.2.d. "Broadband infrastructure in housing" any substantial rehabilitation or new construction of a building with more than four rental units must include installation of broadband infrastructure, except where the Sponsor documents that: 1) The location of the Project makes installation of broadband infrastructure infeasible; 2) The cost of installing broadband

infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden; or 3) The structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible.

F. Uniform Relocation Assistance and Real Property Acquisition Act (“URA”)

The URA contains requirements for carrying out real property acquisition or the displacement of a person, regardless of income status, for a project in which HUD financial assistance is provided. The implementing regulations, [49 CFR Part 24](#), include steps which must be taken with tenant occupants, including those who will not be impacted by the HUD assisted activity.

Sponsor must comply with all applicable federal, state, and local relocation law. Pursuant to relocation law, a Sponsor must have a relocation plan prior to proceeding with any phase of a project or other activity that will result in the displacement of persons, businesses, or farm operations. To ensure that displaced persons or entities do not suffer a disproportionate impact as a result of projects, which benefit the public, all notices to vacate and relocation services must be provided to them in accordance with applicable law. In addition, before the DR-ACCEL Standard Agreement will be executed, Sponsor must have either: (1) a Department-approved relocation plan; or (2) a Department-issued Certification Regarding Non-Application of Relocation Benefits and Indemnification Agreement, which has been duly executed and approved by the Department. The Department will identify its submittal requirements for these relocation documents in the DR-ACCEL application materials. Where the Sponsor's activities will or may result in displacement, the Sponsor's development budget shall include enough funds to pay all costs of relocation benefits and assistance. Any modifications to the foregoing process requirements must be approved in advance by the Department in writing.

G. Section 104(d)

The one for one-replacement provisions of Section 104(d) of the Housing and Community Project Act of 1974 as amended are applicable, except that these requirements are waived for owner-occupied lower-income dwelling units that are damaged by the disaster and not suitable for rehabilitation, pursuant to Section IV.F.1 of [2020 CDBG-DR Federal Register/Vol. 87, No. 23 \(PDF\)](#).

If a Project site is occupied at the time the CDBG-DR application is made, the application must include: 1) an exhibit explaining either that no relocation of tenants will result, or 2) that such relocation will be temporary (supported by an

adequately documented estimate of relocation costs), or 3) a written commitment to submit a relocation plan to HCD for approval as a condition precedent to entering into the Standard Agreement, as further discussed in [Section 2.7](#) of this document. In the event HCD determines that no relocation is required, the Sponsor will be required to execute and deliver to HCD a certificate of no relocation.

H. **Prohibition Against Eminent Domain**

Per the Federal Register Notice, CDBG-DR funds may not be used to support any Federal, State, or local projects that seek to use the power of eminent domain, unless eminent domain is employed only for a public use as defined in per [87 FRN 6364](#), Section II.D.7.

I. **Equal Opportunity Requirements and Responsibilities**

Where applicable, the following Equal Opportunity Requirements and Responsibilities apply to the Project, unless exempted by other federal laws:

1. Sponsors that are federally recognized tribes and where Projects are located on Native American Land, are exempted by NAHASDA, 24. C.F.R. Section 1000.12, from compliance with the Equal Opportunity Requirements and Responsibilities set forth below, including but not limited to, the Architectural Barriers Act of 1968, Fair Housing Act, Affirmative Marketing requirements, Title VI of Civil Rights Act of 1964, and Title VIII of the Civil Rights Act of 1968 and the Age Discrimination Act.
2. Sponsors that do not qualify for the exemption stated above, must comply with all of the following:
 - a) **Title VI of the Civil Rights Act of 1964:** This act provides that no person shall be excluded from participation, denied program benefits, or subject to discrimination based on race, color, and/or national origin under any program or activity receiving federal financial assistance.
 - b) **Title VII of the Civil Rights Act of 1968 (The Fair Housing Act):** This act prohibits discrimination in housing on the basis of race, color, religion, sex and/or national origin. This law also requires actions which affirmatively promote fair housing.

- c) **Restoration Act of 1987:** This act restores the broad scope of coverage and clarifies the application of the Civil Rights Act of 1964. It also specifies that an institution which receives federal financial assistance is prohibited from discriminating on the basis of race, color, national origin, religion, sex, Disability or age in a program or activity which does not directly benefit from such assistance.
- d) **Section 109 of Title 1 of the Housing and Community Development Act of 1974 [42 U.S.C. 53091]:** This Section of Title 1 provides that no person shall be excluded from participation (including employment), denied program benefits, or subject to discrimination on the basis of race, color, national origin, or sex under any program or activity funded in whole or in part under Title 1 of the Act.
- e) **The Fair Housing Amendment Act of 1988:** This act amended the original Fair Housing Act to provide for the protection of families with children and people with disabilities, strengthen punishment for acts of housing discrimination, expand the Justice Department jurisdiction to bring suit on behalf of victims in federal district courts, and create an exemption to the provisions barring discrimination on the basis of familial status for those housing developments that qualify as housing for persons age 55 or older.
- f) **The Age Discrimination Act of 1975:** This act provides that no person shall be excluded from participation, denied program benefits, or subject to discrimination on the basis of age under any program or activity receiving federal funding assistance. Effective January 1987, the age cap of 70 was deleted from the laws. Federal law preempts any State law currently in effect on the same topic.
- g) **Section 504 of the Rehabilitation Act of 1973:** It is unlawful to discriminate based on Disability in federally assisted programs. This Section provides that no otherwise qualified individual shall, solely by reason of his or her Disability, be excluded from participation (including employment), denied program benefits, or subjected to discrimination under any program or activity receiving federal funding assistance. Section 504 also contains design and construction accessibility provisions for multi-family dwellings

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developed or substantially rehabilitated for first occupancy on or after March 13, 1991.

