

**SUBMITTAL TO THE RIVERSIDE COMMUNITY  
HOUSING CORP. BOARD OF DIRECTORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 14.1  
(ID # 13367)

**MEETING DATE:**  
Tuesday, September 01, 2020

**FROM:** RIVERSIDE COMMUNITY HOUSING CORP:

**SUBJECT:** RIVERSIDE COMMUNITY HOUSING CORP. (RCHC): Adopt Resolution Nos. 2020-001 and 2020-002, Resolutions of the Board of Directors of the Riverside Community Housing Corp.; Authorizing Submittal of Joint Applications with the Housing Authority of the County of Riverside for, and Acceptance of, Homekey Program Funds from the State of California Department of Housing and Community Development (HCD) and Approval of Standard Agreements with HCD for Homekey Program Funds; Authorize Request for CARES Act (CRF) Funds from; Authorize to Negotiate Acquisition of Real Property; Approval of Acquisition of Mobile Home Units and Master Rental Agreement for Mountain View Estates Mobile Home; Approval of Budget Adjustment; All Districts [\$19,500,000]; Project is CEQA Exempt (Companion Item to MT Item #13353) (Clerk of the Board to file the Notice of Exemption)

**RECOMMENDED MOTION:** That the Board of Directors:

1. Find that the Projects are exempt from California Environmental Quality Act (CEQA) pursuant to California Health and Safety Code Sections 50675.1.1 and 50675.1.2 and State CEQA Guidelines Section 15061 (b)(3);

**ACTION: Policy**

  
Heidi Marshall, Director of Housing, Homelessness Prevention 8/21/2020

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**MINUTES OF THE BOARD OF DIRECTORS**

On motion of Supervisor Perez, seconded by Supervisor Hewitt and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt  
Nays: None  
Absent: None  
Date: September 1, 2020  
xc: RCHC

Kecia R. Harper  
Clerk of the Board

By:   
Deputy



**SUBMITTAL TO THE RIVERSIDE COMMUNITY  
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COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

2. Adopt Resolution No. 2020-001, Authorizing Submittal Of A Joint Application With The Housing Authority Of The County Of Riverside To The California Department Of Housing And Community Development ("HCD") For The Homekey Program Funds In A Grant Amount Not To Exceed \$8,500,000; Approval And Execution Of A Standard Agreement To Accept The Grant Funding If Awarded And Any Amendments Thereto; And Any Related Documents Necessary To Participate In The Homekey Program;
3. Adopt Resolution No. 2020-002, Authorizing Submittal of a Joint Application With The Housing Authority Of The County of Riverside to the California Department of Housing and Community Development ("HCD") for the Homekey Program Funds In A Grant Amount Not to Exceed \$4,000,000; Approval And Execution of a Standard Agreement To Accept The Grant Funding if Awarded and any Amendments Thereto; and Any Related Documents Necessary to Participate in the Homekey Program;
4. If awarded, to accept the grant awards and approve the Standard Agreements substantially to form, and all other grant documents and amendments, if the application is approved and funded in an amount not to exceed \$12,500,000, as required by HCD for participation in the Homekey Program, subject to approval as to form by County Counsel, and authorize the Chief Executive Officer of Riverside Community Housing Corp. ("RCHC"), or designee, to execute the Standard Agreements on behalf of RCHC;
5. Authorize Request for CARES Act, Coronavirus Relief Funds (CRF) Funds in an amount not to exceed \$7,000,000 from the County of Riverside ;
6. Authorize the Chief Executive Officer of RCHC, or designee, to negotiate the acquisition of the Ivy Palm Hotel located at 2000 North Palm Canyon Drive, Palm Springs, CA, Assessor's Parcel Numbers 504-320-032 consistent with the terms and conditions described in the attached Letter of Intent, Attachment A;;
7. Approve the acquisition of 40 mobile homes from Desert Empire Homes for an amount not to exceed \$4,000,000 consistent with the terms and conditions in the attached Letter of Intent and Quotes, Attachment B, Approve the Purchase and Sale Agreement with Desert Empire Homes, substantially to form, subject to approval as to form by County Counsel, and authorize the Chief Executive Officer of Riverside Community Housing Corp., or designee, to execute a Purchase and Sale Agreement for such acquisition, and any other related documents to consummate the acquisition;
8. Approve the Mobile Home Space Rental Agreement substantially to form, subject to approval as to form by County Counsel, and authorize the Chief Executive Officer of Riverside Community Housing Corp., or designee, to execute the Rental Agreements as the mobile home units are placed on spaces in the Mountain View Estates Mobile Home Park;
9. Approve and direct the Chief Financial Officer to make the budget adjustments as detailed in Schedule "A" for the Riverside Community Housing Corp. for Fiscal Year 2020-2021;



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10. Direct the Clerk of the Board to file the Notice of Exemption within five days of approval by the Board.

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$19,500,000	\$ 0	\$19,500,000	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b> 36% Coronavirus Aid, Relief, and Economic Security Act (CARES) Act Funding and 64% Department of Housing and Community Development			<b>Budget Adjustment: Yes</b>	
			<b>For Fiscal Year: 2020/21</b>	

**C.E.O. RECOMMENDATION:** Approved

**BACKGROUND:**

**Summary**

On July 16, 2020, the Department of Housing and Community Development (HCD) published a Notice of Funding Availability (NOFA) for Homekey grant funds pursuant to Health and Safety Code section 50675.1.1 (Assembly Bill No. 83 (2019-2020 Reg. Sess.), § 21.). The Homekey Program is a statewide effort to rapidly sustain and expand housing for persons experiencing homelessness impacted by COVID-19. HCD has allocated \$600 million in Homekey funding, \$550 million is derived from the State's direct allocation of the federal Coronavirus Relief Fund (CRF) and \$50 million is derived from the State's General Fund. Projects receiving an award from the State's direct allocation of the federal CRF must expend the funds by December 30, 2020. The portion of a Project's award associated with State's General Fund must be expended by June 30, 2022. Depending on the funding award, the successful applicant must close escrow by the expenditure deadline.

The Housing Authority of the County of Riverside (HACR) and its affiliate Riverside Community Housing Corp. (RCHC) have identified two potential projects that could benefit from HCD Homekey Program grant funds and have submitted two separate applications to HCD for Homekey Program grant funds, below are brief descriptions of the proposed projects (collectively the "Projects"):

**Application 1 Resolution No. 2020-01 Requesting \$8,500,000**

The HACR and its affiliate Riverside Community Housing Corp. (RCHC) are partnering to negotiate the acquisition of the Ivy Palms Hotel (Hotel) in the City of Palm Springs and convert it to Permanent Supportive Housing. This action proposes the authorization for RCHC to negotiate the acquisition of the Hotel consistent with the terms and conditions provided in the attached Letter of Intent. It is intended that the Agreement for Purchase and Sale would be brought forth for Board approval at a future date.

The 100-unit hotel is located on the edge of downtown Palm Springs, and is centrally located to transportation, medical centers, shopping, jobs, and grocery stores. Although the hotel currently has 100 rooms, the Housing Authority and RCHC envision that the ultimate number of rooms will be less in order to convert units to one-bedroom units and to incorporate kitchenettes into the units. The development also will feature a 5,000 square foot community space.



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In the fall of 2020, the Housing Authority and RCHC will seek a development partner that will help secure the funding and entitlements for the property. Through this process the Housing Authority and RCHC will identify an architect, engineers, and other consultants that are necessary to bring the project to fruition. The Housing Authority and RCHC envision that the property will be fully entitled and secure financing in 2021, so that construction may commence in the spring of 2022. The Housing Authority commits to project base Housing Choice Vouchers on the property to assist with the development.

While the Housing Authority and RCHC are working through the entitlement process and obtaining the funding, the facility will continue to function as a hotel under Project Roomkey (or similar effort). The County of Riverside has housed more than 700 people through project Roomkey, and currently has transitioned more than 100 to permanent housing with the goal of transitioning 550 families to permanent housing. Specifically, the County of Riverside has close to one hundred people occupying hotels under Project Roomkey in the City of Palm Springs at several hotels and the County plans to relocate many of those clients to this hotel after acquisition. If Project Roomkey were to go away the County will use the hotel as a central location for clients of the Department of Public Social Services and Behavioral Health. Annually, the County of Riverside spends more than \$500,000 in the Coachella Valley on hotels.

The property will serve as an anchor institution in the community and provide a central location for the delivery of services. The County of Riverside is committed to leveraging the work of Public Health, Whole Person Care Nurses, Office on Aging, Adult Protective Services, Behavioral Health, Workforce Development, and the strong nonprofit community to leverage the acquisition to serve as a model for the rest of the County. The County of Riverside through the creation of the Housing, Homelessness Prevention, and Workforce Solutions, is seeking to breakdown silos between departments and create a comprehensive service delivery model on the property.

**Application 2 Resolution No. 2020-02 Requesting \$4,000,000**

The HACR along with its nonprofit affiliate Riverside Community Housing Corp. (RCHC) are proposing the purchase of 40 new manufactured housing units ("Rental Units") to be installed at Mountain View Estates, a mobile home park with mobile home park spaces for rent ("Park"). RCHC and the Park owner agree to enter into an agreement to rent 40 mobile home spaces (Rental Spaces") at \$455 per month per space ("Space Rent"). The Park owner will provide property management services for the Rental Units. The Space Rent shall not exceed 35% of the area median income as established by family size. The Rental Units will be owned by Riverside Community Housing Corp. and will be leased to farmworkers living in substandard conditions in unpermitted parks that oftentimes lack basic infrastructure such as potable water, safe electrical, paved streets, or proper sanitation systems. The Eastern Coachella Valley is plagued with farmworker housing that is unsafe and unsanitary for farmworkers ("Essential Workers"). Historically, each summer there is an increase in unpermitted mobile home parks losing power due to the faulty and illegal electrical systems providing powering to the mobile



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home park and mobile homes. This summer alone, over 50 families living in unpermitted mobile home parks have been affected by power outages during times of the day when temperatures have reached over 120 degrees. Two families lost their homes in an electrical fire and many families were forced to relocate into a temporary housing situation provided by the County of Riverside and community partners in hotels and motels. In one instance the County of Riverside assisted by providing a generator to provide electricity to power the well and each of the units at the mobile home park. In this case, the County of Riverside was successful at providing shelter in place for families that are not able to relocate for a myriad of reasons such as proximity to their employment, babysitting and lack of transportation.

Additionally, the Coronavirus has disproportionately affected rural communities and Essential Workers, the Eastern Coachella Valley is no exception. The farmworker communities of Thermal, Mecca and Oasis have the highest per-capita rates of infection and death in the County of Riverside. The inability to socially distance, to stop working, and to qualify for benefits due to their legal resident status, continues to exacerbate the problem.

The Homekey NOFA requires Board Resolutions as part of the application. The RCHC is now respectfully requesting approval of the attached Resolutions for the above referenced Homekey applications. County Counsel has reviewed the attached Resolutions (No. 2020-001 and No. 2020-002) and has approved as to form.

RCHC is requesting from the County of Riverside, Housing, Homelessness Prevention and Workforce Solutions an amount not to exceed \$7,000,000 in matching funds from the County's direct allocation of Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to make the applications more competitive and leverage the County's CARES Act funding.

The Projects have been evaluated and determined to be exempt from the California Environmental Quality Act (CEQA) pursuant to California Health and Safety Code Sections 50675.1.1 and 50675.1.2 and State CEQA Guidelines Section 15061 (b)(3) (Common sense exemption). Notwithstanding any other law, the California Environmental Quality Act ([Division 13 \(commencing with Section 21000\) of the Public Resources Code](#)) shall not apply to any project, including a phased project, funded pursuant to [Section 50675.1.1](#) if certain requirements described in Section 50675.1.2, if applicable, are satisfied. The proposed projects as described above are made pursuant to Health and Safety Code Section 50675.1.1 and any resulting agreements will be subject to the requirements of the Homekey Program and the aforementioned Health & Safety Code sections. In addition, the projects are exempt pursuant to State CEQA Guidelines Section 15061 (b)(3) (Common sense exemption) because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. This Project includes the application for Homekey Program and CRF funds, authorizing the negotiation of real property and acquisition of mobile home units to be placed and renting spaces at an existing mobilehome park. Therefore, the projects are statutorily exempt from CEQA and exempt under State CEQA Guidelines Section 15061 (b)(3).



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Staff recommends that the Board approve the two separate applications, Resolutions, Agreement for purchase of Mobile Home Units and associate rental agreement and approve the budget adjustment contained in Schedule A.

**Impact on Residents and Businesses**

The Homekey Program funding will allow the County to address a growing problem with housing our homeless population and providing housing to people impacted by COVID-19.

**Additional Fiscal Information**

The increase of \$19,500,000 from the original budget of \$7,205,754 is due to RCHC applying for State Homekey Program grant funds in the amount of \$12,500,000 and receiving \$7,000,000 in matching funds from the County's direct allocation of Coronavirus Aid, Relief, and Economic Security Act (CARES Act) for these two applications and other projects. The increase is shown in Schedule A.

No Auditor Controller Office budget adjustments are necessary because RCHC has its own internal software that handles all budgets and payments.

**ATTACHMENTS:**

- NOFA Homekey Program
- Resolution No. 2020-001
- Resolution No. 2020-002
- Attachment A Letter of Intent for Ivy Palm Hotel
- Attachment B Letter of Intent and Quotes for 40 mobile home units; Purchase Agreement
- Mobile Home Space Rental Agreement Form
- Schedule "A" (RCHC Amended Budget Fiscal Year 2020-2021)
- Notice of Exemption

  
\_\_\_\_\_  
Marcus Maltese

8/27/2020

  
\_\_\_\_\_  
Gregory H. Priaplos, Director County Counsel

8/27/2020





Original Negative Declaration/Notice of Determination was routed to County Clerks for posting on.

9/2/20  
Date

[Signature]  
Initial

**Notice of Exemption**

**To:**  
Office of Planning and Research  
For U.S Mail:  
P.O. Box 3044  
Sacramento, CA 95812-3044

**Street Address:**  
1400 Tenth St.  
Sacramento, CA 95814

**From:**  
Public  
**Agency:** Riverside Community Housing Corp.  
**Address:** 5555 Arlington Avenue  
Riverside, CA 92504  
**Contact:** Monica Telles, Sup Development Specialist  
**Phone:** 760.863.2541

County Clerk  
County of: Riverside  
2724 Gateway Drive  
P.O. Box 751  
Address: Riverside, CA 92502-0751

Lead Agency (if different from above):  
Address: \_\_\_\_\_  
Contact: \_\_\_\_\_  
Phone: \_\_\_\_\_

**SUBJECT: Filing of Notice of Exemption in Compliance with California Health and Safety Code Sections 50675.1.1 and 50675.1.2 and State CEQA Guidelines Section 15061 (b)(3) (Common sense exemption).**

**Project Title:** 1) Mountain View Estates and 2) Ivy Palms Hotel  
**Project Location:** 1) 68990 Harrison Street, Thermal, CA 92274, Assessor Parcel Number: 751-280-018 and 2) 2000 North Palm Canyon Drive, Palm Springs, CA, Assessor's Parcel Numbers 504-320-032

**Project Description:**

1) The Housing Authority of the County of Riverside along with its nonprofit affiliate Riverside Community Housing Corp. are proposing the purchase of 40 new manufactured housing units to be installed at Mountain View Estates, a mobile home park with mobile home park spaces for rent. Riverside Community Housing Corp. and the Park owner agree to enter into an agreement to rent 40 mobile home spaces at \$455 per month per space. 2) The HACR and its affiliate Riverside Community Housing Corp. (RCHC) are partnering to negotiate the acquisition of the Ivy Palms Hotel (Hotel) in the City of Palm Springs and convert it to Permanent Supportive Housing.

**Project Sponsor:** Riverside Community Housing Corp.

This is to advise that the Riverside Community Housing Corp. Board of Directors approved the above project on  Lead agency or  Responsible Agency

September 1, 2020 and has made the following determinations regarding the above described project:  
(tentative date)

**Exempt Status:** California Health and Safety Code Sections 50675.1.1 and 50675.1.2 and State CEQA Guidelines Section 15061 (b)(3) (Common sense exemption).

**Reasons Why Project is Exempt:** The Projects have been evaluated and determined to be exempt from the California Environmental Quality Act (CEQA) pursuant to California Health and Safety Code Sections 50675.1.1 and 50675.1.2 and State CEQA Guidelines Section 15061 (b)(3) (Common sense exemption). Notwithstanding any other law, the California Environmental Quality Act (Division 13 commencing with Section 21000 of the Public Resources Code) shall not apply to any project, including a phased project, funded pursuant to Section 50675.1.1 if certain requirements described in Section 50675.1.2, if applicable, are satisfied. The proposed projects as described above are made pursuant to **Health and Safety Code Section 50675.1.1** and any resulting agreements will be subject to the requirements of the Homekey Program and the aforementioned Health & Safety Code sections. In addition, the projects are exempt pursuant to **State CEQA Guidelines Section 15061 (b)(3) (Common sense exemption)** because it can be seen with certainty that that there is no possibility that the activity in question may have a significant effect on the environment. This Project includes the application for Homekey Program and CRF funds, authorizing the negotiation of real property and acquisition of mobile home units to be placed and renting spaces at an existing mobile home park. Therefore, the projects are statutorily exempt from CEQA and exempt under **State CEQA Guidelines Section 15061 (b)(3)**.

Signature: [Signature] Title: Carrie Harmon, Chief Operating Officer, Riverside Community Housing Corp.

Date: 8/27/2020 Date received for filing: \_\_\_\_\_



# Riverside County Clerk-Recorder

## Authorization to Bill by Journal Voucher

To be completed by submitting Agency

### HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE

Authorization # \_\_\_\_\_  
Date: 8/27/2020  
Agency/Division: Housing Authority of the County of Riverside - Attn: Jennifer Paz  
Accounting String: 

	FUND	DEPT ID	ACCT
(Interfund)	523230-40600-5600100000		
(Non-Interfund)			

**This authorizes the "County Clerk & Recorder Office" to issue a Journal Voucher for payment of all fees for the accompanying documents.**

Number of Documents Included: 1 Notice of Exemption (Homekey Projects)

Authorized by:   
Juan Garcia, Principal Development Specialist

Presented by: \_\_\_\_\_

### To be completed by County Recorder

Accepted by: \_\_\_\_\_

Date: \_\_\_\_\_

Document no(s)/invoice no(s): \_\_\_\_\_



2  
3 RESOLUTION NO. 2020-001

4  
5 **A RESOLUTION OF THE BOARD OF DIRECTORS OF RIVERSIDE COMMUNITY HOUSING CORP.**  
6 **AUTHORIZING SUBMITTAL OF A JOINT APPLICATION WITH THE HOUSING AUTHORITY OF**  
7 **THE COUNTY OF RIVERSIDE TO THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND**  
8 **COMMUNITY DEVELOPMENT FOR THE HOMEKEY PROGRAM FUNDS IN A GRANT AMOUNT**  
9 **NOT TO EXCEED \$8,500,000; APPROVAL AND EXECUTION OF A STANDARD AGREEMENT TO**  
10 **ACCEPT THE GRANT FUNDING IF AWARDED AND ANY AMENDMENTS THERETO; AND ANY**  
11 **RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE HOMEKEY PROGRAM**

12  
13 **WHEREAS**, the Department of Housing and Community Development (Department) has issued a Notice of  
14 Funding Availability (“NOFA”), dated July 16, 2020, for the Homekey Program (“**Homekey**” or “**Homekey**  
15 **Program**”) and the Department has issued the NOFA for Homekey grant funds pursuant to Health and Safety Code  
16 section 50675.1.1 (Assembly Bill No. 83 (2019-2020 Reg. Sess.), § 21.); and,

17 **WHEREAS**, RIVERSIDE COMMUNITY HOUSING CORP. (“**Co-Applicant**”) desires to jointly apply for  
18 Homekey grant funds with HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE (“**Local Public Entity**”)  
19 and Co-Applicant is joining Local Public Entity in the submittal of an application for Homekey funds (“**Application**”)  
20 to the Department for review and consideration;

21 **WHEREAS**, The Department is authorized to administer Homekey pursuant to the Multifamily Housing  
22 Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code).  
23 Homekey funding allocations are subject to the terms and conditions of the NOFA, the Application, the Department-  
24 approved STD 213, Standard Agreement (“**Standard Agreement**”), and all other legal requirements of the Homekey  
25 Program;

26 **WHEREAS**, Co-Applicant desires to use the funds, if awarded, for purposes consistent with Homekey Program  
27 objectives and purposes, such as acquiring the Ivy Palms Hotel facility that can be converted to permanent supportive  
28 housing, in the Palm Springs area of Riverside County for qualified individuals and families who have been impacted

FORM APPROVED COUNTY COUNSEL  
BY: *Sybil M. Gunzel* DATE: 8-25-2020  
SYBIL M. GUNZEL



1 by COVID-19 and are homeless or at risk of homelessness;

2 **NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** by the Board of  
3 Directors of the Riverside Community Housing Corp. ("Board"), in regular session assembled on or about  
4 September 1, 2020, in the meeting room of the Board located on the 1<sup>st</sup> floor of the County Administrative Center,  
5 4080 Lemon Street, Riverside, California, and based upon the evidence and testimony presented on the matter,  
6 both written and oral, including the Administrative Record as it relates to the Homekey joint application, as  
7 follows:

- 8 1. Co-Applicant is hereby authorized and directed to submit a joint Application to the Department in response to  
9 the NOFA dated July 16, 2020, and to jointly apply for Homekey grant funds in a total amount not to exceed  
10 \$8,500,000. That amount includes \$8,500,000 for capital expenditures (as allowed under Health and Safety  
11 Code, § 50675.1.1, subd. (a)(1)-(6)) and \$0 for a capitalized operating subsidy (as allowed under Health and  
12 Safety Code, § 50675.1.1, subd. (a)(7)).
- 13 2. If the Application is approved, Co-Applicant is hereby authorized and directed to ensure that any funds awarded  
14 for capital expenditures are spent by **December 30, 2020**, and that any funds awarded for capitalized operating  
15 subsidies are spent by **June 30, 2022**.
- 16 3. If the Application is approved, Co-Applicant is hereby authorized and directed to enter into, execute, and deliver  
17 a Standard Agreement in a total amount not to exceed \$8,500,000, any and all other documents required or  
18 deemed necessary or appropriate to secure the Homekey funds from the Department and to participate in the  
19 Homekey Program, and all amendments thereto (collectively, the "**Homekey Documents**").
- 20 4. Co-Applicant acknowledges and agrees that it shall be subject to the terms and conditions specified in the  
21 Standard Agreement, and that the NOFA and Application will be incorporated in the Standard Agreement by  
22 reference and made a part thereof. Any and all activities, expenditures, information, and timelines represented  
23 in the Application are enforceable through the Standard Agreement. Funds are to be used for the allowable  
24 expenditures and activities identified in the Standard Agreement.
- 25 5. Carrie Harmon, Chief Operating Officer, or designee, is authorized to execute the Application and the Homekey  
26 Documents on behalf of Co-Applicant for participation in the Homekey Program.



2 **RESOLUTION 2020-001**

3 **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE**  
4 **RIVERSIDE COMMUNITY HOUSING CORP.**

5 **AUTHORIZING SUBMITTAL OF A JOINT APPLICATION WITH THE HOUSING**  
6 **AUTHORITY OF THE COUNTY OF RIVERSIDE TO THE STATE OF CALIFORNIA**  
7 **DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR THE**  
8 **HOMEKEY PROGRAM FUNDS IN A GRANT AMOUNT NOT TO EXCEED**  
9 **\$8,500,000; APPROVAL AND EXECUTION OF A STANDARD AGREEMENT TO**  
10 **ACCEPT THE GRANT FUNDING IF AWARDED AND ANY AMENDMENTS**  
11 **THERE TO; AND ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN**  
12 **THE HOMEKEY PROGRAM**

13 ADOPTED by Riverside County Board of Supervisors on September 1, 2020.

14 ROLL CALL:

15  
16 Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt  
17 Nays: None  
18 Absent: None

19 The foregoing is certified to be a true copy of a resolution duly adopted by said Board of  
20 Supervisors on the date therein set forth.

