

## HOME AGREEMENT

THIS HOME AGREEMENT ("Agreement") is made this 18th day of August, 2020, by and between the COUNTY OF FRESNO, a political subdivision of the State of California ("County") whose address is 2220 Tulare Street, 6<sup>th</sup> Floor, Fresno CA 93721, and Habitat for Humanity Fresno, Inc., a California non-profit corporation, whose mailing address is 4991 E. McKinley Suite 123, Fresno, California 93727, ("Borrower").

## WITNESSETH

WHEREAS, the County has been designated as a participating jurisdiction to administer and implement the Federal HOME Investment Partnerships ("HOME") Program activities of the County, in accordance with the Federal HOME regulations, and the laws of the State of California;

WHEREAS, Federal HOME regulations require the County set aside a minimum of fifteen percent (15%) of the County's annual HOME allocation for eligible housing activities that will be owned, developed or sponsored by a qualified Community Housing Development Organization (CHDO);

WHEREAS, the County has determined that Borrower has met the requirements for designation as a County-certified CHDO;

WHEREAS, the general purpose of the HOME Program is to strengthen public-private partnerships, and to expand the supply of decent, safe, sanitary, and affordable housing, with primary attention to rental housing, for very low-income and low-income households;

WHEREAS, the Borrower has applied to the County for HOME funds and CHDO set aside funds to assist with the development of eight (8) single-family residences, called Country Meadows II ("Project"), which will be affordable to very-low to low-income households;

WHEREAS, the Borrower requested a loan of Four Hundred Fifty Thousand Dollars (\$450,000) from the County of Fresno HOME Program to assist with the construction of the Project, an eight-unit (8) single-family residential development, of which eight (8) single-family residences will be funded by and subject to the County's Federal HOME funds ("HOME-assisted"). The Borrower requests that the HOME funds be used as a construction loan and secondary mortgage financing for eligible homebuyers;

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1 WHEREAS, the County has Four Hundred Fifty Thousand Dollars (\$450,000) available from its  
2 Federal HOME grant funds to loan to the Borrower for the Project, which will be provided first through the  
3 CHDO set-aside funds per the Federal HOME regulations;

4 WHEREAS, the County has determined the Borrower has the capacity to develop the Project,  
5 and the Project has been determined to meet HOME requirements for funding;

6 WHEREAS, the Project will increase the supply of affordable single-family residences in Fresno  
7 County for households earning no more than eighty percent (80%) of the Area Median Income (AMI), as  
8 reported annually by the U.S. Department of Housing and Urban Development (HUD);

9 WHEREAS, the total estimated Project cost is One Million, Eight Hundred Eighty Thousand  
10 Dollars (\$1,880,000), and the Borrower has or will obtain other funding commitments apart from the  
11 County HOME loan to complete the financing for the Project; and

12 WHEREAS, the Project is consistent with the County's Consolidated Plan.

13 NOW, THEREFORE, in consideration of their promises as hereinafter set forth, the Borrower and  
14 the County agree as follows:

15 I. PROJECT DESCRIPTION, LOCATION, SECURITY, BUILDING REQUIREMENTS AND  
16 BUDGET

17 A. DESCRIPTION:

18 1. The Project consists of the development of eight (8) single-family residences which  
19 shall be HOME-assisted and shall satisfy HOME occupancy requirements for no less than the required  
20 HOME Period of Affordability. The Period of Affordability shall be twenty (20) years, beginning on the  
21 date the Project is completed and closed in HUD's Integrated Disbursement & Information System (IDIS).  
22 The Project's HOME-assisted single-family residences include a mix of 3-bedroom and 4-bedroom  
23 single-family residences.

24 2. The Project will provide new owner-occupied single-family residences that will be  
25 affordable to households earning no more than eighty percent (80%) of AMI for Fresno County, as  
26 reported annually by HUD.

27 3. The Project will utilize a mutual self-help housing model in the construction of the  
28 residences, whereby each homebuyer or volunteer will contribute labor in the construction of the

1 residence. The Borrower shall maintain and provide to the County records of actual hours spent by each  
2 volunteer in performing voluntary labor, which shall be credited as "sweat equity." Such records may be  
3 used as one of the methods to calculate compliance with the HOME match requirement.

4 B. LOCATION:

5 The Project will be developed on eight (8) individual lots that are part of an  
6 approximately 16.14 acre site (the "Property") located along Wilda, Pendelton and Earl Streets, east of  
7 Troutdale Lane and north of Stathem Street, in the unincorporated community of Riverdale, California  
8 and will result in eight (8) single-family residences.

9 C. BUILDING REQUIREMENTS:

10 1. All aspects of the building construction will meet or exceed the County's Affordable  
11 Housing Programs Construction/Rehabilitation Standards and the International Energy Conservation  
12 Code and must comply with all applicable local building codes.

13 2. Housing Quality Standards: The Project shall meet the requirements of 24 CFR §  
14 92.251 relating to property standards and all applicable local housing code requirements for the duration  
15 of this Agreement, and any modifications or amendments or successor agreements thereto.

16 D. BUDGET:

17 1. This Agreement does not provide the Borrower any legal claim to any amount of  
18 HOME loan funds to be used for the specific project or site unless, and until, the site has received  
19 environmental clearance, received authorization from HUD to use grant funds, and has met the other  
20 terms of this Agreement.

21 2. The total preliminary Project budget estimate is \$1,880,000. The proposed work to  
22 be funded with County HOME loan funds for the development of the eight (8) single-family residences in  
23 the Project is as follows:

24 Expenses to be paid with HOME loan funds:

25	Acquisition/Construction Costs	<u>\$450,000</u>
26	TOTAL HOME loan funds	\$450,000

27 Notwithstanding the estimates described in the above preliminary Project budget, disbursements for the  
28 eight (8) HOME-assisted single-family residences in the Project from HOME loan funds will be based on

1 the actual costs and shall not exceed the total amount of Four Hundred Fifty Thousand Dollars  
2 (\$450,000). Disbursement of HOME funds is subject to approval and execution of loan, security, and  
3 related documents acceptable to the County, in its sole discretion.

4 E. FUNDING:

5 1. Notwithstanding any other provision of the Agreement, the parties hereto agree  
6 and acknowledge that this Agreement does not constitute a commitment of loan funds or site approval,  
7 and that such "commitment of loan funds" or approval may occur only upon satisfactory completion of  
8 the environmental review and receipt by the County of a Release of Funds from HUD under 24 CFR §  
9 58. In addition, no commitment of loan funds will be made until all requirements contained in this  
10 Agreement or any other loan, security or other related documents are met by the Borrower, as determined  
11 by the County. The parties further agree that the loan of any funds to the Project is conditioned upon the  
12 County's determination to proceed with, modify, or cancel the Project based on the results of the Project's  
13 environmental review, as specified in Section III of this Agreement. The County will give written  
14 notification to the Borrower when these requirements have been met.

15 2 Attachment B to this Agreement, which is incorporated by this reference, lists the  
16 potential sources and proposed funding amounts for the Project. With the exception of County HOME  
17 funds, these sources and/or the amounts are subject to change. Notwithstanding the funding sources  
18 and amounts identified in Attachment B, disbursements for the Project from HOME loan funds will be  
19 contingent upon reliable evidence acceptable to the County, in its sole discretion, that the Borrower has  
20 obtained all funding necessary to meet the total Project cost. In addition, the Borrower may not award  
21 the Project until the County has received authorization from HUD to use the grant funds, as described in  
22 Paragraph E (1) of this Section I.

