

STATE OF CALIFORNIA

AGREEMENT SUMMARY

STD 215 (Rev. 04/2020)

AGREEMENT NUMBER
23-DRMHRE-25003**AMENDMENT NUMBER**
2☐ CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED

1. CONTRACTOR'S NAME Self-Help Enterprises		2. FEDERAL I.D. NUMBER N/A
3. AGENCY TRANSMITTING AGREEMENT Department of Housing and Community Development	4. DIVISION, BUREAU, OR OTHER UNIT Federal Financial Assistance	5. AGENCY BILLING CODE N/A
6a. CONTRACT ANALYST NAME Amandeep Jheeta	6b. EMAIL amandeep.jheeta@dmhc.ca.gov	6c. PHONE NUMBER (916) 743-2244
7. HAS YOUR AGENCY CONTRACTED FOR THESE SERVICES BEFORE? ☒ No ☐ Yes (If Yes, enter prior Contractor Name and Agreement Number) PRIOR CONTRACTOR NAME N/A PRIOR AGREEMENT NUMBER N/A		

8. BRIEF DESCRIPTION OF SERVICES
Disaster Recovery Manufactured Housing Replacement and Elevation Program (DR-MHRE) Projects are funded to assist with housing needs of very-low, low, and low-to moderate income (LMI) households and vulnerable populations, including individuals that were made homeless as a result of eligible disaster DR-4683 due to winter storms, flooding, landslides & mudslides incident period December 27, 2022-January 31, 2023 which is limited to residents of Most Impacted and Distressed (MID) California counties: Santa Cruz, Merced, San Joaquin, Ventura and San Luis Obispo. The MHRE program provides grants to eligible Mobilehome owners to fund the replacement and elevation of their qualifying Mobilehome. The impacted Mobilehome unit must be located in a properly permitted Mobilehome Park.

9. AGREEMENT OUTLINE (Include reason for Agreement. Identify specific problem, administrative requirement, program need or other circumstances making the Agreement necessary; include special or unusual terms and conditions.)

This amendment #2 is to decrease total contract amount by \$10,384,706.00 and reallocating those funds back to Self-Help Enterprises (SHE) under contract #23-DRMHRE-25004. The maximum amount of this Agreement after this Amendment is changing from \$21,284,462.00 to \$10,899,756.00.

10. PAYMENT TERMS (More than one may apply)

- | | | | |
|--|---|---|--|
| ☐ Monthly Flat Rate | ☐ Quarterly | ☐ One-Time Payment | ☒ Progress Payment |
| ☒ Itemized Invoice | ☐ Withhold _____ % | ☐ Advanced Payment Not To Exceed _____ | |
| ☐ Reimbursement / Revenue | | | _____ or _____ % |
| ☐ Other (Explain) | | | |

11. PROJECTED EXPENDITURES

FUND TITLE	ITEM	FISCAL YEAR	CHAPTER	STATUTE	PROJECTED EXPENDITURES
Federal Trust Fund	2240-101-0890	24/25	22	2024	\$8,381,706.00
Federal Trust Fund	2240-101-0890	25/26	4	2025	\$2,518,050.00

OBJECT CODE

5432500-Grants and Subventions-Non- Governmental

AGREEMENT TOTAL
\$10,899,756.00

OPTIONAL USE

FY 24/25-22402000-SL-46453-\$8,381,706

FY 25/26-22402000-SL-46453-\$2,518,050

AMOUNT ENCUMBERED BY THIS DOCUMENT
(\$10,384,706.00)PRIOR AMOUNT ENCUMBERED FOR THIS AGREEMENT
\$21,284,462.00

I certify upon my own personal knowledge that the budgeted funds for the current budget year are available for the period and purpose of the expenditure stated above.

TOTAL AMOUNT ENCUMBERED TO DATE
\$10,899,756.00

ACCOUNTING OFFICER'S SIGNATURE

Tammy.KasickyDigitally signed by Tammy.Kasicky
Date: 2026.03.13 15:34:47 -07'00'

ACCOUNTING OFFICER'S NAME (Print or Type)

TAMMY KASICKY

DATE SIGNED

03/13/2026

AGREEMENT SUMMARY

STD 215 (Rev. 04/2020)

AGREEMENT NUMBER
23-DRMHRE-25003
AMENDMENT NUMBER
2
12. AGREEMENT

AGREEMENT	TERM FROM	TERM THROUGH	TOTAL COST OF THIS TRANSACTION	BID, SOLE SOURCE, EXEMPT
Original	07/08/2025	12/30/2028	\$8,381,706.00	EXEMPT
Amendment 1	07/08/2025	12/30/2028	\$12,902,756.00	EXEMPT
Amendment 2	07/08/2025	12/30/2028	(\$10,384,706.00)	EXEMPT
Amendment 3				
TOTAL			\$10,899,756.00	

13. BIDDING METHOD USED

- ☐ Request for Proposal (RFP) (Attach justification if secondary method is used)
 ☐ Use of Master Service Agreement
☐ Invitation for Bid (IFB)
 ☒ Exempt from Bidding (Give authority for exempt status)
 ☐ Sole Source Contract (Attach STD. 821)
☒ Other (Explain) SCM Vol. 1, 5.80, B.2.b

Note: Proof of advertisement in the State Contracts Register or an approved form STD. 821, Contract Advertising Exemption Request, must be attached

14. SUMMARY OF BIDS (List of bidders, bid amount and small business status) (If an amendment, sole source, or exempt, leave blank)**15. IF AWARD OF AGREEMENT IS TO OTHER THAN THE LOWER BIDDER, EXPLAIN REASON(S) (If an amendment, sole source, or exempt, leave blank)****16. WHAT IS THE BASIS FOR DETERMINING THAT THE PRICE OR RATE IS REASONABLE?**

N/A

17a. JUSTIFICATION FOR CONTRACTING OUT (Check one)

- ☐ Contracting out is based on cost savings per Government Code 19130(a). The State Personnel Board has been so notified.
 ☐ Contracting out is justified based on Government Code 19130(b). When this box is checked, a completed JUSTIFICATION - CALIFORNIA CODE OF REGULATIONS, TITLE 2, SECTION 547.60 must be attached to this document.
☒ Not Applicable (Interagency / Public Works / Other PCC 10348)

17b. EMPLOYEE BARGAINING UNIT NOTIFICATION

- ☒ By checking this box, I hereby certify compliance with Government Code section 19132(b)(1).