21 KECIA R. HARPER, Clerk of said Board

22 By: *[Signature]*

23 Deputy





2  
3 RESOLUTION NO. 2020-002

4  
5 **A RESOLUTION OF THE BOARD OF DIRECTORS OF RIVERSIDE COMMUNITY HOUSING**  
6 **CORP. AUTHORIZING SUBMITTAL OF A JOINT APPLICATION WITH THE HOUSING**  
7 **AUTHORITY OF THE COUNTY OF RIVERSIDE TO THE STATE OF CALIFORNIA**  
8 **DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR TO THE**  
9 **HOMEKEY PROGRAM FUNDS IN A GRANT AMOUNT NOT TO EXCEED \$4,000,000;**  
10 **APPROVAL AND EXECUTION OF A STANDARD AGREEMENT TO ACCEPT THE GRANT**  
11 **FUNDING IF AWARDED AND ANY AMENDMENTS THERETO; AND ANY RELATED**  
12 **DOCUMENTS NECESSARY TO PARTICIPATE IN THE HOMEKEY PROGRAM**

13  
14  
15 **WHEREAS**, the Department of Housing and Community Development (Department) has issued a Notice of  
16 Funding Availability (“NOFA”), dated July 16, 2020, for the Homekey Program (“**Homekey**” or “**Homekey**  
17 **Program**”) and the Department has issued the NOFA for Homekey grant funds pursuant to Health and Safety Code  
18 section 50675.1.1 (Assembly Bill No. 83 (2019-2020 Reg. Sess.), § 21.); and,

19 **WHEREAS**, RIVERSIDE COMMUNITY HOUSING CORP. (“**Co-Applicant**”) desires to jointly apply for  
20 Homekey grant funds with HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE (“**Local Public Entity**”)  
21 and Co-Applicant is joining Local Public Entity in the submittal of an application for Homekey funds (“**Application**”)  
22 to the Department for review and consideration;

23 **WHEREAS**, The Department is authorized to administer Homekey pursuant to the Multifamily Housing  
24 Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code).  
25 Homekey funding allocations are subject to the terms and conditions of the NOFA, the Application, the Department-  
26 approved STD 213, Standard Agreement (“**Standard Agreement**”), and all other legal requirements of the Homekey  
27 Program;

28 **WHEREAS**, Co-Applicant desires to use the funds, if awarded, for purposes consistent with Homekey Program

FORM APPROVED COUNTY COUNSEL  
BY: *Synthia M. Gunzel* 8-25-2020  
DATE: \_\_\_\_\_  
SYNTHIA M. GUNZEL



1 objectives and purposes, such as acquiring forty (40) mobile home units to be placed in a permitted park known as  
2 Mountain View Estates, located in Thermal/Oasis, in the eastern region of Riverside County, California for qualified  
3 individuals and families who have been impacted by COVID-19 and are homeless or at risk of homelessness;

4 **NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** by the Board of  
5 Directors of the Riverside Community Housing Corp. (“Board”), in regular session assembled on or about  
6 September 1, 2020, in the meeting room of the Board located on the 1<sup>st</sup> floor of the County Administrative Center,  
7 4080 Lemon Street, Riverside, California, and based upon the evidence and testimony presented on the matter,  
8 both written and oral, including the Administrative Record as it relates to the Homekey joint applicaon, as follows:

- 9 1. Co-Applicant is hereby authorized and directed to submit a joint Application to the Department in response to  
10 the NOFA, dated July 16, 2020, and to jointly apply for Homekey grant funds in a total amount not to exceed  
11 \$4,000,000. That amount includes \$4,000,000 for capital expenditures (as allowed under Health and Safety  
12 Code, § 50675.1.1, subd. (a)(1)-(6)) and \$0 for a capitalized operating subsidy (as allowed under Health and  
13 Safety Code, § 50675.1.1, subd. (a)(7)).
- 14 2. If the Application is approved, Co-Applicant is hereby authorized and directed to ensure that any funds awarded  
15 for capital expenditures are spent by **December 30, 2020**, and that any funds awarded for capitalized operating  
16 subsidies are spent by **June 30, 2022**.
- 17 3. If the Application is approved, Co-Applicant is hereby authorized and directed to enter into, execute, and deliver  
18 a Standard Agreement in a total amount not to exceed \$4,000,000, any and all other documents required or  
19 deemed necessary or appropriate to secure the Homekey funds from the Department and to participate in the  
20 Homekey Program, and all amendments thereto (collectively, the “**Homekey Documents**”).
- 21 4. Co-Applicant acknowledges and agrees that it shall be subject to the terms and conditions specified in the  
22 Standard Agreement, and that the NOFA and Application will be incorporated in the Standard Agreement by  
23 reference and made a part thereof. Any and all activities, expenditures, information, and timelines represented  
24 in the Application are enforceable through the Standard Agreement. Funds are to be used for the allowable  
25 expenditures and activities identified in the Standard Agreement.
- 26 5. Carrie Harmon, Chief Operating Officer, or designee, is authorized to execute the Application and the Homekey  
27 Documents on behalf of Co-Applicant for participation in the Homekey Program.



2 **RESOLUTION 2020-002**

3 **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE**  
4 **RIVERSIDE COMMUNITY HOUSING CORP.**

5 **AUTHORIZING SUBMITTAL OF A JOINT APPLICATION WITH THE HOUSING**  
6 **AUTHORITY OF THE COUNTY OF RIVERSIDE TO THE STATE OF CALIFORNIA**  
7 **DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR THE**  
8 **HOMEKEY PROGRAM FUNDS IN A GRANT AMOUNT NOT TO EXCEED**  
9 **\$4,000,000; APPROVAL AND EXECUTION OF A STANDARD AGREEMENT TO**  
10 **ACCEPT THE GRANT FUNDING IF AWARDED AND ANY AMENDMENTS**  
11 **THERE TO; AND ANY RELATED DOCUMENTS NECESSARY TO PARTICPATE IN**  
12 **THE HOMEKEY PROGRAM**

13 ADOPTED by Riverside County Board of Supervisors on September 1, 2020.

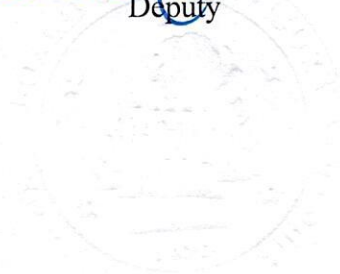
14 ROLL CALL:

15 Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt  
16 Nays: None  
17 Absent: None

18 The foregoing is certified to be a true copy of a resolution duly adopted by said Board of  
19 Supervisors on the date therein set forth.

20 KECIA R. HARPER, Clerk of said Board

21 By:   
22 Deputy





**STANDARD AGREEMENT AMENDMENT**

STD. 213 A (Rev 6/03)

CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED \_\_\_\_\_ Pages

AGREEMENT NUMBER	AMENDMENT NUMBER
REGISTRATION NUMBER	

- This Agreement is entered into between the State Agency and Contractor named below:  
 STATE AGENCY'S NAME \_\_\_\_\_  
 CONTRACTOR'S NAME \_\_\_\_\_
- The term of this Agreement is \_\_\_\_\_ through \_\_\_\_\_
- The maximum amount of this \$ \_\_\_\_\_ Agreement after this amendment is: \_\_\_\_\_
- The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

All other terms and conditions shall remain the same.

**IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.**



<b>CONTRACTOR</b>		CALIFORNIA Department of General Services Use Only
CONTRACTOR'S NAME (If other than an individual, state whether a corporation, partnership, etc.)		
BY (Authorized Signature) 	DATE SIGNED (Do not type)	
PRINTED NAME AND TITLE OF PERSON SIGNING		
ADDRESS		
<b>STATE OF CALIFORNIA</b>		
AGENCY NAME		<input type="checkbox"/> Exempt per:
BY (Authorized Signature) 	DATE SIGNED (Do not type)	
PRINTED NAME AND TITLE OF PERSON SIGNING		
ADDRESS		

EXHIBIT A

**AUTHORITY, PURPOSE AND SCOPE OF WORK**

1. **Authority**

Assembly Bill No. 83 (2019-2020 Reg. Sess.) added section 50675.1.1 and 50675.1.2 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 50675.1.1 is the statutory basis for the Homekey Program (“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 Notice of Funding Availability (“NOFA”) for the Homekey Program on July 16, 2020. The NOFA incorporates by reference the MHP, as well as the MHP Final Guidelines (“MHP Guidelines”), dated June 19, 2019, both as amended and in effect from time to time. In addition, the NOFA states that Homekey grant funds are derived primarily from Coronavirus Relief Fund (“CRF”) money received from the U.S. Department of the Treasury. The CRF was established by the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law No. 116-136).

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 Sponsor, as defined below, for funding under the Program (the “Grant”). As such, this Agreement shall be executed by the Sponsor. Where the Sponsor comprises a Local Public Entity (as defined below) and a private entity, both entities shall execute the Standard Agreement.

This Agreement hereby incorporates by reference the Application in its entirety. This Agreement is governed by the following (collectively, the “Program Requirements”), and each of the following is incorporated hereto as if set forth in full herein:

- A. The above-referenced MHP statutory scheme;
- B. The NOFA issued on July 16, 2020, and as may be subsequently amended;
- C. The MHP Guidelines;
- D. The CARES Act and related federal guidance;
- E. The award letter issued by the Department to the Sponsor; and
- F. Any and all other applicable law.

2. **Purpose**

The Homekey Program is intended to provide housing 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 impacted by the COVID-19 pandemic (“Target Population”).

Homekey Program (Homekey)

NOFA Date: July 16, 2020

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## EXHIBIT A

Sponsor 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 Sponsor 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. **"Application"** means the application for Grant funds that was submitted in response to the Department's Homekey Program 2020 Notice of Funding Availability, issued on July 16, 2020.
- B. **"CRF Covered Period"** means the time period running from **March 1, 2020 through December 30, 2020**. All Grant expenses for CRF-funded Eligible Uses must be incurred during this time period, or they will not be reimbursed. CRF-funded Eligible Uses are those listed at Paragraph 4.A – F, below.
- C. **"CRF Expenditure Deadline"** means **December 30, 2020**. All Grant expenses for CRF-funded Eligible Uses must be incurred on or before this date, or they will not be reimbursed. CRF-funded Eligible Uses are those listed at Paragraph 4.A – F, below.
- D. **"Designated Payee"** means the Co-Sponsor that will serve as the payee of the Program Grant funds. If applicable, the Designated Payee is identified at Exhibit E of this Agreement.
- E. **"Development Sponsor"** has the same meaning as **"Sponsor"** below.
- F. **"Eligible Uses"** means the activities that may be funded by the Homekey Program Grant. Those activities are listed at Paragraph 4 of this Agreement, and at Health and Safety Code section 50675.1.1, subdivision (a).
- G. **"Interim Housing"** means any facility that is primarily intended to provide temporary shelter or lodging for the Target Population, and which does require occupants to sign leases or occupancy agreements.
- H. **"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.

Homekey Program (Homekey)

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## EXHIBIT A

- I. **“Performance Milestones”** means the indicators and metrics of progress and performance that are identified as such at Exhibit E of this Agreement. Sponsor’s failure to satisfy any one of the Performance Milestones will constitute a breach of this Agreement and will entitle the Department to exercise any and all available remedies, including the recapture of disbursed Grant funds and the cancellation of this Agreement.
- J. **“Permanent Housing”** means housing, dwellings, or other living accommodations where the landlord does not limit the tenant’s length of stay or restrict the tenant’s movements, and where the tenant has a lease and is subject to the rights and responsibilities of tenancy.
- K. **“Program Requirements”** means the legal authority and Program materials listed at Paragraph 1.A – F, above.
- L. **“Project”** means a structure or set of structures with common financing, ownership, and management, and which provides Permanent Housing or Interim Housing for the Target Population.
- M. **“Scope of Work”** or **“Work”** means the work to be performed by the Sponsor to accomplish the Program purpose.
- N. **“Sponsor”** is defined by the Multifamily Housing Program at Health and Safety Code section 50675.2, subdivision (g). (See also Health & Saf. Code, § 50669, subd. (c).) **“Sponsor”** refers, both individually and collectively, to the private entity and/or the Local Public Entity that received a Homekey Grant after submitting an Application or a joint Application to the Department. When the Sponsor comprises two entities, each entity may be referred to as a **“Co-Sponsor.”** On the STD 213 portion of this Agreement, the Sponsor is identified as the Contractor.
- O. **“State General Fund Expenditure Deadline”** means **June 30, 2022**. Grant expenses for capitalized 24-month operating subsidies (which are funded by the State General Fund) must be incurred on or before this date, or they will not be reimbursed.
- P. **“Target Population”** means 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 impacted by the COVID-19 pandemic.

#### 4. Eligible Uses

Sponsor shall apply the Program Grant funds to one or more of the following uses. Sponsor’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 of motels, hotels, or hostels.
- B. Master leasing of properties.

Homekey Program (Homekey)

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## EXHIBIT A

- C. Acquisition of other sites and assets, including purchase of apartments or homes, adult residential facilities, residential care facilities for the elderly, manufactured housing, and other buildings with existing residential uses that could be converted to permanent or interim housing.
- D. Conversion of units from nonresidential to residential in a structure with a certificate of occupancy as a motel, hotel, or hostel.
- E. The purchase of affordability covenants and restrictions for units.
- F. Relocation costs for individuals who are being displaced as a result of rehabilitation of existing units.
- G. Capitalized operating subsidies for units purchased, converted, or altered with funds provided under the Program.

### 5. **Performance Milestones**

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

### 6. **Reporting Requirements**

Sponsor shall comply with all reporting requirements set forth at Section 402 of the NOFA or in this Agreement, all in accordance with, without limitation, the deadline(s) set forth under Performance Milestones at Exhibit E of this Agreement.

### 7. **Department Contract Coordinator**

The Department's Contract Coordinator for this Agreement is the [Assistant Deputy Director] of the Division of Financial Assistance, or the [Assistant Deputy Director's] designee. Unless otherwise informed, Sponsor shall mail any notice, report, or other communication required under this Agreement by First-Class Mail to the Department Contract Coordinator at the following address:

California Department of Housing and Community Development  
Attention: Homekey Program (Homekey)  
Grant Management Section  
2020 West El Camino Avenue, Suite 400, 95833  
P. O. Box 952050  
Sacramento, CA 94252-2050

Homekey Program (Homekey)

NOFA Date: July 16, 2020

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EXHIBIT A

8. **Sponsor Contract Coordinator**

The Sponsor Contract Coordinator for this Agreement may coordinate with the [REDACTED] 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 Sponsor Contract Coordinator at the address specified at Exhibit E of this Agreement.

DRAFT



**EXHIBIT B**

**BUDGET DETAIL AND PAYMENT PROVISIONS**

**1. Budget Detail**

Applicant 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 Sponsor after this Agreement has been fully executed, and after the Department receives the Sponsor's request for funds, with all required supporting documents appended thereto. The Sponsor 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 comport with the Program's requirements (if the Sponsor has not already submitted same);
- C. Certification of compliance with California's prevailing wage law;
- D. Evidence of the insurance coverages required under the Program and/or a written acknowledgment of self-insured status;
- E. Documentary evidence of capacity to provide operating funds for the Project for at least five (5) years;
- F. A current title report (dated within 15 days of the request for funds);
- G. Any forms, certifications, or documentation required pursuant to Paragraph 5 – Conditions Precedent to Disbursement of Exhibit E of this Agreement; and
- H. Any other forms, certifications, or documentation deemed necessary by the Department prior to disbursement of Grant funds.

**3. Performance**

After disbursement of the funds, the Sponsor shall meet each Performance Milestone set forth at Exhibit E by the designated deadline. After satisfaction of each Performance Milestone, the Sponsor shall promptly report its progress, in writing, to the Department. Sponsor may apply to the Department for an extension of the Performance Milestone deadlines based on good cause shown and best efforts and assurances from the Recipient for timely completion of the remaining Milestones.

## EXHIBIT B

FAILURE TO SATISFY ANY ONE OF THE PERFORMANCE MILESTONES WILL CONSTITUTE A BREACH OF THIS AGREEMENT, AND ENTITLES THE DEPARTMENT TO MANDATE THE SPONSOR 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 SPONSOR.

### 4. **Fiscal Administration**

- A. Sponsor 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 Grant funds in an interest-bearing checking or savings account insured by the federal or state government. All interest earned from the deposit of Grant funds shall be used for eligible Program activities.
- B. Any CRF Grant funds that have not been expended by the CRF Expenditure Deadline must be returned to the Department with accrued interest. Any State General Fund moneys that have not been expended by the State General Fund Expenditure Deadline 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, Suite 300  
2020 W. El Camino Avenue  
Sacramento, California 95833

### 5. **Duplication of Benefit**

Homekey funding is not required to be used as funding of last resort. However, Sponsor 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**

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

- A. This Agreement 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 five (5) years after the Effective Date, as stated in Paragraph 2 of the STD 213, Standard Agreement (such date, the "Expiration Date").
- C. Sponsor will receive the disbursement of Program funds after satisfying all conditions precedent to such disbursement, as set forth under Paragraph 2 of Exhibit B. All Program funds must be disbursed by **December 30, 2020**.
- D. Grant expenses for CRF-funded Eligible Uses must be incurred from **March 1, 2020 through December 30, 2020** (the "CRF Covered Period"). **December 30, 2020** is the deadline for all such expenditures (the "CRF Expenditure Deadline" or "Expenditure Deadline"). CRF-funded Eligible Uses are those listed at Paragraph 4.A – F of Exhibit A.
- E. Grant expenses for capitalized 24-month operating subsidies (which are funded by the State General Fund) must be incurred by **June 30, 2022** (the "State General Fund Expenditure Deadline" or "Expenditure Deadline").
- F. Any expenses incurred prior to the CRF Covered Period, after the CRF Expenditure Deadline, or after the State General Fund Expenditure Deadline, respectively and as applicable, are not eligible for payment under the Program. Grant funds that have not been expended by the applicable Expenditure Deadlines shall revert to the Department.

**2. Termination**

The Department may terminate this Agreement for cause at any time by giving at least 14 days' advance written notice to the Sponsor. Upon such termination, Sponsor shall return any unexpended funds to the Department within thirty (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 Sponsor's breach of, or failure to satisfy, any of the terms or conditions of this Agreement. Cause includes but is not limited to the following:

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- A. Sponsor's failure to satisfy the conditions precedent to disbursement or to expend Program Grant funds, as specified, by **December 30, 2020**.
- B. Sponsor's failure to timely satisfy each or any of the conditions set forth in these Homekey General Terms and Conditions, the Special Conditions set forth at Exhibit E of this Agreement (including any one of the Performance Milestones), or the award letter.
- C. Sponsor's violation of any of the Program Requirements.
- D. The Department's determination of the following:
  - 1) Any material fact or representation, made or furnished to the Department by the Sponsor 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) Sponsor 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.

Sponsor's failure to meet any applicable Expenditure Deadline shall result in the automatic termination of this Agreement, and Sponsor shall return all disbursed Grant funds to the Department within thirty (30) calendar days of the applicable Expenditure Deadline.

In the event of any other breach, violation, or default by the Sponsor, the Department may give written notice to the Sponsor to cure the breach, violation, or default. If the breach, violation, or default is not cured to the Department's satisfaction within a reasonable time, as determined by the Department at 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.

**3. Eligible Activities**

Grant funds awarded to the Sponsor 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.

**4. Performance Milestones**

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

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**5. Article XXXIV**

Article XXXIV, section 1 of the California Constitution ("Article XXXIV") is not applicable to development involving the acquisition, rehabilitation, reconstruction, alterations work, or any combination thereof, of lodging facilities or dwelling units using moneys receiving from the CRF established by the federal CARES Act (Public Law 116-136), pursuant to Health and Safety Code section 37001, subdivision (h).

**6. Appraisals**

Sponsor 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.

**7. Compliance with California's Prevailing Wage Law**

Sponsor's Project may be subject to California's prevailing wage law (Lab. Code, § 1720 et seq.). Sponsor is urged to seek professional legal advice about the law's requirements. Prior to disbursing the Grant funds, the Department will require a certification of compliance with California's prevailing wage law. The certification must verify that prevailing wages have been or will be paid if such payment is required by law, and that labor records will be maintained and made available to any enforcement agency upon request. The certification must be signed by Sponsor and its general contractor.

**8. Environmental Conditions**

Sponsor 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 Sponsor desires to proceed with the Project, the Sponsor 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. Sponsor 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.

**9. Insurance**

Sponsor shall obtain the insurance coverages identified at Article VI of the NOFA; Sponsor shall maintain such insurance coverages for either the term of this Agreement or the term of any required use restriction or affordability covenant, whichever applicable term is longer. Sponsor 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, Sponsor shall provide

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evidence satisfactory to the Department of its compliance with these insurance requirements.

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

### 10. Operating Funds

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

### 11. Relocation

If there is or will be any residential or commercial displacement directly or indirectly caused by the Project, the Sponsor shall provide a relocation plan to the Department for review. The relocation plan must comply with the requirements of state law (Gov. Code, § 7260 et seq.) and the regulations adopted by the Department (Cal. Code Regs., tit. 25, § 6000 et seq.). The Project budget shall include enough funds to pay all costs of relocation benefits and assistance, as identified in the relocation plan accepted by the Department. If the Project will not cause any displacement, the Sponsor must provide corroborating documentation to the Department for approval. If there is separate federal funding of the Project, the Sponsor shall comply with federal Uniform Relocation Act requirements to the extent applicable.

### 12. Site Control

Unless and except as otherwise expressly approved in writing by the Department or provided at Exhibit E to this Agreement, the Sponsor shall at all times have control of the property and such control shall not be contingent on the approval of any other party. The status and nature of the Sponsor'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 Sponsor's interest in the property is a leasehold, and the lessee and the lessor are affiliated or related parties, then the Department may require that both the lessee and the lessor must execute this Agreement.
- C. An executed disposition and development agreement, or irrevocable offer of dedication to

Homekey Program (Homekey)

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## EXHIBIT D

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 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 Sponsor, that expressly represents to the Department, without condition or reservation, that, upon successful application, the Sponsor 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 Sponsor. 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 forms of site control that give the Department assurance (equivalent to A-E above) that the Sponsor 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.

### 13. **Adaptability and Accessibility**

The Project shall comply with all applicable federal, state and local laws regarding adaptability and accessibility in the design, construction and rehabilitation of residential projects for persons with disabilities.

### 14. **Title Report**

Sponsor shall provide a current title report for the real property on which the Project is located. If Sponsor's interest in the property is leasehold, then Sponsor shall provide a current title report for the leasehold interest and the fee interest.

### 15. **Title Insurance**

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

### 16. **Supportive Services Plan**

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Where a project features on-site supportive services, Sponsor shall submit a supportive services plan to the Department for its review and approval. Such plan shall meet the Program Requirements.

**17. Non-Discrimination**

During Sponsor's performance under this Agreement, Sponsor shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, gender identity, gender expression, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), genetic information, marital status, military and veteran status, and denial of medical and family care leave or pregnancy disability leave. Sponsor shall ensure that the evaluation and treatment of employees and applicants for employment are free from such discrimination and harassment. Sponsor shall comply with California's laws against discriminatory practices relating to specific groups: the California Fair Employment and Housing Act (FEHA) (Gov. Code, § 12900 et seq.); the regulations promulgated thereunder (Cal. Code Regs., tit. 2, § 11000 et seq.); and the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code, §§ 11135 - 11139.5). Sponsor shall give written notice of its obligations under this provision to labor organizations with which it has a collective bargaining or other agreement.

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

Sponsor 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. Sponsor 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"). Sponsor shall comply with all state and federal fair housing laws.

**19. Sponsor Acknowledgment of the Pet Friendly Housing Act of 2017**

By executing this Agreement, Sponsor 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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**EXHIBIT D**

**20. Final Certificate of Occupancy**

Sponsor 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.

**21. Occupancy**

The units shall be in decent, safe, and sanitary condition at the time of their occupancy. In addition, the Sponsor shall certify, upon occupancy, that it will employ the core components of Housing First (set forth at Health and Safety Code section 8255) as part of its property management and tenant selection practices.

**22. Reporting Requirements**

Sponsor shall submit expenditure and program reporting to the Department by **February 1, 2021**. Such reporting shall include the data outlined at Section 402 of the NOFA.

If Sponsor has received State General Fund moneys to fund a 24-month operating subsidy, Sponsor shall submit relevant expenditure reporting to the Department on **January 31, 2021; July 31, 2021; January 31, 2022; and July 31, 2022**. Such reporting shall include the data set forth at Section 402.i. – vi. of the NOFA.

**23. Use Restrictions and Affordability Covenants**

Either a use restriction or an affordability covenant shall be recorded against the Project real property, depending on the Project type. For Interim Housing Projects that will not result in permanent housing, the Department shall cause a 10-year use restriction to be recorded against the Project real property. For Interim Housing Projects that will ultimately result in permanent housing, the Local Public Entity shall cause a 10-year use restriction to be recorded against the Project real property. For Permanent Housing Projects, the Local Public Entity shall cause a 55-year affordability covenant to be recorded against the Project real property.