23 F. CHANGES TO PROJECT:

24 The Borrower will give written notification to the County Department of Public Works  
25 and Planning, Community Development Division, of any event that changes the scope of the Project  
26 and/or the funding sources. The Director of the Department of Public Works and Planning, or his  
27 designee, at his discretion, is authorized to permit minor changes to the scope of the Project and/or the  
28 funding sources, provided the Director or his designee determines that such changes do not substantively

1 alter the scope of the Project, the maximum amount of HOME loan funds allocated to the Project, or the  
2 Project's eligibility under the Federal HOME regulations, as more fully set forth in Section VIII, Paragraph  
3 K of this Agreement.

4 II. OBLIGATIONS OF THE COUNTY

5 A. FUNDING:

6 1. The County shall reserve up to, but not more than, Four Hundred Fifty Thousand  
7 Dollars (\$450,000) from the County's allocation of Federal HOME Program funds for the Project. All funds  
8 will be paid to the Borrower in accordance with Section VIII, Paragraph A of this Agreement, subject to  
9 the requirements of all applicable Federal and State statutory and regulatory requirements.  
10 Notwithstanding changes in the funding sources and amounts identified in Attachment B, disbursements  
11 for the Project from HOME Program funds will be contingent upon the County's receipt, review, and  
12 approval of highly reliable evidence acceptable to the County, in its sole discretion, that the Borrower has  
13 obtained, or will obtain, all funding to meet the Project development costs. Evidence may include, but  
14 shall not be limited to, funding commitments and/or loan documentation from other lenders.

15 2. The County, at its sole discretion, may accept any of the following as repayment of  
16 HOME funds disbursed to the Borrower for construction of the Project: a) cash payments from the  
17 Borrower; b) secondary financing security documents in the form of promissory notes and deeds of trust  
18 to eligible homebuyers in aggregate of Four Hundred Fifty Thousand Dollars (\$450,000); or c) a  
19 combination of these security documents and cash payments from the Borrower in aggregate of Four  
20 Hundred Fifty Thousand Dollars (\$450,000). The Borrower agrees to sell the homes for the lesser of the  
21 appraised value or the maximum sales price allowed by all funders.

22 B. APPROVAL OF HOMEBUYERS:

23 The County shall review information provided by the Borrower to ensure the selected homebuyers for the  
24 eight (8) HOME-assisted single-family residences meet the County's Homebuyer Assistance Program  
25 (HAP) requirements. The combined maximum amount of the secondary loan assistance for the eight (8)  
26 residences cannot exceed the Four Hundred Fifty Thousand Dollars (\$450,000) of HOME funds awarded  
27 to the Borrower. All homebuyers may receive a secondary loan from the County or the County may  
28 record a property deed restriction to ensure the compliance of the Period of Affordability. The County

1 will provide to the Borrower an approval letter that specifies the maximum amount of HOME subsidy  
2 available to each homebuyer to aid in the purchase of a home. The Borrower must follow HUD's Part 5  
3 definition of annual income as defined in 24 CFR § 5.609 to determine initial eligibility. Each eligible  
4 homebuyer is required to invest, of their own funds, a minimum of one and a half percent (1.5%) of the  
5 home sales price (total development cost) towards the purchase of their home. The County may choose  
6 to credit the value of sweat equity earned by each homebuyer as part of this required homebuyer  
7 investment. The County requires each HAP applicant attend a sixteen-hour homeownership course  
8 comprised of an eight-hour pre-purchase course and an eight-hour maintenance course. The County  
9 may allow eligible homebuyers, who purchase homes in the Project, to credit their construction labor  
10 experience as a substitute for the eight-hour maintenance course requirement.

11 C. LOAN DOCUMENTS:

12 1. Promissory Note: The County will prepare a promissory note for execution by the  
13 Borrower in a form and content acceptable to the County, in the County's sole discretion. Said promissory  
14 note (the "Note") will set forth the terms and conditions and plan for repayment of the Four Hundred Fifty  
15 Thousand Dollars (\$450,000) HOME loan and other fees or charges, including, but not limited to,  
16 liquidated damages, if applicable. HOME loan funds shall be utilized to assist with the construction of  
17 eight (8) single-family residences. In addition to the Note, HOME loan funds shall be secured with a deed  
18 of trust ("Deed of Trust") recorded against the Property, and other required security instruments, as  
19 described more fully below.

20 2. Deed of Trust: County shall record against the Property a Deed of Trust for the  
21 County HOME loan, in a form and content acceptable to the County. The Deed of Trust will be recorded  
22 for the purpose of securing repayment of the Four Hundred Fifty Thousand Dollars (\$450,000) loan, and  
23 will name the County of Fresno, a political subdivision of the State of California, as beneficiary. Said  
24 Deed of Trust will be in second lien position during construction and after construction (unless the County  
25 provides written approval for a lesser lien position), until the Note described in this Section II is fully  
26 repaid.

27 3. Homebuyer's Promissory Note / Deed of Trust: The County will prepare promissory  
28 notes for execution by each of the Project's homebuyers (Homebuyer's Note) in a form and content

1 acceptable to the County. The Homebuyer's Note will set forth the terms, conditions and repayment of  
2 the secondary mortgage financing, and will include affordability and residency requirements. In addition  
3 to the Homebuyer's Note, each secondary mortgage shall be secured with a Deed of Trust recorded  
4 against the Property. Each Homebuyer's Note and Deed of Trust will be executed concurrently upon the  
5 transfer of property ownership from the Borrower to each individual homebuyer.

6 4. HOME Regulatory Agreement and Declaration of Restrictive Covenants: The  
7 County will record a HOME Regulatory Agreement and Declaration of Restrictive Covenants ("Regulatory  
8 Agreement"), signed by the Borrower, in a form and content acceptable to the County. Said Regulatory  
9 Agreement will impose the requirements of the HOME Investment Partnerships Program, as set forth in  
10 the Code of Federal Regulations (24 CFR Parts 91 and 92), for the eight (8) HOME-assisted single-family  
11 residences.

12 D. LABOR COMPLIANCE:

13 The County shall verify with the Labor Relations Division of HUD that the Project  
14 general contractor has not been debarred or suspended from participating in Federal projects, in  
15 accordance with Section IV, Paragraph B(5) of the Agreement. The County will provide Borrower with  
16 written notification that this requirement has been met.

17 The County shall be provided at least ten (10) days' notice of, and shall attend, the  
18 pre-construction meeting between the Borrower and any project or construction management company  
19 contracting with the Borrower (whether those construction contractors are contracting directly with the  
20 Borrower or indirectly through the Borrower's project or construction management company) to discuss  
21 labor compliance requirements for the Project. The County may monitor Project records and conduct field  
22 reviews to ensure that labor compliance and other conditions of this Agreement have been met.

23 III. PROJECT SUBJECT TO ENVIRONMENTAL CLEARANCE and RELEASE OF FUNDS

24 In accordance with Federal HOME regulations, the Borrower may not incur costs to be  
25 paid with County HOME loan funds for this Project until the County notifies the Borrower that it has  
26 received the Authorization to Use Grant Funds notice (i.e., release of funds) from HUD. The County shall  
27 specify in a letter to the Borrower that such notice has been received.