AUTHORIZED SIGNATURE		SIGNER'S NAME (Print or Type) N/A	DATE SIGNED N/A
18. FOR AGREEMENTS IN EXCESS OF \$5,000: Has the letting of the agreement been reported to the Department of Fair Employment and Housing?		☐ No ☐ Yes ☒ N/A	22. REQUIRED RESOLUTIONS ARE ATTACHED ☐ No ☒ Yes ☐ N/A
19. HAVE CONFLICT OF INTEREST ISSUES BEEN IDENTIFIED AND RESOLVED AS REQUIRED BY THE STATE CONTRACT MANUAL SECTION 7.10?		☐ No ☐ Yes ☒ N/A	
20. FOR CONSULTING AGREEMENTS: Did you review any contractor evaluations on file with the DGS Legal Office?		☐ None on file ☐ No ☐ Yes ☒ N/A	
21. IS A SIGNED COPY OF THE FOLLOWING ON FILE AT YOUR AGENCY FOR THIS CONTRACTOR? A. Contractor Certification Clauses B. STD 204 Vendor Data Record			23. IS THIS A SMALL BUSINESS AND/OR A DISABLED VETERAN BUSINESS CERTIFIED BY DGS? ☒ No ☐ Yes SB/DVBE Certification Number: N/A
☐ No ☐ Yes ☒ N/A ☐ No ☒ Yes ☐ N/A			

24. ARE DISABLED VETERANS BUSINESS ENTERPRISE GOALS REQUIRED? (If an amendment, explain changes if any)

N/A

- ☒ No (Explain below) ☐ Yes _____ % of Agreement

25. IS THIS AGREEMENT (WITH AMENDMENTS) FOR A PERIOD OF TIME LONGER THAN THREE YEARS?

N/A

- ☐ No ☐ Yes (If Yes, provide justification below)

I certify that all copies of the referenced Agreement will conform to the original agreement sent to the Department of General Services.

SIGNATURE Amandeep.Jheeta	 Digitally signed by Amandeep.Jheeta Date: 2026.03.13 13:21:59 -07'00'	NAME/TITLE (Print or Type) Amandeep Jheeta/Contracts Analyst	DATE SIGNED 03/13/2026
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AGREEMENT SUMMARY

STD 215 (Rev. 04/2020)

AGREEMENT NUMBER

23-DRMHRE-25003

AMENDMENT NUMBER

2**JUSTIFICATION - CALIFORNIA CODE OF REGULATIONS, TITLE 2, SECTION 547.60**

In the space provided below, the undersigned authorized state representative documents, with specificity and detailed factual information, the reasons why the contract satisfies one or more of the conditions set forth in Government Code section 19130(b). Please specify the applicable subsection. Attach extra pages if necessary.

N/A

The undersigned represents that, based upon his or her personal knowledge, information or belief the above justification correctly reflects the reasons why the contract satisfies Government Code section 19130(b).

SIGNATURE	NAME/TITLE(Print or Type)	DATE SIGNED	
PHONE NUMBER	STREET ADDRESS		
EMAIL	CITY	STATE	ZIP

STANDARD AGREEMENT - AMENDMENT

STD 213A (Rev. 4/2020)

☒ CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED 28 PAGESAGREEMENT NUMBER
23-DRMHRE-25003AMENDMENT NUMBER
2

Purchasing Authority Number

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

CONTRACTING AGENCY NAME

Department of Housing and Community Development

CONTRACTOR NAME

Self-Help Enterprises

2. The term of this Agreement is:

START DATE

07/08/2025

THROUGH END DATE

12/30/2028

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

\$10,899,756.00

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

A. Amendment #2 reduces the total contract amount by \$10,384,706.00. HCD is removing the County of Merced's allocation and reallocating those funds back to Self-Help Enterprises (SHE) under contract #23-DRMHRE-25004. Because SHE is unable to track funding for San Joaquin and Merced counties separately, we are amending their existing contract and issuing a new contract, #23-DRMHRE-25004, specifically for the Merced County funds.

B. STD 213A, Item 3, The maximum amount of this Agreement after this Amendment is changing from \$21,284,462.00 to \$10,899,756.00.

C. Exhibit A: Authority, Purpose, and Scope of Work is hereby deleted in its entirety and replaced with a new Exhibit A, Authority, Purpose, and Scope of Work (Rev. 02/19/2026) attached and made part hereof - to revise Section 3. C.12). d) – Environmental Review and Clearance Process: Amended the language for the Tier 1 county-wide environmental assessment to clarify responsibilities.

D. Exhibit B: Budget Detail and Payment Provisions - is hereby deleted in its entirety and replaced with a new Exhibit B, Budget Detail and Payment Provisions (Rev. 02/19/2026) attached and made part hereof - to include budget revision to remove reallocation of funds for Merced County. Section 1, Budget, shows Breakdown for County of San Joaquin is: Total Activity Budget \$8,719,804.80 and Total Activity Delivery Budget \$2,179,951.20

E. Exhibit E: Special Terms and Conditions, is hereby deleted in its entirety and replaced with a new Exhibit E, Special Terms and Conditions (Rev. 02/19/2026) attached and made part hereof. Section 3.C. is added to include specific conditions from Section III General Terms and Conditions found in the Department's Community Development Block Grant Disaster Recovery (CDBG-DR) Grant Agreement # B-25-DG-06-0001 ("HUD Grant Agreement"). Due to an injunction on the applicability of the HUD PRWORA Notice, the conditions preclude the application or enforcement of the HUD PRWORA Notice until such time as judgment on the merits has been issued.

All other terms and conditions shall remain the same.

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

CONTRACTOR

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

Self-Help Enterprises

CONTRACTOR BUSINESS ADDRESS

8445 W. Elowin Court

CITY

Visalia

STATE

CA

ZIP

93291

PRINTED NAME OF PERSON SIGNING

Thomas J. Collishaw

TITLE

President/CEO

CONTRACTOR AUTHORIZED SIGNATURE



DATE SIGNED

03/17/2026

STD 213A (Rev. 4/2020)

☒ CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED 28 PAGES

AGREEMENT NUMBER	AMENDMENT NUMBER	Purchasing Authority Number
23-DRMHRE-25003	2	

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME Department of Housing and Community Development				
CONTRACTING AGENCY ADDRESS 651 Bannon Street, Suite 400		CITY Sacramento	STATE CA	ZIP 95811
PRINTED NAME OF PERSON SIGNING Diana Malimon		TITLE Contract Services Section Manager		
CONTRACTING AGENCY AUTHORIZED SIGNATURE <i>Diana Malimon</i>		DATE SIGNED 03/19/2026		
CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL		EXEMPTION (If Applicable) Exempt per: SCM Vol. 1, 4.04.A.3 (DGS memo dated 6/12/1981)		

EXHIBIT A

AUTHORITY, PURPOSE, AND SCOPE OF WORK

1. **Authority & Purpose**

The California Department of Housing and Community Development (hereinafter “Department” or “HCD”) is the lead and responsible entity for administering the Community Development Block Grant – Disaster Recovery (hereinafter “CDBG-DR”) funds appropriated under the Supplemental Appropriations for Disaster Relief Requirements (Appropriations Act), under United States Public Law 117-43 and allocated to the State of California by the Department of Housing and Urban Development (hereinafter “HUD”). The Department’s 2023 CDBG-DR Action Plan, which was approved by HUD on July 15, 2024, for federally declared disaster FEMA DR-4683 (hereinafter, the “Action Plan”) authorizes the use of CDBG-DR funds to assist eligible applicants based on the extent of disaster flood damage to their Manufactured Housing Unit (MHU) used as their primary residences. Additionally, Manufactured Home Replacement and Elevation Program (MHRE or Program) is designed to ensure that the housing needs of low- to moderate-income households (LMI) and vulnerable populations, including individuals that were made homeless because of the DR-4683 disaster, are addressed to the greatest extent feasible in the Most Impacted and Distressed (MID) areas. The MID areas for DR-4683 include the following counties in California: Merced, Santa Cruz, San Joaquin, San Luis Obispo, and Ventura. Data sources relating to these MID counties are further explained in the Unmet Needs Assessment section of the Action Plan.