All use restrictions and affordability covenants shall require integration of the Target Population within all entrances, common areas, and buildings that comprise the Project.

All use restrictions and 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.

**24. Restrictions on Sales, Transfers, and Encumbrances**

Sponsor 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.

Homekey Program (Homekey)

NOFA Date: July 16, 2020

Approved Date: 8-03-2020

Prep. Date: [To maintain version control, insert the date of each draft version and the finalized document]

**EXHIBIT D**

**25. Retention, Inspection, and Audit of Records**

Sponsor is responsible for maintaining records which fully disclose the activities funded by the Grant. Sponsor 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.

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. Sponsor 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.

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 Sponsor 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.

If there are audit findings, the Sponsor 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 Sponsor in writing. If the Department determines, in its sole and absolute discretion, that the response is not satisfactory, the Department will contact the Sponsor, in writing, and explain the action required to cure any audit deficiencies. Such action could include the repayment of ineligible costs or other remediation.

If so directed by the Department upon the termination or expiration of this Agreement, the Sponsor shall deliver all records, accounts, documentation, and other materials that are relevant to this Agreement to the Department as depository.

**26. 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.

Homekey Program (Homekey)

NOFA Date: July 16, 2020

Approved Date: 8-03-2020

Prep. Date: [To maintain version control, insert the date of each draft version and the finalized document]



EXHIBIT D

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

Sponsor agrees to comply with all state and federal laws, rules, guidelines, and regulations that are applicable to the Project, including those that pertain to construction, health and safety, labor, fair employment practices, and equal opportunity.

28. **Updated Information**

If there is any change in the information that has been provided to the Department, Sponsor shall promptly provide the Department with updated documentation (e.g., updated sources and uses). All changes shall be subject to Department approval.

29. **Survival of Obligations**

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

30. **Litigation**

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

31. **Severability**

This Agreement constitutes the entire agreement between the Sponsor 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.

32. **Waivers**

No waiver of any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. The Department's failure, at any time, to enforce the provisions of this Agreement or to require the Sponsor'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.

**EXHIBIT D**

**33. Disputes**

In the event of any conflict between this Agreement and any Sponsor 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.

**34. Consent**

The parties agree that wherever the consent or approval of the Department or Sponsor 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.

**35. Sponsor Liability**

Sponsor 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-Sponsor 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-Sponsors' identification of a Designated Payee.

**36. Defense and Indemnification**

Sponsor 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 Sponsor'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, Sponsor 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.

**37. 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**

**A. PROJECT-SPECIFIC PROVISIONS**

**1. Project Description**

- i. Identify the Grant Amount.
- ii. Identify the payee or the Designated Payee.
- iii. Identify the Eligible Use of the Grant funds.
- iv. Identify the street address and assessor's parcel number (APN) of the Project site(s).
- v. Include additional information about the Project. Examples include, but are not limited to, the following:
  - a) Unit mix chart.
  - b) A description of how the Project will address racial equity and inequities for the Target Population (if Sponsor received points for this showing under Section 204, Table 7, Item 3 of the NOFA).
  - c) A description of the Project's proximity to transit (if Sponsor received points for this feature under Section 204, Table 7, Item 4 of the NOFA).
  - d) A description of the alternative transportation service available at the Project site (if Sponsor received points for this feature under Section 204, Table 7, Item 4 of the NOFA).
  - e) A description of the Project's proximity to essential services (if Sponsor received points for this feature under Section 204, Table 7, Item 4 of the NOFA).

**2. Scope of Work**

- i. Include a clear, precise description of the work to be performed; the services to be provided; and the goals and objectives to be met.

**3. Sponsor Contract Coordinator**

Authorized Representative Name:	Insert Name Here
Authorized Representative Title:	Insert Title Here
Entity Name:	Insert Name Here
Address:	Insert Contact Info Here
Phone No.:	Insert Contact Info Here

Homekey Program (Homekey)

NOFA Date: July 16, 2020

Approved Date: 8-03-2020

Prep. Date: [To maintain version control, insert the date of each draft version and the finalized document]

E-Mail Address:	Insert Contact Info Here
-----------------	--------------------------

**4. Budget Detail**

- i. DFA: Insert specific budget detail (e.g., sources and uses, other funding sources).

**5. Conditions Precedent to Disbursement**

- i. Insert conditions precedent to disbursement that are specific to this Project.

**6. Performance Milestones**

- i. Please insert a customized list of Performance Milestones that are critical to the Project. A sample list is set forth below for informational guidance only.

<b>Performance Milestones</b>	<b>Date</b>
Site control of Project site.	
Completion of all necessary environmental clearances.	
Obtaining all discretionary public land use approvals that are required, notwithstanding Health and Safety Code section 50675.1.1, subdivision (g).	
Obtaining all enforceable funding commitments.	
Satisfaction of all conditions of disbursement set forth at <u>Exhibit B</u> .	
Program funds fully disbursed.	
Satisfaction of occupancy timeline.	
Sponsor's submission of certification that it will employ the core components of Housing First (set forth at Health and Safety Code section 8255) as part of its property management and tenant selection practices.	
Recordation of a 10-year use restriction by the Local Public Entity <b>[for Interim Housing Projects that will convert to permanent housing]</b>	
Recordation of a 55-year affordability covenant by the Local Public Entity <b>[for Permanent Housing Projects]</b>	
Submission of expenditure and program reporting	<b>Feb. 1, 2021</b>

Homekey Program (Homekey)

NOFA Date: July 16, 2020

Approved Date: 8-03-2020

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<b>Performance Milestones</b>	<b>Date</b>
Submission of expenditure reporting in connection with 24-month operating subsidy	<b>Jan. 31, 2021</b>
	<b>July 31, 2021</b>
	<b>Jan. 31, 2022</b>
	<b>July 31, 2022</b>

**B. SPECIAL TERMS AND CONDITIONS**

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

DRAFT

Homekey Program (Homekey)

NOFA Date: July 16, 2020

Approved Date: 8-03-2020

Prep. Date: [To maintain version control, insert the date of each draft version and the finalized document]



August 5, 2020

Yvonne Berry  
First Hotel Inc.  
220 Newport Center Drive  
Newport Beach, California 92660

RE: LETTER OF INTENT FOR THE PROPOSED PURCHASE IVY PALMS HOTEL A ONE HUNDRED (100) ROOM HOTEL, LOCATED AT 2000 NORTH PALM CANYON DRIVE, PALM SPRINGS, CA 92262 CURRENT ASSESSOR PARCEL NUMBER 504-320-032.

Dear Ms. Berry:

We would like to thank you for meeting with us recently to discuss a potential agreement between Riverside County Housing Corporation ("RCHC" or "Buyer") and HOTEL OXYGEN PALM SPRINGS LLC (the "Seller") concerning that certain real property improved with a one hundred (100) room hotel, known as the Ivy Palm Hotel, located at the 2000 North Palm Canyon Drive, Palm Springs, CA 92262 current Assessor Parcel Numbers 504-320-032 (the "Property").

This letter serves as a letter of intent for commencing negotiations between RCHC, as an interested party in the potential acquisition of the Property, and Seller. This is not a formal offer for purchase and sale of the Property on the part of RCHC, but rather serves as the basis for commencing negotiations until Thirty (30) days following Seller's acceptance of the terms of this Non-Binding Letter of Intent with the intention to draft a purchase and sale agreement between the parties containing the proposed terms and conditions set forth below, at all times subject to standards of good faith and fair dealing. The proposed terms and conditions set forth herein are subject to and conditioned upon the final approval of any agreement by RCHC's Board of Directors and the Bankruptcy Court.

Below please find proposed purchase and sale terms:

- A. Within Thirty (30) days following Seller's acceptance of the terms of this Non-Binding Letter of Intent, Seller will execute a proposed Purchase and Sale Agreement to purchase the Property for Eight Million Five Hundred Thousand Dollars (\$8,500,000), provided such proposed Purchase Price is at or below fair market value as determined by a current appraisal completed in accordance to the Uniform Standards of Professional Appraisal

 A 501(c)(3) Non-Profit Public Benefit Corporation 

5555 Arlington Avenue, Riverside, CA 92504 ■ T: 951.343.5485 ■ F: 951.688.6873 ■





Practice by an independent certified appraiser in good standing with the American Institute of Real Estate Appraisers. The proposed Purchase and Sale Agreement, shall be subject to approval by Buyer's Board of Directors, in its sole discretion and is subject to approval after the completion of the due diligence period by the US Bankruptcy Court, Phoenix District, which court is the forum of the Seller's current Chapter 11 reorganization bankruptcy proceeding.

- B. Payment shall be made as follows:
1. Upon the approval of the Purchase and Sale Agreement by Buyer's Board of Directors and execution by its chairman: Buyer will deposit Fifty Thousand Dollars (\$50,000) ("Deposit") into a mutually agreed upon escrow. The Deposit shall be refundable to the Buyer if Buyer cancels the transaction prior to the expiration of the Due Diligence period. The Deposit, including all accrued interest, shall be credited towards the Purchase Price as described below.
  2. Upon Close of Escrow: Buyer will deposit the outstanding balance of the Purchase Price which will be approximately Eight Million Four Hundred and Fifty Thousand Dollars (\$8,450,000).
- C. Buyer shall have a thirty (30) day due diligence period commencing on the escrow opening date ("Due Diligence Period"), to facilitate the review of all documents provided by Seller and evaluate the Property for development including any testing and inspections desired by Buyer. Buyer will notify Seller on or prior to expiration of the Due Diligence Period if Buyer approves the Property for purchase, in its sole discretion. Buyer's failure to respond within the aforementioned time period shall be deemed Buyer's disapproval. In the event that Buyer deems it necessary to extend the Due Diligence period by up to an additional fifteen (15) days, Buyer shall notify Seller in writing of Buyer's extension request, which Seller shall not unreasonably deny.
- D. Escrow shall close fifteen (15) days after the expiration of the due diligence period or ten (10).
- E. The Purchase Agreement will indicate the conditions under which either party may extend the close of escrow, including the fifteen (15) day extension in Section C above.
- F. Within five (5) calendar days of the opening of escrow, Seller shall deliver to Buyer the following documents:
1. Preliminary Title Reports with copies of all exceptions listed on the preliminary report.
  2. Any and all surveys, capital needs assessments, environmental reports, geotechnical and engineering studies, architectural drawings, specifications, as built or reports of any building or structures of the sites, Seller has in its possession, or on site at the Property.
  3. Inventory of all furniture that is currently available at the property.
  4. Audit/Financial reports of the Property from the last three years.





5. Schedule of all capital improvements to the property for the past three (3) years.
  6. All service contracts, manufacturer and service warranties and other written contracts or agreements. Including but not limited to laundry, landscaping, cleaning services, maintenance, and security services.
  7. Any and all other documents normally exchanged between a buyer and a seller, as further described in the Purchase and Sale Agreement.
- G. The purchase price includes the purchase of all furniture currently at the property.
- H. During the Diligence Period, as well as the Escrow Period, the Buyer, its Agents, employees and contractors shall have the right to enter and inspect the Property. Buyer shall provide Seller with Twenty-Four (24) hour notice prior to entering or inspecting the property.
- I. If at any time prior to the end of Due Diligence Buyer determines that one or more of the purchase conditions is not approved or waived, the Purchase and Sale Agreement shall be terminated without any liability of Buyer or Seller(s) to the other, and the Title Company shall return to Buyer the full amount of Deposit less half of any standard escrow cancellation charges.
- J. Escrow shall be opened at Lawyer's Title and Escrow Company. Buyer and Seller will split the cost of escrow fees, Seller to pay for transfer fees and for Buyer's CLTA Owner's title insurance policies for the Property.
- K. A response to this offer must be made within a period of seven (7) business days by executing a copy of this LOI and returning it to RCHC, otherwise this LOI will be of no further force or effect.
- L. Seller acknowledges and agrees that this is a non-binding Letter of intent. Neither Buyer nor Seller shall have any obligations with respect to the purchase and sale of the Property until a mutually agreed upon Purchase and Sale Agreement has been approved by Buyer's Board of Directors and Seller, and executed by Buyer's chairman and an authorized representative of Seller. The Purchase and Sale Agreement will include terms which are consistent with the terms of this LOI.
- M. Seller will draft the Purchase and Sale Agreement for this transaction based on a format substantially similar to that approved by the Bankruptcy Court for sales or other hotel properties by its sister debtor.

The provisions of this letter are not intended to create legally binding obligations behalf of any person; such obligations will result only upon the execution of a definitive agreement and will be set forth in such agreement subject to consideration and approval by the Board of Directors for RCHC and approval by the Bankruptcy Court.





We respectfully request that you sign and return a copy of this letter to the attention of the undersigned no later than the date that is seven (7) days from the date set forth above to show that you agree in principle with the contents of this letter and acknowledge your intent to proceed with negotiations to determine the terms and conditions of the transaction. This letter of intent shall automatically be revoked and be of no further force or effect if not received within the time frame set forth above. Time shall be of the essence in all matters related to this letter and any requirements set forth herein.

We look forward to hearing from you and working with you toward reaching a mutually beneficial agreement. If you have any questions regarding the matters discussed herein, please do not hesitate to contact Mike Walsh, Deputy Director, at (951) 343-5461 or via email at [mfwalsh@rivco.org](mailto:mfwalsh@rivco.org).

BUYER

Heidi Marshall  
Chief Operating Officer  
Riverside Community Housing Corp  
5555 Arlington Avenue  
Riverside, CA 92504

SELLER

by David Valade  
Chief Financial Officer  
Hotel Oxygen Palm Springs, LLC  
c/o J. Phillip Glasscock, Esq.  
Guidant Law, PLC  
402 E. Southern Avenue  
Tempe, Arizona 85282  
[JPG@Guidant.law](mailto:JPG@Guidant.law)  
602-888-9229

Dated: 8-5-20



July 28, 2020

Matthew Melkesian  
CFO  
Desert Empire Homes  
68990 Harrison St.  
Thermal, CA 92274

**RE: Purchase of 40 Manufactured Homes**

Mr. Melkesian:

We would like to thank you for meeting with us recently to discuss a potential agreement between Riverside County Housing Corporation ("RCHC" or "Buyer") and Desert Empire Homes (the "Seller") concerning the purchase of Forty (40) manufactured homes produced by Fleetwood Homes Riverside (the "Property").

This letter serves as a letter of intent for commencing negotiations between RCHC, as an interested party in the potential acquisition of the Property, and Seller. This is not a formal offer for purchase and sale of the Property on the part of RCHC, but rather serves as the basis for commencing exclusive negotiations until August 10, 2020 with the intention to draft a purchase and sale agreement between the parties containing the proposed terms and conditions set forth below, at all times subject to standards of good faith and fair dealing. The proposed terms and conditions set forth herein are subject to and conditioned upon the final approval of any agreement by RCHC's Board of Directors.

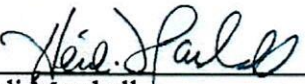
1. RCHC agrees to purchase Forty (40) "Canyon Lake 220CL24443X" model with a quoted price of \$96,285.38. RCHC maintains the ability to order the "Canyon Lake 220CL24443X Custom Front Porch" model with a quoted price of \$104,134.13 Once a unit is in Fleetwood Homes Riverside's production line, RCHC forfeits the option to build that home in the "Canyon Lake 220CL24443X Custom Front Porch" model configuration.
2. Both Housing Authority and Desert Empire Homes will not be responsible to pay for homes that are not manufactured and delivered by Fleetwood Homes Riverside according to the timeline due date of December 1<sup>st</sup>. Desert Empire Homes will not be responsible for project delays caused by payment delays for the purchase of the manufactured units.
3. Buyer shall enter into a lease agreement with Desert Empire Homes for the space rent at Mountain View Estates associated with the Forty (40) manufactured homes.
4. RCHC will agree to purchase units once they are delivered and installed at Mountain View Estates.
5. Seller acknowledges and agrees that this is a non-binding Letter of intent. Neither Buyer nor Seller shall have any obligations with respect to the purchase and sale of the Property until a



mutually agreed upon Purchase and Sale Agreement has been approved by Buyer's Board of Directors and Seller, and executed by Buyer's chairman and an authorized representative of Seller. The Purchase and Sale Agreement will include terms which are consistent with the terms of this LOI.

6. Buyer will draft the Purchase and Sale Agreement for this transaction.
7. The Riverside Community Housing Corp. is submitting this letter with the intent to purchase 40 manufactured homes produced by Fleetwood Homes Riverside.

BUYER

  
\_\_\_\_\_  
Heidi Marshall  
Chief Operating Officer  
Riverside Community Housing Corp  
5555 Arlington Avenue  
Riverside, CA 92504

SELLER

  
\_\_\_\_\_



# Mobile Home Installation Quote

Last Edit: 7/16/2020

Customer: County	Site Address: 68-990 Harrison St. Thermal, CA 92274
Contact: Monica Telles	APN: 751-280-018
Email: mtelles@rivco.org	Model: Canyon Lake 220CL24443X Custom Front Porch
Phone: 760-574-9599, 760-863-2541	Sq. Ft: 24'x46' 1,104

<b>Home</b>	<b>\$ 50,342.00</b>
<b>UPGRADES</b>	
Wire for A/C	\$ 107.00
Wire for Dryer	\$ 66.00
Ceiling Lights	\$ 144.00
100 Amp Meter Base	\$ 205.00
Exterior GFI	\$ 90.00
40 Gallon Electric Water Heater	\$ 77.00
Electrical Fee Change #1 & #2	\$ 125.00
Cab Finish Hardwood	\$1,695
Hose Bibb	\$ 77.00
Insulation Upgrade	\$ 575.00
Lap siding	\$ 483.00
Paint	\$ 130.00
Guest Bath Window	\$ 112.00
Master Bath Window	\$ 112.00
Fire Sprinkler, Fire Bell, & Flow Switch, Additional Sprinkler Heads In Closets	\$ 3,560.00
<b>Upgrades Total</b>	<b>\$ 7,558.00</b>
<b>Sales Tax</b>	<b>\$ 2,926.13</b>
<b>HCD Fees</b>	<b>\$ 735.00</b>
<b>Home Sub Total:</b>	<b>\$ 61,561.13</b>
<b>DEMOLITION &amp; ASPESTOS ABATEMENT</b>	
<b>Demolition &amp; Asbestos Abatement Total:</b>	<b>\$ 8,000.00</b>
<b>INSTALLATIONS</b>	
Installation	\$ 7,000.00
Interior Close Up Dry Wall Double Wide	\$ 1,500.00
Connect Utilities	\$ 1,100.00
Hardi Panel Skirting	\$ 2,000.00
Block Wall Permanent Foundation	\$ 7,680.00
Steps	\$ 1,100.00
A/C	\$ 3,000.00
Awning 11' x 40'	\$ 2,860.00
Delivery	\$ 1,800.00
<b>Installation Total:</b>	<b>\$ 28,040.00</b>
<b>PERMITS, FEES, &amp; PLANS</b>	
DIF, TUMF, Flood, Environmental Health Department,	\$ -
Minor Plot Plan, Site Plan, Site Prep, Install, Permanent Foundation,	\$ -
Grading, Fire, Enchroachment, CVMHSCP,	\$ -
CVWD 3/4" Water Meter, Water System Backup Facility Charge, SCC-Treatm	\$ 6,533.00
Coachella Valley Unified School Distric Fee	\$ -
<b>Permits, Fees, and Plans:</b>	<b>\$ 6,533.00</b>
<b>Grand Total:</b>	<b>\$ 104,134.13</b>

Terms: All information deemed to be reliable but not guaranteed. Prices and specification subject to change without notice. This quote does not include any flooring costs or escrow. Any other fees and cost to be paid by buyer. Quote is subject to site inspection by contractor.

**Payments**

1. Down Payment = \$
2. Prior to Ship = \$
3. At Final = \$

Approved By: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_





# Mobile Home Installation Quote

Last Edit: 7/16/2020

Customer: County	Site Address: 68-990 Harrison St. Thermal, CA 92274
Contact: Monica Telles	APN: 751-280-018
Email: mtelles@rivco.org	Model: Canyon Lake 220CL24443X
Phone: 760-574-9599, 760-863-2541	Sq. Ft: 24'x44' 960

<b>Home</b>	<b>\$ 44,342.00</b>
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### UPGRADES

Wire for A/C	\$ 107.00
Wire for Dryer	\$ 66.00
Ceiling Lights	\$ 144.00
100 Amp Meter Base	\$ 205.00
Exterior GFI	\$ 90.00
40 Gallon Electric Water Heater	\$ 77.00
Electrical Fee Change #1 & #2	\$ 125.00
Cab Finish Hardwood	\$1,695
Hose Bibb	\$ 77.00
Insulation Upgrade	\$ 575.00
Lap siding	\$ 483.00
Paint	\$ 130.00
Guest Bath Window	\$ 112.00
Master Bath Window	\$ 112.00
Fire Sprinkler, Fire Bell, & Flow Switch, Additional Sprinkler Heads In Closets	\$ 3,560.00

<b>Upgrades Total</b>	<b>\$ 7,558.00</b>
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<b>Sales Tax</b>	<b>\$ 2,577.38</b>
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<b>HCD Fees</b>	<b>\$ 735.00</b>
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<b>Home Sub Total:</b>	<b>\$ 55,212.38</b>
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### DEMOLITION & ASPESTOS ABATEMENT

<b>Demolition &amp; Asbestos Abatement Total:</b>	<b>\$ 8,000.00</b>
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### INSTALLATIONS

Installation	\$ 5,500.00
Interior Close Up Dry Wall Double Wide	\$ 1,500.00
Connect Utilities	\$ 1,100.00
Hardi Panel Skirting	\$ 2,000.00
Block Wall Permanent Foundation	\$ 7,680.00
Steps	\$ 1,100.00
A/C	\$ 3,000.00
Awning 11' x 40'	\$ 2,860.00
Delivery	\$ 1,800.00

<b>Installation Total:</b>	<b>\$ 26,540.00</b>
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### PERMITS, FEES, & PLANS

DIF, TUMF, Flood, Environmental Health Department,	\$ -
Minor Plot Plan, Site Plan, Site Prep, Install, Permanent Foundation,	\$ -
Grading, Fire, Enchroachment, CVMHSCP,	\$ -
CVWD 3/4" Water Meter, Water System Backup Facility Charge, SCC-Treatm	\$ 6,533.00
Coachella Valley Unified School Distric Fee	\$ -

<b>Permits, Fees, and Plans:</b>	<b>\$ 6,533.00</b>
----------------------------------	--------------------

<b>Grand Total:</b>	<b>\$ 96,285.38</b>
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Terms: All information deemed to be reliable but not guaranteed. Prices and specification subject to change without notice. This quote does not include any flooring costs or escrow. Any other fees and cost to be paid by buyer. Quote is subject to site inspection by contractor.

#### Payments

1. Down Payment = \$
2. Prior to Ship = \$
3. At Final = \$

Approved By: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

1           **PURCHASE AGREEMENT BY AND BETWEEN THE RIVERSIDE COMMUNITY**  
2                           **HOUSING CORP. AND DESERT EMPIRE HOMES**

3  
4           This Purchase Agreement (“Agreement”) is entered into this \_\_\_\_ day of  
5 September, 2020 (“Effective Date”), by and between the Riverside Community Housing  
6 Corp., a non-profit public benefit corporation, (“RCHC”) and Desert Empire Homes, a  
7 California Corporation (as the “SELLER”).