- h) **The Americans with Disabilities Act of 1990 (ADA):** This act modifies and expands the Rehabilitation Act of 1973 to prohibit discrimination against "a qualified individual with a Disability" in employment and public accommodations. The ADA requires that an individual with a physical or mental impairment who is otherwise qualified to perform the essential functions of a job, with or without reasonable accommodation, be afforded equal employment opportunity in all phases of employment.
- i) **Executive Order 11063:** This executive order provides that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in housing and related facilities provided with federal assistance and lending practices with respect to residential property when such practices are connected with loans insured or guaranteed by the federal government.
- j) **Executive Order 11259:** This executive order provides that the administration of all federal programs and activities relating to housing and urban development be carried out in a manner to further housing opportunities throughout the United States.
- k) **The Equal Employment Opportunity Act:** This act empowers the Equal Employment Opportunity Commission (EEOC) to bring civil action in federal court against private sector employers after the EEOC has investigated the charge, found "probable cause" of discrimination, and failed to obtain a conciliation agreement acceptable to the EEOC. It also brings federal, state, and local governments under the Civil Rights Act of 1964.
- l) **The Uniform Guidelines on Employee Selection Procedures adopted by the Equal Employment Opportunity Commission in 1978:** This manual applies to employee selection procedures in the areas of hiring, retention, promotion, transfer, demotion, dismissal and referral. It is designed to assist employers, labor organizations, employment agencies, licensing and certification boards in complying with the requirements of federal laws prohibiting discriminatory employment.

- m) **The Vietnam Era Veterans' Readjustment Act of 1974 (revised Jobs for Veterans Act of 2002):** This act was passed to ensure equal employment opportunity for qualified disabled veterans and veterans of the Vietnam War. Affirmative action is required in the hiring and promotion of veterans.
- n) **Executive Order 11246:** This executive order applies to all federally assisted construction contracts and subcontracts. It provides that no person shall be discriminated against on the basis of race.

J. California's Preservation Notice Law

All Applicants, Sponsors, co-Sponsors, owners, and special purpose entities must, at all times, comply with, and not be in violation of, [California's Preservation Notice Law](#) (Gov. Code, §§ [65863.10](#), [65863.11](#), [65863.13](#)). For Projects located on Native American Lands, Tribal Entity Sponsor is not subject to the California Preservation Notice Law pursuant to NAHASDA at 25 U.S.C. section 4101 et seq..

K. Lead-Based Paint Hazards

Activity(ies) performed with assistance provided by HCD are subject to lead-based paint hazard regulations contained in Title 8 (Industrial Relations) and Title 17 (Public Health) of the CCR and [24 CFR, Part 35](#) (Lead Disclosure). Assistance provided under this program shall be made subject to the provisions for the elimination or mitigation of lead-based paint hazards under these regulations. The Sponsor shall be responsible for the notifications, inspections, and clearance certifications required under these regulations, including Tribal Entity Sponsors, pursuant to NAHASDA at 24 C.F.R. § 1000.40. Native American Entities subject to NAHASDA are only required to comply with the Lead Based Paint Position Prevention Act (PPA)24 C.F.R. Part 35, subparts A, B, H, J, K, M and R.

L. Pet Friendly Housing Act of 2017

Health and Safety Code § 50466 require each housing development that is financed on or after January 1, 2018, pursuant to this division, to authorize a resident of the housing development to own or otherwise maintain one or more common household pets within the resident's dwelling unit, subject to applicable

state laws and local government ordinances related to public health, animal control, and animal anticruelty.

M. Violence Against Women Act

The Violence Against Women Act (VAWA, 34 U.S.C. § 12471 et seq.) provides housing protections for survivors of domestic violence, dating violence, sexual assault, and/or stalking (collectively referred to as “VAWA violence / abuse”). VAWA protections apply regardless of sex, sexual orientation, or gender identity (24 C.F.R. § 5.2001). VAWA was reauthorized and amended in March 2022, and it became effective on October 1, 2022.

20. Anti-Lobbying Certification

The Sponsor shall require that the language of this certification be included in all contracts or subcontracts entered into in connection with the Project(s) and shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and no more than \$100,000 for such failure.

- A. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- B. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.

21. Conflict of Interest

Pursuant to 24 CFR § 570.489(h), no member, officer, or employee of the Sponsor, or its designees or agents, no member of the governing body of the locality in which the Project is situated, and no other public official of such locality or localities who exercise

or have exercised any functions or responsibilities with respect to CDBG-DR activities assisted under this part, or who are in a position to participate in a decision making process or gain inside information with regard to such activities, including members and delegates to the Congress of the United States, may obtain a financial interest or benefit from a CDBG-DR assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to a CDBG-DR assisted activity or its proceeds, either for themselves or those with whom they have business or immediate family ties, during their tenure, or for one (1) year thereafter.

22. Sponsor Representations

- A. Sponsor represents and warrants that, as of the date of this Agreement, the Sponsor is a duly organized and validly existing entity under California law and the person signing this Agreement on behalf of Sponsor has the authority to act on behalf of and to bind the Sponsor in accordance with the terms of this Agreement.
- B. Sponsor represents and warrants that, as of the date of the Loan closing, the Borrower may be a duly organized and validly existing limited partnership under California law, and that such limited partnership will have the authority to participate in the DR-ACCEL subject to all DR-ACCEL Requirements.
- C. Sponsor further represents and warrants that, as of the date of the Loan closing, the person(s) executing the Loan documents will have full authority to act on behalf of and to bind the Sponsor in accordance with the terms of those documents.

23. Survival of Obligations

The obligations of the Sponsor as set forth in this Agreement shall survive the DR-ACCEL Loan closing, and the Sponsor shall continue to cooperate with the Department and perform acts and provide documents as provided herein. The obligations of this Agreement shall continue for the fifty-eight (58)-year income, occupancy, and rent restrictions, or until the regulatory agreement is terminated.

