

AFFORDABLE HOUSING AGREEMENT

This Affordable Housing Agreement (“Agreement”) is dated _____ and is between the **County of Fresno**, a political subdivision of the State of California (“County”) whose address is 2220 Tulare Street, 6th Floor, Fresno, CA 93721 and **Reedley Elderly L.P.**, a California Limited Partnership (“Partnership”, “Borrower”, or “Owner”) whose address is 8445 W. Elowin Court, Visalia, CA 93291, which consists of:

- (1) **Reedley Elderly LLC**, a California limited liability company as the Managing General Partner (“Managing General Partner”), whose sole member is **Self-Help Enterprises** (“SHE”), a California nonprofit public benefit corporation; and
- (2) **MCC Housing LLC**, a California limited liability company as the Owner’s Investor Limited Partner (“Investor Limited Partner”).

This Agreement shall be recorded against real property and it is the intent of the parties to this Agreement to bind all future Owners of said property to the terms and conditions provided herein, for at least as long as the County’s Period of Affordability specified herein, subject to the requirements, restrictions, and limitations specified herein.

Recitals

A. The County, through its Department of Public Works and Planning (“Department”) Community Development Division (“Division”), has been designated as a Participating Jurisdiction by the United States Department of Housing and Urban Development (“HUD”) to administer and implement the Federal HOME Investment Partnerships (“HOME”) program activities of the County, in accordance with all applicable Federal regulations and the laws of the State of California. The HOME program is authorized by Title II of the Cranston-Gonzalez National Affordable Housing Act and has been in operation since 1992, with core regulations codified at [24 Code of Federal Regulations \(“CFR”\) Part 92](#). The purpose of the HOME program is to strengthen public-private partnerships and to expand and preserve the supply of decent, safe, sanitary, and affordable housing, with primary attention to rental housing, for very-low income and low-income households. Pursuant to [24 CFR 92.300\(a\)\(4\)\(ii\)](#), HOME funds must be provided directly to the legal Owner of the Project.

1 B. On February 19, 2025, the Department issued a Notice of Funding Opportunity
2 (“NOFO”) requesting applications for affordable housing projects for new construction or
3 rehabilitation. SHE submitted an application to the County for HOME funds for **Reedley Elderly**
4 (“the Project”) on March 5, 2025. The Project’s name was changed at a later date to **Reedley**
5 **Heritage**. The Project consists of multifamily rental housing for senior citizens, aged 62+, and is
6 located at **172 S. East Avenue, Reedley, CA 93654**. The County provided SHE with a
7 reservation letter on March 13, 2025, indicating that \$1 million in HOME funds had been
8 reserved, contingent upon final underwriting and subsidy layering analysis, securing all other
9 funding necessary to complete the project, and satisfaction of the applicable provisions of the
10 National Environmental Policy Act (“NEPA”). On March 14, 2025, SHE requested the County
11 increase the reservation to \$2 million to make SHE’s application for the Project more
12 competitive with the California Tax Credit Allocation Committee (“CTCAC”) Round 1, Nine
13 Percent (9%) Application, which had a deadline of March 18, 2025. The Department issued a
14 revised letter for \$2 million in HOME funding for the Project on March 14, 2025, with the same
15 three conditions. The Reedley Project was selected as a recipient of the State’s Round 1, 9%
16 Low-Income Housing Tax Credit (“LIHTC”) funds on June 18, 2025.

17 C. The Project was listed in the County’s 2025-26 (Year 1) Action Plan for HOME funding,
18 brought before the Board on August 5, 2025. Due to delays, the Project was also listed in the
19 County’s 2026-27 (Year 2) Action Plan for HOME funding, brought before the Board on May 19,
20 2026.

21 D. The Project consists of 23 one-bedroom/one-bathroom affordable rental units, of which
22 22 will be restricted under LIHTC requirements to senior (62 years of age or older) households
23 at varying income levels that will range from 30% to 50% of the County’s Area Median Income
24 (“AMI”) at time of leasing. The two single-story buildings were constructed in 1978 as affordable
25 housing, but the original period of affordability for the housing has lapsed and additional funds
26 through this Project are necessary to address deferred maintenance needs and sustain the
27 affordability of the units. The Owner must follow a Federally-compliant Uniform Relocation Act
28 (“URA”) plan, which will provide housing, financial assistance, and moving/storage services to

1 tenants during renovations. The URA plan requires adherence to specific noticing requirements.
2 Based upon the draft plan reviewed by the County, all tenants are expected to vacate their units
3 temporarily and will be permitted to return to comparable units at the property upon completion
4 of the renovations. The single unrestricted unit at the property is reserved for an on-site
5 manager.

6 E. Due to the amount of HOME funds involved in the Project and the nature of the
7 rehabilitation activity, the minimum Period of Affordability is 15 years following the closeout of
8 the Project in the Federal IDIS database or successor system put in place by HUD. The
9 closeout in IDIS typically occurs after the conversion from construction financing to permanent
10 financing and after the County's closeout package has been submitted by the Owner.
11 Recordation of a Notice of Completion upon completion of the Project is required, but this date
12 does not determine the Federal regulatory compliance period. The Owner shall maintain the
13 Project in full compliance with all applicable Federal requirements and its 11 HOME-assisted
14 units for the duration of the Period of Affordability.

15 F. The COUNTY has verified prior to this Agreement's execution that Owner is:

- 16 a. Qualified to do business in the State of California (using entity number
17 B20250280478, as filed with the Secretary of State);
- 18 b. In good standing with the California Secretary of State;
- 19 c. In good standing with the California Franchise Tax Board;
- 20 d. Neither suspended nor debarred from receiving Federal funds (using universal
21 entity identification number ETSUKTHU6RK5, as filed with SAM.gov).

22 G. SHE provided the County with documentation establishing the Managing General
23 Partner as a Community Housing Development Organization ("CHDO"). The County has
24 determined that the Owner and its CHDO are qualified to develop multifamily rental housing for
25 persons of low income. Owner and its CHDO have the expertise, qualifications, and are willing
26 and able to provide the Services pursuant to the terms and conditions of this Agreement.

27 H. The purpose of this Affordable Housing Agreement is to rehabilitate and maintain 11
28 units of rental housing, affordable to households at or below 50% AMI at the Low HOME Rents

1 for a minimum of 15 years at the Project location, with the loan of the County's funds repaid
2 over an extended period of time.

3 The parties therefore agree as follows:

4 **Article 1**

5 **Owner's Responsibilities**

6 1.1 **Scope of Work.** The Owner shall perform (or cause to be performed) all of the
7 services provided in Exhibit A to this Agreement, titled "Scope of Services."

8 1.2 **Project Specifics.** The Owner shall utilize the specific definitions (including for the
9 Period of Affordability), specifications, restrictions, limitations, and requirements included in
10 Exhibit B to this Agreement, titled "Project Specifics" in the understanding and construction of
11 intended meaning for the requirements contained herein. Definitions for Period of Affordability,
12 Project, Property, and County-assisted Units as used throughout this Agreement are defined in
13 Exhibit B.

14 1.3 **Funding & Funds Payable to the County.** The Owner agrees to receive funding in
15 accordance with Exhibit C to this Agreement, titled "Funding & Funds Payable to the County."
16 Definitions of Funding Sources Administered by the County, and Loan Documents, as
17 applicable, are defined in Exhibit C.

18 1.4 **Self-Dealing Transactions and Identities of Interest.** The Owner agrees to report
19 Self-Dealing transactions and Identity of Interest relationships in accordance with Article 11
20 "Disclosure of Self-Dealing Transactions, Identity of Interest, and Conflict of Interest" below and
21 Exhibit D, titled "Self-Dealing Transactions & Identity of Interest Disclosure Forms."

22 1.5 **Insurance.** The Owner shall secure, maintain, and report insurance in accordance
23 with the requirements identified in Article 9 "Insurance" below and Exhibit E, titled "Insurance
24 Requirements."

25 1.6 **HOME Funding Requirements.** The Owner shall ensure that all construction,
26 ongoing operation, and maintenance of the Project and property are performed in strict
27 accordance with the requirements in Exhibit F, titled "HOME Funding Requirements." The
28 HOME funding requirements are largely based on 24 CFR Part 92, with additional citations to

1 certain cross-cutting Federal regulations applicable to all Federally-funded projects and other
2 cross-cutting requirements applicable to all HUD-funded projects. All regulations cited may
3 change from time to time, as amended by the corresponding Federal entity.

4 1.7 **Subordination.** With respect to the County-assisted units defined in Exhibit B, the
5 Owner shall ensure the regulatory requirements, covenants, and restrictions set forth in this
6 Agreement and its exhibits shall remain superior to any other encumbrance on the Property. In
7 the event a separate encumbrance on the Property has a conflicting restriction or requirement,
8 the stricter of the two shall apply. The County may, in its sole discretion, agree to subordinate its
9 financial lien and debt repayment priority to senior financing, provided that such subordination
10 does not terminate, negate, or impair the Owner's obligation to comply with the non-financial
11 requirements of this Agreement.

12 1.8 **Representation.** The Owner represents that it is qualified, ready, willing, and able to
13 perform all of the services provided in this Agreement.

14 1.9 **Compliance with Laws.** The Owner shall, at its own cost, comply with all applicable
15 federal, state, and local laws and regulations in the performance of its obligations under this
16 Agreement, including but not limited to workers compensation, labor, and confidentiality laws
17 and regulations.

18 1.10 **References to Laws and Interpretation of Regulatory Guidance.** The Owner
19 acknowledges and agree that any reference in this Agreement to a State requirement, Federal
20 statute, administrative rule, or regulation, including but not limited to the Code of Federal
21 Regulations ("CFR"), shall be deemed to include such statute or regulation in its entirety, along
22 with all subparts, sections, appendices, and all other regulatory provisions or external citations
23 explicitly or implicitly incorporated therein, as well as any subsequent amendments,
24 modifications, or successor legislation thereto.

25 (A) Notwithstanding the foregoing, the application of subsequent amendments shall
26 be distinguished as follows:

27 (1) Construction and Design Standards: Physical building codes, design
28 specifications, and construction standards shall be governed by the laws and

1 regulations in effect at the time of project commitment or construction completion,
2 and subsequent amendments shall not apply retroactively unless explicitly mandated
3 by Federal, State, or local law.

4 (2) Operational, Eligibility, and Habitability Standards: All requirements governing
5 ongoing property operations, tenant income eligibility, rent limits, lease compliance,
6 and property habitability, maintenance, or physical inspection standards (including
7 any successor federal inspection frameworks) shall apply dynamically as amended,
8 updated, or replaced throughout the term of this Agreement.

9 (B) To the extent this Agreement incorporates specific summaries, details, or
10 explanations for laypersons of these Federal requirements, including, but not limited to,
11 the HUD HOME Investment Partnerships Program regulations at 24 CFR Part 92, such
12 language is included solely as an administrative courtesy to facilitate compliance by the
13 Owner, its general contractor, and its property management representatives. The
14 inclusion of such explanatory text, or the omission of any statutory or regulatory
15 provision herein does not constitute legal advice to the Owner and shall not be
16 construed against the County. The Owner has consulted with its own independent legal
17 counsel prior to entering into this Agreement and acknowledges and agrees that it
18 maintains an independent and absolute obligation to ensure strict adherence to all
19 applicable Federal, State, and local laws, regulations, and guidelines, regardless of the
20 level of specificity or lack thereof provided in this Agreement.

21 **Article 2**

22 **County's Responsibilities**

23 2.1 **Period of Affordability and This Agreement's End of Term Date.** The County
24 shall maintain and notice updates to the Project's dates.

25 (A) **Authorization to Update.** The Director of the County's Department of Public
26 Works and Planning is authorized to issue Notice to amend in writing this Agreement's
27 term as provided in Article 4, "Term of Agreement" below, in the County's system of
28 record as follows:

1 (1) Identification of the Closeout Date. The County shall identify the Closeout
2 Date as the date following completion of physical construction, following satisfaction
3 of all closeout matters, and occurring specifically on the date of closeout of the
4 Project in the Federal IDIS database.

5 (2) Updating the Period of Affordability. Following the completion and closeout of
6 the construction phase in the Federal IDIS database, Department shall use the IDIS
7 closeout date to calculate the end date for the Federal Period of Affordability. In
8 accordance with Exhibit B, Table 3, the Department shall add fifteen (15) years and
9 one (1) additional day to the IDIS closeout date to establish the official expiration of
10 the Federal Compliance Period, which may be modified further subject to remedies
11 available to the County under Article 6.

12 (3) Aligning the Agreement End Date. To account for the dynamic nature of the
13 IDIS closeout date, the estimated final end date of this Agreement shall be modified
14 by the Department to align with the full fifty-five (55) year loan term referenced in
15 Exhibit B, Table 1, terminating exactly fifty-five (55) years after the date the Project is
16 marked closed in IDIS.

17 (4) Administrative Term Adjustments. If the estimated end date in the County's
18 system of record is expected to pass in the next sixty (60) days, but not all three (3)
19 conditions described in Article 4.1 below have been satisfied, the estimated end date
20 of this Agreement shall be modified by the Director to reflect a reasonably anticipated
21 final satisfaction date.

22 (5) Formal Notification Mechanics. If this Agreement's end date is modified in
23 the County's system of record under any provision of this Article, the Department
24 shall document the programmatic reason for the modification and provide written
25 notice to the Owner and all necessary entities identified in Article 5 below. Such
26 written notice shall become part of this Agreement by reference.

27 (6) Delegated Authority. The County Board of Supervisor's delegated authority to
28 execute specific types of documents necessary to complete and monitor the project's

1 compliance are identified in Exhibit G, titled "Limited Delegation of County's
2 Authority."

3 2.2 **Security.** The County shall record security instruments, including the Federal HOME
4 Regulatory Agreement and Declaration of Restrictive Covenants ("Regulatory Agreement"), to
5 bind the HOME requirements to the land for the duration of the Period of Affordability. If this
6 Project's funding is provided as a loan, the County shall also record a Deed of Trust and obtain
7 an executed Promissory Note as further security of the County's investments.

8 2.3 **County's Obligations to Owner During the Period of Affordability.** The County
9 shall:

10 (A) **Review.** Review requested changes to rents, lease agreement templates,
11 affirmative marketing plans, and other documents needing County's written approval
12 prior to modification in a timely manner.

13 (B) **Risk Assessment.** Perform a Risk Assessment of the Owner upon completion of
14 Construction and regularly thereafter during the Period of Affordability, whereby the
15 County's assessment of the Owner's risk of noncompliance informs the degree and
16 frequency of the County's monitoring efforts.

17 (C) **Provide.** Provide annually the HUD-determined HOME rent limits, authorized
18 utility allowances, and household income limits, and other required documents as noted
19 in this Agreement, if needed.

20 (D) **Inspect.** Inspect County-assisted units and the Property in accordance with the
21 HUD requirements in effect at the time of monitoring, and in accordance with the
22 County's Risk Assessment Plan.

23 (E) **Fully Monitor During the Federal Compliance Period.** Monitor Owner for
24 compliance with the requirements of the County's funding source and this Agreement
25 throughout the Period of Affordability.

26 (F) Discuss, call, or meet with Owner as much as necessary to support the Project
27 and ongoing Project compliance.

28 2.4 **County's Obligations to Owner During the Post-Regulatory Period.** The County

1 shall:

2 (A) **Minimally Monitor During the Post-Regulatory Period.** Monitor Owner for
3 compliance with the requirements of this Agreement, including payment of residual
4 receipts, maintaining property insurance, exterior inspections, Fair Housing, and State
5 Reporting, throughout the Post-Regulatory Period of this Agreement.

6 (B) Discuss, call, or meet with Owner as much as necessary to support the Project
7 and ongoing Project compliance.

8 **Article 3**

9 **Funding, Invoices, and Payments**

10 3.1 **Funding to Owner.** The County agrees to provide, and the Owner agrees to receive,
11 funding under this Agreement as described in Exhibit C to this Agreement, titled "Funding &
12 Funds Payable to County."

13 3.2 **Payments to County.** The Owner agrees to pay and the County agrees to receive
14 funds payable to the County as described in Exhibit C. The fees described below in Exhibit C of
15 this Agreement were included and reviewed by the County during the underwriting process. In
16 accordance with [24 CFR 92.214\(b\)\(2\)](#), all fees charged and collected by County under the
17 provisions of this section shall be treated as applicable credits under [2 CFR 200.406](#). County
18 shall not pursue the collection of any fees from the Owner if the expenses were not invoiced or
19 communicated in writing to the Owner within 150 days of the date they were incurred.

20 3.3 **Maximum Funding.** The maximum funding payable to the Owner under this
21 Agreement is **Two Million Dollars and No Cents (\$2,000,000.00)**. The Owner acknowledges
22 that the County is a local government entity, and does so with notice that the County's powers
23 are limited by the California Constitution and by State law, and with notice that the Owner may
24 receive funding under this Agreement only for services performed according to the terms of this
25 Agreement and while this Agreement is in effect, and subject to the maximum amount payable
26 under this section. The Owner further acknowledges that County employees have no authority
27 to pay the Owner except as expressly provided in this Agreement.

28 3.4 **Invoices.** The Owner shall submit invoices, in accordance with Exhibit C, to the

1 with a copy to:

2 Gubb & Barshay LLP
3 235 Montgomery Street, Suite 1110
4 San Francisco, CA 94104
5 Attention: Lauren Fechter
6 [email or phone?]

7 **If to the Managing General Partner:**

8 Reedley Elderly LLC
9 c/o Self-Help Enterprises
10 8445 W. Elowin Court
11 Visalia, CA 93291
12 Attn: President and CEO
13 [email]

14 with a copy to:

15 Gubb & Barshay LLP
16 235 Montgomery Street, Suite 1110
17 San Francisco, CA 94104
18 Attention: Lauren Fechter
19 [email or phone?]

20 **If to the Investor Limited Partner:**

21 MCC Housing LLC
22 c/o Merritt Community Capital Corporation
23 1901 Harrison Street, Suite 1650
24 Oakland, California 94612
25 Attention: President & CEO
26 [email or phone?]

27 with a copy to:

28 Bocarsly Emden Esmail Cowan & Arndt LLP
633 W. Fifth Street, Suite 5880
Los Angeles, CA 90071
Attention: Rachel Rosner
[email or phone?]

5.2 **Change of Contact Information.** Either party may change the information in section 5.1 by giving notice as provided in section 5.3.

5.3 **Method of Delivery.** Each notice between the County and the Owner provided for or permitted under this Agreement must be in writing, state that it is a notice provided under this Agreement, and be delivered either by personal service, by first-class United States mail, by an overnight commercial courier service, or by Portable Document Format (PDF) document attached to an email.

(A) A notice delivered by personal service is effective upon service to the recipient.

1 (B) A notice delivered by first-class United States mail is effective three County
2 business days after deposit in the United States mail, postage prepaid, addressed to the
3 recipient.

4 (C) A notice delivered by an overnight commercial courier service is effective one
5 County business day after deposit with the overnight commercial courier service,
6 delivery fees prepaid, with delivery instructions given for next day delivery, addressed to
7 the recipient.

8 (D) A notice delivered by PDF document attached to an email is effective when
9 transmission to the recipient is completed (but, if such transmission is completed outside
10 of County business hours, then such delivery is deemed to be effective at the next
11 beginning of a County business day), provided that the sender maintains a machine
12 record of the completed transmission.

13 5.4 **Change of Common Electronic Transmission.** Due to the significant length of this
14 Agreement's term and the 2024 updates to Title II of the Americans with Disabilities Act
15 adopting Web Content Accessibility Guidelines Version 2.1, Level AA, it is foreseeable that a
16 PDF as the standard, static, protected electronic document attachment type may not remain
17 constant for the duration of this Agreement. Either party may propose to change the final
18 (currently PDF) acceptable notice format via email identified in section 5.3 to a new or different
19 attachment type. That new attachment type may be adopted upon mutual written consent of all
20 parties without need for further amendment of this Agreement.

21 5.5 **Claims Presentation.** For all claims arising from or related to this Agreement,
22 nothing in this Agreement establishes, waives, or modifies any claims presentation
23 requirements or procedures provided by law, including the Government Claims Act (Division 3.6
24 of Title 1 of the Government Code, beginning with section 810).

25 5.6 **Noticed Correspondence.** The following non-inclusive list of items provides
26 guidance on the differentiation between correspondence on the project and material that must
27 be formally noticed.

28 (A) **Correspondance.**

1 (B) **Non-Inclusive List of Things That Require Notice.**

2
3 **Article 6**

4 **Termination, Noncompliance, and Suspension**

5 6.1 **Termination for Non-Allocation of County-Administered Funds.** The terms of
6 this Agreement are contingent on the approval of funds by the appropriating government
7 agency. At point of execution, the County warrants that it has been awarded sufficient funds to
8 cover the full cost of the maximum compensation specified herein. However, as Exhibit B
9 indicates, at any point in time, without the County's consent, funds previously awarded to the
10 County may be de-obligated, so the County is unable to make an unconditional guarantee of
11 funding availability. The County shall immediately notify all parties to this Agreement if the
12 County believes the funds to be at risk of de-obligation, or if the County receives a notice from
13 the appropriating government agency that funds will be de-obligated. If funds the County had
14 relied upon to satisfy the costs of this Agreement are not allocated, then the County, upon at
15 least 30 days' advance written notice to the Owner, may:

16 (A) **Modify.** Modify the sources of funds provided for the Project via a duly
17 authorized amendment to ensure all property regulatory requirements are included and
18 revised security instruments are recorded; or

19 (B) **Terminate.** Terminate this Agreement.

20 6.2 **Noncompliance. Termination for Breach. Remedies for Breach.**

21 (A) **Notice.** Upon determining that a breach, as defined in paragraph (E) below, has
22 occurred, the County may give written notice of the breach to the Owner, in accordance
23 with Article 5 of this Agreement. The written notice may suspend performance under this
24 Agreement and must provide at least sixty (60) days for the Owner to cure the breach.

25 (B) **Results of Owner's Failure to Cure. Remedies Available to County.** If the
26 Owner fails to cure the breach to the County's satisfaction within the time stated in the
27 written notice, the County may:

28 (1) Terminate this Agreement immediately, effective on the date stated on the

1 notice of termination; or

2 (2) Freeze payments from County to Owner or delay completion of the Project
3 until deficiencies or documentation gaps are corrected; or

4 (3) Require the Owner and its Managing General Partner to create and adhere to
5 a Corrective Action Plan in which all Findings and Observations are addressed to the
6 County's satisfaction and the corrective actions are proportional to the violation and
7 sufficient to prevent or deter reoccurrence at this Property or any other property
8 associated with the Managing General Partner or its Member; or

9 (4) Increase the frequency of reporting by the Owner and/or monitoring of the
10 Owner and Property; or

11 (5) Require the Owner to repay improperly overcharged rent/fees to an impacted
12 household; or

13 (6) Declare the affected costs paid to an unverified or excluded entity disallowed;
14 or

15 (7) Demand full repayment of any funds disbursed to an entity excluded from
16 participation in Federal funding; or

17 (8) Require the Owner to retroactively certify a household compliant with the
18 affordability requirements to replace a household in a County-assisted unit that does
19 not meet all affordability and documentation requirements; or

20 (9) Require the Owner to identify the next available comparable unit meeting the
21 affordability requirements of this Agreement to become the new County-assisted
22 unit, for as many units as necessary to achieve affordability requirements; or

23 (10) Require prompt partial repayment of funds the County provided for the
24 Project, commensurate with the percentage of non-compliant units out of total
25 County-assisted units and the percentage of non-compliant years out of the total
26 Period of Affordability; or

27 (11) Require the Owner or its affiliates to utilize a specific, free, web-
28 accessible income calculator and maintain records of its use to document

1 affordability requirements; or

2 (12) Extend the Period of Affordability by the number of years the Project was
3 not in full compliance; or

4 (13) Require the Owner to increase contributions to its replacement reserve
5 account; or

6 (14) Require the Owner to change the property management company to an
7 entity capable of adhering to all regulatory requirements for recordkeeping,
8 operations, affordability, and property maintenance; or

9 (15) Require the Owner to bring in a new partner or member to cure the
10 identified deficiency; or

11 (16) Restrict the Owner from applying to the County for Affordable Housing
12 Development funds for a specific period of time, e.g. one (1) year; or

13 (17) Require the Owner to execute an Assignment of Agreement or equivalent
14 if the Property's then-current Owner differs from the Owner identified in this
15 Agreement; or

16 (18) Require the Owner provide full repayment of all funds the County used for
17 the Project, inclusive of time County staff may have charged to the Project prior to
18 Project completion (staff time not to exceed fifty thousand dollars (\$50,000)). This
19 cap shall apply strictly to pre-closeout development staff hours and shall not limit,
20 alter, or cap the County's right to fully recover uncapped monitoring fees,
21 administrative oversight costs, or legal fees and staff hours incurred as a result of
22 litigation, enforcement actions, or default administration under this Agreement; or

23 (19) Waive in writing the noncompliance or monitoring/reporting requirements
24 for a limited period of time if a local, State, or Federal disaster declaration or other
25 temporary waiver is issued by an entity other than the County, with the authority to
26 modify the requirements of the funding sources involved, to help preserve the long-
27 term affordability of the Project in the face of unexpected circumstances; or

28 (20) Avail itself of another remedy permitted by this Agreement, any Loan

1 Documents for the Project, or regulations governing the County's funding sources; or

2 (21) Initiate legal action to compel specific performance; or

3 (22) Any combination of the remedies listed above that the County, in its sole
4 discretion, determines to be appropriate and proportional to the severity, duration,
5 and nature of the noncompliance. No remedies identified are prerequisites to
6 termination. Some remedies listed above, including those that materially change the
7 terms of this Agreement or the parties subject to this Agreement, require a formal,
8 written amendment to this Agreement.

9 **(C) Ability of the Investor Limited Partner to Act on Behalf of Owner.** The
10 County hereby acknowledges that a Managing General Partner or Investor Limited
11 Partner of the Owner shall have the right, but not the obligation, to cure any breach or
12 default hereunder on the same terms as the Owner.

13 **(D) Federal Remedies for Noncompliance and Termination.** If this Agreement
14 includes Federal funds, the County shall abide by all applicable requirements regarding
15 remedies for noncompliance and termination of this Agreement in accordance with both
16 [2 CFR 200.339](#) and [2 CFR 200.340](#) and any other guiding regulations. If this Agreement
17 includes Federal HOME funds, the County shall hold the full flexibility of authority to
18 require of the Owner specific performance, as expected under [24 CFR 92.504\(c\)\(3\)\(vii\)](#)
19 and [2 CFR Appendix-II-to-Part-200\(A\)](#).

20 **(E) Instances of Breach.** For purposes of this section, a breach occurs when, in the
21 determination of the County, the Owner or its affiliate has:

22 (1) Obtained or used funds illegally or improperly;

23 (2) Failed to comply with any part of this Agreement;

24 (3) Submitted a substantially incorrect or incomplete report to the County;

25 (4) Failed to secure all sums of money in excess of the County's financial
26 contribution that may be necessary to complete construction of or sustain rental
27 subsidies for the Project;

28 (5) Failed to secure all permits, approvals, environmental clearances, and

1 certifications for the construction of the Project on the Property;

2 (6) Failed to comply with the affordability requirements of the funding sources
3 involved, as applicable, or failed to ensure and document that the Project meets
4 affordability requirements throughout the duration of the Period of Affordability;

5 (7) Failed to diligently pursue the construction of the Project to completion by all
6 statutory or regulatory requirements of the funding sources involved;

7 (8) Failed to collect or retain records demonstrating compliance with the terms of
8 this Agreement;

9 (9) Qualified a household with income exceeding 80% AMI as a County-assisted
10 unit without also documenting all attempts to identify a new County-assisted
11 household that is compliant with the Unit Mix in this Agreement's Exhibit B.

12 (10) An event of default, as defined in paragraph (F) below;

13 (11) Any incurable breach, as defined in paragraph (G) below; or

14 (12) Improperly performed or failed to comply with any of its obligations under
15 this Agreement.

16 (F) **Event of Default.** Each of the following shall constitute an "Event of Default" by
17 the Owner under this Agreement:

18 (1) **Failure to Construct.** Failure of the Owner to commence and complete
19 construction of the Project within the time set forth and agreed upon by the Owner
20 and the County, subject to reasonable force majeure delays. The timeline for
21 commencement and completion of construction is defined in Exhibit B.

22 (2) **Failure to Make Payment.** Failure to repay the principal and any interest on
23 any sums due and payable to the County, pursuant to the Loan Documents
24 described in Exhibit C, if any, subject to any notice and cure periods set forth in the
25 other Loan Documents.

26 (3) **Breach of Covenants.** Failure by the Owner to materially perform, comply
27 with, or observe any of the conditions, terms, or covenants of any of the County's
28 Loan Documents, and such failure remains uncured for thirty (30) days after receipt

1 of written notice thereof by the Owner from the County. However, if the breach
2 cannot be cured within thirty (30) days, the Owner shall not be in breach so long as
3 the Owner is diligently undertaking to cure such breach, and such breach is cured
4 within ninety (90) days; provided, however, that if a different period or notice
5 requirement is specified under any other subsection of this Article 6, the more
6 specific provisions shall control.

7 (4) **Default Under Other Loans.** Failure to make any payment or perform any of
8 the Owner's covenants, agreements, or obligations under the documents evidencing
9 and securing any loan or financing secured by the Project following expiration of all
10 applicable notice and cure periods.

11 (5) **Insolvency.** A court having jurisdiction has made or entered any decree or
12 order (i) adjudging the Owner to be bankrupt or insolvent, (ii) approving as properly
13 filed a petition seeking reorganization of the Owner or seeking any arrangement for
14 the Owner or under the bankruptcy law or any other applicable debtor's relief law or
15 statute of the United States or any state or other jurisdiction, (iii) appointing a
16 receiver, trustee, liquidator, or assignee of the Owner in bankruptcy or insolvency or
17 for any of their properties, or (iv) directing the winding up or liquidation of the Owner,
18 if any such decree or order described in clauses (i) to (iv), inclusive, has continued
19 unstayed or undischarged for a period of ninety (90) days, or the Owner has
20 admitted in writing its inability to pay its debts as they fall due or shall have
21 voluntarily submitted to or filed a petition seeking any decree or order of the nature
22 described in clauses (i) to (iv), inclusive. The occurrence of any action in this
23 paragraph shall act to accelerate automatically, without the need for any action by
24 the County, the indebtedness evidenced by the Note.

25 (6) **Assignment; Attachment.** The Owner has assigned its assets for the benefit
26 of its creditors or suffered a sequestration or attachment of or execution on any
27 substantial part of its property, unless the property so assigned, sequestered,
28 attached or executed upon has been returned or released within ninety (90) days

1 after such event or, if sooner, prior to sale pursuant to such sequestration,
2 attachment, or execution. The occurrence of any action in this paragraph shall act to
3 accelerate automatically, without the need for any action by the County, the
4 indebtedness evidenced by the Note.

5 (7) **Suspension; Termination.** The Owner has voluntarily suspended its
6 business for more than sixty (60) consecutive days, or the Owner has dissolved or
7 terminated. The occurrence of any action in this paragraph shall act to accelerate
8 automatically, without the need for any action by the County, the indebtedness
9 evidenced by the Note.

10 (8) **Liens on the Property and the Project.** There has been filed any claim of
11 lien (other than liens approved in writing by the County in Exhibit C) against the
12 Project or any part thereof, or any interest or right made appurtenant thereto, or the
13 service of any notice to withhold proceeds of the Loan and the continued
14 maintenance of said claim of lien or notice to withhold for a period of twenty (20)
15 days without discharge or satisfaction thereof or provision therefor (including, without
16 limitation, the posting of bonds) satisfactory to the County.

17 (9) **Condemnation.** The condemnation, seizure, or appropriation of all or a
18 substantial part of the Property and the Project, except that condemnation by the
19 County shall cause the Loan to accelerate but shall not be an Event of Default.

20 (10) **Unauthorized Transfer.** Any Transfer of Ownership of the Property or
21 the Project, other than as permitted by Exhibit A.

22 (11) **Representation or Warranty Incorrect.** Any Owner representation or
23 warranty contained in this Agreement, or any application, financial statement,
24 certificate, or report submitted to the County in connection with the Project, which
25 was incorrect or false in any material and adverse respect when made.

26 (G) **Incurable Breach.** Each of the following shall be deemed an Incurable Breach,
27 and subject to immediate demand for full repayment of the County-administered funds
28 associated with this Project, inclusive of actual County staff time directly charged to the

1 Project prior to its completion and closeout in IDIS. Any staff hours, internal legal
2 expenses, or external legal fees incurred by the County in connection with enforcing its
3 rights during litigation, default proceedings, or the post-closeout monitoring period shall
4 remain entirely uncapped and the sole financial responsibility of the Owner:

5 (1) Failure to complete construction or attain full occupancy of the Project within
6 timeframes set by State or Federal regulation, as applicable and specific to the
7 funding sources involved in the Project.

8 (2) Permanent conversion of the County-assisted units to fair market-rate rents
9 or higher during the Period of Affordability.

10 (3) Foreclosure on the Property by a private lender whereupon the new Owner
11 refuses to sign a new restrictive covenant with the County to honor the remaining
12 Period of Affordability.

13 (4) Physical abandonment of the Property or severe casualty loss without
14 rebuilding.

15 (5) Ineligible layering of restricted Federal housing subsidies, including but not
16 limited to combining Public Housing operating funds or capital funds with HOME
17 funds. This prohibition does not include accepting Housing Choice Vouchers (“HCV”)
18 (formerly known as Section 8 vouchers) for County-assisted units; it is permissible to
19 blend HCV and County-assisted units.

20 (6) Refusal of the Owner to comply with the requirements or remedies of this
21 Agreement.

22 (H) **No Waiver.** In no event shall any payment by the County or acceptance of any
23 annual monitoring action constitute a waiver by the County of any Breach of this
24 Agreement or any default which may then exist on the part of the Owner. Neither shall
25 such payment impair or prejudice any remedy available to the County with respect to the
26 Breach or default. The County shall have the right to demand of the Owner the
27 repayment to the County of any funds disbursed to the Owner under this Agreement,
28 which in the judgment of the County or the State or Federal authorities providing the

1 County-administered funding were not expended in accordance with the terms of this
2 Agreement. The Owner shall promptly refund any such funds upon demand.

3 **6.3 Termination for Convenience.** If this Agreement includes HOME funds, the terms
4 of this Section 6.3 shall apply to the Agreement. HOME Funds are subject to Federal
5 requirements codified at [Appendix II to Part 200, Title 2](#), notably including 2 CFR Appendix-II-to-
6 Part-200(B).

7 (A) **Termination for Convenience, Pre-Completion of Construction.** Prior to the
8 retention draw of HOME funds and the closeout of the Project in IDIS (or successor
9 systems), the County may terminate this Agreement for convenience, in whole or in part,
10 upon no less than sixty (60) days advance written notice to Owner and its Investor
11 Limited Partner. To ensure the financial stability of the Project, such termination shall
12 only be effected upon the execution of a written settlement agreement among the
13 County, the Owner, and the Investor Limited Partner. The basis for the settlement shall
14 include, at a minimum, full reimbursement by the County for all eligible project costs
15 incurred and non-cancellable obligations committed prior to the date of the notice,
16 alongside reasonable closeout costs.

17 (B) **Termination for Convenience, Post-Completion During the Minimum**
18 **Statutory Affordability Period for HOME Funds.** Following the closeout of the Project
19 in IDIS (or successor systems), this Agreement is intended to remain in full force and
20 effect for the entirety of the Federally-required Period of Affordability to ensure
21 compliance with HOME regulations. During the Period of Affordability, the County may
22 terminate this Agreement for convenience only upon the express, mutual written consent
23 of the County, the Owner, and (if still present) the Investor Limited Partner. Any such
24 mutual termination for convenience during the Period of Affordability shall be structured
25 so as not to prejudice the rights of the Investor Limited Partner, not trigger the
26 repayment of HOME funds, nor trigger a recapture of tax credits.

27 (C) **Termination for Convenience, Post-Completion After Satisfactory**
28 **Completion of the Minimum Statutory Period of Affordability for HOME Funds.** If,

1 following the satisfactory completion of the minimum statutory Period of Affordability for
2 HOME funds, all terms of this Agreement are satisfied, including any monetary
3 repayments owed from the Owner to the County, save for the conclusion of the Term of
4 this Agreement, the Owner and County through its Board of Supervisors may mutually
5 agree in writing to terminate this Agreement.

6 6.4 **No Penalty or Further Obligation.** Except as expressly permitted in Section 6.3,
7 any termination of this Agreement by the County under this Article 6 is without penalty to or
8 further obligation of the County.