2. **Scope of Agreement**

Grant Funds

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

Implementation of Agreement

By entering into this Agreement and thereby accepting the Subrecipient Award on the terms and conditions set forth herein, the Subrecipient agrees to fully comply with and timely implement this Agreement in a manner satisfactory to the Department and HUD and in compliance with all applicable state and federal laws, regulations, guidelines, the Subrecipient Implementation Guide,

EXHIBIT A

Program Policies and Procedures (“hereinafter “PnPs”), and any amendments thereto as may be required from time to time, as a condition of the Department providing the Subrecipient Award, including but not limited to, all applicable CDBG-DR program administration and compliance requirements set forth by this Agreement and in accordance with the due diligence documentation previously provided by the Subrecipient and made a part hereof. The Department’s providing of grant funds under this Agreement is specifically conditioned on Subrecipient’s full and timely compliance with this provision and all other terms and conditions of this Agreement, as well as the most recently published version of the Action Plan and any amendments thereto, related Federal Register notices (<https://www.hcd.ca.gov/grants-and-funding/disaster-recovery-and-mitigation/action-plans-and-federal-register-notice-frns>), and the requirements of the authorities cited above, as all the same may be amended or supplemented from time to time.

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

3. **Subrecipient Scope of Work**

- A. The Subrecipient shall provide, or cause to be provided, the Manufactured Home Replacement and Elevation (MHRE) Program management activities (hereinafter “Scope of Work”) as described in this Exhibit on behalf of HCD to assist eligible program participants by providing a replacement MHU that meets their housing needs as defined in the MHRE PnPs and the Subrecipient Implementation Guide.
- B. Subrecipient shall require that all staff, general contractors, and vendors participating in the MHRE program (“Participating Vendors”) assigned to the Scope of Work follow all HUD regulations, best practices, and applicable Federal Register Notices governing the Scope of Work, as well as and California CDBG-DR Action Plans, HCD policies, including Management Memos, HCD-approved PnPs, and the most recently published Subrecipient Implementation Guide, all as may be subsequently amended from time to time. Subrecipient shall provide guidance and training to its staff as needed for Program consistency and compliance.
- C. **The Subrecipient Scope of Work and deliverables shall include:**
 - 1) **General Contractor Procurement**
Subrecipient must procure a duly licensed and insured General Contractor to perform the removal, replacement, and, if applicable the elevation of, all MHRE Program manufactured housing units using the Program-provided Request for Proposals (RFP) document. Any changes to the RFP beyond including Subrecipient contact and organizational information must be

EXHIBIT A

approved by HCD in writing prior to implementation. The procurement must be in compliance with 2 CFR 200.318-326 and Section 12 and Section 15 of Exhibit D and must include an independent cost estimate and price and qualification analysis of solicited bids from general contractors.

- 2) The selected General Contractor's responsibilities must include, but not be limited to the following:
 - a) Maintain a complete understanding of all applicable Program policies, requirements, and protocols.
 - b) Understand and comply with California Codes of Regulations, specifically Title 24 – California Building Standards Code and Title 25- Housing and Community Development.
 - c) Provide Program Applicants with options, as determined by Subrecipient and communicated to the general contractor, for two (2), three (3), and four (4)-bedroom MHUs. MHU options must include wheelchair-accessible alternatives and accommodations for households with visual and hearing impairments that meet all applicable Americans with Disabilities Act (ADA) standards. All MHU options must meet the California Building Standards Code and local building and zoning codes.
 - d) Conduct initial inspections of Applicants' damaged dwellings and complete damage assessments to help Subrecipient confirm eligibility. The inspection must also address all environmental on-site requirements necessary to complete the final Tier 2 Environmental clearance.
 - e) Enter into a written agreement with the Applicant and Subrecipient for the construction work.
 - f) Prepare plans and design documents for the replacement and, if applicable the elevation of, the MHU in compliance with all Program, federal, state and local building standards and requirements.
 - g) Provide the necessary labor to carry out the acquisition, delivery, and installation services for replacement MHUs from the manufacturer or staging area to the site of installation. This includes ensuring all required Department of Transportation hauling permits are obtained by the hauler.
 - h) Obtain all permits for demolition, if applicable, and setting of the new MHU unit (including any separately filed permits for applicable site work) and supply copies of progress reports and issuance of Certificates of Occupancy to the Subrecipient.

EXHIBIT A

- i) Prepare the site to allow for the installation of the new unit. Site work will include the removal of any obstructive landscaping, leveling of site, fill, or drainage modifications (including the installation of a driveway culvert, drainpipe and/or apron if required for the permit).
- j) Perform installation and immobilization services for the MHU following delivery including, but not limited to, repairing or replacing footings, perimeter supports, piers, anchoring and skirting, completing stairs and landings (or handicap accessible ramps as required), handrails, guardrails, and connection to all utilities. All installation and immobilization services must be in compliance with HUD MHU Home Installation Standards as required by 24 CFR Part 3285 and follow any more restrictive requirements that may be detailed by state or local building codes or specific park locations.
- k) Manage and monitor all tiers of subcontractors and the work, services, and/or materials they are providing. HCD expects the General Contractor to provide competent, licensed, insured, and qualified staff to work on the Scope of Work described in this Section. HCD, in coordination with the Subrecipient, reserves the right to prohibit unlicensed, uninsured, unqualified, or incompetent staff of the General Contractor from assisting with the implementation of the Program. Neither the General Contractor, a subcontractor, or anyone providing goods or services may be on the federal list of debarred entities <https://sam.gov/content/home>.
- l) Subcontract with qualified entities that have experience and expertise working with MHUs. This experience should include, but not be limited to, site preparation, installation of new, compliant MHUs, and all site work in compliance with applicable federal, state, and local codes and permitting requirements.
- m) Provide all staff who interface directly with homeowners and subcontractors working outside of established program offices with identification, including a standard color collared shirt and photo identification.
- n) All Contractor staff and subcontractors meeting with homeowners must possess and present at all times approved work orders showing authorization to survey and conduct work on their homes. Work orders must clearly identify the Construction Scope of Work and anticipated timelines for work completion as the General Contractor or its subcontractors must also provide documentation to the homeowner explaining the rights of the homeowner throughout the construction process.
- o) All members of the General Contractor's team and subcontractors performing construction work and/or running construction crews

EXHIBIT A

must be licensed as either Class “B” or Class “C”, as appropriate for the work being performed, by the California Contractors State License Board (CSLB), and maintain certain levels of insurance approved by the Subrecipient and HCD.

3) Policies and Procedures (PnPs)

The MHRE Program will provide PnPs that will provide applicants with the rules and requirements of the Program. This document must be formally accepted and adopted by the Subrecipient upon execution of this Agreement. Subrecipient will be fully responsible for managing updates to any forms, agreements, and checklists used by the Subrecipient.