24. Severability and Litigation

If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent jurisdiction, such invalidity, at the sole and absolute discretion of the Department, shall not affect any other provisions of this Agreement and the remainder of this Agreement shall remain in full force and effect. Therefore, the provisions of this

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Agreement are, and shall be, deemed severable. The Sponsor shall notify the Department immediately of any claim or action undertaken by or against it which affects or may affect this Agreement or the Department and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement and the interests of the Department.

25. Obligations of Sponsor with Respect to Certain Third-Party Relationships

The Sponsor shall remain fully obligated under the provisions of this Agreement notwithstanding its designation of any third party or parties for the undertaking of all or any part of the Project with respect to which assistance is being provided under this Agreement. The Sponsor shall comply with all lawful requirements of the Department necessary to ensure the completion, occupancy and use of the Project in accordance with this Agreement.

26. Waivers

No waiver of any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. The failure of the Department to enforce at any time the provisions of this Agreement or to require at any time performance by the Sponsor of these provisions shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of the Department to enforce these provisions.

27. Inspections of Project Activities

The Department reserves the right to inspect any Project activities performed hereunder to verify that the Project activities are being and/or have been performed in accordance with the applicable federal, state and/or local requirements and this Agreement.

- A. The Department may designate a qualified third party to inspect the Project activity performed by Sponsor, contractors, or subcontractors hereunder to ensure that the Project activities are being and have been performed in accordance with the applicable federal, state and/or local requirements and this Agreement.
- B. The Sponsor shall promptly correct all Project activities found to be deficient and that do not conform to the applicable requirements as identified during the inspection. The Department, at its sole discretion, may withhold payment to the Sponsor, Contractor, or subcontractor, respectively, until all deficiencies are corrected.

- C. Access by the Department, the federal grantor agency, the State, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the Sponsor, Contractor or subcontractor which are directly pertinent to that specific contract for the purpose of monitoring, making audit, examination, excerpts, and transcriptions pursuant to 2 CFR 200.336 shall be permitted. Sponsor shall include in its agreements with Contractors, as applicable, provisions requiring such parties to provide access to its records for the purposes specified above.

28. Audit/Retention and Inspection of Records

- A. The Sponsor agrees that the Department or its designee shall have the right to review, obtain, and copy all records and supporting documentation pertaining to performance of this Agreement. The Sponsor agrees to provide the Department or its designee with any relevant information requested and shall permit the Department or its designee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees who might reasonably have information related to such records and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with California Government Code § 8546.7.

The Sponsor further agrees to maintain such records for a period of five (5) years after the Department closes the Community Development Block Grant - Disaster Recovery grant, as provided by the publication of the Federal Register, Vol. 87, No. 23, February 3, 2022 (87 FR 6364) and Federal Register Vol. 87, No. 100, May 24, 2022 (87 FR 31636) and Public Law 117-43.

- B. The Sponsor also agrees to include in any contract that it enters into, in an amount exceeding \$10,000.00, a provision establishing the Department's right to audit the contractor's records and interview their employees. If the Sponsor provides DR-ACCEL Loan funds to for-profit owners or developers or other entity approved by the Department, the Sponsor must have a written agreement that includes a provision for meeting the fiscal and audit requirements of this Section. The Sponsor shall comply with the caveats and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in California Public Contract Code § 10115.10.
- C. An expenditure which is not authorized by this Agreement, or which cannot be adequately documented shall be disallowed, and funds must be returned to the Department within sixty (60) days of discovery by the Sponsor unless the Department approves in writing an alternate plan.

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- D. The determination by the Department of the eligibility of any expenditure shall be final and not subject to appeal.
- E. If requested by the Department pursuant to regulation at § 8216 of Title 25 of the California Code of Regulations, the Sponsor shall cause to be performed a financial audit by an independent certified public accountant.
- 1) The Sponsor shall notify the Department of the auditor's name and address immediately after the selection has been made. The contract for audit shall allow access by the Department to the independent auditor's working papers.
 - 2) The Sponsor shall submit one copy of all required audit reports to the Department within the earlier of thirty (30) days after receipt of the auditor's report or nine months after the close of the required audit period unless a longer period is agreed to in advance by the Department, to:

Department of Housing and Community Development
Division of Federal Financial Assistance
P.O. Box 952054
Sacramento, CA 94252-2050
ATTN: CDBG DR-ACCEL Long Term Monitoring
- F. The Sponsor shall notify the Department of the auditor's name and address immediately after the selection has been made. The contract for audit shall allow access by the Department to the independent auditor's working papers.
- G. The performance of this Agreement by the Sponsor shall be subject to examination and audit by the State Auditor pursuant to Government Code § 8546.7.
- H. The Sponsor is responsible for the completion of any required audits and all costs of preparing audits.
- I. If there are audit findings, the Sponsor shall submit a detailed response acceptable to the Department for each audit finding.

29. Signs

If the Sponsor places signs stating that the Project is funded with private or public

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dollars and the Department is also providing financing, it shall indicate in a typeface and size commensurate with the Department's funding portion of the Project that the Department is a source of financing through the CDBG-DR Program.

30. Restrictions on Continued Eligibility for Award

If the Sponsor has a pending application with CDLAC and/or TCAC relative to the Project, and that application is thereafter recommended to receive bonds and/or tax credits, the DR-ACCEL funds must be returned to the Department. If, after receiving an award of DR-ACCEL funds, the Sponsor withdraws the awarded Project's pending application from CDLAC and/or TCAC, the Sponsor will no longer be eligible for that DR-ACCEL funding.

31. Future Tax Credit Applications and Syndicating Losses

The Sponsor is prohibited from applying for or receiving a tax credit allocation on the Project for a period of twenty (20) years from the DR-ACCEL Loan closing date for that Project.

