

AGREEMENT SUMMARY

AGREEMENT NUMBER 23-DRHBA-00001	AMENDMENT NUMBER
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CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED

1. CONTRACTOR'S NAME Golden State Finance Authority		2. FEDERAL I.D. NUMBER N/A
3. AGENCY TRANSMITTING AGREEMENT Department of Housing and Community Development	4. DIVISION, BUREAU, OR OTHER UNIT Federal Financial Assistance	5. AGENCY BILLING CODE N/A
6a. CONTRACT ANALYST NAME Sean Race	6b. EMAIL Sean.Race@hcd.ca.gov	6c. PHONE NUMBER 916-559-3619

7. HAS YOUR AGENCY CONTRACTED FOR THESE SERVICES BEFORE?

No Yes (If Yes, enter prior Contractor Name and Agreement Number)

PRIOR CONTRACTOR NAME

PRIOR AGREEMENT NUMBER

8. BRIEF DESCRIPTION OF SERVICES

Disaster Recovery Homebuyer Assistance Program (DR-HBA) Projects are funded to assist with housing needs of low-to moderate income (LMI) households and eligibility is limited to residents of Most Impacted and Distressed (MID) California counties that are also eligible to receive housing assistance through the Federal Emergency Management Agency (FEMA) Individual Assistance pursuant to the 2018 Federal Disaster Declarations DR-4382 and DR-4407 and 2020 Federal Disaster Declarations DR-4558 and DR-4569. The HBA Program will provide down payment assistance to eligible applicants to cover the gap in affordability of acquiring a new primary residence in a non-high or very high fire hazard severity zone throughout California. The HBA program will allow applicants to identify and select properties which meets the The U.S Department of Housing and Urban Development (HUD) minimum property standard based on household size and work with first lender for financing options.

9. AGREEMENT OUTLINE (Include reason for Agreement: Identify specific problem, administrative requirement, program need or other circumstances making the Agreement necessary; include special or unusual terms and conditions.)

Golden State Finance Authority (GSFA) will act as a subrecipient and will facilitate the development of a downpayment assistance program for single family housing and perform the following tasks pursuant to the Disaster Recovery Homebuyer Assistance Program (CDBG-DR-HBA):

- Develop education and outreach campaign for lenders, realtors, and homebuyers.
- Process application for eligibility, underwriting and closing home loans in compliance with consumer lending requirements with direct lenders and in accordance with the DR-HBA Policies and Procedures.
- Develop HBA loan documents, policies and procedures, standard operating procedures.
- Handle federal reporting and 5-year monitoring and compliance requirements

10. PAYMENT TERMS (More than one may apply)

- Monthly Flat Rate Quarterly One-Time Payment Progress Payment
 Itemized Invoice Withhold _____ % Advanced Payment Not To Exceed
 Reimbursement / Revenue _____ or _____ %
 Other (Explain)

11. PROJECTED EXPENDITURES

FUND TITLE	ITEM	FISCAL YEAR	CHAPTER	STATUTE	PROJECTED EXPENDITURES
Federal Trust Fund	2240-102-0890	23/24	12	2023	\$8,156,989.00
Federal Trust Fund	2240-10103-0890	23/24	06	2020	\$23,400,000.00

OBJECT CODE 5432500-Grants and Subventions-Non-Governmental	AGREEMENT TOTAL	\$31,556,989.00
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STATE OF CALIFORNIA
AGREEMENT SUMMARY

STD 215 (Rev. 04/2020)

AGREEMENT NUMBER 23-DRHBA-00001	AMENDMENT NUMBER
--	-------------------------

OPTIONAL USE 22402000
 SL-46445- \$ 11,282,327.91
 SL 46446 - \$12,117,672.09
 SL 46043 - \$8,156,989.00

AMOUNT ENCUMBERED BY THIS DOCUMENT \$31,556,989.00
PRIOR AMOUNT ENCUMBERED FOR THIS AGREEMENT \$0.00
TOTAL AMOUNT ENCUMBERED TO DATE \$31,556,989.00

I certify upon my own personal knowledge that the budgeted funds for the current budget year are available for the period and purpose of the expenditure stated above.

ACCOUNTING OFFICER'S SIGNATURE Tammy.Kasicky <small>Digitally signed by Tammy.Kasicky Date: 2024.01.30 14:32:47 -08'00'</small>	ACCOUNTING OFFICER'S NAME (Print or Type) TAMMY KASICKY	DATE SIGNED 01/30/2024
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12. AGREEMENT

AGREEMENT	TERM FROM	TERM THROUGH	TOTAL COST OF THIS TRANSACTION	BID, SOLE SOURCE, EXEMPT
Original	2/27/2024	01/01/2030	\$31,556,989.00	Exempt
Amendment 1				
Amendment 2				
Amendment 3				
TOTAL			\$31,556,989.00	

13. BIDDING METHOD USED

- Request for Proposal (RFP) (Attach justification if secondary method is used)
 Use of Master Service Agreement
 Invitation for Bid (IFB)
 Exempt from Bidding (Give authority for exempt status)
 Sole Source Contract (Attach STD. 821)
 Other (Explain) SCM Vol 1 5.80 B.2.b

Note: Proof of advertisement in the State Contracts Register or an approved form STD. 821, Contract Advertising Exemption Request, must be attached

14. SUMMARY OF BIDS (List of bidders, bid amount and small business status) (If an amendment, sole source, or exempt, leave blank)

15. IF AWARD OF AGREEMENT IS TO OTHER THAN THE LOWER BIDDER, EXPLAIN REASON(S) (If an amendment, sole source, or exempt, leave blank)

16. WHAT IS THE BASIS FOR DETERMINING THAT THE PRICE OR RATE IS REASONABLE?

N/A

17a. JUSTIFICATION FOR CONTRACTING OUT (Check one)

- Contracting out is based on cost savings per Government Code 19130(a). The State Personnel Board has been so notified.
 Contracting out is justified based on Government Code 19130(b). When this box is checked, a completed JUSTIFICATION - CALIFORNIA CODE OF REGULATIONS, TITLE 2, SECTION 547.60 must be attached to this document.
 Not Applicable (Interagency / Public Works / Other PCC 10348)

17b. EMPLOYEE BARGAINING UNIT NOTIFICATION N/A

- By checking this box, I hereby certify compliance with Government Code section 19132(b)(1).

AUTHORIZED SIGNATURE <u>N/A</u>	SIGNER'S NAME (Print or Type) <u>N/A</u>	DATE SIGNED <u>N/A</u>
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18. FOR AGREEMENTS IN EXCESS OF \$5,000: Has the letting of the agreement been reported to the Department of Fair Employment and Housing? <input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A	22. REQUIRED RESOLUTIONS ARE ATTACHED <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> N/A
19. HAVE CONFLICT OF INTEREST ISSUES BEEN IDENTIFIED AND RESOLVED AS REQUIRED BY THE STATE CONTRACT MANUAL SECTION 7.10? <input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A	
20. FOR CONSULTING AGREEMENTS: Did you review any contractor evaluations on file with the DGS Legal Office? <input type="checkbox"/> None on file <input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A	
21. IS A SIGNED COPY OF THE FOLLOWING ON FILE AT YOUR AGENCY FOR THIS CONTRACTOR? A. Contractor Certification Clauses <input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A B. STD 204 Vendor Data Record <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> N/A	23. IS THIS A SMALL BUSINESS AND/OR A DISABLED VETERAN BUSINESS CERTIFIED BY DGS? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes SB/DVBE Certification Number:

AGREEMENT SUMMARY

STD 215 (Rev. 04/2020)

AGREEMENT NUMBER 23-DRHBA-00001	AMENDMENT NUMBER
--	-------------------------

24. ARE DISABLED VETERANS BUSINESS ENTERPRISE GOALS REQUIRED? (If an amendment, explain changes if any)
N/A.

No (*Explain below*) Yes _____ % of Agreement

25. IS THIS AGREEMENT (WITH AMENDMENTS) FOR A PERIOD OF TIME LONGER THAN THREE YEARS?

No Yes (*If Yes, provide justification below*)

To ensure program can enforce monitoring and reporting requirements for the 5-year term of compliance for each grant.

I certify that all copies of the referenced Agreement will conform to the original agreement sent to the Department of General Services.

SIGNATURE <i>Sean Race</i>	NAME/TITLE (<i>Print or Type</i>) Sean Race - Contracts Analyst	DATE SIGNED 2/2/2024
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SCO ID:

STATE OF CALIFORNIA

AGREEMENT SUMMARY

STD 215 (Rev. 04/2020)

<p>AGREEMENT NUMBER 23-DRHBA-00001</p>	<p>AMENDMENT NUMBER</p>
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JUSTIFICATION - CALIFORNIA CODE OF REGULATIONS, TITLE 2, SECTION 547.60

In the space provided below, the undersigned authorized state representative documents, with specificity and detailed factual information, the reasons why the contract satisfies one or more of the conditions set forth in Government Code section 19130(b). Please specify the applicable subsection. Attach extra pages if necessary.

N/A

The undersigned represents that, based upon his or her personal knowledge, information or belief the above justification correctly reflects the reasons why the contract satisfies Government Code section 19130(b).