28 Any costs incurred prior to the County's written notification to Borrower that grant funds

1 may be released shall not be reimbursed from the County HOME loan funds and may jeopardize use of  
2 County HOME funds for the Project.

3 IV. OBLIGATIONS OF THE BORROWER

4 A. FUNDING:

5 1. The Borrower hereby certifies the authenticity and accuracy of the information  
6 provided to the County with regards to the fiscal soundness of the Borrower, and Borrower's capacity to  
7 undertake the proposed Project. The Borrower further certifies that it has examined the Project  
8 neighborhood market conditions and determined there is adequate need for the Project.

9 2. The Borrower will provide any and all funds in excess of Four Hundred Fifty  
10 Thousand Dollars (\$450,000) that may be necessary to complete the Project. Prior to disbursement of  
11 County HOME loan funds, the Borrower shall secure or obtain firm commitments from other funding  
12 sources for any and all funds in excess of Four Hundred Fifty Thousand Dollars (\$450,000) that may be  
13 necessary to complete the Project. The Borrower will provide evidence of such commitments of funds  
14 satisfactory to the County, as specified in Section I, Paragraph E (2) herein. The failure to secure all funds  
15 in excess of Four Hundred Fifty Thousand Dollars (\$450,000) that may be necessary to complete the  
16 Project shall be deemed a material breach of this Agreement, as discussed in Section VIII, Paragraph E  
17 of this Agreement.

18 3. The Borrower shall require that all documents with other lenders to the Project  
19 include a clause stating all Notice of Default statements be provided to the County, who shall have thirty  
20 (30) days, or such longer applicable cure period as set forth in the Note, to cure said default. During said  
21 cure period, the County shall forbear from taking any action to perfect its default remedies.

22 4. The Borrower will provide matching funds of at least One Hundred Twelve  
23 Thousand, Five Hundred Dollars (\$112,500) (i.e., twenty-five percent (25%) of the County's HOME loan)  
24 to the Project from other non-Federal sources in accordance with 24 CFR § 92.220. The Borrower shall  
25 obtain a letter from the County specifying that the conditions of this Section have been met.

26 5. The Borrower must comply with 24 CFR § 92.254(A)(3). Following the completion  
27 of the Project, culminating with the recording of the Notice of Completion, the Borrower shall sell each  
28 single-family residence to a qualified low-income buyer household. The Borrower shall submit to the

1 County, within nine months of construction completion, a ratified sales contract for each residence (as  
2 defined under HOME Program regulations). In the event Borrower does not produce a ratified sales  
3 contract for any of the eight (8) residences within nine months of construction completion, Borrower shall  
4 convert the unsold residence(s) to a HOME rental unit(s) or repay the full loan amount. For each such  
5 converted HOME rental unit, Borrower shall follow all applicable HOME requirements and regulations  
6 pertaining to HOME rental projects during the Period of Affordability. Borrower shall require and shall  
7 ensure that during the Period of Affordability, the residence(s) shall be owned, used and occupied, or if  
8 used as qualified HOME rental unit, available for occupancy by a qualified low-income renter as his or  
9 her primary residence, and for no other purpose.

10 B. DEVELOPMENT:

11 1. The Borrower is prohibited from undertaking or committing any funds to physical  
12 or choice-limiting actions, including property acquisition, demolition, movement, rehabilitation,  
13 conversion, repair, or construction prior to the environmental clearance. A violation of this provision will  
14 result in the denial of HOME loan funds under this Agreement.

15 2. Prior to the execution of loan documents, the Borrower will provide the County with  
16 a copy of the appraisal establishing the fair market value of the land on which the Project is to be built.  
17 Such appraisal shall be performed by a State certified real estate appraiser or other appraiser acceptable  
18 to the County.

19 3. The Borrower shall develop and construct the Project as new construction single-  
20 family residences for households earning no more than eighty percent (80%) of the AMI for Fresno  
21 County, as defined by HUD at time of initial occupancy. Additionally, in accordance with 24 CFR § 92.254,  
22 qualifications for affordable housing, home ownership projects. The sales price of each home shall not  
23 exceed ninety-five percent (95%) of the area median purchase price, as established annually by HUD.  
24 The Borrower will provide the County a copy of an appraisal establishing the fair market value for each  
25 house after construction. Such appraisal shall be performed by a state certified residential real estate  
26 appraiser. The Project will adhere to 24 CFR § 92.250, which requires that all residences not exceed the  
27 maximum subsidy amount per unit as established under section 221(d)(3)(ii) of the National Housing Act.  
28

1 Additionally, the County will perform a subsidy layering analysis of the Project for each selected  
2 homebuyer prior to the commitment of HOME funds.

3 4. Prior to award of the construction contract, the Borrower will provide the County  
4 an independent cost-estimate for the Project to determine cost-reasonableness, in order to obtain from  
5 the County written approval of the contractor, the award, amount of the contract, and the final Project  
6 budget. Prior to the date the work is to begin, the Borrower will provide both the contractor and the County  
7 with a copy of the Notice to Proceed.

8 5. Prior to award of contracts, the Borrower will furnish the name of the general  
9 contractor to the County so that the County can verify with the HUD Labor Relations Division that the  
10 general contractor has not been debarred or suspended from participating in the Federal projects.

11 6. To the extent contractors and/or subcontractors are utilized on this Project, the  
12 Borrower will conduct outreach to minority and women-owned business enterprises (MWBE), and ensure  
13 that contractors/subcontractors are informed of the requirements of Section 3 of the Housing and Urban  
14 Development Act of 1968 ("Section 3") applicable to the Project, and are licensed in accordance with the  
15 regulations of the Contractors State License Board.

16 7. The Borrower will conduct a pre-construction meeting with the Contractor and will  
17 notify the County at least ten (10) working days prior to the meeting, so that a representative of the County  
18 can be in attendance to discuss HOME labor compliance requirements and the applicable Section 3 and  
19 MWBE policies for the Project. Attachment C to this Agreement, which is incorporated by this reference,  
20 provides the required Section 3 compliance forms to be provided by the County to the Borrower and the  
21 contractor to complete and return to the County.

22 8. Prior to the start of the construction, the Borrower will secure all required permits  
23 for the County of Fresno. The Borrower will provide to the County copies of all such permits.

24 9. The Borrower shall comply with the mitigation measures and conditions identified  
25 in Environmental Assessment No. 7746, which is incorporated herein by reference.

26 C. DISBURSEMENT:

27 1. The Borrower may not request disbursement of loan funds under this Agreement  
28 until all conditions stated under Section III, Section IV and Section VIII of this Agreement have been

1 satisfied. HOME loan funds will be distributed to the Borrower on a reimbursement basis for actual eligible  
2 costs.

3                   2. In the event the total Project cost is less than the current estimated total Project  
4 cost of One Million, Eight Hundred Eighty Thousand Dollars (\$1,880,000), the Borrower will notify the  
5 County of such savings. The County may then, at its sole discretion, reduce the County's contribution in  
6 direct proportion to the percentage of savings.

7                   D. LOAN DOCUMENTS:

8                   1. Prior to execution of the County's loan documents, the Borrower shall submit to  
9 the County all loan term sheets, any and all other requested loan documents, and any amendments  
10 thereto, including any required deed restrictions from other funding sources.

11                   2. The Borrower will select and use a title company acceptable to the County for title  
12 work.