Post-award, if the Sponsor syndicates and sells a portion of its ownership interest to a partner or equivalent party seeking tax losses associated with the Project, nine-tenths of the gross proceeds of that sale shall be remitted to the Department as recaptured DR-ACCEL funds.

32. Compatibility of Program Funds

It is the duty and responsibility of each Sponsor to review the provisions, requirements, and limitations of all funding sources applied for and obtained for a particular project, program, or activity in order to ensure that each and every requirement of those funding sources is compatible with all Department program requirements and restrictions. Incompatibility of funding sources may result in the denial or cancellation of an award or may result in the placement of conditions or limitations on an award, all as determined by the Department in its sole and absolute discretion.

33. Combating Fraud

False, Fictitious or Fraudulent Claims

Warning: Any person who knowingly makes a false claim or statement to the U.S. Department of Housing and Urban Development ("HUD") or the Department in connection with this Agreement may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C. 3729.

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Detecting, Preventing, and Reporting FRAUD

Fraud is a white-collar crime that has a devastating effect on the CDBG-DR Program because the CDBG-DR Program beneficiaries are victims of this crime when the CDBG-DR Program is abused.

The Department wants to stop any criminal misuse of the CDBG-DR Program it administers, and in so doing all CDBG-DR funds go to people it was designed to help and to improve their living conditions.

Combating Fraud

The HUD Office of Inspector General (OIG) is committed to protecting HUD's programs, operations, and beneficiaries from dishonest individuals and organizations. HUD cannot combat fraud alone.

HUD relies on the Department and Sponsors to combat CDBG-DR Program fraud. HUD also relies on Applicants for, and people receiving, HUD benefits, such as tenants receiving rental assistance, borrowers with HUD-insured loans, or citizens having their communities restored using HUD grants.

The HUD OIG Hotline number is 1-800-347-3735, which is the primary means to submit allegations of fraud, waste, abuse, mismanagement, or whistleblower-related matters for the CDBG Program to the Office of Inspector General.

HUD OIG accepts reports of fraud, waste, abuse, or mismanagement in the CDBG-DR Program from HUD employees, anyone administering the CDBG-DR program, anyone working in the CDBG-DR program, Sponsors, contractors, and the public.

You can report mismanagement or violations of law, rules, or regulations by HUD employees or Program participants.

Fraud, Waste, and Abuse in the CDBG-DR Program and its operation may be reported in one of the following four (4) ways:

E-mail to: hotline@hudoig.gov

By Phone: Call toll free: 1-800-347-3735

By Fax: 202-708-4829

By Mail to:

HUD OIG, Office of Investigation

Room 1200

Field Office

One Sansome Street

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San Francisco, CA 94104
[\(213\) 534-2518](tel:(213)534-2518)

Or

HUD OIG, Office of Investigation
Suite 4070
Regional Office
300 North Los Angeles Street
Los Angeles, CA 90012
(213) 534-2518

34. Whistleblower Protection Act

A. Federal Whistleblower Protection Act (5 U.S.C Section 2302(b)(8))

The Federal Whistleblower Protection Act (WPA) protects employees from retaliation for making protected disclosures. The WPA also provides penalties for supervisors who retaliate against Whistleblowers.

- 1) A disclosure is protected under the WPA if the employee discloses information the employee reasonably believes to be evidence of:
 - a) a violation of any law, rule, or regulation,
 - b) gross mismanagement,
 - c) a gross waste of funds,
 - d) an abuse of authority, or
 - e) a substantial and specific danger to public health or safety.
- 2) In general, an employee or applicant may make a protected disclosure to anyone, including non-governmental audiences, unless the information is classified or specifically prohibited by law from release. Options for making a protected disclosure include:
 - a) Informing a supervisor or someone higher up in management,
 - b) Submitting an e-mail complaint to the U.S. Office of Inspector General

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(OIG) at oig@ftc.gov,

- c) Filing a complaint with the U.S. Office of Special Counsel (OSC)
<http://www.osc.gov/>

B. The California Whistleblower Protection Act (Title 2, Division 1, Chapter 6.5, Article 3.5, Gov. Code §§ 8548-8548.5)

- 1) The California Whistleblower Protection Act authorizes the California State Auditor to receive complaints from state employees and members of the public who wish to report an improper governmental activity. **An "improper governmental activity" is any action by a state agency or any action by a state employee directly related to state government that:**

- a) Violates any state or federal law or regulation, (e.g., Government Code 65302(c)&(g)-(h); Public Resources Code Section 71150 et seq.; 71350 et seq.),
- b) Violates an Executive Order of the Governor (e.g., Executive Order N-8-23, N-06-19), a California Rule of Court, or any policy or procedure required by the State Administrative Manual or State Contracting Manual, or
- c) Is economically wasteful or involves gross misconduct, incompetency, or inefficiency. Complaints received by the State Auditor are confidential, and the identity of the complainant may not be revealed without the complainant's permission, aside from to an appropriate law enforcement agency conducting a criminal investigation.

- 2) There are many ways to file a complaint:

- a) By Telephone

You may call the Whistleblower Hotline at (800) 952-5665 to file a complaint by talking to one of the State Auditor's employees. The hotline generally is staffed Monday through Friday from 8:00 a.m. to 5:00 p.m. If you call when the hotline is not being staffed, or staff is occupied with other calls, you may leave a voicemail message requesting a return call.

b) By Mail or Facsimile

You may file a complaint in the form of a letter to the State Auditor addressed as follows:

Investigations California State Auditor
P.O. Box 1019
Sacramento, CA 95812

Or you may fax the letter to the State Auditor at (916) 322-2603.

As an alternative, you may complete the electronic version of the complaint form (which is available on the State Auditor website at auditor.ca.gov), print it out, and return it by mail or facsimile as stated above.

c) Online

Although the State Auditor does not accept complaints by e-mail, you may file a complaint online at <https://www.auditor.ca.gov/contactus/complaint>.