SIGNATURE	NAME/TITLE <i>(Print or Type)</i>	DATE SIGNED	
PHONE NUMBER	STREET ADDRESS		
EMAIL	CITY	STATE	ZIP

SCO ID:

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER

23-DRHBA-00001

PURCHASING AUTHORITY NUMBER (If Applicable)

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

CONTRACTOR NAME

Golden State Finance Authority

2. The term of this Agreement is:

START DATE

Upon HCD Approval

THROUGH END DATE

01/01/2030

3. The maximum amount of this Agreement is:

\$31,556,989.00

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

Exhibits	Title	Pages	
Exhibit A	Authority, Purpose, and Scope of Work	19	
Exhibit B	Budget Detail and Payment Provisions	7	
Exhibit C *	State of California General Terms and Conditions	GTC 4/17	
+ -	Exhibit D	CDBG-DR Terms and Conditions	24
+ -	Exhibit E	Special Terms and Conditions	1
+ -	Exhibit F	Subrecipient File	1
+ -	Exhibit G	Data Sharing and Usage Protocols	11

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

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

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

CONTRACTOR

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

Golden State Finance Authority a California Joint Powers Authority

CONTRACTOR BUSINESS ADDRESS

1215 K Street, Suite 1650

CITY

Sacramento

STATE

CA

ZIP

95814

PRINTED NAME OF PERSON SIGNING

Patrick Blacklock


TITLE

Executive Director

CONTRACTOR AUTHORIZED SIGNATURE



DATE SIGNED



SCO ID:

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER 23-DRHBA-00001	PURCHASING AUTHORITY NUMBER (If Applicable)
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STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

Department of Housing and Community Development

CONTRACTING AGENCY ADDRESS

2020 W. El Camino Ave, Suite 130

CITY

Sacramento

STATE

CA

ZIP

95833

PRINTED NAME OF PERSON SIGNING

Edona Evans

TITLE Contract Service Manager, Contract Service Section

CONTRACTING AGENCY AUTHORIZED SIGNATURE



DATE SIGNED

2/27/2024

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)

Exempt per SCM Vol. 1, 4.04.A.3
(DGS memo dated 6/12/1981)

EXHIBIT A

AUTHORITY, PURPOSE, AND SCOPE OF WORK

1. Authority & Purpose

The California Department of Housing and Community Development (hereinafter “Department” or “HCD”) is the lead and responsible entity for administering the Community Development Block Grant – Disaster Recovery (hereinafter “CDBG-DR”) funds appropriated under the Supplemental Appropriations for Disaster Relief Requirements (Appropriations Act), under United States Public Laws 115-254, 116-20 and 117-43 and allocated to the State of California by the Department of Housing and Urban Development (hereinafter “HUD”). The Department’s HUD-approved Action Plan for 2018 federally declared disasters DR-4382 and DR-4407 and HUD-approved Action Plan for 2020 federally declared disasters DR-4558 and DR-4569 authorizes the use of CDBG-DR funds to provide down payment and other housing assistance to low – to moderate-income disaster impacted survivors, enabling them to relocate outside of high-fire risk areas or most impacted and distressed (MID) areas.

2. Scope of Agreement

A. **Grant Funds**

Subject to the terms and conditions of this Standard Agreement (hereinafter “Agreement”), the Department has allocated and agrees to provide grant funds in the maximum amount identified in Exhibit B, Section 1 – Budget herein to the subrecipient identified as “Contractor” on page 1, Section 1 of the STD 213 form (hereinafter “Subrecipient”) for all Work (defined below) identified in this Agreement (hereinafter “Subrecipient Award”). All payments made to the Subrecipient will adhere to the provisions described in Exhibit B herein. In no instance shall the Department be liable for any costs in excess of this amount, nor for any unauthorized or ineligible costs or expenses including any contractor costs incurred or paid by Subrecipient prior to the effective date of this Agreement.

B. **Implementation of Agreement**

By entering into this Agreement and thereby accepting the Subrecipient Award, the Subrecipient agrees to comply with and implement this Agreement in a manner satisfactory to the Department and the United States Department of Housing and Urban Development (hereinafter “HUD”) and consistent with all applicable laws, regulations, policies and procedures as may be required from time to time as a condition of the Department providing the grant funds, including but not limited to, all applicable CDBG-DR program administration and compliance requirements set forth by this Agreement. The Department’s providing of grant funds under this Agreement is specifically conditioned on Subrecipient’s compliance with this provision and all terms and conditions of this Agreement, as well as the most recently published Program policies and

EXHIBIT A

procedures, once completed, and the most recently published version of the Department's CDBG-DR Action Plans for 2018 and 2020 disasters and any amendments thereto, related Federal Register notices, (<https://www.hcd.ca.gov/grants-and-funding/disaster-recovery-and-mitigation/action-plans-and-federal-register-notices-frns>) and the requirements of the authorities cited above, as all the same may be amended from time to time.

This Agreement is subject to written modification and termination as necessary by the Department in accordance with requirements contained in any future state or federal legislation and/or state or federal regulations. All modifications must be in written form and approved by both parties.

3. Subrecipient Scope of Work

- A. The Subrecipient shall provide or cause to be provided, the homebuyer assistance program management activities (hereinafter "Scope of Work" as described in this exhibit on behalf of HCD and the ReCoverCA Homebuyer Assistance (HBA) program to assist program participants in purchasing a property that is affordable for them and meets their housing needs as defined in the HBA program policies and procedures.
- B. Subrecipient shall require that all staff and lenders participating in HBA program ("Participating Lenders") assigned to the Scope of Work to follow all HUD regulations, consumer lending laws and regulations, best practices, and applicable Federal Register Notices governing the Scope of Work and HCD's CDBG-DR grant awards, California CDBG-DR Action Plans, HCD policies, and most recently published HBA PnPs. Subrecipient shall provide guidance and training to its staff as needed for program consistency and compliance.
- C. **The Subrecipient Scope of Work and deliverables shall include:**

1) **Policies and Procedures (PnPs)**

The program will provide draft Policies and Procedures for the ReCoverCA HBA Program. Once the standard agreement is executed, the subrecipient will be fully responsible for finalizing and managing the policies and procedures document which will include tracking updates to program policies, procedures, forms, agreements, and checklists.

2) **Standard Operating Procedures (SOP)**

Subrecipient shall establish, for the Scope of Work, SOPs that support the implementation of HBA PnPs. Subrecipient shall be responsible for providing

EXHIBIT A

policy and process recommendations for all items in the Scope of Work but shall follow any guidance and policy given by HCD.

3) **Loan Documents**

Subrecipient shall be responsible for drafting and finalizing program documents in compliance with consumer lending requirements as applicable. Program documents shall include but not limited to:

- a) Golden State Finance Authority (GSFA) Lender Agreement
- b) Program Term Sheet(s)
- c) Data Sharing Agreement(s)
- d) Program Application
- e) Denial Letter
- f) Tax Return Affidavit
- g) Certification of No Income
- h) Homebuyer Income Affidavit
- i) Primary Residence Affidavit
- j) Homebuyer Assistance Authorization and Agreement
- k) Partial Exemption Disclosure
- l) Reservation Letter/Confirmation
- m) Funding Commitment Notice and Gift Letter
- n) Lender Closing Affidavit
- o) Borrower's Closing Affidavit
- p) Duplication of Benefit Affidavit
- q) Second Mortgage Recapture Acknowledgment
- r) Escrow Instructions
- s) Forgivable Second Mortgage Note
- t) Second Mortgage Deed of Trust
- u) Declaration of Restrictive Covenant
- v) Applicant Appeals Document

4) **Communication, Outreach, and Marketing Plan**

Subrecipient shall be responsible for drafting and finalizing an Outreach Plan approved by the Department that details each outreach activity including social media, radio, and newspaper advertising, media buys and in person events.

- a) Subrecipient shall launch a public education and outreach campaign as set forth in the outreach plan. Implementation of the approved outreach plan will begin within twelve (12) weeks of the Effective Date of this Agreement and continue actively for at least

EXHIBIT A

six (6) months, for the purposes of encouraging program participation. This will require Subrecipient to secure space and equipment necessary to stand up and operate temporary and/or “pop up” assistance events across multiple days or weeks in the disaster impacted areas. The Subrecipient must plan on at least one assistance event in each of the Impacted Counties as appropriate.