8   **RECITALS**

9  
10           WHEREAS, the Department of Housing and Community Development  
11 (Department) has issued a Notice of Funding Availability (“**NOFA**”), dated July 16,  
12 2020, for the Homekey Program (“**Homekey**” or “**Homekey Program**”) and the  
13 Department has issued the NOFA for Homekey grant funds pursuant to Health and  
14 Safety Code Section 50675.1.1 (Assembly Bill No. 83 (2019-2020 Reg. Sess.), § 21.);  
15 and,

16           WHEREAS, Riverside Community Housing Corp. (RCHC) and the Housing  
17 Authority of The County of Riverside (HACR) plan to jointly apply for Homekey Program  
18 grant funds to the Department for review and consideration;

19           WHEREAS, The Department is authorized to administer Homekey pursuant  
20 to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of  
21 Part 2 of Division 31 of the Health and Safety Code). Homekey funding allocations are  
22 subject to the terms and conditions of the NOFA, the Application, the Department-  
23 approved STD 213, Standard Agreement, and all other legal requirements of the  
24 Homekey Program;

25  
26           WHEREAS, RCHC and HACR desire to use the funds, if awarded, for  
27 purposes consistent with Homekey Program objectives and purposes, such as acquiring  
28 forty (40) mobile home units to be placed in a permitted park known as Mountain View



1 Estates, located in Thermal/Oasis, in the eastern region of Riverside County, California  
2 for qualified individuals and families who have been impacted by COVID-19 and are  
3 homeless or at risk of homelessness;

4 WHEREAS, any agreements or acquisitions made using Homekey Program funds  
5 shall be subject to the terms and conditions of the NOFA, the Application, the Department-  
6 approved STD 213, Standard Agreement, and all other legal requirements of the Homekey  
7 Program, such as Health and Safety Code Sections 50675.1.1 and 50675.1.2;

8 WHEREAS, Desert Empire Homes owns and has developed two of three phases  
9 of a 398 space mobile home park with spaces to rent to mobile home owners and  
10 includes one manager's unit, is currently developing the third phase of the mobile home  
11 park that includes 107 spaces to rent to mobile home owners in the community of Oasis  
12 located in the unincorporated area of the County of Riverside ("Mountain View Estates");

13 WHEREAS, Desert Empire Homes is a manufactured mobile home dealer  
14 and is licensed to purchase and sell mobile homes;

15  
16 WHEREAS, RCHC is proposing to purchase 40 mobile homes to install in  
17 the third phase of Mountain View Estates;

18 WHEREAS, RCHC is proposing to rent the 40 mobile homes to qualified  
19 individuals and families who have been impacted by COVID-19 and are homeless or at  
20 risk of homelessness;

21 WHEREAS, Desert Empire Homes has represented that it has the  
22 necessary expertise, skill, and ability to carry out the commitments contained in this  
23 agreement;

24 WHEREAS, the RCHC and Desert Empire Homes agree that the mobile  
25 homes Dealer Report of Sale will list the Riverside Community Housing Corp; as owner  
26 of each mobile;

1           NOW, THEREFORE, in consideration of the mutual understanding  
2 provided herein, including that the foregoing recitals are true and correct and shall be  
3 incorporated into and be a part of this Agreement, the parties hereto execute this  
4 Agreement based upon the following terms and conditions:

5           1)     TERM. The term of this Agreement shall be from the Effective date  
6 of the agreement until December 30, 2020. RCHC and Seller may extend the term  
7 period of this Agreement by written amendment and approved by the parties, or its  
8 authorized delegates.

9           2)     PURPOSE. The RCHC agrees to purchase 40 mobile homes,  
10 installed and turnkey ready from Desert Empire Homes for an amount not to exceed  
11 Four Million Dollars (\$4,000,000) upon the terms and conditions set forth herein.

12           a.     To purchase and install forty (40) mobile homes ("Mobiles")  
13 prior to the receipt of a certificate of occupancy for Mountain View Estates  
14 as described below:

15                     i.     Twenty Five (25) 2020 Fleetwood, Canyon Lake  
16                             220CL24443X, three bedroom, two bath, 1056  
17                             square feet on a designated space located in the  
18                             third phase of Mountain View Estates mutually  
19                             agreed by RCHC and Desert Empire Homes.

20                     ii.    Fifteen (15) 2011 Fleetwood, Canyon Lake  
21                             220CL24443X, three bedroom, two bath, front  
22                             porch, 1104 square feet on a designated space  
23                             located in the third phase of Mountain View Estates  
24                             mutually agreed by RCHC and Desert Empire  
25                             Homes.

26           b.     Desert Empire Homes to provide copies of the following  
27 documents no later than 2 weeks after the purchase of the Mobiles:

28                     i.     Copy of Manufactured Home Purchase Order and



1 Federal Disclosure Statement;

2 ii. Copy of fully executed insurance binder.

3 c. Desert Empire Homes to provide remaining documents after  
4 installation of the Mobiles as listed under Section 3.

5 d. The manufacturer's warranty will apply, as well as the  
6 separate warranties applicable to extra equipment and accessories as  
7 may be included.

8 3) DESERT EMPIRE HOMES GENERAL REQUIREMENTS:

9 a. Provide a copy of Manufactured Home Purchase Order and  
10 Federal Disclosure Statement;

11 b. Provide a Manufacturer Certificate Of Origin;

12 c. Provide Riverside County Certificate of Occupancy as proof  
13 of permitted Installation of Mobiles;

14 d. Provide fully executed Insurance Binder from the time  
15 Mobiles are purchased to the time that they are transferred  
16 to the Riverside Community Housing Corp.:

17 i. Fire insurance coverage, liability insurance and any  
18 other insurance coverage as required to cover any  
19 loss for the full replacement value of each of the  
20 Mobiles; and

21 e. Provide 24 hours security service for the Mobiles for the  
22 required time period; and

23 f. Install Mobiles no later than December 30, 2020, unless  
24 extended by RCHC but not limited to the following:

25 i. Desert Empire Homes shall install mobile homes at  
26 a minimum rate of three (3) per week.

27 ii. Desert Empire Homes agrees to increase the  
28 installation of mobile homes at a rate that will

1 achieve established RCHC goals and timelines.

2 4) RCHC PAYMENT. Desert Empire Homes will receive the full amount  
3 of each Mobile prior to the Mobile leaving the factory.

4 5) PAYMENT CONDITIONS. RCHC and Desert Empire Homes  
5 expressly agree and understand that the RCHC purchase referenced in Section 2 of this  
6 Agreement will be contingent upon factors and conditions beyond the RCHC's control  
7 such as program demand, funding sources and other conditions outside the control of  
8 the RCHC. RCHC funds will be disbursed based on RCHC action as set forth in this  
9 Agreement.

10 6) REPAYMENT OF MOBILE HOME PURCHASE. No periodic  
11 payments are required hereunder. Desert Empire Homes agrees to reimburse  
12 payments of any amounts paid by RCHC upon:

- 13 a. Desert Empire Homes failure to utilize the Mobiles as  
14 indicated; or
- 15 b. Desert Empire Homes failure to transfer the Mobiles to the  
16 Riverside Community Housing Corp.; or
- 17 c. Desert Empire Homes failure to maintain the Mobiles in a safe  
18 and sanitary condition or otherwise failure to protect the  
19 Mobiles as set forth in Section 8 below.

20 7) TITLE. Desert Empire Homes represents and warrants that Mobiles  
21 will remain in Desert Empire Homes inventory until such time that each one is transferred  
22 the Riverside Community Housing Corp.

23 8) PROTECTION OF THE MOBILES. Desert Empire Homes shall with  
24 respect to the Mobiles:

- 25 a. Keep Mobiles in good condition and repair;
- 26 b. Not commit waste on Mobiles or any property added to  
27 Mobiles;



- 1 c. Not use Mobiles for any unlawful purpose; Not remove, nor  
2 permit to be removed, any part of Mobiles or any property  
3 added or attached to Mobiles without the prior written  
4 consent of RCHC;
- 5 d. Pay all taxes, charges and space rent due for Mobiles and  
6 the real estate it is located on prior to transfer to Riverside  
7 Community Housing Corp.;
- 8 e. Not move, sell, lease or otherwise transfer title to Mobiles,  
9 without the prior written consent of RCHC;
- 10 g. Not sell, assign or create or permit to exist any lien or  
11 security interest in Mobiles in favor of anyone other than  
12 Riverside Community Housing Corp., unless RCHC  
13 consents thereto in advance in writing;
- 14 h. Remove, upon RCHC's request, any unauthorized lien or  
15 security interest in Mobiles, and defend any claim affecting  
16 Mobiles;
- 17 i. Pay all charges against Mobiles, including but not limited to  
18 taxes, assessments, encumbrances, rents, and insurance;
- 19 j. Permit RCHC and RCHC's representatives to inspect  
20 Mobiles at reasonable time and upon reasonable notice.
- 21 k. Keep the Mobiles insured against loss at such amounts as  
22 RCHC may reasonably require with an insurance company  
23 satisfactory to RCHC. RCHC shall be named as an  
24 additional insured and loss payee on the policy. Desert  
25 Empire Homes shall provide RCHC written evidence of this  
26 insurance.

27 9) INSURANCE. Desert Empire Homes and its contractors shall  
28 procure and maintain during the entire period of this Agreement, at its sole expense,

1 the following insurance coverage as a minimum:

2 a. Worker's Compensation Insurance. If Desert Empire  
3 Homes has employees as defined by the State of California,  
4 Desert Empire Homes shall maintain statutory Workers'  
5 Compensation Insurance (Coverage A) as prescribed by the  
6 laws of the State of California. Policy shall include  
7 Employers' Liability (Coverage B) including Occupational  
8 Disease with limits not less than \$1,000,000 per person per  
9 accident. The policy shall be endorsed to waive subrogation  
10 in favor of RCHC.

11 b. All Risk Policy Insurance. Prior to commencement of any  
12 installation of any mobiles, Desert Empire Homes shall  
13 obtain a standard "all risk" Builders Risk Policy for not less  
14 than the full replacement cost of improvements for ALL  
15 mobile homes delivered or installed prior to transferring title  
16 to each homebuyer and shall include a replacement cost  
17 endorsement. Desert Empire Homes shall maintain this  
18 coverage until each and ALL mobile homes have been  
19 transferred to the homebuyer.

20 c. Comprehensive Broad Form General Liability Insurance.  
21 Commercial General Liability insurance coverage, including  
22 but not limited to, premises liability, contractual liability,  
23 products and completed operations liability, personal and  
24 advertising injury, and cross liability coverage, covering  
25 claims which may arise from or out of Desert Empire Homes  
26 performance of its obligations hereunder. Policy shall name  
27 the RCHC, the Housing Authority of the County of Riverside,  
28 the County of Riverside, its Agencies, Districts, Special



1 Districts, and Departments, their respective directors,  
2 officers, respective Boards, employees, elected or  
3 appointed officials, agents or representatives as Additional  
4 Insured. Policy's limit of liability shall not be less than  
5 \$5,000,000 per occurrence combined single limit. If such  
6 insurance contains a general aggregate limit, it shall apply  
7 separately to this agreement or be no less than two (2) times  
8 the occurrence limit.

9 d. Automobile Liability Insurance. If vehicles or mobile  
10 equipment are used in the performance of the obligations  
11 under this Agreement, then Desert Empire Homes shall  
12 maintain liability insurance for all owned, non-owned or hired  
13 vehicles so used in an amount not less than \$1,000,000 per  
14 occurrence combined single limit. If such insurance  
15 contains a general aggregate limit, it shall apply separately  
16 to this agreement or be no less than two (2) times the  
17 occurrence limit. Policy shall name the RCHC, the Housing  
18 Authority of the County of Riverside,, the County of  
19 Riverside, its Agencies, Districts, Special Districts, and  
20 Departments, their respective directors, officers, respective  
21 Boards, employees, elected or appointed officials, agents or  
22 representatives as Additional Insured or provide similar  
23 evidence of coverage approved by the County's Risk  
24 Manager.

25 e. General Insurance Provisions – All Lines.

26 i) Any insurance carrier providing insurance coverage  
27 hereunder shall be admitted to the State of California and  
28 have an A M BEST rating of not less than A: VIII (A:8) unless

1 such requirements are waived, in writing, by the County Risk  
2 Manager. If the County's Risk Manager waives a  
3 requirement for a particular insurer such waiver is only valid  
4 for that specific insurer and only for one policy term.

5 ii) Desert Empire Homes insurance carrier(s) must  
6 declare its insurance self-insured retentions. If such self-  
7 insured retentions exceed \$500,000 per occurrence such  
8 retentions shall have the prior written consent of the County  
9 Risk Manager before the commencement of operations  
10 under this Agreement. Upon notification of self insured  
11 retention unacceptable to RCHC, and at the election of the  
12 County's Risk Manager, Desert Empire Homes carriers shall  
13 either; (a) reduce or eliminate such self-insured retention as  
14 respects this Agreement with RCHC, or (b) procure a bond  
15 which guarantees payment of losses and related  
16 investigations, claims administration, and defense costs and  
17 expenses.

18 iii) Desert Empire Homes shall cause Desert Empire  
19 Homes insurance carrier(s) to furnish RCHC with copies of  
20 the Certificate(s) of Insurance and Endorsements effecting  
21 coverage as required herein, and 2) if requested to do so  
22 orally or in writing by the County Risk Manager, provide  
23 copies of policies including all Endorsements and all  
24 attachments thereto, showing such insurance is in full force  
25 and effect. Further, said Certificate(s) and policies of  
26 insurance shall contain the covenant of the insurance  
27 carrier(s) that thirty (30) days written notice shall be given to  
28 RCHC prior to any material modification, cancellation,



1 expiration or reduction in coverage of such insurance. In the  
2 event of a material modification, cancellation, expiration, or  
3 reduction in coverage, this Agreement shall terminate  
4 forthwith, unless RCHC receives, prior to such effective  
5 date, another Certificate of Insurance and copies of  
6 endorsements, including all endorsements and attachments  
7 thereto evidencing coverage's set forth herein and the  
8 insurance required herein is in full force and effect. Desert  
9 Empire Homes shall not commence operations until RCHC  
10 has been furnished Certificate(s) of Insurance and copies of  
11 endorsements and if requested, copies of policies of  
12 insurance including all endorsements and any and all other  
13 attachments as required in this Section. An individual  
14 authorized by the insurance carrier to do so on its behalf  
15 shall sign the original endorsements for each policy and the  
16 Certificate of Insurance.

17 iv) Should any policy expire or be cancelled before  
18 the expiration of this Agreement, or such later period as is  
19 required to carry such insurance as set forth herein, and a  
20 party fails immediately to procure other insurance as  
21 specified, the other parties shall have the right, but shall have  
22 no obligation, to procure such insurance and to charge the  
23 defaulting party with one hundred ten percent (110%) of the  
24 cost of procuring such insurance, such amount to be paid  
25 within ten (10) days of written demand therefor.

26 v) It is understood and agreed to by the parties hereto  
27 that Desert Empire Homes insurance shall be construed as  
28 primary insurance, and RCHC's insurance and/or

1 deductibles and/or self-insured retention's or self-insured  
2 programs shall not be construed as contributory.

3 vi) If, during the term of this Agreement or any  
4 extension thereof, there is a material change in the scope of  
5 services; or, there is a material change in the equipment to  
6 be used in the performance of the scope of work which will  
7 add additional exposures (such as the use of aircraft,  
8 watercraft, cranes, etc.); or, the term of this Agreement,  
9 including any extensions thereof, exceeds five (5) years

10 RCHC reserves the right to adjust the types of  
11 insurance required under this Agreement and the monetary  
12 limits of liability for the insurance coverage's currently  
13 required herein, if; in the County Risk Manager's reasonable  
14 judgment, the amount or type of insurance carried by the  
15 Desert Empire Homes has become inadequate.

16 vii) Desert Empire Homes shall pass down the  
17 insurance obligations contained herein to all tiers of  
18 subcontractors working under this Agreement.

19 viii) The insurance requirements contained in this  
20 Agreement may be met with a program(s) of self-insurance  
21 acceptable to RCHC.

22 ix) Desert Empire Homes agrees to notify RCHC of  
23 any claim by a third party or any incident or event that may  
24 give rise to a claim arising from the performance of this  
25 Agreement.

26 10) PRIOR RCHC APPROVAL. Desert Empire Homes shall obtain  
27 RCHC's approval of all items requiring such approvals as described in this Agreement.  
28 RCHC shall not unreasonably withhold or delay any such approval.



1            11) FORCE MAJEURE DELAYS. Delay due to Force Majeure that, in  
2 each case, (i) materially adversely affects the performance by Desert Empire Homes of  
3 its obligations hereunder, (ii) is not reasonably foreseeable and is beyond Desert Empire  
4 Homes reasonable control, (iii) despite the exercise of reasonable diligence, cannot be  
5 prevented, avoided or removed by Desert Empire Homes and is not attributable to the  
6 negligence, willful misconduct or bad faith of Desert Empire Homes, and (iv) is not the  
7 result of the failure of Desert Empire Homes to perform any of its obligations under this  
8 Agreement. Notwithstanding the foregoing, a Force Majeure Delay shall not be deemed  
9 to have occurred unless Desert Empire Homes has notified RCHC of such occurrence  
10 of Force Majeure within fifteen (15) days after such occurrence and has provided RCHC  
11 with the details of such event and the length of the anticipated delay within an additional  
12 fifteen (15) days thereafter. Desert Empire Homes shall diligently attempt to remove,  
13 resolve, or otherwise eliminate such event, keep the RCHC advised with respect  
14 thereto, and shall commence performance of its obligations hereunder immediately  
15 upon such removal, resolution or elimination. During the occurrence and continuance  
16 of a Force Majeure Delay, Desert Empire Homes shall be excused from performance of  
17 its obligations under this Agreement to the extent the Force Majeure prevents Desert  
18 Empire Homes from performing such obligations.

19            12) DESERT EMPIRE HOMES REPRESENTATIONS. Desert Empire  
20 Homes represents and warrants to RCHC as follows:

- 21            a. Authority. Desert Empire Homes is a duly organized limited  
22 partnership in good standing under the laws of the State of  
23 California. The copies of the documents evidencing the  
24 organization of the Desert Empire Homes, which have been  
25 delivered to the RCHC, are true and complete copies of the  
26 originals, amended to the date of this Agreement. Desert  
27 Empire Homes has full right, power and lawful authority to  
28 accept the conveyance of the Project Site and undertake all

1 obligations as provided herein and the execution,  
2 performance and delivery of this Agreement by Desert  
3 Empire Homes has been fully authorized by all requisite  
4 actions on the part of Desert Empire Homes.

5 b. No Conflict. To the best of Desert Empire Homes  
6 knowledge, Desert Empire Homes execution, delivery and  
7 performance of its obligations under this Agreement will not  
8 constitute a default or a breach under contract, agreement  
9 or order to which the Desert Empire Homes is a party or by  
10 which it is bound.

11 c. No Desert Empire Homes Bankruptcy. Desert Empire  
12 Homes is not the subject of a bankruptcy proceeding.

13 d. Prior to Closing. Until Closing, Desert Empire Homes shall  
14 upon learning of any fact or condition which would cause  
15 any of the warranties and representations in this Section 12  
16 not to be true as of Closing, immediately give written notice  
17 of such fact or condition to RCHC. Such exception(s) to a  
18 representation shall not be deemed a breach by Desert  
19 Empire Homes hereunder, but shall constitute an exception  
20 which RCHC shall have the right to approve or disapprove if  
21 such exception would have an effect on the purchasing of  
22 the Mobile Homes.

23 13) EXTENSION OF TIME. RCHC may grant an extension to the  
24 completion schedule for the purpose of completing Desert Empire Homes activities  
25 which cannot be completed as outlined in Section 2. Desert Empire Homes shall  
26 request said extension in writing, stating the reasons therefore, and may be granted  
27 only by receiving written approval from RCHC, which approval shall not be  
28 unreasonably withheld. Every term, condition, covenant, and requirement of this



1 Agreement shall continue in full force and effect during the period of any such extension.

2 14) LETTER TO PROCEED. Desert Empire Homes shall not initiate  
3 nor incur expenses for RCHC funded activity covered under the terms of this Agreement  
4 prior to receiving written authorization to proceed.

5 15) REALLOCATION OF FUNDS. If Desert Empire Homes fails to  
6 meet the deadlines set forth in the Agreement, subject to the notice and cure periods  
7 set forth in Section 22 herein, the funds allocated or reserved may be reallocated by  
8 RCHC after thirty (30) days' prior written notice is given and an opportunity to cure is  
9 given to Desert Empire Homes for a period of sixty (60) days.

10 16) MECHANICS LIENS AND STOP NOTICES. If any claim of  
11 mechanics lien is filed against the property or a stop notice affecting the RCHC is served  
12 on the RCHC, Desert Empire Homes must, within twenty (20) days of such filing or  
13 service, either pay and fully discharge the lien or stop notice, obtain a release of the lien  
14 or stop notice by delivering to the RCHC a surety bond in sufficient form and amount,  
15 or provide the RCHC with other assurance reasonably satisfactory to RCHC that the  
16 lien or stop notice will be paid or discharged.

17 17) FINANCIAL RECORDS. Desert Empire Homes shall maintain  
18 financial, programmatic, statistical, and other supporting records of its operations and  
19 financial activities. Said records shall be retained for no less than five (5) years after  
20 the Project completion date. Records of individual tenant income verifications, project  
21 rents, and project inspections must be retained for the most recent five (5) year period,  
22 until five (5) years after the affordability period terminates. If any litigation, claim,  
23 negotiation, audit, or other action has been started before the expiration of the regular  
24 period specified, the records must be retained until completion of the action and  
25 resolution of all issues which arise from it, or until the end of the regular period,  
26 whichever is later.

27 18) COMPLIANCE WITH LAWS AND REGULATIONS. By executing  
28 this Agreement, Desert Empire Homes hereby certifies that it will adhere to and comply

1 with all federal, state and local laws, regulations and ordinances. In particular, Desert  
2 Empire Homes shall comply with the following as they may be applicable:

3 a. Obligation to Refrain from Discrimination. Desert Empire  
4 Homes covenants and agrees there shall be no  
5 discrimination against or segregation of any person, or  
6 group of persons, on account of race, color, age, religious  
7 creed, sex, sexual orientation, marital status, national origin,  
8 ancestry, familial status, source of income, physical or  
9 mental disability in the sale, lease, sublease, transfer, use,  
10 occupancy, tenure or enjoyment of the Site nor shall RCHC  
11 or any person claiming under or through Desert Empire  
12 Homes establish or permit any such practice or practices of  
13 discrimination or segregation with reference to the selection,  
14 location, number, use or occupancy of tenants, lessees,  
15 subtenants, sublessees, or vendees of the Site.

16 b. Environmental Review. Desert Empire Homes must comply  
17 with the California Environmental Quality Act (CEQA) and  
18 its implementation regulations.

19 c. Prevailing Wages and Compliance with State Laws. Desert  
20 Empire Homes shall comply with any applicable labor  
21 regulations and all other State Laws in connection with the  
22 construction of the improvements which comprise the  
23 Project, including if applicable, requirements relating to  
24 prevailing wages. Desert Empire Homes agrees and  
25 acknowledges that it is the responsibility of Desert Empire  
26 Homes to obtain a legal determination, at Desert Empire  
27 Homes sole cost and expenses as to whether prevailing  
28 wages must be paid for during the construction of the



1 Project. Desert Empire Homes agrees to indemnify, defend,  
2 and hold RCHC harmless from and against any and all  
3 liability arising out of and related to Desert Empire Homes  
4 failure to comply with any and all applicable prevailing wage  
5 requirements.

6 d. All construction contract and professional services for the  
7 Project must be performed by persons or entities licensed  
8 or otherwise authorized to perform the applicable  
9 construction work or service in the State of California.

10 e. The terms and conditions of the attached Federal  
11 Provisions, Exhibit A, attached hereto and by this reference  
12 incorporated herein.

13 19) INDEPENDENT CONTRACTOR. Desert Empire Homes and its  
14 agents, servants and employees shall act at all times in an independent capacity during  
15 the term of this Agreement, and shall not act as, shall not be, nor shall they in any  
16 manner be construed to be agents, officers, or employees of RCHC.

17 20) ACCESS TO PROJECT SITE. RCHC shall have the right to visit  
18 the Project site, at all reasonable times, to review the operation of the Project in  
19 accordance with this Agreement.

