

**HOMEKEY PROGRAM
SUBRECIPIENT AGREEMENT**

[Walden Project HomeKey, LLC and Walden Environment
DBA Walden Family Services]

[Scattered Site Transitional Housing for Foster Youth Project]

THIS SUBRECIPIENT AGREEMENT (“Agreement”) is made and entered into this _____ day of _____, 2024 (“Effective Date”), by and between the CITY OF RIVERSIDE, a California charter city and municipal corporation (“City”), Walden Project HomeKey, LLC, a California limited liability company, and Walden Environment DBA Walden Family Services, a California non-profit corporation (collectively, “Subrecipient”).

RECITALS

This Agreement affects that certain real property commonly known as 2338 12th Street, 2932 Pleasant Street, 11107 Violet Court and 11226 Arizona Avenue, all located in City of Riverside, County of Riverside, State of California, as more particularly described in the Declarations of Restrictive Covenants attached hereto as Exhibit “A” and incorporated herein by this reference (collectively, the “**Property**”) and is entered into based on the following facts and understandings:

- A. Walden Project HomeKey, LLC, the City, and Walden Environment DBA Walden Family Services (“**Grantee**”) (each, a “**Co-Grantee**,” and collectively, the “**Grantee**”) and the Department of Housing and Community Development, a public agency of the State of California (the “**Department**”) entered into an agreement 23-HK-18060 dated September 11, 2024 (the “**Standard Agreement**”) attached hereto as Exhibit “B” and incorporated herein by this reference, under the Department’s Homekey Program (“**Homekey**,” “**Program**,” or “**Homekey Program**”).
- B. Walden Project HomeKey, LLC and Walden Environment dba Walden Family Services (collectively, “**Developer**”) is in the process of developing an affordable housing project for various sites in the City consisting of 30 Single Room Occupancy affordable housing units for extremely low-income households (hereafter “**Scattered Site Transitional Housing for Foster Youth Project**” or “**Project**”). **Developer** and **City** jointly applied for Homekey Program funds and submitted the Application Package released by the Department of the Homekey Program for funding of the Project. Walden Project HomeKey, LLC (also referred to herein as “**Subrecipient**”) acquired the **Property** for the Project and shall be the record owner on title.
- C. The statutory basis for the Homekey Program is Health and Safety Code section 50675.1.1. Assembly Bill No. 83 (2019-2020 Reg. Sess.) added sections 50675.1.1 and 50675.1.2 to the Multifamily Housing Program (“**MHP**” or “**MHP Program**”) (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code).
- D. Assembly Bill No. 140 (2021-2022 Reg. Sess.) provided the statutory basis for Round 3 of the Homekey Program by adding section 50675.1.3 to the Health and Safety Code and the MHP Program.

- E. The Department issued a Notice of Funding Availability for Round 3 of the Homekey Program on March 29, 2023, (the Notice of Funding Availability as amended shall be referenced herein as “**NOFA**”). The NOFA incorporates by reference the MHP Program, as well as the MHP Final Guidelines (“**MHP Guidelines**”), dated March 30, 2022, both as amended and in effect from time to time. The Round 3 Homekey grant funds are derived primarily from the state’s direct allocation of the federal Coronavirus State Fiscal Recovery Fund (“**CSFRF**”), which was established by the American Rescue Plan Act of 2021 (“**ARPA**”) (Pub.L. No. 117-2). Additional funding is derived from the state’s General Fund.
- F. The MHP Program, the NOFA, the MHP Guidelines, ARPA, federal interpretive guidance relating to ARPA, and the Standard Agreement comprise the “**Program Requirements.**”
- G. Pursuant to the terms of the Standard Agreement, the Department agreed to provide the Grantee with a grant under the Program (the “**Grant**”) in an amount not to exceed Five Million Two Hundred Fifty Thousand Dollars (\$5,250,000) for capital expenditures, which amount includes \$4,172,888 for property acquisitions and \$1,077,112 for rehabilitation and development of the property acquired.
- H. The Standard Agreement requires the Grantee to acquire the Property, and to ensure that it shall be used to provide decent, safe, and sanitary Interim Housing (as defined below) for individuals and families who are experiencing homelessness or who are at risk of homelessness, as defined in Part 578.3 of Title 24 of the Code of Federal Regulations, and who are inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases (the “**Target Population**”). For purposes of this Declaration, “**Interim Housing**” is defined in accordance with the NOFA and means any facility that is primarily intended to provide temporary shelter or lodging for the Target Population, and that does not require occupants to sign leases or occupancy agreements. The Grantee will be responsible for complying with the requirements within the Standard Agreement.
- I. As consideration for the Homekey Program Grant, the Subrecipient (as owner) agreed to enter into a Declaration to restrict the development, use and occupancy of the Property to the continued and lawful operation of the Interim Housing thereon. The term “**Owner**” as used in the Declaration shall include all successors, assigns and transferees to or of any or all of the Owner’s interest in the Property and the Interim Housing.
- J. Subrecipient has submitted a proposal to the City for Scattered Site Transitional Housing for Foster Youth Project. The Project is eligible for expenditure of the Recovery Funds under the Uniform Guidance, “Appendix 1: Expenditure Categories.” The procurement of the Project complies with both the Uniform Guidance and Procurement Code provisions.
- K. The City has agreed to distribute Grant funds to the Subrecipient in the amount of Five Million Two Hundred Fifty Thousand Dollars (\$5,250,000) for costs associated with the Project (“**Grant Funds**”).
- L. The Parties intend this Agreement to set forth Subrecipient’s obligations under the Round 3 Homekey Program and all other regulations pertaining to the Grant Funds.

NOW THEREFORE, in consideration of the mutual covenants set forth herein, and the mutual benefits to be derived therefrom, the City and Subrecipient agree as follows:

1. **SCOPE OF SERVICES.** Subrecipient shall provide services and/or procure goods as more particularly described in Exhibit “A” to the Standard Agreement Exhibit “A”, entitled “Authority, Purpose and Scope of Work (“Services”)), in accord with this Agreement.

2. **TERM.** The term of the Agreement shall begin on the Effective Date and shall remain in effect for the term of the Declaration of Restrictive Covenants, attached hereto as Exhibit “C” unless otherwise terminated pursuant to the provisions herein.

3. **GRANT FUNDS.** The Project costs shall be financed with Homekey grant funds, in the amount of Five Million Two Hundred Fifty Thousand Dollars (\$5,250,000), to be deposited by the Department of Housing and Community Development (HCD) with the Escrow. Two Million Four Hundred Ten Thousand Dollars (\$2,410,000) of the Homekey grant funds, to be used for acquisition costs to pay off and clear all Deeds of Trust related to the Property, is to be distributed to Subrecipient, by Escrow. Two Million Eight Hundred Forty Thousand Dollars (\$2,840,000) of the Homekey grant funds, to be used for the use of acquisition development costs and rehabilitation and development costs, is anticipated to be disbursed from HCD to the City of Riverside, by Escrow. City shall disburse this amount to Subrecipient upon satisfaction of conditions precedent to the disbursement of the HCD funds, as set forth herein. Allocation shall be made not more often than weekly, on an as-needed basis, upon a request by Subrecipient.

3.1 ESCROW

3.1.1 **ESCROW. Escrow.** Within fifteen (15) days following the Effective Date, Grantee shall open an escrow (“Escrow”) with Commonwealth Land Title Company (“Escrow Holder”). The parties shall execute and deliver to Escrow Holder such escrow instructions prepared by Escrow Holder as may be required to complete this transaction, in accord with the October 28, 2024 letter from the Department of Housing and Community Development, attached hereto as Exhibit “G” and incorporated herein by reference. Any such instructions shall not conflict with, amend, or supersede any provision of this Agreement. If there is any inconsistency between such instructions and this Agreement, this Agreement shall control.

3.1.2 **COSTS AND EXPENSES.** Subrecipient shall be responsible for (i) all costs of any escrow charges imposed by the Escrow Holder; (ii) all recording fees and any and all state, county, and local government transfer taxes, documentary or otherwise; and (iii) any other expenses customarily charged in connection with similar transactions including its own attorney’s fees.

3.1.3 **SUBRECIPIENT’S OBLIGATIONS DURING ESCROW.** Subrecipient, prior to the Close of Escrow, shall deliver to Escrow Holder each of the following items, the delivery of each of which shall be a condition to the performance by Subrecipient of its obligations under this Agreement:

- (a) A fully executed version of this Agreement;

- (b) A fully executed Restrictive Covenant with the City of Riverside, which shall be in such form as that attached hereto as Exhibit “C” and incorporated herein by this reference;
- (c) Documentation of all eligible program related expenses for which disbursement of funds is requested;
- (d) Documentation that all Escrow fees have been paid by Subrecipient;
- (e) All additional documents and instruments which may be reasonably necessary for the Close of Escrow in accordance with the terms of this Agreement and the requirements of HCD’s wiring instructions, attached hereto as Exhibit “G”.

3.1.4 **CLOSE OF ESCROW.** The close of escrow shall be December 7, 2024, or upon the satisfaction of all of Subrecipient’s Obligations, as described in Section 3.1.3 above, whichever is earlier. If the Escrow is not in a condition to close by Close of Escrow If Subrecipient’s obligations are not completed by December 7, 2024, then the City, upon notice in writing to the Escrow Holder and the other party and so given on the Close of Escrow, may demand the return of their documents and cancel the Escrow and all funds shall be returned to the Department of Housing and Community Development.

3.2 DISBURSEMENT OF CITY HELD GRANT FUNDS.

3.2.1 **DISBURSEMENT OF LOAN PROCEEDS FROM CITY.** Upon satisfaction of the conditions precedent to disbursement of Homekey grant funds, the Homekey grant funds shall be disbursed to the Subrecipient not later than thirty (30) calendar days after receipt by the City of a written disbursement request from the Subrecipient (each, a “Disbursement Request”). The Disbursement Request shall set forth the amount of the requested disbursement of the Homekey grant funds and shall include, delivery of each of which shall be a condition to the performance by Subrecipient of its obligations under this Agreement. The City shall authorize the disbursement of the Homekey grant funds to Subrecipient only upon satisfaction of the conditions set forth, in this section 3.2.1.

- (a) Documentation of all eligible program related expenses for which disbursement of funds is requested;
- (b) Documentation that all Escrow fees have been paid by Subrecipient;
- (c) A fully executed Restrictive Covenant with the City of Riverside, which shall be in such form as attached hereto as Exhibit “C” and incorporated herein by this reference;
- (d) All additional documents and instruments which may be reasonably necessary in accordance with the terms of this Agreement and as required by HCD.

4. **NOTICES.** Any notices provided for, or required, to be given hereunder shall be in writing and shall be personally served or given by mail. Any notice given by mail shall be deemed given when deposited in the United States Mail, certified and postage prepaid, addressed to the party to be served as follows:

City

City of Riverside
Housing and Human Services
Attn: Director
3900 Main Street, 5th Floor
Riverside, California 92522

Subrecipient

Sue Evans, Chief Operating Officer
Walden Project HomeKey, LLC
Walden Environment DBA
Walden Family Services
8525 Gibbs Drive suite 100
San Diego CA 92123

5. **AVAILABILITY OF GRANT FUNDS.** City's allocation of funding to Subrecipient is contingent upon the allocation funds to the City under the Round 3 Homekey Program. In the event of funding reduction, including elimination, the City may reduce the Grant Funds as a whole or as to cost category, and may, at its sole discretion, limit Subrecipient's authority to commit and spend Grant Funds, and may restrict Subrecipient's use of both its uncommitted and its unspent Grant Funds. Any such change shall be reflected by written amendment to this Agreement pursuant to Section 7.5. Notwithstanding the foregoing, the City may also terminate this Agreement pursuant to Section 7.6 of this Agreement.

6. **COMPLIANCE.** By executing this Agreement, Subrecipient hereby certifies that it will adhere to and comply with the same obligations to the City that the City has undertaken with the State, including adherence to all federal requirements, pursuant to its application and certifications for any funding related to the Round 3 Homekey Program, including but not limited to the following, as they may be applicable:

A. The Round 3 Homekey Program rules and guidelines (also referred to herein as the "Program Requirements" in Recital A.6 hereto) are attached hereto as Exhibit "D" and incorporated herein by reference.

Subrecipient shall be solely responsible, expressly or impliedly, for determining and effectuating compliance with all applicable federal, state and local public works requirements, prevailing wage laws, labor laws and standards, and the City does not make any representations, either legally or financially, as to the applicability or non-applicability of any federal, state or local laws to the project or any part thereof, either onsite or offsite. Subrecipient expressly, knowingly and voluntarily acknowledges and agrees that the City has not previously represented to Subrecipient or to any representative, agent or affiliate of Subrecipient, or any subcontractor(s) that any work and construction undertaken pursuant to this Agreement is or is not subject to Section 1720 of the Labor Code or the Davis Bacon Act (P.L. 71-798).

7. **GENERAL CONDITIONS.**

7.1 **Subrecipient as Independent Contractor.** In the performance of this Agreement, Subrecipient, and Subrecipient's employees, subcontractors and agents, shall act in an independent capacity as independent contractors, and not as officers or employees of the City.

Subrecipient acknowledges and agrees that the City has no obligation to pay or withhold state or federal taxes or to provide workers' compensation or unemployment insurance to Subrecipient, or to Subrecipient's employees, subcontractors and agents. This Agreement shall not under any circumstances be construed or considered to create an employer-employee relationship or a joint venture. Subrecipient shall be responsible for any and all taxes that apply to Subrecipient as an employer.

Subrecipient shall determine the method, details, and means by which it provides Services. Subrecipient shall be responsible to the City only for the requirements and results specified in this Agreement, and, except as expressly provided in this Agreement, shall not be subjected to the City's control with respect to the physical action or activities of Subrecipient in fulfillment of this Agreement. If in the performance of this Agreement, any third persons are employed by Subrecipient, such persons shall be entirely and exclusively under the direction, supervision, and control of Subrecipient. All terms of employment, including hours, wages, working conditions, discipline, hiring, and discharging or any other term of employment or requirements of law, shall be determined by Subrecipient.

7.2 Indemnity. Except as to the sole negligence or willful misconduct of the City, Subrecipient shall defend, indemnify, and hold the City, and its officers, employees and agents, harmless from any and all loss, damage, claim for damage, liability, expense or cost, including attorneys' fees, which arises out of or is in any way connected with the Project, the Program or the performance of the Services under this Agreement by Subrecipient or any of its employees, agents or subcontractors, and from all claims by Subrecipient's employees, subcontractors and agents for compensation for services rendered to Subrecipient in the performance of this Agreement, notwithstanding that the City may have benefitted from their services. This indemnification provision shall apply to any acts or omissions, willful misconduct or negligent conduct, whether active or passive, on the part of Subrecipient or of Subrecipient's employees, subcontractors or agents. Subrecipient understands and agrees that it shall defend the City from any claim even if it appears to be without merit.

Subrecipient shall also defend, indemnify, and hold the City harmless from any loss, damage, or attorneys' fees incurred because of any claim by any person or entity, including the State of California.