Standard Operating Procedures (SOPs)

Subrecipient shall establish, for the Scope of Work, Standard Operating Procedures (hereinafter, “SOPs”) that support the implementation of the MHRE PnPs. SOPs that are required to launch the MHRE Program, to be agreed upon between HCD and Subrecipient, must be completed and submitted for HCD review, technical assistance, and approval within ten (10) weeks of the Effective Date of this Agreement. All additional SOPs required to implement the MHRE PnPs must be completed and submitted for HCD review, technical assistance, and approval within six (6) months of the Effective Date of this Agreement. Subrecipient shall be responsible for providing policy and process recommendations for all items in the Scope of Work but shall follow any guidance and policy given by HCD in its sole and absolute discretion.

4) Program Documents

HCD will provide Subrecipient with all vital program documents used to implement the Program. HCD reserves the right to modify or add additional forms as needed. Any change to HCD-provided templates and documents must be approved by HCD in writing prior to use. Any additional documents the Subrecipient wishes to use during the implementation of the Program must be reviewed and approved by HCD in writing prior to use.

5) Outreach Plan and Marketing

Subrecipient shall prepare an Outreach Plan for Department approval in accordance with the Subrecipient Implementation Guide and Section 808(e)(5) of the Fair Housing Act. The Subrecipient must affirmatively further fair housing for classes protected under the Fair Housing Act (protected classes include race, color, national origin, religion, sex, disability, and familial status.) The Outreach Plan must detail each outreach activity, including but not limited to, social media, radio, and newspaper advertising, media buys and in-person events, a timeline of

EXHIBIT A

outreach activities, as well as how the Subrecipient will outreach to the most vulnerable and hardest to reach populations to promote the MHRE program and assist them with completing the MHRE program application.

- a) Subrecipient shall launch a public education and outreach campaign as set forth in the Outreach Plan for the purposes of encouraging Program participation. This will require Subrecipient to secure space and equipment necessary to stand up and operate temporary and/or “pop up” assistance events across multiple days or weeks in the disaster-impacted areas.
- b) Subrecipient shall create all printed and digital marketing materials that will assist disaster survivors in understanding the Program and will encourage participation in the Program and begin call-out and letter campaigns in accordance with the Outreach Plan and performance milestones in Sections 16-19 below. All outreach and marketing materials must comply with the requirements of Section 3.C.(6) below and be approved by HCD Program staff prior to use.

6) **Communication**

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

- b) **Other Languages Support**

Subrecipients must follow Executive Order 13166 to determine when to provide translation of vital documents. Subrecipients must ensure that all citizens have equal access to information about the Programs, including persons with disabilities (vision and hearing impairments) and Limited English Proficiency persons. See [Limited English Proficiency | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](#)

- c) **Limited English Proficiency (LEP)**

The Subrecipient must make reasonable efforts to provide language assistance to persons who are LEP. See guidance in “Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin

EXHIBIT A

Discrimination Affecting Limited English Proficient Persons” published in the Federal Register on January 22, 2007, or an updated version, to determine the extent of the assistance the Subrecipient should make available to provide language assistance to ensure meaningful access for LEP persons to the MHRE program.

d) Information Dissemination and Correspondence

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

e) All Applicant-facing materials shall be compliant with Section 508 ADA accessibility.

f) Application Status

Subrecipient must provide multiple methods of communication, such as websites, toll-free numbers, TTY and relay services, email address, fax number, or other means to provide Program Applicants with timely information to determine the status of their application.

7) **Application Intake**

- a) Subrecipient’s staff and its vendors must comply with handling Personally Identifiable Information (PII) in accordance with the requirements of the [Privacy Act of 1974](#) in order to assist with the completion of and/or review of program applications. Subrecipient and its vendors will be required to execute Data Sharing Agreements in the form provided by HCD prior to accessing or handling PII. HCD strongly encourages the use of data breach insurance to protect the PII data of the applicants. In most cases, Program anticipates that intake may be completed using the Subrecipient System of Record, however, the Subrecipient is expected to continually provide necessary staffing and equipment that allows staff to complete client intake using physical (paper)

EXHIBIT A

applications via mail, fax, or in-person interaction using leased office space or public space, if the subrecipient chooses to use a paper application.

- b) Subrecipient shall secure the necessary personnel, space, and equipment to hold in person application intake events on a regular basis, at least twice a month, at locations that are easily accessible to the most vulnerable populations. All locations must be fully ADA-compliant.
- c) The Subrecipient and /or its Participating Vendors shall assist the Applicant in preparing for, completing, and submitting their application to the Program, which should require providing Applicants with a checklist of required documents, document collection, and document digitization or scanning.
- d) Subrecipient must ensure staff are trained to be familiar with all application documents required for eligibility and income verification for the MHRE Program.

8) **Application Processing**

a) **Eligibility Review and Determination**

Subrecipient shall complete or cause to be completed eligibility reviews of each submitted application and make eligibility determinations in accordance with the Subrecipient Implementation Guide, HCD-approved PnPs and the HCD-approved Eligibility Standard Operating Procedures (SOP) as required by Section 3 C.3 of this exhibit. Eligibility review shall be completed within thirty (30) business days from the receipt of a completed application.

Applicants determined ineligible for the Program based on Subrecipient's review must be notified both verbally and in writing within ten (10) business days of the determination. The notification must include the reasons for the ineligible determination and information about the appeal process. The SOPs must contain an HCD-approved appeals process.

The Subrecipient shall maintain all information and documentation used in completing eligibility reviews and reaching the eligibility determination in the Subrecipient's System of Record, such that all documentation is available to HCD to review, monitor and audit both during the term of this Agreement as well as the applicable

EXHIBIT A

record retention period imposed on Subrecipient. Any documentation or stored information containing PII must be securely stored by Subrecipient in accordance with the Data Sharing Agreement in order to avoid an improper release of such information.

b) **Duplication of Benefits Review**

In accordance with the Stafford Act, Disaster Recovery Reform Act of 2018 (PL 115 – 254, Division D) (“DRRA”), applicable Federal Register Notices (FRNs), the Subrecipient Implementation Guide, and Program PnPs, and in accordance with the Program-approved DOB review SOP as required by Section 3 C.3., the Subrecipient shall perform a duplication of benefits (DOB) analysis for each eligible Applicant. DOB means 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. At minimum, to complete this review the Subrecipient must evaluate and verify all benefits reported by the Applicant for accuracy, coordinate with third-party data sources to identify potential DOB that was not reported by the Applicant, evaluate, and verify any amounts reported by the Applicant that may be excluded from the DOB amount, and deduct the final DOB amount from the Applicant’s total award amount. DOB review must be completed within thirty (30) business days from eligibility determination.

The Subrecipient shall maintain all information and documentation used in completing DOB reviews in the Subrecipient’s System of Record such that all documentation is available to HCD to review, monitor, and audit both during the term of this Agreement as well as the applicable record retention period imposed on Subrecipient. Any documentation or stored information containing PII must be securely stored by Subrecipient in accordance with the Data Sharing Agreement in order to avoid an improper release of such information.