- b) Subrecipient shall launch call-out and letter campaigns in accordance with the outreach plan to be developed by the Subrecipient pursuant to Section 3 C.4). Subrecipient shall create all forms and marketing materials within eight (8) weeks of the Effective Date of this Agreement.
- i. Client forms, marketing, and outreach:
Subrecipient shall create printed and digital marketing materials that will assist disaster survivors in understanding the Program and will encourage participation in the Program. All outreach and marketing materials must be approved by HCD Program leadership and HCD Communications Division prior to use. Standard review time is two (2) weeks. All materials must comply with Section 3 C.4).c). requirements herein.
 - ii. Lender forms, marketing, and outreach:
Subrecipient shall create printed and digital marketing materials that will assist lenders in understanding program requirements and the benefits of participating as an HBA approved lender. All outreach and marketing materials must be approved by HCD Communications Division prior to use. Standard review time is two (2) weeks. All materials must comply with Section 3 C.4).c). requirements herein.
 - iii. Real estate agents and brokers forms, marketing, and outreach:
Subrecipient shall create printed and digital marketing materials that will assist real estate agents and brokers in understanding Program property requirements and how they can assist their clients to identify, enter into contract, and close on a Program-approved property. All outreach and marketing materials must be approved by HCD Communications Division prior to use. Standard review time is two (2) weeks. All materials must comply with Section 3 C.4).c). requirements herein.
- c) Marketing and Program Materials for Website Posting

Subrecipient shall provide all HCD-approved marketing materials in

EXHIBIT A

digital format. All final outreach materials shall be compliant with Section 508 ADA accessibility Including client forms marketing and outreach Lender forms.

d) Correspondence and Media Relations

Subrecipient shall support and/or represent HCD in all media interactions. All media requests shall be immediately communicated to HCD for review and guidance. All media responses must be approved by HCD prior to use. As needed, Subrecipient shall make its management available for media interviews, meetings with federal officials, and other necessary external meetings, each instance of which must be requested by and/or approved by HCD.

e) Other Languages Support

Subrecipient shall create Applicant-facing documents and digital materials such as marketing flyers and brochure templates supplied to lenders and real estate professional for distribution to disaster survivors in both English and Spanish. All documents must comply with Section 3 C.4).c). requirements herein.

5) **Initial Eligibility and Intake**

Subrecipient's staff, and its's contractors must comply with handling Personally Identifiable Information (PII) in accordance with the requirements of the [Privacy Act](#) in order to assist with the completion of and/or review of program applications. Subrecipient and its contractors will be required to execute Data Sharing Agreement in the form provided by HCD. In most cases, Program anticipates that intake may be completed using the Subrecipient System of Record, however, the Subrecipient is expected to continually provide necessary staffing and equipment, that allow or causes to allow Participating Lenders for completion of client intake using physical (paper) applications via mail, fax, or in-person interaction using leased office space or public space, if the Program participant chooses to use a paper application.

- a) At the application phase, Subrecipient shall identify eligible applicants and filter those persons not directly impacted by the 2018 and 2020 disaster in the Eligible Counties per the most recently published HBA PnPs and in accordance with the Program approved eligibility Standard Operating Procedures (SOP) as

EXHIBIT A

required by Section 3 C.2). Application eligibility questions must include, at a minimum:

- Applicant's primary residence at the time of the disaster was/is located in an Eligible County; and
- Applicant is Low- to Moderate Income (LMI), which is defined as household income at or below 80% of HUD area median income (AMI), adjusted for family size. The county used for income eligibility is the county where the proposed property will be located.

6) **Application Processing**

a) **Homebuyer Counseling and Education Certification**

Subrecipient shall ensure at least one person per application completes an 8-hour Homebuyer Education counseling course from the list of HUD-approved counseling agencies which will be provided by Golden State Finance Authority (GSFA), and a completion certification is required prior to execution of their HBA loan documents.

Homebuyer Education curriculum shall at a minimum include the following topics:

- i. Decision to Purchase: Budgeting, credit, assessing homeownership readiness, mortgage application process and shopping for a home.
- ii. Issues arising during or affecting the period of ownership of the home and other financial decisions, refinancing, default and foreclosure.
- iii. Sale or other disposition of a home.
- iv. A certificate of successful completion of Homebuyer Education shall be issued to each prospective Homeowner and a copy retained in the subrecipients System of Record. All Homebuyer Education certificates will expire the earlier of one (1) year from issuance or the expiration date on the certificate.

b) **Affordability and Eligibility Underwriting**

EXHIBIT A

Subrecipient shall complete or cause to be completed for each Applicant the affordability underwriting process and provide an affordability determination per the most recently published HBA PnPs and in accordance with the Program-approved affordability underwriting SOP as required by Section 3 C.2). Ineligible Applicants must be notified within 30 days of their application date, provide reasons for the determination, and information about the appeal process. The Subrecipient shall maintain all information and documentation used in completing this process and reaching the affordability determination in the subrecipient's System of Record such that all documentation is available to HCD to review, monitor and audit.

c) **Duplication of Benefits Review**

In accordance with the Stafford Act, Disaster Recovery Reform Act of 2018 (PL 115 – 254, Division D) (“DRRA”), applicable Federal Register Notices (FRNs), and the most recent published HBA PnPs, and in accordance with the Program approved DOB review SOP as required by Section 3 C.2). The Subrecipient shall perform, for each applicant, the first level of review for all potential duplication of benefits (DOB) during preliminary eligibility determinations. As part of this review, the Subrecipient evaluates all benefits reported by the Applicant during the application for accuracy, coordinates with third-party data sources to identify potential DOB that was not reported by the Applicant.

An Applicant's total DOB amount received will impact the assistance available to them. The total DOB amount is deducted from the total award determination for the homebuyer assistance program, as calculated by the Subrecipient.

The Subrecipient shall maintain all information and documentation used in completing this process in Subrecipient's System of Record such that all documentation is available to HCD to review, monitor, and audit.

d) **Award Determination and Program Approval**

Subrecipient shall complete or cause to be completed, for each Applicant, a detailed calculation of the HBA program award per the most recently published HBA PnPs and in accordance with the Program-approved grant award calculation SOPs as required by section 3 C.2). The Subrecipient shall maintain all information and documentation used in completing this process in the

EXHIBIT A

Subrecipient's System of Record such that all documentation is available to HCD to review, monitor, and audit.

e) **Commitment Letter**

After completing eligibility, affordability, homebuyer education counseling certification and review of DOB, Subrecipient shall issue or cause to be issued, to the Applicant, Commitment Letter that includes detailed guidance and instructions on how property characteristics must meet program requirements as well as provide a copy of the most recent HBA Property Minimum Standards.

Commitment letter shall be completed per most recently published HBA PnPs and in accordance with the Program approved grant award calculation SOPs as required by section 3 C.2). The Subrecipient shall maintain all information and documentation used in completing this process in the Subrecipient's System of Record such that all documentation is available to HCD to review, monitor, and audit.

f) **Property Eligibility Verification (Inspection and Valuation)**

Subrecipient shall review an appraisal report provided by the Applicant's first lender and verify the property condition is in compliance with minimum property standards as stated in the HBA PnPs with no health and safety concerns. If the property does not meet minimum property standards the property is ineligible for HBA funds. However, seller/buyer may remedy the deficiencies at their sole expense prior to close of escrow with evidence of repairs and additional inspections to verify property meets minimum standards that the property is eligible for HBA funds.

g) **Hazard Insurance**

Each borrower will be required to maintain hazard insurance, including fire and extended coverage, that provides for claims to be settled on a replacement cost basis. Subrecipient shall review the borrower's hazard insurance policy to ensure it complies with the HBA PnPs prior to loan closing. All policies shall contain a loss payable endorsement first to the Lender and second to HCD as mortgagee interest in an amount equal to the replacement value of the structure improvements established by the property insurer as selected by the borrower, with coverage endorsements for code upgrades. The Subrecipient shall obtain, review, and maintain in the borrower's file a copy of the Certificate of Insurance showing

EXHIBIT A

HCD as an additional insured, and shall also provide a copy of such Certificate of Insurance to HCD upon request. The selected hazard insurer must be licensed to do business in the State of California and have a current rating in Best's Insurance Guide of BV1 or better. The first lender's guidelines should be followed in respect to the minimum deductible allowable.

Condominium or Planned Unit Developments ("PUD") insurance shall be in the form of a "master" or "blanket" policy for the entire project.

Hazard insurance premiums are to be paid through an impound account maintained by the first loan servicer on behalf of the borrower.

h) **Appeals**

The Subrecipient shall, for each Applicant, make available an appeal process that includes appeal intake, review, and response by the Subrecipient within 15 days of receipt, and an escalation path for review by HCD's ReCoverCA Appeals Review Panel. The Subrecipient shall also provide information on how Applicants can appeal Program decisions to HUD as per the most recently published HBA PnPs and in accordance with the Program approved appeals process SOP as required by Section 3 C.2).

- i) Subrecipient shall provide monthly appeals logs to HCD that includes a trend analysis and maintain all communication, information, and documentation of appeals received, resolved, and/or escalated in the subrecipient's System of Record such that all documentation is available to HCD to review, monitor, and audit.

7) **Supporting Other Partners**

a) **Role in the First Mortgage Lender Approval Process**

The Subrecipient and /or its Participating Lenders shall assist the Applicant in preparing for, completing, and submitting their mortgage loan application to obtain a pre-approval letter. This includes collaborating with the Applicant and third parties such as real estate agents, title companies, insurance companies to prepare for the application submittal, providing a checklist of required documents, document collection, and document digitization or scanning.

EXHIBIT A

Once a conditional approval is received, Subrecipient and/or its Participating Lenders shall assist the applicant with understanding and responding to underwriting conditions, as required, to receive a final approval.