The State Auditor will not undertake an investigation unless there is a basis for believing that your complaint has sufficient merit to warrant spending resources on an investigation. Your complaint should therefore include:

- i. A clear and concise statement of what you are alleging to be improper activity and why you believe it is improper.
- ii. The name or other information that clearly identifies the person you are alleging has acted improperly and the department where that person works.
- iii. The names and contact information for any witnesses who can confirm the truth of what you are saying.
- iv. Copies of any documents that will support what you are saying. (You should not submit original documents, as they cannot be returned.)

35. Indemnification

Sponsor and Borrower agrees to defend, indemnify, release, and hold harmless the Department, its agents, officers, attorneys, employees, committees, successors and assignees from any and all claims, liabilities, judgments, damages, losses, attorney fees, expenses, costs, actions, or proceedings threatened, asserted, or brought against any of the foregoing individuals or entities related to or arising from the Sponsor's obligations and activities under this Agreement.

This indemnification shall include, but not be limited to, all damages, liabilities, judgments, claims, costs, expenses, attorney fees or expert witness fees that may be asserted by any person or entity, including the Sponsor and Borrower, except loss or liability suffered by the Department caused solely by the Department's sole negligence or willful misconduct. If, for any reason any portion of the Agreement is held to be void or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect. The obligations of the Sponsor and Borrower shall be absolute and unconditional and shall survive the construction of the Project and all Department funding.

36. Capacity to Contract

Sponsor has the capacity and authority to fulfill the obligations required of it hereunder, and nothing prohibits or restricts the right or ability of Sponsor to carry out the terms hereof.

37. Authority to Execute

- A. Each Party executing this Agreement represents that it is authorized to execute this Agreement. Each person executing this Agreement on behalf of an entity, other than an individual executing this Agreement on their own behalf, represents that they are authorized to execute this Agreement on behalf of said entity.
- B. The Department recommends the Borrower provides two (2) or more persons as an authorized signer who can execute the Department's loan documents independent of each other or provide the option of a designee to sign on behalf of the authorized signer by the authorized signer. The purpose of this recommendation is to avoid any delays and additional costs in the event an authorized signer is unavailable at the time of the loan closing. The authorized signer must execute the Department's loan documents in the presence of an escrow officer of the escrow company or alternatively, in the presence of a mobile notary approved by and under the control of the escrow company.

38. Authority to Post Remediated Versions of Agreement

Sponsor hereby understands and acknowledges that the Department is obligated under federal law to post on the Department's website copies of all CDBG-DR executed contracts. As posted, such contracts must be compliant with federal and state law accessibility laws, including the California Government Code Section 11546.7 (2017 Assembly Bill 434) and the federal Americans with Disability Act, Section 508. The state law is most stringent of the two, so all posted documents must meet Web Content Accessibility Guidelines 2.0 (WCAG 2.0) accessibility level.

To comply, the Department must utilize document remediation tools that provide the compliant formatting. All remediation will only change formatting, color schemes, and update any tables so that screen readers can properly read out the content of the table. Thus, during remediation, the appearance of this Agreement may change, but under no circumstances shall any terms or tenets of the Agreement be changed in anyway.

Additionally, the Department shall offer website visitors the option to receive a scanned, un-remediated copy of this Agreement via email, which option Sponsor also consents to.

The foregoing Sponsor authorizations apply to both this original Standard Agreement as well as any and all subsequent amendments thereto.

EXHIBIT E

PROJECT-SPECIFIC SPECIAL TERMS AND CONDITIONS

Federal Grant Identification

HUD Grant Number: B-23-DG-06-0001

CDFA Number: 14.218

Date HUD Grant Agreement signed by HUD: 07/15/2024

The following are special terms and conditions which supplement and amend certain earlier provisions of this Agreement. The sections being supplemented or amended are referenced in parentheses.

1. Scope of Work

A. Unit Mix

# of Bedrooms	DR-ACCEL Assisted Units	All restricted units (Including DR-ACCEL Assisted Units)	Non-Restricted Units	Total Units	Income Limit
1	6	6		6	30% AMI
2	3	3		3	30% AMI
2	4	4		4	45% AMI
2	5	5		5	45% AMI
2	4	4		4	55% AMI
2	8	8		8	60% AMI
3	4	4		4	30% AMI
3	3	3		3	50% AMI
3	1	1		1	55% AMI
3	3	3		3	60% AMI
3			1	1	Mgr. Unit
Totals	41	41	1	42	

B. Environmental Mitigation Measures

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As identified in the NEPA Environmental Review document, the Sponsor shall complete or coordinate completion of each mitigation measure and shall supply documentation evidencing completion to the Department. Measures include:

Clean Air Act:

M-1: During construction/ground disturbing activities, the applicant shall implement the following particulate (dust) control measures. These measures shall be shown on the grading and building plans. In addition, the contractor or builder shall designate a person or persons to monitor the dust control program and to order increased watering, as necessary, to prevent transport of dust off site. Their duties shall include holiday and weekend periods when work may not be in progress. The name and telephone number of such persons shall be provided to the APCD prior to commencement of construction.