9) **Award Determination, Initial QAQC Review and Conditional Award**

a) **Award Determination and Initial QAQC Review**

Subrecipient shall complete or cause to be completed, for each Applicant, a detailed calculation of the MHRE Program conditional award per the most recently published MHRE PnPs and in

EXHIBIT A

accordance with the Program-approved grant award calculation SOPs as required by Section 3 C.3. Subrecipient shall perform a Quality Assurance/Quality Control (QAQC) review prior to submitting to HCD for initial QAQC review. The Subrecipient shall maintain all information and documentation used in completing this process in the Subrecipient's System of Record such that all documentation is available to HCD to review, monitor, and audit both during the term of this Agreement as well as the applicable record retention period imposed on Subrecipient. Any documentation or stored information containing PII must be securely stored by Subrecipient in accordance with the Data Sharing Agreement in order to avoid an improper release of such information.

Subrecipient must submit completed files electronically to HCD in a secured method determined by HCD for initial QAQC review and approval within ten (10) business days of the Award determination prior to making each award.

b) **Conditional Award Letters**

Subrecipient shall issue a Conditional Award Letter to each eligible, approved Applicant that includes detailed guidance on Program requirements in the form provided by HCD within five (5) business days from HCD's initial QAQC approval. Any edits to the Conditional Award Letter template must be approved by HCD in writing prior to its use.

10) **Initial Inspection**

The Subrecipient's General Contractor, in coordination with the Subrecipient, shall perform an initial inspection of each eligible Applicant's damaged dwelling and prepare a damage assessment prior to the collection of escrow funds, if applicable, and final award. This assessment will help the Subrecipient confirm the satisfaction of disaster tie-back eligibility requirements. The inspection should also address all environmental on-site requirements necessary for the Subrecipient to complete the final Tier 2 environmental clearance and allowance for notice

to proceed. The initial inspection and damage assessment shall take no more than thirty (30) business days per application to complete.

11) **Escrow**

- a) If DOB funds and/or additional funds over the grant cap are required from the Applicant, the Applicant must sign a duplication of benefit commitment form with Subrecipient and/or the

EXHIBIT A

Subrecipient's Program administrator and deposit those funds with licensed escrow company before the Applicant can execute a construction contract with the Subrecipient's General Contractor and before construction can begin. The Subrecipient or their Program Administrator will contact the Applicant and provide transfer instructions in writing to the applicant for depositing escrow funds to the escrow company's account.

- b) The escrow holder must be licensed to provide escrow services in California. Subrecipient and its vendors shall not provide tax, legal or financial advice to any Applicant. Any material provided is for informational purposes only, and is not intended to provide, nor be relied on for, tax, legal or financial advice. Applicants should consult their own tax, legal and financial advisors before engaging in this transaction. Subrecipient must follow applicable procurement rules regarding the escrow holder procurement.
- c) Subrecipient shall account for all funds requested and received from Applicant that are disbursed to an escrow account for the benefit of the Applicant's home replacement and maintain records in the Subrecipient's system of record. Subrecipient shall not charge any fee to the Applicant for the program or services provided to the Applicant. The escrow must record and document all payments through Electronic Funds Transfer (EFT) confirmations or cleared checks and Subrecipient shall maintain all information and documentation in the subrecipient's System of Record such that all documentation is available to HCD to review, monitor, and audit.

12) **Pre-Construction**

a) Unit Selection Meetings

The Subrecipient and General Contractor shall hold one (1) unit selection meeting with each eligible Applicant to present all MHU options the Applicant is eligible for. The Applicant may select any one option. Unit Selection Meetings must take place within fifteen (15) business days from receipt of escrow funds.

b) MHU Specifications

The Subrecipient's General Contractor shall provide single-wide, double-wide and triple-wide MHUs with the following specifications:

EXHIBIT A

General

- Compliance with Title 24, Title 25, Code of Federal Regulations, Part 3280 – Manufactured Home Construction and Safety Standards. All MHUs shall also be in compliance with any state or local building codes that exceed Federal requirements for MHU unit construction.
- Option for units compliant with American Disabilities Act may be required including, but not limited to, grab bars for tub and toilet, wheelchair accessible doorways, compliant toilet height, countertops, and sinks.

Floor

- Living room/bedrooms: Carpet or vinyl plank
- Kitchen/bathrooms: Vinyl plank or tile (ceramic or porcelain)

Exterior

- Sheathing: Standard Grade but must meet WUI standards if required by state or local codes and if different than standard grade.
- Siding: Fiber cement board, with a smooth finish over water-resistive barrier. Wildland Urban Interface (WUI) compliant material, if required by state or local codes.
- Minimum two (2) coats of exterior grade paint.
- Vapor retarder and capillary break or approved equivalent installed.
- Fiberglass, cellulose, or mineral wool installed to QII (Quality Insulation Installation) specifications.
- Elevation: The finished floor elevation (FFE) of the MHU unit must be elevated at least 2 feet above the base flood elevation (BFE) of the 100-year floodplain.
- Provide an ADA compatible, minimum 36-inch pressure treated wood ramp with the proper landings and handrails to provide access to elevated unit.

Windows and Doors

- Must meet HUD's Thermal Zone 2 requirements.
- Windows must be low-e, multi-pane insulated glass and be of 20-minute fire rating. Window screen in matching color to be provided.
- Doors must be a minimum of 34 inch, with a 20-minute fire rating.

Roof/Ceiling

- Roof material: Minimum 30-year composition architectural shingles
- Insulation: Blown cellulose or fiberglass batting

EXHIBIT A

- Ceiling slope: flat

Plumbing

- Kitchen: Drop-in stainless steel double bowl
- Bathroom sinks: Standard Grade
- Faucets: Standard Grade
- Water heater: Electric

HVAC

- Heat: Electric
- Air Conditioning: Option for external electrical circuit for condensing unit

Electrical

- Load Center: 200-amp service,
- Interior Receptacles and Switches: White/factory select.
- Phone Jack: none.
- AC: Conduit

Interior Features/Appliances

- Cabinets: Medium-Sensity Fiberboard
- Countertops: Formica or granite
- Backsplash: At least 4" of countertop material
- Refrigerator: 20 cubic feet minimum
- Range: Electric
- Microwave: Electric. Installed above range.

Fire Safety

- An interior Fire Sprinkler System that meets the California Code of Regulations, Title 25, § 4302 (1), if required by state or local codes.
- Meet WUI standards for ignition resistant construction as required by state or local codes.

c) Construction Scope of Work

The Subrecipient must review and approve all construction scopes of work prepared by the General Contractor. Scope of work development shall be completed within thirty (30) business days from unit selection meeting.

The construction scope of work for each Applicant will vary but may include, although not be limited to, the following:

- Obtaining all necessary state and local permits and approvals prior to

EXHIBIT A

- the commencement of the work for each structure;
- Coordination with the Applicant from issuance of a work order to obtaining a certificate of occupancy;
 - Utility disconnection/deactivation and reconnection/reactivation;
 - Demolition or removal of existing structure;
 - Lead, asbestos, radon and other environmental services, where applicable, completed by qualified, licensed company in compliance with all applicable state and federal laws, statutes, regulations, and guidelines.
 - Debris removal in accordance with all federal, state and local requirements and required disposition permits.
 - Providing approved architectural and plan renderings as well as related engineering and architectural services;
 - Acquisition, delivery, and install services for replacement MHUs from the manufacturer or staging area to the site of installation. This includes ensuring all required Department of Transportation hauling permits are obtained by the hauler;
 - Site preparation including fencing removal and replacement;

The Subrecipient shall coordinate, cooperate, and make available designated staff to respond to inquiries from Participating Vendors working with Applicants on Program property eligibility specifics.