13                   3. The Borrower will record a Notice of Completion and will provide the County a copy  
14 of the Notice of Completion after recordation.

15                   E. COMPLIANCE:

16                   1. Prior to distribution of County HOME loan funds, the Borrower or its property  
17 management firm will prepare and provide to the County its Affirmative Marketing Procedures conforming  
18 to the requirements of 24 CFR § 92.351.

19                   2. The Borrower will comply with the requirements of 24 CFR § 92.504(d), including,  
20 but not limited to, the requirements to inspect the Property upon completion.

21                   3. The Borrower will comply with all Federal regulations (including, but not limited to:  
22 24 CFR Parts 91, 92 and 135) governing the use of HOME funds and 24 CFR Parts 91 and 92, and  
23 specifically Sections 92.203 Income Determinations, 92.205 Eligible Activities-General, 92.206 Eligible  
24 Project Costs, 92.207 Eligible Administrative and Planning Costs, 92.214 Prohibited Activities, 92.216  
25 Income Targeting: Tenant Based Rental Assistance and Rental Units, Sec. 92.250 Maximum Per-Unit  
26 Subsidy Amount and Subsidy Layering, , 92.350 Other Federal Requirements and Nondiscrimination,  
27 92.351 Affirmative Marketing; Minority Outreach Program, 92.353 Displacement, Relocation, and  
28 Acquisition, 92.356 Conflict of Interest, 92.503 Program Income, Repayments, and Recaptured Funds,

1 92.505 Applicability of Uniform Administrative Requirements and 92.354 Labor Provisions; Borrower to  
2 comply with all prevailing wage requirements, as they may apply. Borrower to provide access to all  
3 original documents and provide copies, as requested by the County and HUD.

4 V. CONFORMANCE WITH APPLICABLE LAWS AND REGULATIONS

5 The Borrower, its consultants, contractors, and subcontractors will comply with all  
6 applicable State and Federal laws and regulations governing projects that utilize Federal funds.

7 Whenever the Borrower uses the services of a contractor or property management  
8 company, whether directly or indirectly, the Borrower shall require that the contractor, realtor or property  
9 management company comply with all Federal, State and local laws, ordinances, regulations, this  
10 Agreement, and Fresno County Charter provisions applicable in the performance of their work.

11 Because the Borrower will borrow at least One Hundred Thousand Dollars (\$100,000) for  
12 the Project from the County's HOME Program under this Agreement, the Borrower will complete and  
13 submit to the County a "Certification for Contracts, Grants, Loans and Cooperative Agreements" form  
14 and a "LLL-Disclosure of Lobbying Activities" form. Likewise, before the Borrower awards a contract using  
15 at least One Hundred Thousand Dollars (\$100,000) of such HOME loan funds, the Borrower will require  
16 the consultant and/or contractor and all their sub-consultants and/or subcontractors to complete and  
17 submit the two (2) forms described herein to both the Borrower and the County.

18 VI. FINANCIAL RECORDS REQUIREMENTS:

19 Within nine (9) months after the end of the County's Fiscal Year in which the Project is  
20 completed, and for each subsequent Fiscal Year until the end of the loan term specified in the Note,  
21 Borrower will provide County with audited Statement of Cash Flows, Distribution of Net Cash Flow,  
22 Balance Sheet and Profit and Loss Statements prepared by an independent, certified public accountant.  
23 These statements shall be prepared in accordance with Generally Accepted Accounting Principles  
24 (GAAP).

25 VII. INSURANCE

26 Without limiting the County's right to obtain indemnification from the Borrower or any third  
27 parties, the Borrower, at its sole expense, will maintain in full force and effect the following insurance  
28 policies throughout the term of this Agreement:

1                   A. PROPERTY INSURANCE:

2                   A policy of Property Insurance to the extent of not less than one hundred percent  
3 (100%) of the actual full replacement cost (without depreciation) of all buildings and improvements  
4 located on the Property, insuring against loss or damage by fire, extended coverage perils and such other  
5 hazards, casualties or other contingencies (other than damage from earthquakes), as from time to time  
6 may be reasonably required by the County of Fresno.

7                   The Borrower will obtain endorsements to the Property Insurance naming the County  
8 of Fresno, its officers, agents, and employees, individually and collectively, as additional insured, but only  
9 insofar as the operations under this Agreement are concerned. Such coverage for additional insured will  
10 apply as primary insurance and any other insurance, or self-insurance, maintained by the County, its  
11 officers, agents and employees shall be excess only and not contributing with insurance provided under  
12 the Borrower's policies herein. This insurance shall not be cancelled or changed without a minimum of  
13 thirty (30) days advance written notice given to the County.

14                   B. COMMERCIAL GENERAL LIABILITY INSURANCE:

15                   Commercial General Liability Insurance with limits of not less than One Million Dollars  
16 (\$1,000,000) per occurrence and an annual aggregate of Two Million Dollars (\$2,000,000) is required.  
17 This policy will be issued on a per occurrence basis. The County may require specific coverage including  
18 completed operations, product liability, contractual liability, Explosion-Collapse-Underground, fire,  
19 extended coverage, legal liability or any other liability insurance deemed necessary because of the nature  
20 of this Agreement.

21                   The Borrower will obtain endorsements to the Commercial General Liability Insurance,  
22 fire, and extended coverage, naming the County of Fresno, its officers, agents, and employees,  
23 individually and collectively, as additional insured, but only insofar as the operations under this  
24 Agreement are concerned. Such coverage for additional insured will apply as primary insurance and any  
25 other insurance, or self-insurance, maintained by the County, its officers, agents and employees shall be  
26 excess only and not contributing with insurance provided under the Borrower's policies herein. This  
27 insurance shall not be cancelled or changed without a minimum of thirty (30) days advance written notice  
28 given to the County.

1 C. AUTOMOBILE LIABILITY INSURANCE:

2 Comprehensive Automobile Liability Insurance with limits for bodily injury of not less  
3 than Two Hundred Fifty Thousand Dollars (\$250,000) per person, Five Hundred Thousand Dollars  
4 (\$500,000) per accident and for property damages of not less than Fifty Thousand Dollars (\$50,000) or  
5 such coverage with a combined single limit of Five Hundred Thousand Dollars (\$500,000) is required.  
6 Coverage should include owned and non-owned vehicles used in connection with this Agreement.

7 D. PROFESSIONAL LIABILITY INSURANCE:

8 If the Borrower employs licensed professional staff (e.g., Ph.D., R.N., L.C.S.W.,  
9 M.F.C.C., Engineer, Architect) in providing services, Professional Liability Insurance with limits of not less  
10 than One Million Dollars (\$1,000,000) per occurrence, Two Million Dollars (\$2,000,000) annual aggregate  
11 is required.

12 E. WORKER'S COMPENSATION INSURANCE:

13 A policy of Worker's Compensation Insurance as may be required by the California  
14 Labor Code.

15 Borrower hereby waives its right to recover from County, its officers, agents, and  
16 employees any amounts paid by the policy of worker's compensation insurance required by this  
17 Agreement. Borrower is solely responsible to obtain any endorsement to such policy that may be  
18 necessary to accomplish such waiver of subrogation, but Borrower's waiver of subrogation under this  
19 paragraph is effective whether or not Borrower obtains such an endorsement.