20 21) EVENTS OF DEFAULT. The occurrence of any of the following  
21 events shall constitute an "Event of Default" under this Agreement:

22 a. Monetary Default. (1) Desert Empire Homes or any agent of  
23 Desert Empire Homes use of RCHC funds for costs  
24 disallowed or for uses inconsistent with terms and  
25 restrictions set forth in this Agreement; (2) Desert Empire  
26 Homes or any agent of Desert Empire Homes failure to  
27 make any payment of any assessment or tax due under this  
28 Agreement;

1 b. Non-Monetary Default - Operation. (1) Discrimination by  
2 Desert Empire Homes or Desert Empire Homes agent on  
3 the basis of characteristics prohibited by this Agreement or  
4 applicable law; (2) the imposition of any encumbrances or  
5 liens on the Project (other than the Permitted Liens) without  
6 RCHC's prior written approval that are prohibited under this  
7 Agreement; (3) any material adverse change in the condition  
8 of Desert Empire Homes or the Project or permanent  
9 financing or funding for the Project that gives RCHC  
10 reasonable cause to believe that the Project cannot be  
11 operated according to the terms of this Agreement; (4) the  
12 Desert Empire Homes or any agent of the Desert Empire  
13 Homes use of RCHC funds for costs other than costs or for  
14 uses inconsistent with terms and restrictions set forth in this  
15 Agreement; or (5) Desert Empire Homes failure to obtain  
16 and maintain the insurance coverage required under this  
17 Agreement;

18 c. General Performance of Loan Obligations. Any continuous  
19 or repeated breach by Desert Empire Homes or Desert  
20 Empire Homes agents of any material obligations on Desert  
21 Empire Homes imposed in the Agreement;

22 d. General Performance of Other Obligations. Any continuous  
23 or repeated breach by Desert Empire Homes or Desert  
24 Empire Homes agents of any material obligations on the  
25 Project imposed by any other agreement with respect to the  
26 financing, development, or operation of the Project; whether  
27 or not RCHC is a party to such agreement; but only following  
28 any applicable notice and cure periods with respect to any



1 such obligation;

2 e. General Performance of Affordability Requirements. Any  
3 breach by Desert Empire Homes or Desert Empire Homes  
4 agents of any housing affordability requirements imposed in  
5 this Agreement;

6 f. Representations and Warranties. A determination by RCHC  
7 that any of Desert Empire Homes representations or  
8 warranties made in this Agreement, any statements made  
9 to RCHC by the Desert Empire Homes, or any certificates,  
10 documents, or schedules supplied to RCHC by Desert  
11 Empire Homes were untrue in any material respect when  
12 made, or that Desert Empire Homes concealed or failed to  
13 disclose a material fact from RCHC;

14 g. Damage to Project. In the event that the Project is materially  
15 damaged or destroyed by fire or other casualty, and Desert  
16 Empire Homes receives an award or insurance proceeds  
17 sufficient for the repair or reconstruction of the Project and  
18 fails to make such repair or reconstruction within a  
19 reasonable time.

20 h. Bankruptcy, Dissolution and Insolvency. Desert Empire  
21 Homes or any general partner of the Desert Empire Homes  
22 (1) filing for bankruptcy, dissolution, or reorganization, or  
23 failure to obtain a full dismissal of any such involuntary filing  
24 brought by another party before the earlier of final relief or  
25 thirty (30) days after such filing; (2) making a general  
26 assignment for the benefit of creditors; (3) applying for the  
27 appointment of a receiver, trustee, custodian, or liquidator,  
28 or failure to obtain a full dismissal of any such involuntary

1 application brought by another party before the earlier of  
2 final relief or sixty (60) days after such filing; (4) insolvency;  
3 or (5) failure, inability or admission in writing of its inability to  
4 pay its debts as they become due.

5 22) NOTICE OF DEFAULT AND OPPORTUNITY TO CURE. For  
6 monetary and non-monetary Events of Default, RCHC shall give written notice to Desert  
7 Empire Homes and its investment limited partner, of any Event of Default by specifying:  
8 (a) the nature of the Event of Default or the deficiency giving rise to the default, (b) the  
9 action required to cure the deficiency, if an action to cure is possible, and (c) a date,  
10 which shall not be less than sixty (60) calendar days from the mailing of the notice, by  
11 which such action to cure must be taken. RCHC agrees that Desert Empire Homes  
12 and any beneficiary under a deed of trust permitted by this Agreement and the investor  
13 limited partner of Desert Empire Homes (collectively, the "Interested Parties") shall have  
14 the right to cure any and all defaults under this Agreement.

15 23) RIGHT TO CURE DEFAULTS. Notwithstanding anything to the  
16 contrary in the Agreement, upon the occurrence of an Event of Default arising out of:  
17 (i) the bankruptcy, insolvency or assignment of assets for the benefit of creditors by the  
18 General Partner of Desert Empire Homes or by any Guarantor, or (ii) the withdrawal  
19 from Desert Empire Homes of the Desert Empire Homes General Partner, or the death  
20 or incapacity of a General Partner or Guarantor, or (iii) a breach of the representations  
21 concerning such General Partner or any Guarantor, the Investor Limited Partner shall  
22 have the option, but not the obligation, within forty-five (45) days of receipt of written  
23 notice of such Event of Default from RCHC, to cure any such default by appointing a  
24 substitute or additional General Partner or Guarantor that is an affiliate of the Investor  
25 Limited Partner to act as such General Partner or Guarantor.

26 24) RCHC REMEDIES. Upon the happening of an Event of Default and  
27 a failure by Desert Empire Homes to cure said default within the time specified in the  
28 notice of default (if an action to cure is specified in said notice), RCHC's obligation to



1 disburse RCHC funds shall terminate, and RCHC may also in addition to other rights  
2 and remedies permitted by this Agreement or applicable law, proceed with any or all of  
3 the following remedies in any order or combination RCHC may choose in its sole  
4 discretion:

- 5 a. Terminate this Agreement, in which event the entire amount  
6 as well as any other monies advanced to Desert Empire  
7 Homes by RCHC under this Agreement including  
8 administrative costs, shall become immediately due and  
9 payable;
- 10 b. Bring an action in equitable relief (1) seeking the specific  
11 performance by Desert Empire Homes of the terms and  
12 conditions of this Agreement, and/or (2) enjoining, abating,  
13 or preventing any violation of said terms and conditions,  
14 and/or (3) seeking declaratory relief;
- 15 d. Enter the Project and take any remedial actions necessary  
16 in its judgment with respect to hazardous materials that  
17 RCHC deems necessary to comply with hazardous  
18 materials laws or to render the Project suitable for  
19 occupancy;
- 20 e. Enter upon, take possession of, and manage the Project,  
21 either in person, by agent, or by a receiver appointed by a  
22 court; and
- 23 f. Pursue any other remedy available at law or in equity.

24 25) DESERT EMPIRE HOMES REMEDIES. Upon the fault or failure  
25 of RCHC to meet any of its obligations under this Agreement, Desert Empire Homes  
26 may:

- 27 a. Demand payment from the RCHC of any sums due to  
28 Desert Empire Homes; and/or





1 County of Riverside, the County of Riverside, its Agencies, Districts, Special Districts  
2 and Departments, their respective directors, officers, respective Boards, elected and  
3 appointed officials, employees, agents and representatives in any claim or action based  
4 upon such alleged acts or omissions.

5 With respect to any action or claim subject to indemnification herein by  
6 Desert Empire Homes, Desert Empire Homes shall, at their sole cost, have the right to  
7 use counsel of their own choice and shall have the right to adjust, settle, or compromise  
8 any such action or claim without the prior consent of RCHC; provided, however, that  
9 any such adjustment, settlement or compromise in no manner whatsoever limits or  
10 circumscribes Desert Empire Homes indemnification to RCHC as set forth herein.

11 Desert Empire Homes obligation hereunder shall be satisfied when Desert  
12 Empire Homes has provided to RCHC the appropriate form of dismissal relieving RCHC  
13 from any liability for the action or claim involved.

14 The specified insurance limits required in this Agreement shall in  
15 no way limit or circumscribe Desert Empire Homes obligations to indemnify and hold  
16 harmless RCHC herein from third party claims.

17 In the event there is conflict between this clause and California Civil  
18 Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782.  
19 Such interpretation shall not relieve Desert Empire Homes from indemnifying the RCHC  
20 to the fullest extent allowed by law.

21 28) ENTIRE AGREEMENT. It is expressly agreed that this Agreement  
22 embodies the entire agreement of the parties in relation to the subject matter hereof,  
23 and that no other agreement or understanding, verbal or otherwise, relative to this  
24 subject matter, exists between the parties at the time of execution.

25 29) AMENDMENT. This Agreement may only be amended by the  
26 written consent of all the parties to this Agreement at the time of such amendment.

27 30) REMEDIES FOR BREACH OF AGREEMENT. In the event of an  
28 uncured default by either party hereto, the non-defaulting party may terminate this

1 Agreement and pursue any remedy allowed under law or equity.

2 31) AUTHORITY TO EXECUTE. The persons executing this Agreement  
3 or exhibits attached hereto on behalf of the parties to this Agreement hereby warrant and  
4 represent that they have the authority to execute this Agreement and warrant and  
5 represent that they have the authority to bind the respective parties to this Agreement to  
6 the performance of its obligations hereunder.

7 NOTICES. Any notice required or permitted under this Agreement shall  
8 be delivered to the following addresses:

9  
10 RCHC: Attention: Carrie Harmon, Chief Operating Officer  
11 Riverside Community Housing Corp.  
12 5555 Arlington Avenue  
Riverside, CA 92504

13 Desert Empire Homes:

14 Attention: Mathew Melkesian, Chief Financial Officer  
15 Desert Empire Home, a California Corporation  
16 68990 Harrison Blvd.  
Thermal, CA 92274

17 32) WAIVER. Failure by a party to insist upon the strict performance of  
18 any of the provisions of this Agreement by the other party, or the failure by a party to  
19 exercise its rights upon the default of the other party, shall not constitute a waiver of such  
20 party's rights to insist and demand strict compliance by the other party with the terms of  
21 this Agreement thereafter.

22 33) JURISDICTION AND VENUE. Any action at law or in equity  
23 arising under this Agreement or brought by a party hereto for the purpose of enforcing,  
24 construing or determining the validity of any provision of this Agreement shall be filed in  
25 the Superior Court of Riverside County, State of California, and the parties hereto waive  
26 all provisions of law providing for the filing, removal or change of venue to any other court  
27 or jurisdiction.  
28



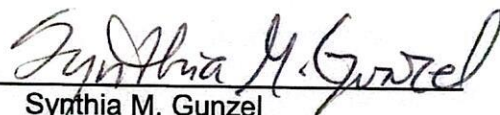


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IN WITNESS WHEREOF, RCHC and Desert Empire Homes have executed this Agreement of the date of Board approval.

RCHC:  
  
RIVERSIDE COMMUNITY  
HOUSING CORP,  
A non-profit public benefit corporation  
  
By: \_\_\_\_\_  
Carrie Harmon  
Chief Operating Officer

SELLER:  
  
Desert Empire Homes, a California  
Corporation  
  
By:  \_\_\_\_\_  
Mathew Melkesian  
Chief Financial Officer

APPROVED AS TO FORM:  
GREGORY P. PRIAMOS, County Counsel  
  
By:  \_\_\_\_\_  
Synthia M. Gunzel  
Chief Deputy County Counsel

**SIGNATURES MUST BE NOTARIZED**



1 EXHIBIT A - FEDERAL PROVISIONS  
2 ADDITIONAL FEDERAL AND STATE REQUIREMENTS  
3

4 This Agreement is subject to applicable Federal, State, and local laws and  
5 regulations, including but not limited to, the regulations pertaining to the Coronavirus Aid,  
6 Relief, and Economic Security (CARES) Act (Public Law 116-136), Health and Safety  
7 Code Sections 50675, 50675.1.1 and 50675.1.2, Homekey Program 2020 Notice of  
8 Funding Availability, dated July 16, 2020, as amended, and the Uniform Administrative  
9 Requirements, Cost Principles and Audit Requirements for Federal Awards (2 CFR 200),  
10 attached hereto as Exhibit "A" and incorporated herein by this reference.

11 Whereas, this Agreement is subject to applicable Federal, State, and local laws  
12 and regulations, SELLER agrees to comply with, and is subject to, the following  
13 Additional Federal and State requirements (if applicable):

14 1. **Equal Employment Opportunity** - Compliance with Executive Order 11246 of  
15 September 24, 1965, entitled "Equal Employment Opportunity", as amended by  
16 Executive Order 11375 of October 13, 1967, and as supplemented in Department of  
17 Labor regulations (41 CFR chapter 60). The SELLER will not discriminate against any  
18 employee or applicant for employment because of race, color, religion, sex, or national  
19 origin. SELLER will ensure that all qualified applicants will receive consideration for  
20 employment without regard to race, color, religion, sex or national origin. The SELLER  
21 will take affirmative action to ensure that applicants are employed and the employees  
22 are treated during employment, without regard to their race color, religion, sex, or  
23 national origin. Such actions shall include, but are not limited to, the following:  
24 employment, up-grading, demotion, or transfer; recruitment or recruitment advertising;  
25 rates of pay or other forms of compensation; and selection for training, including  
26 apprenticeship. The SELLER agrees to post in a conspicuous place, available to  
27 employees and applicants for employment, notices to be provided by the County setting  
28 forth the provisions of this non-discriminating clause.

1 2. **Copeland "Anti-Kickback" Act** (18 U.S.C. 874 and 40 U.S.C. 276c): All  
2 contracts and sub grants in excess of \$2,000 for construction or repair awarded by  
3 recipients and sub recipients shall include a provision for compliance with the Copeland  
4 "Anti-Kickback" Act (18 U.S.C. 874), as supplemented by Department of Labor  
5 regulations (29 CFR part 3, "Contractors and Subcontractors on Public Building or Public  
6 Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act  
7 provides that each contractor or sub recipient shall be prohibited from inducing, by any  
8 means, any person employed in the construction, completion, or repair of public work, to  
9 give up any part of the compensation to which he is otherwise entitled. The recipient  
10 shall report all suspected or reported violations to HUD.

11 3. **Davis-Bacon Act, as amended** (40 U.S.C. 276a to a-7): When required by  
12 Federal program legislation, all construction contracts awarded by the recipients and sub  
13 recipients of more than \$2000 shall include a provision for compliance with the Davis-  
14 Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor  
15 regulations (29 CFR part 5, "Labor Standards Provisions Applicable to Contracts  
16 Governing Federally Financed and Assisted Construction"). Under this Act, SELLER and  
17 any contractors shall be required to pay wages to laborers and mechanics at a rate not  
18 less than the minimum wages specified in a wage determination made by the Secretary  
19 of Labor. In addition, SELLER and any contractors shall be required to pay wages not  
20 less than once a week. The recipient shall place a copy of the current prevailing wage  
21 determination issued by the Department of Labor in each solicitation and the award of a  
22 contract shall be conditioned upon the acceptance of the wage determination. The  
23 recipient shall report all suspected or reported violations to HUD.

24 4. **Contract Work Hours and Safety Standards Act** (40 U.S.C. 327 through 333):  
25 Where applicable, all contracts awarded by recipients in excess of \$2000 for construction  
26 contracts and in excess of \$2500 for other contracts that involve the employment of  
27 mechanics or laborers shall include a provision for compliance with Sections 102 and  
28 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327–333), as



1 supplemented by Department of Labor regulations (29 CFR part 5). Under Section 102  
2 of the SELLER and any contractors shall be required to compute the wages of every  
3 mechanic and laborer on the basis of a standard workweek of 40 hours. Work in excess  
4 of the standard workweek is permissible provided that the worker is compensated at a  
5 rate of not less than 1 1/2 times the basic rate of pay for all hours worked in excess of  
6 40 hours in the workweek. Section 107 of the Act is applicable to construction work and  
7 provides that no laborer or mechanic shall be required to work in surroundings or under  
8 working conditions which are unsanitary, hazardous or dangerous. These requirements  
9 do not apply to the purchases of supplies or materials or articles ordinarily available on  
10 the open market, or contracts for transportation or transmission of intelligence.

11 5. ***Rights to Inventions Made Under a Contract or Agreement:*** Contracts or  
12 agreements for the performance of experimental, developmental, or research work shall  
13 provide for the rights of the Federal Government and the recipient in any resulting  
14 invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit  
15 Organizations and Small Business Firms Under Government Grants, Contracts and  
16 Cooperative Agreements," and any implementing regulations issued by HUD.

17 6. ***Rights to Data and Copyrights:*** SELLER agrees to comply with all applicable  
18 provisions pertaining to the use of data and copyrights pursuant to 48 CFR Part 27.4,  
19 Federal Acquisition Regulations (FAR).

20 7. ***Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution***  
21 ***Control Act*** (33 U.S.C. 1251 et seq.), as amended: Contracts and subgrants of amounts  
22 in excess of \$100,000 shall contain a provision that requires the recipient to agree to  
23 comply with all applicable standards, orders or regulations issued pursuant to the Clean  
24 Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act as amended  
25 (33 U.S.C. 1251 et seq.). Violations shall be reported to HUD and the Regional Office of  
26 the Environmental Protection Agency (EPA).

27 8. ***Byrd Anti-Lobbying Amendment (31 U.S.C. 1352):*** SELLER who apply or bid  
28 for an award of \$100,000 or more shall file the required certification. Each tier certifies

1 to the tier above that it will not and has not used Federal appropriated funds to pay any  
2 person or organization for influencing or attempting to influence an officer or employee  
3 of any agency, a member of Congress, officer or employee of Congress, or an employee  
4 of a member of Congress in connection with obtaining any Federal contract, grant or any  
5 other award covered by 31 U.S.C. 1352. Each tier shall also disclose any lobbying with  
6 non-Federal funds that takes place in connection with obtaining any Federal award. Such  
7 disclosures are forwarded from tier to tier up to the recipient.

8 9. **Debarment and Suspension (E.O.s 12549 and 12689):** No contract shall be  
9 made to parties listed on the General Services Administration's List of Parties Excluded  
10 from Federal Procurement or Nonprocurement Programs in accordance with E.O.s  
11 12549 and 12689, "Debarment and Suspension," as set forth at 24 CFR Part 24. This  
12 list contains the names of parties debarred, suspended, or otherwise excluded by  
13 agencies, and contractors declared ineligible under statutory or regulatory authority other  
14 than E.O. 12549. Contractors with awards that exceed the small purchase threshold shall  
15 provide the required certification regarding its exclusion status and that of its principal  
16 employees.

17 10. **Drug-Free Workplace Requirements:** The Drug-Free Workplace Act of 1988 (42  
18 U.S.C. 701) requires grantees (including individuals) of federal agencies, as a prior  
19 condition of being awarded a grant, to certify that they will provide drug-free workplaces.  
20 Each potential recipient must certify that it will comply with drug-free workplace  
21 requirements in accordance with the Act and with HUD's rules at 24 CFR Part 24, subpart  
22 F.

23 11. **Access to Records and Records Retention:** The SELLER, and any sub-  
24 consultants or sub-contractors, shall allow all duly authorized Federal, State, and/or  
25 County officials or authorized representatives access to the work area, as well as all  
26 books, documents, materials, papers, and records of the SELLER, and any sub-  
27 consultants or sub-contractors, that are directly pertinent to a specific program for the  
28 purpose of making audits, examinations, excerpts, and transcriptions. The SELLER, and



1 any sub-consultants or sub-contractors, further agree to maintain and keep such books,  
2 documents, materials, papers, and records, on a current basis, recording all transactions  
3 pertaining to this agreement in a form in accordance with generally acceptable  
4 accounting principles. All such books and records shall be retained for such periods of  
5 time as required by law, provided, however, notwithstanding any shorter periods of  
6 retention, all books, records, and supporting detail shall be retained for a period of at  
7 least four (4) years after the expiration of the term of this Agreement.

8 12. **Federal Employee Benefit Clause:** No member of or delegate to the congress  
9 of the United States, and no Resident Commissioner shall be admitted to any share or  
10 part of this agreement or to any benefit to arise from the same.

11 13. **Energy Efficiency:** Mandatory standards and policies relating to energy  
12 efficiency which are contained in the State energy conservation plan issued in  
13 compliance with the Energy Policy and Conservation Act (Pub. L. 94A 163, 89 Stat. 871).

14 14. **Procurement of Recovered Materials (2 CFR 200.322.):** A non-Federal **entity**  
15 that is a state agency or agency of a political subdivision of a state and SELLER and any  
16 contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended  
17 by the Resource Conservation and Recovery Act. The requirements of Section 6002  
18 include procuring only items designated in guidelines of the Environmental Protection  
19 Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered  
20 materials practicable, consistent with maintaining a satisfactory level of competition,  
21 where the purchase price of the item exceeds \$10,000 or the value of the quantity  
22 acquired by the preceding fiscal year exceeded \$10,000; procuring solid waste  
23 management services in a manner that maximizes energy and resource recovery; and  
24 establishing an affirmative procurement program for procurement of recovered materials  
25 identified in the EPA guidelines.

26 15. **Orders of Local, State or Federal Health Officials; Executive Orders:**  
27 SELLER mutually acknowledges that local, state, or federal authorities may issue official  
28 orders related to the COVID-19 epidemic, or take other official actions, subsequent to

1 the execution of this Agreement that Parties to this Agreement cannot presently predict.  
2 SELLER acknowledges and agree that this Agreement shall be subject to the provisions  
3 of any such official action or order, particularly but not limited to Executive Orders of the  
4 Governor of the State of California and Orders of the County Public Health Officer, and  
5 the like ("Official Actions"), and if the provisions of any such Official Actions materially  
6 impact the terms of this Agreement, the provisions of those Official Actions shall govern.

7 a. In the event that such Official Actions make the services under this  
8 Agreement illegal, unlawful, or contrary to public policy, RCHC shall provide written  
9 notice to SELLER in the manner described herein, and the Parties agrees that this  
10 Agreement shall terminate as of the date of that Official Action, at no penalty to RCHC.  
11 In such an event, RCHC shall pay any outstanding sums due to SELLER, within thirty  
12 (30) calendar days from the date of that Official Action.

13 b. For funding allocated through the Coronavirus Aid, Relief, and Economic  
14 Security Act (CARES Act), Coronavirus Relief Fund, RCHC will administer and distribute  
15 those funds in accordance with the CARES Act, which requires that payments from the  
16 Coronavirus Relief Fund only be used to cover expenses that are necessary  
17 expenditures incurred due to the public health emergency with respect to the  
18 Coronavirus Disease 2019 (COVID-19); were not accounted for in the budget most  
19 recently approved as of March 27, 2020 (the date of enactment of this section) for the  
20 RCHC; and were incurred during the period that begins on March 1, 2020, and ends on  
21 December 30, 2020.

22 16. SELLER shall comply with the any and all terms, provisions, and conditions set  
23 forth in the Homekey Program 2020 Notice of Funding Availability, dated July 16, 2020,  
24 as amended from time to time.

25  
26  
27  
28



**MOBILEHOME PARK RENTAL AGREEMENT**

**FOR 40 HOMESITES IN THE MOUNTAIN VIEW ESTATES MOBILE HOME PARK**

*[IF THE RENTAL AGREEMENT SATISFIES THE Civ.C. § 798.17 CONDITIONS FOR AN EXEMPTION FROM OTHERWISE APPLICABLE LOCAL RENT CONTROL CEILINGS:] THIS RENTAL AGREEMENT WILL BE EXEMPT FROM ANY ORDINANCE, RULE, REGULATION, OR INITIATIVE MEASURE ADOPTED BY ANY LOCAL GOVERNMENTAL ENTITY WHICH ESTABLISHES A MAXIMUM AMOUNT THAT A LANDLORD MAY CHARGE A TENANT FOR RENT.*

This Rental Agreement, hereafter referred to as "Agreement," is entered into on \_\_\_\_\_, by and between:

Park Owner: \_\_\_\_\_

Address: \_\_\_\_\_

hereafter referred to as "Lessor," and

Homeowner: \_\_\_\_\_

Address: \_\_\_\_\_ Space \_\_\_\_ (See Exhibit A)

hereafter referred to as "Homeowner" without regard to number or gender.

**LESSOR AND HOMEOWNER AGREE AS FOLLOWS:**

1. **DESCRIPTION:** Lessor leases to Homeowner on the following terms and conditions Space Numbers listed on Exhibit A, attached hereto and by this reference incorporated herein, hereafter referred to as "homesite," at \_\_\_\_\_, hereafter referred to as "the Park."

2. **TERM:** This Agreement shall become effective on \_\_\_\_\_, and shall continue until 5:00 P.M. on \_\_\_\_\_.

3. **USAGE AND OCCUPANCY:** Homeowner agrees to install and/or maintain a mobilehome upon the homesite that conforms to the rules and regulations currently in use in the Park and to maintain and occupy the mobilehome in compliance with applicable State and local laws, the California Mobilehome Residency Law (California Civil Code Section 798 et seq.) and the terms and conditions of this Agreement.

4. **LEASE PAYMENTS:** Homeowner shall make a monthly payment for the occupancy of homesite in the following sums for the following time periods:

a. **INITIAL TERM:** Beginning on \_\_\_\_\_, and continuing each and every consecutive calendar month thereafter until \_\_\_\_\_, Homeowner agrees to pay to Lessor the sum of \$455.00 per month for use of each of the homesites listed in Exhibit A.

b. **REMAINING TERM:** Effective \_\_\_\_\_, Homeowner agrees to pay the sums agreed to by the parties for homesite use for the period of time following the initial term.

5. **LATE LEASE PAYMENTS:** Lease payments are due and payable on the \_\_\_\_ day of each month and shall be deemed to be delinquent if not received by Lessor by \_\_\_\_ P.M. on the \_\_\_\_ day following said due date. Delinquent payments, including payments for checks returned for insufficient funds, shall be subject to a \$ \_\_\_\_\_ late charge.