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

d) Environmental Review and Clearance Process

HCD is responsible for preparing a Tier 1 “county-wide” environmental assessment. HCD is also responsible for ensuring compliance with CEQA, including the submission or designation of applicable waivers to the CEQA Clearinghouse. As potential sites are identified for participation in the program, HCD and the subrecipient will work together to complete the required Tier II environmental review for each specific site to determine if the proposed construction actions for that site will have a significant impact on the environment based on review topics from 24 CFR part 58 and work on a plan to mitigate those potential impacts. All Tier II information will need to be provided to HCD, as the responsible entity, for final review and determination of Tier II completion.

EXHIBIT A

The Subrecipient shall coordinate, cooperate, and make available designated staff to respond to inquiries from Participating Vendors working with Applicants on Program property eligibility specifics.

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

13) Final QAQC Review and Award Letter

Subrecipient shall issue a Final Award Letter to each eligible Applicant on a form provided by HCD within ten (10) business days following the completion of an approved construction scope of work, receipt of escrow funds and executed escrow agreement, signed construction contract, and final QAQC review and approval by HCD.

The Subrecipient shall maintain all information and documentation used in completing this process in the Subrecipient's System of Record such that all documentation is available to HCD to review, monitor, and audit both during the term of this Agreement as well as the applicable record retention period imposed on Subrecipient. Any documentation or stored information containing PII must be securely stored by Subrecipient in accordance with the Data Sharing Agreement in order to avoid an improper release of such information.

14) Appeals

The Subrecipient shall develop a SOP per the most recently published MHRE PnPs and as required by Section 3.C.3. herein, for intake, review and response to Program appeals submitted by Applicants. The Subrecipient shall review appeals received by an Applicant and respond with its decision within fifteen (15) business days of receipt of the appeal.

Subrecipient shall provide monthly appeals logs to HCD that includes a trend analysis and maintain all communication, information, and documentation of appeals received, resolved, and/or escalated in the subrecipient's System of Record such that all documentation is available to HCD to review, monitor, and audit both during the term of this Agreement as well as the applicable record retention period imposed on Subrecipient. Any documentation or stored information containing PII must be securely stored by Subrecipient in accordance with the Data Sharing Agreement in order to avoid an improper release of such information.

EXHIBIT A

15) General

a) Recapture

Subrecipient shall administer the collection, processing and tracking of all recaptured funds in accordance with most recently published Subrecipient Implementation Guide Section Recapture of Funds.

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

- 1) Title VI of the Civil Rights Act of 1964,
- 2) Title VIII of the Civil Rights Act of 1968,
- 3) Executive Order 11063,
- 4) Section 504 of the Rehabilitation Act of 1973,
- 5) The Age Discrimination Act of 1975,
- 6) Americans with Disabilities Act,
- 7) Title IX of the Education Amendments of 1972,
- 8) The Fair Employment and Housing Act (federal),
- 9) The Unruh Civil Rights Act of 1959,
- 10) California Fair Employment and Housing Act: The California requirements expand upon the federal requirements and are designed to prevent discrimination in the delivery of benefits and services because of race, color, religion, sex/gender, gender identity, gender expression, sexual orientation, marital status, medical condition, military or veteran status, national origin, ancestry, disability (mental and physical), genetic information, or age (over 40).

- b) Subrecipient shall perform the MHRE Program Management activities described herein. The Department reserves the right from time to time to require the Subrecipient to modify any or all parts of the MHRE Program implementation process in order to comply with CDBG-DR and MHRE program requirements. The Department reserves the right to monitor all Scope of Work to be performed by

EXHIBIT A

the Subrecipient and its Participating Vendors in relation to this Agreement. Any proposed revision to the Scope of Work must be submitted in writing for review and approval by the Department and will require a written amendment to this Agreement. Approval shall not be resumed unless such approval is made by the Department in writing.

- c) For the purposes of performing the Scope of Work, the Department agrees to provide up to the amount(s) identified in Exhibit B, Section 1, Budget. The Department shall not be liable for any costs in excess of the total approved budget. The Department shall not, under any conditions, be liable for any unauthorized or ineligible costs or costs not deemed reasonable and necessary by the program. MHRE Program Management Scope of Work carried out pursuant to this contract must meet the CDBG-DR National Objective benefiting low/moderate income persons.
- d) Subrecipient shall collect data and submit reports to the Department in accordance with the reporting requirements detailed in Exhibit D.
- e) The Subrecipient shall monitor all MHRE Program Management activities completed by Approved Vendors in accordance with the requirements of 2 CFR 200.300-346.

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

- A. This Agreement is effective upon approval by the Department representative's signature on page one of the fully executed Standard Agreement, STD 213 (the "Effective Date").
- B. Subrecipient acknowledges that in no instance shall the Department be liable for any costs in excess of this amount, nor for any unauthorized or ineligible costs or expenses including any contractor costs incurred or paid by Subrecipient prior to the effective date of this Agreement.

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

- A. Term of Agreement: With the exception of the activity closeout procedures set forth in Exhibit B, Section 6, the Subrecipient shall complete the Approved Scope of Work described herein on or before the Agreement expiration date identified on the STD 213 of this Agreement and herein: December 30, 2028.
- B. Expenditure Deadlines:
 - 1) All Activity Funds must be expended by: June 30, 2028
 - 2) All Activity Delivery Funds must be expended by: December 30, 2028

EXHIBIT A

C. Performance Milestones:

- 1) Subrecipient shall timely meet all of the Performance Milestones set forth in Sections 6 and 7 below. Time is of the essence with respect to all such milestones.

6. **Administrative Performance Milestones**

- A. General Contractor Procurement: Subrecipient shall complete procurement of a General Contractor to complete the work as described in the Program-provided Request for Proposals (RFP) and herein and publish a notice of intent to award the selected General Contractor within twelve (12) weeks of the Effective Date of this Agreement.
- B. Policies and Procedures: Subrecipient shall adopt the PnPs provided by HCD for use during Program implementation within four (4) weeks of the Effective Date of this Agreement. Any changes to these policies and procedures must be approved by HCD in writing prior to taking effect.
- C. Standard Operating Procedures: Subrecipient shall establish SOPs for the Scope of Work to implement the MHRE PnPs. SOPs that are required to launch the MHRE Program, to be agreed upon between HCD and Subrecipient, must be completed and submitted for HCD review, technical assistance and approval within ten (10) weeks of the Effective Date of this Agreement. All additional SOPs required to implement the MHRE PnPs must be completed and submitted for HCD review, technical assistance, and approval within six (6) months of the Effective Date of this Agreement.
- D. Outreach Plan: Subrecipient shall develop an Outreach Plan that details outreach activity in order to effectively market the program to the public. Delivery of the final document to HCD shall be within ten (10) weeks of the Effective Date of this Agreement.
- E. Education and Outreach Campaign: Subrecipient shall launch an education and public outreach campaign as described in Outreach Plan section 5b(1)b within twelve (12) weeks of the Effective Date of this Agreement and continue to conduct such campaign actively until all activity funds are fully obligated.