The Subrecipient and its Participating Lenders shall interact with mortgage brokers and real estate agents professionally, ethically, and in compliance with applicable Federal and State statutes, regulations, consumer lending practice and any other such guidance as may be issued by a federal, state, or local governmental agency with jurisdiction.

b) **Role in the Property Search and Contract Process**

The Subrecipient shall, at a minimum, make the Program-approved HBA Minimum Property Standards (MPS) available to real estate agents and brokers to guide real estate professionals on how to assist their clients in identifying, contracting, and closing on a property that meets Program's requirements. In no event shall the Subrecipient or any of its designated staff provide any legal, tax, financial, or investment advice to any party in connection with any services it is providing under this Agreement.

The Subrecipient shall coordinate, cooperate, and make available designated staff to respond to inquiries from real estate professionals working with applicants on Program property eligibility specifics. In no event shall the Subrecipient or any of its designated staff provide any legal, tax, financial, or investment advice to any party in connection with any services it is providing under this Agreement.

The Subrecipient shall ensure that all its interactions with real estate agents and real estate brokers are conducted professionally, ethically, and in compliance with applicable Federal and State statutes, regulations, and any other such guidance as may be issued by a federal, state, or local governmental agency with jurisdiction.

c) **Role in the Environmental Review and Clearance Process**

The Subrecipient shall, for each identified Applicant property, prepare a site-specific review at the Categorical Exempt Not Subject To (CENST) review level for final approval and signature by HCD's certifying officer.

EXHIBIT A

8) **Closing Process**

- a) Subrecipient shall complete, for each awarded Applicant, a review of the preliminary title report and provide the title company with comment for any disallowed exceptions to title coverage per most recently published HBA PnPs. The title company and/or the escrow holder must be licensed to provide escrow services in California. Subrecipient and its contractors shall not provide tax, legal or financial advice to any applicant. Any material provided is for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal or financial advice. Applicants should consult their own tax, legal and financial advisors before engaging in this transaction.
- b) Subrecipient shall engage legal counsel to prepare the templates that will be used for the Deed of Trust, Promissory Note and restrictive covenant for the HBA second mortgage. All such documents shall be subject to the review and approval by HCD. Subrecipient shall be the lender/beneficiary on the loan documents and provide copies of the fully completed Note and Deed of Trust and restrictive covenant to the closing agent for Applicant signatures per the most recently published HBA PnPs.
- c) Subrecipient shall prepare and provide the escrow or closing agent, for each awarded Applicant, escrow instructions to ensure closing is completed per the most recently published HBA PnPs.
- d) Subrecipient shall, for each awarded Applicant, complete a full review of the final Loan Estimate (LE) to ensure the structure of the transaction meets all Program requirements prior to closing. Only after the review is concluded, and the LE is deemed acceptable, can closing take place. The LE review process shall be completed in accordance with the most recently published HBA PnPs and in accordance with the Program-approved LE review process.
- e) Subrecipient shall deposit into the property purchase escrow account (which must be held by a California duly licensed third-party escrow holder) the amount of the HBA Program subsidy necessary to complete the buyer side obligation to complete the transaction per the executed purchase contract. Subrecipient shall, after successful closing on a property that meets a National Objective and program requirements for an eligible Applicant,

EXHIBIT A

request from HCD reimbursement for the total amount provided to the escrow account for the benefit of the Applicant per their executed purchase contract and the final closing disclosure.

Subrecipient shall account for all funds requested and received from HCD that are disbursed to a purchase escrow account for the benefit of the Applicant and maintain records in the subrecipient's System of Record. Subrecipient shall not charge any fee for the program or services provided to the applicant, record and document all payments through Electronic Funds Transfer (EFT) confirmations or cleared checks and shall maintain all information and documentation in the subrecipient's System of Record such that all documentation is available to HCD to review, monitor, and audit.

- f) The Subrecipient shall record or cause to be recorded against the Applicant's property a Deed of Trust securing the Promissory Note and restrictive covenant for the full amount of the HBA forgivable loan amount. The HBA Deed of Trust, securing the Note and the restrictive covenant must be recorded in the second position subordinate only to the lien of the first lender's deed of trust and must be recorded with the county recorder's office with subrecipient being the lender/beneficiary. The original Promissory Note recorded Deed of Trust and Restrictive Covenant must be delivered to the Department at 2020 W. El Camino Avenue, Suite 200, c/o CDBG-DR HBA Program, Sacramento, CA 95833 within thirty (30) days of closing. Subrecipient must also upload copies of all original/recorded documents to the subrecipient's System of Record within 30 days of closing.

6) **Post-Closing**

a) **Client Monitoring**

Subrecipient shall, upon closing an Applicant's purchase, establish a monitoring checklist for each Applicant and track compliance by way of conducting an annual review to be completed within 30 days from the annual closing anniversary. Monitoring checklist shall be completed by trained Subrecipient staff and shall provide documentation and certification that Applicant continues to meet requirements of ownership and occupancy per the Program monitoring period and in compliance with approved PnP and SOPs as required by Section 3 C.2). During the annual review, Subrecipient shall also track and maintain documentation to show the forgivable and remaining portions of the HBA loan total subsidy on each anniversary date. If the Applicant is not in default, the

EXHIBIT A

outstanding principal balance of the Note will be reduced each year on the anniversary date of the Note by an amount equal to twenty percent (20%) of the original Principal amount.

Subrecipient shall provide HCD with monthly client monitoring logs commencing one month after the one-year anniversary of the first closing. Monthly monitoring logs shall include complete details of the Applicant, property, and compliance certification, or the lack thereof, with the HBA Program's monitoring requirements.

Subrecipient shall continue to monitor all closings for a period of five (5) years, and provided the borrower is not in default, the last (fifth) annual review will result in 100% of the HBA subsidy being forgiven. Upon successful completion of the last monitoring review, the Subrecipient shall prepare release the record full reconveyance of the Deed of Trust with the applicable county recorder's office. Subrecipient shall inform the borrower in writing of the lien release.

b) **Default and Recapture**

Subrecipient shall administer the collection, processing and tracking of all, default transactions as listed in the most recently published HBA PnPs.

c) **Information Dissemination and Correspondence**

In accordance with 24 CFR 8.6, Subrecipients shall indicate on correspondence materials disseminated to clients and prospective clients how to access information through alternative means if they have an impairment, disability, or language barrier, etc. For example, written communications may include instructions on how to contact the Subrecipient via TTY, Relay services or access translation or interpreter services. Additionally, written communication should ask clients and prospective clients whether they need assistance for mobility impairments, visual or hearing impairments or other disabilities.

d) **Termination of Service**

Subrecipient must document in the client's file when Homebuyer Assistance Program Management services are terminated. Subrecipient must notate the client's file with the date and cause/explanation of termination and cease billing to HCD upon termination. Client files must not remain open indefinitely. All

EXHIBIT A

terminations of services must follow the requirements as set forth in the most recently published version of the HBA PnPs.

e) **Limited English Proficiency (LEP)**

The Subrecipient must make reasonable efforts to provide language assistance to persons who are LEP. See guidance in “Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons” published in the Federal Register on January 22, 2007, or an updated version, to determine the extent of the assistance the Subrecipient should make reasonable efforts to provide language assistance to ensure meaningful access for LEP persons to the HBA program.

f) **Civil Rights**

The Subrecipient must at all times conduct their Homebuyer Assistance Program Management activities in accordance with all applicable State and Federal laws, regulations, and guidance, including without limitation the following nondiscrimination regulatory and legislative requirements:

- 1) Title VI of the Civil Rights Act of 1964,
- 2) Title VIII of the Civil Rights Act of 1968,
- 3) Executive Order 11063,
- 4) Section 504 of the Rehabilitation Act of 1973,
- 5) The Age Discrimination Act of 1975,
- 6) Americans with Disabilities Act,
- 7) Title IX of the Education Amendments of 1972,
- 8) The Fair Employment and Housing Act (federal),
- 9) The Unruh Civil Rights Act of 1959,
- 10) California Fair Employment and Housing Act: The California requirements expand upon the federal requirements and are designed to prevent discrimination in the delivery of benefits and services because of race, color, religion, sex/gender, gender identity, gender expression, sexual orientation,

EXHIBIT A

marital status, medical condition, military or veteran status, national origin, ancestry, disability (mental and physical), genetic information, or age (over 40).

g) **Affirmatively Furthering Fair Housing**

In accordance with Section 808(e)(5) of the Fair Housing Act, the Subrecipient must affirmatively further fair housing for classes protected under the Fair Housing Act (Protected classes include race, color, national origin, religion, sex, disability, and familial status.) the Subrecipient is expected to help remedy discrimination in housing and promote fair housing rights and fair housing choice. In accordance with Program policies and procedures, Subrecipient must prepare and submit for Department approval an Affirmative Fair Housing Marketing Plan per County, form HUD-935.2B or similar, that includes the groups least likely to apply, media used to market the Program, and community contacts and schedule and method of contact, at minimum.

h) Subrecipient shall perform the Homebuyer Assistance Program Management activities described herein. The Department reserves the right from time to time to require the Subrecipient to modify any or all parts of the HBA Application process in order to comply with CDBG-DR and HBA program requirements. The Department reserves the right to monitor all Scope of Work to be performed by the Subrecipient, its Participating Lenders in relation to this Agreement. Any proposed revision to the Scope of Work must be submitted in writing for review and approval by the Department and will require a written amendment to this Agreement. Approval shall not be presumed unless such approval is made by the Department in writing.

i) For the purposes of performing the Scope of Work, the Department agrees to provide the amount(s) identified in Exhibit B, Budget. The Department shall not be liable for any costs in excess of the total approved budget. The Department shall not, under any conditions, be liable for any unauthorized or ineligible costs or costs not deemed reasonable and necessary by the Program (see Definitions in Exhibit D).

j) Homebuyer Assistance Program Management Scope of Work carried out pursuant to this contract shall meet one of the two CDBG-DR National Objectives:

1) Benefit to Low/Moderate Income Persons; or

EXHIBIT A

2) Urgent Need.