Parties also expressly agree that any payment, attorneys' fees, cost, or expense that the City incurs, or makes to or on behalf of an injured employee under the City's self-administered workers' compensation, is included as a loss, expense or cost for the purposes of this Section, and that this Section shall survive the expiration or early termination of the Agreement.

7.3 Insurance.

7.3.1 General Provisions. Prior to the City's execution of this Agreement, Subrecipient shall provide satisfactory evidence of, and shall thereafter maintain during the term of this Agreement, such insurance policies and coverages in the types, limits, forms and ratings required herein. The rating and required insurance policies and coverages may be modified in writing by the City's Risk Manager or City Attorney, or a designee, unless such modification is prohibited by law.

7.3.2 Limitations. These minimum amounts of coverage shall not constitute any limitation or cap on Subrecipient's indemnification obligations under Section 8.2 hereof.

7.3.3 Ratings. Any insurance policy or coverage provided by Subrecipient or subcontractors as required by this Agreement shall be deemed inadequate and a material breach of this Agreement, unless such policy or coverage is issued by insurance companies authorized to transact insurance business in the State of California with a policy holder's rating of A or higher and a Financial Class of VII or higher.

7.3.4 Cancellation. The policies shall not be canceled unless thirty (30) days prior written notification of intended cancellation has been given to the City by certified or registered mail, postage prepaid.

7.3.5 Adequacy. City, its officers, employees and agents make no representation that the types or limits of insurance specified to be carried by Subrecipient pursuant to this Agreement are adequate to protect Subrecipient. If Subrecipient believes that any required insurance coverage is inadequate, Subrecipient will obtain such additional insurance coverage, as Subrecipient deems adequate, at Subrecipient's sole expense.

7.3.6 Workers' Compensation Insurance. By executing this Agreement, Subrecipient represents that Subrecipient is aware of and will comply with Section 3700 of the Labor Code of the State of California requiring every employer to be insured against liability for workers' compensation, or to undertake self-insurance before commencing any of the work. Subrecipient shall carry the insurance or provide for self-insurance required by California law to protect said Subrecipient from claims under the Workers' Compensation Act. Prior to the City's execution of this Agreement, Subrecipient shall file with City either (1) a certificate of insurance showing that such insurance is in effect, or that Subrecipient is self-insured for such coverage, or (2) a certified statement that Subrecipient has no employees, and acknowledging that if Subrecipient does employ any person, the necessary certificate of insurance will immediately be filed with the City. Any certificate filed with the City shall provide that the City will be given at least ten (10) days prior written notice before modification or cancellation thereof.

7.3.7 Commercial General Liability. Prior to the City's execution of this Agreement, Subrecipient shall obtain, and shall thereafter maintain during the term of this Agreement, commercial general liability insurance as required to insure Subrecipient against damages for personal injury, including accidental death, as well as from claims for property damage, which may arise from or which may concern operations by anyone directly or indirectly employed by, connected with, or acting for or on behalf of Subrecipient. City, and its officers, employees and agents, shall be named as additional insureds under Subrecipient's insurance policies.

Subrecipient's commercial general liability insurance policy shall cover both bodily injury (including death) and property damage (including, but not limited to, premises operations liability, products completed operations liability, independent contractor's liability, personal injury liability, and contractual liability) in an amount not less than \$1,000,000 per occurrence and a general aggregate limit in the amount of not less than \$2,000,000.

Prior to the City's execution of this Agreement, copies of insurance policies or original certificates and additional insured endorsements evidencing the coverage required by this Agreement, for both commercial general and automobile liability insurance, shall be filed with the City and shall include the City and its officers, employees and agents, as additional insureds. Said policies shall be in the usual form of commercial general and automobile liability insurance policies, but shall include the following provisions:

It is agreed that the City of Riverside, and its officers, employees and agents, are added as additional insureds under this policy, solely for work done by and on behalf of the named insured for the City of Riverside.

7.3.8 Subcontractors' Insurance. Subrecipient shall require all of its subcontractors to carry insurance, in an amount sufficient to cover the risk of injury, damage or loss, which may be caused by the subcontractors' scope of work and activities provided in furtherance of this Agreement, including, but without limitation, the following coverages: Workers' Compensation, Commercial General Liability, Errors and Omissions, and Automobile liability. Upon the City's request, Subrecipient shall provide the City with satisfactory evidence that subcontractors have obtained insurance policies and coverages required by this section.

7.3.9 Commercial Automobile Insurance. Subrecipient is required to provide commercial automobile liability insurance for this Agreement with the exception being those subrecipients that do not require the use of an automobile to meet program requirements as detailed in the Scope of Work.

If Subrecipient does not require the use of an automobile to meet program requirements in the Scope of Work, Subrecipient must complete a Certification Regarding Automobile Usage and Receipt of Grant Funding from City of Riverside.

If Subrecipient requires the use of an automobile or must drive to meet program requirements in the Scope of Work, Subrecipient must submit insurance certificates acceptable to the City that meet the following requirement(s): Subrecipient's automobile liability policy shall cover both bodily injury and property damage in an amount not less than \$1,000,000 per occurrence and an aggregate limit of not less than \$1,000,000. All of Subrecipient's automobile and/or commercial general liability insurance policies shall cover all vehicles used in connection with Subrecipient's performance of this Agreement, which vehicles shall include, but are not limited to, Subrecipient owned vehicles, Subrecipient leased vehicles, Subrecipient's employee vehicles, non-Subrecipient owned vehicles and hired vehicles. City, and its officers, employees and agents, shall be named as additional insureds under the Subrecipient's automobile insurance policy.

7.4 **Personnel.** Subrecipient shall furnish all personnel necessary to perform the Services and shall be responsible for their performance and compensation. Subrecipient recognizes that the qualifications and experience of the personnel to be used are vital to professional and timely completion of the Services. The key personnel listed in Exhibit "E" attached hereto and incorporated herein by this reference and assigned to perform portions of the Services shall remain assigned through completion of the Services, unless otherwise mutually agreed by the parties in writing, or caused by hardship or resignation in which case substitutes shall be subject to the City's approval.

7.5 **Amendment.** This Agreement may only be amended in writing by mutual agreement between the City and Subrecipient.

7.6 **Termination.**

7.6.1 For Cause. City may terminate this Agreement immediately, if Subrecipient materially fails to comply with any terms of this Agreement, including but not limited to:

- A. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and, policies or directives as may become applicable at any time;
- B. Failure, for any reason, to fulfill in a timely and proper manner its obligations under this Agreement;
- C. Improper use of Grant Funds provided under this Agreement; and
- D. Submission of reports that are incorrect or incomplete in any material respect.

7.6.2 For Cause – Additional Remedies. If Subrecipient materially fails to comply with any term of this Agreement, as set forth in subsection 7.6.1 herein, the City, in addition to immediate termination, may also take any one or more of the following actions as appropriate in the circumstances:

- A. Temporarily withhold Grant Funds pending correction of the deficiency by Subrecipient;
- B. Disallow all or part of the cost of the activity or action not in compliance;
- C. Withhold further Grant Funds for the Project and/or the Program; and
- D. Take other remedies that may be legally available.

7.6.3 Availability of Grant Funds. Should the Grant Funds change pursuant to Section 5 of this Agreement, the City may suspend the operation of this Agreement upon three (3) days written notice to Subrecipient of its intention to so act. The parties agree to meet and confer in good faith prior to any such suspension.

7.7 **Costs Following Termination.** Costs of Subrecipient resulting from obligations incurred by the Subrecipient during a suspension or after termination of this Agreement are not allowed unless the City expressly authorizes them in writing in connection with any notice of suspension or termination. Other Subrecipient costs during suspension or after termination which are necessary and not reasonably avoidable are allowed if: (a) the costs resulted from obligations

which were properly incurred by Subrecipient before the effective date of suspension or termination, are not in anticipation of it, and, in the case of a termination, are non-cancellable; and (b) the costs would be allowable if the award were not suspended or expired normally at the end of the funding period in which the termination takes effect.

8. ADMINISTRATIVE REQUIREMENTS.

8.1 **Revenue Disclosure Requirement.** Subrecipient certifies that it has previously filed with the City a written statement listing all revenue received, or expected to be received, by Subrecipient from federal, state, city, or county sources, and from other governmental agencies, and applied or expected to offset, in whole or in part, any of the costs incurred by Subrecipient in conducting current or prospective projects, programs, or business activities, including, but not limited to the Project and/or the Program. Such statement shall reflect the name and a description of such project, program, or business activity, the dollar amount of funding provided, or to be provided, by each and every governmental agency to each such project, program, or business activity, and the full name and address of such governmental agency. For those projects, programs, and business activities in which there are sources of funds from the private sector, Subrecipient shall provide proof of such funding. City shall not pay for any services provided by Subrecipient which are funded by other sources. All restrictions and/or requirements provided in this Agreement relative to accounting, budgeting, and reporting, apply to the total project, program, or business activity regardless of funding sources.

8.2 **Use of Grant Funds.** Except as otherwise limited by this Agreement, Grant Funds shall be used exclusively to cover Eligible Expenses in implementing the Project consistent with the requirements of the Homekey Program.

8.3 **Budget.** Subrecipient hereby certifies and agrees that Grant Funds shall be used exclusively as described in the Budget, attached hereto as Exhibit "F". Any deviation from the attached Budget must be approved by the City, in writing. Subrecipient shall not make expenditures that deviate from the Budget Act or from the guidance given by the United States Treasury Department, including the answers to Frequently Asked Questions.

8.4 **Changes in Grant Allocation.** City reserves the right to reduce the grant allocation when the City's fiscal monitoring indicates that Subrecipient's rate of expenditure will result in unspent funds at the end of the term. Changes in the grant allocation will be done after consultation with Subrecipient. Such changes shall be incorporated into this Agreement by written amendments.

8.5 **Program Records.** Subrecipient shall maintain financial, programmatic, statistical and other supporting records of its operations and financial activities, including but not limited to, documentation of all Grant Funds received from the City or other sources to operate the Project and/or the Program, documentation of expenses identified in the Budget, and any other related records as City may require from time to time. Such records shall be retained for a period five (5) years after termination of this Agreement or after final disposition of all pending matters. "Pending matters" include, but are not limited to, an audit, litigation or other actions involving records.

8.6 **Annual Reports.** Subrecipient shall provide the City with annual reports by

November 30th on the form produced by the State of California Housing and Community Development., as well as any other reports as the City may reasonably require. Such reports shall identify the amount paid from the Grant Funds, the balance of the Grant Funds that Subrecipient has not spent, and the demographics of the client population served by the Grant.

8.7 Performance Monitoring. City will monitor the performance of Subrecipient against goals and performance standards required herein. Substandard performance as determined by the City will constitute non-compliance with this Agreement. If action to correct such substandard performance is not taken by Subrecipient within a reasonable period of time after being notified by the City, termination procedures will be initiated pursuant to Section 7.6.

8.8 Recognition of City. Subrecipient shall ensure recognition of the City in providing funding for the Services provided by this Agreement. All advertisements, notifications, publications, signs, brochures, and other promotional or information material shall identify the Project and/or the Program as being funded in part by the City of Riverside.

8.9 Lobbying. Subrecipient certifies to the best of its knowledge and belief that:

8.9.1 No federally appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

8.9.2 If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

8.9.3 The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into.

9. NONDISCRIMINATION. During Subrecipient's performance of this Agreement, Subrecipient shall not discriminate on the grounds of race, religious creed, color, national origin, ancestry, age (other than transition aged youth), physical disability, mental disability, medical condition, including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sex, genetic information, gender, gender identity, gender expression, or sexual orientation, military and veteran status, in the selection and retention of employees and subcontractors and the procurement of materials and equipment, except as provided in Section 12940 of the California Government Code. Further, Subrecipient agrees to conform to the

requirements of the Americans with Disabilities Act in the performance of this Agreement.

10. **CONFLICT OF INTEREST.** Subrecipient, for itself and on behalf of the individuals listed in Exhibit “E,” represents and warrants that by the execution of this Agreement, they have no interest, present or contemplated, in the Project affected by the above-described Services. Subrecipient further warrants that neither Subrecipient, nor the individuals listed in Exhibit “C” have any real property, business interests or income interests that will be affected by this project or, alternatively, that Subrecipient will file with City an affidavit disclosing any such interest.

11. **DIGITAL AND COUNTERPART SIGNATURES.** Each party to this Agreement intends and agrees to the use of digital signatures that meet the requirements of the California Uniform Electronic Transactions Act (Civil Code §§ 1633.1, et seq.), California Government Code § 16.5, and California Code of Regulations Title 2 Division 7 Chapter 10, to execute this Agreement. The parties further agree that the digital signatures of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures for purposes of validity, enforceability, and admissibility. For purposes of this section, a “digital signature” is defined in subdivision (d) of Section 16.5 of the Government Code and is a type of “electronic signature” as defined in subdivision (h) of Section 1633.2 of the Civil Code. This Agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each certified or authenticated electronic copy of an encrypted digital signature shall be deemed a duplicate original, constituting one and the same instrument and shall be binding on the parties hereto.

12. **COUNTERPARTS.** This Agreement may be signed by the Parties hereto in counterparts, each of which shall be an original but all of which together shall constitute one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile or electronic transmission, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as though such facsimile or electronic signature page were on original thereof.

13. **EXHIBITS.** The following exhibits attached hereto are incorporated herein to this Agreement by this reference:

- Exhibit “A” – Legal Description
- Exhibit “B” – State of California Department of General Services Standard Agreement
- Exhibit “C” – Declarations of Restrictive Covenants
- Exhibit “D” – Round 3 Homekey Program Rules and Regulations
- Exhibit “E” – Key Personnel
- Exhibit “F” – Budget
- Exhibit “G” – October 28, 2024 letter from the Department of Housing and Community Development

[SIGNATURES ON NEXT PAGE.]

IN WITNESS WHEREOF, the City and Subrecipient have caused this Agreement to be duly executed on the day and year first written above.

CITY OF RIVERSIDE, a California Charter city and municipal corporation

Walden Project HomeKey, LLC, a California limited liability company

By: _____
City Manager

By: Teresa Stivers
Name: Teresa Stivers
Title: CEO

Date: _____

By: Sue Evans
Name: Sue Evans
Title: COO

Attest: _____
City Clerk

Walden Environment DBA Walden Family Services, a California nonprofit corporation

Date: _____

Certified as to Availability of Funds:

By: Teresa Stivers
Name: Teresa Stivers
Title: CEO

By: 
Chief Financial Officer

By: Sue Evans
Name: Sue Evans COO
Title: COO

APPROVED AS TO FORM:

By: Sean Murphy
Assistant City Attorney

EXHIBIT "A"
LEGAL DESCRIPTION

Project: Scattered Site Youth Housing Project

Those certain real properties located in the City of Riverside, County of Riverside, State of California, described as follows:

Parcel "A"

APN:136-450-027

Lot 52 of Tract No. 31028 as shown by Map on file in Book 349 of Maps at Pages 78 through 82 thereof, Records of Riverside County, California.

Parcel "B"

APN:221-100-030

Lots 9 and 10 in Block 1 of Jarvis Subdivision as shown by Map on file in Book 5 of Maps at Page 44 thereof, Records of San Bernardino County, California.