9 6.5 **County's Rights upon Termination.** Upon termination for breach under this Article
10 6, the County may demand repayment by the Owner of any monies disbursed to the Owner
11 under this Agreement that, in the County's sole judgment, were not expended or maintained for
12 the duration of the Period of Affordability in compliance with this Agreement and/or all applicable
13 laws and regulations. The Owner shall promptly refund all such monies upon demand. The
14 County, in its sole discretion, may negotiate with the Owner alternate terms for repayment of
15 funds by the Owner to the County. Termination of this Agreement due to breach shall not limit
16 the rights of the County to seek any other legal relief, including the recovery of damages against
17 the Owner and the Member entity of the Managing General Partner.

18 6.6 **Survival.** This Article 6 survives the termination of this Agreement.

19 **Article 7**

20 **Independent Contractor**

21 7.1 **Status.** In performing under this Agreement, the Owner, including its officers, agents,
22 affiliates, employees, subcontractors, and volunteers, is at all times acting and performing as an
23 independent contractor, in an independent capacity, and not as an officer, agent, servant,
24 employee, joint venturer, partner, or associate of the County.

25 7.2 **Verifying Performance.** The County has no right to control, supervise, or direct the
26 manner or method of the Owner's performance under this Agreement, except as permitted in
27 this Agreement to comply with funding and statutory requirements; but the County may verify
28 that the Owner is performing according to the terms of this Agreement and may specify the

1 manner and substance of what must be provided to comply with or verify compliance with this
2 Agreement as required by funding and statutory requirements.

3 7.3 **Benefits.** Because of its status as an independent contractor, the Owner has no right
4 to employment rights or benefits available to County employees. The Owner is solely
5 responsible for providing to its own employees all employee benefits required by law. The
6 Owner shall save the County harmless from all matters relating to the payment of Owner's
7 employees, including compliance with Social Security withholding and all related regulations.

8 7.4 **Services to Others.** The parties acknowledge that, during the term of this
9 Agreement, the Owner may provide services to others unrelated to the County.

10 **Article 8**

11 **Indemnity and Defense**

12 8.1 **Indemnity.** The Owner shall indemnify, save, hold harmless, and at the County's
13 request, defend the County, its partners, officers, agents, and employees from and against any
14 and all costs and expenses (including reasonable attorney's fees and costs), damages,
15 liabilities, claims and losses whatsoever occurring or resulting to the County in connection with
16 the performance, or failure to perform, by the Owner, its partners, officers, agents, employees,
17 or any persons, firms, or corporations furnishing or supplying work, services, materials, or
18 supplies in connection with the performance of this Agreement, and from any and all claims and
19 losses occurring or resulting to any person, firm, or corporation who may be injured or
20 damaged, including damage, injury, or death arising out of or connected with the performance,
21 or failure to perform, of the Owner, its partners, officers, agents or employees under this
22 Agreement, excluding claims occurring as a result of the gross negligence and/or willful
23 misconduct of County. The County may conduct or participate in its own defense without
24 affecting the Owner's obligation to indemnify and hold harmless or defend the County.

25 8.2 **Indemnity for Delegated Authority and Signatories.** The Owner's obligation to
26 indemnify save, hold harmless, and defend the County shall explicitly extend to each of the four
27 (4) individual County positions designated as Authorized Signatories under Exhibit G of this
28 Agreement. The Owner shall indemnify, defend, and hold harmless the County and said

1 individual Authorized Signatories from and against any and all administrative, civil, or third-party
2 legal challenges, claims, or lawsuits contesting the structural legality, validity, or underlying
3 authority of the County's limited delegation of signature authority set forth in Exhibit G. This
4 includes, but is not limited to, any claims challenging the execution or amendment of this
5 Agreement or related Loan Documents by said Authorized Signatories in lieu of a vote by the
6 full County Board of Supervisors.

7 8.3 **Survival.** This Article 8 survives the termination or expiration of this Agreement.

8 **Article 9**

9 **Insurance**

10 9.1 Without limiting the County's right to obtain indemnification from the Owner or any
11 third parties, the Owner shall comply with all the insurance requirements in Exhibit E to this
12 Agreement.

13 9.2 The Owner shall maintain or cause to be maintained certain insurance policies, as
14 specified in Exhibit E, for the duration of construction, the Period of Affordability, and any post-
15 Period of Affordability term of this Agreement.

16 9.3 Once the Period of Affordability is complete (any transfer of Ownership during the
17 Period of Affordability shall not be construed as "completing" the Period of Affordability) and the
18 balance of all funds owed to the County has dropped to \$0, the Owner is released from
19 maintaining the County's insurance requirements even if there are years remaining on the term
20 of this Agreement.

21 **Article 10**

22 **Inspections, Audits, and Public Records**

23 10.1 **Inspection of Documents.** The Owner shall make available to the County, and the
24 County may examine at any time during business hours and as often as the County deems
25 necessary, all of the Owner's records and data with respect to the matters covered by this
26 Agreement, excluding attorney-client privileged communications. The Owner shall, upon request
27 by the County, permit the County to audit and inspect all of such records and data to ensure the
28 Owner's compliance with the terms of this Agreement.

1 10.2 **State Audit Requirements.** If the compensation to be paid by the County under this
2 Agreement exceeds \$10,000, the Owner is subject to the examination and audit of the California
3 State Auditor, as provided in Government Code section 8546.7, for a period of three years after
4 final payment under this Agreement.

5 10.3 **Audit Requirements Following Construction.** Owner shall provide all records
6 specified in Exhibit B within six (6) months after the end of the Owner's Fiscal Year in which the
7 Project receives a Certificate of Occupancy or equivalent, and in no event later than twelve (12)
8 months after attaining a Certificate of Occupancy or equivalent for the Project.

9 10.4 **Audit Requirements for Annual Reporting.** Owner shall annually, or more
10 frequently if required by County's monitoring results, provide to the County all records specified
11 in Exhibit A, any records requested by County, including but not limited to any records
12 necessary to demonstrate compliance with the terms of this Agreement. Owner shall provide to
13 the County all annual records by no later than March 31 of each calendar year. All records shall
14 be provided in the method and format specified by the County.

15 10.5 **Public Records.** The County is not limited in any manner with respect to its public
16 disclosure of this Agreement or any record or data that the Owner may provide to the County.
17 The County's public disclosure of this Agreement or any record or data that the Owner may
18 provide to the County may include but is not limited to the following:

19 (A) The County may voluntarily, or upon request by any member of the public or
20 governmental agency, disclose this Agreement to the public or such governmental
21 agency.

22 (B) The County may voluntarily, or upon request by any member of the public or
23 governmental agency, disclose to the public or such governmental agency any record or
24 data that the Owner may provide to the County, unless such disclosure is prohibited by
25 court order.

26 (C) This Agreement, and any record or data that the Owner may provide to the
27 County, is subject to public disclosure under the Ralph M. Brown Act (California
28 Government Code, Title 5, Division 2, Part 1, Chapter 9, beginning with section 54950).

1 (D) This Agreement, and any record or data that the Owner may provide to the
2 County, is subject to public disclosure as a public record under the California Public
3 Records Act (California Government Code, Title 1, Division 10, beginning with section
4 7920.000) ("CPRA").

5 (E) This Agreement, and any record or data that the Owner may provide to the
6 County, is subject to public disclosure as information concerning the conduct of the
7 people's business of the State of California under California Constitution, Article 1,
8 section 3, subdivision (b).

9 (F) Any marking of confidentiality or restricted access upon or otherwise made with
10 respect to any record or data that the Owner may provide to the County shall be
11 disregarded and have no effect on the County's right or duty to disclose to the public or
12 governmental agency any such record or data.

13 **10.6 Public Records Act Requests.** If the County receives a written or oral request
14 under the CPRA to publicly disclose any record that is in the Owner's possession or control
15 (which includes those records maintained by a contractor on behalf of the Owner), and which
16 the County has a right, under any provision of this Agreement or applicable law, to possess or
17 control, then the County may demand, in writing, that the Owner deliver to the County, for
18 purposes of public disclosure, the requested records that may be in the possession or control of
19 the Owner. Within five business days after the County's demand, the Owner shall (a) deliver to
20 the County all of the requested records that are in the Owner's possession or control, together
21 with a written statement that the Owner, after conducting a diligent search, has produced all
22 requested records that are in the Owner's possession or control, or (b) provide to the County a
23 written statement that the Owner, after conducting a diligent search, does not possess or control
24 any of the requested records. The Owner shall cooperate with the County with respect to any
25 County demand for such records. If the Owner wishes to assert that any specific record or data
26 is exempt from disclosure under the CPRA or other applicable law, it must deliver the record or
27 data to the County and assert the exemption by citation to specific legal authority within the
28 written statement that it provides to the County under this section. The Owner's assertion of any

1 exemption from disclosure is not binding on the County, but the County will give at least 10
2 days' advance written notice to the Owner before disclosing any record subject to the Owner's
3 assertion of exemption from disclosure. The Owner shall indemnify the County for any court-
4 ordered award of costs or attorney's fees under the CPRA that results from the Owner's delay,
5 claim of exemption, failure to produce any such records, or failure to cooperate with the County
6 with respect to any County demand for any such records.

7 10.7 **Survival.** This Article 10 survives the termination or expiration of this Agreement.

8 **Article 11**

9 **Disclosure of Self-Dealing Transactions, Identity of Interest, and Conflict of Interest**

10 11.1 **Applicability.** This Article 11 applies if the Owner is operating as a corporation, or
11 changes its status to operate as a corporation. This Article 11 also applies if the Owner is
12 operating as a Limited Partnership or Limited Liability Company, or changes its status to such.

13 11.2 **Duty to Disclose Self-Dealing Transactions.** If any member of the Owner's
14 leadership is party to a self-dealing transaction, he or she shall disclose the transaction by
15 completing and signing a "Self-Dealing Transaction Disclosure Form" (included within Exhibit D
16 to this Agreement) and submitting it to the County before commencing the transaction or
17 immediately after.

18 11.3 **Duty to Disclose Identity of Interest.** If the Owner or any entity within the Owner is
19 party to an identity of interest relationship, the principal shall disclose the transaction by
20 completing and signing a "Identity of Interest Disclosure Certification Form B1" (included within
21 Exhibit D to this Agreement) and submitting it, along with all requisite instances of "Identity of
22 Interest Disclosure Certification Form B2" to the County before commencing the transaction or
23 immediately upon execution of this Agreement. If no such Identity of Interest exists or is planned
24 to exist, then the Owner shall complete and submit to the County "Identity of Interest Disclosure
25 Certification Form A1." In the event circumstances change, the Owner shall inform the County in
26 writing within two (2) business days.

27 11.4 **Definition of Self-Dealing Transaction.** "Self-dealing transaction" means a
28 transaction to which the Owner is a party and in which one or more of its directors, as an

1 individual, has a material financial interest.

2 11.5 **Definition of Identity of Interest.** An “Identity of Interest” is defined in the
3 certification forms contained within Exhibit D.

4 11.6 **Conflict of Interest.** No officer, employee, or agent of the County who exercises any
5 function or responsibility for planning and carrying out the services provided under this
6 Agreement shall have any direct or indirect financial interest in this Agreement. In addition, no
7 employee of the County shall be employed by the Owner under this Agreement to fulfill any
8 contractual obligations with the County. The Owner shall comply with all Federal, State of
9 California, and local conflict of interest laws, statutes and regulations, which shall be applicable
10 to all parties and beneficiaries under this Agreement and any offer, employee or agent of the
11 County.

12 **Article 12**

13 **General Terms**

14 12.1 **Modification.** Except as provided in Article 6, “Termination and Suspension,” and
15 except as provided in Exhibit G, “Limited Delegation of County Board of Supervisors’ Signature
16 Authority,” this Agreement may not be modified, and no waiver is effective, except by written
17 agreement signed by both parties. The Owner acknowledges that County employees have no
18 authority to modify this Agreement except as expressly provided in this Agreement.

19 12.2 **Non-Assignment.** Except as permitted in Exhibit A, neither party may assign its
20 rights or delegate its obligations under this Agreement without the prior written consent of the
21 other party.

22 12.3 **Governing Law.** The laws of the State of California govern all matters arising from
23 or related to this Agreement.

24 12.4 **Jurisdiction and Venue.** This Agreement is signed and performed in Fresno
25 County, California. Owner consents to California jurisdiction for actions arising from or related to
26 this Agreement, and, subject to the Government Claims Act, all such actions must be brought
27 and maintained in Fresno County.

28 12.5 **Construction.** The final form of this Agreement is the result of the parties’ combined

1 efforts. If anything in this Agreement is found by a court of competent jurisdiction to be
2 ambiguous, that ambiguity shall not be resolved by construing the terms of this Agreement
3 against either party.

4 12.6 **Days.** Unless otherwise specified, “days” means calendar days.

5 12.7 **Headings.** The headings and section titles in this Agreement are for convenience
6 only and are not part of this Agreement.

7 12.8 **Severability.** If anything in this Agreement is found by a court of competent
8 jurisdiction to be unlawful or otherwise unenforceable, the balance of this Agreement remains in
9 effect, and the parties shall make best efforts to replace the unlawful or unenforceable part of
10 this Agreement with lawful and enforceable terms intended to accomplish the parties’ original
11 intent.

12 12.9 **Nondiscrimination.** During the performance of this Agreement, the Owner shall not
13 unlawfully discriminate against any employee or applicant for employment, or recipient of
14 services, because of race, religious creed, color, national origin, ancestry, physical disability,
15 mental disability, medical condition, genetic information, marital status, sex, gender, gender
16 identity, gender expression, age, sexual orientation, military status or veteran status pursuant to
17 all applicable State of California and Federal statutes and regulation.

18 12.10 **No Waiver.** Payment, waiver, or discharge by the County of any liability or obligation
19 of the Owner under this Agreement on any one or more occasions is not a waiver of
20 performance of any continuing or other obligation of the Owner and does not prohibit
21 enforcement by the County of any obligation on any other occasion.

22 12.11 **Entire Agreement.** This Agreement, including its exhibits, is the entire agreement
23 between the Owner and the County with respect to the subject matter of this Agreement, and it
24 supersedes all previous negotiations, proposals, commitments, writings, advertisements,
25 publications, and understandings of any nature unless those things are expressly included in
26 this Agreement. If there is any inconsistency between the terms of this Agreement without its
27 exhibits and the terms of the exhibits, then the inconsistency will be resolved by giving
28 precedence first to the terms of this Agreement without its exhibits, and then to the terms of the

1 exhibits.

2 **12.12 Enforcement of the Agreement Against the Owner by Third-Party Beneficiaries**
3 **for Affordability Requirements.** Pursuant to Federal HOME requirements at [24 CFR](#)
4 [92.504\(c\)\(3\)\(vii\)](#), the parties to this Agreement intend that the tenants of the County-assisted
5 Units during the Period of Affordability shall be express third-party beneficiaries of this
6 Agreement. Such beneficiaries shall have the right to enforce the terms of this Agreement,
7 directly against the Owner and without the need for the consent of the County, any provision of
8 this Agreement that confers affordable housing benefits of the HOME program upon them. This
9 status as a beneficiary of HOME-assisted housing shall supersede any lease terms Owner
10 included in the tenant’s rental contract or lease. This Agreement shall not confer any rights or
11 benefits on any other third party unless such third party is expressly named as a beneficiary to
12 this Agreement.

13 **12.13 Authorized Signature.** The Owner represents and warrants to the County that:

14 (A) The Owner is duly authorized and empowered to sign and perform its obligations
15 under this Agreement.

16 (B) The individual signing this Agreement on behalf of the Owner is duly authorized
17 to do so and his or her signature on this Agreement legally binds the Owner to the terms
18 of this Agreement.

19 **12.14 Electronic Signatures.** The parties agree that this Agreement may be executed by
20 electronic signature as provided in this section.

21 (A) An “electronic signature” means any symbol or process intended by an individual
22 signing this Agreement to represent their signature, including but not limited to (1) a
23 digital signature; (2) a faxed version of an original handwritten signature; or (3) an
24 electronically scanned and transmitted (for example by PDF document) version of an
25 original handwritten signature.

26 (B) Each electronic signature affixed or attached to this Agreement (1) is deemed
27 equivalent to a valid original handwritten signature of the person signing this Agreement
28 for all purposes, including but not limited to evidentiary proof in any administrative or

1 judicial proceeding, and (2) has the same force and effect as the valid original
2 handwritten signature of that person.

3 (C) The provisions of this section satisfy the requirements of Civil Code section
4 1633.5, subdivision (b), in the Uniform Electronic Transaction Act (Civil Code, Division 3,
5 Part 2, Title 2.5, beginning with section 1633.1).

6 (D) Each party using a digital signature represents that it has undertaken and
7 satisfied the requirements of Government Code section 16.5, subdivision (a),
8 paragraphs (1) through (5), and agrees that each other party may rely upon that
9 representation.

10 (E) This Agreement is not conditioned upon the parties conducting the transactions
11 under it by electronic means and either party may sign this Agreement with an original
12 handwritten signature.

13 12.15 **Counterparts.** This Agreement may be signed in counterparts, each of which is an
14 original, and all of which together constitute this Agreement.

15 [SIGNATURE PAGE FOLLOWS]
16
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28

1 The parties are signing this Agreement on the date of the final signature across this
2 page and the next page.

3 **Reedley Elderly L.P.,**
4 a California limited partnership

5 By: Reedley Elderly LLC,
6 a California limited liability company,
7 its general partner

8 By: Self-Help Enterprises,
9 a California nonprofit public benefit
10 corporation,
11 its sole member/manager

12 By: _____
13 Thomas J. Collishaw,
14 President and Chief Executive
15 Officer

16 Date: _____
17
18
19
20
21
22
23
24
25
26
27
28

1 **COUNTY OF FRESNO**

Approved as to Content:

2
3 _____

by: _____

4 Steven E. White,
5 Director of Public Works and Planning
6 Department of Public Works and Planning

Augustine C. Ramirez,
Division Manager for Community Development
Department of Public Works and Planning

7 Date: _____

Date: _____

8
9
10 **Approved as to Legal Form:**

11 Douglas T. Sloan,
12 County Counsel

Approved as to Accounting Form:

Oscar J. Garcia, CPA
Auditor-Controller/Treasurer-Tax Collector

13 by: _____
14 Deputy

by: _____
Deputy

15 Date: _____

Date: _____

16
17 For accounting use only:

18 Remit Payment To:
19 Reedley Elderly L.P.
20 Attention: ???
21 8445 W. Elowin Court,
22 Visalia, CA 93291

23 Fund No.: 0001
24 Subclass No.: 10000
25 Org No.: 55122008
26 Account No.: 7294
27 Memo: 00010
28 Project Number: 2557H01
Cost Center: 7702
Activity Code: 7266

All four (4) signatures on this page must be present for this Agreement to be fully executed by the County of Fresno.

1 **Exhibit A - Scope of Work**

2 **Article 1 Project Scope of Work**

3 As applicable to the Project proposed, the work to be performed by the Owner, or that
4 the Owner shall cause to be performed includes, but is not limited to:

5 1.1 **Project’s Consistency with Applicable Plans.** As applicable, the Owner shall
6 propose and perform affordable housing projects that are consistent with the County’s
7 Consolidated Plan, Annual Action Plan, 6th Cycle Housing Element, Agreement for HOME
8 funds, HOME-ARP Plan, Agreement for Permanent Local Housing Allocation (PLHA) funds, the
9 County’s Rehabilitation Standards (as may be amended from time to time), and the regulatory
10 requirements for the funding sources involved.

11 1.2 **Certification.** The Owner hereby certifies the authenticity and accuracy of the
12 information provided to the County with regards to the fiscal soundness of the Owner, and
13 Owner’s capacity to undertake the proposed Project. The Owner further certifies that it has
14 examined the Project neighborhood market conditions and has determined there is an adequate
15 need for the Project.

16 1.3 **Acquisition.** To the extent the project necessitates acquisition of real property,
17 whether or not said acquisition utilizes County-administered funding or not, the Owner shall
18 acquire the affordable housing site, abiding by all prohibitions on choice-limiting actions and in
19 accordance with all other Federal requirements pertaining to acquisition of real property.

20 1.4 **Land Use Entitlements.** The Owner shall obtain all necessary land use entitlements
21 from the local jurisdiction, e.g. rezone, plan amendments, lot splits, final subdivision map.

22 1.5 **Utilities.** Owner shall obtain all necessary connections to utilities for the property,
23 including electricity, water, sewer, garbage, and broadband internet.

24 1.6 **Senior Financing.** Owner shall obtain and secure such senior financing necessary
25 to complete development of the Project.

26 1.7 **Construction.** Owner shall construct the required on-site and off-site improvements.

27 1.8 **Environmental Compliance.** Owner shall commission environmental assessments
28 and studies, as applicable, attain approval to proceed from the appropriate jurisdiction,

1 document compliance with all mitigation measures, and provide evidence and substantiating
2 records of compliance with mitigation measures to the County. Minimum environmental
3 standards include, but are not limited to:

4 (A) **CEQA.** California Environmental Quality Act (“CEQA”), as described by the
5 [California Public Resources Code Section 21000 et seq](#), if the Project is located in the
6 State of California. In the event the Project is ministerially or statutorily exempt from
7 CEQA, the Owner shall furnish written documentation of the specific type of exemption to
8 the County.

9 (B) **NEPA.** The National Environmental Policy Act (“NEPA”), as described by [24 CFR](#)
10 [Part 58](#), if the Project includes Federal funding. No applicant anticipating or seeking the
11 use of Federal funds may make Choice-Limiting Actions (CLA) ([24 CFR 58.22](#)) for any
12 funding source prior to completion of the NEPA. This prohibition includes all legally-
13 associated affiliates and partners of the developer, Owner, or entity within the Ownership
14 structure – including the County itself. CLAs include: committing/expending funds,
15 acquisition, leasing, ground disturbance, construction, demolition, repair. Agreements
16 conditioning the commitment upon receiving Authority to Use Grant Funds may be
17 permissible.

18 1.9 **Collaboration.** Owner and its affiliates shall work collaboratively with the County’s
19 Community Development Division on all aspects of the development, including predevelopment,
20 agreement/loan drafting, financing, pre-construction, construction, payments, inspections, and
21 long-term monitoring. Developers are encouraged to include the Community Development
22 Division as part of the planning process.

23 1.10 **Construction Completion.** Owner shall complete construction of the Project within
24 the timeframe required by the regulations governing the funding source(s) and this Agreement.
25 The specific timeline and construction scope for this project are included in Exhibit B. Statutory
26 timeframes for project completion are included in Exhibit F.

27 1.11 **Recordkeeping and Reporting.** Owner and its affiliates shall create, collect, and
28 maintain all records and documentation to substantiate compliance with regulatory requirements

1 and the terms of this Agreement, including the annual submission of records and reports for the
2 duration of the Period of Affordability and five (5) years thereafter OR until the Project has been
3 audited by the applicable State or Federal source of the funding, whichever occurs later. More
4 specific requirements may apply to specific funding sources and may be discussed later in this
5 Agreement. Any recordkeeping requirements specific to a funding source shall follow those
6 specific requirements.

7 1.12 **Preservation of Recordkeeping and Reporting.** Owner and its affiliates shall
8 ensure and cause the complete transfer and preservation of all tenant, eligibility, property,
9 maintenance, fiscal, and other records in the event the property management company
10 changes.

11 1.13 **Adherence to Laws.** Owner and its affiliates involved in the Project shall maintain
12 compliance with all applicable Federal, State, and local laws, regulations, and requirements.

13 **Article 2 Property Standards, Inspections, and Maintenance Reserves**

14 2.1 **Ongoing Property Habitability and Compliance Standards.** Upon the completion
15 of construction and for the entire duration of the Term of this Agreement, Owner covenants and
16 agrees to maintain the Property, including all inside areas, outside areas, and County-assisted
17 units, as decent, safe, and sanitary housing in good repair. The Project must satisfy the
18 following dual-compliance framework:

19 (A) **NSPIRE Standards.** The Property must maintain a passing score under HUD's
20 [National Standards for the Physical Inspection of Real Estate](#) ("NSPIRE") Final Rule at
21 24 CFR 5.703, all NSPIRE guidance published, or any successor inspection standards—
22 whichever is most current and adopted (having internal procedures, forms, and
23 documentation) for use by the County. This requirement applies regardless of the
24 County-administered funding source used to support the Project and shall persist if the
25 Term of the Agreement exceeds the Period of Affordability. The County requires
26 property standards to be met regardless of the Period of Affordability to safeguard the
27 County's funds and support the goals of the County's Housing Element.

28 (B) **HOME Ongoing Property Condition Standards and Inspections.** At all times

1 during the Federal Period of Affordability, the Owner shall ensure the Property and
2 Owner's operations comply with all ongoing property standards and inspections
3 mandates set forth at [24 CFR 92.251\(f\)](#), as may be amended from time to time.

4 **2.2 Health, Safety, and Deficiencies Correction Timeframes.** The Owner shall ensure
5 that the Project remains entirely free of health and safety defects. Identified deficiencies must be
6 corrected in accordance with the following timelines:

7 (A) **Life-Threatening Health and Safety Deficiencies.** In accordance with 24 CFR
8 5.703(d)(1) and 24 CFR 92.251(f)(1)(ii), each as may be amended from time to time, any
9 defect identified as a Life-Threatening Condition under NSPIRE standards shall be
10 corrected, mitigated, or controlled within twenty-four (24) hours of the Owner's or the
11 Owner's agents' identification, notification, or knowledge of the condition. If mitigation or
12 control is utilized as an interim measure, full resolution must be completed in accordance
13 with industry standards within a reasonable timeframe not to exceed thirty (30) calendar
14 days, and as expeditiously as possible, unless a longer period is expressly authorized by
15 the County based on documented supply-chain constraints. This requirement shall
16 persist throughout the duration of the Term of this agreement to preserve the County's
17 investment of funds and satisfy Fair Housing requirements.

18 (1) **Sufficiency of Financial Reserves and Capital Obligations.** Owner
19 explicitly acknowledges and agrees that operating cash shortfalls, localized budget
20 deficits, or pending insurance adjustments shall not alleviate, diminish, or excuse
21 Owner's strict obligation to timely correct, mitigate, or permanently resolve a Life-
22 Threatening Condition under the timelines established herein. To guarantee the
23 immediate availability of necessary capital, Owner covenants to promptly deploy
24 funds from its Restricted Operating Reserves, draw upon its Restricted Replacement
25 Reserves (in accordance with the authorization protocols set forth in Section 2.5), or
26 secure an immediate Affiliate Capital Infusion from the Managing General Partner or
27 its development sponsors. The failure to execute a permanent correction due to an
28 asserted deficiency in available property-level liquidity shall constitute an unexcused,

1 material Instance of Breach under this Agreement, immediately empowering the
2 County to invoke all available legal and administrative remedies.

3 (B) **Lead-Based Paint.** If lead is present or reasonably believed to be present, the
4 Project must meet all lead-based paint hazard reduction and notification requirements
5 codified at [24 CFR Part 35](#).

6 (C) **Correction of Non-Life-Threatening NSPIRE Deficiencies.** If the County
7 identifies non-life-threatening health and safety deficiencies within the Project's inside
8 areas, outside areas, or County-assisted units, a follow-up inspection must be conducted
9 within twelve (12) months to verify correction. To satisfy Fair Housing requirements,
10 these deficiencies must be resolved within a reasonable timeframe. The Owner may
11 submit third-party documentation, such as a paid invoice or completed work order, as
12 verifiable proof of correction in lieu of a physical follow-up inspection at the County's
13 discretion.

14 **2.3 Maximum Indoor Temperature Standard.** Pursuant to the County's authority and
15 obligations under 24 CFR 92.251(b) and 24 CFR 92.251(f) to develop and maintain local written
16 property standards that ensure units are decent, safe, and sanitary, and in alignment with the
17 County's Natural Hazard Mitigation Plan within its Consolidated Plan, all HOME-assisted rental
18 housing units must be equipped with active or passive cooling systems (mechanical air
19 conditioning or evaporative cooling) to mitigate the negative impacts of extreme heat and
20 capable of safely maintaining a maximum indoor temperature of not more than 82°F in all
21 habitable rooms.

22 (A) **Source of Standard.** The 82°F standard was identified by the California
23 Department of Housing and Community Development's [2025 Report to the Legislature](#),
24 Policy Recommendation: Recommended Maximum Safe Indoor Air Temperature. The
25 population of tenants at this Project, senior citizens, are particularly susceptible to the
26 negative impacts of extreme heat.

27 (B) **County's Measurement Standard.** Compliance will be verified during project
28 inspections, if the inspection occurs between April 1 and September 30 (the designated

1 cooling season), by measuring the ambient indoor temperature at a distance of three (3)
2 feet above floor level in the center of the room.

3 (C) **Enforcement and Penalties.** The cooling system itself must remain fully
4 functional regardless of tenant operational preferences, though an elevated temperature
5 alone shall not constitute a violation if a tenant intentionally chooses not to run the
6 system. Any HVAC system that is mechanically incapable of lowering the temperature
7 below 82°F, or any ambient temperature reading found at 85°F or higher due to
8 mechanical failure or landlord-imposed thermostat lockouts, shall be classified as an
9 NSPIRE Life-Threatening Condition, requiring documented correction or emergency
10 temporary cooling mitigation within twenty-four (24) hours.

11 2.4 **Mandatory Inspections and Owner Self-Inspections.** The Owner shall facilitate
12 ongoing physical monitoring through a two-tiered inspection structure:

13 (A) **County Inspections.** The County retains the absolute right to perform, or cause
14 to be performed, ongoing property inspections of the Project and the County-assisted
15 units, and the Owner shall allow and facilitate full access during business hours and for
16 County's entry, Owner or its agents shall execute and deliver all legally mandated
17 notices of entry to tenants in strict accordance with California law (including California
18 Civil Code Section 1954).

19 (B) **Owner Self-Inspections.** No less than annually, the Owner shall conduct a
20 comprehensive self-inspection consistent with NSPIRE protocols covering the Property's
21 Inside Areas, Outside Areas, and all County-assisted units. The dated inspection results,
22 along with a detailed summary of subsequent corrective actions taken, must be
23 submitted digitally to the County as part of the annual monitoring process. This self-
24 inspection mandate applies during both the Period of Affordability and the Post-
25 Regulatory Period. During the Post-Regulatory Period, the scope of the report shall
26 include Inside Areas, Outside Areas, and all NSPIRE-deemed Life-Threatening
27 deficiencies in any unit.
28

1 2.5 **Required Operating and Replacement Reserves.** To guarantee structural long-
2 term compliance with the Ongoing Property Habitability Standards, Owner shall establish and
3 maintain separate, restricted reserve accounts:

4 (A) **Operating Reserve.** Owner shall maintain a restricted operating reserve funded
5 to offset shortfalls caused by vacancies, non-payment of rent, or unpredicted operational
6 increases (such as insurance spikes).

7 (B) **Replacement Reserve.** Owner shall maintain a separate restricted replacement
8 reserve dedicated solely to funding capital improvements and the replacement of long-
9 term building components (e.g., roofs, HVAC units).

10 (C) **Account Management.** Both reserves must be maintained in separate,
11 designated bank accounts completely isolated from general operating funds. They must
12 be capitalized at levels meeting or exceeding the highest minimum thresholds required
13 by any senior lender, investor, or regulatory agency funding the Project. Owner shall
14 submit documentation of account balances and annual contributions to the County
15 annually or immediately upon written request. No funds may be withdrawn from the
16 replacement reserve for non-capital purposes without the prior written consent of senior
17 funders and formal notification to the County.

18 2.6 **Repair of Property Damage and Casualty Loss.** Subject to the availability of
19 insurance proceeds, the requirements of senior lenders, and the Owner's Investor Limited
20 Partner, if any, if any improvement on the Property is damaged or destroyed, Owner shall, at its
21 sole cost and expense, diligently undertake to repair or restore the improvement consistent with
22 the plans and specifications approved by the County.

23 (A) **Timeline for Repair.** Physical repair work must commence no later than one
24 hundred twenty (120) days after the damage occurs, or thirty (30) days following the
25 receipt of insurance proceeds, whichever is later, and must be fully completed within one
26 (1) year thereafter unless a State or Federal Disaster Declaration was issued and a
27 shortage of materials and/or construction contractors exists. The County may extend
28 these timeframes in its reasonable discretion. All insurance proceeds collected for such

1 casualty loss shall be applied directly to the cost of restoration, provided the proceeds
2 are sufficient for such purpose.

3 2.7 **Survival.** The provisions of this section shall apply to any modifications,
4 amendments, or successor agreements thereto.

5 **Article 3 Coordination, Reporting & Monitoring**

6 3.1 **Good-Faith Effort.** The Owner, its MGP, its General Contractor, its Property
7 Manager and other affiliates shall make a good-faith effort to coordinate all activities and
8 reporting with the County's Community Development Division.

9 3.2 **Required Reporting During the Construction Phase.** Owner shall submit, or
10 cause to be submitted, to the County the following comprehensive project documentation in
11 accordance with the mandatory timelines and methods set forth below:

12 (A) **Evidence of Insurance and Bonds.** Proof of all required insurances, payment
13 and performance bonds, and endorsements—to be provided strictly prior to the
14 commencement of any construction activity; and not less than within 30 days of
15 execution of this Agreement.

16 (B) **Monthly Progress Reports.** Monthly construction progress reports, including
17 dated progress photos, executed or pending change orders, comprehensive draw
18 packages, and any other status or completion materials related to the Project.

19 (C) **Reports, Packages, and Formal Correspondence.** Owner shall provide the
20 County with copies of all reports, packages, and formal correspondence submitted to, or
21 received from, any other project funder, the City, or any third-party compliance officer.
22 This mandate explicitly includes, but is not limited to, all inspection reports, correction
23 notices, clearances, or compliance determinations issued by the City's Building
24 Inspector, Fire Marshall, Certified Access Specialist (CASp) inspector, or any other third-
25 party regulatory official. All such materials shall be delivered to the County electronically
26 within five (5) business days of its generation, submission, or receipt, regardless of
27 whether such materials are provided to other entities sequentially or in phases.

28 (D) **Labor Compliance and Section 3 Reports.** Weekly certified payroll records and

1 weekly Section 3 compliance certifications and reports shall be provided directly to the
2 County's Labor Compliance Officer exclusively through the County's web-based
3 software, LCPtracker. Owner shall inform County's Project Analyst in writing within one
4 (1) business day if the County's Labor Compliance Officer suggests or seemingly agrees
5 to an alternative method for the provision of labor compliance records. The County's
6 Community Development Division staff shall retain sole and absolute authority over the
7 approved method of provision for all Labor Compliance and Section 3 records.

8 **(E) Monthly Reporting on Ongoing Suspension and Debarment Verification**
9 **Checks.** Evidence of suspension and debarment checks (i.e. SAM.gov verifications)
10 performed in real-time on all general contractors, subcontractors, tier-subcontractors,
11 affiliates, principals (as defined inclusively in the broadest sense between both 2 CFR
12 180.995 and 2 CFR Part 2424) or any other entities receiving a financial benefit or
13 payment from any funds associated with this Project. All verification checks must be
14 printed (to PDF okay), dated, and performed strictly prior to the triggers identified at 2
15 CFR 180.300 including, but not limited to: the execution of any written agreements and
16 prior to any amendments or change orders thereto, and prior to any payments.

17 **3.3 Required Reporting at the Close of Construction and for Project Closeout.**

18 Owner shall submit or cause to be submitted near or at completion of construction and prior to
19 Project Closeout:

20 (A) County's Workbook of "Information Required for Project Closeout," as may be
21 amended from time to time.

22 (B) Owner and CASp and Project Architect certification that the Property, as-built,
23 satisfies the Accessibility

24 (C) Owner and Project Architect certification that the Project satisfies the
25 Accessibility Requirements identified above and complies with Section 504

26 (D) A certified Lead Clearance Examination is mandatory before units can be re-
27 occupied

28 (E) Owner and Project Architect certification of energy efficiency compliance and/or

1 any third-party verifications obtained which document the actual energy efficiency
2 achieved for the finished construction Project

3 (F) Copies of all Project documents executed and/or recorded.

4 **3.4 Required Reporting During the Federal Period of Affordability.** Owner shall
5 submit a digital HOME Monitoring Self-Certification in a format acceptable to the County, and
6 provide digitally the list of monitoring documentation via a method acceptable to the County, no
7 later than March 31 annually. The monitoring period covers January 1 to December 31 of the
8 prior year.