- D. Subrecipient shall collect data and submit reports to the Department in accordance with the reporting requirements detailed in Exhibit D.
- E. If the Subrecipient uses contractors to carry out the Scope of Work, the Subrecipient shall monitor all Homebuyer Assistance Program Management activities in accordance with the requirements of 2 CFR 200.300-200.346.

4. Effective Date and Commencement of Scope of Work

- A. This Agreement is effective upon approval by the Department representative's signature on page one of the fully executed Standard Agreement, STD 213 (the "Effective Date").
- B. Subrecipient agrees that no Scope of Work toward the implementation of the Program or program activity, as identified herein, shall incur, or pay any cost prior to the effective date of this Agreement by the Department or without prior written authorization from the Department.

5. Term of Agreement, Expenditure Deadlines, and Performance Milestones

- A. Term of Agreement: With the exception of the activity closeout procedures set forth in Exhibit B, Section 6, the Subrecipient shall complete the Approved Scope of Work described herein on or before the Agreement expiration date identified on the STD 213 of this Agreement and identified below.
 - 1) All applications/reservations must be submitted by: March 1, 2025-;
 - 2) All loans must be closed by: July 1, 2025;
 - 3) All Activity Funds must be expended by: October 1, 2025;
 - 4) All Activity Delivery Funds must be expended by: July 1, 2030;
 - 5) This Agreement will expire on July 1, 2030.
- B. Performance Milestones: Subrecipient shall adhere to the performance milestones below. Time is of the essence with respect to all such milestones.
 - 1) Administrative Performance Milestones:
 - a) **Implementation Timeline:** Subrecipient shall provide an implementation timeline, which includes deliverables, milestones,

EXHIBIT A

and closeout (“Implementation Timeline”) to HCD for approval within four (4) weeks of the Effective Date of this Agreement.

- b) **Outreach Plan:** Subrecipient shall work with HCD to develop and finalize an Outreach Plan that details each outreach activity including social media, radio, and newspaper advertising, media buys and in person events, and timeline in order to effectively market the program to the public. Delivery of the final document to HCD shall be within six (6) weeks of the Effective Date of this Agreement.
 - c) **Policies and Procedures:** Subrecipient shall work with HCD Program leadership to develop and finalize the HBA Policies and Procedures (HBA PnPs) document. Delivery of the final document to HCD leadership shall be within eight (8) weeks of the Effective Date of this Agreement.
 - d) **Standard Operating Procedures:** Subrecipient shall establish SOPs for the Scope of Work to enact the HBA PnPs; Subrecipient shall be responsible for providing policy and process recommendations for all items in the Scope of Work but shall follow any guidance and policy given by HCD. Delivery of the final SOPs to HCD leadership shall be within ten (10) weeks of the Effective Date of this Agreement.
 - e) **HBA Loan Documents:** Subrecipient shall provide a draft Deed of Trust, Promissory Note, and Covenant Restriction for the HBA Program to HCD as detailed in Section 3 herein, with twelve (12) weeks of the Effective Date of this Agreement.
 - f) **Education and Outreach Campaign:** Subrecipient shall launch an education and public outreach campaign as described in Section 3 C (1) herein within twelve (12) weeks of the Effective Date of this Agreement for the purpose of encouraging Program participation.
- 2) Production Performance Milestones:
- a) Within thirty (30) business days of application submission, issue to borrower: a Commitment Letter, which is subject to any additional documents including completion of homebuyer education and other required documents to complete processing the borrower’s application.
 - b) Beginning one-hundred fifty (150) business days from Program launch, Subrecipient must complete a minimum of one (1) loan closing within the first 150 days of program launch and a minimum

EXHIBIT A

of two (2) loan closings per month thereafter.

C. Failure to meet performance milestones:

- 1) If any performance milestones listed above are not met, in addition to any other rights and remedies it has hereunder, the Department reserves the right to withhold further payments to Subrecipient until such time as satisfactory progress is made toward meeting the performance milestones. Subrecipient shall diligently work with CDBG-DR staff to submit: (a) a written mitigation plan specifying the reason for the delay or missed milestone; (b) the actions to be taken to complete the task that is the subject of the missed milestone; and (c) the date by which the completion of said tasks will occur.
- 2) The Department, in its sole and absolute discretion, reserves the right to terminate this Agreement and reallocate unspent grant funds within the CDBG-DR program if the Department determines the Subrecipient is unable or unwilling to promptly address the missed performance milestone(s) in a manner acceptable to the Department. The Department reserves all rights and remedies available to it in case of a default by Subrecipient on its responsibilities and obligations under the terms of this Agreement. All remedies available to the Department are cumulative and not exclusive.
- 3) The Subrecipient and its Contractors, as applicable, shall adhere to all Program performance and milestones as established above.

6. CDBG-DR Program Contract Management

A. Department Contract Manager:

The Department Contract Manager for this Agreement is the CDBG-DR HBA Program Specialist (HCDSII). Written communication regarding this Agreement shall be directed to the Department Contract Manager(s) via email or at the following address:

*CA Department of Housing and Community Development
Division of Financial Assistance – Disaster Recovery Branch
P.O. Box 952054
Sacramento, CA 94252-2054*

B. Contract Management:

Day-to-day administration of this Agreement shall take place in Grants Network, including but not limited to:

- 1) Financial Reports (Funds Requests)

EXHIBIT A

- 2) Activity Reports
 - 3) Other Reports, as required
 - 4) Submittal of any and all requested supporting documentation
 - 5) Standard Agreement issuance and amendments
- C. Subrecipient Contract Administrator:

The Subrecipient Contract Administrator (must be a Subrecipient employee) is identified in Exhibit F, Subrecipient File. Unless otherwise directed by the Department, any notice, report, or other communication required by this Agreement shall be directed via Grants Network or written to the Subrecipient's Contract Administrator.

EXHIBIT B

BUDGET DETAILS AND PAYMENT PROVISIONS

1. **Budget**

The total budget cannot exceed \$31,556,989, broken out by Program year as follows:

2018 CDBG-DR Homebuyer Assistance Program

Activity	Grant Funds
Total Activity Budget	\$21,071,924
Total Activity Delivery Budget	\$2,328,076
TOTAL	\$23,400,000

2020 CDBG-DR Homebuyer Assistance Program

Activity Delivery Cost	Grant Funds
Total Activity Budget	\$7,334,065.00
Total Activity Delivery Budget	\$822,924
TOTAL	\$8,156,989.00

The Activity Delivery costs must not exceed the hourly rate or rate per file and the total budgets for each task provided below.

All cost must be itemized and identified on invoicing template and will be agreed upon by HCD and GSFA. Quantities will vary depending on program conditions and available funds including but not limited to:

Task	Rate per File	Total
File Origination, Processing, Underwriting and Closing Fee	\$6,035 per loan	\$1,207,000
Program Reporting	\$600 per closed loan	\$120,000

EXHIBIT B

Reservation Portal <ul style="list-style-type: none"> - Software Development - Hosting Fee 	\$5000 per month for 60 months	\$300,000
Program Legal Review	Finalized Loan Documents templates, drafted and reviewed by subrecipients Legal Counsel as per exhibit A section 3 C.3).	\$104,000
Monitoring Fee	\$700 per file per annum	\$700,000
Program Marketing	Development of marketing content, external communication and county specific marketing as described in exhibit A section 3 C.4).	\$600,000
Disposition Fee	<ul style="list-style-type: none"> - Foreclosure Processing - Hardship and Recapture - Loan payoff/Lien release - Subordination Processing 	\$120,000
TOTAL		\$3,151,000

2. **Availability of Funds**

- A. The Department’s provision of funding to Subrecipient pursuant to this Agreement is contingent on the availability of CDBG-DR funds, and subject to the requirements to spend 80% of CDBG-DR grant funds to benefit the Most Impacted and Distressed (MID) area, 70% of grant-wide funds for Low and Moderate-Income (LMI) benefit and continued federal and state authorization for CDBG-DR activities. Furthermore, Department funding is subject to amendment or termination due to lack of funds or authorization.

EXHIBIT B

- B. The Department shall be relieved of any obligation for making payments to the Subrecipient if funds allocated to the State by HUD cease to be available for any reason or there is any limitation on, or withdrawal of, the Department's authority to administer the CDBG-DR program or any portion thereof. This Agreement is contingent upon HUD's approval of a substantial Action Plan amendment.