20 Within thirty (30) days of the date the Borrower signs this Agreement, the Borrower  
21 will provide certificates of insurance and endorsement as stated above for all of the listed policies, as  
22 required herein, to the County of Fresno, Community Development Division, Program Manager,  
23 Affordable Housing Programs, 2220 Tulare Street, 6<sup>th</sup> Floor, Fresno, CA 93721, stating that such  
24 insurance coverages have been obtained and are in full force; that the County of Fresno, its officers,  
25 agents and employees will not be responsible for any premiums on the policies; that for such worker's  
26 compensation insurance the Borrower has waived its right to recover from the County, its officers, agents,  
27 and employees any amounts paid under the insurance policy and that waiver does not invalidate the  
28 insurance policy; that such Commercial General Liability Insurance names the County of Fresno, its

1 officers, agents and employees, individually and collectively, as additionally insured, but only insofar as  
2 the operations under this Agreement are concerned; that such coverage for additional insured shall apply  
3 as primary insurance and any other insurance, or self-insurance, maintained by the County, its officers,  
4 agents and employees, shall be excess only and not contributing with insurance provided under the  
5 Borrower's policies herein; and that this insurance shall not be cancelled or changed without a minimum  
6 of thirty (30) days advance, written notice given to the County.

7 In the event the Borrower fails to keep in effect at all times insurance coverage as  
8 herein provided, the County may, in addition to other remedies it may have, suspend or terminate this  
9 Agreement upon the occurrence of such event.

10 All policies will be with admitted insurers licensed to do business in the State of  
11 California. Insurance purchased will be purchased from companies possessing a current A.M. Best, Inc.  
12 rating of A FSC VII or better.

13 F. BOND INSURANCE:

14 Borrower acknowledges as a condition of receiving County HOME funds that the  
15 Borrower shall obtain a performance bond and a labor and materials (payment) bond or other equivalent  
16 security instrument approved by the County, in the amount of one hundred percent (100%) of the  
17 construction contract sum, prior to the execution of all HOME loan documents and related documents.  
18 These bonds shall comply with the requirements of California Civil Code Section 3248. The bonds shall  
19 be in recordable form and shall name such parties as indicated by Borrower as co-obligees or assignees.  
20 Borrower understands and acknowledges that the aforementioned requirements for both bonds are a  
21 condition precedent to Borrower's receipt of any County HOME funds and Borrower's failure to procure  
22 such bonds shall be considered a material breach of this Agreement.

23 VIII. GENERAL REQUIREMENTS AND POLICIES

24 A. LOAN DISBURSEMENT

25 1. Amount: The total amount of HOME funds available to be loaned for the Project  
26 shall not exceed the total sum of Four Hundred Fifty Thousand Dollars (\$450,000).

27 2. Disbursement Requests

28 a. The Borrower will submit written requests to the County for loan

1 disbursements to pay actual costs incurred in the performance of this Agreement. Any such request for  
2 disbursement from HOME loan funds will be accompanied by a written certification from the Borrower  
3 that the request for disbursement is consistent with the amount of work that has been completed, and  
4 that to the best of the Borrower's knowledge, the work is in accordance with this Agreement.

5           b.       Requests for disbursement shall be accompanied by supporting  
6 documentation acceptable to the County detailing the items comprising the total sought to be reimbursed,  
7 such as invoices or vouchers for services or materials purchased, contractors' costs or other costs  
8 chargeable to the Project. After appropriate review and progress inspection, the County shall make  
9 disbursements to the Borrower from HOME loan funds provided in this Agreement for all verified eligible  
10 costs specified herein. The Project's proposed disbursement schedule is provided in Attachment D to  
11 this Agreement, which is incorporated herein by reference. A ten percent (10%) retention of the total loan  
12 amount of Four Hundred Fifty Thousand Dollars (\$450,000) will be held back from disbursement for thirty-  
13 five (35) days after the Notice of Completion has been filed with the County Recorder's Office. A copy of  
14 the Notice of Completion must accompany the request for disbursement of the retained funds.

15           c.       All requests for disbursement and supporting documentation shall be sent  
16 to:

17                     Department of Public Works and Planning  
18                     Community Development Division  
19                     Program Manager, Affordable Housing Programs  
20                     2220 Tulare Street, 6<sup>th</sup> Floor  
21                     Fresno, CA 93721

22           d.       The County shall not be obligated to make any disbursement of funds for  
23 the Project under this Agreement if the request for disbursement is submitted by the Borrower more than  
24 sixty (60) days after the Notice of Completion has been filed with the County Recorder's Office. The  
25 Director of the Department of Public Works and Planning, or his designee, prior to the deadline, may  
26 grant an extension to the sixty (60) day period, if the Borrower can demonstrate just cause for the delay.

27           3.       All requests for disbursements will be processed via Special Run check processing  
28 or a wire transfer, as determined by the County and processed by the County's Auditor-  
Controller/Treasurer-Tax Collector ("ACTTC").

1                   4. Outside Agreements: The County will not be bound by any agreement between  
2 the Borrower and any of its partners, agents, employees or subcontractors. The County will be bound  
3 only by the terms of this Agreement. It is understood and agreed by the parties hereto that no third-party  
4 beneficiary status or rights are created by or under this Agreement, and that no other person, firm,  
5 corporation, or entity shall be deemed a third-party beneficiary of this Agreement.

6                   5. The Borrower will establish accounting and bookkeeping procedures in  
7 accordance with GAAP and standard bookkeeping practices, including, but not limited to, employee  
8 timecards, payrolls and other records of all transactions to be paid with HOME loan funds in accordance  
9 with the performance of this Agreement. All records and accounts will be available for inspection by the  
10 County, the State of California, the Federal government, and if applicable, the Comptroller General of the  
11 United States or any of their duly authorized representatives, at all reasonable times for a period of at  
12 least five (5) years following the term of this Agreement or the closure of all other related pending matters,  
13 whichever is later. The borrower will certify accounts when required or requested by the County.

14                   B. AUDITS

15                   The Borrower is required to comply with the provisions of the Single Audit Act of 1984  
16 (31 USC Sections 7501 et seq.), as amended. Whenever the Borrower receives HOME loan funds from  
17 the County for a project, a copy of any audit performed by the Borrower in accordance with said Act shall  
18 be forwarded to the Affordable Housing Programs Manager within nine (9) months of the end of any fiscal  
19 year in which loan funds were distributed, borrowed, and/or outstanding for the Project. Failure to perform  
20 the requisite audit functions as required by this paragraph may result in the County performing any  
21 necessary audit task or, at the County's option, contracting with a public accountant to perform the audit.  
22 All audit costs related to the Borrower's failure to perform the requisite audit are the sole responsibility of  
23 the Borrower, and such audit work costs incurred by the County shall be billed to the Borrower as  
24 determined by the County's ACTTC. The Borrower agrees to take prompt and appropriate corrective  
25 action on any instance of material non-compliance with applicable laws and regulations.

26                   C. INDEMNIFICATION

27                   The Borrower will indemnify, save, hold harmless, and at the County's request, defend  
28 the County, its partners, officers, agents, and employees from and against any and all costs and

1 expenses (including attorney's fees and costs), damages, liabilities, claims and losses whatsoever  
2 occurring or resulting to the County in connection with the performance, or failure to perform, by the  
3 Borrower, its partners, officers, agents, employees, or any persons, firms, or corporations furnishing or  
4 supplying work, services, materials, or supplies in connection with the performance of this Agreement,  
5 and from any and all claims and losses occurring or resulting to any person, firm, or corporation who may  
6 be injured or damaged, including damage, injury, or death arising out of or connected with the  
7 performance, or failure to perform, of the Borrower, its partners, officers, agents or employees under this  
8 Agreement.