9 **(A) Administrative Records**

- 10 (1) Application Fee Policy
- 11 (2) Property Management Agreement
- 12 (3) Procurement Files
- 13 (4) HOME Policies & Operating Procedures
- 14 (5) Other administrative records as requested

15 **(B) Property Maintenance Records**

- 16 (1) Insurance Certificates
 - 17 i. "Additional Insured" endorsements must be present
- 18 (2) Work Order Logs
 - 19 i. Last 3 months of entire property
 - 20 ii. Entire year for HOME units
 - 21 iii. Work orders must contain, at minimum:
 - 22 • Work Order #
 - 23 • Unit #
 - 24 • Date Requested
 - 25 • Date Responded
 - 26 • Date Resolved
 - 27 • Description of Problem: including explicit identification of severity, such
 - 28 as Routine, Urgent, or NSPIRE Life-Threatening

- Notes on Resolution

(3) Annual Property Inspection Reports

(4) Property Manager reports to Owner

(5) Other property management records, as requested

(C) Fair Housing and Civil Rights Records

(1) Tenant Participation Plan (CHDO requirement)

(2) Tenant Selection Plan

(3) Tenant Waiting List, including at minimum:

i. Date and time the application/pre-application was submitted

ii. Head of Household

iii. Contact Information (telephone number)

iv. Identification of any need for an accessible unit

v. Preference status (e.g. veteran status, victim of domestic violence, etc.), if any

vi. Unit size

vii. Annual income level

viii. Notes regarding the results of owner/manager contact

(4) Interested Renters Procedures

(5) Grievance Policy

(6) Applicant Rejection Letters

(7) Tenant Income Calculation Policy

(8) Affirmative Marketing Plan

(9) Advertising Literature

(10) Pet Policy

(11) Disability Accommodations

(12) Photo of posted Fair Housing Logo

(13) Other Fair Housing and Civil Rights documents as requested

(D) Financial Records

- 1 (1) Audited Financial Statements
- 2 (2) Annual Budget
- 3 (3) Budget Balance Sheet
- 4 (4) Annual Profit and Loss Statement
- 5 (5) Capital Needs Analysis, at minimum, every 3 years.
- 6 (6) Other financial reports, as needed

7 **(E) Tenant Files**

- 8 (1) Current Rent Roll, which must contain:
 - 9 i. Unit Number
 - 10 ii. Tenant Name
 - 11 iii. Household Size
 - 12 iv. Unit Type/Size
 - 13 v. HOME Unit Designation (Low Home)
 - 14 vi. Other subsidies impacting tenant rent
 - 15 vii. Unit Market-Rate Rent
 - 16 viii. Rent Charged to Tenant
 - 17 ix. Maximum Allowable Rent
 - 18 x. Utility Allowance
 - 19 xi. Other Rental Assistance
 - 20 xii. Other Rental Subsidies
 - 21 xiii. Move-In Date
 - 22 xiv. Certified Annual Income
 - 23 xv. % AMI
 - 24 xvi. Income Compliance Status
 - 25 xvii. Asset Verification (HOTMA)
 - 26 xviii. Date of Last Income Certification
 - 27 xix. Next Recertification Date
- 28 (2) Occupancy Report, property-wide

1 (3) NEW HOME Tenant Documentation / Every 6th Year of the Property, all
2 HOME tenants to go through full recertification (County to Identify which year is the
3 sixth year, based on HUD data, not calendar)

- 4 i. Application (not required for recert)
- 5 ii. Lease Agreements, including the following addenda:
 - 6 • HOME Tenancy Addendum
 - 7 • VAWA Addendum
 - 8 • Lead-Based Paint Disclosure
- 9 iii. Initial Income Certifications & supporting documentation

10 (4) Annual Recertifying Tenant Documentation

- 11 i. Annual Income Recertification Packet
- 12 ii. HOME Safe Harbor Income Certification
- 13 iii. Lease with HOME/VAWA/LBP Addendum

- 14 (5) Utility Allowance Methodology & Worksheets per tenant
- 15 (6) Move-out Documentation & Costs
- 16 (7) Explanation of unit vacancies
- 17 (8) Other tenant documents as requested

18 **3.5 Required Reporting During the Post-Regulatory Period.**

- 19 (A) Proof of Insurance
- 20 (B) Financial Records as above in the Period of Affordability
- 21 (C) Proof of Meeting Property Maintenance Standards
- 22 (D) Annual Certification Workbook
- 23 (E) Rent Roll
- 24 (F) Other records upon request

25 **3.6 Subsequent County Monitoring, Reporting, and Inspection Guidance.** After

26 construction of the Project is complete, the Owner agrees to cooperate with the County's
27 ongoing monitoring, reporting, and property inspection processes. To facilitate this, the County
28 may establish and reasonably update administrative procedures, data formats, and submission

1 methods, which may be compiled into a *Rental Management Handbook for HOME Project*
2 *Owners and Property Managers* (“the Handbook”), or similar title. The Owner agrees to utilize
3 the specific forms, templates, and reporting schedules prescribed by the County or the
4 Handbook to demonstrate compliance with the underlying State and Federal regulations
5 governing the Project. The introduction or amendment of these administrative reporting formats
6 shall not be construed as imposing new substantive regulatory burdens on the Project.

7 **3.7 Reporting to the State of California.** Funding included in this Agreement triggers
8 reporting and noticing requirements under State law.

9 (A) **Statutory Obligation and Preservation Laws.** Owner explicitly covenants and
10 agrees to comply with all applicable provisions of California’s Affordable Housing
11 Preservation Laws codified at California Government Code sections [65863.10](#),
12 [65863.11](#), and [65863.13](#) (collectively, the “Preservation Laws”). Owner acknowledges
13 that the receipt of HOME, PLHA, or any other fund identified in the Preservation Laws
14 triggers an “assisted housing development” status for the Project under these statutes,
15 making the Project subject to strict state notification, reporting, and right-of-first-refusal
16 mandates.

17 (B) **Mandatory Annual Reporting and Portal Compliance.** Owner shall register the
18 Property and complete the mandatory Annual Owner Compliance Certification through
19 the California Department of Housing and Community Development’s (“HCD”) Affordable
20 Housing Preservation Portal (or any subsequent data capture system established by
21 HCD or any successor agency to HCD). This submission must be completed annually
22 throughout the entire term of this agreement in compliance with HCD’s administrative
23 standards. Failure to maintain active, compliant reporting on the State portal shall
24 constitute a material Event of Default under this Agreement for failure to comply with
25 State law.

26 (C) **Strict Adherence to Pre-Termination and Expiration Notices.** To prevent
27 unlawful conversion or unexpected termination of affordability controls, Owner covenants
28 to adhere strictly to all rolling tenant and public entity noticing deadlines mandated by

1 California Government Code Section 65863.10, as may be amended from time to time.
2 Unless explicitly exempted under Section 65863.13 by recording a compliant long-term
3 regulatory agreement, Owner must use HCD-approved templates to execute and deliver
4 the following notices:

5 (1) **Three-Year Notice:** Delivered exactly three (3) years prior to the scheduled
6 expiration date of the project's rental restrictions or subsidy contracts to all existing
7 tenants, prospective applicants, HCD, the local Housing Authority, and the County.

8 (2) **Twelve-Month Notice:** Delivered exactly twelve (12) months prior to the
9 expiration date to all affected tenant households and public entities.

10 (3) **Six-Month Notice:** Delivered exactly six (6) months prior to the expiration
11 date to all affected tenant households and public entities.

12 (D) **Qualified Entity Notice of Opportunity to Purchase.** Pursuant to California
13 Government Code Section 65863.11, before or concurrently with the delivery of the
14 Twelve-Month Notice, Owner shall provide a formal Notice of Opportunity to Offer to
15 Purchase via registered or certified mail to all HCD-certified "Qualified Entities"
16 registered for the County of Fresno. Owner shall post a copy of this notice in a
17 conspicuous, accessible common area on the property and submit a duplicate copy
18 directly to HCD through the preservation portal.

19 **Article 4 Information Required for Project Closeout**

20 4.1 **Records Required for Project Closeout.** The following records are required for the
21 County to close out the Project, after said closeout occurs the Period of Affordability shall begin:

22 (A) **Final Cost Certification.** the Owner shall provide the County with a Final Cost
23 Certification that has been duly authorized and certified by the Owner and an
24 independent Certified Public Accountant (CPA), audited Statement of Cash Flows,
25 Distribution of Net Cash Flow, Balance Sheet, Profit and Loss Statements

26 (B) **Fire Marshall Certification.** The Owner shall provide evidence of written
27 certification from the responsible Fire Marshall that all HOME-assisted units and all
28 accessible (mobility/sensory) units regardless of whether the accessible units contain a

1 County-assisted household, meet all applicable life-safety requirements including, but
2 not limited to, placement and type of fire alarms and carbon-monoxide alarms.

3 (C) **Cost Certification and Budget Reconciliation Form.** In a format provided by
4 the County or acceptable to the County, the Owner shall provide a Cost Certification and
5 Budget Reconciliation Form. This form shall provide a line-by-line financial ledger
6 detailing baseline estimated costs versus final actual costs for all construction trades,
7 soft costs, and developer fees. It must identify all payees, detail the exact disbursement
8 status of funds (amounts paid versus balances owed to date), include an Identity of
9 Interest disclosure, and feature sworn certifications from both the Owner and General
10 Contractor that all reported costs are true, accurate, and net of discounts, subject to
11 federal penalties for falsification.

12 (D) **Scope of Work Comparison.** An assessment prepared by Owner and signed by
13 the Architect identifying which elements of the scope were completed as intended, which
14 elements of the scope were completed with modifications and the justification for
15 changes, and which elements of the scope were not completed and the justification.

16 (E) **Owner's Certification and Third-Party Certification to County.** (See Article
17 7.3 of this Exhibit.) The Owner, the Project Architect, and a third-party Certified Access
18 Specialist (CASp) must each make a written certification to County of the post-
19 rehabilitation Property's as-built status is in full compliance with the terms of 24 CFR
20 92.251(b)(1)(iv), with the accompanying acknowledgement that the Property is a public
21 building and a covered multifamily dwelling.

22 (F) **County's Closeout Workbook.** The County's closeout workbook in a format to
23 be provided by County. Any additional documentation to substantiate compliance with
24 Federal requirements or funding requirements.

25 (G) **Retention Payment Request.** The County's retention payment request form.

26 4.2 All records identified in the preceding paragraph must be complete and correct, with
27 all findings resolved, for the County to close out the project in IDIS.
28

1 **Article 5 Permitted Transfers**

2 5.1 **Definition.** As used in this Article, the term “Transfer” shall mean:

3 (A) Any total or partial sale, lease, assignment, or other conveyance, or any trust of
4 power, or any transfer in any other mode or form, of, or with respect to, this Agreement
5 or of any part of or interest in the Project; or

6 (B) Any total or partial sale, assignment, or other conveyance, or any other trust or
7 power, or any transfer in any other mode or form, of, or with respect to, the Managing
8 General Partner or Limited Partner Ownership interests of the Owner (except for
9 transfers permitted in this Article); or

10 (C) Any agreement to do any of the foregoing.

11 5.2 **Justification for Limitation of Ability to Transfer.** This Agreement is entered into
12 solely for the purpose of providing assistance for the Owner’s development and preservation of
13 the Property, construction, and operation of the Project as affordable housing in accordance
14 with the terms of this Agreement and the recorded Regulatory Agreement. The qualifications
15 and identity of the Owner are of particular concern to the County, in view of:

16 (A) The importance of the Project to the general welfare of the community; the
17 public aid that has been made available by law and by the government for the purpose
18 of making such Project possible;

19 (B) The reliance by the County upon the unique qualifications and ability of the
20 Owner to serve as the catalyst for development of the Property and upon the continuing
21 interest which the Owner will have in the Project to assure the quality of the use,
22 operation, and maintenance deemed critical by the County in the development of the
23 Property;

24 (C) The fact that a change in Ownership or control of the Owner of the Project, or of
25 a substantial part thereof, or any other act or transaction involving or resulting in a
26 significant change in Ownership or with respect to the identity of the parties in control of
27 the Owner or the degree thereof, is for practical purposes, a transfer or disposition of the
28 Project;

1 (D) The importance to the County of the standards of use, affordability, operation,
2 and maintenance of the Project;

3 (E) If HOME funds are involved in the Project, pursuant to [24 CFR 92.300\(a\)\(4\)\(ii\)](#),
4 as applicable, the funds must be provided to the entity that owns the Project for the
5 duration of the Period of Affordability, except as otherwise permitted by regulation; and

6 (F) This Project for rental housing was sponsored (affiliate) by the Manager of the
7 Owner's Managing General Partner, Self-Help Enterprises, which **was certified** by the
8 County as a CHDO for this Project and thereby **is obligated** to adhere to the HOME
9 Provision at [24 CFR 92.300\(a\)\(4\)\(i\)](#).

10 **5.3 Conclusion of Justification and Prohibition on Unpermitted Transfers.** It is
11 because of these aforementioned qualifications and the identity of the Owner and its Managing
12 General Partner that the County is entering into this Agreement, and thus it is necessary that
13 Transfers are permitted only as provided in this Agreement.

14 **5.4 Duration of Prohibition and Consequence of Unpermitted Transfers.** The
15 limitations on Transfers set forth in this Article shall apply throughout the Period of Affordability,
16 the term of the Regulatory Agreement, and the term of any Loan, whichever is longest. Any
17 Transfer made in contravention of this Article shall, at the County's discretion, be void and shall
18 be deemed to be an Event of Default under Article 6 of this Agreement.

19 **5.5 Transfers Permitted Without County's Written Consent.** Consent from the
20 County is NOT required for the following:

21 (A) Rental of a housing unit by the Owner in the ordinary course of business and in
22 compliance with this Agreement and the Regulatory Agreement; or

23 (B) The granting of temporary or permanent easements or permits to facilitate
24 construction of improvements for the Project; or

25 (C) Subject to the condition that there is not an Instance of Breach or Event of
26 Default as defined in Article 6, the transfer of the Project or the Investor Limited Partner's
27 partnership interest to the Managing General Partner, its successors or assigns or an
28 affiliate thereof following the expiration of the tax credit compliance period (which shall

1 not be less than 15 years from the date of this Agreement's execution), provided that
2 Owner shall, not later than 180 days following the occurrence of any such events provide
3 written notice thereof to the County under Article 5, and said transferee meets all criteria
4 of section 5.6 below but for the prior written approval of County.

5 **5.6 Requirements for Obtaining County's Written Consent for Transfer.** Except as
6 permitted under 5.5 any duly requested Transfer shall be permitted during the term of this
7 Agreement only after:

8 (A) **Not Prohibited.** The County has verified the requested Transfer is not
9 prohibited; and

10 (B) **Construction Complete.** The construction of the Project is complete; and

11 (C) **Qualifications.** The proposed transferee meets the following qualifications:

12 (1) The proposed transferee has at least five (5) years' experience operating
13 multifamily rental housing developments comparable to the Project (including
14 quantity of affordable units, complexity of layering of affordability requirements, and
15 use of specific public funds).

16 (2) The proposed transferee has no record of loan defaults, maintenance
17 problems, errors of determining eligibility, housing or building code violations, or
18 substantiated fair housing complaints at properties it has owned or operated.

19 (3) The proposed transferee has satisfactory credit and satisfactory operational
20 capital reserves.

21 (4) Any other requirements deemed necessary by the County to comply with
22 applicable State or Federal regulations governing use of funds involved in this
23 Agreement; and

24 (D) **Limited Ability to Replace the Managing General Partner.** In the event the
25 Managing General Partner withdraws from the Owner's Limited Partnership business
26 entity, the Owner shall replace the Managing General Partner with another Managing
27 General Partner approved by the County in writing, and the new Managing General
28 Partner must, unless otherwise agreed by the County in writing, be a current member of

1 the Limited Partnership; and

2 (E) **Written Approval from County.** The County has delivered to the Owner its prior
3 written approval of such Transfer; and

4 (F) **Execution of Assignment of Agreement.** The transferee has assumed the
5 Owner's future obligations under this Agreement by executing an Assignment of
6 Agreement or such other reasonable documentation as the County may require.

7 **5.7 Prohibition on Removal of the Managing General Partner Except for Cause if**
8 **the County's Funding Includes HOME Funds.** The Owner shall not remove or replace the
9 Owner's Managing General Partner who acted as a CHDO housing sponsor under HUD
10 regulations—or any subsequently authorized Managing General Partner that has been
11 approved by the County in writing—from the Owner's Limited Partnership business entity,
12 except with the County's prior written approval.

13 **Article 6 Ongoing Operations**

14 **6.1 Required Policies and Procedures.** The Owner shall develop, maintain, and strictly
15 adhere to written operational policies and procedures that comply with this Agreement, all
16 applicable HOME regulations at 24 CFR Part 92, and any operational adjustments as may be
17 necessary to address deficiencies identified through the County's monitoring. At minimum, the
18 Owner shall implement the following:

19 (A) **Tenant Selection Plan.** A written plan complying with 24 CFR 92.253(d) that
20 limits County-assisted units to households earning below 50% AMI with adjusted rent
21 procedures for households earning 50% AMI to 80% AMI, and next-unit identification
22 plan for any households found to be earning in excess of 80% AMI upon recertification;
23 outlines criteria for eligibility; identifies any specific population preferences authorized in
24 the Project files submitted to other funders, the County's Consolidated Plan, and this
25 Agreement; and establishes a process of ensuring strict compliance with VAWA
26 protections under 24 CFR 92.359. The plan must mandate the use of a transparent
27 waiting list where applicants are selected in chronological order to the extent possible
28 (except for vacancies of ADA mobility/sensory units, which should be filled by a current

1 tenant needing the accessibility features or the next tenant on the waiting list needing
2 the accessibility features of the vacant unit), explicitly prohibit the exclusion of Housing
3 Choice Vouchers or other local or tenant-based rental voucher holders, and require
4 prompt written notice to any rejected applicant stating the specific reasons for denial.

5 (B) **Fair Housing and Affirmative Marketing Policy.** An affirmative marketing plan
6 that meets or exceeds the County's established fair housing and marketing
7 requirements. Owner must maintain detailed documentation of all community outreach
8 activities, including advertisements, flyers, and social media placements, along with
9 tracking metrics to measure marketing results and support annual Fair Housing
10 compliance reporting. Owner shall identify a specific person responsible for receiving
11 Fair Housing and Civil Rights complaints or allegations, coordinating responses and
12 reporting, and provide the name and contact information to the County and tenants on a
13 no-less than annual basis.

14 (C) **Lease Compliance and Terms.** A standard written lease agreement between
15 the Owner and each tenant that has an initial term of not less than one (1) year, unless a
16 shorter term is mutually agreed upon in writing by both parties. The lease must fully
17 incorporate the required VAWA lease addendum, the HOME tenancy addendum, and
18 must strictly omit all prohibited lease terms and clauses detailed in 24 CFR 92.253(b).

19 (D) **Suspension and Debarment Verification of Tenants.** If this Project includes
20 Federal funding, Owner shall implement and maintain a formal, written policy and
21 procedure, consistent with the specifics of Exhibit F's Article 4, titled "Suspension,
22 Debarment, and Ineligibility Verification," and all other applicable State and Federal laws.
23 This policy must establish an explicit administrative protocol for ensuring and
24 documenting compliance with the requirement that all individuals prohibited from
25 receiving Federal funds or assistance shall not derive any benefit as a tenant in County-
26 assisted units. To satisfy this requirement, the Owner's policy and operational
27 procedures must, at minimum, satisfy the following criteria:

28 (1) **Self-Certification.** The Owner's policy must mandate the collection of a

1 signed, dated, Federal non-debarment and eligibility self-certification, executed
2 under penalty of perjury, from every adult lease signatory at initial occupancy and
3 during each annual household recertification. The self-certification must explicitly
4 require applicants to represent and warrant that no member of the household is
5 currently suspended, debarred, proposed for debarment, or otherwise declared
6 ineligible or excluded from participation in Federal housing assistance, benefits, or
7 non-procurement programs, or listed as an excluded party within the System for
8 Award Management (“SAM.gov”). This certification shall be applied uniformly to all
9 adult applicants and in strict accordance with all HUD Office of Fair Housing and
10 Equal Opportunity (“FHEO”) guidelines.

11 (2) **Discovery and Lease Enforcement.** Owner shall include clear, conspicuous
12 text within its written Tenant Selection Plan and individual lease addenda clarifying
13 that the provision of a false, misleading, or incomplete certification regarding federal
14 program exclusion constitutes a material program violation and a non-curable breach
15 of the lease agreement. If the County or Owner subsequently identifies that an
16 admitted household member was an excluded party at the time of admission or has
17 been placed on a federal exclusion list during tenancy, the Owner shall immediately
18 initiate lease termination and eviction proceedings in strict compliance with local law
19 and program regulations.

20 (3) **Records Retention and Audit.** All executed self-certifications must be
21 securely maintained within the individual tenant eligibility files and made digitally
22 available to the County immediately upon request or during scheduled annual
23 compliance and monitoring audits.

24 (E) **Records Retention Policy.** A comprehensive records management policy that
25 ensures all project, tenant, financial, and compliance documentation is securely
26 maintained and made available for the County’s or external State/Federal auditors’
27 review for the minimum retention periods required by HOME regulations and the
28 retention terms of this Agreement.

1 6.2 **Compliance with Fair Housing Act Regulations (24 CFR Part 100)**

2 **(a) Strict Compliance Mandate.** The Owner covenants and agrees, and shall cause its
3 designated property management agent (the "Property Manager") to covenant and agree, to
4 operate and manage the Project in strict compliance with the Fair Housing Act (42 U.S.C. §§
5 3601 et seq.) and its implementing regulations at **24 CFR Part 100**, as may be amended from
6 time to time. Neither the Owner nor the Property Manager shall discriminate against, or
7 segregate, any person or group of persons on the basis of race, color, religion, sex (including
8 sexual orientation and gender identity), disability, familial status, or national origin in the sale,
9 lease, rental, sub-lease, transfer, use, occupancy, tenure, or enjoyment of the Project.
10

11 **(b) Property Management Agreement Flow-Down.** The Owner shall ensure that its contract
12 with the Property Manager contains an explicit provision requiring the Property Manager to
13 comply with 24 CFR Part 100 and all cross-cutting federal, state, and local civil rights laws. A
14 copy of the executed property management agreement containing this language must be
15 submitted to the County for review and written approval prior to the lease-up period.
16

17 **(c) Implementation of Protections.** Without limiting the generality of subsection (a), the Owner
18 and Property Manager are specifically prohibited from engaging in any discriminatory housing
19 practices outlined in 24 CFR Part 100, which includes, but is not limited to:

- 20 • Refusing to rent, stalling, or falsely representing that a unit is unavailable based on a
21 protected characteristic;
- 22 • Setting different terms, conditions, or privileges for the rental of a dwelling unit;
- 23 • Engaging in discriminatory or predatory screening practices;
- 24 • Refusing to permit, at the expense of the person with a disability, reasonable
25 modifications of existing premises, or refusing to make reasonable accommodations in
26 rules, policies, practices, or services when necessary to afford a person with a disability
27 equal opportunity to use and enjoy a dwelling (pursuant to 24 CFR Part 100, Subpart D);
28 and

- Engaging in any conduct that results in a discriminatory effect or disparate impact on a protected class, in accordance with 24 CFR § 100.500.

6.3 **Non-Citizen Eligibility, PRWORA, and SAVE System Compliance.** County and Owner acknowledge that these requirements are swiftly moving and shall be subject to all lawful stays in effect and for a specific period of time after they go into effect, as determined by Federal regulation or guidance.

(A) **Applicability.** To the extent that any funding source layered into the Project (including, but not limited to, Project-Based Rental Assistance, Section 8 subsidies, or specific State public benefits) triggers the restrictions of Section 214 of the Housing and Community Development Act of 1980 or the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (“PRWORA”), Owner shall enforce all applicable Federal and State noncitizen eligibility requirements.

(B) **Verification Mandate.** Where and when applicable, Owner or its designated property management agent shall verify the citizenship or eligible immigration status of all applicants and residents through the U.S. Citizenship and Immigration Services (“USCIS”) Systematic Alien Verification for Entitlements (“SAVE”) system, or a separate system identified by regulation or published Federal guidance. Owner shall maintain all executed declarations, consent forms, and dated SAVE verification confirmation records securely within the tenant files for monitoring and audit purposes.

(C) **Evolving Federal Rules.** Owner acknowledges that Federal regulations governing mixed-status households, proration of assistance, and mandatory SAVE system tracking are subject to ongoing administrative updates by HUD and the Department of Homeland Security. Owner covenants to adjust its tenant screening and lease-enforcement protocols within the timeframe required by Federal law upon the formal implementation of any final Federal rules modifying noncitizen housing eligibility where all lawful, judicial stays have been resolved.

Exhibit B - Project Specifics

Article 1 Key Project Details Quick Reference

Project Name:	Reedley Heritage (formerly known as Reedley Elderly)
Project Address:	172 S. East Avenue, Reedley, CA 93654
Owner:	Reedley Elderly L.P.
Owner's UEI:	ETSUKTHU6RK5 Must renew on or before 1/28/2027
CHDO Sponsor & Managing General Partner (MGP):	Reedley Elderly LLC
MGP Sole Member:	Self-Help Enterprises
General Contractor:	Ashwood Construction, Inc.
General Contractor UEI:	D173MU7ZHUR4 <u>(expired as of 4/9/2026)</u>
Property Manager:	AWI Management Corporation
Property Manager UEI:	<u>Could Not Locate</u>
Project Architect:	Ordiz-Melby, Inc., An Architectural Corporation
Term of Agreement:	Begins upon the date this document was executed, which shall not be affected by any amendments thereto. Ends on March 31, 2083 or when all three conditions in Article 4.1 are satisfied, whichever occurs later.
Period of Affordability:	Begins upon the County's closeout of the Project in the Federal IDIS database. Ends 15 years after the Project was closed out in IDIS.
Federal Compliance Period:	Begins concurrently with the Term of Agreement. Ends 15 years after the Project was closed out in IDIS, though certain provisions survive beyond the end date.
Extended Post-Regulatory Repayment Period:	Begins 15 years after the Project was closed out in IDIS, though certain provisions survive beyond the end date. Ends on March 31, 2083, in strict accordance with the final payment maturity date set forth in the Promissory Note and the County Loan Repayment Schedule.
Project Type:	Rehabilitation and Ongoing Operation of Affordable Multifamily Rental Housing
Rehabilitation Type:	<input type="checkbox"/> Substantial (24 CFR Part 8, 24 CFR 8.22) <input checked="" type="checkbox"/> Non-Substantial (24 CFR Part 8, 24 CFR 8.23(b))
County Funding Amount:	\$2 million and no/100
County's Funding Source:	Federal HOME funds subject to 24 CFR Part 92 and all applicable referenced regulations and requirements contained therein and any Federally-issued guidance pertinent thereto.

1 2 3	Davis-Bacon and Related Acts (DBRA):	This Project's inclusion of HOME funds does not trigger Davis-Bacon requirements, as only 11 HOME-units are assisted. In the event other Federal funds administered by a non-County entity involved in this Project trigger DBRA, Owner shall advise County within two (2) business days.
4 5 6	Applicability of Federal Build America, Buy America Act (BABA) Requirements:	Due to the HOME Federal Funding Years the County used for this Project, BABA provisions do not apply. In the event any Federal funds subject to BABA are included or added to this Project, Owner shall notify County and all funds expended shall be spent in accordance with BABA.
7	Expectation of Repayment:	Yes, the HOME funds are provided as a loan
8 9	Other Funding Impacting Affordability & Rent:	Project also received Low-Income Housing Tax Credits, a USDA 515 Loan, and USDA Project-Based Rental Assistance
10	Ongoing Property Standards:	NSPIRE or successor standards, regardless of funding source; life-threatening deficiencies to be corrected in 24 hrs.
11	Special Populations:	Restricted to income-qualified seniors, age 62+
12	Total Units:	23 units. 1 unit reserved for On-Site Manager, 22 units affordable with LIHTC and USDA income/rent restrictions.
13	Fixed or Floating:	The County-Assisted Units shall float within the 22 units.
14 15 16	County-Assisted Units:	11 Low HOME Rent Units Whose Initial Tenant Households Shall Income Qualify at or Below 50% AMI. Special HOME rent requirements apply for households recertifying in subsequent years with incomes of 50-80% AMI.
17 18	Over-Income for County-Assisted Units:	Units become over-income if the household's income exceeds HOME's 80% AMI at recertification and Owner <u>must</u> identify the next eligible unit completing an income qualification or recertification at or below 50% AMI as a replacement.
19 20 21	Project Floor HOME Rent:	Rents for the County-assisted units during the Period of Affordability need not be lower than the HUD-established Low HOME Rent in effect for Fresno County on June 1, 2026, after which this Agreement was executed: 1 Bedroom – \$910
22	Utility Allowances, as Applicable:	(1) USDA, (2) PHA's tenant-based voucher, (3) CTCAC's CUAC, (4) PHA's UAs
23 24	Project Utilities:	Paid by Owner: Electricity, natural gas, water, sewer, trash. Paid by Tenant: Internet, which is not governed by UA.
25	HOME Income Limits:	Obtain from County annually. Currently available from HUD .
26	HOME Rent Limits:	Obtain from County annually. Currently available from HUD .
27	HOME Maximum Per-Unit Subsidy:	\$215,122 per HOME-assisted unit, effective May 11, 2026, for one-bedroom units.
28	Project On-Site Services:	Per LIHTC: 84 hours/year of adult education, health & wellness, skill-building classes. And 60 hours/year of health & wellness services and programs. And free or heavily

	discounted dial-a-ride transportation service.
Lead-Based Paint:	Present throughout the Property. Children observed on property during inspection; tenants provide childcare to infants and children under age 6. Noticing requirements apply.
Project/Loan Number:	2557H01
Federal Assistance Number:	14.239, HOME Investment Partnerships Program

Table 1- Key Project Details

Article 2 Type of Project

2.1 **Type.** Non-Substantial Rehabilitation and Ongoing Operation of Affordable Multifamily Rental Housing.

2.2 **Source of County's Funds.** The County is using Federal HOME funds to fund this Project. Additional requirements of HOME funds not addressed in Exhibit A or this Exhibit B are addressed in Exhibit F, titled "HOME Funding Requirements."

2.3 **Acquisition.** Acquisition is occurring as part of the overall activities, but it is not being funded by the County or HOME funds.

2.4 **Construction.** Affordable Housing Units, offered to eligible households at affordable rents, originally constructed in 1978, are being rehabilitated. The original 1978 building effort involved USDA funds, but the property's period of affordability had lapsed. Any references in this Agreement for "construct," "construction," or related terms shall be understood to refer to the rehabilitation process.

Article 3 Project Description & Location

3.1 **Project Description.** The Reedley Heritage Project involves the acquisition and rehabilitation of an existing 23-unit affordable housing development for elderly (age 62+) residents that will be renovated with HOME funds administered by the County of Fresno, Low-Income Housing Tax Credit funds (LIHTC) administered by the California Tax Credit Allocation Committee (CTCAC) and sustained for 30 years by USDA 515 funds for ongoing rental subsidies. After completion of renovation there will be 22 affordable units for seniors and one unit for an on-site property manager. The scope of rehabilitation will ensure that the project serves affordable housing needs in the area and improve accessibility for the occupants. The construction cost estimate is within the threshold limits to be considered minor rehabilitation,

with no change in building footprint, and no change of use.

3.2 **Location.** The Project site assessed for environmental impacts consists of 0.89 acres on the east side of S. East Avenue, between E. Springfield Avenue and E. August Avenue. The Property is NOT in a Special Flood Hazard Area, as defined by FEMA, as of May 2026. A legal description of the Property is included as **Attachment B1 – Legal Description of the Land.**

3.3 **Address.** The Project already has a designated address at **172 S. East Avenue, Reedley, CA 93654**, also known as “the Property.”

3.4 **City.** Any references in this Agreement to “the City” shall refer to the City of Reedley, and its agents, employees, officers, inspectors, managers, contractors, compliance officers, etc.

3.5 **Buildings.** Information on the sizes of the buildings are included in the table below. This information was used in part of the County’s cost allocation process.

3.6 **Buildings.** The Property consists of two (2) single-story residential structures of differing sizes. This information was used in part of the County’s cost allocation process. The County also determined that the 1-bedroom, 1 bathroom Type 1 Units and Type 2 Units are comparable to each other, as they have only minor variations of layout and size (averaging 512 square feet, +/- 22 square feet), and do not differ in terms of configuration, amenities and finishes, or rents. Information on the sizes and features of the buildings on the Property are included in the table below.

Building 1 (North)				Building 2 (South)			
Building Feature	#	Sq. Ft.	Total Sq. Ft.	Building Feature	#	Sq. Ft.	Total Sq. Ft.
Office / Community Room	1	681	681	Office / C.R.	0	681	0
Type 1 Unit	7	534	3,738	Type 1 Unit	4	534	2,136
Type 2 Unit	8	491	3,928	Type 2 Unit	4	491	1,964
Maintenance Room	2	136	272	Maintenance Room	0	136	0
Laundry Room	1	136	136	Laundry Room	1	136	136
Plumbing Corridors			1,611	Plumbing Corridors			742
Total Sq. Ft. Building 1			10,366	Total Sq. Ft. Bldg. 2			4,978
Residential Space B1				Total Residential Square Footage			
Residential Space B2				11,766			
Office / Community Room							
Corridors, Laundry, Maint.				ADA Mobility Units: Unit E & Unit K			

Total Square Footage		15,344	ADA Sensory Unit: Unit P
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Table 2 - Building Square Footage

3.7 **Availability of Addresses and Unit Designations of ADA Units.** New construction will often not have formal addresses or unit designations identified. In the event unit designations for ADA Mobility and Sensory Units are not known, the County may update this document via dated initials next to the edit, to reflect the correct unit designations, without further need for a formal amendment.

Article 4 Period of Affordability

4.1 Following completion of construction or rehabilitation, the Project (including, but not limited to, its rents, maximum tenant income, and leasing requirements) is subject to a Period of Affordability during which certain requirements and restrictions must be followed. The funding source(s) determining this Project’s Period of Affordability are included in the table below. Any minimum Periods of Affordability not administered by the County are included here for informational purposes only and do not constitute an attempt by the County to extend the County’s enforced Period of Affordability to align. The County’s knowledge of these other informational periods of affordability impact how the County determines eligible rents for the Project during the County’s Period of Affordability. However, following the County’s Period of Affordability, if the term of this Agreement is still in effect due to funds being owed to the County by the Owner, the Owner shall ensure full compliance with all other applicable periods of affordability so as not to endanger the financial feasibility of the Project. Owner shall notify the County within two (2) business days if the informational minimum periods of affordability change from what is listed below.

Funding Source & Governing Regulation for Length of the PoA	Minimum Period of Affordability	This Agreement’s Period of Affordability
County’s Federal HOME Funds 24 CFR 92.252(d)	15 years	15 years
USDA 515 + PBRA Subsidies (administered by USDA)	30 years <i>Informational only</i>	n/a

LIHTC (administered by CTCAC)	55 years <i>Informational only</i>	n/a
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Table 3 - Period of Affordability

4.2 **HOME Period of Affordability:** As more than \$50,000 in HOME funding was involved per-unit for rehabilitation, **the minimum length of this Agreement’s Period of Affordability for HOME is 15 years, beginning only upon the date the Project is closed out by County staff in the Federal IDIS database. All references within this document to an enforceable “Period of Affordability” shall refer to this 15-year length of time that begins upon the date the project is closed in IDIS.** A Project’s Notice of Occupancy, nor a Notice of Completion, nor the Placed in Service date impact the beginning of the HOME Period of Affordability. The County must receive all closeout documents and pay out all funding to the Owner prior to marking the Project complete in IDIS and beginning the Period of Affordability.

4.3 **HOME Obligations During the Period of Affordability.** Owner shall ensure the Project meets the affordability requirements of [24 CFR 92.252](#), as applicable, throughout the County’s Period of Affordability. Failure to comply with this requirement shall constitute an instance of material breach and result in the Owner being subject to the remedies described in Article 6. Owner acknowledges, understands, and shall inform all partners, successors, transferees, and assigns (or potential partners, successors, transferees, and assigns) that in accordance with [24 CFR 92.252\(e\)\(1\)\(i\)](#), the Period of Affordability and HOME’s affordability requirements “apply without regard to the term of any loan or mortgage, repayment of the HOME investment, or the transfer of Ownership.”

Article 5 County-Assisted Units, Unit Mix, & Income Limits

5.1 **Designation of County-Assisted Units. Fixed or Floating?** The County-assisted units shall float within the available unit mix. This means that the County-assisted unit is not tied for the duration of the Federal Period of Affordability to a specific apartment number.

5.2 **Unit Mix.** The County is subsidizing the construction of units as identified in the table below. All eleven (11) units shall be Low HOME units.

# of Bedrooms	Approximate Unit Size (sq. ft.)	Total Units	Income Restriction	County-Assisted Units	Other Income-Restricted Units	Total Units
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				which are also LIHTC and receive USDA Project-Based Rental Assistance	which are LIHTC and receive USDA PBRA	
1 bedroom	512	1 Unrestricted	Manager's Unit	n/a	n/a	1
		22 Income Restricted	30% AMI	0	3	3
			40% AMI	0	4	4
			50% AMI	11	4	15
Total Units				11	11	23

Table 4 - Unit Mix

5.3 **Initial HOME Income Limits.** For income determinations after June 1, 2026 and before the next income limit for HOME becomes effective, Owner shall use the initial household income limits (as may be updated by HUD) and subject to the further requirements outlined in this Article, throughout this Exhibit, and in the other Exhibits. Income limits change annually and shall be obtained from the County or from [HUD](#).