6. **SECURITY DEPOSIT:** No later than \_\_\_\_\_, Homeowner shall pay to Lessor a total of two months' lease payments described in paragraph 4, in addition to the first month's lease payment, which shall constitute Homeowner's Security Deposit. Said Deposit shall be refunded in full to Homeowner as soon as Homeowner has promptly paid, within five days of the due date, all lease payments described in Paragraph 4, and all utilities and reasonable service charges described in paragraph 7, for any twelve (12) consecutive month period following Lessor's receipt of the Deposit, or upon resale of Homeowner's mobilehome, whichever occurs first. Refund shall be made within 30 days after the end of the 12-month period of prompt payment or date of resale of the mobilehome. The Deposit held pending refund shall not bear interest.

Notwithstanding the above formula, only those costs of providing governmentally-required services in the twelve (12) months immediately preceding the proposed pass-through shall be reimbursed to Lessor by Homeowner in the manner herein described. Lessor shall pass through to Homeowner only those costs for governmentally-required services that are not reimbursed to Lessor by insurance or other sources.

**b. Real property taxes:** For purposes of this Agreement, "real property taxes" shall be defined as County taxes levied against the assessed valuation of the Park which are normally payable to the County tax collector pursuant to State law on the tenth (10th) day of December and on the tenth (10th) day of April of each calendar year. Such taxes shall not include Lessor's income taxes or assessments subject to pass-through to Homeowner as "government-required services." New real property taxes assessed to Lessor as a result of new construction or remodeling of the Park's common areas after the effective date of this Agreement shall be passed through to Homeowner in the same manner as other real property tax increases.

In the event that Lessor's real property taxes increase in excess of two percent (2%) over the taxes levied for the preceding County fiscal year, the amount of the increase in excess of two percent (2%) may be passed through to Homeowner upon sixty (60) days' written notice upon the following formula: amount actually paid by Lessor for increased real property taxes in excess of two percent (2%) over previous year, divided by the total number of homesites in the Park, divided by twelve (12) months, equals the monthly sum for increase in real property taxes to be passed through to Homeowner.

c. Intentionally deleted

**d. Verification of cost:** Lessor shall substantiate the amount of any item proposed to be passed through to Homeowner as additional rent by making the following items available to inspection of any Homeowner of the Park at the offices for the Park during normal business hours:

(1) A copy of all bills, statements, and invoices which verify the cost of each item proposed to be passed through to Homeowner;

(2) If insurance proceeds affect the net cost of a given item proposed to be passed through to Homeowner, copies of the documentation received from the insurance company establishing the amount of the claim covered by said company or companies;

(3) Copies of the applicable tax bills; and

(4) Copies of relevant documents or correspondence which would tend to establish the need for the expenditure proposed to be passed through.

**e. Rollback of reimbursed cost:** Once the cost of the item actually passed through to Homeowner has been recovered by Lessor, Lessor agrees to remove that item from the monthly statement.

**f. Increase in debt service:** Any increases in the Lessor's debt service as a result of Lessor's refinancing will not be passed through to Homeowner.

**9. COMPLIANCE WITH MOBILEHOME RESIDENCY LAW:** This Agreement is intended by Lessor and Homeowner to comply with the California Mobilehome Residency Law (Section 798 et seq. of the California Civil Code), a copy of which is attached hereto and made a part hereof. *[Ed. note: Also attach a copy of the notice prescribed by Civ.C. § 798.15(i), describing homeowner and park management rights and responsibilities under the MRL.]*

**10. PARK RULES AND REGULATIONS:** The rules and regulations currently in effect and concurred in by a majority vote of Homeowners in the Park are attached hereto and made a part hereof.

**11. ENTRY UPON HOMEOWNER'S SPACE:** Lessor may enter upon the land which a mobilehome is situated at any reasonable time for maintenance of utilities or premises. However, the entry shall not interfere with Homeowner has abandoned the mobilehome without prior written consent.

**12. SERVICES AND FACILITIES:** Pursuant to California Civil Code Section 798.15(d), Lessor shall provide the following services and maintain the following physical improvements of the Park in good working order and condition during the term of this Agreement: \_\_\_\_\_ *(Specify services and physical improvements.)*

Normal expenses and maintenance will be considered part of Base Rent.

Further, with respect to a sudden or unforeseeable breakdown or deterioration of the above-mentioned improvements, Lessor shall have a reasonable period of time, not to exceed 30 days, as specified in California Civil Code Section 798.15(d), to repair the breakdown or deterioration and bring the improvements into good working order and condition after Lessor knows or should have known of the breakdown or deterioration.



24. **APPROVAL OF PURCHASER AND SUBSEQUENT HOMEOWNERS:** Homeowner may sell his or her mobilehome at any time. Homeowner must immediately notify Lessor in writing of his or her intent to sell if the prospective purchaser intends to remain in the Park. If Lessor does not exercise its rights pursuant to the Mobilehome Residency Law to require the removal of the mobilehome from the Park, the prospective purchaser may reside in the Park if he or she: (i) completes an application for tenancy that is accepted by the Park, (ii) executes a new Rental Agreement, (iii) executes and delivers to the Park a copy of the effective rules and regulations.

25. **USE OF PREMISES:** The mobilehome and premises shall be used only for private residential purposes.

26. **IMPROVEMENTS:** All plants, shrubs, and trees planted on the premises, all fences permanently embedded in the ground, and any concrete or structures permanently attached to the ground shall become the property of Lessor as soon as they are installed, and may not be removed by Homeowner without written consent of Lessor. Although these objects are the property of Lessor, and can be removed by Lessor at any time, Homeowner is completely responsible for their maintenance.

27. **WAIVER:** Lessor's waiver of, or failure to take action on, any breach of a term, covenant or condition contained in the Rental Agreement or Park rule or regulation, shall not constitute a waiver of that obligation or covenant. Lessor's subsequent acceptance of rent or other charges shall not be a waiver of any preceding breach of this Rental Agreement by the Homeowner or any violation of Park rules or failure of Homeowner to pay any particular rent, regardless of Lessor's knowledge of the preceding breach or violation of Park rules or regulations or failure to pay rent.

28. **HOMEOWNER'S INSPECTION OF PREMISES:** By signing this Rental Agreement, Homeowner acknowledges that he or she has carefully inspected the rental space and all the Park's facilities, and has found them to be in every respect as represented by Lessor, and to the extent that they are not exactly as represented, accepts them as they are.

29. **AMENDMENT:** This Agreement may be amended, modified, or changed by the parties, provided that any amendment, modification, or change must be made in writing and approved by both parties.

30. **ENTIRE AGREEMENT:** This Agreement contains the entire agreement between the parties hereto. No promise, representation, warranty, or covenant not included in this Agreement has been or is relied upon by any party hereto. Each provision of this Agreement is separate, distinct and individually enforceable.

31. **HOMEOWNER'S ACKNOWLEDGMENT:** Homeowner acknowledges receipt of a complete copy of this Agreement, and all attachments hereto, including but not limited to copies of:

- a. Lease Schedule;
- b. The California Mobilehome Residency Law; and
- c. The Park Rules and Regulations

Executed in duplicate on the date first above written.

**HOMEOWNER:**

**LESSOR:**

.....  
.....

.....

Park Name

By: .....



**EXHIBIT B**

**IMPORTANT NOTICE TO ALL MANUFACTURED HOME/MOBILEHOME OWNERS; CALIFORNIA LAW  
REQUIRES THAT YOU BE MADE AWARE OF THE FOLLOWING:**

The Mobilehome Residence Law (MRL) found in Section 798 et seq. of the Civil Code, establishes the rights and responsibilities of homeowners and park management. The MRL is deemed a part of the terms of any park rental agreement or lease. This notice is intended to provide you with a general awareness of selected parts of the MRL and other important laws. It does not serve as a legal explanation or interpretation. For authoritative information, you must read and understand the laws. These laws change from time to time. In any year in which the law has changed, you may obtain one copy of the full text of the law from management at no charge. This notice is required by Civil Code Section 798.15(i) and the information provided may not be current.

Homeowners and park management have certain rights and responsibilities under the MRL. These include, but are not limited to:

1. Management must give a homeowner written notice of any increase in his or her rent at least 90 days before the date of the increase. (Civil Code Section 798.30)
2. No rental or sales agreement may contain a provision by which a purchaser or a homeowner waives any of his or her rights under the MRL. (Civil Code Sections 798.19, 798.77)
3. Management may not terminate or refuse to renew a homeowner's tenancy except for one or more of the authorized reasons set forth in the MRL. (Civil Code Sections 798.22, 798.56) Homeowners must pay rent, utility charges, and reasonable incidental service charges in a timely manner. Failure to comply could be grounds for eviction from the park. (Civil Code Section 798.56)
4. Homeowners, residents, and their guests must comply with the rental agreement or lease, including the reasonable rules and regulations of the park and all applicable local ordinances and state laws and regulations relating to mobilehomes. Failure to comply could be grounds for eviction from the park. (Civil Code Section 798.56)
5. Homeowners have a right to peacefully assemble and freely communicate with respect to mobilehome living and for social or educational purposes. Homeowners have a right to meet in the park, at reasonable hours and in a reasonable manner, for any lawful purpose. Homeowners may not be charged a cleaning deposit in order to use the park clubhouse for meetings of resident organizations or for other lawful purposes, such as to hear from political candidates, so long as a homeowner of the park is hosting the meeting and all park residents are allowed to attend. Homeowners may not be required to obtain liability insurance in order to use common facilities unless alcohol is served. (Civil Code Sections 798.50, 798.51)
6. If a home complies with certain standards, the homeowner is entitled to sell it in place in the park. If you sell your home, you are required to provide a manufactured home and mobilehome transfer disclosure statement to the buyer prior to sale. (Civil Code Section 1102.6d) When a home is sold, the owner is required to transfer the title to the buyer. The sale of the home is not complete until you receive the title from the seller. It is the responsibility of the buyer to also file paperwork with the Department of Housing and Community Development to register the home in his or her name. (Civil Code Sections 798.70-798.74)
7. Management has the right to enter the space upon which a mobilehome is situated for maintenance of utilities, trees, and driveways; for inspection and maintenance of the space in accordance with the rules and regulations of the park when the homeowner or resident fails to maintain the space; and for protection and maintenance of the mobilehome park at any reasonable time, but not in a manner or at a time that would interfere with the resident's quiet enjoyment of his or her home. (Civil Code Section 798.26)
8. A homeowner may not make an improvements or alterations to his or her space or home without following the rules and regulations of the park and all applicable local ordinances and state laws and regulations, which may include a permit to construct, and, if required by park rules or the rental agreement, without prior written approval of management. Failure to comply could be grounds for eviction from the park. (Civil Code Section 798.56)
9. In California, mobilehome owners must pay annual property tax to the county tax collector or an annual fee in lieu of taxes to the Department of Housing and Community Development (HCD). If you are unsure which to pay, contact HCD. Failure to pay taxes or in lieu fees can have serious consequences, including losing your home at a tax sale.
10. For more information on registration, titling, and taxes, contact: the Department of Housing and Community Development, [www.hcd.ca.gov](http://www.hcd.ca.gov), (800) 952-8356; your County Tax Collector; or call your local county government.

**[ED. NOTE: Also attach as Exhibits: a copy of California Mobilehome Residency Law (Civ.C. § 798 et seq.); and Park Rules and Regulations, including a copy of any pending proposals to amend Park Rules and Regulations.]**



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

2020 W. El Camino Avenue, Suite 670, 95833  
P.O. Box 952054  
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July 16, 2020

**MEMORANDUM FOR:** All Potential Applicants

**FROM:** Jennifer Seeger, Acting Deputy Director  
Division of Financial Assistance

**SUBJECT:** **NOTICE OF FUNDING AVAILABILITY  
HOMEKEY PROGRAM**

A handwritten signature in blue ink that reads "Seeger".

The California Department of Housing and Community Development (Department) is pleased to announce the availability of approximately \$600 million of Homekey Program (Homekey) grant funding through this Notice of Funding Availability (NOFA). Building on the success of [Project Roomkey](#), Homekey is a statewide effort to rapidly sustain and expand housing for persons experiencing homelessness and impacted by COVID-19.

Of the \$600 million in Homekey funding, \$550 million is derived from the state's direct allocation of the federal Coronavirus Relief Fund (CRF) and \$50 million is state General Fund. The \$50 million in state General Fund money is intended to supplement the acquisition of, and provide initial operating subsidies for, Homekey sites to promote project feasibility. Accordingly, the Department will use these moneys to fund 24-month operating subsidies. **Projects receiving an award from the state's direct allocation of the federal CRF must expend the funds by December 30, 2020.** The portion of a project's award associated with state General Fund must be expended by June 30, 2022. Depending on the funding award, the successful applicant must close escrow by the expenditure deadline.

Due to the Homekey expenditure deadline, and the potential for program oversubscription, eligible applicants are encouraged to submit their completed application as soon as possible. The Department will begin accepting applications on an over-the-counter basis on or about July 22, 2020. Review will be prioritized based on tiered criteria and date of submission. Applicants must submit a complete online application available at <https://www.hcd.ca.gov/grants-funding/active-funding/homekey.shtml>.

On July 24, 2020, the Department will hold a webinar to review the Homekey NOFA and application process. To register, please go to the Department's [Homekey webpage](#). To receive information on the workshop and other updates, please subscribe to the Department's Homelessness Prevention Programs listserv at [http://www.hcd.ca.gov/HCD\\_SSI/subscribe-form.html](http://www.hcd.ca.gov/HCD_SSI/subscribe-form.html).

If you have any questions, please submit them to [Homekey@hcd.ca.gov](mailto:Homekey@hcd.ca.gov).

# Homekey Program

## 2020 Notice of Funding Availability



**State of California**

**Governor Gavin Newsom**

**Lourdes M. Castro Ramirez, Secretary  
Business, Consumer Services and Housing Agency**

**Gustavo Velasquez, Director  
Department of Housing and Community Development**

2020 West El Camino Avenue, Sacramento, CA 95833 Telephone: (916) 263-2771  
Website: <https://www.hcd.ca.gov/grants-funding/active-funding/homekey.shtml>

Homekey Program Email: [Homekey@hcd.ca.gov](mailto:Homekey@hcd.ca.gov)

July 16, 2020



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# HOMEKEY PROGRAM

## NOTICE OF FUNDING AVAILABILITY

### Article I – Program Overview

#### Section 100. Notice of Funding Availability (NOFA)

The California Department of Housing and Community Development (Department) is announcing the availability of approximately \$600 million in Homekey funding to rapidly sustain and expand the inventory of housing for people experiencing homelessness or at risk of homelessness and impacted by COVID-19. The COVID-19 pandemic has exacerbated existing community needs and inequalities. In many communities, homelessness was already experienced disproportionately by race and other protected classes and persons experiencing homelessness are at increased risk of infection and death due to COVID-19. The Centers for Disease Control and Prevention is also reporting evidence points to disproportionate impacts by race and ethnicity for COVID-19 hospitalization and death. As of June 12, age-adjusted hospitalization rates are highest among non-Hispanic American Indian or Alaska Native (5 times white persons) and non-Hispanic Black persons (5 times white persons), followed by Hispanic or Latino persons (4 times white persons).

Homekey is an opportunity for local public agencies to purchase motels and a broad range of other housing types in order to increase their community's capacity to respond to homelessness and the current COVID-19 pandemic. While Homekey builds off the success of Project Roomkey, applications are not limited to Project Roomkey sites.

Of the \$600 million in Homekey grant funds, \$550 million is derived from the state's direct allocation of the federal Coronavirus Aid Relief Funds (CRF) and \$50 million is derived from the state's General Fund to supplement the acquisition of and to provide initial operating subsidies for, Homekey sites.

Each Homekey allocation has the following expenditure deadlines:

- **The \$550 million in CRF must be expended by December 30, 2020.** The Department recognizes this expenditure deadline is challenging; however, the deadline is a requirement of federal CRF funding. The Department will provide ongoing support to assist Grantees in meeting the expenditure deadline and has already developed an accelerated application and award process.

**NOTE:** For projects that involve an acquisition and are receiving CRF awards, Grantees must expend the funds by the expenditure deadline and the project escrow must be closed by December 30, 2020.

- **The \$50 million in state General Funds must be expended by June 30, 2022.**

#### Section 101. Purpose and Program Objectives

The purpose of the Homekey program is to provide grant funding to Eligible Applicants and facilitate a partnership with the state to quickly acquire or rehabilitate or master lease a



variety of housing types. Once developed, these projects will provide interim or permanent housing options for persons experiencing homelessness and who are also at risk of COVID-19. For this NOFA, people experiencing homelessness or who are at risk of experiencing homelessness are considered inherently “impacted by COVID-19,” as they are most likely to have a lower life expectancy, be at a higher risk of infectious and chronic illness, and suffer from substance abuse and poor health. The target population may also have the same underlying medical conditions that result in increased risk for severe illness from COVID-19. Additionally, Homekey recognizes the disproportionate racial impacts of homelessness and COVID-19 and encourages Eligible Applicants to examine disproportionate impact in their own communities and to develop strategies to address these impacts.

#### Section 102. Authorizing Legislation and Applicable Law

Assembly Bill No. 83 (2019-2020 Reg. Sess.) created the statutory basis for Homekey by adding section 50675.1.1 to the Health and Safety Code (HSC) and exempted certain Homekey projects from the California Environmental Quality Act (CEQA) by adding section 50675.1.2 to the HSC.

HSC section 50675.1.1, subdivision (d) states, “The Department of Housing and Community Development may adopt guidelines for the expenditure of the funds appropriated to the Department [for Homekey]. The guidelines shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.”

The Multifamily Housing Program (MHP) (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the HSC), and as subsequently amended, is hereby incorporated by reference. In accordance with HSC section 50675.1.1, subdivision (c), in the event of a conflict between this NOFA and the Multifamily Housing Program, the provisions of this NOFA are controlling.

The MHP Final Guidelines (MHP Guidelines), effective June 19, 2019, and as subsequently amended, are hereby incorporated by reference. In the event of a conflict between any of the MHP Guidelines and this NOFA, the provisions of this NOFA are controlling.

This NOFA establishes the terms, conditions, forms, procedures, and other mechanisms that the Department deems necessary to exercise its powers and to perform its duties pursuant to MHP in relation to Homekey.

The Department reserves the limited right to amend this NOFA after the close of the application period. Such right does not extend to material provisions of the application submission, review, and award process (e.g., scoring and tiering criteria). Post-NOFA amendments will take immediate effect and will govern the Standard Agreement process. After Standard Agreements have been executed, the Department will only amend this NOFA as necessary to provide clarification or to avoid a conflict of law.

The matters set forth herein are regulatory mandates and are adopted as regulations that have the dignity of statutes (*Ramirez v. Yosemite Water Company, Inc.* (1999) 20 Cal.4th 785, 799 [85 Cal.Rptr.2d 844]).



## Section 103. Program Timeline

Homekey funds will be initially available to Eligible Applicants on an over-the-counter basis. Applications will be accepted from the release of this NOFA until September 29, 2020. The Department is also reserving a priority application period to allow for geographic equity in the disbursement of funds. The following table summarizes the Homekey program anticipated timeline.

Table 1: Anticipated timeline for Homekey applications

NOFA release	July 16, 2020
Stakeholder Call	July 16, 2020
Stakeholder Webinar	July 24, 2020
Pre-application consultations and the priority application period	July 16 – August 13, 2020
Final application due date	September 29, 2020
Award announcements	Rolling (Starting August 2020)
Final awards issued	October 2020
Standard agreements mailed	Upon submittal of required information and documentation
The Department redeploys unutilized funds	November 2020
CRF expenditure deadline	December 30, 2020
Grantee Expenditure and Program Report	Feb 1, 2021
State General Funds expenditure deadline	June 30, 2022
State General Funds expenditure report due dates	<ul style="list-style-type: none"><li>▪ January 31, 2021</li><li>▪ July 31, 2021</li><li>▪ January 31, 2022,</li><li>▪ July 31, 2022</li></ul>

The Department reserves the right to make adjustments to the projected timeline at any time.

## **Article II. Application Submission, Review, and Award Process**

### Section 200. Application Process Overview

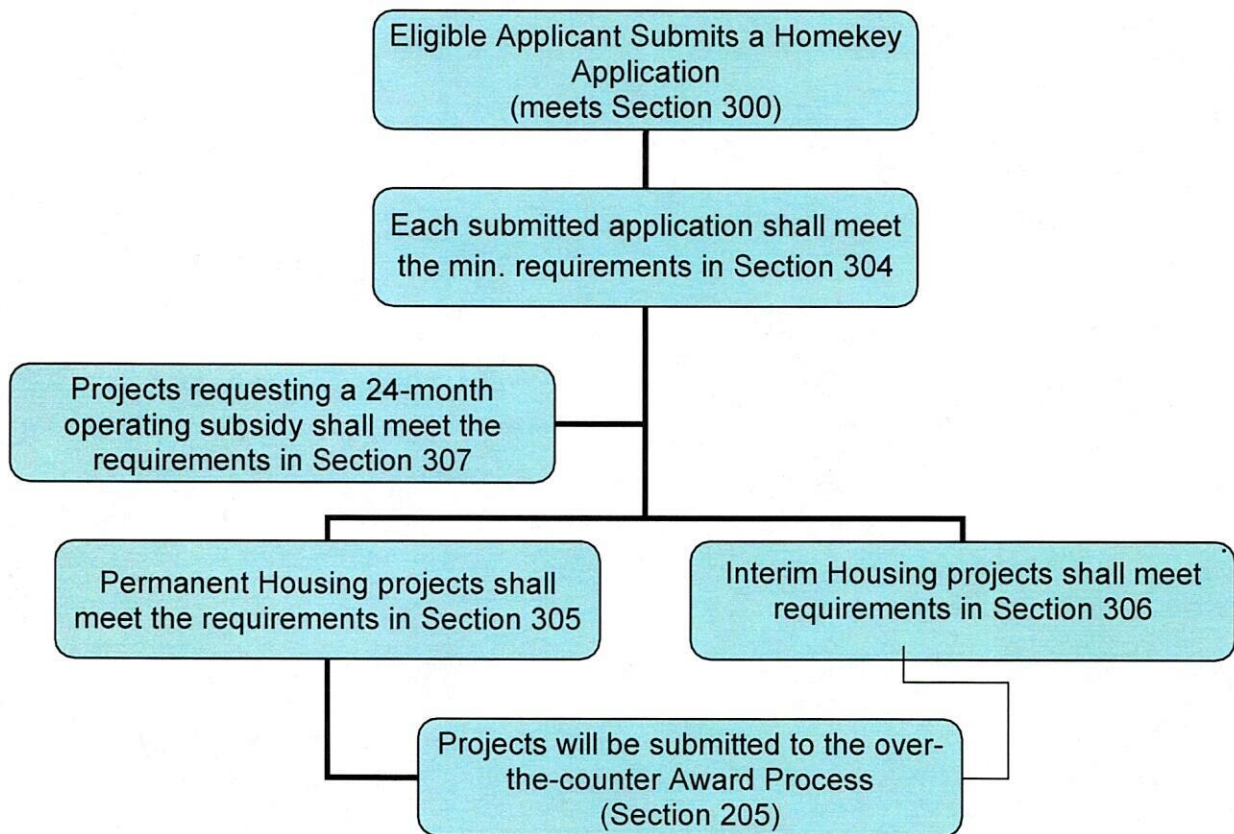
The Homekey application is available electronically on the [Homekey webpage](#). **The Department anticipates releasing the Homekey application on or about July 22, 2020.**

- i. Applications for this NOFA will be received and reviewed on a rolling, over-the-counter basis until the CRF and the state General Fund moneys are committed.
- ii. Applications will be prioritized as described in Section 202.
- iii. The Department will evaluate applications for compliance with the minimum program requirements set forth in Section 304 and depending on the proposed project Applicants should review requirements in Sections 304, 305, and 306. See the Homekey Application Process Flowchart at the end of this Section.



- iv. After each Applicant has been certified to meet the minimum program requirements, to be considered for a funding award, each project must receive a minimum overall score of 110 points, as outlined in Section 204.
- v. The Department reserves the right to do the following:
  - a. Score an application as submitted even if the information is missing from the application; and/or
  - b. Request clarification of unclear or ambiguous statements made in an application or request additional clarifying documentation or information.