9           The provisions of this Section VIII, Paragraph C shall survive termination of this  
10 Agreement.

11           D. TIME OF PERFORMANCE

12           1. The term of this Agreement will commence on the date upon which this Agreement  
13 is executed by the County, and will expire when the Period of Affordability ends, twenty (20) years after  
14 the date the Project is completed and closed in IDIS, or when the loan of Four Hundred Fifty Thousand  
15 Dollars (\$450,000) and such other amounts, including but not limited to liquidated damages, if applicable,  
16 as set forth in the Note, have been repaid, and the Deed of Trust has been reconveyed, whichever is  
17 later.

18           2. The Project, as described in Section I, herein, will commence on the date the  
19 Agreement is executed by the County, and construction shall be completed within eighteen (18) months  
20 of the construction start date.

21           3. The following schedule shall apply to the Project:

- 22           a. All other funding sources secured by: August 2020
- 23           b. Homebuyers secured by: April 2021
- 24           c. Begin Construction: May 2021
- 25           d. Record Notice of Completion: November 2022
- 26           e. Sale of all single-family residences by: August 2023

27           4. The Borrower will give immediate written notification to the Director of the County  
28 Department of Public Works and Planning, or his designee, of any events that occur, which may affect

1 the Project Schedule and completion date noted above, or any event that may have significant impact  
2 upon the Project or affect the attainment of the Project's objectives. The Project's proposed schedule is  
3 provided in Attachment E to this Agreement, which is incorporated by this reference. The Director of the  
4 County Department of Public Works and Planning, or his designee, is authorized to make adjustments in  
5 the Project schedule if, in the Director's or his designee's judgment, the delays are beyond the control of  
6 the parties involved.

7 E. BREACH OF AGREEMENT

8 In the event the Borrower fails to comply with any of the terms of this Agreement, the  
9 County may, at its option, deem the Borrower's failure to be a material breach of this Agreement, and  
10 utilize any of the remedies set forth in 24 CFR § 85.43, or that it deems appropriate. Should the County  
11 deem a breach of this Agreement to be a material breach, the County will immediately be relieved of its  
12 obligations to make further loan disbursements as provided herein. Termination of this Agreement due  
13 to breach will not, in any way whatsoever, limit the rights of the County in seeking any other legal relief  
14 in a court of law or equity, including the recovery of damages. In addition to the Agreement being  
15 terminated by the County in accordance with a material breach of this Agreement by the Borrower, the  
16 County, in accordance with 24 CFR § 85.44, may also terminate this Agreement for convenience.

17 F. TERMINATION

18 1. Non-Allocation of Funds: The terms of this Agreement, and the funds provided  
19 thereunder, are contingent on the award and/or commitment of funds by HUD to the County, and to the  
20 award and/or commitment of funds to the Project by the Sources of Funds identified in Attachment B of  
21 this Agreement. Should HUD fail to award County funds, or should the County determine, in its sole  
22 discretion, that sufficient funds have not been allocated by the other sources of funds to complete the  
23 development of the eight (8) single-family residences comprising the Project, the County may terminate  
24 this Agreement at any time without penalty by giving the Borrower thirty (30) days advance written notice,  
25 and the Borrower shall promptly repay to the County any and all HOME loan funds previously paid,  
26 pursuant to all applicable laws and regulations.

27 2. Termination for Convenience: This Agreement may also be terminated for  
28 convenience by the County, in accordance to the requirements of 24 CFR § 85.44. In the event the

1 County terminates this Agreement solely for convenience, the Borrower promptly shall repay to the  
2 County any and all HOME loan funds, pursuant to all applicable laws and regulations. However, in the  
3 event of termination, the County, at its sole discretion, may negotiate with the Borrower alternate terms  
4 of repayment of HOME loan funds

5 3. For Cause: The County may elect to terminate this Agreement for cause as set  
6 forth in Paragraph E of this Section VIII.

7 G. VENUE; GOVERNING LAW

8 Venue for any action arising out of or relating to this Agreement shall only be in Fresno  
9 County, California. The rights and obligations of the parties and all interpretation and performance of this  
10 Agreement shall be governed in all respects by the laws of the State of California.

11 H. INDEPENDENT CONTRACTOR

12 In performance of the work, duties, and obligations assumed by the Borrower under  
13 this Agreement, it is mutually understood and agreed that the Borrower, including any and all of the  
14 partners, officers, agents and employees, will at all times be acting and performing as an independent  
15 contractor, and shall act in an independent capacity and not as an officer, agent, servant, employee, joint  
16 venture, partner, or associate of the County. Furthermore, the County shall have no right to control,  
17 supervise or direct the manner or method by which the Borrower shall perform its work and function.  
18 However, the County shall retain the right to administer this Agreement so as to verify that the Borrower  
19 is performing its obligations in accordance with the terms and conditions thereof. The Borrower and the  
20 County shall comply with all applicable provisions of law and the rules and regulations, if any, of  
21 governmental authorities having jurisdiction over matters of the subject thereof.

22 Because of its status as an independent contractor, the Borrower shall have absolutely  
23 no right to employment rights and benefits available to County employees. The Borrower shall be solely  
24 liable and responsible for providing to, or on behalf of, its employees all legally required employee  
25 benefits. In addition, the Borrower shall be solely responsible and save the County harmless from all  
26 matters relating to payment of the Borrower's employees, including compliance with Social Security  
27 withholding, and all other laws and regulations governing such matters. It is acknowledged that during  
28 the term of this Agreement, the Borrower may be providing services to others unrelated to the County or

1 to this Agreement.

2 I. MODIFICATION

3 Any matters of this Agreement may be modified from time to time by the written  
4 consent of all parties without, in any way, affecting the remainder.

5 J. NON-ASSIGNMENT

6 Neither party shall assign, transfer or sub-contract this Agreement nor their rights or  
7 duties under this Agreement without the written consent of the other party. Any transfer or assignment  
8 without the County's prior consent shall be voidable and, at the County's sole discretion, shall constitute  
9 a material breach of this Agreement. No consent to any assignment shall constitute a further waiver of  
10 the provisions of this Section VII, Paragraph J.

11 K. AUTHORIZATION AND NOTICES

12 a. County Authority: The Director of the County's Department of Public Works and  
13 Planning, or his duly authorized designee, at his discretion, is hereby authorized to enter into and sign in  
14 the name of the County, all loan documents, security documents and other related documents, and any  
15 amendments thereto, subject to the prior review and approval of County Counsel, as shall be necessary  
16 for the purpose of developing the Project as described in Section I of this Agreement. Additionally, in the  
17 County's experience, changes in circumstances frequently occur that require a quick response from the  
18 County, otherwise the project and/or its financing may fail. In such cases, where the County's response  
19 is time-sensitive, the Director, or his duly authorized designee, hereby is authorized, but not required, to  
20 consent to the following matters in the name of the County, subject to the prior review and approval of  
21 County Counsel: (1) changes to Attachments to this Agreement that do not alter the terms of the  
22 Agreement or substantively alter the scope of the Project; (2) non-substantive changes to the scope of  
23 the Project, so long as the Director or his designee determines that the Project remains eligible under the  
24 Federal HOME regulations; (3) changes of funding sources from those specific other entities named in  
25 Attachment B, so long as the Director or his designee determines that the Project remains eligible under  
26 the Federal HOME regulations and this Agreement; (4) changes of the specific dollar amounts set forth  
27 in Attachment B coming from other entities, or the total thereof, provided the total monies coming from  
28 the County under this Agreement do not increase, and further provided that the Director or his designee

1 determines that the Project remains viable, is fully funded, and eligible under the Federal HOME  
2 regulations and this Agreement; (5) execution of subordination documents solely in order to facilitate the  
3 placement of permanent financing, and only within the first two years after the Notice of Completion is  
4 recorded; and (6) termination of the Agreement if it has been determined that the Borrower is not able to  
5 acquire the funds necessary to meet the terms described in the Agreement.