Parcel "C"

APN:136-450-012

Lot 37 of Tract No. 31028 as shown by Map on file in Book 349 of Maps at Pages 78 through 82 thereof, Records of Riverside County, California.

Parcel "D"

APN:219-324-006

Lot 55 of Halls Addition to Riverside as shown by Map on file in Book 9 of Maps at Page 1 thereof, Records of San Bernardino County, California.

Excepting the Southerly 6.50 feet for alley purposes.

This description was prepared by me or under my direction in conformance with the requirements of the Land Surveyors Act.

DBW 10/30/24 Prep. EV
Douglas B. Webber, L.S. 9477 Date



EXHIBIT "B"
STATE OF CALIFORNIA DEPARTMENT OF
GENERAL SERVICES STANDARD AGREEMENT

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER

23-HK-18060

PURCHASING AUTHORITY NUMBER (if applicable)

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'S NAME

City of Riverside, Walden Project HomeKey, LLC, and Walden Environment DBA Walden Family Services

2. The term of this Agreement is:

START DATE

Upon HCD Approval

THROUGH END DATE

Fifteen (15) Years from Effective Date

3. The maximum amount of this Agreement is:

\$5,250,000.00

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

EXHIBITS	TITLE	PAGES
Exhibit A	Authority, Purpose and Scope of Work	10
Exhibit B	Budget Detail and Payment Provisions	3
Exhibit C*	State of California General Terms and Conditions	GTC - 04/2017
Exhibit D	Homekey General Terms and Conditions	23
Exhibit E	Project-Specific Provisions and Special Terms and Conditions	9
TOTAL NUMBER OF PAGES ATTACHED		45

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

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

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

CONTRACTOR

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

See Attached

CONTRACTOR BUSINESS ADDRESS See Attached	CITY See Attached	STATE See Attached	ZIP See Attached
PRINTED NAME OF PERSON SIGNING See Attached	TITLE See Attached		
CONTRACTOR AUTHORIZED SIGNATURE See Attached	DATE SIGNED See Attached		

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 09/11/2024		

California Department of General Services Approval (or exemption, if applicable)

Exempt per: SCM Vol. 1 4.04.A.3 (DGS memo dated 06/12/1981)

CONTRACTOR

City of Riverside

a California charter city and municipal corporation

By: 
Mike Futrell (Aug 31, 2024 10:27 PDT)

Date: 08/31/2024

Mike Futrell
City Manager

Address:

3900 Main Street
Riverside, CA 92522

Walden Project HomeKey, LLC

a California limited liability company

By: Walden Environment
a California nonprofit public benefit corporation

Its: Sole Member/Manager

By: *Teresa Stivers*

Date: 08/28/2024

Teresa Stivers
Chief Executive Officer

Or *Sue Evans*
By: _____

Date: 08/28/2024

Sue Evans
Chief Operating Officer

Address:

8525 Gibbs Drive, #100
San Diego, CA 92123

CONTRACTOR

Walden Environment DBA Walden Family Services

a California nonprofit public benefit corporation

By: *Teresa Stivers* Date: 08/28/2024

Teresa Stivers
Chief Executive Officer

Or
By: *Sue Evans* Date: 08/28/2024

Sue Evans
Chief Operating Officer

Address:

8525 Gibbs Drive, #100
San Diego, CA 92123

City of Riverside

Attest

By: *Donesia Gause* Date: 09/06/2024

Donesia Gause
City Clerk


Address:

3900 Main Street
Riverside, CA 92522

CONTRACTOR

City of Riverside

Approved As To Form

By:  _____

Date: 08/28/2024 _____

Susan D. Wilson

Assistant City Attorney

Address:

3900 Main Street
Riverside, CA 92522

Prep Date: 06/13/2024

EXHIBIT A

AUTHORITY, PURPOSE AND SCOPE OF WORK

1. Authority

California Assembly Bill No. 140 (Chapter 111, Statutes of 2021) (“**AB 140**”) added sections 50675.1.3 and 50675.1.4 to the Multifamily Housing Program (“**MHP**”) (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code). Health and Safety Code section 50675.1.3 provides the statutory basis for the Homekey Program – Round 3 (“**Homekey**” or “**Program**”). Health and Safety Code section 50675.1, subdivision (d) authorizes the Department of Housing and Community Development (“**Department**” or “**HCD**”) to administer MHP.

The Department issued a Homekey Program Notice of Funding Availability, Round 3 on March 29, 2023 (the “**NOFA**”). The NOFA incorporates by reference the MHP, as well as the Multifamily Housing Program Final Guidelines, dated March 30, 2022 and amended on May 5, 2022 (“**MHP Guidelines**”), both as amended and in effect from time to time. The NOFA, further, incorporates by reference, the Uniform Multifamily Regulations (UMRs) (Cal. Code Regs., tit. 25, § 8300 et seq.), effective November 15, 2017, and as subsequently amended, except to the extent that any UMR provision would be inconsistent with the provisions of the NOFA. Homekey grant funds are derived primarily from the state’s direct allocation of the federal Coronavirus State Fiscal Recovery Fund (“**CSFRF**”), which was established by the American Rescue Plan Act of 2021 (“**ARPA**”) (Pub.L. No. 117-2). Homekey funds are also derived from the State of California’s General Fund.

This STD 213, Standard Agreement (“**Agreement**”) is entered under the authority and in furtherance of the Program. This Agreement is the result of an Application by the Grantee, as defined below, for funding under the Program (the “**Grant**”). As such, this Agreement shall be executed by the Grantee. Where the Grantee comprises a Public Entity or Tribal Entity, as defined below, and one or more additional entities, all entities shall execute the Agreement.

This Agreement hereby incorporates by reference the Application, as well as the project report prepared by the Department in reliance on the representations and descriptions included in that Application. This Agreement is governed by the following (collectively, the “**Program Requirements**”), and each of the following, as amended and in effect from time to time, is incorporated hereto as if set forth in full herein:

Homekey Program – Round 3 (Homekey)
NOFA Date: 03/29/2023, as amended 11/15/2023
Project Name: Walden Scattered Site Interim Housing
Approved Date: 11/21/2023
Prep. Date: 06/13/2024
Unique Entity Identifier(s): JYMYKJ3MN56, M324RF2KMHA2, 9512048299

EXHIBIT A

- A. AB 140;
- B. The above-referenced MHP statutory scheme;
- C. The NOFA;
- D. The MHP Guidelines;
- E. The UMRs;
- F. ARPA and related federal guidance;
- G. The award letter issued by the Department to the Grantee; and
- H. All other applicable law.

2. Purpose

The Homekey Program is intended to provide housing for individuals and families who are homeless or who are at risk of homelessness, as defined in Part 578.3 of Title 24 of the Code of Federal Regulations, and who are inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases (“**Target Population**”).

Grantee applied to the Department for the Grant in order to conduct one or more of the activities outlined in Paragraph 4 below. By entering into this Agreement and thereby accepting the award of Program Grant funds, the Grantee agrees to comply with the Program Requirements and the terms and conditions of this Agreement.

3. Definitions

Any capitalized terms that are not defined below shall have the definitions set forth in the NOFA, the MHP statutes, and the MHP Guidelines. In the event of any conflict, the definitions in this Agreement and the NOFA are controlling.

- A. “**Affordability Covenant**” means the legally binding instrument which (i) is recorded in first position against Project real property in consideration for the Homekey Program award to the Grantee; (ii) imposes use, operation, occupancy, and affordability restrictions on the real property and improvements; and (iii) incorporates the Homekey Program Requirements by reference. Upon

EXHIBIT A

- its execution, the Affordability Covenant shall be binding, effective, and enforceable against all successors, transferees, and assignees, in accordance with Section 208 of the NOFA, after a certificate of occupancy or its equivalent has been issued for the Project, or if no such certificate is issued, from the date of initial occupancy of the Project. Interim Housing Projects, Permanent Housing Projects, and Permanent Housing Projects on tribal trust land shall be encumbered with 30-year, 55-year, and 50-year Affordability Covenants, respectively.
- B. **“AMI”** means Area Median Income.
 - C. **“Application”** means the application for Grant funds that was submitted in response to the Department’s NOFA.
 - D. **“Assistance Listing Number”** (ALN) formerly known as the Catalog of Federal Domestic Assistance (CFDA) Number, is a five-digit number assigned in the awarding document for all federal assistance award mechanisms.
 - E. **“Assisted Unit”** means a Homekey-funded residential dwelling unit that is subject to rent, income, occupancy, and other restrictions in accordance with Program Requirements. See also **“Youth Assisted Unit.”**
 - F. **“Chronically Homeless”** is defined in accordance with Part 578.3 of Title 24 of the Code of Federal Regulations.
 - G. **“Co-Applicant”** means the nonprofit corporation, for-profit corporation, limited liability company, and/or limited partnership that applied for an award of Homekey Grant funds with the Eligible Applicant (i.e., a Public Entity or Tribal Entity).
 - H. **“Date of Award”** means the date on the award letter issued from the Department to the Grantee.
 - I. **“Designated Payee”** means the Co-Grantee that will serve as the payee of the Program Grant funds. If applicable, the Designated Payee is identified at Exhibit E of this Agreement.
 - J. **“Eligible Applicant”** means the Public Entity or Tribal Entity that applied for an award of Homekey Grant funds.

EXHIBIT A

- K. **“Eligible Uses”** means the activities that may be funded by the Homekey Program Grant. Those activities are listed at Paragraph 4 below of this Agreement, and at Health and Safety Code section 50675.1.3, subdivision (a).
- L. **“Expenditure Deadline for Capital Funds”** means the date by which the capital expenditure award must be fully expended. This deadline is eight (8) months from the Date of Award. or up to 15 months from the Date of Award if an expenditure deadline extension has been requested and approved by the Department.
- M. **“Expenditure Deadline for Operating Funds”** means the date by which the operating subsidy award must be fully expended. This deadline is **June 30, 2026**.
- N. **“Grantee or Subrecipient”** means the Eligible Applicant (and, if applicable, the Co-Applicant) that has been awarded funds under the Program, and that will be held responsible for compliance with and performance of all Program Requirements. The Grantee may comprise one or more entities, so long as the Grantee structure includes an “Eligible Applicant,” as defined in the NOFA and as set forth above. **“Grantee”** refers, both individually and collectively, to the Co-Applicant and/or the Eligible Applicant that received a Homekey Grant after submitting an Application or a joint Application to the Department. When the Grantee comprises two or more entities, each entity may be referred to as a **“Co-Grantee.”** On the STD 213 portion of this Agreement, the Grantee is identified as the Contractor.
- O. **“Homeless Youth”** means a child, a youth, or a current or former foster youth through the age of 25 who qualifies as “homeless” under any of the relevant definitions set forth or identified at Part 578.3 of Title 24 of the Code of Federal Regulations.
- P. **“Homeless Youth Project”** means a Project that was prioritized to receive set-aside Homekey funds because **(i)** at least 25 percent of its Assisted Units will be restricted to Homeless Youth or Youth at Risk of Homelessness; **(ii)** the Grantee jointly applied and/or partnered with a nonprofit corporation with experience serving the foregoing subpopulation; and **(iii)** the Project will provide Supportive Services for Youth Assisted Units using a Positive Youth Development (PYD) model and trauma-informed care. Such Project may also have been prioritized because it is located within a one-mile radius of youth-centered amenities, such as community colleges, universities, trade schools, apprenticeship programs,

EXHIBIT A

employment programs, childcare centers for parenting youth, and community centers for youth.

- Q. **“Interim Housing”** means any facility whose primary purpose is to provide a temporary shelter for the Target Population and which does not require occupants to sign leases or occupancy agreements.
- R. **“Local Public Entity”** is defined at Health and Safety Code section 50079, and means any county, city, city and county, the duly constituted governing body of an Indian reservation or rancheria, tribally designated housing entity as defined in Section 4103 of Title 25 of the United States Code and Section 50104.6.5, redevelopment agency organized pursuant to Part 1 (commencing with Section 33000) of Division 24, or housing authority organized pursuant to Part 2 (commencing with Section 34200) of Division 24, and also includes any state agency, public district, or other political subdivision of the state, and any instrumentality thereof, that is authorized to engage in or assist in the development or operation of housing for persons and families of low or moderate income. In addition, and in accord with this Health and Safety Code definition, the term **“Local Public Entity”** also includes two or more local public entities acting jointly.
- S. **“Performance Milestones”** means the indicators and metrics of progress and performance that are identified as such at Exhibit E of this Agreement. Grantee’s failure to satisfy any one of the Performance Milestones will constitute a breach of this Agreement and will entitle the Department to exercise any and all available remedies, including the recapture of disbursed Grant funds and the cancellation of this Agreement.
- T. **“Permanent Housing”** means housing, dwellings, or other living accommodations where the landlord does not limit the tenant’s length of tenancy, the landlord does not restrict the tenant’s movements, and the tenant has a lease and is subject to the rights and responsibilities of tenancy.
- U. **“Program Requirements”** means the legal authority and Program materials listed at Paragraph 1.A – H, above.
- V. **“Project”** means a structure or set of structures with common financing, ownership, and management, which provides Permanent Housing or Interim

EXHIBIT A

- Housing for the Target Population, and which is subject to an appropriate Affordability Covenant in accordance with Section 208 of the NOFA.
- W. **“Public Entity”** is defined in accordance with Health and Safety Code section 50675.1.3, subdivision (a), and means a city, a county, a city and county, and any other state entity, regional entity, or Local Public Entity, including any council of government, metropolitan planning organization, and regional transportation planning agency designated in Section 29532.1 of the Government Code. For purposes of this Agreement, a **“Local Public Entity”** is defined in accordance with Health and Safety Code section 50079 and as set forth above.
- X. **“Scope of Work”** or **“Work”** means the work to be performed by the Grantee to accomplish the Program purpose.
- Y. **“Supportive Services”** means social, health, educational, income support, employment, and housing stability services and benefits; coordination of community building and educational activities; individualized needs assessment and case management; and individualized assistance with obtaining services and benefits.
- Z. **“Target Population”** means individuals and families who are “homeless” or “at risk of homelessness,” as those terms are defined in Part 578.3 of Title 24 of the Code of Federal Regulations, and who are inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases. The Target Population also includes Homeless Youth or Youth at Risk of homelessness. For Grantees utilizing HOME-ARP funding as match, the “Target Population” also includes individuals and families who are “Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking” and “Other Populations” as defined in HUD Community Planning and Development (CPD) Notice 21-10.
- AA. **“TCAC”** means the California Tax Credit Allocation Committee.
- BB. **“Tribal Entity”** means an entity that meets any of the following criteria:
- 1) Meets the definition of Indian tribe under section 4103(13)(B) of title 25 of the United States Code;
 - 2) Meets the definition of Tribally Designated Housing Entity under section 4103(22) of title 25 of the United States Code;

EXHIBIT A

- 3) Is not a federally recognized tribe, but is either:
- a) Listed in the petitioner list of the Office of Federal Acknowledgment (OFA) within the Office of the Assistant Secretary – Indian Affairs of the Department of the Interior pursuant to Part 82.1 of Title 25 of the Code of Federal Regulations; or
 - b) Is an Indian tribe located in the State of California and identified on the contact list maintained by the Native American Heritage Commission for the purpose of consultation pursuant to Government Code section 65352.3.