7. **Production Performance Milestones**

Subrecipient shall comply with the timelines provided in the Scope of Work above in addition to the following Production Performance Milestones:

- A. The application period must commence within twelve (12) weeks of the Effective Date of this Agreement.

EXHIBIT A

- B. The first conditional award must be made within thirty-two (32) weeks of the Effective Date of this Agreement.
- C. The first final award must be made within fifty-seven (57) weeks of the Effective Date of this Agreement.
- D. The first MHU unit must be complete, installed, and occupied within eighty-one (81) weeks of the Effective Date of this Agreement.
- E. All final awards must be made by: June 30, 2027

8. **Failure to Meet Program Timelines and Performance Milestones**

- A. If any timelines detailed in the Scope of Work or the performance milestones listed in Section 6 and 7 above are not met, in addition to any other rights and remedies it has hereunder, the Department reserves the right to withhold further payments to Subrecipient until such time as satisfactory progress is made toward meeting the Scope of Work deadlines and/or performance milestones, as applicable. Additionally, Subrecipient shall diligently work with CDBG-DR staff to submit: (a) a written mitigation plan specifying the reason for the delay or missed deadline(s) and/or milestone(s); (b) the actions to be taken to complete the task(s) that are the subject of the missed deadline(s) and/or milestone(s); and (c) the date by which the completion of said tasks will occur.
- B. The Department, in its sole and absolute discretion, reserves the right to terminate this Agreement and reallocate unspent grant funds within the CDBG-DR program if the Department determines the Subrecipient is unable or unwilling to promptly address the missed deadline(s) and/or performance milestone(s) in a manner acceptable to the Department. The Department reserves all rights and remedies available to it in case of a default by Subrecipient on its responsibilities and obligations under the terms of this Agreement. All remedies available to the Department are cumulative and not exclusive.
- C. The Subrecipient and its Participating Vendors, as applicable, shall adhere to all deadlines and performance milestones established in this Agreement.

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

- A. Department Contract Manager:
 - 1) The Department Contract Manager for this Agreement is the CDBG-DR MHRE Specialist II. Written communication regarding this Agreement shall be directed to the Department Contract Manager via email or at the following address:

CA Department of Housing and Community Development

EXHIBIT A

Division of Financial Assistance – Disaster Recovery Branch
P.O. Box 952054
Sacramento, CA 94252-2054

B. Contract Management:

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

- a) Financial Reports (Funds Requests)
- b) Activity Reports
- c) Other Reports, as required.
- d) Submittal of any and all requested supporting documentation
- e) Standard Agreement issuance and amendments

2) Subrecipient Contract Administrator:

The Subrecipient Contract Administrator must be a Subrecipient employee and provided to the Department in writing upon execution of this Agreement. Unless otherwise directed by the Department, any notice, report, or other communication required by this Agreement shall be directed via System of Record email or telephone to the Subrecipient's Exhibit F.

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. **Budget**

The total budget for the County of San Joaquin cannot exceed \$10,899,756.00 as follows:

Activity	Grant Funds
Total Activity Budget	\$8,719,804.80
Total Activity Delivery Budget	\$2,179,951.20
TOTAL	\$10,899,756

2. **Availability of Funds**

- A. The Department's provision of funding to Subrecipient pursuant to this Agreement is contingent on the availability of CDBG-DR funds, and subject to the requirements to spend 80% of CDBG-DR grant funds to benefit the Most Impacted and Distressed (MID) areas identified in FEMA DR-4683, 70% of grant-wide funds for Low and Moderate-Income (LMI) benefit and continued federal and state authorization for CDBG-DR activities. Furthermore, Department funding is subject to amendment or termination due to lack of funds or authorization.
- B. The Department shall be relieved of any obligation for making payments to the Subrecipient if funds allocated to the State by HUD cease to be available for any reason or there is any limitation on, or withdrawal of, the Department's authority to administer the CDBG-DR program or any portion thereof.

3. **Expenditure of Funds**

A. Activity Costs

No Activity costs may be incurred, or funds reimbursed, until and unless the Department has documented subrecipient compliance with the National

EXHIBIT B

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

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

B. No Supplantation of Funds

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

C. Withholding Funds

In addition to any of its other rights or remedies herein, the Department reserves the right to withhold payments pending timely delivery of Program reports or documents, curing any missed deadlines and/or performance milestones, and in the event of any defaults by the Subrecipient under this Agreement, as noted in Exhibit D, Section 3.

D. Disencumbering Funds

Subrecipient agrees that funds determined by the Department to be surplus upon completion of the Program, or that have not been spent prior to the Expenditure Deadline, will be subject to disencumbrance by the Department. In the event of disencumbrance, the Department may repurpose such funds for other CDBG program purposes in accordance with CDBG program requirements.

E. Indirect Costs

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

F. Compliance with the OMB Uniform Guidance Audit Requirements

Grant funds will not be disbursed to any Subrecipients identified by the State Controller's Office (SCO) as noncompliant with the Federal Single Audit Act, as applicable, and described in the OMB Uniform Guidance and 2 CFR Part 200

EXHIBIT B

Subpart F. No funds may be disbursed until compliance with the OMB Uniform Guidance is demonstrated to the satisfaction of the Department.

G. Grant Administration

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

4. **Method of Payment**

Payments will be made directly to Subrecipient only as reimbursements based on the documented and satisfactory completion of Subrecipient Scope of Work detailed in Section 3 of Exhibit A, the timely meeting of performance milestones detailed in Sections 6-7 of Exhibit A, and confirmation of Subrecipient's compliance with the terms of this Agreement. No advances of funds will be made to the Subrecipient under any circumstance, as this is a reimbursement-only program.

Financial Reports to request reimbursement from HCD must be submitted electronically through System of Record. The Department will not authorize any payments or reimbursements unless it has determined the activities indicated in the Financial Report have been performed in compliance with the terms of this Agreement, any other agreements executed by the parties in connection herewith, and all applicable federal and state laws, regulations, guidelines, Federal Register Notices, the Subrecipient Implementation Guide, and Program PnPs. Financial Reports shall be submitted by the Subrecipient to the Department no later than the 15th calendar day of each month.

A. Reimbursements for Costs Incurred

- 1) The Subrecipient may be reimbursed by the Department for Eligible Expenses as defined herein, applied to the Scope of Work as described in Exhibit A. Eligible Expenses, which are defined in Section 1 of Exhibit D of this Agreement, include but are not limited to, costs associated with Subrecipient program implementation, including staff time.
- 2) Activity Delivery Costs incurred shall be reimbursed only after such costs are expended for Scope of Work satisfactorily completed, provided the Department determines that the Subrecipient is performing in accordance with the standards set forth in Section 3 of Exhibit A.
- 3) To receive reimbursement for Subrecipient activities approved in Section 3: Subrecipient Scope of Work, of Exhibit A, the Subrecipient shall timely submit all required Department forms via Grants Network. Financial

EXHIBIT B

Reports must include the level of documentation specified in the Department's [CDBG-DR Grant Administration Manual](#) and [Management Memo 23-01](#) located on the Department's website in order to be reviewed and processed.