- a. Reduce the amount of disturbed area where possible;
- b. Use of water trucks or sprinkler systems in sufficient quantities to prevent airborne dust from leaving the site and from exceeding the APCD's limit of 20% opacity for greater than 3 minutes in any 60-minute period. Increased watering frequency would be required whenever wind speeds exceed 15 mph. Reclaimed (nonpotable) water should be used whenever possible;
- c. All dirt stock-pile areas should be sprayed daily and covered with tarps or other dust barriers as needed;
- d. Permanent dust control measures identified in the approved project revegetation and landscape plans shall be implemented as soon as possible following completion of any soil disturbing activities;
- e. Exposed ground areas that are planned to be reworked at dates greater than one month after initial grading shall be sown with a fast germinating native grass seed and watered until vegetation is established;
- f. All disturbed soil areas not subject to revegetation shall be stabilized using approved chemical soil binders, jute netting, or other methods approved in advance by the APCD;
- g. All roadways, driveways, sidewalks, etc. to be paved shall be completed as soon as possible. In addition, building pads shall be laid as soon as possible after grading unless seeding or soil binders are used;
Vehicle speed for all construction vehicles shall not exceed 15 miles per hour on any unpaved surface at the construction site;
- i. All trucks hauling dirt, sand, soil, or other loose materials are to be covered or shall maintain at least two feet of freeboard (minimum vertical distance between top of load and top of trailer) in accordance with CVC Section 23114;

- j. The 'track-out prevention device' can be any device or combination of devices that are effective at preventing track-out, located at the point of intersection of an unpaved area and a paved road. Rumble strips or steel plate devices need periodic cleaning to be effective. If paved roadways accumulate tracked out soils, the track-out prevention device may need to be modified; and
- k. Sweep streets at the end of each day if visible soil material is carried onto adjacent paved roads. Water sweepers with reclaimed water shall be used where feasible. Roads shall be pre-wetted prior to sweeping when feasible.

M-2: Construction Phase Idling Limitations. This project is in close proximity to nearby sensitive receptors (Santa Lucia Middle School, residences). Projects that will have diesel powered construction activity in close proximity to any sensitive receptor shall implement the following mitigation measures to ensure that public health benefits are realized by reducing toxic risk from diesel emissions:

To help reduce sensitive receptor emissions impact of diesel vehicles and equipment used to construct the project, the applicant shall implement the following idling control techniques:

- a. California Diesel Idling Regulations. On-road diesel vehicles shall comply with Section 2485 of Title 13 of the California Code of Regulations. This regulation limits idling from diesel-fueled commercial motor vehicles with gross vehicular weight ratings of more than 10,000 pounds and licensed for operation on highways. It applies to California and non-California based vehicles. In general, the regulation specifies that drivers of said vehicles:
 - i. Shall not idle the vehicle's primary diesel engine for greater than 5-minutes at any location, except as noted in Subsection (d) of the regulation; and
 - ii. Shall not operate a diesel-fueled auxiliary power system (APS) to power a heater, air conditioner, or any ancillary equipment on that vehicle during sleeping or resting in a sleeper berth for greater than 5 minutes at any location when within 1,000 feet of a restricted area, except as noted in Subsection (d) of the regulation.
- b. Off-road diesel equipment shall comply with the 5-minute idling restriction identified in Section 2449(d)(2) of the California Air Resources Board's In-Use Off-Road Diesel regulation.
- c. Signs must be posted in the designated queuing areas and job sites to remind drivers and operators of the state's 5-minute idling limit.

- d. The specific requirements and exceptions in the regulations can be reviewed at the following web sites: www.arb.ca.gov/msprog/truck-idling/factsheet.pdf and www.arb.ca.gov/regact/2007/ordiesl07/frooal.pdf.
- e. In addition to the state required diesel idling requirements, the project applicant shall comply with these more restrictive requirements to minimize impacts to nearby sensitive receptors:
- f. Staging and queuing areas shall not be located within 1,000 feet of sensitive receptors;
- g. Diesel idling within 1,000 feet of sensitive receptors shall not be permitted;
- h. Use of alternative fueled equipment is recommended; and
- i. Signs that specify the no idling areas must be posted and enforced at the site.

M-3: During construction, prior to operation of the following list of equipment (or similar equipment), the applicant shall contact the APCD to determine if an operating permit is necessary:

- a. Power screens, conveyors, diesel engines, and/or crushers
- b. Portable generators and equipment with engines that are 50 horsepower (hp) or greater
- c. Electrical generation plants or the use of standby generator
- d. IC engines
- e. Rock and pavement crushing
- f. Unconfined abrasive blasting operations
- g. Tub grinders
- h. Trommel screens
- i. Portable plants (e.g., aggregate plant, asphalt batch plant, concrete batch plant, etc.)

M-4: Prior to commencement of construction activities, the applicant shall notify the APCD, by letter, that the mitigation measures M-1, M-2, and M-3 have been applied.

M-5: Operational Phase Impacts - Residential Wood Combustion. Under APCD Rule 504, only APCD approved wood burning devices can be installed in new dwelling units. These devices include:

- a. All EPA-Certified Phase II wood burning devices;
- b. Catalytic wood burning devices which emit less than or equal to 4.1 grams per hour of particulate matter which are not EPA-Certified but have been verified by a nationally-recognized testing lab;

- c. Non-catalytic wood burning devices which emit less than or equal to 7.5 grams per hour of particulate matter which are not EPA-Certified but have been verified by a nationally-recognized testing lab;
- d. Pellet-fueled wood heaters; and
- e. Dedicated gas-fired fireplaces.

All the above measures shall be shown on all applicable plans prior to issuance of construction permit(s). All vehicle operators and on-site supervisors shall be informed of these measures prior to any work commencing on site.

Endangered Species:

M-6: Nesting Bird Mitigation: The following measures are required to avoid and/or minimize any potential impacts to nesting migratory bird species that may occur within the project area:

Prior to construction, if feasible, tree removal shall be scheduled to occur from September 16 to February 14, outside of the typical nesting bird season, to avoid potential impacts to nesting birds.