Low HOME Income Limit (50% AMI or Less), effective June 1, 2026					
Household Size	1	2	3	4	5
Income Limit	\$34,000	\$38,850	\$43,700	\$48,550	\$52,450
High HOME Income Limit (80% AMI), effective June 1, 2026					
Household Size	1	2	3	4	5
Income Limit	\$54,400	\$62,200	\$69,950	\$77,700	\$83,950

Table 5 - Initial HOME Income Limits

5.4 **County-Assisted Units.** There are eleven (11) County-assisted units that shall float within the property; all shall be rented at the initial lease-up following construction to households with incomes at or below 50% AMI. The Owner may not designate households earning above 50% AMI as County-assisted units during the return to the property following rehabilitation. New tenants to the property that subsequently rent the County-assisted units during the Period of Affordability must also have initial incomes at or below 50% AMI. Tenants in County-assisted units that initially certified as earning 50% AMI may remain as County-assisted

1 tenants so long as their subsequent income certifications demonstrate the household earns less
2 than 80% AMI. The Owner shall ensure that, upon finding a recertifying County-assisted unit
3 contains a household earning more than 80% AMI for their household size (“over-income”), the
4 Owner or its agents shall not identify that unit as a County-assisted unit, but instead shall
5 transfer the Low HOME designation to the next household (occupying a unit of comparable or
6 smaller size) executing a fresh lease or completing a new tenant income qualification as a
7 County-assisted unit. Failure by the Owner or its agent to re-designate the over-income County-
8 assisted unit to a new, income-qualified household at or below 50% AMI shall constitute an
9 Instance of Breach as identified in Article 6 to this Agreement. The Owner and its agent are
10 cautioned that the HOME threshold for “over-income” differs from other funding sources.

11 **5.5 Area Median Income (AMI) Limits. HOME Income Limits.** The Area Median
12 Income (AMI) Limits used during the County’s Period of Affordability shall be specific to the
13 ones issued by HUD for the HOME program. The Owner and its affiliates are cautioned that
14 LIHTC income limits for 50% AMI may not match HOME income limits for 50% AMI. While the
15 Housing Opportunity Through Modernization Act of 2016 (“HOTMA”), Public Law 114-201, and
16 its implementing regulations set forth in the HUD Final Rule (88 FR 9600) amending 24 CFR
17 Parts 5 and 92 provisions permit the County to rely on the Owner’s income determination under
18 LIHTC or USDA Project-Based Rental Assistance (PBRA), Federal HOME regulations still
19 requires the Owner’s evaluation of the household’s income against HOME-specific income
20 limits, unless and until this requirement is further amended by Congress or HUD. In the event
21 the Owner or its affiliates do not know the HOME Income Limits, the Owner or its affiliate shall
22 contact the County’s Community Development Division.

23 **5.6 Special HOME Requirements for Initial Project Occupancy.** By statute, at initial
24 lease-up upon completion of the Project, 100% of the HOME-assisted units must be at or below
25 50% AMI.

26 **5.7 Statutory Minimum Number of Low HOME Units During the Period of**
27 **Affordability.** At all times during the Federal Period of Affordability, pursuant to HOME rent
28 limits set at 24 CFR 92.252(a) and particularly 24 CFR 92.252(a)(2), a minimum of 20% of

1 County-assisted units must be occupied by households at or below 50% AMI. For this Project of
2 eleven (11) County-assisted units, this statutory floor would equate to a minimum of three (3)
3 units. However, because this Agreement requires the identification of eleven (11) Low HOME
4 Units and zero (0) High HOME Units, the Owner's contractual commitment exceeds the
5 statutory minimum. Therefore, to be fully compliant with this Agreement, the property must be
6 maintained at 11 Low HOME units throughout the Federal Period of Affordability.

7 **Article 6 Rents**

8 **6.1 Governing Requirements. Maximum Rent During the Period of Affordability.**

9 The HOME requirements in Exhibit F shall govern the rents for all County-assisted units for the
10 duration of the Federal Period of Affordability.

11 **6.2 Source of Maximum Rent Information.** Maximum HOME rent information is
12 available from HUD and the County on an annual basis.

13 **6.3 Definitions of HOME Rent Limits.** HOME rent limits differ from LIHTC and USDA
14 rent limits. Although the various funding sources all use Area Median Income (AMI), the
15 thresholds for different percentages and the subsequent income limits are not always the same.

16 1) **Over-Income HOME Rent (80% AMI or Higher).** Any County-assisted unit occupied by
17 a household with an income exceeding 80% AMI is over-income and the unit is non-
18 compliant. Owner shall follow the Over-Income Tenant process described below.

19 2) **High HOME Rent (50% AMI to 80% AMI).** Units occupied by households earning 50%
20 to 80% AMI.

21 a. On HUD notices for HOME, 80% AMI is often identified as "Low Income."

22 3) **Low HOME Rent (50% AMI or Lower).** Units occupied by households earning at or
23 below 50% AMI.

24 a. On HUD notices for HOME, 50% AMI is often identified as "Very Low Income."

25 4) **HOME Rent Limits Differ from Fair Market Rent.** Rent limits are published annually by
26 HUD and often are notably lower than HUD's Fair Market Rents used by the Housing
27 Choice Voucher (HCV) program. If at any time the Owner or its affiliates does not know
28 the HOME Rent Limits, Owner shall contact the County's Community Development
Division to inquire.

1 6.4 **Rent Limits with More than One Subsidy.** Properties funded with multiple
2 subsidies might have specific units designated as only HOME, PLHA, or LIHTC units; or the
3 project might have units funded by LIHTC and HOME, or LIHTC and PLHA. The income
4 targeting and affordability requirements for each unit must be met. If a unit carries a designation
5 of HOME and LIHTC, household income limits and rent limits must meet the more restrictive
6 (i.e. lowest) of the two income limit requirements. To reiterate: **If a unit carries the designation**
7 **of both programs, it must meet the more-restrictive of the two rent limit requirements.**

8 6.5 **Rent Limit Rules for LIHTC-Assisted Units.** The following rent limit rules apply to
9 units with LIHTC:

10 (A) **High HOME Rent + LIHTC.** The Owner may charge the lesser of the High
11 HOME Rent or the LIHTC rent.

12 (B) **Low HOME Rent + LIHTC.** The Owner may charge the lesser of the Low HOME
13 Rent or the LIHTC rent.

14 6.6 **No Exceptions for Tenant-Based Rental Assistance.** Neither LIHTC nor HOME
15 make exceptions to their rent limits for households in possession of Tenant-Based Rental
16 Assistance (“TBRA”). Housing Choice Vouchers (“HCV”), formerly known as “Section 8,” are a
17 common form of TBRA, HUD-VASH vouchers for veterans is another common voucher. Units
18 occupied by households with HCV/TBRA, must still only be charged rents limited to the rules of
19 the applicable subsidies (e.g. HOME, LIHTC, PLHA). The Owner may not collect rents higher
20 than the highest allowed if the household had no HCV/TBRA.

21 6.7 **Exceptions for Project-Based Rental Assistance.** Both LIHTC and HOME make
22 certain exceptions to the rent limits for units with project-based rental assistance (“PBRA”)
23 where tenants pay no more than 30% of their income for the combined sum of their rent and any
24 tenant-paid utilities.

25 6.8 **Rent Limit Rules for PBRA-Assisted Units.** The following rent limit rules apply to
26 units with PBRA:

27 (A) **High HOME Rent + PBRA (no LIHTC).** The *lesser* of the PBRA rent or the High
28 HOME Rent may be charged when the tenant household is between 50% to 80% AMI;

1 or, if the tenant pays more than 30% of their income towards rent and tenant-paid
2 utilities.

3 (B) **Low HOME Rent + PBRA (no LIHTC)**. The PBRA rent may be charged, even if
4 it is higher than the Low HOME Rent, for any unit that meets all three conditions:

5 (1) The unit receives State or Federal PRBA.

6 (2) The unit is occupied by a household at or below 50% AMI.

7 (3) The household pays no more than 30% of its adjusted monthly income
8 towards rent and tenant-paid utilities.

9 (C) **High HOME Rent + PBRA + LIHTC**. The most-restrictive rent of the three
10 programs applies to the unit. Meaning, the maximum rent that can be charged/collected:
11 is the lesser of:

12 (1) The High HOME Rent

13 (2) The LIHTC Rent

14 (3) The PBRA Program Rent

15 (D) **Low HOME Rent + PBRA + LIHTC**. The rent cannot exceed the PBRA program
16 rent limit.

17 **6.9 Caution on Inconsistency Between HOME and LIHTC Treatment of Over-**
18 **Income Tenants.** The County advises the Owner that while LIHTC units may allow a household
19 that initially certified as low-income to earn up to 140% AMI, HOME is not so flexible. It is the
20 County's expectation that all units identified as County-assisted (i.e. HOME-assisted units) are
21 occupied by households earning no more than 50% of the Area Median Income (AMI).

22 **6.10 How to Treat Over-Income Tenants. Over-Income Tenant Waterfall.** In
23 accordance with 24 CFR 92.252(h)(2), if a County-assisted unit recertifies at a household
24 income exceeding 80% AMI, the Owner shall assess and abide by the following unless 24 CFR
25 92.252(h)(2) is further amended:

26 (A) **Changes to Rent.** If the household with the income exceeding 80%:

27 (1) **Also has Project-Based Rental Assistance or Tenant-Based Rental**
28 **Assistance under any other Federal, State, or Local rental assistance or**

1 **subsidy program** – the rules for over-income tenants under that program shall
2 apply.

3 (2) **Also has rent restrictions under LIHTC (Section 42 of the Internal**
4 **Revenue Code of 1986 [26 USC 42])** – LIHTC rules shall apply.

5 (3) **Is in a “floating” HOME-assisted unit, which is how this Project is**
6 **structured, but only in the event the unit is no longer subject to the LIHTC or**
7 **PBRA restrictions identified in subsections (1) and (2) above** – then:

8 i. **Determine.** The Owner shall determine the following three values for the
9 household:

10 a) 30% of the family’s actual adjusted monthly income; and

11 b) HUD’s Fair Market Rent (“FMR”) for a comparable, unassisted unit in the
12 neighborhood; and

13 c) The maximum rent amount payable by the tenant permitted under State
14 or local law.

15 ii. **Precedence.** If the amount calculated under (a) is lower than both (b) and
16 (c), then the tenant household shall pay the amount calculated under (a). If
17 the amount calculated under (a) exceeds either (b) or (c), then the tenant’s
18 rent shall be capped at and equal to whichever is less between (b) and (c).

19 (B) **Duration of Rent Changes.** If any HOME-specific rents under this section apply,
20 they shall only be binding until the Owner identifies the next available unit and transfers
21 the HOME-assisted unit designation to the replacement unit.

22 (C) **Post-Regulatory Over-Income Deference.** During the Extended Post-
23 Regulatory Repayment Period, the County will not monitor or enforce HOME-specific
24 over-income substitution or next-available-unit rules. For any tenant household whose
25 income exceeds the applicable program limits during Years 16 through 55, the Owner
26 shall handle over-income certifications, rent adjustments, and unit re-designations in
27 strict accordance with LIHTC rules (Section 42 of the Internal Revenue Code) and
28 USDA/PBRA regulations, as they may apply to the Project. In the event an over-income

1 household is a recipient of Tenant-Based Rental Assistance (TBRA), including but not
2 limited to Housing Choice Vouchers (HCV) or HUD-VASH vouchers, the rent
3 adjustments, subsidy calculations, and tenancy protections shall be governed entirely by
4 the rules of the issuing Public Housing Authority and the underlying voucher program
5 regulations, serving as a safe harbor under this Agreement.

6 **6.11 Rent Floor. Minimum HOME Rent for the Duration of the Period of Affordability.**

7 The HOME program does not require the Owner to decrease rents below the HOME rent limits
8 that were in effect at the time of project commitment. Based upon the FY2026 HOME Program
9 Rents, which became effective June 1, 2026, and all income-restricted units at this property
10 being designated as affordable to households at or below 50% AMI, the County shall not require
11 the Owner to charge less than the FY2026, 1 Bedroom, Low HOME Rent Limit, which is \$910.

12 **6.12 Post-Regulatory Rent Standard and Safe Harbor.** Upon the expiration of the 15-
13 year Federal Period of Affordability, the County's active management of HOME-specific rent
14 tables and utility allowance waterfalls shall cease. During the Extended Post-Regulatory
15 Repayment Period, maximum allowable rents and utility allowances shall automatically default
16 to, and be governed by, the rules and restrictions established by the Low-Income Housing Tax
17 Credit (LIHTC) program and the USDA Section 515/PBRA program, as applicable. The Owner's
18 certification of compliance with the rent limits of those active programs shall serve as a safe
19 harbor and satisfy the rent requirements of this Agreement, provided that gross project
20 revenues are accurately captured and reported in the annual residual receipts financial
21 statements submitted to the County.

22 **6.13 Utility Allowances.** Utility Allowances shall be governed by the following logic
23 waterfall, as applicable to the specific unit and household and governed by the rules impacting
24 the Property and unit when the specific rent and utility allowances are determined. The Owner
25 shall utilize the Utility Allowances (UA) in the following strict order of applicability:

26 (A) **First USDA:** The annual USDA Rural Development-approved UA, which applies
27 to all units if the Property receives a USDA Section 515 loan or PBRA.

28 (B) **Second HCV:** If USDA's UA no longer applies to the unit, then the UA identified

1 by the local Public Housing Authority (PHA) for the Project's address shall apply, but
2 only if an individual household has a Tenant-Based Housing Choice Voucher (HCV)
3 from the local PHA.

4 (C) **Third CTCAC's CUAC.** If neither USDA nor a tenant-based HCV applies to the
5 unit, then the UA identified by CTCAC's California Utility Allowance Calculator (CUAC),
6 shall apply to all non-USDA, non-tenant-voucher tax credit units.

7 (D) **Fourth PHA.** If none of the above apply and the County must identify a UA
8 specific to the County's Period of Affordability, then the UA schedule established by the
9 Housing Authority of the County of Fresno specific to the Project's address shall apply.

10 **Article 7 Accessibility Requirements**

11 7.1 **Guiding Regulations.** The Project shall meet all applicable State and Federal
12 requirements and standards relating to accessibility for disabled persons, including those State
13 standards included for Public buildings contained within the California Building Code. As this
14 Project includes Federal HOME funds for non-substantial rehabilitation of multifamily rental
15 housing, the terms at [24 CFR 92.251\(b\)\(1\)\(iv\)](#) shall apply. Owner shall ensure the Project meets
16 the accessibility requirements of 24 CFR Part 8, which implements Section 504 of the
17 Rehabilitation Act of 1973 (29 USC 794), and Titles II and III of the Americans with Disabilities
18 Act (42 USC 12131-12189) implemented at 28 CFR 35 and 36, as applicable. Covered
19 multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and
20 construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 USC
21 3601-3619). If this Project is Federally-funded and has five (5) or more units (which this Project
22 does), Owner shall ensure that, at minimum, 5% of the units are accessible to persons with
23 mobility impairments and an additional 2% of the units are accessible to persons with hearing or
24 vision (sensory) impairments, in accordance with 24 CFR Section 8.22. Portions of units shall
25 be rounded upward.

26 7.2 **Fully Accessible Section 504 Units.** For purposes of reporting to HUD, the Project
27 contains the following quantities of Section 504 Accessible units, which shall be fully accessible:

Requirement	Total Units Section 504	Assisted Units Section 504 Accessible
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	Accessible	
Physical Disabilities (5% min. = min. of 2)	2	TBD Upon Lease Up
Auditory/Visual Disabilities (2% min. = min. of 1)	1	TBD Upon Lease Up
Total Section 504 Accessible Units (min. of 3)	3	TBD Upon Lease Up

Table 6 - ADA Units

7.3 **Owner’s Certification and Third-Party Certification to County.** The Owner, the Project Architect, and a third-party Certified Access Specialist (CASp) must each make a written certification to County of the post-rehabilitation Property’s as-built status is in full compliance with the terms of [24 CFR 92.251\(b\)\(1\)\(iv\)](#), with the accompanying acknowledgement that the Property is a public building and a covered multifamily dwelling.

7.4 **Handling of ADA Unit Wait List.** Pursuant to cross-cutting HUD requirements at [24 CFR 8.27](#), the Owner shall ensure the Property Manager is aware of the requirement to prioritize the ADA units for use by eligible households needing the accessibility features of each ADA unit. Consistent with 24 CFR 8.27, and all other applicable State and Federal laws, when an ADA unit becomes vacant, before offering the unit to a non-handicapped applicant household, the unit shall first be offered to:

(A) A current household of another unit within the same Project, or comparable project under common control, wherein a member of the household has a handicap requiring the accessibility features of the vacant unit but their current unit lacks the accessibility features; or, if no such household exists, then to:

(B) An eligible, qualified applicant household on the waiting list, wherein a member of the household requires the accessibility features of the vacant unit.

(C) Else, if no household needing the accessibility features of the vacant unit can be identified, the unit’s vacancy, location, rent, income/program restrictions, accessibility features, and how to apply shall be communicated to the following entities (for as long as the entity or a comparable replacement exist and offer services within the County of Fresno) and applications shall be received for a period of no less than 10 calendar days or until the vacancy is filled by a household needing the features, whichever comes earlier:

1 (1) The Deaf and Hard of Hearing Service Center / <https://dhhsc.org/>

2 (2) The Valley Center for the Blind / <https://myvcb.org/>

3 (3) Resources for Independence Central Valley / <https://ricv.org/>

4 (4) Central Valley Regional Center / <https://www.cvrc.org/>

5 (5) The Fresno-Madera Continuum of Care Housing Matcher / Contact County

6 (D) Else, if no household needing the accessibility features of the vacant unit can be
7 identified, the unit may be opened temporarily for a household that does not need the
8 accessibility features, subject to the contingencies identified at 24 CFR 8.27(b).

9 **7.5 Applicability of ADA Unit Marketing to Other Funding Sources.** Regardless of
10 funding source, the County has identified that the marketing of units with ADA features should
11 be prioritized for households needing said features. In the event non-HUD County-administered
12 funding is used in this Agreement, the ADA Unit Marketing practices of the preceding Section
13 (X.3) shall apply.

14 **Article 8 Construction Scope – Rehabilitation**

15 **8.1 Building Standards.** All aspects of the building construction will meet or exceed the
16 County's Affordable Housing Programs Construction/Rehabilitation Standards (as may be
17 amended from time to time) and the International Energy Conservation Code, and must comply
18 with all applicable State and local building codes, including but not limited to the 2010 ADA
19 Standards for Accessible Design, the Fair Housing Act, Section 504, and the 2022 California
20 Building Code ("CBC"), which is Part 2 of Title 24 of the California Code of Regulations ("CCR"),
21 Chapter 11B "Accessibility to Public Buildings, Public Accommodations, Commercial Buildings
22 and Public Housing." When there is a conflict of the building standards, the strictest requirement
23 amongst them shall apply.

24 **8.2 Accessibility.** All accessibility requirements identified in Article 7 to this Exhibit shall
25 apply to the construction of this Project.

26 **8.3 Prohibition on Adding Items to Scope Without Written Approval.** To maintain
27 and ensure regulatory compliance with NEPA and other applicable environmental review
28 standards, Owner expressly shall NOT perform, cause to be performed, or permit to be

1 performed any additional work not included in the Rehabilitation Scope and Required
2 Improvements set forth in Section 8.5 below without first securing prior written authorization
3 from the County.

4 **8.4 Determination of Substantial vs. Non-Substantial Rehabilitation.** Accessibility
5 requirements for HOME-funded projects under [24 CFR Part 8](#) are different, depending on
6 whether the Project is determined to be Substantial Rehabilitation or not. Requirements for new
7 construction of housing are listed at [24 CFR 8.22](#). Requirements for alterations of existing
8 housing facilities are outlined at [24 CFR Part 8.23](#). However, 24 CFR 8.23(a) specifies, “If
9 alterations are undertaken to a project (including a public housing project as required by [§](#)
10 [8.25\(a\)\(2\)](#)) that has 15 or more units and the cost of the alterations is 75 percent or more of the
11 replacement cost of the completed facility, then the provisions of [§ 8.22](#) shall apply,” which shifts
12 the accessibility requirements for Projects deemed substantial rehabilitation to align with the
13 requirements for new construction.

14 (A) **History of Determination for This Project.** The initial appraisal of the property,
15 prepared to USDA standards and which was included in SHE’s application to the
16 County’s NOFO, identified the replacement cost of the existing housing as being
17 between \$1.9 million (the insurable replacement cost) and \$2.64 million (the market
18 value). In August 2025, it was determined that the estimated cost of construction is \$3.2
19 million.

20 (B) **Determination for This Project.** Pursuant to details and assurances written in a
21 letter from Ordiz-Melby Architects, Inc., dated October 14, 2025, the County has
22 determined that this Project’s narrowed cost of rehabilitation does not exceed 75% of the
23 cost to build the residential structures new.

24 **8.5 Priority of Rehabilitation Activities.** If the available construction budget is
25 insufficient to complete the full scope of work contained in the Section 8.5 below, the following
26 order of precedence will be followed in determining scope items to prioritize for completion:

27 (A) **Tier 1. Statutory / Health & Safety Requirements.**

28 (1) **NEPA.** Satisfaction of all National Environmental Policy Act (“NEPA”)

1 statutory requirements and required mitigation.

2 (2) **Accessibility.** Items called out by a Certified Access Specialist (“CASp”)
3 credentialed by the State of California, or required to satisfy Section 504, or other
4 disability access requirements.

5 (3) **NSPIRE.** Items required to remove or abate deficiencies identified under
6 NSPIRE standards.

7 (4) **Other Health & Safety.** All other items related to health and safety not
8 addressed by the prior three categories.

9 (5) **Other State & Federal Laws.** All other items necessary for compliance with
10 applicable State and Federal Laws.

11 (B) **Tier 2. Capital Needs & Preservation.** Any remaining items identified in the
12 Capital Needs Analysis (“CNA”) or necessary to prevent and deter future property
13 damage.

14 (C) **Tier 3. General Scope.** All other remaining scope items.

15 8.6 **Rehabilitation Scope and Required Improvements.** The Reedley Heritage
16 Rehabilitation Scope and Required Improvements are attached hereto as Attachment B2 to
17 Exhibit B.

Article 9 Unit Layout of Reedley Heritage

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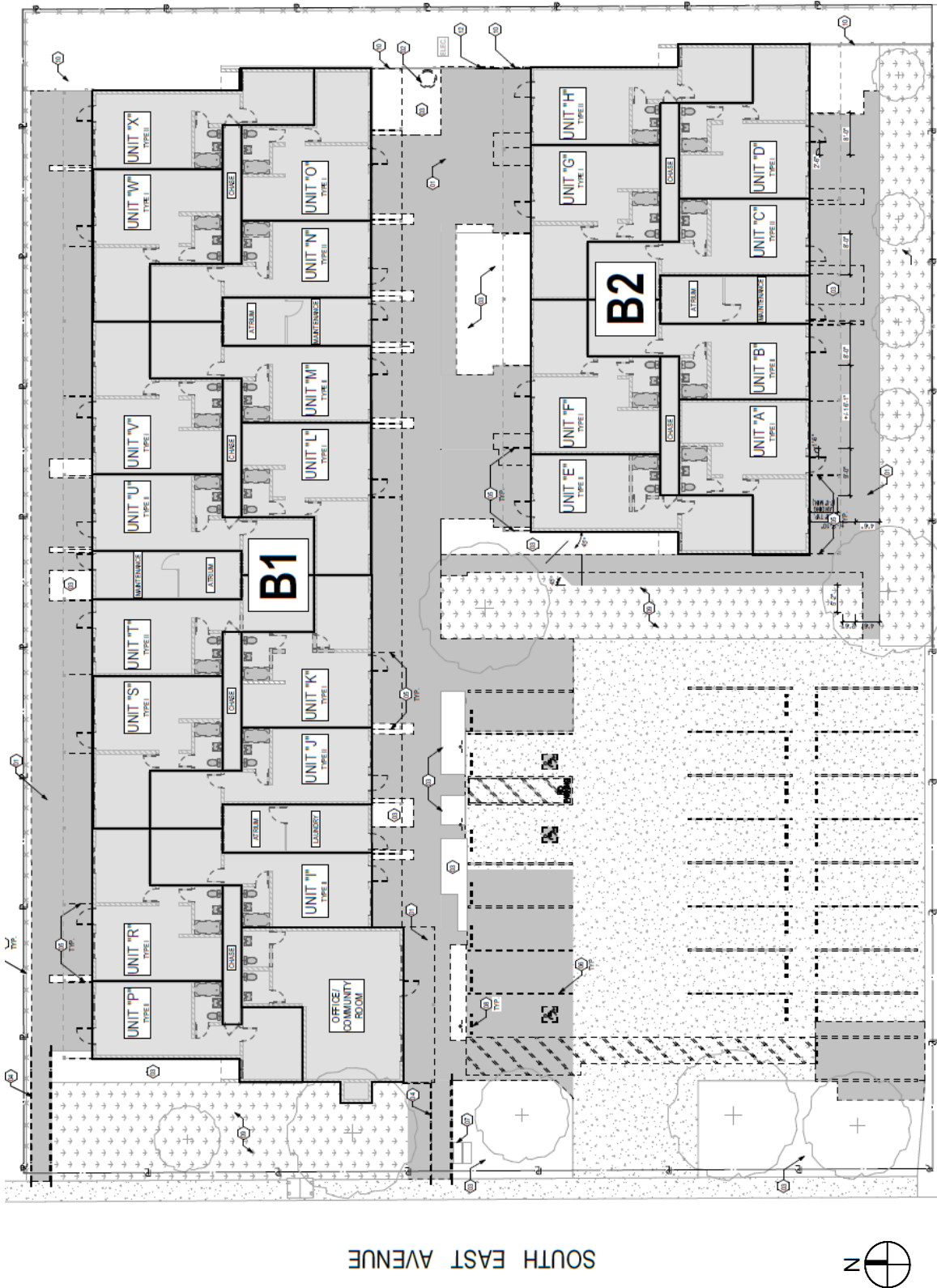


Figure 1 - Property Map of Units

1 **Article 10 County’s Proposed Project Timeline**

2 10.1 **Project Timeline Applies to County Milestones.** The Project timeline recorded
3 below is specific to milestones and dates known by County or of material importance to the
4 County’s funding requirements.

5 10.2 **Project Timelines Held to Strictest Applicable Requirements.** Various funders of
6 this Project have different milestones and timeline requirements which must be met to satisfy
7 their contractual obligations. So as not to jeopardize the Project, the Owner shall apply the
8 strictest timeline requirements to each milestone, listed here or otherwise, in their performance
9 under this Agreement.

10 10.3 **Updates to County.** Owner shall keep County informed of milestone timeline
11 requirements impacting the Project or any changes thereto.

12 10.4 **Proposed Project Timeline.** The dates County and Owner propose to adhere to are
13 included in the table below: **[ALL DATES IN DRAFT STATUS]**

PROJECT MILESTONES	DATE
URA Appraisal Date	June 5, 2024
URA Date of Project Application Submission for HOME and USDA	2023 (USDA) March 6, 2025 (HOME)
Plan Check Revisions	May 26, 2025
URA Date to Issue Notice of Intent to Acquire, Rehabilitate, and/or Demolish	October 2 2025
URA Date the Written Offer to Purchase was Delivered	November 21, 2025
Building Permits	December 3, 2025 (Original permits)
URA Date of the General Information Notice	October 2, 2025
URA Date of the Initiation of Negotiations	May 1, 2023 (USDA approval Sept 2025)
CTCAC Readiness Deadline	March 30, 2026
USDA Plan Approval Date	May 5, 2026
URA Date to Issue Notice of Non-Displacement	May 2026
URA Date to Provide a Comparable Replacement	Must occur before Notice to Vacate

1	Dwelling	so it may be included
2	URA Date to Issue Notice to Vacate (90 Day)	(Phase 1) May 26, 2026 (Phase 2) June 30, 2026 (Phase 3) July 28, 2026
3		
4	URA Date of Title/Transfer / Closing	June 29, 2026
5	USDA Estimated Closing Date	June 29, 2026 (estimate)
6		
7	URA Date to Issue 90-Day Notice (Phase 2)	June 30, 2026
8	Proof of Insurance Due	30 Days After Agreement Execution
9	14-Day Notice to COUNTY of Pre-Construction Mtg.	TBD based on construction start
10	Pre-Construction Meeting with Owner, COUNTY (ComDev & Labor Compliance), & Prime Contractor	TBD based on construction start
11		
12	Start Construction	July 1, 2026 (proposed)
13	All Other Required Documents Due	Prior to First Construction Draw
14	URA Date Tenants Must Move Out of Units	(Phase 1) August 24, 2026 (Phase 2) September 28, 2026 (Phase 3) October 26, 2026
15		
16	COUNTY's Community Development Division Inspection(s)	Within 1 week of the CoO for the completed units.
17	Punchlist Remediated	2 weeks after Inspection, unless otherwise agreed
18		
19	URA Date Tenants Return to Units	(Phase 1) September 28, 2026 (Phase 2) October 26, 2026 (Phase 3) November 23-25, 2026
20		
21	Construction Substantially Complete	December 9, 2026
22	Construction Complete, as evidenced by the Certificate of Occupancy (CoO) being Issued	December 9, 2026 (proposed) CTCAC requires by 12/31/2027
23	Lease-Up / Move-Ins Complete	December 9, 2026
24	All Receipts & Reimbursement Requests Must Be Submitted to COUNTY by	90 days after CoO
25		
26	Record Notice of Completion (NOC)	After CoO has been issued and all receipts/reimbursement requests have been made.
27		
28	Submission to County of IDIS Information Required for Project Closeout	Within 3 Months after NOC and Correct Receipt of Project Closeout

	Workbook and All Attachments
Estimated Conversion to Permanent Financing	July 1 st 2027
CTCAC Placed-In-Service (PIS) Deadline	December 31, 2027

Table 7 - Proposed Project Timeline

10.5 **Statutory Timelines.** If this project contains Federal HOME funds, statutory deadlines are identified in Exhibit F.

Article 11 Long-Term Asset Preservation and Reporting

11.1 Post-Regulatory Asset Preservation and Replacement Reserve Adjustments.

During the Extended Post-Regulatory Repayment Period (Years 16 through 55), the County will continue to receive and review financial reports to determine residual receipts loan payments under the Loan Documents associated with this Agreement and described further in Exhibit C. To ensure the physical integrity of the Project while protecting the County's financial interest, the following asset preservation rules apply:

(A) **Year 16 Capital Needs Assessment.** Within six (6) months following the formal exit and buyout of the initial Equity Investor, or within six (6) months following the expiration of the 15-year Federal Period of Affordability—whichever occurs last—the Owner shall commission a comprehensive, third-party Capital Needs Assessment (“CNA”) and submit a digital copy to the County within three (3) months of the commission date.

(B) **CNA-Based Operating Expense Allowance.** Annual contributions to the Restricted Replacement Reserve that conform to the schedule and thresholds recommended by the approved post-regulatory CNA (and any subsequent updates required every 10 years thereafter) shall be considered eligible operating expenses for the calculation of Residual Receipts.

(C) **Surplus Deposit Capping.** Any annual reserve deposits executed by the Owner that exceed the approved CNA schedule, and which effectively reduce the available Residual Receipts owed to the County, must receive prior written approval from the County to be considered an eligible operating expense. Undocumented or unapproved

1 surplus deposits shall be added back into Net Cash Flow for the purposes of calculating
2 the County's loan repayment.

3 **11.2 Post-Regulatory Property Requirements.**

4 (A) **General Affordability Preservation.** Owner shall maintain the Property as
5 affordable housing under all remaining applicable regulatory requirements, whether
6 established by USDA or LIHTC, for the 23-unit Project's 22 affordable units. Owner shall
7 ensure that all regulatory requirements of the units are satisfied so as not to injure the
8 long-term affordability (minimum of 55 years) of the Project.

9 (B) **Nondiscrimination and Fair Housing Safe Harbors.** Consistent with the
10 HOME Program, the USDA 515 Program, and LIHTC requirements, there shall be no
11 discrimination against nor segregation of any person or group of persons on account of
12 race, color, creed, religion, sex, marital status, age, national origin, ancestry, or disability
13 in the sale, transfer, use, occupancy, tenure, or enjoyment of any of the Property.
14 Operation of the Property must at all times be in accordance with 24 CFR Part 92.350,
15 24 CFR Part 100, and all legally enforceable Executive Orders not subject to a judicial
16 stay. Owner shall not permit any discriminatory action under the California Fair
17 Employment and Housing Act (Government Code Section 12900 et seq.), including but
18 not limited to discrimination based on source of income or the tenant's use of a housing
19 voucher (e.g., Section 8/Housing Choice Vouchers or USDA Project-Based Rental
20 Assistance).

21 (C) **Accessibility and Reasonable Accommodations.** Owner shall maintain the
22 construction and rehabilitation modifications executed under 24 CFR 92.251(a)(3)(i) to
23 ensure the Project continues to meet all applicable federal and state physical
24 accessibility standards. Owner shall respond to and implement all requests for
25 Reasonable Accommodation for a disability in strict compliance with Federal and State
26 law, including but not limited to 24 CFR Part 100, Subpart D.

27 (D) **Post-Regulatory Property Standards.** In the furtherance of Fair Housing
28 requirements and the County's Sixth Cycle Housing Element, the post-regulatory

1 standards set forth in Exhibit A, Article 2, titled "Property Standards, Inspections, and
2 Maintenance Reserves," attached and incorporated by this reference shall apply for the
3 duration of the Extended Post-Regulatory Repayment Period.

4 **11.3 Financial Statement Delivery, Audits, and Recordkeeping.** The Owner's strict
5 obligation to submit annual audited financial statements, operating budgets, and balance sheets
6 to the County shall persist for the entire 55-year Term of Agreement. Owner shall adhere to all
7 applicable State, Federal, and County requirements governing audits, recordkeeping, and
8 operational reporting for this Project to facilitate the County's ongoing oversight of net cash flow,
9 compliance, and furtherance of goals identified in the County's Housing Element of its General
10 Plan, as it may exist in the future.

11 **11.4 Event of Default.** Any failure of the Owner to ensure the Project abides by the
12 requirements of this Article shall constitute an Event of Default under this Agreement, subject to
13 the remedies described in Article 6 of the main body of this Agreement.

14 **11.5 Survival.** The provisions of this Article shall apply to any modifications,
15 amendments, or successor agreements thereto, and shall explicitly survive the closeout of the
16 federal HOME compliance period in IDIS until the underlying County loan is satisfied or the 55-
17 year term expires.

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Legal Description of the Land

[to be completed later]

Reedley Heritage Rehabilitation Scope and Required Improvements

Pursuant to County’s Inspection on September 10, 2025

Site

- 1. [CASp] Rework ADA parking for compliance and provide additional stalls; replace concrete at ADA stalls to correct non-compliant slopes as required
 - County Requirement: per CASP, ensure 1 Van for office, and 1 Van for tenants, and 2 Handicap (4 total ADA spots).
- 2. [CASp] Provide new ADA parking stall signage
- 3. Install truncated domes at flush transitions near ADA parking
- 4. Trim mature trees throughout property to eliminate branches overhanging roofs
 - County Requirement: ensure all trees are sufficiently trimmed that no branches touch roofs or sides of buildings, or power lines.
- 5. [CASp] Replace concrete walkways to provide accessible path of travel throughout site
 - County Requirement: ensure level and ADA-compliant path of travel from all units to street, parking lot, office, trash and mailboxes.
- 6. [CASp] Replace concrete at all building entries to provide level landings
 - County Requirement: Mitigate observed slope issues with sidewalk grading at doorways throughout the property. Residents cited trip hazards and falls having occurred. Example: Slope to the right of the entry door at Unit O renders tenant's walker unbalanced as they try to enter.
- 7. [CASp] Install tow-away signage at parking lot entrance
- 8. Assess irrigation system; repair/replace components as required for fully functioning system

- 1 • Staff recommendation: regrade irrigation sprinklers along west wall of Office/Unit P away
2 from building and adjust sprinklers to not spray building for lifespan of paint and wall
3 materials.
- 4 9. New parking lot striping
- 5 10. Hydrojet storm drain and sewer lines
- 6 • County Requirement: annual (or more frequent) hydrojet to be included in Replacement
7 Reserve costs in pro forma.
- 8 11. Provide new ADA/City compliant trash enclosure with metal gates
- 9 • County Requirement: also ensure ADA path of travel from all units to trash enclosure.
- 10 12. [CASp] Replace with USPS cluster boxes with parcel lockers with accessibility at
11 mailboxes
- 12 • County requirement: ensure the mailbox plan does not create new CASP/ADA issues.
- 13 13. New wheel stops in parking stalls
- 14 14. Provide site amenities: (4) benches, placed throughout site
- 15 15. Replace unit patio dividers between each unit
- 16 • County Recommendation: replacement or repair to satisfy NSPIRE.
- 17 16. [CASp] Replace concrete sloped walk and railings from public right-of-way to building -
18 typical of two locations
- 19 • County Requirement: Also address significant lifting on street-adjacent sidewalk in front
20 of Building 1 as it poses a tripping hazard and is the only path of travel for northern units
21 to access the main office and mailboxes and trash.
- 22 17. Add new monument sign north of parking lot entrance
- 23 18. Provide new pet relief area with chain-link fence and pet waste station
- 24 19. Remove existing shrubs and replace with drought tolerant landscaping
- 25 • County Requirement: Remove dry brush along east side of property and take
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1 preventative steps to prevent regrowth, especially against electrical box to prevent fire
2 hazards.