CC. **“Unique Entity ID”** (UEI) is a 12-character alphanumeric ID assigned to an entity by www.Sam.gov.

DD. **“Youth Assisted Unit”** means an Assisted Unit serving Homeless Youth or Youth at Risk of Homelessness. See also **“Assisted Unit.”**

EE. **“Youth at Risk of Homelessness”** means a child, a youth, or a current or former foster youth through the age of 25 who qualifies as “at risk of homelessness” or “homeless” under any of the relevant definitions set forth or identified at Part 578.3 of Title 24 of the Code of Federal Regulations.

4. Eligible Uses

Grantee shall apply the Program Grant funds to one or more of the following uses. All costs in connection with such Eligible Uses must be incurred on or after March 3, 2021, by the Expenditure Deadline for Capital Funds, and by the Expenditure Deadline for Operating Funds, respectively and as applicable. Grantee’s use of the funds and scope of work (**“Scope of Work”** or **“Work”**) are specified at Exhibit E of this Agreement.

- A. Acquisition or rehabilitation, or acquisition and rehabilitation, of motels, hotels, hostels, or other sites and assets, including apartments or homes, adult residential facilities, residential care facilities for the elderly, manufactured housing, commercial properties, and other buildings with existing uses that could be converted to permanent or interim housing.
- B. Master leasing of properties for non-congregate housing.
- C. Conversion of units from nonresidential to residential.

EXHIBIT A

- D. New construction of dwelling units.
- E. The purchase of affordability covenants and restrictions for units.
- F. Relocation costs for individuals who are being displaced as a result of the Homekey Project.
- G. Capitalized operating subsidies for units purchased, converted, or altered with Homekey Grant funds provided pursuant to Health and Safety Code section 50675.1.3.

5. Rent Standards

- A. Permanent Housing. Rent limits for initial occupancy, and for each subsequent occupancy, of an Assisted Unit shall not exceed 30 percent of that Assisted Unit's designated income-eligibility level.
- B. Interim Housing. No rent shall be charged to the Target Population residents of Interim Housing.

6. Program Deadlines

- A. Acquisition, rehabilitation, and/or construction shall be completed within 12 months of the Date of Award.
- B. Grantee shall expend any capital expenditure award by the Expenditure Deadline for Capital Funds.
- C. The Homekey-funded portion of the operating award must be disbursed by the Department by June 30, 2025. Grantee shall expend any Homekey-funded operating subsidy award by the Expenditure Deadline for Operating Funds.
- D. Full occupancy shall be achieved within 15 months of the Date of Award.

7. Performance Milestones

- A. Grantee shall complete each of the Performance Milestones set forth at Exhibit E of this Agreement by the date designated for such completion therein (each, a "**Milestone Completion Date**"). The Performance Milestones shall include, but

EXHIBIT A

not be limited to, any applicable Expenditure Deadline for Capital Funds, Expenditure Deadline for Operating Funds, or occupancy deadline.

- B. The Department may, in its sole and absolute discretion, approve an extension of the acquisition, rehabilitation, construction, and/or occupancy deadlines if the Grantee demonstrates, to the Department's satisfaction, that the relevant delay is caused by reasonably unforeseeable events, conditions, or circumstances.
- C. In no event will the Department approve an extension request in the absence of Grantee's demonstration of good cause for said extension, along with Grantee's reasonable assurances that the extension will not result in Grantee's failure to meet other Performance Milestones or any Expenditure Deadline under this Agreement. Construction labor shortages and supply chain issues do not constitute reasonably unforeseeable events, conditions, or circumstances for purposes of an extension request.
- D. The Department will not grant extensions of the Expenditure Deadline for Operating Funds.

8. Reporting Requirements

- A. Grantee shall submit an annual Homekey Program and Expenditure Report, and comply with all additional reporting requirements, as set forth and specified at Section 601 of the NOFA, all in accordance with the Milestone Completion Date(s) set forth at Exhibit E of this Agreement.
- B. After satisfaction of each Performance Milestone, the Grantee shall promptly report its progress, in writing, to the Department.
- C. Upon the Department's request and as specified, the Grantee shall provide progress reports in connection with the development plan and any updates to the timeline for completion of the Project. The development plan should include the Project's completion milestones and any updates or substantial changes.
- D. In addition, the Grantee shall submit to the Department such periodic reports, updates, and information as deemed necessary by the Department to monitor compliance and/or perform Program evaluation. Any requested data or information shall be submitted in electronic format on a form provided by the Department.

EXHIBIT A

9. Department Contract Coordinator

The Department's Contract Coordinator for this Agreement is the Deputy Director of the Division of State Financial Assistance, or the Deputy Director's designee. Unless otherwise informed, Grantee shall mail any notice, report, or other communication required under this Agreement by First-Class Mail to the Department Contract Coordinator at the following address or email to Homekey3SGM@hcd.ca.gov:

California Department of Housing and Community Development
Attention: Homekey Program – Round 3 (Homekey)
State Grant Management Section
651 Bannon Street, 8th Floor, 95811
P. O. Box 952054
Sacramento, CA 94252-2054

10. Grantee Contract Coordinator

The Grantee Contract Coordinator for this Agreement may coordinate with the State Grant Management Section Manager for the Homekey Program. Unless otherwise informed, the Department shall mail any notice, report, or other communication required under this Agreement by First-Class Mail, or through a commercial courier, to the Grantee Contract Coordinator at the address specified at Exhibit E of this Agreement.

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Budget Detail

Grantee has been awarded the Grant amount set forth in this Agreement.

2. Conditions of Disbursement

The Department will disburse the full amount of the Grant award to the Grantee 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. The Grantee shall append the following supporting documents to the request for funds, all in form and substance acceptable to the Department:

- A. Payee Data Record (STD 204) or Government Agency Taxpayer ID Form, as applicable;
- B. 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);
- C. Documentary evidence of any eligible costs incurred on or after March 3, 2021 and before the execution of this Agreement;
- D. Certification of compliance with California's prevailing wage law, as well as all applicable federal prevailing wage law;
- E. 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;
- F. Evidence of the insurance coverages required under the Program and/or a written acknowledgment of self-insured status;
- G. Documentary evidence of capacity to provide operating funds for the Project for at least five (5) years;

EXHIBIT B

- H. 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;
- I. A Draft Covenant or Regulatory Agreement must be submitted to the Department for review and approval;
- J. Any forms, certifications, or documentation required pursuant to Paragraph 1.F– Additional Conditions Precedent to Disbursement of Exhibit E of this Agreement; and
- K. Any other forms, certifications, or documentation deemed necessary by the Department prior to disbursement of Grant 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. Grantee shall either deposit the Grant funds with an escrow company licensed to do business in the State of California and in good standing or deposit the Grant funds in an interest-bearing checking or savings account that is insured by the Federal Deposit Insurance Corporation (“**FDIC**”). All interest earned from the deposit of Grant funds shall be used for eligible Program activities.

EXHIBIT B

- B. Any capital expenditure award funds that have not been expended by the Expenditure Deadline for Capital Funds must be returned to the Department with accrued interest. Any operating subsidy award funds that have not been expended by the Expenditure Deadline for Operating Funds 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. Duplication of Benefit

Homekey funding is not required to be used as funding of last resort. However, Grantee may not use Homekey funding to cover expenditures that have already been funded through other sources. Expenses that have been or will be reimbursed under any federal program are not eligible uses of Homekey funding.

EXHIBIT D

HOMEKEY GENERAL TERMS AND CONDITIONS

Federal Grant Identification

\$435 million of grant funds are derived from U.S. Department of the Treasury FAIN SLFRP3211 (Coronavirus State and Local Fiscal Recovery Fund (CSFRF) established by the Federal American Rescue Plan Act of 2021 (ARPA) (Public Law 11702). CFDA # 21.027 dated 06/04/2021 and \$301 million from State General Fund.

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

- A. This Agreement, when fully executed by the Department and the Grantee, is effective upon the date of the Department representative's signature on the STD 213, Standard Agreement (such date, the "**Effective Date**").
- B. This Agreement shall terminate fifteen (15) years after the Effective Date, as stated in Section 2 of the STD 213, Standard Agreement (such date, the "**Expiration Date**").
- C. Grantee will receive the disbursement of Program funds after satisfying all conditions precedent to such disbursement, as set forth under Paragraph 2 of Exhibit B and, as necessary and applicable, under Paragraph 1.F – Additional Conditions Precedent to Disbursement of Exhibit E.
- D. Any expenses incurred prior to March 3, 2021, after the Expenditure Deadline for Capital Funds, or after the Expenditure Deadline for Operating Funds, respectively and as applicable, are not eligible for payment under the Program, unless an alternate arrangement is legally permissible and has been approved by the Department in advance and in writing.
- E. Grant funds that have not been expended by the applicable Expenditure Deadlines shall revert to the Department in the absence of an alternate arrangement that has been approved by the Department in advance and in writing.

2. Termination for Cause

The Department may terminate this Agreement for cause at any time by giving at least fourteen (14) calendar days' advance written notice to the Grantee. Upon such termination, Grantee shall return any unexpended funds to the Department within thirty

EXHIBIT D

(30) calendar days of the date on the Department's written notice of termination, unless the Department has approved an alternate arrangement in advance and in writing, as provided below. Such termination will not limit any other remedies that may be available to the Department under this Agreement, at law, or in equity. Cause shall consist of Grantee's breach of, or failure to satisfy, any of the terms or conditions of this Agreement. Cause includes but is not limited to the following:

- A. Grantee's failure to satisfy the conditions precedent to disbursement or to expend Program Grant funds, as specified.
- B. Grantee's failure to timely satisfy each or any of the conditions set forth in these Homekey General Terms and Conditions, the Project-Specific Provisions and Special Terms and Conditions set forth at Exhibit E of this Agreement (including any one of the Performance Milestones), or the award letter.
- C. Grantee's violation of any of the Program Requirements.
- D. The Department's determination of the following:
 - 1) Any material fact or representation, made or furnished to the Department by the Grantee in connection with the Application or the award letter, shall have been untrue or misleading at the time that such fact or representation was made known to the Department, or subsequently becomes untrue or misleading; or
 - 2) Grantee has concealed any material fact from the Department related to the Application or the Project.
- E. The Department's determination that the objectives and requirements of the Homekey Program cannot be met in accordance with applicable timeframes, as memorialized by this Agreement.

In the event of this or any other breach, violation, or default by the Grantee, the Department may give written notice to the Grantee to cure the breach, violation, or default. If the breach, violation, or default is not cured to the Department's satisfaction within a reasonable time, as determined by the Department in its sole and absolute discretion, then the Department may declare a default under this Agreement and seek any and all remedies that are available under this Agreement, at law, or in equity.

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3. **Cancellation**

- A. It is mutually understood between the parties that this Agreement may have been written for the mutual benefit of both parties before ascertaining the availability of congressional appropriation of funds to avoid program and fiscal delays that would occur if this Agreement were executed after that determination was made.
- B. This Agreement is valid and enforceable only if sufficient funds are made available to the State of California by the United States Government for fiscal years 2021-2022 through 2025-2026 for CSFRF purposes. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or to any statute enacted by the Congress that may affect the provisions, terms, or funding of this Agreement in any manner.
- C. The parties mutually agree that if the Congress does not appropriate sufficient funds for the CSFRF, this Agreement shall be amended to reflect any subsequent reduction in CSFRF funds.
- D. The Department may cancel this Agreement, in whole or in part, if **(i)** sufficient funds are not made available by the United States Government; **(ii)** Congress enacts any restrictions, limitations, or conditions that impact this Agreement or the funding of this Agreement; or **(iii)** cancellation is otherwise permitted under state contracting law.
- E. To cancel this Agreement pursuant to this paragraph, the Department shall give thirty (30) calendar days' advance written notice to the Grantee. The Grantee shall return any unexpended portion of its Grant award to the Department within thirty (30) calendar days from the date on the Department's written notice of cancellation, unless **(i)** the parties have agreed upon an alternate arrangement in advance and in writing; or **(ii)** an alternate arrangement is necessary for one or both parties to remain in compliance with ARPA or other applicable law.

4. **Eligible Activities**

Grant funds awarded to the Grantee shall be applied to the eligible uses set forth at Exhibit A and described in greater detail at Exhibit E. Payment for any cost which is not authorized by this Agreement or which cannot be adequately documented shall be disallowed and must be reimbursed to the Department or its designee.

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5. **Performance Milestones**

Grantee shall timely satisfy and complete all Performance Milestones, as identified at Exhibit E of this Agreement.

6. **Article XXXIV**

Per Health and Safety Code section 37001, subdivision (h)(5), article XXXIV, section 1 of the California Constitution (“**Article XXXIV**”) is not applicable to Homekey-funded acquisition, rehabilitation, reconstruction, alterations work, new construction, or any combination thereof, of lodging facilities or dwelling units.

7. **Appraisals**

Grantee shall, at the request of the Department, provide an appraisal of any real property or any interest in real property that is acquired with the Grant funds. Any such appraisal shall be prepared in a form, and by a qualified appraiser, acceptable to the Department.

8. **Byrd Anti-Lobbying Amendment**

([31 U.S.C. 1352](#)) Grantees, Subrecipients, Co-Applicants, Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by [31 U.S.C. 1352](#). Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

9. **Anti-Kickback Act of 1986**

Grantee shall ensure that all contracts comply with the Anti-Kickback Act of 1986 (41 U.S.C. §§ 5158) that prohibits attempted as well as completed "kickbacks," which include any money, fees, commission, credit, gift, gratuity, thing of value, or compensation of any kind.

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10. **Rights to Inventions Made Under a Contract or Agreement**

If the Federal award meets the definition of “funding agreement” under [37 CFR § 401.2 \(a\)](#) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of [37 CFR Part 401](#), “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.

11. **Contracting and Labor Standards**

A. **Davis Bacon Act codified at 40 U.S.C. 3141, et seq. (as amended)**

Where funds provided through this Agreement are used for construction work or in support of construction work, the Grantee shall also ensure that the federal requirements of the Davis Bacon Act codified at 40 U.S.C. 3141, et seq. (as amended), pertaining to federal labor standards and compliance, are met and documented. Grantee recognizes that multiple labor standards (both state prevailing wage and federal Davis-Bacon Act) may apply to the project and both standards must be satisfied.

B. **Contract Work Hours and Safety Standards Act of 1962 ([40 U.S.C. 3701–3708](#))**

Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with [40 U.S.C. 3702](#) and [3704](#), as supplemented by Department of Labor regulations ([29 CFR Part 5](#)). Under [40 U.S.C. 3702](#) of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of [40 U.S.C. 3704](#) are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

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- C. For the purposes of this requirement "construction work" includes, but is not limited to, rehabilitation, alteration, demolition, installation or repair done under contract and paid for, in whole or in part, through this Agreement. All construction work shall be done through the use of a written contract with a properly licensed building contractor incorporating these requirements (the "construction contract"). Where the construction contract will be between the Grantee and a licensed building contractor, the Grantee shall serve as the "awarding body" as that term is defined in the California Labor Code. Where the Grantee will provide funds to a third party that will enter into the construction contract with a licensed building contractor, the third party shall serve as the "awarding body." Prior to any disbursement of funds, including but not limited to release of any final retention payment, the Department may require a certification from the awarding body that prevailing wages have been or will be paid.
- D. The applicable wage rate determination on construction work will be the more restrictive of the rate prescribed in the California Labor Code Sections 1770-1784, or the Davis-Bacon Wage Determination.
- E. Grantee shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Department for review upon request.
- F. Where funds provided through this Agreement are used for construction work, or in support of construction work, the Grantee shall ensure that the requirements of California Labor Code, Chapter 1, commencing with Section 1720, Part 7 [California Labor Code Sections 1720-1743] (pertaining to the payment of prevailing wages and administered by the California Department of Industrial Relations) are met.

