

EXHIBIT A

AUTHORITY, PURPOSE AND SCOPE OF WORK

1. Authority & Purpose

- A. This Standard Agreement (hereinafter "Agreement") will provide official notification of the commitment of funds under the State of California's administration of the Community Development Block Grant – Disaster Recovery (hereinafter "CDBG-DR") program by the Department of Housing and Community Development (hereinafter "HCD" or the "Department") appropriated under Public Law 118-158 and allocated to the State of California by the Department of Housing and Urban Development (hereinafter "HUD"). CDBG-DR supports the State of California's recovery needs related to the Federal Emergency Management Agency's Major Disaster Declaration DR 4699 (February-July 2023) and DR-4758 (January 2024) as provided by the publication of the Federal Register Notice 6512-N-01 (Vol. 90 No. 10) on January 16, 2025.
- B. The purpose of the CDBG-DR Multifamily Housing Program (hereinafter "DR-MHP") is to assist developers in new construction of affordable housing to meet the unmet rental housing need, including the needs of individuals displaced from rental homes and individuals who became homeless as the result of the above-referenced disasters. In accepting this Agreement, the Sponsor and the Borrower each hereby agree to fully comply with the terms and conditions of this Agreement, the Notice of Funding Availability (NOFA) published on September 8, 2025 under which the Sponsor applied, the representations contained in the application for this funding allocation (the "Application"), the requirements of the Community Development Block Grant Program, including, without limitation, 24 CFR Part 570, as amended by the applicable Federal Register Notices including, without limitation, Federal Register, Vol. 90 No. 10, January 16, 2025 (DR 4699 and (FR 4758) and Public Law 118-158, the Department's DR-MHP Policies and Procedures, and the Uniform Multifamily Regulations at 25 C.C.R. section 8300, et seq., as incorporated in the DR-MHP Policies and Procedures.

2. Definitions

Capitalized terms herein shall have the meaning of the definitions set forth in the federal regulations, and the DR-MHP Policies and Procedures, and in addition:

Unless the context requires otherwise, the terms used in this Agreement shall be governed by the definitions set forth in the applicable federal regulations, and the DR-MHP Policies and Procedures. The following terms shall have the respective meanings

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assigned to them in this section unless the context in which they are used clearly requires otherwise:

- A. “Affordability Period” means the period of time that Affordability Restrictions must be kept in place which shall be set forth in the Standard Agreement, Regulatory Agreement or Declaration of Restrictive Covenant.
- B. “Affordable Rent” means the annual Multifamily Tax Subsidy Projects (MTSP) Regular Income and Rent Limits published by HCD annually for each county to determine rent limits.
- C. “Agreement” refers to this Standard Agreement, as may be amended from time to time.
- D. “Area Median Income” (AMI) means the median family income for specific geographic areas, adjusted for Household size, as calculated by HCD Multifamily Tax Subsidy Projects (MTSP).
- E. “Award” means the commitment of DR-MHP funds to an Applicant after the Notice of Funding Availability (NOFA) process is completed.
- F. “Borrower” or “Ultimate Borrower” refers to the borrowing entity and owner of the Development. The Sponsor, determined by HCD as having sufficient capacity and experience to develop, own and operate the Development, or its wholly-controlled affiliate, shall have continuing control of the Development.

The Borrower structure shall not have more levels of organization than are allowed in accordance with the Department’s Uniform Multifamily Regulations (UMR) Section 8313.2.

- G. “Construction Loan Closing” refers to the closing of all loans funding acquisition, rehabilitation, and the construction of the project.
- H. “Department” or “HCD” refers to the California Department of Housing and Community Development.
- I. “Development” as used herein has the same meaning as “Rental Housing Development” defined below.
- J. “Disaster Recovery Grant Reporting” (DRGR) system refers to the federal database for Disaster Recovery Grants, as established by HUD.

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- K. “DR-MHP Assisted Unit” means a housing unit within the Development that is subject to rent and occupancy restrictions as a result of the financial assistance provided by DR-MHP, that is rented at an Affordable Rent to a Household that earns less than 65% of Area Median Income (AMI) adjusted for Household size as published by HCD annually in the [Multifamily Tax Subsidy Projects \(MTSP\) Regular Income and Rent Limits](#), as specified in the Regulatory Agreement, or as set forth in Exhibit E for a Tribal Sponsor.
- L. “DR-MHP Loan” refers to the loan provided by the Department to the Ultimate Borrower to fund the construction of the Project set out in the DR-MHP Application submitted by the Sponsor.
- M. “Federal Register” means the daily journal of the federal government containing federal regulations, proposed rules, executive orders, proclamations, and other Presidential documents.
- N. “Household” means one or more persons occupying a housing unit.
- O. “National Environmental Policy Act” (“NEPA”) is the Federal law establishing a broad national framework for protecting the environment. NEPA ensures that all branches of government consider the environment prior to undertaking any major federal action that could significantly affect the environment.
- P. “Performance Milestones” refers to the development schedule and/or milestones proposed by the Sponsor at time of application and as set forth below in section 5 of this Exhibit.
- Q. “Program” refers to the Community Development Block Grant – Disaster Recovery Multifamily Housing Program.
- R. “Project” means a Rental Housing Development, which may include mixed-used development components. This also includes Scattered Site Projects as defined below.
- S. “Project Completion Report” refers to the report that conveys the project completion information for inputting into DRGR.
- T. “Project Report” refers to the HCD staff report presented to and approved by the Department’s Internal Loan Committee. The Project Report sets forth the project criteria approved by the Department at the time of the Award of Program Loan