B. Final Financial Reports

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

The subrecipient must follow closeout procedures as identified in the MHRE Subrecipient Implementation Guide and HCD Grant administration manual.

C. Recapture of Funds

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

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

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

5. **Budget Revisions and Amendments**

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

- A. Budget Revisions: Adjustments to the Budget that do not require an increase or reduction of total budget, a change in National Objective, or a change in the type or a reduction in number of beneficiaries assisted may be completed as a Budget Revision. Budget Revisions shall include but not be limited to:
 - 1) Adjustments that reallocate funds between budget line items.

EXHIBIT B

- 2) Adjustments that increase or decrease the detail included in the submitted lined item budgets, including adding and removing budget line items, without increasing or decreasing the Scope of Work and without changing the overall HCD-approved budget.
- B. Budget Revisions must be approved by the Department prior to implementation. May require a Standard Agreement Amendment (STD 213A). If approved, Budget Revisions shall automatically be deemed a part of, and incorporated into, this Agreement. Budget revisions must be submitted through System of Record and subsequently approved by the Department prior to implementation. Approval shall be provided through System of Record.
- C. Agreement Budget Revisions: Adjustments to the budget that result in an increased or a reduced total amount shall require Standard Agreement Amendment (STD 213A) must be fully executed by both the Subrecipient and the Department prior to implementation, unless the Department has provided written approval for expenditures based on the revised budget prior to full execution.

6. Activity Closeout Procedures

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

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

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

7. Document Retention Policy

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

EXHIBIT E

SPECIAL TERMS AND CONDITIONS

1. Due Diligence Review

Subrecipient has provided the Department with documents and information about the Subrecipient's experience, processes, policies, and procedures related to the implementation of the MHRE Program and management of federal funding. These submissions, in addition to discussions with the Subrecipient, have been used to inform this Agreement and are being materially relied upon by the Department in agreeing to enter into this Agreement and to facilitate the Department's capacity assessment of the Subrecipient as required by 2 CFR 200.331(b).

Should there be substantive changes to the organization, key personnel, methods, policies, or processes of the Subrecipient that impact the implementation of this Agreement, the Subrecipient shall promptly notify the Department of said changes. Additionally, Subrecipient agrees to comply with the requirements, requests, and results of the Department's due diligence review and capacity assessment and maintain the capacity to carry out disaster recovery activities in a timely manner.

2. Risk Assessment

During the term of this Agreement, Subrecipient agrees to timely provide documents and information to facilitate the Department's Subrecipient risk assessment process. Subrecipient further agrees to comply with the requirements, requests, and results of the Department's risk assessment, including participation in Subrecipient monitoring events.

3. Special Conditions

Pursuant to the Department's due diligence review, capacity assessment, and risk assessment, Subrecipient agrees to adhere to the following special conditions:

- A. Update Procurement Policies and Procedures with the following federal requirements: Establishing cost reasonableness, documentation standards, prohibiting cost-plus contracts, comprehensive contract management, independent cost estimates and cost analysis.
- B. Update Financial Management Policies and Procedures with the following federal requirements:
 - i. Budget Reconciliation including actual expenditures against budgeted amounts, discrepancies analysis it's cause and process for implementing corrective actions.
 - ii. Cost Reasonableness
 - iii. Interest and non-interest-bearing accounts

EXHIBIT E

2 CFR 200.302 (financial management), 2 CFR 200.303(Controls), 2 CFR 200.307 (Program Income), 2 CFR 200.334-337 (Financial Management Systems), 2 CFR 200.329 (Reporting), 2 CFR 200.400 - 434 (Policy requirements)

- C. The following are specific conditions from Section III General Terms and Conditions found in the Department's Community Development Block Grant Disaster Recovery (CDBG-DR) Grant Agreement # B-25-DG-06-0001 ("HUD Grant Agreement").

The HUD Grant Agreement requires the Department to include the conditions set forth herein.

However, On September 10, 2025, the United States District Court of the District of Rhode Island via Memorandum and Order (Case No. 1:25-cv-00345) enjoined the United States Department of Justice from enforcing or implementing Conditions 6 and 8, specified below. Unless and until the preliminary injunction is lifted, and pursuant to and in accordance with the Stipulation entered December 8, 2025, wherein the United States Department of Justice in the same case agreed and stipulated to never enforce or apply the HUD PRWORA Notice until such time as judgment on the merits has been issued, Subrecipient is not obligated under this Standard Agreement to implement Condition 6 or 8. The Department will notify Subrecipient if and when the preliminary injunction is vacated, at which time Subrecipient will be obligated to apply Conditions 6 and 8.

The following conditions are added to this Agreement and shall control notwithstanding any other provision of this agreement, as applicable, specifically:

1. The Subrecipient shall not use grant funds to promote "gender ideology," as defined in Executive Order (E.O.) 14168, Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government;
2. The Subrecipient agrees that its compliance in all respects with all applicable Federal anti-discrimination laws is material to the U.S. Government's payment decisions for purposes of section 3729(b)(4) of title 31, United States Code;
3. The Subrecipient certifies that it does not operate any programs that violate any applicable Federal anti-discrimination laws, including Title VI of the Civil Rights Act of 1964;

EXHIBIT E

4. The Subrecipient shall not use any grant funds to fund or promote elective abortions, as required by E.O. 14182, Enforcing the Hyde Amendment; and that,
5. Notwithstanding anything in the Department's Allocation Announcement Notice, funds made available under the HUD Grant Agreement shall not be governed by Executive Orders revoked by E.O. 14154, including E.O. 14008, or Allocation Announcement Notice requirements implementing Executive Orders that have been revoked.
6. The Subrecipient must administer its grant in accordance with all applicable immigration restrictions and requirements, including the eligibility and verification requirements that apply under title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, as amended (8 U.S.C. 1601-1646) (PRWORA) and any applicable requirements that HUD, the Attorney General, or the U.S. Center for Immigration Services may establish from time to time to comply with PRWORA, Executive Order 14218, or other Executive Orders or immigration laws.
7. If applicable, no state or unit of general local government that receives funding under this grant may use that funding in a manner that by design or effect facilitates the subsidization or promotion of illegal immigration or abets policies that seek to shield illegal aliens from deportation.
8. Unless excepted by PRWORA, the Department (HCD) or the Subrecipient and/or its agents as applicable, as directed by the federal government, must use SAVE, or an equivalent verification system approved by the Federal government, to prevent any Federal public benefit from being provided to an ineligible alien who entered the United States illegally or is otherwise unlawfully present in the United States.
9. Faith-based organizations may be subrecipients of funds on the same basis as any other organization. The Subrecipient may not, in the selection of subrecipients, discriminate against an organization based on the organization's religious character, affiliation, or exercise.