12. Domestic Preferences for Procurement 2 CFR Part 184 § 70915

- A. As appropriate and to the extent consistent with law, the non-Federal entity should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award.
- B. For purposes of this section:

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- 1) “Produced in the United States” means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.
- 2) “Manufactured products” means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

13. Prohibition of Certain Telecommunications and Video Surveillance Services or Equipment 2 CFR 200.216

Recipients and subrecipients are prohibited from obligating or expending loan or grant funds to:

- A. Procure or obtain;
- B. Extend or renew a contract to procure or obtain; or
- C. Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115–232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).
 - 1) For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).
 - 2) Telecommunications or video surveillance services provided by such entities or using such equipment.
 - 3) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of

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the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

- D. In implementing the prohibition under Public Law 115–232, section 889, subsection (f), paragraph (1), heads of executive agencies administering loan, grant, or subsidy programs shall prioritize available funding and technical support to assist affected businesses, institutions and organizations as is reasonably necessary for those affected entities to transition from covered communications equipment and services, to procure replacement equipment and services, and to ensure that communications service to users and customers is sustained.
- E. See also Public Law 115–232, section 889 for additional information.
- F. See also § 200.471.

14. Environmental Compliance

Grantee shall provide a Phase I Environmental Site Assessment (“**ESA**”) for the Project, in conformance with ASTM Standard Practice E 1527, evaluating whether the Project is affected by any recognized environmental conditions. If the Phase I ESA discloses evidence of recognized environmental conditions and Grantee desires to proceed with the Project, the Grantee shall provide the Department with a Phase II report and any additional reports as required by the Department and in a form acceptable to the Department. Any remediation work shall be subject to Department approval. Grantee shall also provide an asbestos assessment and a lead-based paint report for the Department’s approval if the Project involves rehabilitation or demolition of existing improvements.

- A. Grantee shall comply with the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251, *et seq.*, as amended, and 33 U.S.C. § 1318 relating to inspection, monitoring, entry, reports, and information, and all regulations and guidelines issued thereunder.
- B. Grantee shall comply with the requirements of the Clean Air Act ([42 U.S.C. 7401–7671q.](#)) and the Federal Water Pollution Control Act ([33 U.S.C. 1251–1387](#)), as amended—Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act ([42 U.S.C. 7401–7671q](#)) and the Federal Water Pollution Control Act as

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- amended ([33 U.S.C. 1251](#)–1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
- C. Grantee shall comply with Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50 regarding air quality protections, as amended.
 - D. Grantee shall comply with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. §4001). Grantee shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, that flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).
 - E. Grantee shall comply with the requirements of the Residential Lead-Based Paint Hazard Reduction Act of 1992 and Section 401(b) of the Lead-Based Paint Poisoning Prevention Act of 1971. Grantee agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR §570.608, and 24 CFR Part 35, Subpart B. Such regulations pertain to all Homekey-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be required.
 - F. 2 CFR Part 200.323 Procurement of recovered materials. A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at [40 CFR part 247](#) that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an

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- affirmative procurement program for procurement of recovered materials identified in the EPA guidelines. See [§ 200.323](#).
- G. Grantee shall comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), the Archaeological and Historical Preservation Act of 1974 (Public Law 93-291), and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this agreement. Grantee shall also comply with federal Executive Order 11593 on the protection and enhancement of the cultural environment. In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a federal, state, or local historic property list.
- H. Grantee shall comply with all National Environmental Protection Act (NEPA) requirements as applicable to the performance of this Agreement as found in 24 CFR Part 50, 24 CFR Part 58, as applicable, and 40 CFR Parts 1500 – 1508. The CARES Act provides that funds may be used to cover or reimburse allowable costs of eligible activities to prevent, prepare for, and respond to coronavirus incurred by a Grantee after January 21, 2020. However, Grantee shall not execute this Agreement nor receive reimbursement for pre-agreement eligible activity costs until they have successfully documented compliance with the applicable NEPA requirements, including public noticing and publishing.
- I. This Agreement does not constitute a commitment of funds or site approval, and the commitment of funds or approval may occur only upon satisfactory completion of environmental review and receipt by the Grantee of an approval of the request for release of funds and certification from the Department under 24 CFR Part 50, 24 CFR Part 58, and 40 CFR 1500 - 1508. The provision of any funds to the project is conditioned on the Grantee's determination to proceed with, modify or cancel the project based on the results of the environmental review. The Grantee will not receive appropriate notice to proceed until they have successfully documented compliance with the applicable NEPA requirements, including public noticing and publishing.

15. Insurance

- A. Grantee shall obtain the insurance coverages identified in the NOFA. Grantee shall maintain such insurance coverages for either the term of this Agreement or

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the term of any required restrictive covenant or regulatory agreement, whichever applicable term is longer. Grantee shall name the State of California and the Department, as well as their respective appointees, officers, agents, and employees, as additional insureds on all such policies. Such policies shall provide for notice to the Department in the event of any lapse of coverage or insurance claim thereunder. Prior to disbursement of any Grant funds, Grantee shall provide evidence satisfactory to the Department of its compliance with these insurance requirements.

- B. If Grantee is self-insured, in whole or in part, as to any of the required types and levels of coverage, the Grantee shall provide the Department with a written acknowledgment of its self-insured status prior to disbursement of any Grant funds. If the Grantee abandons its self-insured status at any time after execution of this Agreement, the Grantee shall immediately notify the Department, and shall promptly comply with the insurance coverage requirements under the Program.

16. **Operating Funds**

Grantee shall demonstrate its capacity to provide five (5) years of operating funds for the Project. As set forth at Exhibit B of this Agreement, Grantee shall provide documentary evidence of such capacity prior to disbursement of any Grant funds.

17. **Relocation**

Grantee shall comply with the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, in 24 CFR Part 42, 49 CFR Part 24, and 42 U.S. §5304(d) as they apply to the performance of this Agreement. Grantee agrees to comply with 24 CFR 570.606 relating to the acquisition and disposition of all real property utilizing grant funds and to the displacement of persons, businesses, non-profit organizations and farms occurring as a direct result of any acquisition of real property utilizing grant funds.

Grantee must have a relocation plan prior to proceeding with any phase of a Project or other activity that will result in the displacement of persons, businesses, or farm operations. To ensure that displaced persons and entities do not suffer a disproportionate impact as a result of Projects which benefit the public, all notices to vacate and relocation services must be provided to them in accordance with applicable law. In addition, before the Homekey award will be disbursed, Grantee must have either:

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- A. Department-approved relocation plan; or
- B. 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.

18. One-for-One Replacement of Assisted Units

One-for-one replacement of Assisted Units is permissible if approved in advance by the Department per Section 300 of the NOFA, after the Department's determination, in its sole and absolute discretion, that such replacement will not reduce the inventory of units that are already available at affordable rents to households that are at or under 30 percent AMI.

19. Site Control

Unless and except as otherwise expressly approved in writing by the Department or provided at Exhibit E to this Agreement, the Grantee shall have control of the property at all times, and such control shall not be contingent on the approval of any other party. The status and nature of the Grantee's title and interest in the property must be acceptable to the Department. Site control may be evidenced by one of the following:

- A. Fee title.
- B. A leasehold interest on the property with provisions that enable the lessee to make improvements on and encumber the property provided that the terms and conditions of any proposed lease shall permit compliance with, and satisfaction of, all Program objectives and requirements, including, without limitation, those set forth in this Agreement. If the Grantee's interest in the property is a leasehold, and the lessee and the lessor are affiliated or related parties, then the Department may require both the lessee and the lessor to execute this Agreement.
- C. An executed disposition and development agreement, or irrevocable offer of dedication to a public agency.
- D. A sales contract, or other enforceable agreement for the acquisition of the property. If this form of evidence was relied upon at the time of Application, the Department may impose additional Performance Milestones (e.g., presentation of

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- additional or supplemental evidence of eventual site control closer to any projected close of escrow).
- E. A letter of intent, executed by a sufficiently authorized signatory of the Grantee, that expressly represents to the Department, without condition or reservation, that, upon successful application, the Grantee shall purchase or otherwise acquire a sufficient legal interest in the property to accomplish the purpose of the award. The letter of intent must also be duly acknowledged by the party selling or otherwise conveying an interest in the subject property to the Grantee. If this form of evidence was relied upon at the time of Application, the Department may impose additional Performance Milestones (e.g., presentation of additional or supplemental evidence of eventual site control closer to any projected close of escrow).
- F. Other evidence of site control that gives the Department assurance (equivalent to A-E above) that the Grantee will be able to complete the Project in a timely manner and in accordance with the Program's objectives and requirements, including, without limitation, those set forth or referenced in this Agreement.

20. **Adaptability and Accessibility**

The Project shall comply with all applicable federal, state and local laws regarding adaptability and accessibility, including, without limitation, the requirements set forth in the NOFA.

21. **Title Status and Reports**

Grantee shall provide a current title report for the real property on which the Project is located. If Grantee's interest in the property is leasehold, then Grantee shall provide a current title report for the leasehold interest and the fee interest. For tribal trust land, Grantee shall provide a TSR or an attorney's opinion regarding chain of title and current title status. As set forth and specified at Exhibit B of this Agreement, Grantee shall provide such title report or documentation of title status prior to disbursement of any Homekey Grant funds.

22. **Title Insurance**

Grantee shall provide evidence of title insurance and an ALTA As-Built Survey that are acceptable to the Department. The condition of title, the insurer, the liability amount, the form of policy, and the endorsements shall be subject to Department approval. The

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policy shall insure that Grantee holds good and marketable title (fee simple or leasehold).

23. **Property Management Plan**

Grantee shall submit a property management plan to the Department for its review and approval. Such management plan shall be consistent with any representations made in the Application, and it shall meet the Program Requirements (e.g., include the management, maintenance, and repair information required by the MHP Guidelines).

24. **Supportive Services Plan**

Grantee shall submit a Supportive Services plan to the Department for its review and approval. Such Supportive Services plan shall be consistent with any representations made in the Application, and it shall meet the Program Requirements (e.g., provide for delivery of housing stability services and benefits).

25. **Nondiscrimination**

Grantee shall adopt a written nondiscrimination policy requiring that no person shall, on the grounds of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, age, medical condition, genetic information, citizenship, primary language, immigration status (except where explicitly prohibited by federal law), arbitrary characteristics, and all other classes of individuals protected from discrimination under federal or state housing laws, individuals perceived to be a member of any of the preceding classes, or any individual or person associated with any of the preceding classes, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with Homekey funds.

Statutes and regulations prohibiting discrimination are applicable to this Agreement and include, without limitation, the following:

- A. Grantee and any of its contractors, subcontractors, successors, transferees, and assignees shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the U.S. Department of the Treasury's Title VI regulations, 31

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- CFR Part 22, which are herein incorporated by reference and made a part of this Agreement. Title VI also includes protection to persons with “Limited English Proficiency” in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the U.S. Department of the Treasury’s Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this Agreement;
- B. Equal Employment Opportunity. Except as otherwise provided under [41 CFR Part 60](#), all contracts that meet the definition of “federally assisted construction contract” in [41 CFR Part 60–1.3](#) must include the equal opportunity clause provided under [41 CFR 60–1.4\(b\)](#), in accordance with Executive Order [11246](#), “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964–1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at [41 CFR part 60](#), “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”;
- C. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.); Grantee shall affirmatively further fair housing, in accordance with the Civil Rights Act of 1964 (42 U.S.C §2000a, et seq.), and the Fair Housing Act (42 U.S.C. §3601, et seq.), according to 42 U.S.C. §5306, et seq. and in compliance with California statute (Gov. Code sections 65583, et seq.). Grantee shall comply with the Fair Housing Amendment Act of 1988 (Public Law 100-430). Grantee shall develop and implement an affirmative fair housing marketing plan that is satisfactory to the Department. Appropriate aspects of the initial plan shall be incorporated into the ongoing management plan to ensure positive outreach and informational efforts to those who are least likely to know about and apply for Interim Housing or Permanent Housing. Grantee is encouraged to refer to the guidelines for Affirmative Fair Housing Marketing Plans issued by the U.S. Department of Housing and Urban Development (“**HUD**”). Grantee shall comply with all applicable state and federal fair housing laws;
- D. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794); prohibiting recipients of federal funds from discrimination against persons with disability; the Americans With Disabilities Act of 1990 prohibiting all public discrimination against persons with disabilities; the Age Discrimination Act of 1975 prohibiting age-based discrimination in federally funded activities; Executive Order 11063 prohibiting discrimination in disposition of properties owned or financed with federal funds, as amended by Executive Order 12259; and

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Executive Order 11246 regarding fair employment, as amended by Executive Orders 11375, 11478 and 12086; and HUD regulations heretofore issued or to be issued to implement these authorities relating to civil rights;

- E. The Age Discrimination Act of 1975, as amended (42 U.S.C. § 6101 et seq.); The Age Discrimination Act of 1975, as amended (42 U.S.C. § 6101 et seq.); prohibiting age-based discrimination in federally funded activities.

Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. § 12101 et seq.); Americans With Disabilities Act of 1990 prohibiting all public discrimination against persons with disabilities. The State of California nondiscrimination statutes, regulations, and standards set forth and identified in the NOFA and at Exhibit C of this Agreement.

26. **Affirmative Fair Housing Marketing Plan and Fair Housing Compliance**

- A. Grantee shall affirmatively further fair housing, in accordance with the Civil Rights Act of 1964 (42 U.S.C §2000a, et seq.), and the Fair Housing Act (42 U.S.C. §3601, et seq.), according to 42 U.S.C. §5306, et seq. and in compliance with California statute (Gov. Code sections 65583, et seq.). Grantee shall comply with the Fair Housing Amendment Act of 1988 (Public Law 100-430).
- B. Grantee shall develop and implement an affirmative fair housing marketing plan that is satisfactory to the Department. Appropriate aspects of the initial plan shall be incorporated into the ongoing management plan to ensure positive outreach and informational efforts to those who are least likely to know about and apply for Interim Housing or Permanent Housing. Grantee is encouraged to refer to the guidelines for Affirmative Fair Housing Marketing Plans issued by the U.S. Department of Housing and Urban Development (“HUD”). Grantee shall comply with all applicable state and federal fair housing laws.