3. Expenditure of Funds**A. Activity Costs**

No Activity costs may be incurred, or funds reimbursed, until and unless the

Department has documented compliance with the National Environmental Protection Act (NEPA) requirements established in 24 CFR 50, 24 CFR 58, and 42 USC 4321, et seq., the California Environmental Quality Act (CEQA), Public Resources Code, section 21000 et seq., and related CEQA guidelines located in the California Code of Regulations, Title 14, Division 6, Chapter 3, Sections 15000 – 15387 as referenced in Exhibit D, section 11.

Activity Delivery Costs may be incurred prior to documented NEPA and CEQA. Compliance. Activity delivery cost may not be incurred prior to this Agreement Effective Date. See Section 4 below for reimbursement requirements of Activity Delivery costs.

If the Subrecipient does not have any client contact within a 90-day period, the Subrecipient must not bill or count the nonresponsive client as an active file against any future billing periods.

B. No Supplantation of Funds

The Subrecipient agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

C. Withholding Funds

In addition to any of its other rights or remedies herein, the Department reserves the right to withhold payments pending timely delivery of Program reports or documents, curing any missed milestones, and in the event of any defaults by the Subrecipient under this Agreement, as noted in Exhibit D, Section 3.

D. Disencumbering Funds

Subrecipient agrees that funds determined by the Department to be surplus upon completion of the Activity, or that have not been spent prior to the Expenditure Deadline, will be subject to disencumbrance by the Department.

E. Indirect Costs

EXHIBIT B

The Department will only consider reimbursement of indirect cost expenditures from Subrecipients that have an approved Indirect Cost Rate Proposal from the Department, HUD, or other cognizant federal agency. If Subrecipient does not have an approved Indirect Cost Rate Proposal, Subrecipient shall develop a proposal for determining the appropriate CDBG-DR share of indirect costs and shall submit it to the Department for approval prior to submission of Financial Reports for reimbursement of indirect cost expenditures.

F. Compliance with the OMB Uniform Guidance Audit Requirements

Grant funds will not be disbursed to any Subrecipients identified by the State Controller's Office (SCO) as noncompliant with the Federal Single Audit Act, as applicable, and described in the OMB Uniform Guidance and 2 CFR Part 200 Subpart F. No funds may be disbursed until compliance with the OMB Uniform Guidance is demonstrated to the satisfaction of the Department.

G. Grant Administration

The Subrecipient agrees to administer this Agreement in accordance with the provisions of the State's CDBG-DR Grant Administration Manual as well as all applicable laws, regulations, guidelines, Federal Register Notices, and Program published Policies and Procedures (PnPs).

4. **Method of Payment**

Payments will be made directly to Subrecipient only as reimbursements based on the documented and satisfactory completion of Subrecipient Scope of Work detailed in Section 3 of Exhibit A and performance milestones detailed in Section 5.B Exhibit A and confirmation of Subrecipient's compliance with the terms of this Agreement. No advances of funds will be made to the Subrecipient under any circumstance, as this is a reimbursement-only program.

Financial Reports to request reimbursement shall be submitted electronically through Grants Network. The Department will not authorize any payments or reimbursements unless it has determined the activities indicated in the Financial Report have been performed in compliance with the terms of this Agreement, any other agreements executed by the parties in connection herewith, and all applicable federal and state laws, regulations, guidelines, Federal Register Notices, and Program PnPs. Financial Reports shall be submitted by the Subrecipient to the Department no later than the 14th calendar day of each month.

A. Reimbursements for Costs Incurred

ReCoverCA Homebuyer Assistance Program

Approved Date: 10/10/2023

Prep Date: 10/30/2023

EXHIBIT B

- 1) The Subrecipient may be reimbursed by the Department for Eligible Expenses as defined herein, applied to the Work as described in Exhibit A. Eligible Expenses, which are defined in Section 1 of Exhibit D of this Agreement, include but are not limited to, costs associated with Subrecipient program implementation, including staff time.
- 2) Activity Delivery Costs incurred shall be reimbursed only after such costs are expended for Work satisfactorily completed, provided the Department determines, that the Subrecipient is performing in accordance with the standards set forth in Section 3, Exhibit A.
- 3) To receive reimbursement for Subrecipient activities approved in Section 3: Subrecipient Scope of Work, of Exhibit A, the Subrecipient shall timely submit all required Department forms via Grants Network. Financial Reports must include the level of documentation specified in the Department's [CDBG-DR Grant Administration Manual](#) and [Management Memo 23-01](#) located on the Department's website, in order to be reviewed and processed.

B. Final Financial Reports

- 1) The final Financial Report for the Subrecipient Award must be submitted to the Department before the expenditure deadline of this Agreement.
- 2) If the final Financial Report for costs expended during the term of this Agreement **has not** been received by the Department before the expenditure deadline in Exhibit A, the Department may disencumber any funds remaining in which case grant funds will no longer be available to the Subrecipient.

C. Recapture of Funds

A Subrecipient may be required to repay all, or a portion of the funds received from the Department, including for Activity Delivery, pursuant to this Agreement if the Subrecipient, among other things, does not fulfill its obligations under this Agreement or fails to meet applicable federal requirements. The reasons for a recapture of funds by the Department include, but are not limited to, the following:

- 1) The Subrecipient does not comply with the terms of this Agreement, or any agreement executed by the Subrecipient and the Department in connection herewith.
- 2) The Subrecipient withdraws from the Program prior to completion of the

EXHIBIT B

Activity(ies).

- 3) The Subrecipient fails to meet a National Objective.

The potential recapture of funds pursuant to this provision is in addition to, and not in lieu of, any other rights and remedies of the Department under this Agreement.

5. **Budget Revisions and Amendments**

Budget line-item adjustments may be made in accordance with the following:

- A. Budget Revisions: Adjustments to the Budget that do not require an increase or reduction of total budget, a change in National Objective, or a change in the type or a reduction in number of beneficiaries assisted may be completed as a Budget Revision. Budget Revisions shall include but not be limited to:
 - 1) Adjustments that reallocate funds between budget line items
 - 2) Adjustments that increase or decrease the detail included in the submitted lined item budgets, including adding and removing budget line items, without increasing or decreasing the scope of work and without changing the overall budget.
- B. Budget Revisions must be approved by the Department prior to implementation. If approved, Budget Revisions shall automatically be deemed a part of, and incorporated into, this Agreement. Budget revisions must be submitted through Grants Network and subsequently approved by the Department prior to implementation. Approval shall be provided through Grants Network.
- C. Agreement Budget Revisions: Adjustments to the budget that result in an increased or a reduced total amount shall require an Agreement amendment. Agreement amendments must be fully executed by both the Subrecipient and the Department prior to implementation.

6. **Activity Closeout Procedures**

The Subrecipient must submit the following to the Department at the completion of the HBA Program.

- A. A Final Activity Report (known departmentwide as the Project Completion

EXHIBIT B

- Report) that includes all required reporting data for the Activity including but not limited to eligible activities, costs, beneficiaries, and National Objective.
- B. Evidence, satisfactory to the Department, of compliance with any other Special Conditions of this Agreement; and,
 - C. A resolution from the governing body acknowledging the accomplishments and confirming that the Approved Activity is complete and that all Financial Reports have been processed and reimbursed.

Upon receipt of the above documentation, the Department will close the Activity and finalize the activity in DRGR for final reporting to HUD.

7. **Document Retention Policy**

Subrecipient shall retain all books, records, accounts, documentation, and all other materials relevant to this Agreement for a minimum period of five (5) years after the Department notifies the Subrecipient that the grant agreement between HUD and the State of California has been closed.

EXHIBIT D

CDBG-DR TERMS AND CONDITIONS

1. Definitions

Activity Funds – means any reasonable and necessary costs that are directly related to providing down payment and other homeownership financial assistance which will meet a national objective as defined in 42 U.S.C. 5304(b)(3), as amended and 24 CFR 570.483.

Activity Delivery Funds - means any reasonable and necessary costs for the implementation, management, or oversight of the Homebuyer Assistance Program.

Activity Reports – Reports submitted by the Subrecipient that describe Program progress and/or beneficiaries served during a given reporting period.

Area Median Income (AMI) - means the median family income for specific geographic areas, adjusted for household size, as calculated by HUD, and published annually by the Department at <https://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>.

Contractor -For the purposes of this contract the contractor and subrecipient mean the same. DGS form 213 titles the Signor (Authorized Representative) as a Contractor, while federal regulations refer to the signor and the entity they represent as the Subrecipient.

Department – means the California Department of Housing and Community Development or HCD.

Disaster Recovery Grant Reporting System (DRGR) – The electronic system primarily used by the Department to access grant funds from HUD and report performance accomplishments for grant-funded activities to HUD. The DRGR system is used by HUD to review grant-funded activities, prepare reports to Congress and other interested parties, and monitor program compliance.

Duplication of Benefits (DOB) - Financial assistance received from another source that is provided for the same purpose as the CDBG-DR funds, in accordance with Federal Register Notices 84 FR 28836 and 84 FR 28848.