- 3 • County Recommendation: allow tenants the opportunity to pot existing planted
4 vegetation prior to vegetation removal, ideally with 30-day notice.

5 20. Provide decomposed granite infill in atrium/planter areas

- 6 • County Requirement: Tenants with bedroom windows opening into fenced electrical area
7 (Units D and X) must have a safe, unrestricted, ADA path of travel to safety.

8 21. Remove tree stump and related root system in between buildings

9 22. Address tenant egress and access to hazardous areas

- 10 • County Recommendation: Replace fencing on east perimeter (by tree stump) that allows
11 tenant access to high-voltage electrical box.
- 12 • County Recommendation: Owner may consider fencing only electrical box to prevent
13 tenant access and hardscaping east side of property to prevent weeds/fire hazard and
14 ensure safe egress for tenants in Units X and D.

15 **Building Exterior/Envelope**

16 1. Replace damaged roof fascia and flashing as required

- 17 • County Requirement: Replace fascia, soffits, and patio under-roofing as extensive wood
18 rot observed in beams, slats, and metal sheeting at multiple units. Wood rot identified
19 going into the units themselves. Water penetration into units must be fully addressed.

20 2. Replace built-up single ply roofing

21 3. Replace asphalt composition shingle roofing

22 4. Install roof gutters and downspouts throughout

- 23 • County Requirement: at minimum, must address sagging gutter on south side of
24 property; gutters required over all entryways to units and public spaces.

- 25 • County Recommendation: include drip edges and gutter apron flashing to reduce the
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- 1 need for future repairs.
- 2 5. Add Insulation at attic space where roof sheathing is replaced
- 3 • County Requirement: required
- 4 6. Remove solar panel water heating system (includes panels on roof and water holding
- 5 tanks in atrium spaces)
- 6 • County Requirement: at minimum, the water holding tanks in the two atrium spaces must
- 7 be removed, as the tanks prevent safe egress from the bedroom in an emergency.
- 8 Removal of tanks must be prioritized in the rehabilitation timeline to address life-
- 9 threatening egress hazard.
- 10
- 11 7. Prime & paint building exterior - CMU, wood and metal surfaces (two coats of non-VOC
- 12 paint in satin, single tone color)
- 13 • County Requirement: must notify all prime and subcontractors of the presence of lead in
- 14 paint, observe all lead-safe practices, and follow NEPA.
- 15
- 16 8. [CASp] Replace all building signage - includes building signage and tactile signage at
- 17 office and dwelling units
- 18 9. Replace siding under patio covers as required
- 19 10. Replace all sliding doors and windows with vinyl windows (including wood stud infill with
- 20 fiber cement board siding exterior finish at sliding door locations)
- 21 • County Requirement: Per NEPA, windows and sliding glass doors must be dual-pane or
- 22 better.
- 23 • County Requirement: Windows that serve as bedroom egress shall be selected for
- 24 characteristics supporting an elderly person's safe egress, as all ground floor units are to
- 25 be ADA adaptable.
- 26
- 27 11. Replace exterior siding at gable roofs with fiber cement board siding
- 28 12. [CASp] Replace all exterior doors and door hardware, correct door hardware and

1 provide low-profile thresholds to increase head height as much as possible

- 2 • County Requirement: Door width on all doors must provide a minimum 32-inch clear
3 opening width when measured with the door open at 90 degrees. Owner must identify, in
4 writing, at least fourteen (14) calendar days prior to the execution of this Agreement, any
5 specific door clearances (per specific unit or location) that cannot achieve this standard,
6 along with supporting architectural documentation, so that County may evaluate such
7 claims with Federal accessibility technical assistance providers. Any claims that a 32-
8 inch clear opening width cannot be achieved that are presented after the execution of
9 this Agreement shall not be excused, shall constitute an Event of Default, as an Incorrect
10 Representation, subject to the proportional remedies and cure mechanics described in
11 Article 6 of this Agreement.

- 13 • County Requirement: Door handles of all units and spaces across the property shall be
14 ADA compliant, including (1) the handle must be completely operable with one hand;
15 and (2) the handle must not require tight grasping, tight pinching, or twisting of the wrist.
16 The handles used throughout the property on all doors shall be operable with the side of
17 a palm or a closed fist.

19 13. [CASp] Provide two door viewers in unit entry doors of mobility units

- 20 • County Requirement: Ensure the entry doors of ADA mobility units have a viewing
21 mechanism located between 34" and 44" above the finished floor. CBC 11B is stricter
22 than ADA.

23 14. County Required Item, Per NSPIRE: Address exterior/interior pest infestation locations

- 24 • County Requirement: Identify and address entry points and breeding grounds for severe
25 cockroach infestation. Eliminate roach infestation in all building interior and units to
26 NSPIRE standards. Interior Utility Corridors shall be open and available for all pest
27 mitigation efforts and all subsequent inspections by any party.

- 1 15. County Recommended Item: Address cracks in exterior walls
2 • County Recommendation: Repair vertical wall crack identified at Maintenance Room
3 between units B and C.

4 **Leasing Office/Community Room**

- 5 1. Install/replace smoke and carbon monoxide detector
6 • County Requirement: Locations of smoke and carbon monoxide detectors per Fire
7 Marshall. NSPIRE has specific guidance for locations. County's review determines
8 NSPIRE requirements consistent with California Fire Marshall requirements.
9
10 2. Repair/replace damaged Tongue & Groove ceiling (as needed)
11 • County Requirement: Ensure repairs address ceiling water damage and wood rot.
12 • County Recommendation: consider replacement of the ceiling support beam with major
13 cracking.
14
15 3. Replace all flooring and wall base
16 4. Paint walls and ceilings throughout
17 5. [CASp] Replace cabinets, countertop, and sink in common area at accessible countertop
18 height
19 6. Convert one unisex restroom into ADA-compatible storage
20 7. Replace window coverings with vertical blinds
21 8. Infill sky light
22 9. [CASp] Replace all toilet accessories in restroom, all at compliant heights
23 10. [CASp] Replace interior doors and hardware within existing frames with offset hinges
24 where possible to increase clear width
25 11. [CASp] Provide tactile signage for interior spaces
26 12. [CASp] Lower one existing coat hook to be within reach range
27 13. Abatement (if applicable - pending report results)
28

- 1 14. Install WIFI extenders throughout site (as needed) to ensure service reaches all spaces
2
3 • County Requirement: ensure all units have the physical and mechanical capacity to
4 access high-speed internet per HOME funding requirements. Deficiencies noted in
5 existing units or remarked upon by tenants include: too many internet access holes in
6 the wall by the unit's front entry door, no internet access holes/ports in the wall by the
7 unit's front entry door, no internet access holes/ports in the wall by the unit's bedroom.
8 Ongoing internet subscription service fees shall remain an optional, tenant-paid utility
9 and are excluded from gross rent and Utility Allowance calculations.

10 **Laundry**

- 11 1. Replace countertop in existing laundry room
12 • County Requirement: Must include countertop at ADA-compliant height.
13 2. Add hookups for new stacked washer/dryer in existing laundry room
14 3. [CASp] Replace washer and dryer in existing laundry room with ADA compliant washer
15 and dryer
16 4. Replace flooring in existing laundry room
17 5. Add hookups for two washers and two dryers in new laundry room
18 6. [CASp] Replace floor drain gasket to be flush with flooring
19 7. Paint walls and ceiling (2 coats of non-VOC paint in semi-gloss, single tone color)
20 8. Install new flooring/wall base and counter in new laundry room
21 9. County Required Item: Emergency lighting in interior spaces, per NSPIRE
22

23 **Maintenance Room**

- 24 1. Convert one maintenance room into laundry room (see 'Laundry' scope)
25 2. Provide striping on floor to indicate clear path required for egress out of atrium
26 • County Requirement: install clearance striping or other barriers around hazards or
27 facilities that may not be obstructed. The electrical panel in the Maintenance Room near
28 Unit B has flammable materials within 30" of the panel/conduits.

- County Recommendation: Installation of permanent markings on maintenance room floor to support maintenance staff understanding required path of unobstructed travel dimensions and areas which must be kept hazard-free.

3. County Required Item: Emergency lighting in interior spaces, per NSPIRE

Atriums

1. Clean all debris from atrium and provide decomposed granite surface

- County Requirement: Address debris/litter, infestations, and uneven surfaces in all Atriums.

- County Requirement: Perform regular maintenance to ensure clear access and eliminate breeding grounds for pests.

- County Recommendations: Paving/resurfacing entire ground

2. Provide clear path of travel for emergency egress from bedroom windows facing atrium

- County Requirement: Tenants with bedroom windows opening onto atriums must have a safe, unrestricted, ADA path of travel to the outside.

3. Replace door between atrium and laundry/maintenance room to provide door and hardware with free egress to exterior

- County Requirement: Any doors that currently pass through maintenance rooms must be unlocked in the direction of path of egress, and maintenance rooms must provide an unobstructed ADA-compliant path to the outside.

4. Remove water holding tanks

5. County Required Item: Lighting for emergency egress from atrium

- County Requirement: Install emergency exit signs with lights at laundry and maintenance room exits, required per NSPIRE.

- County Recommendation: Install motion-activated lights in atriums, maintenance, and laundry.

Dwelling Units

1. [CASp] Replace unit flooring with compliant LVT and rubber top set base throughout - excluding bathroom
 - County Requirement: Ensure replacement of water-damaged flooring includes mitigation of any mold-like substances.
 - County Requirement: Must safely address/mitigate Asbestos in flooring mastic.
2. Replace bathroom flooring with sheet vinyl and rubber top set base
 - County Requirement: Ensure replacement of water-damaged flooring includes mitigation of any mold-like substances.
 - County Requirement: Must safely address/mitigate Asbestos in flooring mastic.
3. Repair/replace damaged Tongue & Groove ceilings as required
 - County Requirement: Moisture damage to ceilings in more than 50% of units. Inspect for and address water damage in all units.
 - County Requirement: Ensure functional ventilation at bathroom and kitchen to prevent owner-caused moisture buildup. Ventilation shall be secured against pests and infestations. Cockroaches fell upon the heads of staff from the bathroom ventilation during the County's inspection.
 - County Requirement: Ensure new roofing/ceiling sealed against intrusions. Multiple residents reported multiple substances leaking through roof during light rain including water, mold, and cockroaches.
 - County Recommendation: Consider replacement of cracked ceiling beam in Unit G if further inspection reveals its integrity is compromised.
4. [CASp] Replace all kitchen appliances - range, vent hood and refrigerator with accessible appliances
 - County Recommendation: Ensure adequate replacement reserves and inspections for

1 maintenance needs. Staff noticed in multiple units that gas range would release gas, but
2 burner would not ignite. Residents were using small cigarette lighters to light burners.
3 This is considered a life-threatening condition per NSPIRE, and correction would be
4 required within 24 hours.

- 5 • Staff Recommendation: Consider more cost-effective size refrigerator models that
6 provide tenants with greater storage and relocate fridges from alcoves in the corner of
7 the kitchen. Pest issues were attributed by tenants, in part, to the refrigerators (1) being
8 too small, and (2) not maintaining a food-safe cold temperature in the refrigerator
9 compartment, causing many tenants to store prepared, perishable food on the
10 countertops.
11

12 5. Replace window coverings with vertical blinds

13 6. [CASp] Replace interior doors and hardware within existing frames with offset hinges
14 where possible to increase clear width

15 7. [CASp] Replace all kitchen cabinets and countertops with new cabinets and solid-
16 surface countertops. Provide compliant casework, removable cabinet base at sink cabinets,
17 worksurface next to range, and 50% accessible storage in ADA mobility units.

18 8. Prime & paint all unit interiors (2 coats of non-VOC paint in semi-gloss, single tone color)

- 19 • County Requirement: ensure lead-based paint protocols are followed per Federal Law
20 during and after rehab, with certifying paperwork. Staff did not observe areas of
21 disturbed paint, other than areas with wood rot. But multiple planned activities will disturb
22 the paint.
23

24 9. [CASp] Provide and install new medicine cabinet, cabinet storage, toilet paper holder,
25 tub/shower curtain rod, grab bars & towel bar at compliant heights

26 10. [CASp] Install grab bars at bathtub entry

- 27 • County Requirement: Ensure all grab bars are installed at all bathtubs in all units to ADA
28 standards per CASp

- 1 11. [CASp] Install accessible tub/shower in ADA units - grab bars, controls, removable seat,
2 etc.
- 3 12. Abatement (if applicable - pending report results)
- 4 13. Install WIFI extenders throughout site (as needed) to ensure service reaches all spaces
5 • County Requirement: ensure all units have wiring/conduits necessary for residents to
6 purchase high-speed internet per HOME funding requirements.
- 7
- 8 14. [CASp] Unit Type I only - replace closet shelving in bedroom to provide more space at
9 door and accessible clothing rod
- 10 15. [CASp] Unit Type I only - move bedroom door to provide door maneuvering clearance
11 inside bedroom
- 12 16. [CASp] Unit Type II only - remove and replace hall shelving to provide pantry storage
13 and more space adjacent to bathroom door for maneuvering space
- 14 17. [CASp] Unit Type II only - rework existing closet shelving to provide one accessible
15 clothing rod
- 16
- 17 18. [CASp] Unit Type II only - reverse door swing to swing into bedroom where existing door
18 swings out
- 19 19. [CASp] Unit Type II only - remove pony wall and post to provide more room at kitchen
- 20 20. NOT ON SCOPE OF WORK: Entry doors required to accommodate ADA standards
21 • County Requirement: ensure planned rehab fully addresses CASP findings for entry
22 doors. Address Note 3 of CASP regarding construction joints and reconstructing so that
23 the joints are perpendicular to the unit entrances.
- 24 21. NOT ON SCOPE OF WORK: All units must be ADA adaptable
25 • County Requirement: All non-mobility units must be designed and rehabilitated as
26 adaptable units complying with 11B-233 and 11B-809.6, per CASp.
- 27
- 28 22. NOT ON SCOPE OF WORK: Ensure all NSPIRE deficiencies are addressed.

Mechanical (HVAC)

- 1 1. Replacement of the roof-mounted package HVAC units
- 2 2. Replace existing bathroom exhaust fan
- 3 3. Replace existing thermostats with new programmable thermostats
- 4 a. County Requirement: install thermostats at a location and height according to CASp
- 5 standards.
- 6 4. Replace supply/return grilles throughout
- 7 a. County Requirement: ensure this includes replacing/repairing the room-to-room airflow
- 8 registers and connecting ducting, as they are heavily deteriorated and often moldy.
- 9
- 10 5. Add venting for new dryers (as noted in 'Laundry' scope)

Mechanical (Plumbing)

- 12 1. Limited replacements of the plumbing systems as required
- 13
 - County Recommendation: repair leaking hose spigot near Unit J.
- 14 2. Replace water heaters
- 15
 - County Requirement: ensure all water heaters are earthquake strapped to CA code.
- 16 3. Install new building isolation valves
- 17 4. Add new hook up for washers (as noted in 'Laundry' scope)
- 18 5. [CASp] Replace all sinks/faucets, supply lines and 1/4 turn angle stops with compliant
- 19 height, knee space, faucet and wrap all piping under fixture
- 20
 - County Requirement: perform moisture damage assessments in Units C, M, N, P, and
 - 21 W, as there are leaks from the faucet and/or angle stops, causing damage to the flooring
 - 22 and walls.
 - 23
- 24 6. Replace all tub/showers
- 25
 - County Requirement: perform moisture damage assessments in Units E, T, and V
 - 26 identified as having tub faucet leaks, which were deteriorating the tub surface, and
 - 27 potentially flooring and walls.
 - 28

- County Recommendation: install new showers/tubs that address CASP and CNA concerns: "Property management and multiple tenants reported excessive height and trip hazards at the tubs. Replacement of the tubs is recommended to prevent life safety issues."

- County Recommendation: Install height adjustable shower wand heads and include built-in, retractable shower benches for tenant safety.

7. [CASp] Replace all toilets with compliant seat height and controls on proper side of fixture

- County Requirement: Ensure all replacement toilets to be firmly secured at base as 5 or more toilets during inspection could travel 2" side to side during inspection, causing water leaks, damage, and instability. Recommended to check flange for wear and tear and replacement if toilet cannot be secured to floor without motion.
- County Requirement: perform moisture damage assessments in Units O, T, U, and W due to leaks at the toilet base.
- County Recommendation: considering installation of replacement toilets with 18" to 19" seat height as multiple residents were observed with unsecured seat toppers, using multiple toppers allegedly causing falls, and others also noted difficulty with toilet height.

8. Add new clean outs at all restrooms

9. County Requirement: Address Conditions of Utility Corridors/Chases

- County Requirement: Utility Corridors/Chases need to be treated for cockroach infestations, cleaned of any debris, and any holes into units sealed with pest-deterrent foam or other suitable material to help control infestation issues in units.

Fire Protection Systems

1. Provide fire extinguishers throughout site

- County Requirement: maintain a minimum of 3 fire extinguishers affixed to the exterior of

1 the buildings throughout the affordability period at the north, south, and center; and shall
2 ensure extinguishers are inspected annually.

- 3 • County Requirement: inspect locations of fire extinguishers and relocate if necessary for
4 ADA clearances. CASp noted the laundry room extinguisher projects into the door
5 maneuvering space.

6 **Electrical**

7
8 1. Install GFCI outlets where required

- 9 • County Requirement: check internal wiring at all outlets, as non-operating outlets were
10 found in Units N (kitchen), and S.
- 11 • County Recommendation: relocated outlets in accessible locations and heights, per
12 CASp.

13 2. Install/replace smoke and carbon monoxide detectors in office and dwelling units

- 14 • County Requirement: install all smoke and carbon monoxide detectors in correct
15 locations that meet the detector requirements under CA building code and NSPIRE, and
16 which are required to be hardwired detectors or have 10-year non-removable batteries.
- 17 • Detectors should also be placed to observe the minimum distance away from a cooking
18 appliance (as at least one unit was noted with the detector too close).
- 19 • County Requirement: Develop replacement policy for smoke detectors as Units I, P, and
20 J had nonfunctional smoke detectors (batteries). This is a "life threatening" inspection
21 finding according to NSPIRE standards and requires owner remediation within 24 hours
22 of notification if property is HUD-assisted.

23
24 3. [CASp] Relocate all power receptacles, switches, thermostats and alarm system controls
25 to be within accessible reach range where not compliant

26 4. Remove emergency call system in non-ADA units / repair call system in ADA units as
27 needed
28

- County Requirement: Must repair/replace and maintain call-for-aid system. Outright removal of the system without a comparable replacement for all tenants is removal of a safety feature of Senior Housing enjoyed by current tenants. This is a Federal and State requirement. Call for aid system must be present, functional, and available for all tenants at the property.

5. Replace exterior building light fixtures with LED

- County Requirement: install and/or repair exterior lighting to comply with NSPIRE/Code standards.

6. Remove and replace all interior light fixtures with LED

7. Add ceiling fans in office/community room, dwelling unit living rooms and bedrooms

8. Install new security cameras, monitor and recording devices

9. Repair lighting in building chases as needed

10. [CASp] Provide control switch for range vent hood in kitchen within accessible reach range

11. [CASp] Replace doorbells, with visible signal in communication unit)

- County requirement: check internal wiring for doorbells, as more than 50% of units had defective and/or damaged/exposed doorbells. Ensure doorbells are mounted no higher than 48" above finished floor and are permanently wired.

12. [CASp] Provide audible/visual features in communications unit

COUNTY CASp Requirements

1. Guest/visitor parking spaces (governed by Table 11B-208.2) remain open to anyone with a valid DP placard or plate on a first-come, first-served basis. However, resident spaces mapped under 11B-208.2.3.1 are fundamentally hard-linked to the residential units themselves and are intended to be assigned directly to the occupants of those units. The plans do not identify how the property will ensure the 11B-208.2.3.1 parking spaces will be reserved and restricted for the specific tenants of the mobility units, or if unneeded by the tenants of the

- 1 mobility units, reserved for other tenants needing disability accommodations.
- 2 2. Provide plan information reflecting Accessible access to trash and recycling dumpsters.
- 3 3. Storage Area in the office, defined as a Common Use area, requires Accessible access
- 4 and clear maneuvering areas.
- 5 4. Door 203A is specified to have a 34" (2'-10") wide door which does not provide a 32"
- 6 clear width opening at 90 degrees required by CBC 11B-404.2.3, ADAS 404.2.3, with typical
- 7 hinge offset into opening.
- 8 5. Provide plan information and notes reflecting ADAS and CBC requirements for
- 9 Accessible units with communication elements and design.
- 10 6. Provide alert on the plan cover sheet that the project is subject to Section 3 and terms of
- 11 Federal HUD HOME funding, including verification of status of suspension and debarment.
- 12 7. Adjust A-601 Door Note #5 to read: TO ACHIEVE ADDITIONAL DOOR OPENING
- 13 WIDTH AT DOORS LESS THAN 3'-0" WIDE, PROVIDE OFFSET, SWING CLEAR HINGES ON
- 14 ALL DOORS. PROVIDE MINIMUM 32" CLEAR OPENING WIDTH FOR ALL DOORS IN ADA
- 15 UNITS.
- 16 8 Plans A-121 and A-125A do not match orientation-wise for the ADA unit type II
- 17 9 Verify design and detailing for base cabinets, if provided, shall be removable under the
- 18 full 30 in (760 mm) minimum frontage of the sink and surrounding counter. The finished flooring
- 19 shall extend under the counter to the wall. (Removable not opening doors.)
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

Exhibit C - Funding & Funds Payable to County

The Owner will be reimbursed for eligible expenses incurred under this Agreement as provided in this Exhibit C. The Owner is not entitled to any funding except as expressly provided in this Exhibit C. The Owner shall pay to the County eligible fees as set forth below in this Exhibit C.

Article 1 Maximum Funding & Loan Amount

1.1 **Maximum Funding for Owner.** In no event shall the Owner receive a loan of funds from the County for this Project in excess of **Two Million and No/100 Dollars (\$2,000,000)** during the Term of this Agreement.

1.2 **Loan Amount & Purpose.** To further its goal to increase and preserve the supply of affordable housing in the County of Fresno, the County shall extend a loan of up to the Maximum Funding amount described in this Agreement at **3% simple interest for a period of 55 years. No interest shall accumulate (interest of 0%) prior to the closeout of the Project in the Federal IDIS database. The 55 years shall begin upon the date the Notice of Completion is recorded.**

1.3 **Repayment.** Repayment of the loan shall be via Residual Receipts, with a 50%/50% split between Owner and County. Any amount of residual receipts not paid timely shall defer to the end of the loan period and be added to the balance owed the County.

1.4 **Early Repayment of Loan.** There shall be no penalty for early repayment of the loan; however, in the event the loan is repaid prior to the conclusion of the minimum Period of Affordability as identified in Exhibit B, the provisions of this Agreement and applicable provisions of its Exhibits shall remain in effect throughout the minimum Period of Affordability and the applicable post-Agreement audit period.

1.5 **Ability to Add More Federal HOME Funding.** Pursuant to HOME funding regulations, no additional HOME funds may be added to this Project if more than one year has elapsed since this Agreement's execution. Any additional HOME funding in excess of \$300,000 will exceed the Maximum Per-Unit Subsidy Limit of \$215,122 currently in effect for 1-bedroom units, thereby necessitating the designation of a twelfth (12th) HOME-assisted unit for the

Project. Pursuant to Federal law, a total count of twelve (12) or more HOME-assisted units will immediately trigger Davis-Bacon and Related Acts requirements.

1.6 **Ability to Add County-Administered Funding.** An addition of funding is neither planned nor guaranteed by the County, but would have requirements and caveats specific to the funding source used. Any additional funding requested for this project, if feasible and available in the sole discretion of the County, requires new underwriting and consideration by the County’s Board of Supervisors, requiring a minimum of 180 days’ notice prior to the desired date of execution.

Article 2 Source of Funding

2.1 **HOME Funding.** The funding provided through this Agreement is from the HOME Investment Partnerships Program, governed by 24 CFR Part 92 et seq., the County’s Consolidated Plan, the County’s Annual Action Plan, the County’s Sixth Cycle Housing Element, other applicable Federal requirements, and further described in Exhibit F to this Agreement, titled “HOME Funding Requirements.”

Article 3 Anticipated Total Project Budget Sources & Uses of Funds

3.1 **Anticipated Sources & Uses During Permanent Financing.** The sources and uses of funds during the permanent financing period for the Project (as identified in June 2026) as are anticipated by the Parties to be follows:

Lien Position	Sources	Amount
1	New & Existing USDA – Federal 515 Perm Loan	\$2,057,868
2	County of Fresno – Federal HOME Loan	\$2,000,000
3	Rural Community Assistance Corporation – Capital Magnet Funds Loan	\$500,000
n/a	MCC Housing LLC <i>(Tax Credit Investor Equity. Not a Loan. Not Repayable.)</i>	\$2,898,042
n/a	Acquired Project Reserves <i>(Funds acquired from prior Owner.)</i>	\$341,992
n/a	Managing General Partner’s Capital – Sponsor	\$100
n/a	Accrued Interest During Construction	\$ 30,814
n/a	Total Anticipated Sources	\$7,828,816

Table 8 - Anticipated Sources of Total Project Funds During Permanent Financing

Uses	Amount
Acquisition	\$2,110,000

Construction	\$3,529,376
Financing	\$106,302
Operating Reserves (operating + replacement reserves)	\$110,740
Soft Costs	\$1,310,840
Developer Fees	\$661,558
Total Anticipated Project Costs	\$7,828,816

Table 9 - Anticipated Uses of Total Project Funds During Permanent Financing

3.2 **Anticipated Sources & Uses During Construction.** The sources and uses of funds during construction for the Project (as identified in June 2026) as are anticipated by the Parties to be follows:

Lien Position	Sources	Amount
1	Tri Counties Bank Construction Loan	\$2,840,251
2	New & Existing USDA – Federal 515 Perm Loan	\$2,057,868
3	County of Fresno – Federal HOME Loan 0% Interest During Construction (\$200,000 is held for retention)	\$1,800,000
n/a	MCC Housing LLC (Tax Credit Investor Equity. Not a Loan. Not Repayable.)	\$439,804
n/a	Acquired Project Reserves (Funds acquired from prior Owner.)	\$341,992
n/a	Managing General Partner’s Capital – Sponsor	\$100
n/a	Accrued Interest During Construction	\$ 30,814
n/a	Costs Deferred Until Conversion to Permanent Financing	\$317,987
n/a	Total Anticipated Sources	\$7,828,816

Table 10 - Anticipated Sources of Total Project Funds During Construction

Uses	Amount
Acquisition	\$2,110,000
Construction	\$3,529,376
Financing	\$106,302
Operating Reserves (operating + replacement reserves)	\$110,740
Soft Costs	\$1,254,411
Developer Fees	\$400,000
Deferred Soft Costs	\$56,429
Deferred Developer Fees	\$261,558
Total Anticipated Project Costs	\$7,828,816

Table 11 - Anticipated Uses of Total Project Funds During Construction

1 **Article 4 Approved Project Budget of County-Administered Funding**

2 4.1 **Project Budget.** The County’s funds shall be used in accordance with the approved
3 Project Budget, attached hereto and incorporated herein by reference as **Attachment C1 –**
4 **Project Budget of County-Administered Funding.** The full project budget detail is attached
5 hereto and incorporated herein by reference as **Attachment C2 – Project Budget Detail.**

6 4.2 **Cost Savings and Distribution of Excess Funds.** If actual total project costs are
7 less than the approved development budget identified in Article 32.1 above, titled “Anticipated
8 Sources & Uses During Permanent Financing,” the resulting cost savings and excess funds
9 shall be allocated and managed in accordance with the following provisions:

10 (A) **Primary Method of Allocation.** Unless the County elects the alternate method
11 in subsection (B), cost savings shall be distributed pro-rata to reduce the adjustable soft
12 debt / gap loan commitments (i.e., to the County and to RCAC) based on their relative
13 proportion to each other. If RCAC or any other funder waives or relinquishes its claim to
14 its pro-rata share, the County reserves the right to capture up to one hundred percent
15 (100%) of the remaining cost savings to reduce the County’s loan balance.

16 (B) **Alternate Method.** At the sole and absolute discretion of the County, excess
17 funds may instead be distributed in accordance with an executed multi-funder
18 Intercreditor Agreement, or as otherwise approved in writing by the County’s four (4)
19 signatories authorized in Exhibit G, without requiring a formal written amendment to this
20 Agreement.

21 (C) **Prompt Return and Adjustment of County Commitments.** Owner shall
22 promptly return any disbursed but unspent or unnecessary County funds, and the
23 County reserves the right to reduce or cancel any undisbursed funding commitments to
24 reflect the County’s adjusted share of project costs.

25 (D) **No Increase to Developer Fees.** No cost savings shall be used to increase the
26 Developer Fees or other Project funds flowing to Owner.

27 (E) **Excess Funds Owed to County May Not Be Added to Reserves.** Prohibited
28 by funding source requirements, the County’s funds shall not be used to capitalize an

1 Operating Reserve, nor to add capital to a Replacement Reserve.

2 **Article 5 Allowable Costs / Eligible Costs**

3 5.1 **Eligible Costs.** For costs reimbursed with Federal HOME funds, the expenses shall:

4 (A) Be consistent with the principles outlined in 2 CFR 200, Subpart E; and

5 (B) Be defined as eligible within the HOME regulations under:

6 (1) 24 CFR 92.205 “Eligible Activities: General”, or

7 (2) 24 CFR 92.206 “Eligible Project Costs,” excluding subparts (b) refinancing
8 and (c) acquisition; and

9 (C) Include eligible soft costs, as defined in 24 CFR 92.206(d)(1), provided they were
10 not incurred more than 24 months prior to execution of this Agreement; and

11 (D) Not be prohibited by 24 CFR 92.214 “Prohibited activities and fees.”

12 5.2 **Regulatory Precedence & Special Conditions.** Any financial management-related
13 regulations specified in 24 CFR 92 take precedence over conflicting regulations within 2 CFR
14 200. Additionally, the provisions of 24 CFR 92.210 “Troubled HOME-Assisted Rental Housing
15 Projects” shall only apply with prior written authorization from HUD and only if the County made
16 the request of HUD.

17 5.3 **Use of Funds & Disbursement Method.** The Owner shall use the County’s funds
18 solely for necessary, eligible, and allocable construction costs and soft costs of the Project,
19 strictly consistent with the approved project budget contained in this Exhibit. The Owner shall
20 not use these funds for any other purpose without the prior written consent of the County. Funds
21 shall be provided strictly on a reimbursement basis.

22 5.4 **Proration & Multi-Funding Source Requirements.** Consistent with cost-allocation
23 principles and [24 CFR 92.205\(d\)](#), the County’s funds are available only for reimbursement of
24 eligible costs upon a prorated basis subject to the following:

25 (A) **Standard Project Costs:** Reimbursed at $11 / 23 = 47.826\%$ of each eligible cost,
26 always rounded down to the next whole penny.

27 (B) **County/Federal Triggers:** Any eligible costs incurred specifically pursuant to the
28 County’s local requirements or triggered exclusively by applicable Federal requirements

1 (e.g. Davis-Bacon, NEPA environmental requirements, or Uniform Relocation Act
2 requirements), may be covered at 100% by County HOME funds, subject to fund
3 availability and the approved budget.

4 **Article 6 Prerequisites for Disbursement of County Funds**

5 **6.1 Prerequisites for Funding.** Owner may not request disbursement County funds
6 under this Agreement until all conditions stated in this section have been satisfied:

7 (A) Pursuant to [2 CFR 25.300](#), the Owner has obtained and provided to County a
8 Federal Unique Entity Identifier and attained an active status in SAM.gov.

9 (B) State and Federal entity tax documents have been obtained and provided to the
10 County.

11 (C) Certified Payroll for the period of time covered by the payment request has been
12 provided, reviewed, and approved in accordance with Exhibit A to this Agreement.

13 (D) Affirmative Marketing Procedures have been provided, reviewed, and approved
14 in accordance with Exhibit F to this Agreement.

15 (E) All insurance documents (including Property Insurance and both types of Bond
16 Insurance) have been submitted, reviewed, and approved in accordance with Exhibit E
17 to this Agreement.

18 (F) Funds are needed for reimbursement of eligible, documented costs.

19 (G) The expenses submitted for reimbursement have been already paid by the
20 Owner, as evidenced by an “Unconditional Waiver and Release on Progress Payment.”

21 (H) The amount of the request is limited to the amount needed, inclusive of any
22 proration.

23 (I) If this project is funded with Federal HOME funds: the Owner understands and
24 acknowledges that the County shall use funds in the local account before requesting
25 U.S. Treasury funds. Additionally, pursuant to [24 CFR 92.504\(c\)\(3\)\(viii\)](#), “The Owner
26 may not request disbursement of funds under [this Agreement] until the funds are
27 needed for payment of eligible costs. The amount of each request must be limited to the
28 amount needed.”

6.2 **No Commitment.** Notwithstanding any other provision of the Agreement, the Parties agree and acknowledge that this Agreement does not constitute a commitment of HOME Loan funds, and that such “commitment of loan funds” or approval may occur only upon satisfactory completion of all requirements contained in this Agreement or any other loan, security, or other related documents are met by the Owner, as determined by the County.

6.3 **All Funding Necessary to Complete the Project Is Required.** Notwithstanding the funding sources and amounts identified in other Exhibits to this Agreement, disbursements for the Project from HOME Loan funds shall be contingent upon reliable evidence acceptable to the County, in its sole discretion, that the Owner has obtained all funding necessary to meet the Total Project Cost.

6.4 **Project Disbursement Schedule.** The Parties anticipate payments subject to the terms of this Exhibit in accordance with the County Draw Schedule included below:

Draw #	Portion of Funds	Max Dollar Amount Requested	10% Retention	Amount Disbursed*
0	Deposit at Escrow	\$0	\$0	\$0
1	50% of Total Loan Amt. (1st construction draw)	\$1,000,000	\$100,000	\$900,000
2	50% of Total Loan Amt. (2nd construction draw)	\$1,000,000	\$100,000	\$900,000
n/a	Total During Construction	\$2,000,000	\$200,000	\$1,800,000
3	Retention Amount (10%) (available to request after County's punchlist has been remediated and the Project Closeout Workbook has been completed by Owner and submitted to County, with no corrections or updates needed)	\$200,000	\$0	\$200,000
n/a	Total During Permanent Financing	\$2,000,000	\$0	\$2,000,000

Table 12 - County Draw Schedule

1 **Article 7 Invoicing Process**

2 7.1 **Invoice Payments Subject to Prerequisites.** By entering into this Agreement,
3 Owner acknowledges and understands and will abide by the Prerequisites for Disbursement of
4 County Funds discussed in Article 34 above.

5 7.2 **Sufficient Funding Required.** Owner shall maintain sufficient positive cash flow
6 throughout the construction period.

7 7.3 **Invoice Submission.** Owner shall submit timely invoices to County's PWP, in
8 arrears, for expenditures incurred, rendered, completed, and paid by emailing such invoices,
9 proof of payment, and supporting documentation to:

10 ComDev@fresnocountyca.gov and
11 the analyst assigned to the Project

12 7.4 **Payments.** All requests for disbursements will be processed by County as a check
13 or direct deposit, as determined by the County and processed by the County's ACTTC. Use of
14 direct deposit for payments requires at least one prior payment made by paper check and
15 additional Owner's paperwork submitted to and accepted by the ACTTC. Payments must be
16 remitted to an address identical to the one on the Owner's tax documents (i.e. W9 / CA 590).

17 7.5 **Payment Timing.** Payments by County's PWP shall be in arrears and authorized by
18 County's PWP for payment within forty-five (45) days following the satisfactory receipt,
19 verification, and approval of Owner's correct and proper invoices and all necessary corollary
20 reports (e.g. labor compliance, proof of payment).

21 7.6 **Payments Subject to Auditor Review.** County's PWP cannot impact business
22 processes put in place by the County's ACTTC. The County may extend the 45-day payment
23 timeframe to conduct any audits or heightened scrutiny deemed necessary by the County's
24 Auditor/Controller. Historically, the initial check to a Limited Partnership has been delayed by
25 approximately 10 business days beyond the expected timeframe for a subsequent payment.
26 Delays by the Auditor may also occur if there is a delay between payments of six or more
27 months.