27. **Grantee Acknowledgment of the Pet Friendly Housing Act of 2017**

By executing this Agreement, Grantee acknowledges that the Pet Friendly Housing Act of 2017 (Health & Saf. Code, § 50466) requires each housing development, if it is financed on or after January 1, 2018 pursuant to Division 31 of the Health and Safety Code, to authorize a resident of the housing development to own or otherwise maintain one or more common household pets within the resident’s dwelling unit, subject to applicable state laws and local governmental ordinances related to public health, animal control, and animal anticruelty.

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28. Final Certificate of Occupancy

Grantee shall provide a final certificate of occupancy (or an equivalent form of occupancy certification or approval) issued by the local agency having jurisdiction over such certificates.

29. Occupancy

The Assisted Units shall be occupied by the Target Population, and such units shall be in decent, safe, and sanitary condition at the time of their occupancy. In addition, the Grantee shall certify, upon occupancy, that it will employ the core components of Housing First (as set forth at Welfare and Institutions Code section 8255) as part of its property management plan and Supportive Services plan.

30. Tenant Selection

Referrals to Assisted Units shall be made through the local Coordinated Entry System (“CES”), or another comparable prioritization system based on greatest need shall be used. All referral protocols for Assisted Units shall be developed in collaboration with the local Continuum of Care and implemented consistent with the Program Requirements.

31. Participation in Statewide HDIS/HMIS

Grantee shall support Continuum of Care participation in the statewide Homeless Data Integration System (“HDIS”). As required by and in accordance with state and federal law (including all applicable privacy law), Grantee shall further disclose relevant data to the local Homeless Management Information System (“HMIS”) and comparable data collection systems.

32. Affordability Covenant

- A. An Affordability Covenant shall be recorded against the Project real property in accordance with Section 208 of the NOFA and this Agreement. For Interim Housing Projects, the Department will prepare, and the Public Entity or Tribal Entity shall cause, a 30-year Affordability Covenant to be recorded against the Project real property.
- B. For Interim Housing Projects that will ultimately result in Permanent Housing, the Public Entity or Tribal Entity shall prepare and cause a 30-year Affordability

EXHIBIT D

Covenant to be recorded against the Project real property during the interim phase and upon conversion to permanent housing the public entity or tribal entity shall cause a 55-year affordability covenant.

- C. For Permanent Housing Projects, the Public Entity or Tribal Entity shall prepare and cause a 55-year Affordability Covenant to be recorded against the Project real property. For Permanent Housing Projects located on tribal trust land, a 50-year Affordability Covenant shall be recorded against the Project real property.
- D. The Affordability Covenant shall require integration of the Target Population within all entrances, common areas, and buildings that comprise the Project.
- E. The Affordability Covenant shall include occupancy and rent restrictions that maintain the Project's accessibility to the Target Population over the full term of the Affordability Covenant.
- F. All Affordability Covenants are subject to the advance written approval of the Department, and shall be acceptable to the Department in form, substance, and priority. Project-specific requirements and deadlines are set forth at Exhibit E of this Agreement.

33. Restrictions on Sales, Transfers, and Encumbrances

Grantee shall not, for the duration of this Agreement, sell, assign, transfer, or convey the Project, or any interest therein or portion thereof, without the express prior written approval of the Department.

34. Retention, Inspection, and Audit of Records

- A. Grantee is responsible for maintaining records which fully disclose the activities funded by the Grant. Grantee shall retain all records for a period of five (5) years after the expiration of this Agreement, unless a longer retention period is stipulated. If any litigation, claim, negotiation, audit, monitoring, inspection or other action commences during this required retention period, all records must be retained until a full and final resolution of the action.
- B. The Department, as well as its appointees, employees, agents, and delegates, shall have the right to review, obtain, and copy all records pertaining to performance under this Agreement. The U.S. Department of the Treasury and any authorized oversight body or representative, including, without limitation, the Treasury's Office of Inspector General, the Government Accountability Office,

Homekey Program – Round 3 (Homekey)

NOFA Date: 03/29/2023, as amended 11/15/2023

Project Name: Walden Scattered Site Interim Housing

Approved Date: 11/21/2023

Prep. Date: 06/13/2024

Unique Entity Identifier(s): JYMYKJ3MN56, M324RF2KMHA2, 9512048299

EXHIBIT D

- and the Pandemic Relief Accountability Committee, shall have the right of access to such records in order to conduct audits or other investigations. Grantee shall provide any relevant information requested, and shall permit access to its premises, upon reasonable notice and during normal business hours, for the purpose of interviewing employees and inspecting and copying books, records, accounts, and other relevant material.
- C. At any time during the term of this Agreement, the Department may perform or cause to be performed a financial audit of any and all phases of the Project. At the Department's request, the Grantee shall provide, at its own expense, a financial audit prepared by a certified public accountant. The audit shall be performed by a qualified state, local, independent, or Department auditor. Where an independent auditor is engaged, the audit services agreement shall include a clause which permits the Department to have access to the independent auditor's relevant papers, records, and work product.
- D. If there are audit findings, the Grantee shall submit a detailed response to the Department for each audit finding. The Department will review the response. If the Department determines, in its sole and absolute discretion, that the response is satisfactory, the Department will conclude the audit process and notify the Grantee in writing. If the Department determines, in its sole and absolute discretion, that the response is not satisfactory, the Department will contact the Grantee, in writing, and explain the action required to cure any audit deficiencies. Such action could include the repayment of ineligible costs or other remediation.
- E. If so directed by the Department upon the termination or expiration of this Agreement, the Grantee shall deliver all records, accounts, documentation, and other materials that are relevant to this Agreement to the Department as depository.

35. Site Inspection

The Department reserves the right, upon reasonable notice, to inspect the Project to determine whether it meets the Program Requirements. If the Department reasonably determines that the site is not acceptable for the Project in accordance with] the Program Requirements, the Department reserves the right to rescind the award and the Grant. Nothing in this paragraph is intended to create or imply any obligation of the Department to inspect the Project.

EXHIBIT D

36. **Compliance with State and Federal Laws, Rules, Guidelines, and Regulations**

- A. Grantee, its agencies or instrumentalities, contractors, sub-grantees, and subrecipients shall comply with all local, state, and federal laws, statutes, and regulations, as well as policies and guidelines established by the Department for the administration of the Homekey program.
- B. Grantee shall comply with the requirements of 24 CFR 570.480 et seq., the Housing and Urban Development (HUD) 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Guidance, as adopted by HUD at 2 CFR 2400, Title II of the Cranston-Gonzales National Affordable Housing Act (42 U.S.C. § 12701 et seq.) and all federal regulations and policies issued pursuant to these regulations. The Grantee further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

37. **Updated Information**

If there is any change in the information that has been provided to the Department, Grantee shall promptly provide the Department with updated documentation (e.g., updated sources and uses). All changes shall be subject to Department approval. In addition, Grantee shall promptly notify the Department, in writing, of any changes in Grantee or Co-Grantee organization, authorization, or capacity.

38. **Survival of Obligations**

The obligations of the Grantee, as set forth in this Agreement, shall survive the termination or expiration of this Agreement.

39. **Litigation**

Grantee shall notify the Department immediately of any claim or action undertaken by or against it which affects or may affect this Agreement or the Department and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement, the Program Requirements, the interests of the Department, and the objectives of the Homekey Program.

EXHIBIT D

40. **Entire Agreement; Severability**

This Agreement constitutes the entire agreement between the Grantee and the Department. All prior representations, statements, negotiations, and undertakings with regard to the subject matter hereof are superseded hereby. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remaining terms and provisions of this Agreement, or the application of such terms or provisions to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

41. **Modification or Waiver under AB 1010**

The Department reserves the right to waive or modify any requirement under this Agreement, or any Program Requirement, as authorized by and in accordance with Assembly Bill No. 1010 (Chapter 660, Statutes of 2019) ("**AB 1010**"), which is codified at Health and Safety Code section 50406, subdivision (p).

42. **Waivers**

No waiver of any breach, violation, or default under this Agreement shall be held to be a waiver of any other or subsequent breach or violation thereof or default thereunder. The Department's failure, at any time, to enforce the provisions of this Agreement or to require the Grantee's performance under this Agreement shall in no way be construed as a waiver of such provisions or performance, and it shall not affect the validity of this Agreement or the Department's right to enforce this Agreement.

43. **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards**

This Agreement is subject to the administrative requirements, cost principles, and audit requirements for federal awards to non-federal entities, which are set forth at 2 Code of Federal Regulations part 200.

- A. Accounting Standards: Grantee agrees to comply with, and administer the activity in conformance with, 2 CFR Part 200.300 et seq, and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

EXHIBIT D

- B. Debarred contractors: It certifies that neither the Applicant or its staff are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in federal assistance programs, in any proposal submitted in connection with the Homekey program, per the Excluded Party List System located at <https://www.sam.gov/SAM/>. In addition, the Applicant will not award contracts to or otherwise engage the services of any contractor while that contractor (or its principals) is debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation from the covered transaction, in any proposal submitted in connection with the Homekey program under the provisions of 24 CFR Part 24.

Single Audit Requirements: Grantee is responsible for complying, as necessary, with the Single Audit Act and its implementing regulation at 2 Code of Federal Regulations part 200, subpart F regarding audit requirements.

44. Disputes

In the event of any conflict between this Agreement and any Grantee documents or side agreements, this Agreement and the Program Requirements shall prevail, are applicable, and shall be enforceable by the Department even if the Department provided review or approval of such documents and side agreements.

45. Consent

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

46. Grantee Liability

Grantee shall remain liable to the Department for performance under this Standard Agreement and compliance with all Program Requirements regardless of any Department-approved transfer or assignment of interest, or of any designation of a third party for the undertaking of all or any part of the Scope of Work. Likewise, each Co-Grantee shall remain jointly and severally liable to the Department for performance under this Standard Agreement and compliance with all Program Requirements regardless of any Department-approved transfer or assignment of interest; any designation of a third party for the undertaking of all or any part of the Scope of Work; or the Co-Grantees' identification of a Designated Payee.

EXHIBIT D

47. Defense and Indemnification

Grantee agrees to defend, indemnify, and hold harmless the Department, and its appointees, agents, employees, and officers, from any losses, damages, liabilities, claims, actions, judgments, court costs and legal or other expenses (including attorneys' fees), which may arise in connection with Grantee's use of the Grant funds and performance under this Agreement. If any attorney, including the California Attorney General, is engaged by the Department to enforce, construe, or defend any provision of this paragraph, with or without the filing of any legal action or proceeding, Grantee shall, individually or jointly, pay to the Department, immediately upon demand, the amount of all attorneys' fees and costs incurred by the Department in connection therewith.

48. Time Is of the Essence

Time is of the essence under this Agreement, and in the performance of every term, covenant, and obligation contained herein.

EXHIBIT E

PROJECT-SPECIFIC PROVISIONS AND SPECIAL TERMS AND CONDITIONS

1. PROJECT-SPECIFIC PROVISIONS

Project Name: Walden Scattered Site Interim Housing

Site #	Address:	Assessor Parcel Numbers (APNs):
1	2338 12th Street Riverside, CA 92507	221-100-030
2	2932 Pleasant Street Riverside, CA 92507	219-324-006
3	11107 Violet Court Riverside, CA 92503	136-450-027
4	11226 Arizona Avenue Riverside, CA 92503	136-450-012

A. Interim Housing – Award, Disbursement, and Eligible Use(s)

Grantee received a Homekey Program award letter on April 9, 2024 (the “**Award Date**”). Pursuant to that award letter, the Grantee is receiving Homekey Grant funds in the amount of \$5,250,000.00 (the “**Award**”). The Payee of these funds is City of Riverside. Grantee will use the funds to provide Interim Housing for the Target Population. Specifically, the Grantee will apply these funds towards the following Eligible Use(s):

- 1) Acquisition of multiple single-family residential properties, using a scattered site model, to provide Interim Housing for the Target Population.

The Homekey Award is comprised of:

Total Award	\$5,250,000.00
Capital Award	\$5,250,000.00
Acquisition	\$4,172,888.00
Rehabilitation & Development	\$1,077,112.00
Master Leasing	\$0.00

Homekey Program – Round 3 (Homekey)
NOFA Date: 03/29/2023, as amended 11/15/2023
Project Name: Walden Scattered Site Interim Housing
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EXHIBIT E

New Construction	\$0.00
Affordability Covenants	\$0.00
Relocation	\$0.00
Operating Award	\$0.00

B. Unit Mix

Site #1: 2338 12th Street, Riverside CA 92507

# of Bedrooms	Total Homekey Units	Homekey -funded Manager Units	Homekey Assisted Units	AMI Income Limit	Target Population or Subpopulation Restriction
0 (Studio)	7	0	7	30%	Homeless Youth or Youth At-Risk of Homelessness
Sub totals:	7	0	7		

Site #2: 2932 Pleasant Street, Riverside CA 92507

# of Bedrooms	Total Homekey Units	Homekey -funded Manager Units	Homekey Assisted Units	AMI Income Limit	Target Population or Subpopulation Restriction
0 (Studio)	6	0	6	30%	Homeless Youth or Youth At-Risk of Homelessness
Sub totals:	6	0	6		

Homekey Program – Round 3 (Homekey)
NOFA Date: 03/29/2023, as amended 11/15/2023
Project Name: Walden Scattered Site Interim Housing
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Site #3: 11107 Violet Court, Riverside CA 92503

# of Bedrooms	Total Homekey Units	Homekey -funded Manager Units	Homekey Assisted Units	AMI Income Limit	Target Population or Subpopulation Restriction
0 (Studio)	10	0	10	30%	Homeless Youth or Youth At-Risk of Homelessness
Sub totals:	10	0	10		

Site #4: 11226 Arizona Avenue, Riverside CA 92503

# of Bedrooms	Total Homekey Units	Homekey -funded Manager Units	Homekey Assisted Units	AMI Income Limit	Target Population or Subpopulation Restriction
0 (Studio)	7	0	7	30%	Homeless Youth or Youth At-Risk of Homelessness
Sub totals:	7	0	7		

Project Total:	30	0	30		
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Grantee must use referrals to the Homekey Assisted Units through the local Coordinated Entry System (CES) or comparable prioritization system based on greatest need. All referral protocols for Homekey Assisted Units must be

Homekey Program – Round 3 (Homekey)
NOFA Date: 03/29/2023, as amended 11/15/2023
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Unique Entity Identifier(s): JYMYKJ3MN56, M324RF2KMHA2, 9512048299

EXHIBIT E

developed in collaboration with the local CoC and implementation consistent with the requirements set forth in the Homekey NOFA.

C. Project Narrative

- 1) Walden Scattered Site Interim Housing is a 30-unit single-family scattered site housing project. Bedrooms will be used as single-room occupancy units (SROs) serving households with incomes at or below 30 percent of Area Median Income (AMI). The project involves acquisition of one (1) duplex and three (3) single-family homes. Two (2) of the single-family homes include accessory dwelling units (ADUs). Each unit will be private and will have individual locks installed. Each unit will have a bed, dresser, closet, lamps, emergency kits, and safety ladders (if an upstairs unit). Laundry, bathrooms, kitchens, and common living area will be shared, with each resident being provided locked cabinet space. Off-site amenities located within one mile of all homes includes health facilities, pharmacies, and parks; three (3) of the homes are located within one mile of grocery stores; two (2) of the homes are located within one mile of transit and libraries.