6           b. Borrower Authority: The CEO of Borrower has authority to enter into and sign this  
7 Agreement, and the loan, security and all other related documents, and any amendments thereto on  
8 behalf of the Borrower, as shall be necessary for the purpose of borrowing the funds to develop the  
9 Project, as described in Section I herein.

10           c. The persons and their addresses having authority to give and receive notices  
11 under this Agreement include the following:

12           County:

13                   County of Fresno  
14                   Department of Public Works and Planning  
15                   Community Development Division  
16                   Attention: Manager, Affordable Housing Programs  
17                   2220 Tulare Street, 6<sup>th</sup> Floor  
18                   Fresno, CA 93721

19           Borrower:

20                   Habitat for Humanity Greater Fresno Area  
21                   Attention: CEO  
22                   4991 East McKinley Avenue, Suite 123  
23                   Fresno, California 93727

24           L. ENTIRE AGREEMENT

25           This Agreement constitutes the entire Agreement between the Borrower and the  
26 County with respect to the subject matter hereof, and supersedes all previous discussions, negotiations,  
27 proposals, commitments, writings, advertisements, publications and understandings of any nature  
28 whatsoever unless expressly included in this Agreement.

29           M. EFFECTIVE DATE

30           The effective date of this Agreement shall be the date upon which it is executed by the  
31 County. The County shall place the day and month upon which it signs this Agreement on Page 1, in the  
32 space provided.

33 ///

1                   N. DISCLOSURE OF SELF-DEALING TRANSACTIONS

2                   This provision is only applicable if the Borrower is operating as a corporation (a for-  
3 profit or non-profit corporation) or if, during the term of this Agreement, the Borrower changes its status  
4 to operate as a corporation.

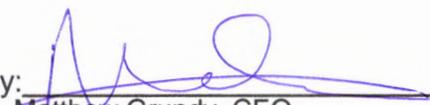
5                   Members of the Borrower’s Board of Directors shall disclose any self-dealing  
6 transactions that they are a party to while the Borrower is providing goods or performing services under  
7 this Agreement. A self-dealing transaction shall mean a transaction to which the Borrower is a party, and  
8 in which one or more of its directors has a material financial interest. Members of the Board of Directors  
9 shall disclose any self-dealing transactions that they are a party to by completing and signing a *Self-*  
10 *Dealing Transaction Disclosure Form* (Exhibit 1) and submitting it to the County prior to commencing with  
11 the self-dealing transaction or immediately thereafter.

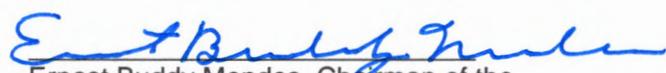
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1 IN WITNESS WHEREOF, the parties have executed this Agreement on the date set forth above.

2 HABITAT FOR HUMANITY FRESNO, INC,  
3 a Domestic Non-profit Corporation

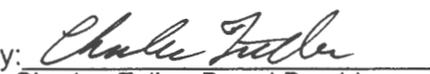
COUNTY OF FRESNO

4  
5 By:   
6 Matthew Grundy, CEO

  
Ernest Buddy Mendes, Chairman of the  
Board of Supervisors of the County of Fresno

7 Date: 7/2/20

Date: 8/18/2020

9  
10 By:   
11 Charles Fuller, Board President

12 Date: 7-6-2020

14 ATTEST:  
15 Bernice E. Seidel  
16 Clerk of the Board of Supervisors  
17 County of Fresno, State of California

18 By: 

20  
21 FUND NO: 0001  
22 SUBCLASS NO: 10000  
23 ORG NO.: 55122008  
24 ACCOUNT NO.: 7295

REMIT TO:  
Habitat for Humanity Fresno, Inc.  
Attention: CEO  
4991 E. McKinley, Suite 123  
Fresno, CA 93727  
Telephone: (559) 237-4102

# ATTACHMENT A

## Unit Mix

### Country Meadows II

**TOTAL  
RESIDENCES (8)**

Residence Type	AMI%	Number of Residences
3 & 4 Bedroom	up to 80%	8
Total		8

## ATTACHMENT B

Sources and Uses of Funds are anticipated as follows:

Sources of Funds

1.	Mortgage Proceeds from USDA RD loans	\$1,430,000
2.	County of Fresno HOME Loan Funds	\$450,000

Total Sources \$1,880,000

Uses of Funds:

1.	Acquisition Costs	\$339,000
2.	Construction Costs	\$1,075,400
3.	Financing Costs	\$465,600

Total Project Cost \$1,880,000

## ATTACHMENT C

### SECTION 3 REQUIREMENTS

- A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C 1701u ("Section 3"). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- B. The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with part 135 regulations.
- C. The Contractor agrees to send to each labor organization or representative of workers with which the Contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions, and the anticipated date the work shall begin.
- D. The Contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The Contractor will not subcontract with any subcontractor where the Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.
- E. The Contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the Contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the Contractor's obligations under 24 CFR part 135.
- F. Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD-assisted contracts.

## SECTION 3 ASSURANCES

[FORM MUST BE COMPLETED AND SUBMITTED PRIOR TO AWARD]

I/We, the undersigned \_\_\_\_\_(representative), as official representative of \_\_\_\_\_(Contractor) agree to comply with Section 3 requirements for the \_\_\_\_\_(Project). It is understood that failure to comply may result in the following sanctions: cancellation, termination, or suspension in whole or in part of this contract. A copy of this executed form and the charts for hires and contractors will be provided to the County along with any back up documentation requested prior to execution of contract.

### **Complete for Staffing:**

- A. How many new full time (permanent, temporary, seasonal) positions will be needed on this project? \_\_\_\_\_
- B. How many new employment training positions will be created? \_\_\_\_\_
- C. If New Hires and Employment Training will take place, how many positions are projected to be filled by local low income area residents? \_\_\_\_\_(see goal below).

If new hires or employment training are anticipated then Contractor must provide copies of outreach efforts, any preferences given, and any actual Section 3 hires completed. If there were no Section 3 residents hired or the goals were not met, then an explanation of why this happened will be provided.