28 7.7 **Final Claims.** All final claims for funding shall be submitted by Owner within one

1 hundred eighty (180) days following the issuance of the Certificate of Occupancy (CoO) or the
2 earlier termination date of this Agreement. At the discretion of County's PWP Director or his/her
3 designee, County's PWP may deny payment of any invoice received more than one hundred
4 eighty (180) days following the issuance of the CoO or the earlier termination date of this
5 Agreement.

6 7.8 **Cost Certification Requirement.** Prior to closeout and the final release of retention,
7 the Owner and the General Contractor shall jointly execute and submit a Cost Certification and
8 Budget Reconciliation Form in accordance with the requirements and specifications detailed in
9 Exhibit B of this Agreement.

10 7.9 **Retention Payment Requirements.** The timeliness limit on final claims for eligible
11 expenses does not include County's payment of retention, as the initial request for
12 reimbursement already included a request for the retained amount. A payout of final retention
13 must be requested by the Owner and received by the County prior to closeout of the Project in
14 the Federal IDIS database; however, retention payout may not be requested until the Owner
15 has provided a complete and correct Closeout Workbook to the County, as detailed in Exhibit B.

16 7.10 **Use of Contingency Funds.** Consistent with the County's role as a provider of gap
17 financing, Owner shall fully exhaust all project contingency funds available through other
18 funding streams prior to requesting disbursement from the Owner's County-provided
19 contingency budget line item, if any.

20 **Article 8 Fees Payable to County by Owner**

21 8.1 **Annual Monitoring Fees.** The Owner hereby agrees to reimburse and pay to
22 County the County's actual costs incurred in having County's staff perform compliance
23 monitoring activities for the Project, including but not limited to staff time and mileage for
24 monitoring responsibilities, Project oversight, and physical inspections.

25 8.2 **Attorney's Fees.** The Owner hereby agrees to reimburse and pay to County the
26 County's actual costs incurred in having County's legal counsel review revisions, requested by
27 the Owner or necessitated by an action attributable to the Owner, to this Agreement, the Loan
28 documents, security documents, and other documents related to the financing of the Project or

1 amendments to the project, up to a maximum of Ten Thousand Dollars (\$10,000). If any legal or
2 administrative action is commenced to interpret or to enforce the terms of this Agreement, the
3 County shall be entitled to recover its costs and all reasonable attorney's fees and costs incurred
4 in such action, with no specified maximum.

5 **8.3 Basis for Fees.** The County's actual fees shall be determined by identifying the actual
6 time spent and mileage driven by the County's staff on this specific Agreement's Project activities
7 using the County's Master Schedule of Fees, Charges, and Recovered Costs that is current at
8 the time the costs are incurred. Monitoring Fees are capped at Three Thousand Dollars
9 (\$3,000.00) for the initial year of operation. The monitoring cap increases by a compounding 3%
10 annually, i.e. a cap of \$5,418.33 in year 21.

11 **8.4 Fee Inclusion in Underwriting Process.** The fees described in this section were
12 included and reviewed by the County during the underwriting process.

13 **8.5 Fees Collected by County Are Applicable Credits.** In accordance with [24 CFR](#)
14 [92.214\(b\)\(2\)](#), all fees charged and collected by County under the provisions of this section shall
15 be treated as applicable credits under [2 CFR 200.406](#). This means that if these fees are collected
16 by the County, they are not classified or received as HOME Program Income; instead, the County
17 shall defray the cost of monitoring the County-assisted units by the amount received and shall
18 only charge to the Federal grant any unpaid balance of monitoring costs.

19 **8.6 Fee Collection Timeframes & Method of Fee Notification.** County shall not pursue
20 the collection of any fees from the Owner if the expenses were not invoiced or communicated in
21 writing to Owner within 150 days of the date they were incurred. The 150 day timeframe is
22 necessary to ensure County's timekeeping and internal accounting activities can generate
23 accurate amounts. Communication via email with a read receipt to representatives of Owner shall
24 be sufficient communication and notification to Owner of the fees.

25 **8.7 Deferral of Fee Collection for Negative Net Cash Flow.** Fees for the current year of
26 monitoring shall be deferred if the prior year's audited financial statements for the Project
27 demonstrate negative Net Cash Flow (Gross Revenue minus Allowable Operating Expenses and
28 Senior Debt Service Only, specifically excluding partner distributions, IOI bonuses, or deferred

1 developer fees). Any deferred monitoring fees shall accrue without interest and shall become
2 payable in full from the first available Surplus Cash Flow in subsequent project years, prior to any
3 distributions to partners or Owners; or upon the sale, refinancing, or termination of this Agreement,
4 whichever occurs first. Fees may be deferred for up to four (4) consecutive years. Continuous
5 negative cash flow beyond four years shall trigger an asset management review and a mandatory
6 restructuring plan for the Property.

7 **8.8 Payment of Fees.** Owner shall submit to County payment for invoiced County
8 Attorney's Fees within 30 days. Owner shall submit to County payment for invoiced annual
9 monitoring fees within 90 days. Payment shall be issued via check made payable to: County of
10 Fresno, with "Reedley Heritage Monitoring Fee, Not HOME PI, Defray HOME Admin for PWP
11 Community Development" on the memo line or otherwise included with payment or affixed to the
12 check.

Article 9 Loan Repayment Schedule

County Loan Repayment Schedule

Loan Amount	\$2,000,000.00	Final Payment Due	No later than March 31, 2083
Annual Interest	3% simple during term, 0% during construction	Number of Payments	55
Loan Period	55 years	Yearly Payment	Residual Receipts (50%)
Repayment Start Date	3/31/2028	Total Interest	\$3,300,000.00
		Total Cost of Loan	\$5,300,000.00

*** = 50% of Residual Receipts for prior calendar tax year, if \$0, then payment deferred until end of the loan term.

Annual Payment No.	Payment Date	Year	Beginning Balance	Payment Owed	Payment Received	Interest @ 3% Simple During Term	Example Ending Balance (if Payment Due Were \$0)
n/a	Loan is Capitalized in 2026-2027		\$ 2,000,000.00	\$ -	n/a	((0% during construction))	\$ 2,000,000.00
1	31-Mar	2028	\$ 2,000,000.00	***	TBD	\$ 60,000.00	\$ 2,060,000.00
2	31-Mar	2029	\$ 2,060,000.00	***	TBD	\$ 60,000.00	\$ 2,120,000.00
3	31-Mar	2030	\$ 2,120,000.00	***	TBD	\$ 60,000.00	\$ 2,180,000.00
4	31-Mar	2031	\$ 2,180,000.00	***	TBD	\$ 60,000.00	\$ 2,240,000.00
5	31-Mar	2032	\$ 2,240,000.00	***	TBD	\$ 60,000.00	\$ 2,300,000.00
6	31-Mar	2033	\$ 2,300,000.00	***	TBD	\$ 60,000.00	\$ 2,360,000.00
7	31-Mar	2034	\$ 2,360,000.00	***	TBD	\$ 60,000.00	\$ 2,420,000.00
8	31-Mar	2035	\$ 2,420,000.00	***	TBD	\$ 60,000.00	\$ 2,480,000.00
9	31-Mar	2036	\$ 2,480,000.00	***	TBD	\$ 60,000.00	\$ 2,540,000.00
10	31-Mar	2037	\$ 2,540,000.00	***	TBD	\$ 60,000.00	\$ 2,600,000.00
11	31-Mar	2038	\$ 2,600,000.00	***	TBD	\$ 60,000.00	\$ 2,660,000.00
12	31-Mar	2039	\$ 2,660,000.00	***	TBD	\$ 60,000.00	\$ 2,720,000.00
13	31-Mar	2040	\$ 2,720,000.00	***	TBD	\$ 60,000.00	\$ 2,780,000.00
14	31-Mar	2041	\$ 2,780,000.00	***	TBD	\$ 60,000.00	\$ 2,840,000.00
15	31-Mar	2042	\$ 2,840,000.00	***	TBD	\$ 60,000.00	\$ 2,900,000.00
16	31-Mar	2043	\$ 2,900,000.00	***	TBD	\$ 60,000.00	\$ 2,960,000.00
17	31-Mar	2044	\$ 2,960,000.00	***	TBD	\$ 60,000.00	\$ 3,020,000.00
18	31-Mar	2045	\$ 3,020,000.00	***	TBD	\$ 60,000.00	\$ 3,080,000.00
19	31-Mar	2046	\$ 3,080,000.00	***	TBD	\$ 60,000.00	\$ 3,140,000.00
20	31-Mar	2047	\$ 3,140,000.00	***	TBD	\$ 60,000.00	\$ 3,200,000.00
21	31-Mar	2048	\$ 3,200,000.00	***	TBD	\$ 60,000.00	\$ 3,260,000.00
22	31-Mar	2049	\$ 3,260,000.00	***	TBD	\$ 60,000.00	\$ 3,320,000.00
23	31-Mar	2050	\$ 3,320,000.00	***	TBD	\$ 60,000.00	\$ 3,380,000.00
24	31-Mar	2051	\$ 3,380,000.00	***	TBD	\$ 60,000.00	\$ 3,440,000.00
25	31-Mar	2052	\$ 3,440,000.00	***	TBD	\$ 60,000.00	\$ 3,500,000.00
26	31-Mar	2053	\$ 3,500,000.00	***	TBD	\$ 60,000.00	\$ 3,560,000.00
27	31-Mar	2054	\$ 3,560,000.00	***	TBD	\$ 60,000.00	\$ 3,620,000.00
28	31-Mar	2055	\$ 3,620,000.00	***	TBD	\$ 60,000.00	\$ 3,680,000.00
29	31-Mar	2056	\$ 3,680,000.00	***	TBD	\$ 60,000.00	\$ 3,740,000.00
30	31-Mar	2057	\$ 3,740,000.00	***	TBD	\$ 60,000.00	\$ 3,800,000.00

Annual Payment No.	Payment Date	Year	Beginning Balance	Payment Owed	Payment Received	Interest @ 3% Simple During Term	Example Ending Balance (if Payment Due Were \$0)
31	31-Mar	2058	\$ 3,800,000.00	***	TBD	\$ 60,000.00	\$ 3,860,000.00
32	31-Mar	2059	\$ 3,860,000.00	***	TBD	\$ 60,000.00	\$ 3,920,000.00
33	31-Mar	2060	\$ 3,920,000.00	***	TBD	\$ 60,000.00	\$ 3,980,000.00
34	31-Mar	2061	\$ 3,980,000.00	***	TBD	\$ 60,000.00	\$ 4,040,000.00
35	31-Mar	2062	\$ 4,040,000.00	***	TBD	\$ 60,000.00	\$ 4,100,000.00
36	31-Mar	2063	\$ 4,100,000.00	***	TBD	\$ 60,000.00	\$ 4,160,000.00
37	31-Mar	2064	\$ 4,160,000.00	***	TBD	\$ 60,000.00	\$ 4,220,000.00
38	31-Mar	2065	\$ 4,220,000.00	***	TBD	\$ 60,000.00	\$ 4,280,000.00
39	31-Mar	2066	\$ 4,280,000.00	***	TBD	\$ 60,000.00	\$ 4,340,000.00
40	31-Mar	2067	\$ 4,340,000.00	***	TBD	\$ 60,000.00	\$ 4,400,000.00
41	31-Mar	2068	\$ 4,400,000.00	***	TBD	\$ 60,000.00	\$ 4,460,000.00
42	31-Mar	2069	\$ 4,460,000.00	***	TBD	\$ 60,000.00	\$ 4,520,000.00
43	31-Mar	2070	\$ 4,520,000.00	***	TBD	\$ 60,000.00	\$ 4,580,000.00
44	31-Mar	2071	\$ 4,580,000.00	***	TBD	\$ 60,000.00	\$ 4,640,000.00
45	31-Mar	2072	\$ 4,640,000.00	***	TBD	\$ 60,000.00	\$ 4,700,000.00
46	31-Mar	2073	\$ 4,700,000.00	***	TBD	\$ 60,000.00	\$ 4,760,000.00
47	31-Mar	2074	\$ 4,760,000.00	***	TBD	\$ 60,000.00	\$ 4,820,000.00
48	31-Mar	2075	\$ 4,820,000.00	***	TBD	\$ 60,000.00	\$ 4,880,000.00
49	31-Mar	2076	\$ 4,880,000.00	***	TBD	\$ 60,000.00	\$ 4,940,000.00
50	31-Mar	2077	\$ 4,940,000.00	***	TBD	\$ 60,000.00	\$ 5,000,000.00
51	31-Mar	2078	\$ 5,000,000.00	***	TBD	\$ 60,000.00	\$ 5,060,000.00
52	31-Mar	2079	\$ 5,060,000.00	***	TBD	\$ 60,000.00	\$ 5,120,000.00
53	31-Mar	2080	\$ 5,120,000.00	***	TBD	\$ 60,000.00	\$ 5,180,000.00
54	31-Mar	2081	\$ 5,180,000.00	***	TBD	\$ 60,000.00	\$ 5,240,000.00
55	31-Mar	2082	\$ 5,240,000.00	***	TBD	\$ 60,000.00	\$ 5,300,000.00
Final	31-Mar	2083	\$ 5,300,000.00	Outstanding Balance of Principal, Accrued Interest, Any Fees Accrued, etc.		\$ -	\$ -

Article 10 Grant of Funds

10.1 **Grant.** At the time of execution, no funds are granted through this Agreement.

Article 11 Loan of Funds

11.1 **Loan.** At the time of execution, all funding provided by the County to the Owner through this Agreement, as specified in Article 29 "Maximum Compensation & Loan Amount" above are being provided as a loan, the terms of which are set forth below.

Project Name:	Reedley Heritage (formerly known as Reedley Elderly)
Owner:	Reedley Elderly L.P.
CHDO Sponsor & Managing General Partner:	Reedley Elderly LLC

Sole Member of MGP:	Self-Help Enterprises
Project Type:	Non-Substantial Rehabilitation and Ongoing Operation of Affordable Multifamily Rental Housing for a Minimum of 15 Years Following Closeout of the Project in IDIS
Project Address:	172 S. East Avenue, Reedley, CA 93654
County Funding Amount:	\$2 million and no/100
Funding Source:	Federal HOME funds subject to 24 CFR Part 92 and all applicable referenced regulations and requirements contained therein and any Federally-issued guidance pertinent thereto
County-Administered Units:	11 Floating Low HOME Rent Units @ or Below 50% AMI

Article 12 Loan Documents

12.1 **Promissory Note.** The County will prepare a Promissory Note (“Note”) for execution by the Borrower in a form and content acceptable to the County, in the County’s sole discretion. The Note shall set forth the terms and conditions and plan for repayment of the maximum compensation payable under this Agreement. The Note and related Loan Documents may include provisions for default interest, late fees, or contractually defined liquidated damages specifically tied to material defaults, including but not limited to unauthorized transfers of ownership or a failure to maintain the Period of Affordability. Any such liquidated damages shall be explicitly calculated and capped within the executed Note or regulatory agreements. In addition to the Note, the Loan funds shall be secured with a Deed of Trust recorded against the Property, and other required security instruments, as described more fully below.

12.2 **Deed of Trust.** County shall record against the Property a Deed of Trust for the County’s Loan in a form and content acceptable to the County. Said Deed of Trust will be recorded for the purpose of securing repayment of the funds, interest, and fees payable under this Agreement, and will name the County of Fresno, a political subdivision of the State of California, as beneficiary.

(A) **Lien Positions During Construction and Permanent Financing.** Said Deed of Trust will be in the third lien position during construction and the second position after construction (unless the County provides written approval for a lesser lien position), until the Note is fully repaid.

1 (B) **Requirements at Recording.** At the time of recordation of the Deed of Trust, the
2 Borrower will have good and marketable fee title to the Project, and there will exist
3 thereon or with respect thereto no mortgage, lien, pledge, or other encumbrance of any
4 character whatsoever, other than those liens approved in writing by the County, liens
5 securing any of the expected financing, or liens for current real property taxes and
6 assessments not yet due and payable.

7 **12.3 Federal HOME Regulatory Agreement and Declaration of Restrictive**

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

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Project Budget of County-Administered Funding

[to be updated later]

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Project Budget Detail

[to be updated later]

Exhibit D - Self-Dealing Transactions & Identity of Interest Disclosure Forms

Article 1 Self-Dealing Transactions

1.1 **Introduction.** In order to conduct business with the County of Fresno (“County”), members of a contractor’s board of directors (“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 as: “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 used for purposes of completing this disclosure form.

1.2 **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) The form must be signed by the board member that is involved in the self-dealing transaction described in Sections (3) and (4).

1.3 Self-Dealing Transactions Disclosure Form (D1).

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

Article 2 Identity of Interest

2.1 **Introduction.** Pursuant to the requirements at [24 CFR 92.250\(b\)](#), further detailed in HUD's [CPD Notice 2015-11](#), titled *Requirements for the Development and Implementation of HOME Underwriting and Subsidy Layering Guidelines*, "Some developers may also own construction companies and if this company is used for the HOME project, the construction firm may earn reasonable profit and overhead as a component of the development budget. If the rental property Owner also operates a property management company contracted to service the property, the developer may earn fees from those activities. These and other IOI contracts require additional scrutiny by the [County] to make sure that they are clearly disclosed, priced at arms-length rates, and subject to cancellation if the IOI contractor does not provide acceptable service."

2.2 **Instructions – Forms to Use.** The Owner will complete and submit to the County either "IOI DISCLOSURE FORM A1: CERTIFICATION OF NO IOI" or, "IOI DISCLOSURE FORM B1: TO DISCLOSE AN EXISTING OR PLANNED IOI," as appropriate. If the Owner signs IOI Disclosure Form B1, then its IOI entities (e.g. contractor, subcontractor, material supplier, services provider, equipment lessor) must, prior to receipt of any payment, complete and submit to the County "IOI DISCLOSURE FORM B2: TO DISCLOSE AN EXISTING OR PLANNED IOI."

2.3 **Instructions – If an Identity of Interest Exists.** If and when an identity of interest exists, the Contractor, Subcontractor, Material Supplier, Service Provider, Equipment Lessor, or equivalent:

(A) Shall, prior to receipt of any payment, provide the Owner and the County a written assertion that it has an accounting system suitably designed to provide for a line item basis comparison of the actual cost with the estimated cost.

(B) Shall, prior to receipt of any payment, provide the Owner and the County with a detailed breakdown of the estimated cost amount for evaluation, using "IOI DISCLOSURE FORM C1: ESTIMATE AND CERTIFICATION OF ACTUAL COST."

(C) Shall deduct any discounts or rebates from invoices provided to the Owner for

payment. Any discounts or rebates received on invoices already paid by the Owner will be refunded to the Owner or subtracted from any payment retainage.

(D) Shall not be entitled to receive payment for general overhead, profit, or general requirements, respectively, in excess of the amounts represented on the estimate of cost breakdown in accordance with clause (B) of this Section.

(E) Shall, prior to receipt of final payment, provide the Owner and the County with a detailed breakdown of the actual cost compared to the estimated cost, using "IOI DISCLOSURE FORM C1: ESTIMATE AND CERTIFICATION OF ACTUAL COST." The actual cost shall be audited by a Certified Public Accountant who will provide an opinion concerning whether the actual construction costs present fairly the costs of construction in conformity with eligible construction costs as prescribed in any applicable State or Federal regulations.

(F) Shall, prior to receipt of final payment, provide the Owner and the County with documentation on all "IOI DISCLOSURE FORM C1: ESTIMATE AND CERTIFICATION OF ACTUAL COST" actual cost line items that are a minimum of fifteen percent (15%) higher or lower than the estimated costs. The documentation shall provide justification for the deviations.

(G) If and when an identity of interest exists between the Owner and Contractor, the Contractor is entitled to receive a builder's fee (general overhead and profit) only when the highest subcontract sum is no more than fifty percent (50%) of the contract sum, and the total of the highest three subcontract sums is no more than seventy-five percent (75%) of the contract sum. Any payments made to the Contractor for a builder's fee to which contractor is not entitled will be refunded to the Owner or subtracted from any payment retainage.

2.4 IOI Disclosure Form D2: Certification of No IOI.

IOI DISCLOSURE FORM D2: CERTIFICATION OF NO IOI			
SECTION A1: TO BE COMPLETED BY PROJECT Owner AND MANAGING GENERAL PARTNER (INCLUDING THE MGP's MEMBER)			
Owner/MGP Name:		Project Name:	
IDENTITY OF INTEREST (IOI) STATEMENT			
<p>An Identity of Interest (IOI) occurs when any of the following are true:</p> <ol style="list-style-type: none"> (1) When there is any financial interest between the Owner (or MGP, or member of the MGP) and the supplying entity. (2) When one or more of the officers, directors, stockholders or partners of the Owner or MGP is also an officer, director, stockholder, or partner of the supplying entity. (3) When any officer, director, stockholder, or partner of the Owner or MGP has ten percent (10%) or more financial interest in the supplying entity. (4) When the supplying entity advances any funds to the Owner and/or MGP. (5) When the supplying entity provides or pays on behalf of the Owner and/or MGP the cost of any materials, real property, or services in connection with obligations under this Agreement, any management plan/agreement, or any construction plan/agreement. (6) When the supplying entity takes stock or any interest in the Owner and/or MGP as part of the consideration to be paid them. (7) When there exists or comes into being any side deals, agreements, contracts, or understandings entered into thereby altering, amending, or cancelling any of the management plan / management agreement documents, organization documents, or other legal documents pertaining to the property, except as approved by the County. 			
<p>I, the undersigned, hereby certify that I have read the identity of interest statement above and understand what the County of Fresno, (County) has determined constitutes an identity of interest. I further certify that <u>NO</u> identity of interest relationship exists, nor is planned.</p> <p>I hereby certify, under penalty of law*, and with knowledge that this information may be verified, that the information submitted is true and accurate. I further understand that failure to disclose any identity of interest to the Agency will also subject me to administrative remedies available to the County, including those identified under Breach of Agreement.</p> <p>I further understand and agree that I will complete an Identity of Interest Form B if at any time my circumstances change, and an identity of interest relationship is formed.</p>			
Owner/MGP Signature:		Date	

2.5 IOI Disclosure Form D3: To Disclose an Existing or Planned IOI.

IOI DISCLOSURE FORM D3: TO DISCLOSE AN EXISTING OR PLANNED IOI			
SECTION B1: TO BE COMPLETED BY PROJECT Owner AND MANAGING GENERAL PARTNER (INCLUDING THE MGP's MEMBER)			
Owner/MGP Name:		Project Name:	
IDENTITY OF INTEREST (IOI) STATEMENT			
<p>An Identity of Interest (IOI) occurs when any of the following are true:</p> <ol style="list-style-type: none"> (1) When there is any financial interest between the Owner (or MGP, or member of the MGP) and the supplying entity. (2) When one or more of the officers, directors, stockholders or partners of the Owner or MGP is also an officer, director, stockholder, or partner of the supplying entity. (3) When any officer, director, stockholder, or partner of the Owner or MGP has ten percent (10%) or more financial interest in the supplying entity. (4) When the supplying entity advances any funds to the Owner and/or MGP. (5) When the supplying entity provides or pays on behalf of the Owner and/or MGP the cost of any materials, real property, or services in connection with obligations under this Agreement, any management plan/agreement, or any construction plan/agreement. (6) When the supplying entity takes stock or any interest in the Owner and/or MGP as part of the consideration to be paid them. (7) When there exists or comes into being any side deals, agreements, contracts, or understandings entered into thereby altering, amending, or cancelling any of the management plan / management agreement documents, organization documents, or other legal documents pertaining to the property, except as approved by the County. 			
<p>I, the undersigned, hereby certify that I have read the identity of interest statement above and understand what the County of Fresno, (County) has determined constitutes an identity of interest. I further certify that an identity of interest exists and hereby disclose on the following page(s) of this qualification form those entities with which I HAVE (or PLAN TO HAVE) an identity of interest relationship.</p> <p>I hereby certify, under penalty of law*, and with knowledge that this information may be verified, that the information submitted is true and accurate. I further understand that failure to disclose any identity of interest to the Agency will also subject me to administrative remedies available to the County, including those identified under Breach of Agreement.</p> <p>I further understand and agree that I will update this Form if my circumstances change, and I agree to provide a new IOI Form B1 at any time requested by the County.</p> <p>This Form shall be in effect for a period of three years, beginning on the date noted below.</p>			
Owner/MGP Signature:		Date	

2.6 IOI Disclosure Form D4: To Disclose an Existing or Planned IOI.

IOI DISCLOSURE FORM D4: TO DISCLOSE AN EXISTING OR PLANNED IOI	
SECTION B2: TO BE COMPLETED BY THE PRINCIPAL FOR EACH BUSINESS OR TRADE WITH AN IDENTITY OF INTEREST (IOI) RELATIONSHIP WITH THE PROJECT Owner AND/OR MANAGING GENERAL PARTNER (INCLUDING THE MGP's MEMBER). USE ADDITIONAL COPIES OF FORM B2 FOR EACH IOI ENTITY.	
IOI Entity Name:	Project Name:
Address:	Years in Business:
Telephone #:	Taxpayer ID #:
Type of Entity: Contractor <input type="checkbox"/> Subcontractor <input type="checkbox"/> Architect <input type="checkbox"/> Attorney <input type="checkbox"/> Property Mgt <input type="checkbox"/>	
Supplier of: Material <input type="checkbox"/> Labor <input type="checkbox"/> Both <input type="checkbox"/> Service <input type="checkbox"/>	
Describe IOI Entity's Relationship to Owner/MGP:	
# of Full-Time Employees:	Part-Time:
Principal of IOI Entity:	SSN:
Training / License(s) Held:	
Percent of Total Annual Compensation from Company	Years in Business:
Disclose Any Criminal Convictions or Debarment from Local, State, or Federal Government Programs:	
Disclose Any Current or Pending Legal Actions Against the Company or Any of Its Principals:	
Do any of the IOI companies function as "pass-throughs," i.e., does the IOI company purchase goods or services from another party and pass those goods or services through to the project? Yes <input type="checkbox"/> No <input type="checkbox"/>	
If "Yes," for each pass-through arrangement, respond to the statements below, using additional sheets as necessary):	
<ul style="list-style-type: none"> • Name the IOI company involved. • Explain how the IOI compensation is determined. • Explain why it is more advantageous for the project to use the pass-through arrangement than to purchase directly from the ultimate supplier. 	
Attach fee schedules for all IOI companies disclosed. <input type="checkbox"/>	

Insert IOI passthrough explanations, if any, and fee schedules for IOI companies before this page.

I hereby certify, under penalty of law*, and with knowledge that this information may be verified, that the information submitted is true and accurate. I further understand that failure to disclose any identity of interest to the Agency will also subject me to administrative remedies available to the County, including those identified under Breach of Agreement.

IOI Entity Principal
Signature:

Date:

2.7 **IOI Disclosure Form D5. Estimate and Certification of Actual Cost.** The Owner and its General Contractor shall submit a signed Cost Certification and Budget Reconciliation Form provided by the County in accordance with Exhibit C, titled “Funding & Funds Payable to the County.”

Exhibit E - Insurance Requirements

Project Name:	Reedley Heritage (formerly known as Reedley Elderly)
Owner:	Reedley Elderly L.P.
CHDO Sponsor & Managing General Partner (MGP):	Reedley Elderly LLC
Sole Member of MGP:	Self-Help Enterprises
Project Type:	Non-Substantial Rehabilitation and Ongoing Operation of Affordable Multifamily Rental Housing for a Minimum of 15 Years Following Closeout of the Project in IDIS
Project Address:	172 S. East Avenue, Reedley, CA 93654

Table - Insurance Project Info

Article 1 Required Insurance Policies for Owner / Managing General Partners

1.1 **Introduction.** Without limiting the County’s right to obtain indemnification from the Owner or any third parties, Owner/MGP, at its sole expense, shall maintain in full force and effect, at least, the following insurance policies throughout the full term of this Agreement, throughout the Period of Affordability, and until all financial obligations, loans, and notes owed to the County regarding the Property are repaid and satisfied in full; whichever occurs last. The County reserves the right to review and adjust the required insurance provisions, based upon County’s determination of changes in risk exposures. In the event the Owner’s Limited Partnership Agreement, which is not part of this Affordable Housing Agreement, allocates or delegates operational risk and liability to a Managing General Partner, General Partner, Co-General Partner, or affiliate (“MGP”) all insurance requirements and terms of this section shall be equally binding upon such entity.

1.2 **All-Risk Property Insurance.** Property Insurance written on an All-Risk basis, except earthquake and flood, with coverage for the full replacement value of all buildings and improvements located on the Property as described in Exhibit B to this Agreement. This policy must include Ordinance or Law Coverage (Coverages A, B, and C) with a limit of not less than 10% of the building’s full replacement cost to cover requirements of bringing the rebuilt property up to modern code. The policy must contain an Agreed Amount (Agreed Value) Endorsement and must not contain a coinsurance penalty provision. The County must be added as a Lender

1 Loss Payable. The Owner/MGP's failure to procure or maintain such insurance shall be
2 considered a material breach of this Agreement.

3 1.3 **Replacement Cost Valuation.** Property insurance shall be written on a Full
4 Replacement Cost basis. An initial valuation must be performed within 30 days of completion of
5 construction as evidenced by the Certificate of Occupancy. The valuation of the buildings and
6 improvements shall be reviewed and adjusted for inflation and increased construction costs no
7 less than annually, utilizing a recognized construction cost index acceptable to the County (such
8 as Marshall & Swift). Additionally, Owner shall provide the County with an updated, independent
9 replacement cost appraisal or broker-validated valuation no less than every three (3) years from
10 the date of this Agreement, or upon the County's reasonable determination that regional
11 construction cost increases have rendered current limits inadequate.

12 1.4 **Commercial General Liability Insurance.** Commercial general liability insurance
13 with limits of not less than Two Million Dollars (\$2,000,000) per occurrence and an annual
14 aggregate of Four Million Dollars (\$4,000,000). This policy must be issued on a per occurrence
15 basis and applied separately to work performed under this Agreement. Coverage must include
16 products, completed operations, property damage, bodily injury, personal injury, advertising
17 injury, and contractual liability. The policy must name the County of Fresno, its officers, agents,
18 employees, and volunteers, individually and collectively, as additional insureds, but only insofar
19 as the operations under this Agreement are concerned. Such coverage for additional insureds
20 will apply as primary insurance and any other insurance, or self-insurance, maintained by the
21 County is excess only and not contributing with insurance provided under the Owner/MGP's
22 policy.

23 1.5 **Automobile Liability Insurance.** Automobile liability insurance with limits of not less
24 than One Million Dollars (\$1,000,000) per occurrence for bodily injury and for property damages.
25 Coverage must include any auto used in connection with this Agreement.

26 1.6 **Workers Compensation Insurance.** Workers compensation insurance as required
27 by the laws of the State of California with statutory limits.

28 1.7 **Employer's Liability Insurance.** Employer's liability insurance with limits of not less

1 as the operations under this Agreement are concerned. Such coverage for additional insureds
2 will apply as primary insurance and any other insurance, or self-insurance, maintained by the
3 County is excess only and not contributing with insurance provided under the contractor's or
4 subcontractor's policy.

5 **2.3 Automobile Liability Insurance.** Automobile liability insurance with limits of not less
6 than Five Million Dollars (\$5,000,000) per occurrence for bodily injury and for property damages.
7 Coverage must include any auto used in connection with this Agreement.

8 **2.4 Workers Compensation Insurance.** Workers compensation insurance as required
9 by the laws of the State of California with statutory limits.

10 **2.5 Employer's Liability Insurance.** Employer's liability insurance with limits of not less
11 than One Million Dollars (\$1,000,000) per occurrence for bodily injury and for disease.

12 **2.6 Builder's Risk.** Builder's Risk (Course of Construction) insurance utilizing an "All
13 Risk" (Special Perils) coverage form, with limits equal to the completed value of the project and
14 no coinsurance penalty provisions. Such coverage shall name the County as a loss payee as
15 their interest may appear.

16 **2.7 Professional Liability.** Professional liability (if Design/Build), with limits of not less
17 than \$2,000,000 per occurrence or claim, and \$2,000,000 policy aggregate.

18 **2.8 Surety Bonds.** Performance and Payment Bonds including: Bid Bond, Performance
19 Bond, Payment Bond, and Maintenance Bond. The Payment Bond and the Performance Bond
20 shall be in a sum equal to the construction contract price prior to the execution of all loan and
21 related documents. If the Performance Bond provides for a one-year warranty a separate
22 Maintenance Bond is not required. If the warranty period specified in the contract is for longer
23 than one year a Maintenance Bond equal to 10% of the contract price is required. Bonds shall
24 be duly executed by a responsible corporate surety, authorized to issue such bonds in the State
25 of California and secured through an authorized agent with an office in California.

26 **Article 3 Required Insurance Policies for Professional Services**

27 **3.1 Introduction.** Without limiting the County's right to obtain indemnification from the
28 Owner/MGP or any third parties, Owner/MGP shall require its professional service contractors

1 and subcontractors (including but not limited to any property management agents) to maintain,
2 at the respective party's sole expense, in full force and effect the following insurance policies
3 and requirements until after a Notice of Completion has been recorded on the property and all
4 construction-related expenses have been paid or as specified in the "Claims-Made Policies"
5 section herein if the covered activity was related to construction; or all applicable policies for the
6 term of this Agreement of the covered activity is related to ongoing maintenance and property
7 management.

8 **3.2 Commercial General Liability Insurance.** Commercial general liability insurance
9 with limits of not less than Two Million Dollars (\$2,000,000) per occurrence and an annual
10 aggregate of Four Million Dollars (\$4,000,000). This policy must be issued on a per occurrence
11 basis and applied separately to work performed under this Agreement. Coverage must include
12 products, completed operations, property damage, bodily injury, advertising injury, contractual
13 liability, and personal injury (which for property management activities must explicitly include
14 coverage for wrongful eviction, discrimination, and invasion of privacy claims).

15 **3.3** The policy must name the County of Fresno, its officers, agents, employees, and
16 volunteers, individually and collectively, as additional insureds, but only insofar as the
17 operations under this Agreement are concerned. Such coverage for additional insureds will
18 apply as primary insurance and any other insurance, or self-insurance, maintained by the
19 County is excess only and not contributing with insurance provided under the contractor's or
20 subcontractor's policy.

21 **3.4 Automobile Liability Insurance.** Automobile liability insurance with limits of not less
22 than One Million Dollars (\$1,000,000) per occurrence for bodily injury and for property damages.
23 Coverage must include any auto used in connection with this Agreement.

24 **3.5 Workers Compensation Insurance.** Workers compensation insurance as required
25 by the laws of the State of California with statutory limits.

26 **3.6 Employer's Liability Insurance.** Employer's liability insurance with limits of not less
27 than One Million Dollars (\$1,000,000) per occurrence for bodily injury and for disease.

28 **3.7 Professional Liability. Errors and Omissions.** Professional liability insurance,

1 are used to meet the limits of liability required by this agreement, then said policies must be
2 “following form” of the underlying policy coverage, terms, conditions, and provisions and must
3 meet all of the insurance requirements stated in this Agreement, including, but not limited to, the
4 additional insured, contractual liability & “insured contract” definition for indemnity, occurrence,
5 indemnity and defense, Self-Insured Retentions (SIRs), and primary & non-contributory
6 insurance requirements stated therein.

7 **4.4 Self-Insured Retentions/Deductibles.** Self-insured retentions “SIRs” and
8 deductibles which apply to the required insurance policies must be declared to the County on a
9 certificate of insurance. The County retains the right to require the party to (1) provide proof of
10 ability to pay losses and related investigations, claim administration, and defense expenses
11 within the retention, (2) reduce or eliminate such deductibles or self-insured retentions as they
12 apply to the County, or, (3) require a bond (or other acceptable financial instrument)
13 guaranteeing payment of all deductibles and SIRs, including all related claims investigation,
14 administration, and defense expenses. Such bond must be executed by a corporate surety
15 licensed to transact business in the State of California. The policy language must provide, or be
16 endorsed to provide, that the self-insured retention may be satisfied by either the named insured
17 or the County. Any and all deductibles and SIRs must be the sole responsibility of the party who
18 procured such insurance and must not apply to the additional insured parties. The County may
19 deduct from any amounts otherwise due to Owner/MGP to fund the SIR/deductible. Policies
20 must not contain any self-insured retention (SIR) provision that limits the satisfaction of the SIR
21 to the County. The policy must also provide that defense costs, including the allocated loss
22 adjustment expenses, will satisfy the SIR or deductible.

23 **4.5 Acceptability of Insurers.** All insurance policies required under this Agreement
24 must be issued by admitted insurers licensed to do business in the State of California and
25 possessing at all times during the term of this Agreement an A.M. Best, Inc. rating of no less
26 than A: VII.

27 **4.6 Notice of Cancellation or Change.** For each insurance policy required under this
28 Agreement, the party shall provide to the County, or ensure that the policy requires the insurer

1 to provide to the County, written notice of any cancellation or change in the policy as required in
2 this paragraph. For cancellation of the policy for nonpayment of premium, the party shall, or
3 shall cause the insurer to, provide written notice to the County not less than 10 days in advance
4 of cancellation. For cancellation of the policy for any other reason, and for any other change to
5 the policy, the party shall, or shall cause the insurer to, provide written notice to the County not
6 less than 30 days in advance of cancellation or change. The County in its sole discretion may
7 determine that the failure of the party or its insurer to timely provide a written notice required by
8 this paragraph is a material breach of this Agreement.