Chart 1: Homekey Application Process Flowchart



Section 201. Pre-Application Consultation and Technical Assistance

The Department requires all Applicants to engage in a pre-application consultation with the Department and/or the Department of General Services (DGS) prior to submitting an application. The consultation will allow the prospective Applicant to discuss the proposed project, along with other applicable programmatic considerations, including those related to site acquisition, the CEQA, land use and land entitlements, and long-term financing approaches. Application consultations will be available upon the release of this NOFA and may be requested by emailing [Homekey@hcd.ca.gov](mailto:Homekey@hcd.ca.gov).

Section 202. Geographic Distribution and Project Prioritization

COVID-19 impacts people who are experiencing or who are at risk of homelessness throughout California. As such, the Department would like to ensure jurisdictions throughout the state have an equitable opportunity to apply for Homekey funds to protect the health and safety of their most vulnerable residents.

To this end, the Department has divided the state into eight regions, as outlined in Table 2, below. The regions are largely aligned with the various Councils of Government (COGs). As detailed in Table 2, 3, and 4 below, each region has funding reserved on a time-limited basis during the priority application period. Each region's share of the Homekey allocation is calculated based on its proportionate share of the persons experiencing homelessness of both the sheltered and unsheltered 2019 Homeless Point-in-Time counts and extremely low-income (ELI) renter households that are paying more than 50 percent of their income for rent.

Table 2: Homekey Counties by Region

Counties by Geographic Distribution
<b>Los Angeles County</b>
<b>Bay Area:</b> Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, Sonoma
<b>Southern California:</b> Imperial, Orange, Riverside, San Bernardino, Ventura
<b>San Joaquin Valley:</b> Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, Tulare
<b>San Diego County</b>
<b>Sacramento Area:</b> Amador, El Dorado, Placer, Sacramento, Sutter, Yolo, Yuba
<b>Central Coast:</b> Monterey, San Benito, San Luis Obispo, Santa Barbara, Santa Cruz
<b>Balance of State:</b> Alpine, Butte, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Inyo, Lake, Lassen, Mariposa, Mendocino, Modoc, Mono, Nevada, Plumas, Shasta, Sierra, Siskiyou, Tehama, Trinity, Tuolumne

Table 3: Estimated Homekey Allocations by Region

Geographic Regions	PIT Count	Severely Rent-burdened ELI	CRF Allocation	GF Allocation
Los Angeles County	58,936	415,970	\$161,572,217	\$14,688,383
SF Bay Area	35,028	213,910	\$91,134,470	\$8,284,952
Southern California (w/o LA)	15,360	200,095	\$55,577,540	\$5,052,504
San Joaquin Valley	10,271	105,370	\$32,987,450	\$2,998,859
Central Coast	8,439	38,395	\$20,025,927	\$1,820,539
Sacramento Area	8,381	73,780	\$25,125,077	\$2,284,098
San Diego County	8,102	94,480	\$27,690,283	\$2,517,298
Balance of State	7,254	32,140	\$17,087,036	\$1,553,367



Two percent (2%) of the \$550 million in Homekey funds is for Department administrative costs. Twenty percent (20%) of the remaining \$550 million in Homekey funds is being held back by the Department to ensure there is adequate flexibility to issue awards expediently.

Table 4: Estimated Homekey Allocations

Funding Categories	CRF	General Fund
Total Homekey Allocation	\$550,000,000	\$50,000,000
Administrative at 2%	\$11,000,000	\$1,000,000
Discretionary Set Aside at 20%	\$107,800,000	\$9,800,000
Total Geographic Regional Allocation	\$431,200,000	\$39,200,000

Eligible Applicants who apply within the 30-day priority application period will be grouped into one of the eight geographic regions. The Department will further sort the applications into one of two tiers.

Tier One:

1. Tier One applications will be those projects that: (1) can be occupied within 90 days from the date of acquisition; and (2) are permanent housing or will result in permanent housing as indicated on the application; or
2. Tier One projects include projects that can be occupied within 90 days and used for Interim Housing, provided the project is expected to be developed into permanent housing at a later date **OR** Interim Housing with a coordinated exit strategy adopted by the Continuum of Care to support transitions into other permanent housing. Interim Housing projects shall submit a letter of support from the local Continuum of Care that demonstrates the coordinated exit strategy of the target population.

Tier Two:

Tier Two projects are all other projects and uses, including housing that will be used for interim only and with no expectation of development into permanent housing.

For projects received within the priority application period, the Department will award Tier One projects meeting the program requirements on a rolling basis, up to the regional cap, on a first-come, first-served basis. Tier Two projects meeting the program requirements will be waitlisted and awarded funding if funds are available, after the priority application period, according to the date stamp. Applications that were received after the priority application period, and that met the specified program requirements, will be awarded according to date stamp, as funds are available.

The Department can reimburse eligible Homekey expenditures that occurred prior to the release of this NOFA. Applicants are encouraged to discuss their options at the required pre-application consultation described in Section 201.

The following table summarizes the Homekey application prioritization process and timeline.

Table 5: Anticipated Homekey Application Prioritization Timeline

	Priority Application Review Period July 16 - August 13	Review Period 2 August 14 - September 29	September 29 – December 30, 2020
<b>Applications</b>	Sorted by: a. Regions b. Within Regions, by Tier One or Two c. Within Tiers, by a date stamp	Sorted by date stamp only (not by region or tier)  Note: These applications will be put on a waitlist, and not sorted by Region or Tier.	No applications submitted during this period will be accepted.
<b>Awards</b>	Pre-application consultations and application review period.  The Department will begin awarding Tier One projects meeting threshold within each region on a rolling basis, up to cap for the region.	For applications received through August 13, the Department will continue awarding Tier One projects meeting the Homekey program requirements on a rolling basis, up to the cap for the region. If these Tier One projects are undersubscribed, the Department will award qualified Tier Two projects. If the Tier Two projects are oversubscribed, the Department will award according to date stamp. If Tier Two projects are undersubscribed, The Department will proceed with awards in the following order: a. Any waitlisted applications from other regions received up to August 13, by tier and date stamp. b. Any waitlisted applications received on August 14 or later, by date stamp.  For any tiebreaker needed (e.g., applications received on the same date), the Department will use ability to spend quickly, followed by PIT count, then leverage.	

### Section 203. Maximum Grant Amounts

For acquisition projects, Homekey will generally fund up to \$100,000 per door, as supported by an appraisal. "Door" refers to the number of units at the time of the acquisition, which may differ from the number of units after a future conversion. For those projects that undergo a future conversion, the number of units may need to be reduced to accommodate kitchenettes and other amenities.

The Department recognizes that some acquisitions may have a higher per-door appraised value in certain high-cost areas. Some properties may also have a higher per-door value because they need less upfront work and already have the necessary amenities to support permanent housing solutions—for example, units with kitchenettes.

To support these efforts, the Department will accept requests from Tier One projects up to \$200,000 per door. However, for this \$200,000 per door maximum, the following applies:

- i. The Department will contribute the first \$100,000 per door of the Homekey proposed project. This contribution does not require a local match.



- ii. The eligible Applicant will be required to contribute an identical match of \$50,000 or a 1:1 local match to receive an additional \$50,000 contribution from the Homekey program.
- iii. The eligible Applicants will be required to contribute \$100,000 or a 2:1 local match to receive an additional \$50,000 contribution from the Homekey program.

Table 6: State contributions to projects

Homekey	Eligible Applicant Contribution	Total Per Door
FIRST \$ 100,000	No Match Required	\$100,000
NEXT \$ 50,000 (TIER ONE PROJECTS)	1:1, Up to \$50,000	\$200,000
NEXT \$ 50,000 (TIER ONE PROJECTS)	2:1, Up to \$100,000	\$350,000

Eligible Applicants can request the highest state contribution of Homekey funds if they meet the following criteria:

- i. The proposed project meets the Tier One category specified in Section 202.
- ii. The proposed project is close to permanent occupancy, or there is a clear demonstration of occupying the units with tenants from the target population within 90 days of acquisition, e.g., higher purchase price with minimal rehabilitation needed.
- iii. The Department may consider additional criteria unique to the proposed project that reduce the overall cost of a project when future rehabilitation needs are considered, support catalytic investments in disadvantaged communities without causing displacement, and affirmatively further fair housing.



Section 204. Application Scoring Criteria

Applications meeting the minimum program requirements outlined in Article III will require a **minimum score of 110 points to be eligible for funding**. Scores will be based on the following:

Table 7: Homekey Application Scoring Criteria

Homekey Application Scoring Categories and Max Point Scores	Evaluation Criteria
<p>1. Ability to expend funds by December 30, 2020. <b>(Up to 50 points)</b></p>	<p>a. Identification of the site suitable for development and evidence of site control, or a plan and timeline for obtaining site control along with other supporting evidence (e.g., letter of intent, an exclusive negotiating agreement, ground lease, etc.). <b>(Up to 20 points)</b></p> <p>b. A proposed development vision that identifies the financial and regulatory mechanisms to be used to maintain the ongoing affordability of the project. <b>(Up to 20 points)</b></p> <p>c. An overview of the planned and timeline for any required entitlements, permits, environmental clearances. <b>(Up to 10 points)</b></p>
<p>2. Demonstration of the development team's experience and capacity to acquire and operate the project. <b>(Up to 40 points)</b></p>	<p>a. Demonstration of the development's team experience to acquire and/or rehabilitate and operate the project. <b>(Up to 10 points)</b></p> <p>b. A map of how the development team is connected and a description of how the team will work together, e.g., MOU, etc. <b>(Up to 10 points)</b></p> <p>c. Development, ownership, or operation of a project similar in scope and size to the proposed project. <b>(Up to 10 points)</b></p> <p>d. The extent to which the project can demonstrate the range of on-site and off-site supportive services that will be provided to the target population, e.g., mental health services, substance use disorder services, primary health, employment, and other tenancy support services. <b>(Up to 10 points)</b></p>
<p>3. A demonstration of how the project will address racial equity, other systemic inequities, state and federal accessibility requirements, and serve members of the target population. <b>(Up to 25 points)</b></p>	<p>a. Eligible Applicant shall provide non-discrimination statement per Section 311, which references the Fair Employment and Housing Act. The Fair Employment and Housing Act is supported by accompanying regulations, 2 CCR Section 12005 et seq, covering tenant screening and affirmative marketing requirements. Eligible Applicant will also include a description of how the project will address racial equity and inequities for the target population, including any local disproportionate impact of COVID-19 and homelessness by race and other protected classes. The description should include supporting evidence of the strategies' effectiveness if available. <b>(Up to 15 points)</b></p> <p>b. The extent to which the project exceeds the state and federal accessibility requirements set forth Section 311, specifically providing a minimum of 10 percent of units with features accessible to persons with mobility disabilities, as defined in 24 C.F.R. Section 8.22 and the parallel ADAAG 2010 and CBC provisions, and a minimum of 4 percent of units with features accessible to persons with hearing or vision disabilities, as defined in 24 C.F.R. Section 8.22 and the parallel ADAAG 2010 and CBC Chapter 11B provisions. <b>(Up to 5 points)</b></p>



Homekey Application Scoring Categories and Max Point Scores	Evaluation Criteria
	<p>c. The Applicant or Development team has three or more years of experience serving persons of the target population. <b>(Up to 5 points)</b></p>
<p>4. The extent to which the Eligible Applicant can demonstrate the project's community impact and site selection. <b>(This category is worth 45 points)</b></p>	<p>a. The extent to which the Eligible Applicant can demonstrate the project's impact on the community as demonstrated by a reduction of at least 5 percent of the local 2019 Point-in-Time Count. <b>(Up to 10 points)</b></p> <p>b. The proposed project is a Tier One project and requires no rehabilitation, or the rehabilitation and the occupancy can be completed within 30 days after acquisition. <b>(Up to 10 points)</b></p> <p>c. The project is expected to acquire and maintain 100 or more units for the target population. <b>(Up to 5 points)</b></p> <p>d. For any project below \$350,000 per door, if the Eligible Applicant contributes more than a minimum match outlined in Table 5, above, the application will receive one (1) extra point for every additional 5% per door contributed to the project. For example, for an acquisition that costs \$100,000 per door, the Applicant will receive 1 extra point for every \$5,000 per door in match contributed. <b>(Up to 10 points)</b></p> <p>e. <b>Site Selection (Up to 10 points)</b>  The project site is located within 1/3 mile of a bus rapid transit station, light rail station, commuter rail station, ferry terminal, bus station, or public bus stop. Commuter rail station, ferry terminal, bus station, or public bus stop OR the project includes an alternative transportation service for residents (e.g., van or dial-a-ride service), if costs of obtaining and maintaining the van and its service are included in the budget and the operating schedule is either on demand by tenants or a regular schedule is provided <b>(4 points)</b></p> <p>The project site is in proximity to essential services:</p> <ul style="list-style-type: none"> <li>i. Grocery store – within 1/2 mile of a full-scale grocery store/supermarket of at least 25,000 gross interior square feet where staples, fresh meat, and fresh produce are sold (1 mile for projects in rural areas); <b>(2 points)</b></li> <li>ii. Health facility – within 1/2 mile (1 mile for projects in rural areas) of a qualifying medical clinic with a physician, physician's assistant, or nurse practitioner on-site for a minimum of 40 hours each week, or hospital (not merely a private doctor's office). A qualifying medical clinic must accept Medi-Cal payments, or Medicare payments, or Health Care for the Homeless, or have an equally comprehensive subsidy program for low-income patients; <b>(1 point)</b></li> <li>iii. Library – within 1/2 mile of a book-lending public library (1 mile for projects in rural areas); <b>(1 point)</b></li> <li>iv. Pharmacy: within 1/2 mile of a pharmacy (1 mile for projects in rural areas). <b>(2 points)</b></li> </ul>



In the event of program oversubscription, where Applicants have the same score and the same date stamp, the following tiebreaker system will be applied to determine the project funding:

- i. The Department will take into consideration the highest score for each project received in the expenditure category. (Immediate ability to expend funds by December 30, 2020).
- ii. If a funding determination cannot be made from (i) above, the Department will provide the grant funding to the project with the highest 2019 Homeless Point-in-Time count.
- iii. If the funding determination cannot be made from (i) or (ii) above, the Department will provide funding to project that leverages the most non-Homekey funds (government, private, or philanthropic).
- iv. The Department may consider additional criteria, including but not limited to the cost-effectiveness, community impact, affirmatively furthering fair housing, innovative housing types, tenant stability and proximity to transit, services and amenities.

#### Section 205. Application Submission

The Department will be accepting over-the-counter applications beginning on or about **July 22, 2020**. Instructions for submittal of an application can be found on the website. The Department will set aside a priority application period to immediately begin reviewing and awarding qualified projects from **July 22, 2020 to August 13, 2020**. All other applications received after the application priority period must be received by the Department no later than 5:00 p.m. PDT on **September 29, 2020**.

Applicants must submit the Homekey application and required attachments provided by the Department. The Department will not accept modified application forms. It is the Applicant's responsibility to ensure that the submitted application is accurate. Department staff may request additional clarifying information.

The application is a public record, which is available for public review pursuant to the California Public Records Act (CPRA) (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code). After final Homekey awards have been issued, the Department may disclose any materials provided by the Applicant to any person making a request under the CPRA. The Department cautions Applicants to use discretion in providing information not specifically requested, including but not limited to, bank account numbers, personal phone numbers, and home addresses. By providing this information to the Department, the Applicant is waiving any claim of confidentiality and consents to the disclosure of submitted material upon request.

#### Section 206. Application Award Process

The Department will send both an award letter and a Standard Agreement to the successful Applicant. When the Standard Agreement is signed and returned by the Applicant, the Applicant will simultaneously submit a request for funds. Funds will be disbursed after the Department has received a request for funds and a fully executed Standard Agreement.



The Department is committed to disbursing Homekey funds in a timely manner. To avoid any expenditure delays, funds may be issued directly to the Applicant that is listed on the application, to the designated payee identified by successful co-Applicants, or to an escrow company that has been approved by the Department. For the latter option, the Applicant shall identify the name and address of the escrow company, the name of the escrow officer, the escrow number, and any other information requested by the Department.

### Section 207. Appeals

Federal CRF money is the primary source of funding for the Homekey program, and it is subject to a short expenditure deadline. Section 601(f)(2) of the Social Security Act, as added by section 5001(a) of the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, provides that the U.S. Department of the Treasury will recoup CRF money that have not been used to cover expenses incurred by December 30, 2020. In view of this abbreviated timeframe for award and expenditure, as well as the specific needs and objectives of the Homekey program, the Department, in accordance with its authority under HSC section 50675.7, subdivision (d), will not accept appeals of its award determinations. The Department encourages aggrieved Applicants to resubmit their applications within the specified timeframe.

## **Article III Program Requirements**

### Section 300. Eligible Applicants

- i. Cities, counties, or any other "local public entity," as that term is defined by HSC section 50079; or
- ii. Cities, counties, or any other "local public entity," as that term is defined by HSC section 50079, in partnership with nonprofit or for-profit corporations.

Cities, counties, or other local public entities, including housing authorities or federally recognized tribal governments within California, may apply independently as a Development Sponsor. Alternatively, a Local Public Entity may apply jointly with a for-profit or nonprofit corporation.

### Section 301. Eligible Uses

Awarded funds must be used to provide housing for individuals and families experiencing homelessness or at risk of experiencing homelessness and who are impacted by the COVID-19 pandemic. With respect to the list of eligible uses below, an Eligible Applicant may choose to target Project Roomkey properties, or other, non-Project Roomkey properties. The list of eligible uses for the CRF \$550 million allocation and the \$50 million state General Fund allocation is as follows:

- i. Acquisition or rehabilitation of motels, hotels, or hostels.
- ii. Master leasing of properties.

- iii. Acquisition of other sites and assets, including purchase of apartments or homes, adult residential facilities, residential care facilities for the elderly, manufactured housing, and other buildings with existing residential uses that could be converted to permanent or interim housing.
- iv. Conversion of units from nonresidential to residential in a structure with a certificate of occupancy as a motel, hotel, or hostel.
- v. The purchase of affordability covenants and restrictions for units.
- vi. Relocation costs for individuals who are being displaced as a result of rehabilitation of existing units.
- vii. Capitalized operating subsidies for units purchased, converted, or altered with funds provided pursuant to HSC section 50675.1.1.\*

*\*Projects seeking capitalized operating subsidies for units purchased, converted, or altered will be awarded with funds from the \$50 million state General Fund allocation. The \$550 million in Homekey derived from the CRF is not permitted to be used for this purpose.*

#### Section 302. Eligible Projects

- i. Nonresidential structures with a certificate of occupancy as a motel, hotel, or hostel.
- ii. Adult residential facilities, residential care facilities for the elderly, manufactured housing, and other buildings with existing residential uses.
- iii. Multifamily rental housing projects with five or more housing units.
- iv. Shared housing or scattered site housing is permitted as long as the housing has common ownership, financing, and property management, and each household signs a lease. For example, A single-family home is one unit, a duplex is two units, a triplex is three units, et cetera.

The above list of eligible projects is not exhaustive. The Department welcomes and will consider a variety of other forms of housing as eligible projects. Interested Applicants should discuss other projects types with the Department during the pre-application consultation.

#### Section 303. Match

Eligible Applicants are required to demonstrate a five-year commitment to provide operating funds for the proposed project. The first two years of operating funds may include an award from the \$50 million in state General Fund. Matching contributions may be obtained from any source, including any federal source as well as state, local, and private sources. Eligible Applicants will have an opportunity to discuss the match requirements and potential match sources during the pre-application consultation described in Section 201.



Additionally, the following requirements apply to match contributions:

- i. The Eligible Applicant must ensure the laws governing any funds to be used as matching contributions do not prohibit those funds from being used to match Homekey funds; and
- ii. If the state General Funds are used to satisfy the matching requirements of another program, then funding from that program may not be used to fulfill the matching requirements of the Homekey program.

#### Section 304. General Program Requirements

To be eligible to receive funding, projects must meet the following requirements as they relate to the Eligible Applicant and the project types:

- i. Applications must be submitted independently by a single County, City, Public Housing Authority, or federally recognized tribal government as the Development Sponsor. Alternatively, applications must be submitted by a single County, City, Public Housing Authority, federally recognized tribal government and jointly with another entity as the Development Sponsor.
- ii. Projects must serve persons qualifying as members of the target population.
- iii. Developer experience
  - a. If the Eligible Applicant is acquiring, rehabilitating, and operating an eligible project type as outlined in Section 305 below, the Eligible Applicant shall demonstrate the following minimum experience requirements:
    - 1) Development, ownership, or operation of a project similar in scope and size to the proposed project, or at least two affordable rental housing projects in the last ten years, with at least one of those projects containing at least one unit housing a tenant who qualifies as a member of the target population.
    - 2) The property manager shall have three or more years of experience serving persons of the target population. If a property manager is not yet selected for the proposed project, the selected property manager shall have three or more years of experience serving persons of the target population, **OR** the Grantee shall certify that this requirement will be reflected in any future solicitation or Memorandum of Understanding.
  - b. If the Eligible Applicant is acquiring, rehabilitating, and operating an Interim Housing project, the Eligible Applicant shall demonstrate the following minimum experience requirements:
    - 1) Development or ownership of an Interim Housing project in the last ten years for members who qualify as the target population.
    - 2) The Eligible Applicant has successfully operated an emergency shelter or Transitional Housing or other Interim Housing for at least three years or more for members of the target population.

- 3) Demonstrated experience in linking Interim Housing program participants to permanent housing to ensure long-term housing stability.
  - 4) Experience administering a Housing First program including principles of harm reduction and low barriers to entry.
- c. The Eligible Applicant applying for the Homekey funding is the entity that the Department relies upon for experience and capacity, and will control the project during acquisition, development, and occupancy. In a project with multiple layers of ownership, the Development Sponsor cannot have more than two corporate entities between itself and the borrowing entity.
- iv. Evidence of strong organizational and financial capacity to develop the project, including but not limited to:
    - a. The urgency to acquire a site to provide affordable housing to the target population;
    - b. A development plan to meet the expenditure period;
    - c. If the project will leverage other funding sources.
  - v. Assisted units and other units of the project must meet all applicable state and local requirements pertaining to rental housing, manufactured housing, including but not limited to requirements for minimum square footage, and requirements related to maintaining the project in a safe and sanitary condition.
  - vi. The Department encourages Eligible Applicants to consider the CEQA exemption set forth at HSC section 50675.1.2, the provision for land use consistency and conformity at HSC section 50675.1.1, subdivision (g), as well as the additional streamlining pathways described in the appended CEQA guidance.
  - vii. The Department will require Eligible Applicants to submit the following documents:
    - a. Overview of project vision;
    - b. Description of project team, including partnerships with any other entities;
    - c. Demonstration of the development's team experience to acquire and/or rehabilitate and operate the project;
    - d. Identification of the site suitable for development and evidence of site control or a plan and timeline for obtaining site control along with other supporting evidence (e.g., letter of intent, exclusive negotiating agreement, ground lease, etc.);
    - e. A proposed development vision that identifies the financial and regulatory mechanisms to be used to maintain the ongoing affordability of the project;



- f. A summary of the committed and intended sources, and uses, of the project awarded with Homekey funds;
- g. A proposed timeline for the entire project, including major milestones, any required entitlements, permits, environmental clearances, board or governing body approvals, etc., and completion of the project;
- h. A proposed financing plan for any eventual development of the project;
- i. Preliminary commitment for title insurance. If no title report is available, the Applicant shall identify any known encumbrances on the property;
- j. Environmental site assessment (i.e., Phase 1 Environmental Assessment), or evidence that the assessment is in process and timeline to complete;
- k. Appraisal or evidence that the appraisal is in process and timeline to complete;
- l. Physical Needs Assessment or evidence that the physical needs assessment is in process and timeline to complete. This assessment must include consideration of accessibility requirements (Section 311);
- m. Non-Discrimination Statement and descriptions of tenant selection and/or coordinated entry system practices that meet non-discrimination requirements (Section 311);
- n. Documented ability to obtain the insurance coverages outlined in Article VI of this NOFA; and
- o. Authorizing Resolution (AR) approved by the Applicant's governing body.

The Department reserves the right to request clarification of unclear or ambiguous statements made in an application and other supporting documents.