If construction activities are proposed during the typical nesting season (February 15–September 15), a nesting bird survey shall be conducted by qualified biologists no more than 2 weeks prior to the start of construction to determine presence/absence of nesting birds within the Biological Study Area and immediate vicinity. The applicant representative shall be notified if federally listed nesting bird species are observed during the surveys and will facilitate coordination with the U.S. Fish and Wildlife Service, if necessary, to determine an appropriate avoidance strategy. Likewise, the applicant shall coordinate with the California Department of Fish and Wildlife if necessary to devise a suitable avoidance plan for any state- listed nesting bird species. If raptor nests are observed within the Biological Study Area during the preconstruction nesting bird surveys, the nest(s) shall be designated an Environmental Sensitive Area and protected by a minimum 500-foot avoidance buffer until the breeding season ends or until a qualified biologist determines that all young have fledged and are no longer reliant upon the nest or parental care for survival. Similarly, if active passerine nests are observed within the Biological Study Area during the pre-construction nesting bird surveys, the nest(s) shall be designated an Environmentally Sensitive Area and protected by a minimum 250-foot avoidance buffer until the breeding season ends or until a qualified biologist determines that all young have fledged and are no longer reliant upon the nest or parental care for survival. Resource agencies may consider proposed variances from these buffers if there

is a compelling biological or ecological reason to do so, such as protection of a nest via concealment due to site topography.

Historic Preservation:

M-7: Accidental Discovery. In the event archaeological resources are unearthed or discovered during any construction activities, the following standards apply:

- Construction activities shall cease, and the Environmental Coordinator and Planning Department shall be notified so that the extent and location of discovered materials may be recorded by a qualified archaeologist, and disposition of artifacts may be accomplished in accordance with state and federal law.
- In the event archaeological resources are found to include human remains, or in any other case where human remains are discovered during construction, the County Coroner is to be notified in addition to the Planning Department and Environmental Coordinator so that proper disposition may be accomplished.

M-8: Monitoring Plan. Prior to the start of construction, the applicant shall submit a monitoring plan, prepared by a subsurface-qualified archaeologist, for the review and approval by the Environmental Coordinator. The monitoring plan shall include at a minimum:

- a) List of personnel involved in the monitoring activities;
 - b) Description of how the monitoring shall occur;
 - c) Description of frequency of monitoring (e.g., during initial ground disturbance, spot checking);
 - d) Description of what resources are expected to be encountered;
 - e) Description of circumstances that would result in the halting of work at the project site (e.g., what is considered "significant" archaeological resources);
 - f) Description of procedures for halting work on the site and notification procedures;
- and
- g) Description of monitoring reporting procedures.

M-9: Native American Monitor. During initial ground disturbing construction activities, the applicant shall retain a qualified archaeologist (approved by the Environmental Coordinator) and Native American to monitor all earth disturbing activities, per the approved monitoring plan. If any significant archaeological resources or human remains are found during monitoring, work shall stop within the immediate vicinity (precise area to be determined by the archaeologist in the field) of the resource until such time as the resource can be evaluated by an archaeologist and any other appropriate individuals. The applicant shall implement the mitigation as required by the Environmental Coordinator.

M-10: Monitoring Report. Upon completion of all monitoring/mitigation activities, the consulting archaeologist shall submit a report to the Environmental Coordinator summarizing all monitoring/mitigation activities.

Noise Abatement and Control:

M-11: Site Design. Residential site and/or structure design shall be modified to ensure useable outdoor activity areas do not have direct line of sight to the western property boundary or noise source (Highway 101).

M-12: Noise Abatement. Prior to issuance of construction permits for the proposed project, the applicant shall submit plans showing the following:

- a) Vents and other roof penetrations shall face away from the noise source (Highway 101). If bathrooms or kitchens are located on the western side of the residence, remote venting to other elevations shall be required, and venting shall be baffled.
- b) Air conditioning or a mechanical ventilation system shall be required.
- c) Western facing walls shall be constructed with a material or group of materials that provide a Sound Transmission Class (S.T.C) rating of 35 or better. This can be accomplished by utilizing a combination of stucco exteriors, fiber glass insulation, ½-inch sound deadening board, and interior 5/8" gypsum board.
- d) Western facing walls shall include the liberal use of non-hardening acoustical sealant at all construction joints, gaps between walls, and in a 6-inch wide strip down the vertical center of all interior gypsum board.
- e) Double glazed windows with full gaskets and solid core doors with a S.T.C rating of 37 or better shall be installed on all western elevations. Glass in both windows and doors shall not exceed 20 percent of the floor area in a room.

Soil Suitability/ Slope/ Erosion/ Drainage/ Storm Water Runoff:

M-13: Prior to issuance of construction and/or grading permits, the applicant shall submit final plans demonstrating compliance with the recommendations provided in the project geotechnical investigation (Geotechnical Investigation Multi-Family Housing Project 2455 El Camino Real, Pacific Coast Testing, Inc., May 22, 2019).

M-14: Prior to issuance of construction and/or grading permits, the applicant shall submit an erosion and sedimentation control plan in compliance with County Ordinance Section 22.52.120.

M-15: Prior to issuance of construction and/or grading permits, the applicant shall submit a copy of the Stormwater Pollution Prevention Plan (SWPPP) approved by the State Water Resources Control Board. The applicant must also enroll for coverage under California's Construction General Permit.

2. Joint and Several Liability

Del Rio Ridge, L.P. ("LP") is an affiliate of People's Self-Help Housing Corporation ("Corp"). The Department acknowledges that the LP will be considered the Ultimate Borrower of the DR-ACCEL Loan funds and as such will execute the DR-ACCEL Loan Documents. For the purposes of this Standard Agreement, LP and Corp will be collectively referred to herein as "Sponsor". As such, the LP and Corp are jointly and severally liable for all the obligations of a Sponsor as set forth in this Agreement. Satisfactory performance of any duties and obligations under this Agreement, and any other agreements by either the LP or Corp, will be deemed as performance by the Recipient.

At a minimum, the Sponsor-controlled general partner of LP must perform the substantial management duties identified in California Board of Equalization Rule 140.1(a)(10) as items (A), (H), (I) and (K).