D. Scope of Work

1) **Construction and Rehabilitation Detail:**

The project involves acquisition of three (3) single-family homes and one (1) duplex. Two (2) of the single-family homes include ADUs. No new construction or rehabilitation will be performed.

2) **Supportive Services and Staffing Detail:**

Grantee affirmed that the case manager ratio for this project shall be 1:7 for the Homeless Youth or Youth at Risk of Homelessness population. The ratio shall be no less than 1:15 at any time as required by the NOFA.

Grantee will manage the property and coordinate with its service department, Walden Environment DBA Walden Family Services, Riverside Legal Aid, and University Health Care System to provide the Homeless Youth or Youth At-Risk of Homelessness tenants with supportive services.

EXHIBIT E

E. Grantee Contract Coordinator

Authorized Representative Name:	Mike Futrell
Authorized Representative Title:	City Manager
Entity Name:	City of Riverside
Address:	3900 Main Street Riverside CA 92522
Telephone No.:	(951) 826-3947
E-Mail Address:	mfutrell@riversideca.gov

Authorized Representative Name:	Teresa Stivers
Authorized Representative Title:	Chief Executive Officer
Entity Name:	Walden Project HomeKey, LLC
Address:	8525 Gibbs Drive, #100 San Diego CA 92123
Telephone No.:	(858) 880-8325
E-Mail Address:	tstivers@waldenfamily.org

Authorized Representative Name:	Teresa Stivers
Authorized Representative Title:	Chief Executive Officer
Entity Name:	Walden Environment DBA Walden Family Services
Address:	8525 Gibbs Drive, #100 San Diego CA 92123
Telephone No.:	(858) 880-8325

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Prep. Date: 06/13/2024
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EXHIBIT E

E-Mail Address:	tstivers@waldenfamily.org
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F. Additional Conditions Precedent to Disbursement

- 1) The Awardee will engage with an escrow company to arrange for funds to be disbursed into escrow. Escrow instructions will state that the officer shall take steps to record the Homekey Affordability Covenant on each site in accordance with Section 208 of the NOFA and Section 8303(b)(1) of the 2017 Uniform Multifamily Regulations (UMR).

G. Budget Detail

- 1) Grantee is obligated to cover the Project's development, operations and service costs for five (5) years. Grantee will satisfy this obligation by leveraging funding commitments, or other reasonable funding assurances, from the following funding sources:
 - a. Homekey Award Letter dated April 9, 2024, for a funding commitment of \$5,250,000.00 for acquisition, rehabilitation, and development.
- 2) Grantee shall maintain the ongoing affordability of the Project by leveraging the following non-Homekey sources of rental or operating subsidies:
 - a. Riverside County Department of Public Social Services letter dated February 29, 2024, for a Transitional Housing Program Plus-Non Minor Dependent (THPP-NMD) funding commitment of \$7,932,430.00 for operating and rental subsidy for years 1-5.
 - b. Riverside County Department of Public Social Services letter dated February 29, 2024, combined with the project application that shows an intent to pursue Transitional Housing Program Plus-Non Minor Dependent (THPP-NMD) funding in years 6-15 totaling \$19,128,999.00 for operating and rental subsidy.

EXHIBIT E

H. Performance Milestones

Performance Milestones	Milestone Completion Date
Project escrow must be closed and Capital funds must be fully expended.	December 9, 2024
All Acquisition, Construction and/or Rehabilitation of the Homekey Project must be completed.	April 9, 2025
Full occupancy by the Target Population must be accomplished in accordance with the descriptions and representations set forth in the Application.	July 9, 2025
A copy of Grantee’s written nondiscrimination policy (in accordance with <u>Exhibit D</u> of this Agreement) must be submitted to the Department.	December 9, 2024
A Department-approved Affordability Covenant must be recorded against the Project real property after the Departments approval to record, and as specified and described in the NOFA and this Agreement.	At the time of disbursement *But not before Department approval
A copy of the Notice of Exemption from the California Environmental Quality Act (CEQA) filed with the Office of Planning and Research (OPR) as applicable	December 9, 2024

Homekey Program – Round 3 (Homekey)
NOFA Date: 03/29/2023, as amended 11/15/2023
Project Name: Walden Scattered Site Interim Housing
Approved Date: 11/21/2023
Prep. Date: 06/13/2024
Unique Entity Identifier(s): JYMYKJ3MN56, M324RF2KMHA2, 9512048299

EXHIBIT E

Performance Milestones	Milestone Completion Date
A Homekey Program and Expenditure Report must be submitted to the Department as specified and described in the NOFA.	January 31 – Each year for five (5) years following the Effective Date of this Agreement.

2. SPECIAL TERMS AND CONDITIONS

The following Special Terms and Conditions are applicable to this Project and shall control notwithstanding anything to the contrary herein:

A. Affordability Covenant

- 1) The state, regional, local, or tribal Grantee shall ensure that the Project is duly encumbered with a 30-year Affordability Covenant that **(a)** is recorded in first position against the Project for the benefit of the state, regional, local, or tribal Grantee; **(b)** restricts the use, operation, occupancy, and affordability of the Project in accordance with this Agreement and the applicable Program Requirements; **(c)** duly names the Department as a third-party beneficiary with the right and privilege, but not the obligation, of enforcement thereof; and **(d)** is otherwise in form and substance acceptable to the Department.
- 2) The Affordability Covenant must be recorded against the real property of the Project site by the Milestone Completion Date set forth herein. The Grantee shall obtain the Department's express written approval of the Affordability Covenant prior to the recordation of the same. After recordation, the Grantee shall promptly provide the Department with a conformed copy of the recorded Affordability Covenant.
- 3) Unless otherwise authorized by the prior and express written approval of the Department, the Affordability Covenant must be recorded as a lien against the Project in first position, and must remain in first position, over all other Project agreements, covenants, or other matters of record on the real property for the period of affordability required by the Program.

EXHIBIT E

- B. Grantee has committed to serve specific sub-populations as per NOFA Section 304, Application Scoring Criteria (3)(a). Grantee shall ensure that at least 25 percent of the Project's Assisted Units are restricted to occupancy by Homeless Youth or Youth at Risk of Homelessness.
- C. The Grantee shall comply with 2017 Uniform Multifamily Regulations (UMRs) Section 8303(b) for the duration of the Affordability Covenant. In accordance with the previously mentioned citation, all sites named in this Standard Agreement shall remain under common ownership and management, debt for all lenders must be the same for all sites, the project shall submit a single annual report covering all sites, the Department must be secured against all sites in accordance with UMRs Section 8314(a)(2)(A) and (B), and the Department must be named on applicable insurance policies subject to the Department's approval covering all sites.
- D. **Supportive Services Plans** required by HCD must be received by HCD no later than 90 days prior to occupancy.
- E. Within 15 days of recordation of the Homekey Affordability Covenant, Grantee shall provide a title report for each of the sites as evidence that:
 - 1) The legal description contains all Assessor Parcel Numbers (APNs) pursuant to UMR Section 8303(b)(1), and
 - 2) All debt secured against the site is in the name of an Applicant and is in a junior position to the Homekey Affordability Covenant pursuant to UMR Section 8303(b)(2).

EXHIBIT "C"
DECLARATION OF RESTRICTIVE COVENANTS

FREE RECORDING IN
ACCORDANCE
WITH CALIFORNIA GOVERNMENT
CODE SECTIONS 6103 AND 27383

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Homekey Program
Department of Housing and
Community Development
P.O. Box 952052
Sacramento, CA 94252-2052

City of Riverside
3900 Main Street, 5th Floor
Riverside, CA 92522
Attn: Housing Authority

2338 12th Street,
Riverside, CA 92507
2932 Pleasant Street
Riverside, CA 92507
11107 Violet Court
Riverside, CA 92503
11126 Arizona Avenue
Riverside, CA 92503

DECLARATION OF RESTRICTIVE COVENANTS

This Declaration of Restrictive Covenants (the “**Declaration**”), dated _____, 2024, for reference purposes only, by Walden Project HomeKey, LLC, a California limited liability company (“**Walden**” or “**Owner**”) and their respective successors, assigns and transferees (the “**Owner**”) and the City of Riverside, a California charter city and municipal corporation (the “**City**”).

RECITALS

Declaration of Restrictive Covenants
Homekey Program (Round 3)
NOFA: 3/29/2023
Owner: Walden Project HomeKey LLC
Project: SCATTERED SITE TRANSITIONAL HOUSING FOR FOSTER YOUTH
Approved Date:
Prep: November 4, 2024
Page 1 of 12

This Declaration affects that certain real property commonly known as 11126 Arizona Avenue, 2338 12th Street, 2932 Pleasant Street and 11107 Violet Court, all and located in the City of Riverside, County of Riverside, State of California, as more particularly described in the Legal Descriptions attached hereto as Exhibit A and incorporated herein by this reference (the “**Property**”) and is entered into based on the following facts and understandings:

1. Walden Project Homekey, LLC, the City, and Walden Environment DBA Walden Family Services (“**Grantee**”) (each, a “**Co-Grantee**,” and collectively, the “**Grantee**”) and the Department of Housing and Community Development, a public agency of the State of California (the “**Department**”) entered into an agreement 23-HK-18060 dated April 9, 2024, (the “**Standard Agreement**”), under the Department’s Homekey Program (“**Homekey**,” “**Program**,” or “**Homekey Program**”).
2. Walden Project HomeKey, LLC and Walden Environment dba Walden Family Services (collectively, “Developer”) is in the process of developing an affordable housing project for various sites in the City consisting of 30 Single Room Occupancy affordable housing units for extremely low-income households (hereafter “Scattered Site Transitional Housing for Foster Youth Project” or “Project”). Developer and City jointly applied for Homekey Program funds and submitted the Application Package released by the Department of the Homekey Program for funding of the Project. Walden Project Homekey, LLC acquired the Property for the Project and shall be the record owner on title.
3. The statutory basis for the Homekey Program is Health and Safety Code section 50675.1.1. Assembly Bill No. 83 (2019-2020 Reg. Sess.) added sections 50675.1.1 and 50675.1.2 to the Multifamily Housing Program (“**MHP**” or “**MHP Program**”) (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code).
4. Assembly Bill No. 140 (2021-2022 Reg. Sess.) provided the statutory basis for Round 3 of the Homekey Program by adding section 50675.1.3 to the Health and Safety Code and the MHP Program.
5. The Department issued a Notice of Funding Availability for Round 3 of the Homekey Program on March 29, 2023, (the Notice of Funding Availability as amended shall be referenced herein as “**NOFA**”). The NOFA incorporates by reference the MHP Program, as well as the MHP Final Guidelines (“**MHP Guidelines**”), dated March 30, 2022, both as amended and in effect from time to time. The Round 3 Homekey grant funds are derived primarily from the state’s direct allocation of the federal Coronavirus

State Fiscal Recovery Fund (“**CSFRF**”), which was established by the American Rescue Plan Act of 2021 (“**ARPA**”) (Pub.L. No. 117-2). Additional funding is derived from the state’s General Fund.

6. The MHP Program, the NOFA, the MHP Guidelines, ARPA, federal interpretive guidance relating to ARPA, and the Standard Agreement comprise the “**Program Requirements.**”
7. Pursuant to the terms of the Standard Agreement, the Department agreed to provide the Grantee with a grant under the Program (the “**Grant**”) in an amount not to exceed Five Million Two Hundred Fifty Thousand Dollars (\$5,250,000) for capital expenditures, which amount includes \$4,172,888 for property acquisitions and \$1,077,112 for rehabilitation and development.
8. The Standard Agreement requires the Grantee to acquire the Property, and to ensure that it shall be used to provide decent, safe, and sanitary Interim Housing (as defined below) for individuals and families who are experiencing homelessness or who are at risk of homelessness, as defined in Part 578.3 of Title 24 of the Code of Federal Regulations, and who are inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases (the “**Target Population**”). For purposes of this Declaration, “**Interim Housing**” is defined in accordance with the NOFA and means any facility that is primarily intended to provide temporary shelter or lodging for the Target Population, and that does not require occupants to sign leases or occupancy agreements.
9. As consideration for the Homekey Program Grant, the Owner agreed to enter into this Declaration to restrict the development, use and occupancy of the Property to the continued and lawful operation of the Interim Housing thereon.
10. The term “**Owner**” as used in this Declaration shall include all successors, assigns and transferees to or of any or all of the Owner’s interest in the Property and the Interim Housing.

NOW, THEREFORE, in consideration of the Department’s Grant to the Grantee and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Owner hereby covenants, agrees and declares that the Property shall be owned, held, used, maintained, and transferred pursuant to the following restrictive covenants, conditions, restrictions, and limitations (“**Covenants**”). Such Covenants shall be binding upon all of Owner’s successors, assigns and transferees to or of the Property, and upon all leases, tenants,

contractors, agents, and persons claiming an interest in the Property, or claiming an interest by and through any of the foregoing.

COVENANTS

1. Operation of Interim Housing. Owner, for itself and for its successors and assigns, hereby declares and covenants that use of the Property is restricted to the operation of the Interim Housing, to uses ancillary to such Interim Housing, and to such other uses as may be approved by the Department and/or the City, in its respective sole and absolute discretion. The Interim Housing shall include, at a minimum, the number and size of units that are described in Exhibit B, which is attached hereto and incorporated by this reference. Furthermore, such units shall be subject to the occupancy restrictions that are set forth and more fully described in said Exhibit B.

2. Maintenance, Repair, and Improvement of the Property and the Interim Housing. Owner agrees:

- a. To keep the Property in decent, safe, sanitary, tenantable condition and repair, and to permit no waste thereof;
- b. Not to commit or suffer to be done or exist on or about the Property any condition causing the Property to become less valuable, except in accordance with these Covenants;
- c. Not to construct any buildings or improvements on the Property, other than the buildings and improvements contemplated as part of the Interim Housing; or add to, remove, demolish or structurally alter any buildings or improvements now or hereinafter located on the Property;
- d. To promptly repair, restore or rebuild any buildings or improvements on the Property that may be damaged or destroyed while subject to this Declaration;
- e. To comply with all applicable laws affecting the Property, and not to suffer or permit any violations of any such applicable law, nor of any covenant, condition or restriction affecting the Property;
- f. Not to initiate or acquiesce in any change in any zoning or other land use or legal classification which affects any of the Property without the Department's and/or the City's prior written consent; and

- g. Not to alter the use of all or any part of the Property without the Department's prior written consent.

3. Restrictions on Sale, Encumbrance, and Other Acts.

- a. Owner shall not, except with the Department's and/or the City's prior written consent, make any sale, encumbrance, hypothecation, assignment, refinancing, pledge, conveyance, or transfer of the Property, the Interim Housing, or of any of its interest in either of them.
- b. If the Department and/or the City determines, in its respective sole and absolute discretion, to grant its prior written consent for a sale, transfer or conveyance of the Property or the Interim Housing, such consent may impose terms and conditions, as necessary, to preserve or establish the fiscal integrity of the Property or the Interim Housing, or to ensure compliance with the Program Requirements.