### Section 305. Permanent Housing Requirements

Permanent housing projects will be evaluated on the following requirements:

- i. The Sponsor shall have control of the property, and such control shall not be contingent on the approval of any other party. The status and nature of the Sponsor's title and interest in the property shall be subject to the Department's approval. 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 all program requirements;
  - 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;
  - e. A letter of intent, executed by a sufficiently authorized signatory of the Eligible Applicant, that expressly represents to the Department, without condition or reservation, that, upon successful application, the Eligible Applicant 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 acknowledged by the party selling or otherwise conveying an interest in the subject property to the Eligible Applicant. If this form of evidence is relied upon at the time of application, the Department may impose additional milestones, in the Standard Agreement, regarding increased evidence of eventual site control closer to the likely close of escrow; or
  - f. Other forms of site control that give the Department assurance (equivalent to items a. through e. above) that the Applicant will be able to complete the project in a timely manner and in accordance with all the program's objectives and requirements.
- ii. The Eligible Applicant's plan to extend a local covenant restricting the use and target population for 55 years.
  - iii. A plan to cover operations and service costs with specific funding sources (government/philanthropic/private) for the proposed project for five years and must demonstrate a path to ultimate use of the site for ten years.
  - iv. To the extent possible, the project shall provide a description of the services that will be available at the housing site including but not limited to case management, behavioral health services, physical health services, assistance obtaining benefits and essential documentation, and education and employment services. Please describe the on-site staffing plan proposed to deliver these services. Also describe the approach to securing off-site services including primary care and other needed physical health and behavioral health services as well as other tenancy supports.
  - v. One-for-one replacement of assisted housing
    - a. If the acquired housing or site is to be redeveloped/repositioned as part of the locality's overall goal to address the needs of the target population and the community, the Applicant shall provide as part of the application a commitment to ensure one-for-one replacement of units.
    - b. If the target site is going to be demolished before it is occupied as part of the project being proposed by the Applicant, no one-for-one replacement commitment needs to be provided. The unit mix will be evaluated based on the project proposal.
    - c. The application shall include a site map indicating the original target housing location and all proposed housing location(s). If all proposed housing will be located within the neighborhood, no additional documentation is necessary. If replacement housing is proposed outside the target neighborhood, the application must also include a justification explaining why it is necessary to locate this



replacement housing outside the target neighborhood (i.e., offsite) and how doing so supports and enables the target population to maintain housing.

- vi. If the development of any project results in the displacement of tenants, regardless of whether the tenant meets the definition of the target population, the Applicant must describe the assistance and benefits to be provided in compliance with local, state, and federal law.

#### Section 306. Interim Housing Requirements

Interim Housing projects with no plan for conversion to permanent housing will be evaluated on the following requirements:

- i. The Sponsor shall have control of the property, and such control shall not be contingent on the approval of any other party. The status and nature of the Sponsor's title and interest in the property shall be subject to the Department's approval. 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 all program requirements;
  - 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;
  - e. A letter of intent, executed by a sufficiently authorized signatory of the Applicant, that expressly represents to the Department, without condition or reservation, that, upon successful application, the Applicant 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 acknowledged by the party selling or otherwise conveying an interest in the subject property to the Applicant. If this form of evidence is relied upon at the time of application, the Department may impose additional milestones, in the Standard Agreement, regarding increased evidence of eventual site control closer to the likely close of escrow; or
  - f. Other forms of site control that give the Department assurance (equivalent to a-e above) that the Applicant will be able to complete the project in a timely manner and in accordance with all the program's objectives and requirements.
- ii. A plan to cover operations and service costs with specific funding sources (government/philanthropic/private) for the proposed project for five years and must demonstrate a path to the ultimate use of the site for ten years.
- iii. To the extent possible, the project shall provide a description of the services that will be available at the housing site including but not limited to case management, behavioral health services, physical health services, assistance obtaining benefits

and essential documentation, and education and employment services. Please describe the on-site staffing plan proposed to deliver these services. Also describe the approach to securing off-site services including primary care and other needed physical health and behavioral health services as well as other tenancy supports.

#### Section 307. Other Requirements

- i. The purchase of existing residential units, or affordability covenants and restrictions require the units to be restricted to individuals and families who are experiencing homelessness or who are at risk of homelessness defined in Section 578.3 of Title 24 of the Code of Federal Regulation, for no fewer than 20 years. Additionally, the Sponsor shall provide a plan to cover operations and service costs with specific funding sources (government/philanthropic) for the proposed project for five years and must demonstrate a path to the ultimate use of the site for ten years.
- ii. Master leasing projects will be evaluated on the following requirements:
  - a. The Sponsor shall have adequate site control of the property, and such control shall not be contingent on the approval of any other party. Site control may be evidenced by one of the following:
    - 1) Fee title;
    - 2) 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 all program requirements;
    - 3) An executed disposition and development agreement, or irrevocable offer of dedication to a public agency;
    - 4) A sales contract, or other enforceable agreement for the acquisition of the property;
    - 5) A letter of intent, executed by a sufficiently authorized signatory of the Eligible Applicant, that expressly represents to the Department, without condition or reservation, that, upon successful application, the Eligible Applicant 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 acknowledged by the party selling or otherwise conveying an interest in the subject property to the Eligible Applicant. If this form of evidence is relied upon at the time of application, the Department may impose additional milestones, in the Standard Agreement, regarding increased evidence of eventual site control closer to the likely close of escrow.
    - 6) Other forms of site control that give the Department assurance (equivalent to 1-5 above) that the Applicant will be able to complete the project in a timely manner and in accordance with all the program's objectives and requirements.
  - b. The Sponsor shall provide a plan to cover operations and service costs with specific funding sources (government/philanthropic) for the proposed project for five years.



- c. To the extent possible, the Eligible Applicant shall demonstrate the range of on-site and off-site supportive services to participants, e.g., mental health services; substance use disorder services; and primary health, employment, and other tenancy support services.

#### Section 308. 24-Month Operating Subsidy

- i. The total amount for each project requesting the 24-month operating subsidy shall not exceed \$1,000 per month per unit to address project operating deficits attributable to the Assisted Units.
- ii. The 24-month operating subsidy must be expended by June 30, 2022.

#### Section 309. Article XXXIV

Per HSC section 37001, subdivision (h), Article XXXIV, section 1 of the California Constitution ("Article XXXIV") is not applicable to development involving the acquisition, rehabilitation, reconstruction, alterations work, or any combination thereof, of lodging facilities or dwelling units using moneys received from the CRF established by the federal CARES Act (Public Law 116-136).

#### Section 310. Housing First

Upon occupancy, the Eligible Applicant shall certify to employ the core components of Housing First (set forth in the Welfare and Institutions Code Section 8255) in the property management and tenant selection practices.

#### Section 311. Accessibility and Non-Discrimination

All developments shall adhere to the accessibility requirements set forth in California Building Code Chapter 11A and 11B and the Americans with Disabilities Act, Title II. In addition, developments shall adhere to either the Uniform Federal Accessibility Standards (UFAS) standards, 24 C.F.R. Part 8, or HUD's modified version of the 2010 ADA Standards for Accessible Design (Alternative 2010 ADAS), HUD-2014-0042-0001, 79 F.R. 29671 (5/27/14) (commonly referred to as "the Alternative Standards" or "HUD Deeming Memo"). Accessible units shall, to the maximum extent feasible and subject to reasonable health and safety requirements, be distributed throughout the project and be available in a sufficient range of sizes and amenities consistent with 24 CFR Section 8.26.

All Sponsors shall adopt a written non-discrimination 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 fair 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 program funds made available pursuant to this NOFA.

All recipients shall comply with the requirements contained in the Americans with Disabilities Act, the Fair Housing Amendments Act, the California Fair Employment and Housing Act, the Unruh Act, Government Code Section 11135, Section 504 of the Rehabilitation Act, and regulations promulgated pursuant to those statutes, including 24 C.F.R. Part 100, 24 C.F.R. Part 8, and 28 C.F.R. Part 35, in all of the Sponsor's activities.

#### Section 312 State Prevailing Wage

Applicant's contemplated use of Homekey funds may be subject to California's prevailing wage law (Lab. Code, § 1720 et seq.). Applicant is urged to seek professional legal advice about the law's requirements. Prior to disbursing the Homekey funds, the Department will require a certification of compliance with California's prevailing wage law. The certification must verify that prevailing wages have been or will be paid (if such payment is required by law), and that labor records will be maintained and made available to any enforcement agency upon request. The certification must be signed by the general contractor(s) and the Sponsor.

### **Article IV Program Operations**

#### Section 401. Program Oversight

As requested by the Department, grantees will be required to provide progress reports of the development plan and any updates to the timeline of the completion of the project. The development plan should include the project's completion milestones and any updates or substantial changes.

#### Section 402. Reporting

Grantees shall submit the following data:

- i. The amount of funds expended for the project.
- ii. The location of any properties for which the funds are used.
- iii. The number of useable housing units produced, or planned to be produced, using the funds.
- iv. The number of individuals housed, or likely to be housed, using the funds.
- v. The number of units, and the location of those units, for which operating subsidies have been, or are planned to be, capitalized using the funds.
- vi. Any lessons learned from the use of the funds.
- vii. The proposed development vision that identifies the financial and regulatory mechanisms to be used to maintain the long-term affordability of the project.
- viii. The progress and status in securing any required entitlements, permits, environmental clearances.
- ix. The proposed timeline for the completion of the project.



If a project received an award for a 24-month operating subsidy, Grantees shall submit the use of the expenditures bi-annually 30 days after the reporting periods of January 1 to June 30 and July 1 to December 31. The first report will be due to the Department on January 31, 2021, and the final bi-annual report is due on July 31, 2022.

The Grantee that receives funds under the Homekey Program is responsible for ensuring that the expenditure of those funds is consistent with the requirements of the Program and for eligible activities described in Section 302. The Department shall monitor the expenditures to ensure that those expenditures comply with this NOFA.

The Department may request the repayment of funds or pursue any other remedies available to it by law for failure to comply with program requirements. After the contract has expired, any funds not expended for eligible uses shall revert and must be remitted to the Department. The deadline for expenditures under the contract is June 31, 2022.

The requested data shall be submitted in electronic format on a form provided by the Department.

#### Section 403. Disbursement of Grant Funds

The Department will disburse funds to cover Homekey-critical expenditures that were incurred during the period of March 1, 2020 through December 30, 2020. Homekey program funds shall be disbursed to the Sponsor after the Department has received a request for funds from the Sponsor and a Standard Agreement between the Sponsor and the Department is fully executed. The Standard Agreement will set forth the general conditions of disbursement, any conditions precedent to disbursements (e.g., documentation requirements for pre-Standard Agreement expenditures), and the Department's remedies upon an event of default. The Standard Agreement will also identify the payee. Where Co-Sponsors wish to receive the grant award outside of escrow, they must identify, and memorialize in the Standard Agreement, which Sponsor will serve as the designated payee for all award amounts.

#### Section 404. Legal documents

Upon the award of Homekey funds to a project, the Department shall enter into one or more agreements with the Sponsor(s), including a Standard Agreement, which shall commit funds from the Homekey program, subject to specified conditions. The agreement or agreements shall include, but not be limited to, the following provisions:

- i. A description of the approved project and the permitted uses of funds;
- ii. The amount and terms of the program grant;
- iii. The use, occupancy, and rent restrictions, if any, to be imposed on the project through a use restriction (e.g., covenant, regulatory agreement) recorded against the property of the project;
- iv. Performance milestones, and other progress metrics, governing the completion of the project, along with the remedies available to the Department in the event of a failure to meet such milestones or metrics;

- v. Provisions governing the manner, timing, and conditions of the disbursement of the program grant;
- vi. Special conditions imposed as part of the Department's approval of the project;
- vii. Terms and conditions required by federal and state law;
- viii. Requirements for reporting to the Department;
- ix. Remedies available to the Department in the event of a violation, breach, or default of the agreement; and
- x. Provisions regarding Sponsor liability. Specifically, the Sponsor will remain liable to the Department for the performance of all program requirements regardless of any Department-approved transfer or assignment of interest. Likewise, each co-Sponsor will remain jointly and severally liable to the Department for the performance of all program requirements regardless of any Department-approved transfer or assignment of interest, and notwithstanding the co-Sponsors' identification of a designated payee.

The agreement will also include such other provisions as are necessary to ensure adherence to the objectives and requirements of the program.

#### Section 405. Sales, Transfers, and Encumbrances

An Applicant(s) shall not sell, assign, transfer, or convey the awarded project, or any interest therein or portion thereof, without the express prior written approval of the Department.

#### Section 406. Defaults and Grant Cancellations

Funding commitments may be canceled by the Department under any of the following conditions:

- i. The objectives and requirements of the Homekey program cannot be met and the implementation of the project cannot proceed in a timely fashion in accordance with the timeframes established in the regulatory agreement/contract.
- ii. In the event of a breach or violation by the Grantee, the Department may give written notice to the Development Sponsor to cure the breach or violation. If the breach or violation is not cured to the satisfaction of the Department within a reasonable time period, the Department, at its option, may declare a default under the relevant document and may seek legal remedies for the default including the following:
  - a. The Department may seek, in a court of competent jurisdiction, an order for specific performance of the defaulted obligation or the appointment of a receiver to complete the project in accordance with Homekey program requirements; and
  - b. The Department may seek such other remedies as may be available under the relevant agreement or any law.



## **Article V. Definitions**

Below are the definitions for purposes of the Homekey program:

- i. "Applicant" or "Eligible Applicant" means a city, county, or other "local public entity," as that term is defined at the HSC section 50079, applying to be a Development Sponsor either on its own or with another entity (such as a for-profit or nonprofit corporation, or another local public entity).
- ii. "Area Median Income" or "AMI" means the most recent applicable county median family income published by the California Tax Credit Allocation Committee (TCAC) or the Department.
- iii. "Assisted Unit" means a residential housing unit that is subject to rent, occupancy or other restrictions associated with a Homekey site.
- iv. "At Risk of Homelessness" has the same meaning as defined in Section 578.3 of Title 24 of the Code of Federal Regulations.
- v. "City" means a city or city and county that is legally incorporated to provide local government services to its population. A city can be organized either under the general laws of this state or under a charter adopted by the local voters.
- vi. "Chronic Homelessness" means a person who is chronically homeless, as defined in 578.3 of Title 24 of the Code of Federal Regulations.
- vii. "Continuum of Care" means the same as defined by the United States Department of Housing and Urban Development at Section 578.3 of Title 24 of the Code of Federal Regulations.
- viii. "Department" means the Department of Housing and Community Development.
- ix. "Development Sponsor" or "Sponsor", as defined in Section 50675.2 of the HSC and subdivision (c) of Section 50669 of the HSC, means any individual, joint venture, partnership, limited partnership, trust, corporation, cooperative, local public entity, duly constituted governing body of an Indian reservation or rancheria, or other legal entity, or any combination thereof, certified by the Department as qualified to own, manage, and rehabilitate a rental housing development. A Development Sponsor may be organized for profit, limited profit or be nonprofit, and includes a limited partnership in which the Development Sponsor or an affiliate of the Development Sponsor is a general partner.
- x. "Environment Assessment – Phase 1" is a report that demonstrates whether the property is free from severe adverse environmental conditions.
- xi. "Grantee" means an Eligible Applicant that has been awarded funds under the program.
- xii. "Homeless" has the same meaning as defined in Section 578.3 of Title 24 of the Code of Federal Regulations.

- xiii. "Housing First" has the same meaning as in Welfare and Institutions Code Section 8255, including all of the core components listed therein.
- xiv. "HUD" means the U.S. Department of Housing and Urban Development.
- xv. "Interim Housing" Transitional Housing" or "Congregate Shelter" means any facility whose primary purpose is to provide a temporary shelter for the Homeless in general or for specific populations of the Homeless, and which does not require occupants to sign leases or occupancy agreements.
- xvi. "Local Public Entity" 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. "Local public entity" also includes two or more local public entities acting jointly.
- xvii. "NOFA" means a Notice of Funding Availability.
- xviii. "Permanent Supportive Housing" has the same meaning as "supportive housing," as defined in Section 50675.14 of the HSC, except that "Permanent Supportive Housing" shall include associated facilities if used to provide services to housing residents.
- xix. "Permanent Housing" means a housing unit where the landlord does not limit length of stay in the housing unit, the landlord does not restrict the movements of the tenant, and the tenant has a lease and is subject to the rights and responsibilities of tenancy.
- xx. "Project" means a multifamily structure or set of structures providing housing with common financing, ownership, and management.
- xxi. "Program Award" means the portion of program funds available for a Grantee to expend toward eligible program uses.
- xxii. "Point-in-Time Count" means a count of sheltered and unsheltered Homeless persons on a single night conducted by Continuums of Care as prescribed by HUD.
- xxiii. "Rural Area" means an area defined in HSC section 50199.21.
- xxiv. "Target Population" means members of the target population identified in HSC section 50675.1.1(a) are individuals and families who are experiencing homelessness or who are at risk of homelessness defined in Section 578.3 of Title 24 of the Code of Federal Regulation and who are impacted by the COVID-19 pandemic.
- xxv. "Unit" means a residential unit that is used as a primary residence by its occupants, including individual units within the project.



## Article VI Insurance Requirements

### Section 600. Insurance Requirements

i. Commercial general liability

Local public entities shall maintain general liability on an occurrence form with limits not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury and property damage liability. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured agreement. This insurance shall apply separately to each insured against which claim is made, or suit is brought subject to the local public entity's limit of liability. **The policy must name the State of California and the Department of Housing and Community Development, as well as the respective appointees, officers, agents, and employees of each, as additional insureds, but only with respect to work performed under the contract.**

**If available in the open market at a reasonable cost, the policy shall also include an endorsement for physical abuse and child/sexual molestation coverage.** Coverage shall include actual or threatened physical abuse, mental injury, sexual molestation, negligent hiring, employment, supervision, investigation, reporting to proper authorities, and retention of any person for whom the local public entity is responsible. This insurance shall apply separately to each insured against which claim is made, or suit is brought subject to the local public entity's limit of liability. Coverage shall include the cost of defense and the cost of defense shall be provided outside the coverage limit.

**If available in the open market at a reasonable cost, the policy shall also include an endorsement for assault and battery.**

ii. Automobile liability

Local public entity shall maintain motor vehicle liability with limits not less than \$1,000,000 combined single limit per accident. Such insurance shall cover liability arising out of a motor vehicle including owned, hired, and non-owned motor vehicles. **The policy must name the State of California and the Department of Housing and Community Development, as well as the respective appointees, officers, agents, and employees of each, as additional insureds, but only with respect to work performed under the contract.**

If local public entity will not have any commercially owned vehicles used during the life of the Standard Agreement, by signing the Standard Agreement, the local public entity certifies that the local public entity and any employees, subcontractors or servants possess valid automobile coverage in accordance with California Vehicle Code sections 16450 to 16457, inclusive. The Department reserves the right to request proof at any time.

iii. Workers' Compensation and Employer's Liability

Local public entity shall maintain statutory worker's compensation and employer's liability coverage for all its employees who will be engaged in the performance of the contract. In addition, employer's liability limits of \$1,000,000 are required. By signing the Standard Agreement, local public entity acknowledges compliance with these regulations. **A Waiver of Subrogation or Right to Recover endorsement in favor of the State of California and the Department of Housing and Community Development must be attached to the certificate.**

iv. Builder's risk/installation floater

If there is installation or construction of property/materials on or within the facility at any time during the life of the Standard Agreement, the local public entity shall maintain in force, at its own expense, Builders Risk/Installation Floater covering the local government entity's labor, materials, and equipment to be used for completion of the Work performed under this contract against all risks of direct physical loss, excluding earthquake and flood, for an amount not less than the full amount of the property and/or materials being installed and/or constructed on or within the facility. The Eligible Applicant agrees as a provision of the contract to waive all rights of recovery against the state.

v. Property insurance

The local public entity shall maintain fire, lightning and extended coverage insurance on the facility which shall be in a form of a commercial property policy, in an amount equal to one hundred percent (100%) of the then current replacement cost of the facility, excluding the replacement cost of the unimproved real property constituting the site. The extended coverage endorsement shall, as nearly as practicable, include but not be limited to loss or damage by an explosion, windstorm, riot, aircraft, vehicle damage, smoke, vandalism, and malicious mischief and such other hazards as are normally covered by such endorsement.

vi. Self-insured

If the local public entity is self-insured in whole or in part as to any of the above-described types and levels of coverage, the local government entity shall provide the Department with a written acknowledgment of this fact at the time of the execution of this Permit. If, at any time after the execution of the Standard Agreement, local public entity abandons its self-insured status, the local public entity shall immediately notify the Department of this fact and shall comply with all of the terms and conditions of this Section pertaining to insurance requirements.





**SCHEDULE "A"**  
**RIVERSIDE COMMUNITY HOUSING CORPORATION**  
**(GL #400)**

**2020-2021 BUDGET**

	Emergency Solutions Grant	Community Development Block Grant (CDBG)	Rental Assistance Demonstration	RAD Properties (DHS/Cat City/Indio)	NSP Properties	Midway Properties (Broadway, Fairview, Midway & Idyllwild)	Perris Park Apartments	Total	Budget Adjustment	Revised Budget FY 20/21
<b>REVENUES</b>										
Rental Income	-	-	1,276,508	417,083	235,143	503,197	381,799	2,813,729	-	2,813,729
RAD Income	-	-	1,912,393	346,513	-	453,952	367,529	3,080,387	-	3,080,387
Grants	500,000	720,000	-	-	-	-	-	1,220,000	-	1,220,000
Laundry Income	-	-	45,017	8,595	385	-	-	53,997	-	53,997
Miscellaneous	-	-	9,490	7,887	10,297	-	9,440	37,114	-	37,114
Interest Income	-	-	-	112	215	200	-	527	-	527
CARES Act/HHPWS	-	-	-	-	-	-	-	-	7,000,000	7,000,000
Housing and Community Development	-	-	-	-	-	-	-	-	12,500,000	12,500,000
<b>TOTAL REVENUES</b>	<b>500,000</b>	<b>720,000</b>	<b>3,243,408</b>	<b>780,190</b>	<b>246,040</b>	<b>957,349</b>	<b>758,768</b>	<b>7,205,754</b>	<b>19,500,000</b>	<b>26,705,754</b>
<b>EXPENSES</b>										
Property Management Fee	-	-	-	51,072	25,562	64,512	39,552	180,698	-	180,698
Asset Management Fee	-	-	-	-	-	-	12,000	12,000	-	12,000
Payroll, Benefits & Taxes	64,287	140,000	1,087,301	66,964	26,208	46,104	104,384	1,535,248	-	1,535,248
Workers Compensation	1,008	-	19,930	101	-	4,826	-	25,865	-	25,865
Legal	-	-	4,509	1,180	2,907	-	-	8,596	-	8,596
Training	-	-	5,000	-	-	-	1,500	6,500	-	6,500
Auditing	-	-	10,506	-	-	3,443	5,500	19,449	-	19,449
Office Rent/Storage	-	-	14,172	-	-	-	-	14,172	-	14,172
Management & Bookkeeping Fees	-	-	327,023	-	-	-	-	327,023	-	327,023
Administrative Sundry	4,706	-	58,814	13,752	4,440	24,964	7,475	114,151	-	114,151
Computer Services (RCIT-County & TenMast)	-	-	59,677	-	-	-	-	59,677	-	59,677
Tenant Services	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	338,557	116,438	15,954	90,981	118,200	680,130	-	680,130
Maintenance Salaries & Benefits	-	-	44,298	25,380	25,380	128,568	-	198,246	-	198,246
Operations and Maintenance - Materials	-	-	184,339	-	-	-	28,500	212,839	-	212,839
Operations and Maintenance - Services	-	-	418,310	178,753	58,442	108,174	80,200	843,879	-	843,879
Trash	-	-	109,400	33,083	8,628	44,770	25,700	221,581	-	221,581
Insurance	-	-	252,085	60,780	10,576	76,800	28,365	428,605	-	428,605
Other General Expense	-	-	17,111	22,865	15,799	13,234	80,476	149,485	-	149,485
Replacement Reserves	-	-	87,900	22,800	10,500	28,839	24,000	174,039	-	174,039
Housing Assistance Payments/Project Cost	430,000	580,000	-	-	-	-	-	1,010,000	-	1,010,000
Loan to Ripley	-	-	100,000	-	-	-	-	100,000	-	100,000
Operational Reserves	-	-	148,776	168,103	41,644	322,134	202,916	883,573	-	883,573
Capital Reserves	-	-	-	-	-	-	-	-	-	-
Property Purchases	-	-	-	-	-	-	-	-	19,500,000	19,500,000
<b>TOTAL EXPENSES</b>	<b>500,000</b>	<b>720,000</b>	<b>3,243,408</b>	<b>780,190</b>	<b>246,040</b>	<b>957,349</b>	<b>758,768</b>	<b>7,205,754</b>	<b>19,500,000</b>	<b>26,705,754</b>
<b>NET GAIN (LOSS)</b>	-	-	-	-	-	-	-	-	-	-