Eligible Expenses – Those necessary and reasonable costs under 2 CFR 200.400 through 475, and applicable notices and waivers, and associated directly with the Subrecipient Scope of Work in Exhibit A of this Agreement. and as approved by the Department. Eligible Expenses do not include any costs which are disallowed or otherwise deemed ineligible by the State of California and/or HUD.

EXHIBIT D

Financial Reports (Funds Requests) - the forms and processes required for a Subrecipient to request the drawdown of grant funds.

Grant Funds – The CDBG-DR funds allocated to the Subrecipient for the implementation of CDBG-DR programs and eligible Homebuyer Assistance activities. Grant funds include Activity Funds and Activity Delivery Funds.

Household - One or more persons occupying a housing unit.

HUD – The United States Department of Housing and Urban Development.

Impacted Counties/Eligible County -

2018 Disaster: Butte, Lake, Los Angeles and Shasta

2020 Disaster: Butte, Fresno, Los Angeles, Napa, Santa Cruz, Shasta, Siskiyou, Solano and Sonoma

Indirect Costs - means those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect costs. Indirect cost pools must be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived.

Indirect Cost Rate Proposal - means the documentation prepared by a governmental unit or subdivision thereof to substantiate its request for the establishment of an indirect cost rate as further defined in 2 CFR 200.56 and 2 CFR 200.57.

Low- to Moderate- Income (LMI) – Low to moderate income people are those having incomes not more than the “moderate-income” level (80% Area Median Family Income) set by the federal government for the HUD-assisted housing programs. This income standard changes from year to year and varies by Household size, county, and the metropolitan statistical area.

National Environmental Policy Act (NEPA) – The federal law and associated regulations which establishes a broad national framework for protecting the environment. NEPA's basic policy is to assure that all branches of government consider the environment prior to undertaking any major federal action that could significantly affect the environment.

ReCoverCA Homebuyer Assistance (HBA) Program (“HBA Program” or “Program”) – Program administered by HCD through a Subrecipient to provide gap funding for the difference between a first mortgage and total purchase price of a home for eligible low- to moderate-income applicants.

EXHIBIT D

Reservation Letter – is issued by Subrecipient to reserve Program funds for the homebuyer for the next one-hundred, twenty (120) days pending receipt and review of first lender pre-approval stipulations. Program funds are available to eligible applicants on first come basis and availability of funds.

Standard Agreement (“Agreement”) – The contractual arrangement between the Department and the Subrecipient which sets forth the terms and conditions by which CDBG-DR funds must be utilized with regards to Homebuyer Assistance activities.

Subrecipient – A ‘Subrecipient’ is a public or private nonprofit agency, authority or organization, or an entity described in 24 CFR 570.204(c), receiving a direct award of grant funds from the Department for the purpose of carrying out eligible activities that produce a plan or meet a National Objective, as required by the Scope of Work set forth in Exhibit A.

Subrecipient Award – The amount of grant funds allocated to the Subrecipient for Approved Activities.

2. National Objectives

In accordance with 24 CFR 570.208, Section 104(b)(3) of the Housing and Community Development Act of 1974 (42 U.S.C 5304(b)(3), and as further outlined within the waivers and alternative requirements at Federal Register Notice 83 FR 5844, all CDBG-DR funded activities, with the exception of Planning activities, must satisfy either the Low-to Moderate Income (LMI) or the Urgent Need (UN) National Objective.

Upon completion of the ReCoverCA Homebuyer Assistance Program funded under this Agreement and prior to the expenditure deadline of this Agreement, the Subrecipient must document that the Scope of Work in Exhibit A met the LMI National Objective. The Department shall review the actual National Objective achievements of the Subrecipient. If the Subrecipient does not or cannot satisfactorily document the National Objective achievement, the associated Program work may be deemed ineligible, and repayment of funds may be required of the Subrecipient.

3. Remedies and Termination for Noncompliance

A. Remedies for Noncompliance:

In addition to any other rights and remedies the Department may have under this Agreement, at law, or in equity, the Department may initiate remedies for noncompliance as identified in 2 CFR 200.339 at any time it has been determined that the Subrecipient is no longer meeting the terms and conditions of this Agreement. Remedies for noncompliance may be required in addition to, in lieu of, or prior to termination. Such remedies for noncompliance with a federal

EXHIBIT D

statute or regulation, a state statute or regulation, an assurance, in a state plan or application, or elsewhere may include, as appropriate:

- 1) Temporarily withhold cash payments pending correction of the deficiency by the Subrecipient.
- 2) Disallow all or part of the cost of the action not in compliance.
- 3) Wholly or partly suspend or terminate the Subrecipient's grant funds.
- 4) Withhold further and/or future awards for CDBG-DR funds and/or any other funds administered by the Department.
- 5) Request that the Federal Awarding Agency initiate suspension or debarment proceedings.
- 6) Take other remedies that may be legally available, such as:
 - a) In the case of costs incurred without meeting a National Objective, require repayment of all funds reimbursed and/or paid to the Subrecipient, including Activity Delivery, as appropriate.
 - b) In the case of Duplication of Benefits, require repayment of all CDBG-DR funds reimbursed and/or paid to the Subrecipient where other financial assistance was received for the same purpose or in excess of the need.
 - c) In taking an action to remedy noncompliance, the Department will provide the Subrecipient an opportunity for such hearing, appeal, or other administrative proceeding to which the Subrecipient is entitled under any statute or regulation applicable to the action involved as per 2 CFR 200.342. Such appeal shall be governed by, and conducted in accordance with, the appeal processes and procedures set forth in section 5 herein.
 - d) Effects of Suspension and Termination. Subrecipient costs resulting from obligations incurred by the Subrecipient or any of the Subrecipient's Contractors during a suspension or after termination of an Agreement are not allowable unless otherwise authorized by the Department in a written notice or as allowable in 2 CFR 200.343. The enforcement remedies identified in this Section do not preclude a Subrecipient or any of the Subrecipient's Contractors or subcontractors from being subject to 2 CFR Part 2424. CDBG-DR funds may not be provided to excluded or disqualified persons

EXHIBIT D

pursuant to 24 CFR 570.489(l) and 2 CFR 200.339.

- e) The remedies available to the Department under this Agreement are cumulative and not exclusive.

B. Termination for Noncompliance:

Grant funds provided by this Agreement may be terminated in whole or in part as per federal regulation at 2 CFR 200.340 by HUD or by HCD if Subrecipient fails to comply with the terms and conditions of the Agreement that include the terms and conditions of the federal award. All terminations shall include written notification setting forth the reason(s) for such termination, the effective date, and the portion to be terminated in the case of partial terminations and will follow termination notification requirements identified in 2 CFR 200.341.

C. Termination Without Cause:

This Agreement may be terminated by the Department in whole or in part at any time without cause only with the consent of the Subrecipient. In the case of a termination of the whole Agreement, the parties shall agree upon termination conditions, including the effective date. In the case of a partial termination, the parties shall agree upon termination conditions, including the portion to be terminated and the effective date.

D. Termination With Cause:

This Agreement may be terminated by the Department in whole or in part at any time for cause by giving at least 14 days' prior written notice to the Subrecipient. Termination with cause includes termination prior to the end of the period of performance for failure to comply with the terms and conditions of this Agreement, and pursuant to 2 CFR 200.340(c), such termination shall be reported to the appropriate federal program integrity and performance system accessible through the System for Award Management. Termination with cause also includes, without limitation, a failure by Subrecipient to comply with the Administrative and/or Production Performance Milestones, Reporting Requirements, and/or Special Conditions issued for the use of CDBG-DR funds.

4. Appeals Process for Finding of Noncompliance

- A. If Subrecipient disagrees with a finding of noncompliance and/or any accompanying remedy and/or termination that are associated with such finding, the Subrecipient may appeal the disputed decision to the Department in writing via U.S. Mail no later than thirty (30) calendar days from the date of HCD's issuance of the disputed decision. In the event the 30th day falls on a weekend or a recognized state or federal holiday, the Subrecipient's written request for appeal shall be due by 5:00 pm Pacific Time the following business day.

EXHIBIT D

- B. There are two levels of appeal available to aggrieved subrecipients:
- 1) Level I Request for Reconsideration, and
 - 2) Level II Request for Official Review.
- C. A Subrecipient must first submit a written Level I Request for Reconsideration to the Department Contract Manager within thirty (30) calendar days from HCD's issuance of the underlying decision as described above. If the written request is timely submitted, the Department Contract Manager then has ten (10) calendar days of receipt of such request within which to issue any stay requested by the Subrecipient, in full or in part, and thirty (30) calendar days within which to issue a written reconsideration decision. Submitting a timely Level, I Request for Reconsideration (and receiving a subsequent reconsideration decision from the Department Contract Manager) is a necessary predicate to the Subrecipient having a right to initiate a Level II Request for Official Review.
- D. A Subrecipient who disagrees with a Reconsideration decision may submit a Level II Request for Official Review to the Disaster Recovery Branch Chief or Designee within thirty (30) calendar days from the issuance of the underlying reconsideration decision, as described above. The Disaster Recovery Branch Chief or Designee will conduct an independent review and has thirty (30) calendar days within which to issue a written Official Review decision, which shall be final and binding and not subject to further appeal.
- E. Time is of the essence with regards to the Subrecipient's obligation to timely file appeals or requests to the Department within the time periods set forth in this Appeals Process. As such, any appeal by Subrecipient that is not timely made in strict accordance herewith shall be void and not considered, and the initial decision or finding shall automatically remain as originally issued.