4. Charges; Liens. Owner shall pay all taxes, assessments, and other charges, fines and impositions attributable to the Property or to the Interim Housing, if any, by Owner making payment, when due, directly to the payee thereof. Owner shall promptly furnish to the Department and the City all notices of amounts due under this paragraph, and where Owner makes direct payments, Owner shall promptly furnish to the Department and the City its receipts evidencing such payments. Owner shall pay when due all encumbrances, charges, and liens on the Property or to the Interim Housing, and shall make payments on notes or other obligations secured by an interest in the Property or Interim Housing, with interest in accordance with the terms thereof. Owner shall have the right to contest in good faith any claim or lien, or payment due thereunder, so long as Owner does so diligently and without prejudice to Department and/or the City.

5. Building Permits. Owner agrees not to apply for or accept any permits for the construction of improvements on the Property that are inconsistent with the lawful operation of the Interim Housing, as such Interim Housing is described in Exhibit B hereto.

6. Hazard and Liability Insurance and Condemnation.

- a. Owner shall keep the Property and the Interim Housing insured against loss by fire and such other hazards, casualties, liabilities and

contingencies, and in such amounts and for such periods as required by the Department. All insurance policies and renewals thereof shall be issued by a carrier and in a form acceptable to the Department and/or the City.

- b. In the event of any fire or other casualty to the Property or Interim Housing, or eminent domain proceedings resulting in condemnation of the Property or Interim Housing or any part thereof, the Owner shall have the right to rebuild the Property or the Interim Housing, and to use all available insurance or condemnation proceeds therefor, provided that, as determined by the Department and/or the City, in its respective sole and absolute discretion, **(a)** such proceeds are sufficient to rebuild the Property or Interim Housing in a manner that ensures continued operation of the Interim Housing in accordance with the Program Requirements; and **(b)** no material breach or default then exists under the Standard Agreement. If the casualty or condemnation affects only part of the Property or Interim Housing and if total rebuilding is infeasible, then the insurance or condemnation proceeds may be used for partial rebuilding and/or partial repayment of the Grant. The Department and/or the City has the right but not the obligation to approve the plans and specifications for any major rebuilding, as well as the right but not the obligation to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement.

7. Covenants Run with the Land. The Property is held and hereafter shall be held, conveyed, hypothecated, encumbered, leased, rented, used and occupied subject to these Covenants. The foregoing Covenants are intended to constitute both equitable servitudes and covenants running with the land. Owner expressly acknowledges and agrees that the Covenants are reasonable restraints on the Owner's right to own, use, maintain, and transfer the Property and any estate or interest therein and are not and shall not be construed to be an unreasonable restraint on alienation. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property, or any portion thereof, shall be held conclusively to have been executed, delivered and accepted subject to such Covenants, regardless of whether such Covenants are set forth in such contract, deed, or other instrument.

8. Binding Effect. Any purchaser of the Property or of any portion of or interest in the Property, by the acceptance of a deed therefore, whether from the Owner or from any subsequent owner of the Property, or by the signing of a contract or agreement to purchase the Property, shall by the acceptance of such

deed or by the signing of such contract or agreement be deemed to have consented to and accepted the Covenants set forth in this Declaration.

9. Term of Declaration. The Covenants in this Declaration shall be binding, effective, and enforceable commencing upon the execution of this Declaration, and they shall continue in full force and effect for a period of not less than thirty (30) years after a certificate of occupancy or its equivalent has been issued for the Interim Housing by the local jurisdiction or, if no such certificate is issued, from the date of initial occupancy of the Interim Housing, regardless of any sale, assignment, transfer, or conveyance (including, without limitation, by foreclosure sale) of the Property or any portion thereof.

10. Default, Remedies. A default under this Declaration or the Standard Agreement shall entitle the Department and the City to any rights, remedies, or damages available at law or in equity, including, but not limited to, those that are specified below. The Department's failure to exercise any specific right or remedy shall not be construed as a waiver of that or any right or remedy.

a. Specific Performance. The use, repair, and maintenance of the Property in support of the Interim Housing is of a special and unique kind and character, so that a breach of any material provision of this Declaration by the Owner would not have an adequate remedy at law. Therefore, the Department's and/or the City's rights may be enforced by an action for specific performance and such other equitable relief as is provided by the laws of the State of California.

b. Injunctive Relief. In pursuing specific performance of the Covenants, the Department or the City shall be entitled to petition the court for injunctive relief to preserve the Department's interests in the Property and its rights under this Declaration. Such injunctive relief may include a court order restraining any development of the Property that is inconsistent with the foregoing Covenants.

c. Appointment of Receiver. In conjunction with any other remedy available at law or in equity, the Department or the City may apply to a court of competent jurisdiction for the appointment of a receiver to take over and operate the Property or the Interim Housing in accordance with the Program Requirements.

11. Attorneys' Fees. The prevailing party in an action to enforce this Declaration shall be entitled to reasonable attorneys' fees as determined by the trier of fact in that forum.

12. Department and City Review and Inspection.

- a. At any time during the term of this Declaration and upon reasonable notice, the Department or the City, or their respective designees may, but is not obligated to, enter and inspect the Property, and inspect all records pertaining to the operation, repair, and maintenance of the Interim Housing. Upon request by the Department or the City, the Owner shall notify occupants of upcoming inspections in accordance with state law.
- b. The Department or the City may, but is not obligated to, request any other information that it deems necessary to confirm compliance with the foregoing Covenants. The Owner shall provide such requested information within fourteen (14) calendar days of the Department's written request for the information.
- c. The Department or the City shall not, by the fact of making or not making any entries or inspections, or by taking or failing to take any action in response thereto: **(i)** incur or undertake, or be deemed to incur or undertake, any obligation, duty, or liability whatsoever, whether to the Owner, to the Grantee, or to any other person or entity; **(ii)** be deemed as approving or disapproving any matter, action, incident, or condition related to the Property or the Interim Housing; or **(iii)** be deemed as approving or disapproving any matter related to the compliance of the Property or the Interim Housing with the Program Requirements or other applicable laws. In no event or circumstance shall the Department's or the City's exercise or non-exercise of its discretion under this paragraph constitute, or be deemed or interpreted as constituting, any termination, limitation, alteration, or waiver by the Department or the City of any right, benefit, or remedy under or with respect to this Declaration.

13. Owner Representations. Owner represents and warrants to the Department and the City that: **(1)** Owner has sufficient interest in the Property to support the operation of the Interim Housing in accordance with the Program Requirements and this Declaration; **(2)** to Owner's actual knowledge and belief, there are no agreements, contracts, covenants, conditions, or exclusions to which Owner (or its predecessor in interest) is a party which would, if enforced, prohibit or restrict the use of the Property in accordance with the terms of this Declaration; **(3)** Owner has the full right and authority to enter into this Declaration; **(4)** this Declaration constitutes a valid and legally binding obligation on Owner, enforceable in accordance with its terms; and **(5)** Owner is duly organized and authorized to do business in the State of California.

14. Amendment, Modification. Owner shall not amend, modify, waive, or release this Declaration, or any part of this Declaration, without the prior and express written consent of an authorized representative of the Department, which consent may be withheld, conditioned, or delayed in the Department's sole and absolute discretion. Any amendment, modification, waiver, or release without the prior and express written consent of the Department shall be void.

15. Severability. Every provision of this Declaration is intended to be severable. If any provision of this Declaration is held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired.

16. Governing Law. This Declaration shall be governed by and interpreted under the laws of the State of California.

17. Recordation of Agreement. This Declaration shall be recorded in the Official Records of the County of Riverside. The Declaration shall be recorded, and shall remain, as a lien against the Property in first position over all other agreements, covenants, liens, or other matters of record on the Property.

[signatures on next page]

IN WITNESS WHEREOF, the Owner has caused this Declaration to be signed by its duly authorized representative, as of the day and year first written above.

OWNER:

Walden Project HomeKey, LLC, a California limited liability company

By: _____
Name:
Its:

By: _____
Name:
Its:

Walden Environment DBA Walden Family Services, a California nonprofit corporation

By: _____
Name:
Title:

By: _____
Name:
Title:

The City of Riverside, a California charter city and municipal corporation

Dated: _____

By: _____
City Manager

ATTESTED TO:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
Assistant City Attorney

All signatures must be acknowledged.

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California _____
County of _____)

On _____ before me, _____
(insert name and title of the officer)

personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT "A"
LEGAL DESCRIPTION

Project: Scattered Site Youth Housing Project

Those certain real properties located in the City of Riverside, County of Riverside, State of California, described as follows:

Parcel "A"

APN:136-450-027

Lot 52 of Tract No. 31028 as shown by Map on file in Book 349 of Maps at Pages 78 through 82 thereof, Records of Riverside County, California.

Parcel "B"

APN:221-100-030

Lots 9 and 10 in Block 1 of Jarvis Subdivision as shown by Map on file in Book 5 of Maps at Page 44 thereof, Records of San Bernardino County, California.

Parcel "C"

APN:136-450-012

Lot 37 of Tract No. 31028 as shown by Map on file in Book 349 of Maps at Pages 78 through 82 thereof, Records of Riverside County, California.

Parcel "D"

APN:219-324-006

Lot 55 of Halls Addition to Riverside as shown by Map on file in Book 9 of Maps at Page 1 thereof, Records of San Bernardino County, California.

Excepting the Southerly 6.50 feet for alley purposes.

This description was prepared by me or under my direction in conformance with the requirements of the Land Surveyors Act.

DBW 10/30/24 Prep. EV
Douglas B. Webber, L.S. 9477 Date



EXHIBIT “B”

INTERIM HOUSING

The Project consists of 30 Single Room Occupancy affordable housing units for extremely low-income households. The housing units are located at properties that are four single family dwellings with private bedrooms with shared bath and kitchen facilities.

Walden Family Services Homekey TAY Housing	SRO Units
2338 12th Street	7
11226 Arizona Avenue	7
2932 Pleasant Street	6
11107 Violet Court	10
Total Units	30

Income restrictions and/or income limit is targeted at 30% AMI (as applicable to the Target Population)

The Target population is transitional aged youth (18-24) who are homeless or at risk of homelessness

EXHIBIT "D"
KEY PERSONNEL

Sue Evans, COO
Theresa Stivers, CEO

EXHIBIT "E"
BUDGET

ACTIVITY	AMOUNT
Acquisition	\$4,172,888
Rehabilitation and Development	\$1,077,112
Total	\$5,250,000

EXHIBIT "F"
THE HOMEKEY PROGRAM, RULES AND REGULATIONS

The link to the Round 3 Homekey Program rules and guidelines (also referred to herein as the "Program Requirements") can be found at:

<https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/homekey/Homekey-Round-3-Notice-of-Funding-Availability.pdf>

and may be amended from time to time.

EXHIBIT "G"

October 28, 2024 letter from the Department of Housing and Community Development

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF STATE FINANCIAL ASSISTANCE**

651 Bannan Street, 8th Floor
Sacramento, CA 95811
P.O. Box 952054
Sacramento, CA 94252-2054
(916) 263-2771
www.hcd.ca.gov



October 28, 2024

Cheryl Greer
601 S Figuero Street Suite 4000
Los Angeles, CA 90017

Dear Cheryl Greer

RE: Escrow Instructions for HCD Homekey Standard Agreement: 23-HK-18060

This letter confirms the following project details and serves as escrow instructions of the Department of Housing and Community Development ("Department"), a public agency in the state of California, and City of Riverside, in connection to the grant provided via the Homekey program.

Project Name: Walden Scattered Site Interim Housing
Address(es): 2338 12th Street Riverside, CA 92507, 2932 Pleasant Street Riverside, CA 92507, 11107 Violet Court Riverside, CA 92503, 11226 Arizona Avenue Riverside, CA 92503
APN(s): 221-100-030, 219-324-006, 136-450-027, 136-450-012
Award Amount: \$5,250,000
Escrow Number: 1257285054
Escrow Officer: Cheryl Greer

These funds will be wired on 11/29/2024, per the attached instructions provided by your office. When the following conditions are met, the City of Riverside will have satisfied all conditions for disbursement required by the Department per the executed standard agreement. **The Grantee must submit the estimated Settlement Statement to the Department within 24 hours of closing, and the final and certified settlement statement as soon as it becomes available.**

1. To meet the requirement of this disbursement, the grantee must record the enclosed Department approved use restriction against the named property, in first lien priority in accordance with the Homekey NOFA Article II Section 208. As this is a scattered site project, the use restriction must be recorded on each property in the project. All

liens recorded against the named property must be Department approved and identified in the enclosed Homekey Standard Agreement Exhibit E§2(A).

2. \$2,410,000.00 of the Homekey Award must first be used to pay off and clear all Deeds of Trust reflected on the preliminary title report dated October 15, 2024 as part of this transaction. Items to pay off as follows;

- a. 14. Deed of Trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby:

Amount: \$350,000.00

Trustor: 1 Pleasant Street LLC, a California Limited Liability Company

Trustee: California TD Specialists

Beneficiary : Prominence Capital Partners, LLC

Recorded : December 29, 2023, as Instrument No. 2023-0386621, of Official records Affects: Parcel D

- b. 15. Deed of Trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby:

Amount : \$500,000.00

Trustor : 1Arizona Avenue LLC, a California Limited Liability Company

Trustee : California TD Specialists

Beneficiary : David E. Wash, Trustee of the David E. Wash Living Trust dated 1/31/09 Recorded : January 8, 2024, as Instrument No. 2024-0006762, of Official Records

Affects: Parcel C

- c. 16. Deed of Trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby:

Amount : \$780,000.00

Trustor : Violet Court LLC

Trustee : California TD Specialists

Beneficiary : Brandon Ricks (\$200,000.00), Brandy Brager (\$200,000.00), Raymond Nourmond (\$150,000.00), the Dina Efros Living Trust, Dina Efros, Trustee (\$75,000.00) and Cage LLC (\$155,000.00)

Recorded : January 19, 2024, as Instrument No. 2024-0018454, of Official Records

Affects: Parcel A

- d. 17. Deed of Trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby:

Amount : \$780,000.00

Trustor : Walden Project HomeKey, LLC

Trustee : California TD Specialists

Beneficiary : Brandon Ricks (\$200,000.00), Brandy Brager (\$200,000.00),
Raymond Nourmond (\$150,000.00), the Dina Efros Living Trust, Dina Efros,
Trustee (\$75,000.00) and Cage LLC (\$155,000.00)

Recorded : January 19, 2024, as Instrument No. 2024-0018463, of Official
Records

Affects: Parcel B

3. The balance of their Homekey award in the amount of \$2,840,000.00 should be disbursed to the payee – The City of Riverside as follows:
 - a. \$1,762,888.00 as an advance for the use of acquisition development costs.
 - b. \$1,077,112.00 as an advance for the use of rehabilitation and development costs.

Please “reply all” to the email in which this is enclosed to verify receipt of this email and your agreement with the above requirements and project details.

Sincerely,



Magdalena Centella, Branch Chief
Division of State Financial Assistance
Housing and Community Development
651 Bannon Street, 8th Floor
Sacramento, CA 95811
P.O. Box 952054
Sacramento, CA 94252-2054
Marissa.ness@hcd.ca.gov

Attachment/Enclosure: HCD Wire Transfer Request Form

cc: Teresa Stivers and Mike Futrell