

EXHIBIT B**BUDGET DETAIL AND PAYMENT PROVISIONS****1. Budget Detail**

The Award set forth in this Agreement has been made available to expend toward the Eligible Uses per the terms set forth herein. The Department has approved the additional funding commitments leveraged against the Project site as identified in Exhibit E, Budget Detail. Any new sources encumbered against the Project site after the execution of this Agreement must receive prior written approval by HCD and must, upon recordation, subordinate to the Homekey+ use restriction. Encumbrance of sources unapproved sources by HCD against the Homekey+ site and securing of any sources in a lien position superseding Homekey+ will constitute a breach of the Standard Agreement.

2. Conditions of Disbursement

For all Project types, except New Construction Cost Containment (Section 501 of the NOFA), the Department will disburse the amount corresponding to the Grantee's request for funds after this Agreement has been fully executed and after the Department receives the Grantee's request for funds, with all required supporting documents appended thereto.

[HCD to delete this Paragraph if this is not a New Construction Project and if Section 501 of the NOFA does not apply]. For New Construction Cost Containment Projects, the Department will disburse up to 80% of the Capital Award after Grantee has cleared all conditions of disbursement. The remaining 20% of the Award will be disbursed upon submission of the temporary certificate of occupancy (TCO).

The Department's initial disbursement of Capital Award funds shall be through escrow. Grantee must open escrow prior to the initial request for Capital Award funds. The Department will disburse remaining Award funds, including Operating Award funds, via check. The Grantee may only request Operating Award funds, if applicable, after providing confirmation that construction and/or Rehabilitation of the Project is completed, and the Project is ready to occupy. The Department reserves the right to disburse funds prior to construction completion if the Grantee sufficiently demonstrates need for Operating Award funds prior to construction completion.

As a condition to disbursement, the Grantee shall append the following supporting documents to the request for funds, all in form and substance acceptable to the Department:

Homekey+ Program

NOFA Date: 11/26/2024; as amended 01/31/2025; 08/07/2025; 03/27/2026

Project Name:

Approved Date: 7/16/2026

Prep. Date: XX/XX/XXXX

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- A. Wire Instructions, including the name and address of the escrow company, the name of the escrow officer, and the escrow number in a form provided by the Department;
- B. An Affordability Covenant must be submitted to the Department for review prior to the close of escrow and approved by the Department, in its sole and reasonable discretion, for recordation at the close of escrow;
- C. Payee Data Record (STD 204) or Government Agency Taxpayer ID Form, as applicable;
- D. An authorizing resolution or set of authorizing resolutions that, in the Department's reasonable determination, materially comports with the Program Requirements (if the Grantee has not already submitted same);
- E. Documentary evidence of any eligible costs incurred on or after March 5, 2024 and before the execution of this Agreement;
- F. Certification of compliance with California's prevailing wage law, as well as all applicable federal prevailing wage law executed in compliance with NOFA section 509; or for Tribal Grantees, an executed Tribal Wage Determination;
- G. A copy of the Department-approved relocation plan for the Project, or a copy of a Department-issued Certification Regarding Non-Application of Relocation Benefits and Indemnification Agreement which has been duly executed by the Grantee and approved by the Department;
- H. Evidence of the insurance coverages required under the Program NOFA Section 606 and/or a written acknowledgment of self-insured status;
- I. A current title report (dated within 15 days of the request for funds); or for tribal trust land, a title status report ("**TSR**") or an attorney's opinion regarding chain of title and current title status; if there are any items to be cleared, paid off, or subordinated, the Department will require that all findings be resolved as a condition to close escrow;
- J. Any forms, certifications, environmental clearances, NEPA, or documentation required pursuant to Exhibit E, Section 4 or Section 8 of this Agreement; and

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Any other forms, certifications, or documentation deemed necessary by the Department prior to disbursement of Program funds.

3. Performance

- A. After disbursement of the funds, the Grantee shall meet each Performance Milestone set forth at Exhibit E by the relevant Milestone Completion Date. After satisfaction of each Performance Milestone, the Grantee shall promptly report its progress, in writing, to the Department. Grantee may apply to the Department for an extension of a Milestone Completion Date as allowed by the NOFA and this Agreement.
- B. FAILURE TO SATISFY ANY ONE OF THE PERFORMANCE MILESTONES WILL CONSTITUTE A BREACH OF THIS AGREEMENT AND ENTITLES THE DEPARTMENT TO MANDATE THE GRANTEE TO RETURN TO THE DEPARTMENT ANY FUNDS DISBURSED; IN ANY SUCH INSTANCE, THE DEPARTMENT MAY ALSO CANCEL THIS AGREEMENT WITHOUT OWING ANY DAMAGES OR OTHER PAYMENT TO GRANTEE.

4. Fiscal Administration

- A. The initial disbursement of Capital Award funds must be wired to an escrow company licensed to do business in the State of California and in good standing.
- B. Any Capital Award funds that have not been expended by the Expenditure Deadline for Capital Award must be returned to the Department with accrued interest. Any Operating Award funds that have not been expended by the Expenditure Deadline for Operating Award must be returned to the Department with accrued interest. Checks shall be made payable to the Department of Housing and Community Development and shall be mailed to the Department at the address below, no later than thirty (30) calendar days after the applicable Expenditure Deadline.

Department of Housing and Community Development
Accounting Division
651 Bannon Street, Suite 400
Sacramento, California 95811

5. Supplantation of Funds

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Grantee may not use Homekey+ funding to supplant Performing Debt or existing funds that have already been funded or awarded through other permanent sources, including HCD sources. Expenses that have been or will be reimbursed under any permanent public program funds are not Eligible Uses of Homekey+ funding, with the exception of any Award for Department-approved reimbursement of costs dating back to March 5, 2024.

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