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funds. The project criteria may be amended only upon HCD's written approval in its sole discretion.

- U. "Regulatory Agreement" means a legal document that the Department shall use to set forth the DR MHP 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-MHP 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 58-year Affordability Period except as may be approved by the Department. Regulatory Agreements shall not be used for DR-MHP Projects located on Native American Lands. DR-MHP Projects located on Native American Lands shall use a Declaration of Restrictive Covenant and the affordability term may be reduced to 50 years, as applicable.
- V. "Rental Housing Development" means a structure or set of structures which collectively contains 5 or more Units. "Rental Housing Development" does not include any "health facility" as defined by Section 1250 of the Health and Safety Code or any "alcoholism or drug abuse recovery or treatment facility" as defined by Section 11834.02 of the Health and Safety Code.
- W. "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).
- X. "Sponsor" refers to the entity or entities that made the Application to the Department for the Award for the Development and identified as a "Contractor" on page one of the STD 213 for this Agreement. "Sponsor" also includes any affiliate or assignee of the Sponsor approved by the Department and undertaking all the obligations of the Sponsor hereunder. In the case of joint applicants, "Sponsor" shall refer to each applicant or the approved assignee of such applicant. Each joint applicant shall be jointly and severally liable for all obligations of a Sponsor as set forth herein. Sponsor means the legal entity or combination of legal entities with continuing control of the Rental Housing Development. For the DR-MHP Program, the Sponsor is the recipient and borrower of DR-MHP Funds. Where the borrowing entity is or will be organized as a limited partnership, Sponsor includes the general partner or general partners who have effective control over the operation of the partnership, or, if the general partner is controlled by another entity, the controlling entity. Sponsor does not include the seller of the property to be developed as the Project, unless

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- the seller will retain control of the Project for the period of time necessary to ensure Project feasibility as determined by the Department. Sponsor also includes a Tribal Entity or other legal entity that meets the Program eligibility requirements.
- Y. “TCAC” refers to the California Tax Credit Allocation Committee.
- Z. “Ultimate Borrower” is an affiliate of the Sponsor awarded the DR-MHP Loan funds pursuant to the Award letter. The Ultimate Borrower will be considered the borrower of the DR-MHP Loan funds and as such will execute the Loan Documents. Ultimate Borrower shall be jointly and severally liable for all the obligations of a Sponsor as set forth herein. Performance satisfactory to the Department by the Ultimate Borrower of any duties and obligations under this Standard Agreement, and any other agreements as required by the Department, by Ultimate Borrower will be deemed as performance by the Sponsor. At a minimum, the Sponsor-controlled general partner of the Borrower must perform the substantial management duties identified in the Board of Equalization (BOE) Rule 140.1(a)(10) as items (A), (H), (I) and (K).
- AA. “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.

3. Scope of Work

- A. Sponsor shall perform the Scope of Work (hereinafter “Work”) as described in the Application, which is on file at the Department, Division of Federal Financial Assistance, 651 Bannon Street, Suite 700, Sacramento, California and which is incorporated herein by reference. The final Project Report as approved by the Internal Loan Committee is hereby incorporated as part of the Application. All written materials or alterations submitted as addenda to the original Application, and which are approved in writing by the DR-MHP Program Manager or higher Departmental official, as appropriate, are hereby incorporated as part of the Application.
- B. The Department reserves the right to require the Sponsor to modify any or all parts of the application in order to comply with the DR-MHP Policies and Procedures and/or any other applicable federal regulations. The Department reserves the right to review and approve all Work to be performed by the Sponsor in relation to this Agreement. Any proposed revision to the Work must be submitted in writing for review and approval by the Department. Any approval shall not be presumed unless such approval is made by the Department in

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writing.