9 **4.7 County's Entitlement to Greater Coverage.** If the party has or obtains insurance
10 with broader coverage, higher limits, or both, than what is required under this Agreement, then
11 the County requires and is entitled to the broader coverage, higher limits, or both. To that end,
12 the Owner/MGP shall deliver, or cause its broker or producer to deliver, to the parties
13 referenced in the "Verification of Coverage Section" herein, certificates of insurance and
14 endorsements for all of the coverages that have such broader coverage, higher limits, or both,
15 as required under this Agreement.

16 **4.8 Waiver of Subrogation.** To the fullest extent permitted by law, all required insurance
17 policies shall contain a waiver of subrogation waiving the right and the insurer(s)' right to
18 recover against the County, its officers, agents, employees, and volunteers any amounts paid
19 under any of the insurance policies required by this Agreement. Each party is solely responsible
20 to obtain any policy endorsement that may be necessary to accomplish that waiver, but each
21 party's waiver of subrogation under this paragraph is effective whether or not the respective
22 party obtains the endorsement.

23 **4.9 County's Remedy for Owner/MGP's Failure To Maintain.** If a party fails to keep in
24 effect at all times any insurance coverage required under this Agreement, the County may, in
25 addition to any other remedies it may have, suspend or terminate this Agreement upon the
26 occurrence of that failure, or purchase such insurance coverage, and charge the cost of that
27 coverage to the Owner/MGP. The County may offset such charges against any amounts owed
28 by the County to the Owner/MPG under this Agreement.

1 4.10 **Contractors And Subcontractors.** The Owner/MGP shall require and verify that all
2 contractors and subcontractors used by the Owner/MGP to provide services under this
3 Agreement maintain insurance meeting the respective insurance requirements provided in this
4 Agreement.

5 4.11 **Verification of Coverage.** Within 30 days after the Owner signs this Agreement, and
6 prior to commencement of work, and at any time during the term of this Agreement as
7 requested by the County's Department of Public Works and Planning, County's Risk Manager,
8 or the County's Administrative Office, the Owner/MGP shall deliver, or cause its broker or
9 producer to deliver, to (1) the County at 2220 Tulare St. 6th Floor, Community Development,
10 Fresno, CA 93721, (2) ComDev@fresnoCountyca.gov, and (3) by mail or email to the person
11 identified to receive notices under this Agreement — certificates of insurance and endorsements
12 for all of the coverages required under this Agreement.

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Exhibit F - HOME Funding Requirements

Article 1 Overview

1.1 Applicability of this Exhibit F to the Project. The terms of this Exhibit F shall govern all activities associated with the Project from point of execution of this Agreement through the end of the Period of Affordability, the Federal Compliance Period, unless terminated earlier pursuant to Article 6, or unless a stricter Federal requirement applies. The County acknowledges that because this project involves rehabilitation, the property standards cannot be fully met prior to completion of rehabilitation construction; however, Owner shall ensure the property is free from or takes action to mitigate life-threatening deficiencies under NSPIRE during the construction period prior to completion.

1.2 **Assurances.** The Owner, with respect to activities carried out under this Project, shall comply and ensure compliance with all applicable laws and requirements for HOME, and all applicable requirements and assurances of the County's most recent agreement with HUD for HOME, as may be amended from time to time, attached hereto as **Attachment F1 - Federal Grant Agreement and Assurances**, and incorporated herein by reference. The Owner and its CHDO and MGP shall comply with all requirements affecting projects sponsored by a Community Housing Development Organization upon execution of this Agreement and throughout the Period of Affordability. By signing this Agreement, the Borrower acknowledges it has been made aware of and agrees to comply with all conditions of the County's Federal Grant Agreement and Assurances with HUD and the applicable Federal requirements governing the use of funds during construction and the requirements in effect upon execution and for the duration of the Period of Affordability.

1.3 **Rental Property Standards.** The Project shall meet the requirements of 24 CFR 92.251(a) and (f) relating to property standards (including but not limited to accessibility, disaster mitigation, and broadband infrastructure), and all applicable State and local housing code requirements for the duration of this Agreement, and any modifications or amendments or successor agreements thereto. Once constructed, the Project shall also maintain compliance including but not limited to HUD's National Standards for the Physical Inspection of Real Estate

1 (NSPIRE) Final Rule at 24 CFR 5.703, as may be amended from time to time, and any successor
2 standards.

3 1.4 **Accessibility Standards.** The Project shall meet the requirements of 24 CFR
4 8.22 relating to handicap accessibility:

5 (A) **Mobility Units.** A minimum of five percent (5%) of the total units in the Project
6 (rounded up to the next whole unit) shall be accessible to those with mobility impairments;

7 (B) **Sensory Units.** A minimum of two percent (2%) of the total units in the Project
8 (rounded up to the next whole unit) shall be accessible to those with auditory and/or visual
9 impairments.

10 (C) **Total.** The total *minimum* number of accessible units shall be the whole-number
11 sum of (A) and (B) above.

12 (D) **Distribution.** In accordance with 24 CFR 8.26, accessible units described in (A)
13 and (B) above shall be distributed throughout the Project and across unit sizes. The Project's
14 specific unit distribution shall be detailed in Exhibit B to this Agreement.

15 1.5 **Subcontractors.** In agreements between the Owner and its subcontractors and in
16 agreements between the prime contractor and its subcontractors, the Owner shall ensure that the
17 following clauses are requirements in its agreements with its subcontractors and sub-
18 subcontractors:

- 19 a) Licenses and Permits
- 20 b) Records
- 21 c) Appropriation Dependency
- 22 d) Termination and Suspension
- 23 e) Payments
- 24 f) Compliance with Law, Rules, and Regulation
- 25 g) Monitoring
- 26 h) Performance Bond
- 27 i) Payment Bond

28 The term "subcontract" means a contract or contractual action entered into by the Owner

1 or its prime contractor for the purpose of obtaining supplies, materials, equipment, or service of
2 any kind under the prime contract. It includes but is not limited to purchase orders, and changes
3 and modifications to purchase orders. "Subcontractor" means any person, other than the Owner
4 or prime contractor, who offers to furnish or furnishes any supplies, materials, equipment, or
5 services of any kind under a prime contract or a subcontract entered into in connection with such
6 prime contract, and includes any person who offers to furnish or furnishes general supplies to the
7 Owner, or prime contractor, or a higher tier subcontractor.

8 1.6 **Scope of Agreement.** Owner shall remodel existing housing for the County of
9 Fresno Community Development Division (see Exhibit B). Owner shall meet all requirements of
10 the Scope of Work under the Agreement.

11 1.7 **Term and Period of Affordability.** The term of this Agreement shall commence
12 on the date of full execution hereof (i.e. the last dated signature) and shall expire at the [end of
13 the period of affordability]. The period of affordability for this Agreement shall commence from the
14 date the project is marked as complete in the Federal IDIS database (or successor systems), and
15 last the full number of years mandated by 24 CFR 92.252(e) based on the project type and per-
16 unit investment dollar threshold as identified in Exhibit B to this Agreement.

17 1.8 **Tenants.** Throughout and during the period of affordability, HOME income-eligible
18 tenant households must occupy the HOME-assisted units and all HOME program requirements
19 must be satisfied. In accordance with 2 CFR 200.338, failure to satisfy HOME program
20 requirements may result in remedies for noncompliance, up to and including, recapture of all
21 HOME assistance.

22 1.9 **Locations.** Owner shall operate out of any location deemed necessary by County
23 as provided in the Scope of Work above. The Project shall consist of the buildings, units, and
24 locations as provided in Exhibit B to this Agreement.

25 1.10 **Hours.** Owner shall maintain such hours as necessary to meet the requirements
26 of this Agreement.

27 1.11 **Efficient and High-Quality Operation.** Owner shall maintain an operation which
28 is efficient and of a level of quality equal to or greater than industry standards.

1 1.12 **Products and Necessities.** Owner shall furnish all working capital, services,
2 inventory, personnel, materials, tools, machinery, equipment, and other items necessary to
3 perform Owner's obligations under this Agreement.

4 1.13 **Advertising.** Owner shall not advertise its services rendered for the County of
5 Fresno without prior written consent of the County.

6 1.14 **Licenses and Permits.** Owner shall obtain and keep at its own expense all
7 Federal, State, and local licenses and permits required to be in its name in connection with this
8 Agreement.

9 1.15 **Administrative Requirements.** Owner agrees to supply County with
10 documentation concerning the Project to ensure that County is in compliance with its
11 responsibilities regarding source documentation for all costs incurred.

12 1.16 **Records.** Owner shall comply with 24 CFR Section 92.508 regarding records that
13 must be maintained for the Project. Owner shall maintain all Project financial records, including
14 source documentation to support how HOME funds loaned to Owner hereunder were expended,
15 which includes, but is not limited to, invoices, monthly budgets containing comparisons of
16 budgeted amounts and actual expenditures, proof of payment, and other documentation as may
17 be required by County or HUD to support the expenditures for this Project. All supporting
18 documents shall be maintained for the longer of the Period of Affordability plus five (5) years or
19 the Period of Loan Repayment plus five (5) years; or for such other period required by County or
20 HUD. The records shall be made available to County, HUD, the HUD Inspector General, the
21 Federal Office of Management and Budget (OMB), or auditors from the State of California, and/or
22 any of their authorized representatives, who shall have access to and the right to examine any of
23 the Project records during such period. All recordkeeping requirements set forth in this
24 Agreement or any recordkeeping requirements mandated by HOME regulations shall survive
25 termination of this Agreement.

26 1.17 **Monitoring.** Owner will allow on-site monitoring of the Project by County, HUD,
27 the HUD Inspector General, OMB, or auditors from the State of California, or an agent on their
28 behalf at any such times as they deem necessary or required, and they shall have the right, but

1 shall be under no obligation, to conduct any reasonable monitoring to determine compliance with
2 the HOME Regulatory Agreement or this HOME Agreement, including but not limited to the right
3 to enter the Project, to inspect the Project, to inspect the books and records kept regarding the
4 Project, and the right to inquire and receive responses from Owner regarding the Project and its
5 operation at any time.

6 **1.18 Compliance with Other Laws.** To the extent that other state and/or federal laws
7 provide additional, stricter and/or more protective privacy and/or security protections to PHI or
8 other confidential information covered under this Agreement, Owner agrees to comply with the
9 more protective of the privacy and security standards set forth in the applicable state or federal
10 laws to the extent such standards provide a greater degree of protection and security than HIPAA
11 Rules or are otherwise more favorable to the individual.

12 **(A) Religious and Political Activities.** Owner is prohibited from using HOME
13 Affordable Rental Housing Program Funds, Grant proceeds or personnel employed in the
14 administration of the Program for sectarian or religious activities, lobbying, political patronage
15 and/or nepotism activities. Owner further agrees that no funds provided, nor personnel employed
16 under this Agreement, shall be in any way or to any extent engaged in the conduct of political
17 activities in violation of Chapter 15 of Title V United States Code (Hatch Act).

18 **(B) Section 3 of the Housing and Urban Project Act of 1968.** Owner agrees to
19 comply with the provisions of Section 3 of the Housing and Urban Project Act of 1968 (12 U.S.C.
20 §1701u) and implementing regulations contained in 24 CFR Part 75 regarding economic
21 opportunities for low and very low-income persons. Owner shall also keep records demonstrating
22 compliance with the foregoing regulations, including without limitation the provisions of 24 CFR
23 92.508(a)(7)(xi).

24 **(C) Equal Employment Opportunity.** Owner agrees to comply with 41 CFR Part 60,
25 while those regulations are required.

26 **(D) Non-Discrimination.** Owner shall comply 24 CFR 92.350, regarding non-
27 discrimination and shall not, on the grounds of race, color, religion, national origin, ethnicity,
28 familial status, sexual orientation or gender, exclude any person from participation in, or deny any

1 person the benefits of, or subject any person to discrimination with respect to, any part of the
2 Project. Owner shall at all times comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C.
3 §2000d, et seq.) and implementing regulations in 24 CFR Part 1. Owner shall also not
4 discriminate on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. §6101, et
5 seq.) and the implementing regulations contained in 24 CFR Part 146, or on the basis of disability
6 as provided in Section 504 of the Rehabilitation Act of 1973, and the implementing regulations
7 contained in 24 CFR Part 8.

8 (E) **Violence Against Women Act.** Owner shall comply with the provisions of the
9 Violence Against Women Act (“VAWA”), as amended, including the requirements at [24 CFR](#)
10 [92.359](#). VAWA has additional cross-references to in [24 CFR part 5, subpart L](#), and impacts
11 notification requirements, lease bifurcation requirements, lease term/addendum, and emergency
12 transfer plans. See example attached hereto as **Attachment F2 - County’s HOME/VAWA Lease**
13 **Addendum**, and incorporated herein by reference.

14 (F) **Fair Housing Act.** Owner shall comply with the Fair Housing Act (42 U.S.C.
15 §§3601-3620) and Executive Order 11063, as amended by Executive Order 12259 (Equal
16 Opportunity in Housing) and implementing regulations in 24 CFR Part 107 and keep all records
17 demonstrating compliance with the foregoing.

18 (G) **Davis-Bacon Act. Labor Requirements.** Owner agrees to comply with [24 CFR](#)
19 [92.354](#), and the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act
20 ([40 U.S.C. 3141](#)) as it applies to any construction work financed in whole or in part with HOME
21 Funds. All contracts and subcontracts for construction shall include a provision for compliance
22 with the Davis-Bacon Act and supporting Department of Labor regulations. Owner shall maintain
23 documentation and records which demonstrate compliance with hour and wage requirements,
24 including contract provisions and payroll records.

25 (H) **Davis-Bacon Applicability.** The threshold applicability of the Davis-Bacon Act for
26 this Project shall be governed by the specific unit triggers identified in Exhibit B of this
27 Agreement. If Exhibit B notes that the Project triggers Davis-Bacon wage mandates, or if other
28 cross-cutting Federal funds trigger such requirements, the Owner shall fully comply with all labor

1 standards, tracking, and weekly payroll submittals mandated under 24 CFR 92.354.

2 (I) **Copeland "Anti-Kickback" Act.** Owner agrees to comply with the Copeland
3 "Anti- Kickback" Act (18 U.S.C.§874) as supplemented by the Department of Labor regulations
4 contained in 29 CFR Part 3.

5 (J) **Contract Work Hours and Safety Standards Act.** Owner agrees to comply with
6 the Contract Work Hours and Safety Standards Act ([40 U.S.C. 3701](#)), as supplemented by the
7 Department of Labor regulations contained in 29 CFR Part 5.

8 (K) **Handicapped Accessibility Requirements.** The Project shall be accessible to
9 and usable by individuals with handicaps, in compliance with the Architectural Barriers Act of
10 1968 (42 U.S.C. §§4151-4157), the Uniform Federal Accessibility Standards, as set forth in 24
11 CFR Section 570.614, and the Americans with Disabilities Act of 1990.

12 (L) **Resident Aliens.** Owner agrees to comply with the requirements set forth in [24](#)
13 [CFR 5.512](#), as applicable regarding eligibility restrictions for certain resident aliens, subject to the
14 prohibitions at [24 CFR 5.514](#).

15 (M) **Environmental Review Requirements.** In connection with any construction or
16 improvements to the Project, Owner must submit an environmental report in form and substance
17 acceptable to County, which must provide an environmental assessment of such construction in
18 accordance with 24 CFR Parts 50 and 58, and be approved by County before commencing such
19 work.

20 (N) **Lead Based Paint Prohibited.** For existing properties built prior to 1978, Owner
21 agrees that it shall not use lead-based paint in the Project and shall comply with the Lead-Based
22 Paint Poisoning Prevention Act (42 U.S.C. §4831(b)), and the Residential Lead-Based Paint
23 Hazard Reduction Act of 1992 (42 U.S.C. §§4851-4856) and implementing regulations at 24 CFR
24 Part 35. Owner shall maintain records demonstrating compliance with the foregoing lead based
25 paint requirements. To the extent that lead-based paint is located in any existing buildings at the
26 Project, Owner shall provide COUNTY with a plan for handling such lead-based paint in a safe
27 manner, and in accordance with the foregoing regulations, and comply with the plan during any
28 construction at the Project.

1 (O) **Historic Preservation.** To the extent applicable, Owner agrees to comply with the
2 Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as
3 amended (16 U.S.C. §470) and the procedures set forth in 36 CFR Part 800, Advisory Council on
4 Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the
5 Project. In general, this requires concurrence from the State Historic Preservation Office for all
6 rehabilitation and demolition of historic properties that are fifty (50) years old or older or that are
7 included on a Federal, State, or local historic property list.

8 (P) **Flood Disaster Protection.** Owner shall obtain a flood zone certificate certifying
9 that the Project is not located in a special flood hazard area ("Flood Hazard Area") as identified
10 by Federal Emergency Management Agency ("FEMA"), or if located in a Flood Hazard Area, the
11 designation of the Flood Hazard Area in which the Project is located. Owner shall comply with all
12 requirements listed in the FEMA Special Flood Hazard Area Flood Maps. Owner agrees to
13 comply with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. §4106) and
14 implementing regulations in 44 CFR Parts 59 through 79 in regard to the sale, lease or other
15 transfer of land acquired, cleared or improved under the terms of this Agreement, as it may apply
16 to the provisions of this Agreement.

17 (Q) **Permits.** Owner agrees to obtain and maintain all necessary permits for intended
18 improvements or activities for the Project, and for the operation of the Project.

19 (R) **Displacement, Relocation, Acquisition and Replacement of Housing.** Owner
20 shall comply with [24 CFR 92.508\(a\)\(7\)\(iv\)](#) and shall keep all records demonstrating compliance
21 with these requirements including, but not limited to, those records required in [24 CFR 92.353](#).
22 Owner must comply with applicable requirements of the Uniform Relocation Assistance and Real
23 Property Acquisition Policies Act of 1970 as amended ([49 CFR Part 24](#)) and Section 104(d) of the
24 Housing and Community Project Act of 1974, as amended. These requirements are explained in
25 HUD Handbook 1378 and specify the procedures for the acquisition of property and the treatment
26 of tenants located in the Project.

27 (S) **Conflict of Interest.** Owner shall comply with the conflict of interest provisions
28 contained in 24 CFR 92.356(f), 2 CFR 200.317 and 2 CFR 200.318, as applicable. Additionally,

1 the identity of interest (also referred to as related party) relationships with contracted property
2 management, repair/rehabilitation contractors, or other project vendors must be disclosed. The
3 County considers there to be an identity of interest ("IOI") concern when the owner or developer
4 is an affiliate of, or a related party to, to the contractor.

5 (T) **Rehabilitation Act.** Owner shall comply with Section 504 of the Rehabilitation Act
6 of 1973, and the implementing regulations contained in 24 CFR Part 8.

7 (U) **Broadband Access Requirements.** Owner shall comply with the Narrowing the
8 Digital Divide Through Installation of Broadband Infrastructure in HUD-Funded New Construction
9 and Substantial Rehabilitation of Multifamily Rental Housing Rule.

10 (V) **Certification of Nonsegregated Facilities (applicable to contracts and**
11 **subcontracts over \$10,000).** Owner certifies that it does not maintain or provide for its
12 establishments, and that it does not permit employees to perform their services at any location,
13 under its control, where segregated facilities are maintained. Owner certifies further that it will not
14 maintain or provide for employees any segregated facilities at any of its establishments, and it will
15 not permit employees to perform their services at any location under its control where segregated
16 facilities are maintained. Owner agrees that a breach of this certification is a violation of the equal
17 opportunity clause of this contract.

18 As used in this certification, the term "segregated facilities" means any waiting rooms,
19 work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker
20 rooms, and other storage or dressing areas, parking lots, drinking fountains, recreation or
21 entertainment areas, transportation and housing facilities provided for employees which are
22 segregated by explicit directive or are, in fact, segregated on the basis of race, color, religion, or
23 national origin because of habit, local custom, or any other reason. Owner further agrees that
24 (except where it has obtained for specific time periods) it will obtain identical certification from
25 proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not
26 exempt from the provisions of the equal opportunity clause; that Owner will retain such
27 certifications in its files; and that Owner will forward the following notice to such proposed
28 subcontractors (except where proposed subcontractors have submitted identical certifications for

1 specific time periods).

2 (W) **Certification of Compliance with Air and Water Acts (applicable to contracts**
3 **and subcontracts exceeding \$100,000).** Owner and all subcontractors shall comply with the
4 requirements of the Clean Air Act, as amended, 42 USC 7401 et seq., the Federal Water
5 Pollution Control Act, as amended, 33 USC 1251 et seq. Violations must be reported to the
6 Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA)
7 In addition to the foregoing requirements, all nonexempt contractors and subcontractors shall
8 furnish to COUNTY, the following:

9 (1) A stipulation by the Contractor or subcontractors, that any facility to be utilized in the
10 performance of any nonexempt contract or subcontract, is not listed on the List of Violating
11 Facilities issued by the Environmental Protection Agency (EPA) pursuant to 40 CFR Part 15, as
12 amended.

13 (2) Agreement by Owner to comply with all the requirements of Section 114 of the Clean
14 Air Act, as amended, (42 USC 1857 c-8) and Section 308 of the Federal Water Pollution Control
15 Act, as amended, (33 USC 1318) relating to inspection, monitoring, entry, reports and
16 information, as well as all other requirements specified in said Section 114 and Section 308, and
17 all regulations and guidelines issued thereunder.

18 (3) A stipulation that as a condition for the award of the contract, prompt notice will be
19 given of any notification received from the Director, Office of Federal Activities, EPA, indicating
20 that a facility utilized, or to be utilized for the contract, is under consideration to be listed on the
21 EPA List of Violating Facilities.

22 (4) Agreement by Owner to include, or cause to be included, the criteria and requirements
23 of this section in every nonexempt subcontract and requiring that Owner will take such action as
24 the government may direct as a means of enforcing such provisions.

25 1.19 **Access to Records. Maintenance of Records.** County, the State of California,
26 the Department of Housing and Urban Development, the Comptroller General of the United
27 States, or any of their duly authorized representatives, shall have access to any books,
28 documents, papers and records of Owner which are directly pertinent to this specific contract, for

1 the purpose of audits, examinations, and making excerpts and transcriptions. All records
2 connected with this contract will be maintained in a central location by the unit of local
3 government and will be maintained for a period of five (5) years from the official date of the final
4 closeout of the grant.

5 1.20 **Energy Efficiency.** Owner shall comply with mandatory standards and policies
6 relating to energy efficiency which are contained in the state energy conservation plan issued in
7 compliance with the Energy Policy and Conservation Act (42 U.S.C. 6201), as effected by the
8 California Energy Code (Title 24, Part 6).

9 1.21 **Conflict of Interest.** Owner covenants that it presently has no interest and shall
10 not acquire any interest, direct or indirect, in the above-described Project, any parcels therein, or
11 any other interest that would conflict in any manner or degree with the performance of its
12 obligations under this Agreement. Owner further covenants that, in the performance of this
13 Agreement, no person having any such conflicting interest shall be employed or retained. This
14 provision is executed in compliance with the federal conflict of interest regulations governing the
15 HOME Investment Partnerships Program at 24 CFR § 92.356, as well as the uniform
16 procurement standards set forth at 2 CFR § 200.318(c)(1).

17 1.22 **Compliance with Federal Administrative and Audit Requirements.** Owner
18 agrees to comply with all applicable regulations, policies, guidelines, and requirements of the
19 Office of Management and Budget (OMB) as codified in the Uniform Administrative
20 Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR Part 200,
21 and as adopted and implemented by the U.S. Department of Housing and Urban Development at
22 2 CFR Part 2400, as they relate to the use of Federal funds under this Agreement.

23 1.23 **Lobbying.** Owner agrees to comply with all federal restrictions on lobbying in
24 accordance with 24 CFR Part 87 and the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352), as
25 enforced via 2 CFR Part 200, Appendix II. Additionally, Owner certifies, to the best of its
26 knowledge and belief, that:

27 (A) No federally appropriated funds have been paid or will be paid, by or on behalf of
28 Owner, to any person for influencing or attempting to influence an officer or employee of any

1 agency, a member of Congress, an officer or employee of Congress, or an employee of a
2 member of Congress in connection with the awarding of any federal contract, the making of any
3 federal grant, the making of any federal loan, the entering into of any cooperative agreement, and
4 the extension, continuation, renewal, amendment, or modification of any federal contract, grant,
5 loan, or cooperative agreement; and

6 (B) If any funds other than federally appropriated funds have been paid or will be paid
7 to any person for influencing or attempting to influence an officer or employee of any agency, a
8 member of Congress, an officer or employee of Congress, or an employee of a member of
9 Congress in connection with this federal contract, grant, loan, or cooperative agreement, Owner
10 shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in
11 accordance with its instructions.

12 1.24 **Affirmative Marketing and MBE/WBE Records.** For as long as this Federal
13 regulation applies under [24 CFR 92.351](#) and [24 CFR 92.508\(a\)\(7\)\(ii\)](#), Owner shall document
14 compliance with the requirement to perform affirmative outreach to minority-owned (MBE) and
15 female-owned (WBE) businesses.

16 1.25 **Procurement of Recovered Materials.** In accordance with Section 6002 of the
17 Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, and 2
18 CFR § 200.323, Owner shall procure items designated in guidelines of the Environmental
19 Protection 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. Owner shall
21 procure items designated in the EPA guidelines that contain the highest percentage of recovered
22 materials practicable unless Owner determines that such items: (1) are not reasonably available
23 in a reasonable period of time; (2) fail to meet reasonable performance standards, which shall be
24 determined on the basis of the guidelines of the National Institute of Standards and Technology,
25 if applicable to the item; or (3) are only available at an unreasonable price. This clause shall apply
26 to items purchased under this Agreement where: (1) Owner purchases in excess of \$10,000 of
27 the designated item under this Agreement; or (2) during the preceding Federal fiscal year, Owner
28 purchased a total of in excess of \$10,000 of the item both under and outside a Federally funded

1 contract.

2 1.26 **Tenant Fees.** In accordance with 24 CFR § 92.214(b)(3) and (b)(4), Owner shall
3 not charge fees to tenants that are not customarily charged in rental housing, such as laundry
4 room access fees. However, pursuant to 24 CFR § 92.214(b)(4), Owner may charge: (1)
5 reasonable application fees to prospective tenants; (2) parking fees to tenants, provided such
6 fees are customary for rental housing projects in the neighborhood; and (3) fees for services such
7 as bus transportation or meals, as long as such services are entirely voluntary and fees are
8 charged only for services actually provided.

9 1.27 **Program Requirements.** Owner and the Project shall comply with all rules and
10 regulations applicable to the use of HOME Funds made available to the Project, at all times
11 during the Federal Compliance Period as defined in Exhibit B.

12 1.28 **Duty and Responsibilities.** Owner owes a duty to County to perform under this
13 agreement with integrity and good faith and in a manner that is in the best interests of County
14 and consistent with the terms of this Agreement.

15 1.29 **Layering Compliance with Multiple Funding Sources.** To the extent that other
16 State and/or Federal laws provide additional, stricter, and/or more specific eligibility and tenancy
17 requirements, to the extent of the units designated as “County-assisted,” protective privacy and/or
18 security protections to PHI or other confidential information covered under this BAA, Owner shall
19 apply or cause others to apply the strictest applicable standard to the County-assisted units.
20 Owner agrees to comply with the more protective of the privacy and security standards set forth
21 in the applicable state or federal laws to the extent such standards provide a greater degree of
22 protection and security than HIPAA Rules or are otherwise more favorable to the individual.

23 1.30 **Statutory Federal HOME Timeline Milestones and Limits.**

24 A. **Commencement of Construction.** Must occur within twelve (12) months of this
25 Agreement’s execution.

26 B. **Completion of Construction.** The recording of the Notice of Completion date of
27 the Project shall be no later than forty-two (42) months from the date this Agreement was
28 executed. This is necessary to ensure the County can comply with the Federal requirement

enforceable against County to close projects in IDIS within 4 years (48 months) of when funds were committed to the project (i.e. the initial execution date of this Agreement) and complete all internal close-out procedures.

C. **Lease-Up.** The County may require changes to the Owner’s Marketing Plan if HOME-assisted units remain vacant at 6-months past the initial lease-up following initial construction or the tenants’ return to the rehabilitated property, as applicable.

1.31 Maximum HOME Rents & Maximum Rent to Be Collected from HOME-Designated Units.

Tenant Household Income Status	Can Owner Collect Full PBRA Contract Rent (Even if it Exceeds HOME Rents)?	Total Gross Rent Cap
Low HOME Unit Very Low-Income (≤ 50% AMI)	Yes (Under PBRA Exception)	Full PBRA Contract Rent
High HOME Unit Low-Income (51% to 80% AMI)	No (Fails VLI Exception Rule)	High HOME Rent Limit
Over-Income (> 80% AMI) * Not Allowed If Initial Income Qualification * Temporary Non-Compliance If Income Increased Over Time	No (Triggers Over-Income Rules)	30% of Tenant's Actual Adjusted Income (or Market Rate if unit floats)

Article 2 Section 3 – Training, Employment and Contracting Opportunities for Lower-Income Businesses and Persons

2.1 **Federal Compliance Mandate.** Owner shall comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. § 1701u), and the implementing regulations set forth at 24 CFR Part 75, which are applicable to the Project pursuant to the HOME program regulations at 24 CFR § 92.350. Owner covenants to ensure that economic opportunities, most importantly employment and contracting generated by this housing construction project, shall to the greatest extent feasible be directed to low- and very low-income persons and Section 3 business concerns.

2.2 **Labor Hour Tracking.** In accordance with the reporting mandates of 24 CFR Part

1 75, Subpart C, Owner shall accurately track and accurately report to the County all paid labor
2 hours worked on the Project, including the total labor hours worked by Section 3 Workers and
3 Targeted Section 3 Workers, utilizing the forms and systems prescribed by the County.

4 **Article 3 Displacement, Relocation, and Real Property Acquisition**

5 3.1 **Governing Requirements and Funding Responsibilities.** Owner covenants and
6 agrees to comply with all federal statutes and regulations governing real property acquisition,
7 temporary relocation, and permanent displacement. This includes strict adherence to the Uniform
8 Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42
9 U.S.C. §§ 4601–4655) (“URA”), its government-wide implementing regulations at [49 CFR Part](#)
10 [24](#), the HOME program relocation requirements at [24 CFR 92.353](#), and the anti-displacement
11 provisions of Section 104(d) of the Housing and Community Development Act of 1974 ([24 CFR](#)
12 [Part 42](#)).

13 3.2 **Administrative Standards and HUD Handbook 1378.0.** Owner shall ensure that
14 all relocation planning, advisory services, recordkeeping, claims processing, and tenant
15 notifications comply strictly with the current chapters and appendices of [HUD CPD Handbook](#)
16 [1378.0 \(Tenant Relocation, Displacement, and Real Property Acquisition\)](#).

17 3.3 **Mandatory Tenant Notices and Documentation.** To prevent involuntary
18 displacement and ensure full compliance, Owner or its designated relocation consultant shall
19 deliver the following written notices to all existing occupants, utilizing the standard HUD
20 Guideforms provided in Handbook 1378.0:

21 (A) **General Information Notice (GIN):** Issued to all tenants immediately upon the
22 submission of the application for HOME funds to the County, informing them of the proposed
23 project and their potential rights under the URA.

24 (B) **Notice of Non-Displacement:** Issued to all tenants at the time of the Initiation of
25 Negotiations (ION) or upon commitment of funds, legally guaranteeing that they will not be
26 permanently displaced and will be permitted to lease a newly rehabilitated unit upon project
27 completion.

28 (C) **Notice of Temporary Relocation:** If a tenant must vacate their unit during active

1 construction, Owner shall provide a minimum of thirty (30) days advance written notice identifying
2 the location of the decent, safe, sanitary, and comparable temporary unit, and guaranteeing
3 reimbursement for all reasonable out-of-pocket moving and utility expenses pursuant to 24 CFR §
4 92.353(b).

5 3.4 **File Retention.** In accordance with 24 CFR 92.508, Owner shall maintain
6 comprehensive, confidential relocation files for every household occupying the property from the
7 start of the project. These files must include proof of delivery for all required notices, income
8 certifications, temporary lease agreements, moving expense receipts, and documented evidence
9 of relocation advisory services. Files must be maintained for a minimum of five (5) years following
10 the termination of the project's Period of Affordability.

11 3.5 **Strict Liability for Notice Timelines, Material Breach, and Indemnification.**

12 (A) **Material Breach for Timing Failures.** Timely and proper delivery of all required
13 URA notices is a material condition of this Agreement. Owner acknowledges that under 49 CFR
14 Part 24 and 24 CFR § 92.353, the failure to deliver a General Information Notice (GIN) or a
15 Notice of Non-Displacement within the exact federally mandated windows can legally create an
16 immediate, irreversible "Permanent Displacement" status for the occupying household.

17 (B) **Financial Responsibility and Specific Indemnification.** In the event that
18 Owner's failure to strictly adhere to the notice timelines, delivery methods, or language
19 requirements of HUD CPD Handbook 1378.0 results in the HUD's determination that a tenant has
20 been permanently or involuntarily displaced, Owner assumes full, sole, and unconditional
21 financial liability for all subsequent relocation benefits. Owner explicitly covenants to indemnify,
22 defend, and hold harmless the County from any and all financial claims, tenant appeals,
23 administrative penalties, or mandatory payout requirements under the URA, 42 U.S.C. §§ 4601–
24 4655, or Section 104(d), 24 CFR Part 42, resulting from the Owner's or its management agent's
25 failure to properly execute URA protocols.

26 (C) **Right to Withhold Funds.** Upon the discovery of a missed or improperly executed
27 URA notice milestone, the County reserves the right to immediately declare an Event of Default,
28 issue a stop-work order, and withhold any pending or future disbursements of HOME funds until

1 the compliance failure is cured or a relocation mitigation fund is fully capitalized by the Owner to
2 the County's satisfaction.

3 **Article 4 Suspension, Debarment, and Ineligibility Verification**

4 4.1 **Federal Compliance Mandate.** Pursuant to Executive Orders 12549 and 12689,
5 HOME requirements at 24 CFR 92.350 (which also cites 24 CFR Part 5, Subpart A and leads to
6 24 CFR 5.105) and 24 CFR 92.505, Federal Cross-Cutting Cost Principles at 2 CFR 200.214 and
7 2 CFR Part 180, and HUD's implementing regulations at [2 CFR Part 2424](#), the Owner is strictly
8 prohibited from entering into any "covered transaction" (defined as any contract, subcontract, or
9 lower-tier procurement agreement regardless of tier) that utilizes, is supported by, or receives
10 financial benefit from Federal funds with any entity or principal currently debarred, suspended,
11 proposed for debarment, declared ineligible, or voluntarily excluded by a Federal agency.

12 4.2 **Scope of Covered Entities, Principals, and Ultimate Beneficiaries.** The Owner
13 must ensure that compliance verification checks are performed across the broadest interpretation
14 of project participants as mandated and supplemented by HUD-specific regulations. This scope
15 encompasses:

16 (A) **Covered Entities (Participants).** The General Contractor, all subcontractors, all
17 tier-subcontractors, consultants, suppliers, materials supplies, architectural/engineering firms,
18 management agents, or any other legal entity receiving a financial benefit, payment, or contract
19 associated with the Project as a whole, regardless of whether such specific contract is physically
20 funded by local, private, State, Federal, or HUD assistance. If any portion of the Project receives
21 HUD assistance, all financial transactions are covered transactions subject to this Article.

22 (B) **Expanded Definition of Principals.** The Owner shall not limit verification checks
23 to corporate officers/entities, but must include any entity or individual who fits the HUD
24 supplement to the government-wide definition of a "Principal" as a person who has a critical
25 influence on, or substantive control over a covered transaction. Pursuant to [2 CFR 180.995](#), [2](#)
26 [CFR 2424.995](#), this explicitly includes:

27 (1) Officers, directors, Owners, partners, key employees, project managers, and site
28 superintendents, including parent and child entities of such.

1 (2) Consultants, developers, underwriters, lenders, loan officers, real estate agents or
2 brokers, appraisers, closing agents, title companies, and escrow agents.

3 (3) Ultimate beneficiaries: Legal participants, developers, or entity recipients of the
4 underlying Federal grant awards as defined in 2 CFR 2424.995(h) and 2 CFR 2424.1017.

5 4.3 **Mandatory Compliance Verification Triggers.** The Owner shall conduct a formal
6 compliance verification check strictly prior to the occurrence of any of the following lifecycle
7 events:

8 (A) **Initial Contract Award/Execution.** Prior to executing any written agreement with
9 a General Contractor, prime professional, or any entity or individual identified in Section 4.2
10 above.