3. DR-ACCEL Loan Amount

Rental New Construction Permanent Financing Loan \$34,049,563

4. Project Milestones

	Project Milestone	Milestone Completion Date
1	Commencement of Construction Deadline	01/13/2026
2	Submit documentary evidence to the Department that construction commenced by the Commencement of Construction Deadline	02/13/2026
3	Permanent Loan Conversion Deadline	August 31, 2029
4	Submit all necessary permanent loan closing documents to HCD	03/10/2029

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5	Project closeout in Grants Network	05/10/2029
6	Expiration of Agreement	05/10/2084

5. Payee

The authorized Payee(s) is/are as specified below.

Name: Del Rio Ridge, L.P.

Award Amount: \$34,049,563

6. Special Terms and Conditions

The following Special Terms and Conditions are applicable to this Project and specific to this Standard Agreement. In the event of any inconsistencies or conflicts between these Special Terms and Conditions and any of the terms of this Agreement, the Special Terms and Conditions control.

- A. Exhibit A, Authority, Purpose and Scope of Work: no special terms or conditions.
- B. Exhibit B, Budget Detail and Payment Provisions: no special terms or conditions.
- C. State of California General Terms and Conditions: no special terms or conditions.
- D. Exhibit D, General Terms and Conditions: no special terms or conditions.
- E. Where there is a conflict in the factual information reflected in multiple project reports for the subject property, to the extent allowed by law, the DR-ACCEL Project Report shall control for the Project, because it represents the most accurate and up-to-date information. If and when such a conflict arises, and to the extent allowed by law, conflicts shall be resolved in favor of the DR-ACCEL Project Report information for the purposes of documenting capital stack project funding sources, unit mix, construction and permanent loan closing deadlines, excepting, however, any encumbrance and liquidation deadlines required by statute. Any other program-specific requirements or special conditions identified in the final project reports for the Project's Existing HCD Loan Commitments shall continue to be applicable, including, but not limited to, bedroom composition and number of units targeting tenant population(s) to be served.

- F. The Regulatory Agreement recorded in consideration of the DR-ACCEL Loan will include – in addition to the Existing HCD Loan Commitment's income, occupancy, and rent restrictions – any population-specific occupancy restrictions identified in the unit mix and at Paragraph 9 of this Exhibit E.

7. Existing HCD Commitment(s)

This Project is subject to one or more Existing HCD Loan Commitments, as specified below:

- A. Veterans Housing and Homelessness Prevention Program (VHHP) 21-VHHP-16689

8. Payment and Eligible Use(s)

Pursuant to an award letter, dated 07/17/2025, the Sponsor is receiving DR-ACCEL Loan funds in the amount of \$34,049,563. 00. Sponsor will apply these funds towards the following Eligible Use(s):

- A. Land Cost/Acquisition Cost (Land Cost or Value, Demolition, Legal)
- B. New Construction Cost (Site Work, Structures, General Requirements, Contractor Overhead & Profit, Prevailing Wages)
- C. Architectural Fees (Design, Supervision, Survey & Engineering)
- D. Construction Financing Fees (Title & Recording, Taxes, Insurance)
- E. Permanent Financing Fees (Title & Recording, Legal)
- F. Legal Fees
- G. Other Project Costs (Environmental, Local Development Impact Fees, Permit Processing Fees, Marketing, Market Study, Accounting/Reimbursable, Appraisal Costs, Construction Management, Prevailing Wage Monitoring, Utility Connections, Financial Consultant, Relocation)
- H. Developer Costs (Overhead/Profit)

9. **Project Narrative**

Del Rio Ridge is a 42-unit new construction Special Needs project with 6 one-bedroom, 24 two-bedroom, 11 three-bedroom units serving households with incomes ranging from 30-60 percent of AMI, and 1 three-bedroom manager's unit. Each unit will have all standard appliances (air conditioning, refrigerator, range, disposal, dishwasher, walk-in closet, curtains/blinds, and storage area). On-site amenities include community room, community kitchen, picnic/BBQ area, tot lot/playground, sports court, and security cameras. Off-site amenities, located within 2 miles of the project include transit stops, grocery stores, and parks.

Supportive services will be provided by People's Self-Help Housing Corporation as the Lead Service Provider. The following services will be provided: case management, crisis intervention, coordination services, vocational/employment counseling, substance abuse, mental health counseling, and domestic violence counseling. People's Self-Help Housing Corporation works directly with residents to develop and implement an individualized service plan. Additional resident services include career-building, job readiness, human services, civic involvement, educational classes, activities of daily living, citizenship, community resources, and referrals. They will also partner with the following organizations to provide services to the residents: Community Action Partnership of San Luis Obispo, Community Health Centers of the Central Coast, Inc., County of San Luis Obispo Health Agency Behavioral Health Department, San Luis Obispo Food Bank, Tenet Health Central Coast, Department of Veterans Affairs.

Population Targeting – Homeless.

The source of the occupancy restriction is the Existing HCD Loan Commitment (Veterans Housing and Homelessness Prevention Program - VHHP).

The regulatory agreement recorded in consideration of the DR-ACCEL Loan will also include these restrictions for households experiencing homelessness.

10. Sponsor Contract Coordinator

Authorized Representative Name:	Kenneth Trigueiro
Authorized Representative Title:	CEO & President
Entity Name:	People's Self-Help Housing Corporation
Address:	1060 Kendall Rd
Telephone No.:	San Luis Obispo, CA 93401
E-Mail Address:	(805) 540-2453

11. Budget Detail

Subject to the terms and conditions of this Agreement and the DR-ACCEL Requirements, DR-ACCEL funds shall be provided as a permanent loan at permanent conversion in an amount not to exceed the DR-ACCEL Loan based on satisfactory documentation of eligible project costs in accordance with Section II.C. of the Solicitation.