4. **Contract Amount**

For the purposes of performing the Work, the Department agrees to provide up to the maximum amount shown in item 3 of the STD 213 form for this Agreement, known as the DR-MHP Loan amount. In no instance shall the Department be liable for any costs for Work in excess of this amount, nor for any unauthorized or ineligible costs. The Sponsor agrees to administer this amount in accordance with the provisions of Federal Register, Vol. 90, No. 10, January 16, 2025 (DR 4699 February-July 2023 and DR-4758 January 2024) and Public Law 118-158, the DR-MHP Policies and Procedures, the DR-MHP Notice of Funding Availability (“hereinafter “NOFA”) dated September 8, 2025, the Award letter dated [REDACTED] issued by the Department to Sponsor with respect to the award of the Loan, and the Uniform Multifamily Regulations (“hereinafter “UMRs”) at 25 C.C.R. section 8300, et. seq., as incorporated into the DR-MHP Policies and Procedures.

5. **Term of Agreement and Deadlines**

- A. Awarded projects shall have 180 days from the date of the DR-MHP award to complete construction loan closing, as set forth in Exhibit E Section 4 (b).
- B. Projects shall have twenty-four (24) months from loan closing to complete construction. HCD may, at its sole discretion, grant extensions if the Sponsor has been operating in good faith with the Department and the delay is based on factors impacting the project timeline that are determined to be outside of the Sponsor’s control.
- C. A Monthly Activity Report shall be submitted by the 10th calendar day of each month on a form provided by the Department. Unless otherwise waived in writing by the Department, the Monthly Activity Report submittal shall begin in the second month following the execution of the Agreement and shall continue through the receipt and approval by the Department of the “Project Completion Report”.
- D. Projects shall submit project closeout information on the Project closeout in Grants Network date as set forth in Exhibit E Section 4 (f). Otherwise, Projects will have six (6) months from construction completion to submit project closeout information.
- E. The 58-year Affordability Period shall commence on the Project’s construction

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- loan closing date as set forth in Exhibit E Section 4 (b). Projects to be developed on Native American Lands shall be restricted for a period not less than 50 years and where site control is through a ground lease, said lease shall be so restricted for a period not less than 50 years.
- F. All necessary construction loan closing documents and information shall be submitted to the Department by the date described in Exhibit E, Section 4 (a), no later than 140 days from the date of the DR-MHP award.
 - G. Permanent loan closing documents shall be submitted by the date described in Exhibit E, Section 4 (g).
 - H. The permanent loan closing shall occur by the date described in Exhibit E, Section 4 (i).
 - I. The Project construction shall be completed within 24 months of the construction loan closing as set forth in Exhibit E Section 4 (c).
 - J. All Project funds shall be expended by the date described in Exhibit E, Section 4 (d).
 - K. This Agreement shall expire on the date described in item 2 of the STD 213.
 - L. Pursuant to 24 CFR 570.483(b)(3), the housing must be occupied by eligible tenants in order to meet a National Objective. CDBG-DR funds invested in any housing unit that has not been rented to eligible tenants before the overall grant expenditure deadline shall be repaid to HCD if no extension has been granted by HUD.

6. Funding Sources

- A. Other Funding Sources - The Sponsor shall report on the value of other contributions included as leverage to the project activity in the Application. Any changes to the approved funding sources and uses, including higher costs or cost savings, shall be reported in the Monthly Financial Report, as described in Section 5.7 - Disbursement of Funds of the DR-MHP Policies and Procedures.
- B. Maximum Award - Awards of CDBG-DR funds shall not exceed the lesser of the demonstrated need or the DR-MHP Maximum Per-Unit Loan Limit, except that if 100 percent of the Units in the Project are DR-MHP Assisted Units, the maximum DR-MHP award may exceed the DR-MHP Maximum Per-Unit Loan Limit, to a

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maximum of 75 percent of Project's total eligible development cost, as described in Section 2.4 of the DR-MHP Policies and Procedures. In no event shall exceed the maximum amount of this Agreement as set forth in item 3 of the STD 213 form which is a part of this Agreement.

- C. Per Unit Loan Limits - The DR-MHP Maximum Per-Unit Loan Limit is consistent with the Basic Statutory Mortgage Limits, Section 234, adjusted for high-cost areas as published by the Federal Housing Administration (FHA). The per unit loan limit is the amount in effect as of the execution of this agreement. If 100 percent of the Units in the Project are DR-MHP Assisted Units, the DR-MHP Maximum Per-Unit Loan Limit may be exceeded, so long as the total maximum award does not exceed the amount allowed for in Paragraph B of this section.

7. Department Program Contract Coordinator

The DR-MHP program's contact person for this Agreement may vary over the term of this Agreement; therefore, Sponsor will be contacted directly by the assigned representative. Unless otherwise informed, any notice, report, or other communication required by this Agreement shall be mailed by first class or priority mail to the DR-MHP Program Manager at the following address:

Email: DR-MHP@hcd.ca.gov

Address: Department of Housing and Community Development

Division of Federal Financial Assistance

CDBG-DR MHP Program Manager

P.O. Box 952054

Sacramento, CA 94252-2054