11 (B) **Subcontractor/Lower-Tier Approvals.** Prior to the execution of any subcontract
12 or lower-tier agreement, and strictly prior to that subcontractor mobilizing on the job site or
13 beginning performance of work.

14 (C) **Amendments and Change Orders.** Prior to executing any contract amendment,
15 modification, or change order that alters the scope of work, timeline, or funding allocation of any
16 active contract.

17 (D) **Progress Payments / Monthly Draw Requests.** Concurrently with the review of
18 each monthly progress payment or draw request, ensuring all entities listed on the invoice or
19 draw breakdown maintain active, eligible status prior to the release of any Project funds,
20 regardless of source of funds.

21 4.4 **Non-Delegable Oversight & Lower-Tier Monitoring Control.** The Owner retains
22 ultimate, non-delegable legal responsibility for Project-wide suspension and debarment
23 compliance. While the Owner may permit the General Contractor to collect lower-tier verifications,
24 the Owner is explicitly required to implement the following oversight mechanisms to prevent
25 compliance failures:

26 (A) **Mandatory Lower-Tier Registration Tracking.** The Owner must maintain a
27 master Project Subcontractor Log tracking every lower-tier entity contracted to perform work on
28 the Project, inclusive of their Unique Entity Identifier (UEI) numbers.

1 (B) **Independent Quality Control Checks.** If the Owner's or MGP's staff is not solely
2 responsible for the contents of the Project Subcontractor Log, the Owner's or MGP's staff shall
3 independently cross-reference the Project Subcontractor Log against the active SAM.gov
4 database quarterly to audit the accuracy of the General Contractor's submittals.

5 (C) **Flow-Down Requirement.** The Owner must compel the General Contractor or
6 any party other than the Owner tasked with compliance, via explicit contract provisions, to include
7 these exact federal suspension and debarment requirements in every subcontract and lower-tier
8 agreement generated for this Project.

9 4.5 **Specific Recordkeeping Requirements for Suspension and Debarment**
10 **Checks.** Evidence of compliance with this Article must be dated, documented, and retained in the
11 permanent Project file. To be deemed sufficient by Federal monitors, documentation must adhere
12 to the following standards:

13 (A) **For Business Entities, Contractors, and Professionals.** Compliance must be
14 verified via dated, digital PDF printouts extracted directly from the SAM.gov Exclusions database.
15 The electronic printout must clearly display the official system date stamp and timestamp. The
16 system date stamp on the PDF must establish that the search was performed prior to the contract
17 execution, amendment execution, subcontractor mobilization, or payment processing date.
18 Retrospective searches performed after an action has taken place shall constitute an automatic
19 monitoring finding. For any lower-tier subcontractor or supplier who does not possess a full
20 registration profile in SAM.gov (e.g., returning a "No Records Found" result), the Owner must
21 collect a signed, dated "Certification Regarding Debarment, Suspension, Ineligibility, and
22 Voluntary Exclusion — Lower-Tier Covered Transactions" form prior to their approval.

23 **Article 5 Personal Responsibility and Work Opportunity Reconciliation Act** 24 **Compliance**

25 5.1 **General Mandate.** The Owner shall administer the tenant selection, intake, and
26 eligibility determination processes in compliance with the Personal Responsibility and Work
27 Opportunity Reconciliation Act of 1996 ("PRWORA") (8 U.S.C. § 1611 et seq.), to the extent that
28 PRWORA is legally determined to apply to HUD's HOME Investment Partnerships Program by an

1 active, enforceable, and non-stayed Federal statutory or regulatory mandate.

2 **5.2 Conditional Enforcement & Mixed-Status Households.** The Owner’s policies,
3 procedures, and property management practices regarding household eligibility and Citizen/Non-
4 Citizen status verification shall be expressly governed by the following operational boundaries:

5 **(A) Prerogative of Prorated Benefits.** Unless and until a final, non-appealable
6 judgment on the merits is issued in the ongoing federal litigation (e.g., *New York, et al. v. U.S.*
7 *DOJ, HUD, et al., Case No. 1:25-CV-00345*) lifting the active stay of enforcement, or unless
8 otherwise directed in writing by the County following a clear change in Federal judicial standing,
9 the Owner shall not implement any policy that denies eligibility to an entire multi-person
10 household based on the presence of an un-aided or ineligible Non-Citizen household member.

11 **(B) Protection of Mixed-Status Families.** In alignment with historical HUD Section
12 214 guidelines and longstanding regulatory practice, housing assistance and unit eligibility shall
13 continue to be processed on a prorated basis, ensuring that eligible household members
14 (inclusive of U.S. Citizen minor children) continue to receive the proportional benefit of the
15 affordable unit, with the household paying an unassisted, prorated market-rate share for any non-
16 contending or ineligible members. This clause shall prevail unless and until the events described
17 in Section 5.3, titled “Retroactive Adjustments,” below occur.

18 **(C) Harmonization with California Civil Rights Law.** In all cases, the Owner is
19 explicitly prohibited from implementing any verification or documentation practices that violate
20 California Government Code § 11135, the Unruh Civil Rights Act (Civ. Code § 51), or the Fair
21 Employment and Housing Act (“FEHA”). The collection of immigration or citizenship data from
22 tenants shall be limited strictly to the minimum thresholds affirmatively required by active, non-
23 stayed Federal regulations.

24 **5.3 Retroactive Adjustments.** In the event a court of competent jurisdiction issues a
25 final ruling that alters the enforcement status of PRWORA within the State of California, or if HUD
26 successfully implements a revised final rule applicable to HOME addressing mixed-status
27 households that survives judicial challenge, the Owner shall modify its written tenant selection
28 policies and recertification procedures within sixty (60) days of receiving formal written

1 administrative guidance from the County to align with the new, legally-enforceable standard. In
2 the event HUD issues clear guidance directing a shorter or longer compliance period than sixty
3 (60) days, the County and Owner shall abide by the specific compliance effective date.

4 **Article 6 Affordability Requirements**

5 6.1 **Qualification as Affordable Housing: Rental Housing.** HOME-Assisted Units
6 must be occupied only by households that are eligible as low-income families or very low-income
7 families, all as defined in 24 CFR 92.2, and must meet the requirements to qualify as affordable
8 housing pursuant to 24 CFR 92.252 as provided herein (“Affordability Requirements”).

9 6.2 **HOME-Assisted Units and Project Mix.** The Project consists of twenty-three (23)
10 total units, of which eleven (11) units shall be designated as HOME-Assisted Units. Pursuant to
11 24 CFR 92.252(j), these eleven (11) units shall be structured as floating units within the available
12 unit mix, meaning that the HOME-assisted designation is not tied to a specific apartment number
13 for the duration of the Affordability Period but shall float to maintain conformity with the
14 requirements of this section. Substituted units must be comparable in terms of size, features, and
15 number of bedrooms to the originally designated HOME units.

16 6.3 **Income Targeting Requirements.** At all times during the Federal Period of
17 Affordability, the HOME-Assisted Units shall maintain the specific High HOME and Low HOME
18 income targeting designations set forth in Exhibit B of this Agreement. Households occupying
19 designated Low HOME units must have annual incomes at or below fifty percent (50%) of the
20 Area Median Income (AMI), and households occupying designated High HOME units must have
21 annual incomes at or below sixty percent (60%) of the AMI (or eighty percent [80%] AMI as
22 allowed under floating unit regulations), adjusted for family size, as determined annually by HUD
23 for the Fresno Metro Area. All HOME-assisted units must be occupied by income-eligible tenants
24 within eighteen (18) months of project completion. In accordance with 2 CFR § 200.339, failure to
25 satisfy this lease-up requirement shall result in remedies for noncompliance, up to and including
26 the mandatory recapture and repayment of all disbursed HOME assistance.

27 6.4 **Verifying Tenant Household Income.** Owner is responsible for determining
28 tenant household income eligibility utilizing the Part 5 (“Section 8”) definition and calculation

1 methodology found at 24 CFR 5.609. Owner shall comply with all updated income and asset
2 verification regulations mandated by the Housing Opportunity Through Modernization Act
3 (HOTMA) implementation updates under 24 CFR Part 5 and 24 CFR Part 92.

4 **6.5 Redeterminations of Tenant Household Income. Safe Harbor Realignment.**

5 Owner shall be responsible for performing an annual re-examination of tenant income. Pursuant
6 to the HOTMA streamlining codified at 24 CFR 92.203(a)(1) for project-based subsidies, 24 CFR
7 92.203(a)(2) for tenant-based rental assistance (“TBRA”), and 24 CFR 92.203(a)(3) for other
8 means-tested public assistance (including LIHTC), the County authorizes the Owner to utilize the
9 third-party income determinations executed by the PBRA, TBRA, or LIHTC administrators as an
10 approved safe-harbor evaluation. Owner shall complete County’s annual income Safe Harbor
11 certification form, which the County may update from time to time. Notwithstanding these safe
12 harbors, a full, independent HOME re-examination utilizing source documentation under 24 CFR
13 § 92.203(b)(1)(i) remains strictly mandatory in the sixth (6th) year of the Federal Period of
14 Affordability and every sixth year thereafter.

15 **6.6 HOME Rent Limits and Subsidized Overrides.** In the absence of LIHTC and

16 PBRA subsidies, Owner shall not charge monthly rents for the 11 HOME-assisted units that
17 exceed the Low HOME Rent Limits published annually by HUD, minus a credit for any tenant-
18 paid utilities as determined by the approved utility allowance schedule. However, for units layered
19 with active USDA PBRA where a household pays no more than 30% of their adjusted monthly
20 income toward rent, the Owner may collect the higher PBRA program rent limit in strict
21 accordance with the subsidy exception rules outlined at 24 CFR § 92.252(a)(2).

22 **6.7 Utility Allowances.** If a household pays directly for utilities, Owner must deduct

23 the exact utility allowance from the published HUD rent limit, or applicable LIHTC or PBRA rent
24 limit to calculate the maximum allowable net contract rent. In accordance with 24 CFR 92.252,
25 the utility allowance logic must follow the mandatory hierarchy established in Exhibit B of this
26 Agreement.

27 **6.8 Adjusting Rents and Rent Floor.** Owner may adjust rents annually in

28 accordance with updated HUD rent limits and updated utility allowances, subject to allowances

1 for LIHTC and PBRA as identified in Exhibit B. Pursuant to 24 CFR 92.252(a), the project is
2 protected by a rent floor; regardless of downward fluctuations in median incomes or fair market
3 rents over time, the maximum allowable gross rent for the project shall not be required to be
4 lower than the HUD Low HOME Rent Limits in effect at the time of project commitment.

5 **6.9 Over-Income Tenants in Floating, Layered Units.** If a regular income re-
6 certification demonstrates that an existing tenant household in a floating, Low HOME-assisted
7 unit has become over-income (exceeding 80% AMI), the standard HOME 30% calculation is
8 superseded by prevailing program rules. Pursuant to 24 CFR § 92.252(h)(2), because these units
9 feature LIHTC and PBRA cross-restrictions, the over-income rent adjustments and unit re-
10 designations must follow the active LIHTC and PBRA regulatory protocols detailed in Exhibit B of
11 this Agreement to return the property to the required unit mix, which may include the identification
12 of the Next Available Unit.

13 **6.10 Property Standards.** The Project must comply with the comprehensive Property
14 Standards set forth in Article 2 of Exhibit A to this Agreement, which are executed in strict
15 satisfaction of 24 CFR 92.251 and cross-cutting NSPIRE requirements.

16 **Article 7 Tenant Selection and Lease Requirements**

17 **7.1 Tenant Selection Procedures.** Owner must adopt written tenant selection
18 policies and criteria within the Project's Management Plan that comply strictly with 24 CFR
19 92.253(d), civil rights requirements, and any such affirmative marketing requirements as may
20 apply under 24 CFR 92.351(a). These written policies and criteria must:

21 (A) Be consistent with the purpose of providing affordable housing to low- and very
22 low-income households.

23 (B) Be reasonably related to program eligibility and the applicant's ability to perform
24 the obligations of the lease (i.e., paying rent, preventing property damage, and respecting the
25 quiet enjoyment of other tenants).

26 (C) Limit the housing to very low-income and low-income families in accordance with
27 the project's targeting agreements.

28 (D) Provide for tenant selection from a written, chronological waiting list, in order of
application to the extent practicable, with documented allowances made for the prioritization of

1 disabled tenants needing accessible units built under the Americans with Disabilities Act (ADA).

2 (E) Give prompt, written notice to any rejected applicant of the explicit grounds for
3 their rejection within the timeframes mandated by state law.

4 7.2 **Lease Provisions and Tenant Protections.** All leases executed for the eleven
5 (11) HOME-assisted units must be in writing, must incorporate the mandatory HUD HOME Lease
6 Addendum (as may be amended by the County or HUD from time to time), must incorporate a
7 VAWA Lease Addendum (as may be amended by the County or HUD from time to time), and
8 must comply with the provisions set forth at 24 CFR 92.253.

9 (A) **Lease Length.** The lease term shall be for a period of not less than one (1) year,
10 unless the Owner and the tenant mutually agree in writing to a shorter period, provided that no
11 lease term shall be for less than thirty (30) days. All baseline lease templates utilize for HOME
12 units are subject to review and prior approval by the County.

13 (B) **Termination of Tenancy and Non-Renewal.** Pursuant to 24 CFR 92.253(c),
14 Owner shall not terminate the tenancy or refuse to renew the lease of a tenant in a HOME-
15 Assisted Unit except for good cause, which is defined strictly as a serious or repeated violation of
16 the terms and conditions of the lease; a violation of applicable Federal, State, or local law; or the
17 completion of a transitional housing tenancy period. For HOME-assisted units, an increase in a
18 tenant's income does not constitute good cause for termination or non-renewal.

19 (C) **Notice Timeline.** Owner must serve the tenant with a written notice specifying the
20 clear grounds for termination or non-renewal at least thirty (30) days prior to the termination date,
21 or such longer period as required under California landlord-tenant law (e.g., California Civil Code
22 Section 1946.1 requiring 60 days' notice for tenancies exceeding one year).

23 (D) **Rent Increases.** Owner shall explicitly state the allowable HOME rents within the
24 text of the lease agreement and notify tenants that rents are subject to annual adjustments based
25 on HUD updates. Owner shall provide a minimum of thirty (30) days written notice to the tenant
26 prior to implementing an approved rent adjustment, and no rent increase shall be implemented
27 without the express, prior written authorization of the County.

28 (E) **Mandatory VAWA Protections.** In accordance with 24 CFR 92.359 and 24 CFR

1 92.253(a), Owner shall ensure all tenant selection policies and leases comply with the Violence
2 Against Women Act ("VAWA"). No applicant shall be denied admission, and no tenant shall have
3 their tenancy terminated or non-renewed, on the basis or as a direct result of the fact that the
4 applicant or tenant is a victim of domestic violence, dating violence, sexual assault, or stalking.
5 Owner must provide all tenants with HUD Forms 5380 and 5382 at admission and upon any
6 notice of eviction.

7 (F) **Prohibited Lease Clauses.** Pursuant to 24 CFR 92.253(b), as may be amended
8 from time to time, Owner shall not include any of the following federally prohibited clauses in any
9 lease agreement:

10 (1) Agreement to be sued, admit guilt, or accept a judgment in a lawsuit.

11 (2) Agreement allowing the landlord to seize or sell tenant property without notice and a
12 court order.

13 (3) Agreement excusing the owner or its agents from legal responsibility for intentional or
14 negligent acts.

15 (4) Waiver of notice or waiver of legal civil court eviction proceedings.

16 (5) Waiver of a jury trial or a waiver of the right to appeal a court decision.

17 (6) Agreement making the tenant liable for the landlord's legal costs regardless of the
18 court outcome.

19 (7) Agreement compelling the tenant to accept mandatory supportive services (except
20 within authorized transitional housing).

21 **Article 8 Contract Provisions for Non-Federal Entity Contracts Under Federal** 22 **Awards**

23 8.1 HOME funds require compliance with all Federal requirements and provisions
24 codified at [Appendix II to Part 200, Title 2](#), as applicable. The Owner shall familiarize itself with
25 these requirements and include provisions for compliance in all sub-tier contracts used in
26 furtherance of the Project, as applicable. These requirements include:

27 (A) Ensuring contractors for more than the Federal simplified acquisition threshold
28 address administrative, contractual, or legal remedies in instances where contractors violate or

1 breach contract terms and provide for such sanctions and penalties as appropriate.

2 (B) Ensuring all contracts in excess of \$10,000 address termination for cause and
3 termination for convenience by the non-Federal entity, including the manner by which it will be
4 effected and the basis for settlement.

5 (C) Equal Employment Opportunity.

6 (D) Davis-Bacon Act.

7 (E) Copeland Anti-Kickback Act.

8 (F) Contract Work Hours and Safety Standards Act.

9 (G) Rights to Inventions Made Under a Contract or Agreement.

10 (H) Clean Air Act.

11 (I) Federal Water Pollution Control Act.

12 (J) Debarment and Suspension.

13 (K) Byrd Anti-Lobbying Amendment.

14 (L) Other regulations listed at 2 CFR 200.323, 200.216, and 200.322.

15 8.2 Other compliance requirements that flow to sub-tier contracts include all provisions
16 at Appendix II to 2 CFR 200.

17 8.3 Several of the statutory requirements include requirements for documentation and
18 disclosure to the tier above it.

19 (A) The Owner shall ensure all sub-tier reporting is occurring, being documented, and
20 that records of compliance are retained in accordance with the recordkeeping provisions of Article
21 10 and Exhibit A.

22 (B) The Owner shall ensure, actively monitor, and verify the accuracy and
23 completeness of compliance documentation reporting it collects prior to reporting on it to the
24 County.

25 **Article 9 Records, Accounts, and Reports**

26 9.1 **Books and Records.** Owner shall maintain adequate books of account with
27 respect to its services, in accordance with generally accepted accounting principles (GAAP), in a
28 form and method acceptable to County for the duration of this Agreement. Owner shall permit

1 County's agents from time-to-time within forty-eight (48) hours written notice, to inspect, copy and
2 audit during Owner's normal business office hours, the books and records pertaining to the
3 services provided under this Agreement.

4 9.2 **Record-Keeping Requirements During Affordability Period.**

5 (A) **Record Maintenance.** Owner shall maintain the following physical and electronic
6 records regarding HOME-Assisted Units ("Project Records"), or shall require the management
7 agent to do so pursuant to a management agreement or other written agreement:

8 (1) Project audits;

9 (B) Waiting list procedures, waiting lists, and tenant preference requirements;

10 (C) Budget files (e.g., project finances, capital expenditures, and projections);

11 (D) Tenant files (e.g., applications, leases, income verifications, recertifications,
12 relevant notices);

13 (E) Unit records (e.g., rents, vacancies, accessibility);

14 (F) Property records (e.g., maintenance, property inspection reports);

15 (G) Affirmative marketing records and Civil Rights Compliance records; and

16 (H) Employment records with respect to Owner and/or management agent.

17 (I) Project records must be maintained until five (5) years after the Project is marked
18 complete in IDIS, in accordance with 24 CFR § 92.508(c)(1).

19 (J) Written agreements must be retained for five (5) years after the agreement
20 terminates.

21 (K) Records covering displacements and acquisition must be retained for five years
22 after the date by which all persons displaced from the property and all persons whose property is
23 acquired for the project have received the final payment to which they are entitled in accordance
24 with § 92.353.

25 (L) Tenant income, rent, and inspection records must be retained for the most recent
26 five-year period, until five (5) years after the Federal Period of Affordability terminates, in
27 accordance with 24 CFR § 92.508(c). In accordance with the verification requirements of 24 CFR
28 § 92.203, the Owner must collect full, third-party source documentation to verify each

1 household's annual income eligibility at the initial lease-up or move-in event. For subsequent
2 annual redeterminations during the Period of Affordability, the Owner may utilize approved safe-
3 harbor streamlining or self-certification methods, except that a full, comprehensive re-examination
4 utilizing independent source documentation remains strictly mandatory in the sixth (6th) year of
5 the Federal Period of Affordability and every sixth year thereafter, regardless of the individual
6 tenant's move-in anniversary or current tenancy length. (For example, if a tenant household
7 moves into a unit during Year 5 of the Federal Period of Affordability and provides full source
8 documentation at initial qualification, that household must still undergo a full source-documented
9 re-examination in Year 6). The County retains full and final administrative determination of the
10 exact calendar years that constitute the mandatory six-year cycle.

11 (M) If any litigation, claim, negotiation, audit, monitoring, inspection, or other action has
12 been started before the expiration of the required record retention period, applicable records
13 must be retained until completion of the action and resolution of all issues which arise from it, or
14 until the end of the required period, whichever is later.

15 (N) County, HUD, the Comptroller General of the United States, and any of their
16 representatives, retain the right to access all reports and records relating to the Project and to
17 conduct on-site inspections of records at any time during normal business hours.

18 **9.3 Periodic and/or Annual Reports.** At any time, the County may request that
19 Owner, with the minimum of ten (10) days written notice, prepare and/or produce a report of the
20 results of operations, as it pertains to this Agreement, in the previous fiscal year prepared in
21 accordance with generally accepted accounting principles (GAAP). The report must be prepared
22 and certified by an independent certified public accounting Owner. (For purposes of this
23 Agreement, each "fiscal year" begins on January 1 and ends on December 31 of the same year.)

24 **9.4 Reporting During Development Process.** Owner shall provide a progress report
25 with each Request for Payment submitted to County.

26 **9.5 Reporting Until Commencement of the Affordability Period.** No later than the
27 30th day of each month during the initial lease up of the Home-Assisted Units, which begins after
28 a Certificate of Occupancy has been granted by the County, Owner shall provide the following

1 information regarding any Home-Assisted Unit leased during that month:

2 (A) Each HOME Assisted Unit (identified by address and unit number);

3 (B) Whether the unit is a High HOME or Low HOME Rent unit;

4 (C) Unit Size (bedrooms);

5 (D) Household size and income level ("household" is all occupants of unit – not just
6 related family members);

7 (E) Race and other demographics, if known to Owner;

8 (F) Special needs (i.e. whether the household includes a person with a disability, etc.)
9 if known to Owner;

10 (G) Amount of rent and tenant-paid utilities; and,

11 (H) Other governmental housing assistance provided to the tenant.

12 **9.6 Reporting During the Federal Period of Affordability.** During the Federal
13 Period of Affordability, Owner shall provide the following information no later than March 31 of
14 each year:

15 **9.7** Occupancy Report of HOME-Assisted Units, including the following:

16 (A) All items listed in Section 7.2 above; and

17 (B) Date of last income recertification.

18 **9.8** Financial Report for the Property, Including the Following:

19 (A) Gross receivable rent for the Property as of a specific date;

20 (B) Actual rent collections for the Property;

21 (C) Tenant accounts receivable for the Property;

22 (D) Accounts payable for the Property;

23 (E) Number of and reasons for vacancies for the Property; and

24 (F) Units off-line.

25 **9.9** Property Maintenance & Condition Report, Including the Following:

26 (A) List of findings from the Property's last physical inspection by Owner or
27 management agent or other governmental entities (if any) regarding the Property, including any
28 outstanding code violations identified by such inspection, and a status update.

1 (B) A certification that each building and all HOME-assisted units in the project are
2 suitable for occupancy, taking into account State and local health, safety, and other applicable
3 codes, ordinances, and requirements, and the ongoing property standards established by County
4 to meet requirements of 24 CFR § 92.251 during the project's affordability period.

5 9.10 Other Reports. County retains the right to request additional information and the
6 right to change reporting requirements regarding HOME-Assisted Units as reasonably necessary.

7 **Article 10 Statutory Timelines**

8 10.1 **Construction Start.** Pursuant to the definition of "Commitment" under 24 CFR
9 Part 92.2, construction of the project must be reasonably expected to begin within 12 months of
10 executing this Agreement.

11 10.2 **Project Completion.** Per [24 CFR 92.205\(e\)\(2\)](#), physical construction of the
12 project **and** closeout in IDIS of the project must be achieved within 4 years of the execution of
13 this Agreement. Regardless of other deadlines other funders may have, the County requires
14 physical construction completion within 3.5 years of the execution date of this Agreement to
15 ensure sufficient time for completion of the closeout requirements. NSPIRE standards for the
16 Property must be met, final retention paid, and County's final funding draw from HUD completed,
17 prior to the project being marked complete in IDIS.

18 10.3 **Occupancy Deadline.** Per [24 CFR 92.252](#), if any HOME-assisted rental units
19 remain vacant 6 months after project completion, the Owner must submit to the County an
20 enhanced marketing plan and the County must report the status to HUD.

21 10.4 **Complete Lease-Up Deadline.** Per [24 CFR 92.252](#), all HOME-assisted rental
22 units must be occupied by income-qualified tenants within 18 months of construction completion.
23 If a unit is still vacant at 18 months, HUD will require the County to repay the HOME funds spent
24 on that specific vacant unit and County will seek reimbursement from Owner.

25 10.5 **Initial/Completion Inspection.** County shall inspect the property prior to project
26 completion in IDIS, per 24 CFR 92.251(b)(3).

27 10.6 **Post-Construction Inspection.** Once construction is complete, per [24 CFR](#)
28 [92.251\(f\)\(3\)](#), the County must conduct its first on-site physical inspection of the property under

1 NSPIRE within 12 months of completion. Owner must maintain the Property in accordance with
2 [24 CFR 92.251\(f\)\(1\)](#). Subsequent inspections will be scheduled based on the County's risk-based
3 monitoring schedule (but will occur no less than once every 3 years).

4 **Article 11 Remedies for Non-Compliance.**

5 11.1 Failure by the Owner to perform, document, or enforce any applicable Federal
6 requirement in this Exhibit F, contained (as applicable) within [24 CFR Part 92](#), or applicable and
7 cross-referenced to another section of government regulation from within 24 CFR Part 92 during
8 the Federal Compliance Period, as identified in Exhibit B, shall constitute a material instance of
9 breach of this Agreement under Article 6 of the main body of this Agreement.

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Federal Grant Agreement and Assurances

[copy of County's HOME agreement with HUD and Federal Assurances]

County's HOME/VAWA Lease Addendum

COUNTY OF FRESNO - COMMUNITY DEVELOPMENT

HOME Investment Partnerships Program

HOME LEASE COMPLIANCE/VAWA ADDENDUM



EACH HOUSEHOLD MUST SIGN THIS ANNUALLY, BE GIVEN A COPY, & ORIGINAL KEPT ON FILE

Tenant: _____

Property Address: _____

Property Name: _____ Unit #: _____ Date: _____

Initial Lease Renewal Lease Units are: Fixed or Floating

I. The tenant was offered an initial one year lease term and by mutual consent elected a:

one year lease six month lease month to month

II. Tenant agrees to a month to month lease after the expiration of the initial lease term

Yes No Not Applicable

III. Prohibited terms: The above-referenced lease ("Lease") MAY NOT contain any of the following

- A. *Agreement to be sued:* Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;
- B. *Treatment of property:* Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with state law;
- C. *Excusing owner from responsibility:* Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;
- D. *Waiver of notice:* Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;
- E. *Waiver of legal proceeding:* Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
- F. *Waiver of a jury trial:* Agreement by the tenant to waive any right to a trial by jury;
- G. *Waiver of right to appeal court decision:* Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease;
- H. *Tenant chargeable with cost of legal actions regardless of outcome:* Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses;
- I. *Mandatory supportive services:* Agreement by the tenant (other than a tenant in transitional housing) to accept supportive services that are offered.

1 **IV. Termination of Tenancy**

2 The owner may not terminate or refuse to renew the lease of a tenant of rental housing assisted with HOME funds, except for the following reasons:

- 3
- 4 • serious or repeated violations of the lease;
 - violation of applicable Federal, State, or local law;
 - for completion of the tenancy period for transitional housing; or
 - for other good cause.

5 To terminate or refuse to renew tenancy, the owner must serve written notice upon the tenant specifying the grounds for the action at least 30 days before the termination of tenancy.

6 **V. VAWA Protections**

7 The following provisions are hereby added to the Lease for purposes of complying with 24 CFR § 92.253 and the
8 Violence Against Women Reauthorization Act of 2022 (VAWA):

- 9
- 10 A. VAWA Protections apply to all tenants and survivors of abuse, domestic violence, dating violence, sexual assault, or stalking, regardless of actual or perceived sex, gender, gender expression, or sexual orientation.
 - 11 B. The owner may not consider incidents of domestic violence, dating violence, sexual assault or stalking as serious or repeated violations of the lease or other “good cause” for termination of assistance, tenancy or occupancy rights of the survivor of abuse.
 - 12 C. If the tenant survivor of abuse desires to terminate the Lease early, they may do so without penalty if the owner (or County of Fresno upon appeal) determines that the tenant has met the conditions for an emergency transfer under 24 CFR Part 5.2005(e). This will be evidenced, in part, through the Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, and Alternate Documentation (HUD Form 5382) and Emergency Transfer Request for Certain Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking (HUD Form 5383) forms or updated version of said forms. As of 2023, these forms are available at: <https://www.hud.gov/vawa>
 - 16 D. The owner may bifurcate the Lease, or remove a house member from the Lease in order to evict, remove, terminate occupancy rights, or terminate assistance to such member who engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking against an affiliated individual or other individual without regard to whether the household member is a signatory to the Lease and without evicting, removing, or terminating assistance to a victim of such criminal activity who is also a tenant or lawful occupant. The owner may choose to bifurcate the Lease at their discretion. The owner's refusal to bifurcate the Lease does not restrict the tenant's ability to terminate the Lease if the tenant has met the conditions for an emergency transfer.
 - 21 E. The owner may not consider criminal activity directly relating to abuse, engaged in by a member of tenant's household or any guest or other person under the tenant's control, cause for termination of assistance, tenancy, or occupancy rights if the tenant or an affiliated individual of the tenant is the victim or threatened victim of that abuse.
 - 23 F. The owner may request in writing that the victim or an affiliated individual of the tenant certify that the individual is a victim of abuse and that the tenant complete and submit documentation of abuse, using the Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking (HUD Form 5382), or other documentation as noted on the certification form, to receive protection under VAWA. Failure to provide the documentation within 14 business days of request, or an agreed upon extension date, may result in eviction.
 - 26 G. Any information submitted to the owner will be kept confidential and will not be disclosed to any other individual or entity except if disclosure is consented to by the victim, is required for an eviction or is otherwise required by law.

27 **VI. State of California Tenant Protections Apply**

28 Tenants assisted by HOME shall be protected by all other applicable tenant protections afforded by the State of CA.

VII. Tenant Reporting

1 Tenant is required to provide timely and accurate information to the owner to determine tenant's eligibility at move-
2 in and recertification. A failure to provide such certifications, verifications and information in a timely manner, as
3 reasonably requested by owner, or any falsification or willful misrepresentation thereof, shall be deemed a material
4 non-compliance with the lease.

5 **VIII. Conflict with Other Provisions of the Lease**

6 In case of any conflict between the provisions of this Addendum and other sections of the Lease, the provisions of
7 this Addendum shall prevail. The provisions of this Addendum are incorporated into the Lease as of the same date
8 and set forth at length therein.

9 **IX. Updates, Questions, & Concerns**

10 This form shall be updated to the most recent version provided by the County of Fresno. Tenants with questions or
11 concerns about the rights and responsibilities afforded by this addendum may call (559) 600-4292.

12	Resident Signature _____	Date _____	Resident Signature _____	Date _____
13	Resident Signature _____	Date _____	Resident Signature _____	Date _____
14	Owner Representative _____	Date _____		

15 **The following National Hotlines can assist Survivors:**

16 **National Domestic Violence
17 Hotline**

18 1-800-799-SAFE (7233)
19 TYY: 1-800-787-3224
20 Text "START" to 88788

21 **National Human Trafficking
22 Hotline**

23 1-888-373-7888
24 711 (TTY)
25 Text: 233733

26 **National Sexual Assault Hotline**

27 1-800-656-HOPE (4673)

28 **National Runaway Safeline**

1-800-RUNAWAY (800-786-2929)

29 **National Teen Dating Abuse Helpline**

30 1-866-331-9474
31 1-866-331-8453 (TTY)

32 **National Center for Victims of Crime**

33 1-855-VICTIM (1-855-484-2846)
34 (call or text)

35 **Suicide & Crisis Lifeline**

36 988

37 **StrongHearts Native Helpline**

38 1-844-7NATIVE (762-8483)

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The following Local Hotlines can assist Survivors:

Marjaree Mason Center 24-Hour Crisis Helpline

(559) 233-HELP (4357)

Crime Victims Assistance Center

(559) 600-2822

Rape Counseling Services of Fresno

(559) 222-7273

The following State Hotlines can assist Survivors:

California Coalition to Abolish Slavery and Trafficking (CAST)

1-888-KEY-2-FRE(EDOM) or 1-888-539-2373

Exhibit G - Limited Delegation of County Board of Supervisors' Signature Authority

Article 1 Four (4) Signatures to Execute Documents Necessary to Complete the Project

1.1 **Need for Alternate Signature Process.** The County recognizes that its formal opportunities for executing documents timely is incompatible with the timing of tax credit and other real property projects and the need to make last-minute updates to documents prior to execution.

1.2 **Authorized Signatories. All Four (4) Signatures Required.** A document for this Project, subject to the prior review and approval of the four (4) entities listed below ("Authorized Signatories"), when duly executed by said Authorized Signatories who are hereby authorized to enter into and sign in the name of the County, shall bear the full weight and authority as a signature by the Chairman of the Board of Supervisors of the County of Fresno:

(A) The Director of Public Works and Planning, or his or her duly authorized designee as identified in writing, as Chief Executive Officer, pursuant to [County of Fresno Ordinance 2.52.040\(L\)](#).

(B) The Division Manager of the Community Development Division within the Department of Public Works and Planning, or his or her duly authorized designee as identified in writing, as to content.

(C) The County Counsel, or his or her duly authorized deputy, as to legal form.

(D) The Auditor-Controller/Treasurer-Tax Collector (AC/TTC), or his or her duly authorized deputy, as to accounting form

1.3 **Unauthorized Documents Are Nonbinding on County.** Any document that seeks to legally bind the County that does not bear all four (4) signatures specified in the Section above is unauthorized and nonbinding on the County.

1.4 **Prohibition on Use of Unauthorized County's Signature by Owner.** Owner shall not utilize any instance of County's signatures not specifically executed for that purpose, nor seek to use a signature from lower-level County staff, to execute any recorded or legally-binding

document.

1.5 **Authorized Documents.** The limited delegation of the County's authority to bind the County to the terms of the document under this Article is limited to the following document types:

- (A) This Agreement;
- (B) All Loan Documents and Security Instruments associated with this Agreement;
- (C) Subordination documents, pursuant to the Subordination clause of Exhibit A, solely in order to facilitate the placement of permanent financing, and only within two years of the Certificate of Occupancy date;
- (D) Other documents necessary to complete the Project; and
- (E) Any amendments thereto, as may be necessary from time to time over the full term of this Agreement, as specified in the Section below.

1.6 **Amendments to Authorized Documents.** Changes in Project circumstances frequently occur that require a quick response from the County, otherwise the project or its financing may fail. In such cases, where the County's response is time-sensitive, the Authorized Signatories specified above are hereby authorized, but not required, to consent to the following matters in the name of the County, only when (1) the Project remains eligible and qualified under the guidelines of the County's funding sources and (2) there is no increase to the total amount of funding provided to the Project:

- (A) Changes to Exhibits to this Agreement that do not substantively alter the terms of the Agreement or substantively alter the scope of the Project;
- (B) Non-substantive changes to the scope of the Project;
- (C) Changes of funding sources from those specific other entities named in Exhibit C; and
- (D) Changes of the specific dollar amounts set forth in Exhibit C coming from other entities, or the total thereof, provided the total funds coming from the County under this Agreement do not increase, and further provided that the Project remains viable and is fully funded.

1.7 Authority of County Staff to

(A) **Lender's Estoppel Certificates.** Lender's Estoppel Certificates, which confirm the County has not sent any Notice of Default to Owner for the Project and which also confirm the status of the Owner's debt to the County to a third-party lender who has provided funding to the Project, the details of which are based upon the status of specific payments the County has provided to the Owner and may not yet reflect the full funding amount.

(1) Staff shall use the following language with Lender's Estoppel Certificates if the maximum compensation has not been provided to Owner as of the date of the Lender's Estoppel Certificate: "As of the date of this Certificate, the outstanding principal balance of the Loan is [\$]. However, the parties acknowledge that an additional disbursement of [\$], representing [e.g. undrawn funding, retention held by Lender] is scheduled to be funded upon completion of [e.g. Project Milestone, Project Closeout]. Upon disbursement of those funds by the Lender to or for the benefit of the Borrower, the outstanding principal balance shall automatically increase to [\$], plus any accrued and unpaid interest thereon."

(2) If Community Development Division staff cannot certify no knowledge that any breach or default exists for the Project

(B) **Debt Confirmations.** Annual information requests coming from Certified Public Accountants, or similar, seeking confirmation of the status of the Owner's debt to the County, which is held in a proprietary system with limited access.