- D. If new hires or training were made available, did Contractor reach 30% Section 3 goal/target?  
\_\_\_\_\_

### **See attached chart with list of all New Hires / Transfers for this Project**

Complete for construction subcontractors and non-construction contracts:

- A. How many construction subcontractors will be utilized for this project? \_\_\_\_\_
- B. Of these subcontractors, how many are Section 3 subcontractors? \_\_\_\_\_
  - 1) Was the Section 3 Goal/target of 10% of project dollar amount reached? \_\_\_\_\_
- C. How many non-construction contracts will be utilized? \_\_\_\_\_
- D. Of these, how many are Section 3 businesses? \_\_\_\_\_
  - 1) Was the Section 3 Goal/target of 3% of project dollar amount reached? \_\_\_\_\_

### **See attached chart with list of all Contractors hired for this Project**

Authorized Signature \_\_\_\_\_

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

## Section 3 Resident Eligibility Certification

The U.S. Department of Housing and Urban Development (HUD) monitors our hiring practices on Section 3-funded projects. It is important, therefore that the information below be provided. Please be aware that your response, though needed, is voluntary and has no effect on your employment status.

Because these questions are personal in nature, your answers will be treated with confidentiality. Thank you for assisting us.

Sincerely,

Fresno County Community Development Division

1. Name: \_\_\_\_\_  
Address: \_\_\_\_\_
2. Number of individuals living in your household (include yourself): \_\_\_\_\_
3. Total annual household income (please CIRCLE one):

Household Size	30%	50%	60%	65%	80%
1	\$ 14,700	\$ 24,500	\$ 29,400	\$ 31,850	\$ 39,150
2	\$ 17,240	\$ 28,000	\$ 33,600	\$ 36,400	\$ 44,750
3	\$ 21,720	\$ 31,500	\$ 37,800	\$ 40,950	\$ 50,350
4	\$ 26,200	\$ 34,950	\$ 41,940	\$ 45,435	\$ 55,900
5	\$ 30,680	\$ 37,750	\$ 45,300	\$ 49,075	\$ 60,400
6	\$ 35,160	\$ 40,550	\$ 48,660	\$ 52,715	\$ 64,850
7	\$ 39,640	\$ 43,350	\$ 52,020	\$ 56,355	\$ 69,350
8	\$ 44,120	\$ 46,150	\$ 55,380	\$ 59,995	\$ 73,800
Check Box If Above \$73,800					

4. Are you currently employed? \_\_\_\_\_ Yes \_\_\_\_\_ No

I certify that the statements made on this sheet are true, complete and correct to be best of my knowledge and belief, and made in good faith.

Signature \_\_\_\_\_

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

## Section 3 Business Eligibility Certification

The U.S. Department of Housing and Urban Development (HUD) monitors our hiring practices on Section 3-covered projects. It is important, therefore that the information below be provided. Please be aware that your response, though needed, is voluntary and has no effect on your contracting.

Your answers will be treated with confidentiality. Thank you for assisting us.

Sincerely,

Fresno County Community Development Division

---

---

Business Name: \_\_\_\_\_

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

1. Are 51% of the business owners qualified Section 3 Residents? \_\_\_\_\_

If YES stop, if NO proceed.

2. Are at least 30% of the employees Section 3 Residents (or were they when they started less three years ago)? \_\_\_\_\_

If YES stop, if NO proceed.

3. Will the business subcontract more than 25% of the proposed work under the contract to business concerns that meet the qualification set forth in number 1 & 2 above? \_\_\_\_\_

If YES stop, if NO proceed.

\_\_\_\_\_ We currently do not qualify as a Section 3 business

I certify that the statements made on this sheet are true, complete and correct to be best of my knowledge and belief, and made in good faith.

Signature \_\_\_\_\_

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

## SECTION 3 Project Work Force Breakdown

Job Category	Total Positions Needed for Project	No. Positions Occupied by Permanent Employees	Number of Positions not Occupied	Number of Positions filled with Section 3 residents
Supervisor				
Professional				
Technical				
Office/Cleric.				
Others				
TRADE:				
Journeyman				
Apprentices				
Trainees				
Others				
TRADE:				
Journeyman				
Apprentices				
Trainees				
Others				

**\*Section 3 Resident:**

Individual residing within the Section 3 Area Whose family income does not exceed 80% of the median income in the Metropolitan Statistical Area or the county, if not within a MSA, in which the Section 3 covered project is located. See attached income schedule.

NOTE: This document must be submitted with bid documents.

\_\_\_\_\_  
Company

\_\_\_\_\_  
Project

\_\_\_\_\_  
Project Number

Person Completing Form: \_\_\_\_\_

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

---



## SECTION 3 BUSINESS UTILIZATION REPORT

Project No. : \_\_\_\_\_

Total Dollar Amount of Contract: \$ \_\_\_\_\_

Federal ID No. : \_\_\_\_\_

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

Name of Prime Contractor:

Name of Subcontractor	Sec 3 Y/N	Address/Telephone	Trade/Service or Supply	Contract Amount	Award Date	Competitive or Negotiated Bid	Federal Identification No.

Total Dollar Amount Awarded to Section 3 Businesses:  
\$ \_\_\_\_\_

Company \_\_\_\_\_

NOTE: This report must be completed and submitted by the Contractor (monthly) with each payment request.

Project \_\_\_\_\_

Project Number \_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
Person Completing Form

## ATTACHMENT D

### Project Disbursement Schedule Country Meadows II

Draw No.	Percentage of Funds	Dollar Amount Requested	10% Retention	Amount Disbursed
1	Deposit at escrow	\$400,000	\$40,000	\$360,000
2	First construction draw	\$50,000	\$5,000	\$45,000
	Total Amounts	\$450,000	\$45,000	\$405,000
	<b>Retention Amount (pay at the end of construction)</b>			<b>\$45,000</b>

## ATTACHMENT E

### Country Meadows II

PROJECT TIMELINE	
Secure all other funding	Aug-20
Secure buyers	Apr-21
Construction Start	May-21
Construction Complete	Nov-22
Sale of residences	Aug-23

# EXHIBIT 1

## SELF-DEALING TRANSACTION DISCLOSURE FORM

In order to conduct business with the County of Fresno (hereinafter referred to as "County"), members of a contractor's board of directors (hereinafter referred to as "County Contractor"), must disclose any self-dealing transactions that they are a party to while providing goods, performing services, or both for the County. A self-dealing transaction is defined below:

*"A self-dealing transaction means a transaction to which the corporation is a party and in which one or more of its directors has a material financial interest"*

The definition above will be utilized for purposes of completing this disclosure form.

### INSTRUCTIONS

- (1) Enter board member's name, job title (if applicable), and date this disclosure is being made.
- (2) Enter the board member's company/agency name and address.
- (3) Describe in detail the nature of the self-dealing transaction that is being disclosed to the County. At a minimum, include a description of the following:
  - a. The name of the agency/company with which the corporation has the transaction; and
  - b. The nature of the material financial interest in the Corporation's transaction that the board member has.
- (4) Describe in detail why the self-dealing transaction is appropriate based on applicable provisions of the Corporations Code.
- (5) Form must be signed by the board member that is involved in the self-dealing transaction described in Sections (3) and (4).

<b>(1) Company Board Member Information:</b>			
<b>Name:</b>		<b>Date</b> :	
<b>Job Title:</b>			
<b>(2) Company/Agency Name and Address:</b>			
<b>(3) Disclosure (Please describe the nature of the self-dealing transaction you are a party to):</b>			
<b>(4) Explain why this self-dealing transaction is consistent with the requirements of Corporations Code 5233 (a):</b>			
<b>(5) Authorized Signature</b>			
<b>Signature:</b>		<b>Date:</b>	