5. **Severability; Claims**

- A. If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent jurisdiction, such invalidity may not affect any other provisions of this Agreement and the remainder of this Agreement shall remain in full force and effect. Therefore, the provisions of this Agreement are, and shall be, deemed severable.
- B. The Subrecipient shall notify the Department immediately of any claim or action undertaken by or against it which affects or may affect this Agreement or the Department and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement and the interests of the Department.

EXHIBIT D

6. Waivers

No waiver or any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. The failure of the Department to enforce, at any time, the provisions of this Agreement or to require, at any time, performance by the Subrecipient of these provisions shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of the Department to enforce these provisions. All waivers by the Department must be in writing in order to be valid.

7. Uniform Administrative Requirements

The Subrecipient, its agencies or instrumentalities, shall comply with the policies, guidelines, and Administrative Requirements of 2 CFR Part 200, et seq., as applicable, as they relate to the cost principles, audit requirements, acceptance and use of federal funds under this part.

- A. **Single Audit Compliance:** Funds will not be disbursed to any Subrecipient identified by the State Controller's Office (SCO) as non-compliant with the Federal Single Audit Act, as described in the Uniform Administrative Requirements, Cost Principles, And Audit Requirements for Federal Awards at 2 CFR 200 Sub-Part F. No funds may be disbursed until compliance with the Uniform Guidance is demonstrated to the satisfaction of the Department.
- B. **Accounting Standards:** The Subrecipient agrees to comply with, and administer the activity in conformance with, 2 CFR Part 200.300, et seq., and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.
- C. **Suspension and Debarment:** By executing this Agreement, Subrecipient verifies and affirms that it has not been suspended or debarred from participating in or receiving federal government contracts, subcontracts, loans, grants, or other assistance programs. Subrecipient further agrees to verify that its subcontractors have not been suspended or debarred from participating or receiving federal government contracts, subcontracts, loans, grants, or other assistance programs.

8. Compliance with State and Federal Laws and Regulations

- A. The Subrecipient, its agencies or instrumentalities, its contractors and subcontractors shall comply with all local, state, and federal laws, statutes, and regulations, as well as policies and procedures established by the Department for the administration of CDBG-DR, as the same may be amended from time to time.

EXHIBIT D

- B. The Subrecipient shall comply with the requirements of 24 CFR 570, the HUD regulations concerning Community Development Block Grants, 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Guidance, adopted by HUD at 2 CFR 2400, and all federal regulations, rules, and policies issued pursuant to these regulations. The Subrecipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

9. **Authority to Impose Additional Special Conditions**

In accordance with 2 CFR 200.208, Department reserves the right and authority to impose additional specific conditions issued under this Standard Agreement under any of the following circumstances:

- A. When, in HCD's sole discretion, HCD finds that Subrecipient has a history of failure to comply with the general or specific terms and conditions applicable to the CDBG-DR funds allocated under this agreement or to other awards of federally funded grant or loan assistance passed through the Department.
- B. When Subrecipient fails to meet expected performance goals under this agreement.
- C. When Subrecipient poses an increased risk for noncompliance based on factors including, but not limited to, financial stability, quality of management systems, history of performance under Federal awards, history of timeliness under Federal awards, history of conformance with terms and conditions of previous federal awards, and reports and findings from audits.
- D. When, in the Department's sole discretion, such conditions are necessary to ensure timely and compliant performance under the federal award.

Such specific conditions, or special conditions, may include, withholding of authority to proceed with implementation of the Program until receipt of evidence of acceptable performance within a given period of performance, requiring additional detailed financial reports, requiring additional monitoring, requiring the Subrecipient to obtain technical or management assistance, establishing additional prior approvals, or any other condition HCD deems reasonable and necessary to safeguard Federal funds.

10. **Equal Opportunity Requirements and Responsibilities**

The obligations undertaken by Subrecipient include, but are not limited to, the obligation to comply with all federal laws and regulations described in Subpart K of 24 CFR Part 570 and specifically with each of the following, among other things, as the same may be amended from time to time:

EXHIBIT D

- A. **Title VI of the Civil Rights Act of 1964**: This act provides that no person shall be excluded from participation, denied program benefits, or subject to discrimination based on race, color, and/or national origin under any program or activity receiving federal financial assistance.
- B. **Title VII of the Civil Rights Act of 1968 (The Fair Housing Act)**: This act prohibits discrimination in housing on the basis of race, color, religion, sex and/or national origin. This law also requires actions which affirmatively promote fair housing.
- C. **Restoration Act of 1987**: This act restores the broad scope of coverage and clarifies the application of the Civil Rights Act of 1964. It also specifies that an institution which receives federal financial assistance is prohibited from discriminating on the basis of race, color, national origin, religion, sex, disability or age in a program or activity which does not directly benefit from such assistance.
- D. **Section 109 of Title 1 of the Housing and Community Development Act of 1974 [42 U.S.C. 5309]**: This section of Title 1 provides that no person shall be excluded from participation (including employment), denied program benefits, or subject to discrimination on the basis of race, color, national origin, or sex under any program or activity funded in whole or in part under Title 1 of the Act.
- E. **The Fair Housing Amendment Act of 1988**: This act amended the original Fair Housing Act to provide for the protection of families with children and people with disabilities, strengthen punishment for acts of housing discrimination, expand the Justice Department jurisdiction to bring suit on behalf of victims in federal district courts, and create an exemption to the provisions barring discrimination on the basis of familial status for those housing developments that qualify as housing for persons age 55 or older.
- F. **The Age Discrimination Act of 1975**: This act provides that no person shall be excluded from participation, denied program benefits, or subject to discrimination on the basis of age under any program or activity receiving federal funding assistance. Effective January 1987, the age cap of 70 was deleted from the laws. Federal law preempts any State law currently in effect on the same topic.
- G. **Section 504 of the Rehabilitation Act of 1973**: It is unlawful to discriminate based on disability in federally assisted programs. This Section provides that no otherwise qualified individual shall, solely by reason of his or her disability, be excluded from participation (including employment), denied program benefits, or subjected to discrimination under any program or activity receiving federal funding assistance.

EXHIBIT D

- H. **The Americans with Disabilities Act of 1990 (ADA)**: This act modifies and expands the Rehabilitation Act of 1973 to prohibit discrimination against "a qualified individual with a disability" in employment and public accommodations. The ADA requires that an individual with a physical or mental impairment who is otherwise qualified to perform the essential functions of a job, with or without reasonable accommodation, be afforded equal employment opportunity in all phases of employment.
- I. **Executive Order 11063**: This executive order provides that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in housing and related facilities provided with federal assistance and lending practices with respect to residential property when such practices are connected with loans insured or guaranteed by the federal government.
- J. **Executive Order 12259**: This executive order provides that the administration of all federal programs and activities relating to housing and urban development be carried out in a manner to further housing opportunities throughout the United States.
- K. **The Equal Employment Opportunity Act**: This act empowers the Equal Employment Opportunity Commission (EEOC) to bring civil action in federal court against private sector employers after the EEOC has investigated the charge, found "probable cause" of discrimination, and failed to obtain a conciliation agreement acceptable to the EEOC. It also brings federal, state, and local governments under the Civil Rights Act of 1964.
- L. **The Uniform Guidelines on Employee Selection Procedures adopted by the Equal Employment Opportunity Commission in 1978**: This manual applies to employee selection procedures in the areas of hiring, retention, promotion, transfer, demotion, dismissal, and referral. It is designed to assist employers, labor organizations, employment agencies, licensing, and certification boards in complying with the requirements of federal laws prohibiting discriminatory employment.
- M. **The Vietnam Era Veterans' Readjustment Act of 1974 (revised Jobs for Veterans Act of 2002)**: This act was passed to ensure equal employment opportunity for qualified disabled veterans and veterans of the Vietnam War. Affirmative action is required in the hiring and promotion of veterans.
- N. **Executive Order 11246**: This executive order applies to all federally assisted construction contracts and subcontracts. It provides that no person shall be discriminated against on the basis of race.

EXHIBIT D

11. Environmental Compliance

- A. The Subrecipient shall comply with the California Environmental Quality Act (CEQA) (California Public Resources Code section 21000, *et seq.*) requirements as they apply to this Program.
- B. The Subrecipient shall comply with the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251, *et seq.*, as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 of the Clean Air Act and Section 308 of the Clean Water Act, and all regulations and guidelines issued thereunder.
- C. The Subrecipient shall comply with the requirements of the Clean Air Act, 42 U.S.C. 1857, *et seq.*, as amended.
- D. The Subrecipient shall comply with Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Parts 15 and 50, as amended.
- E. The Subrecipient shall comply with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001). The Subrecipient shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, that flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).
- F. The Subrecipient shall comply with the requirements of the Residential Lead-Based Paint Hazard Reduction Act of 1992 and Section 401(b) of the Lead-Based Paint Poisoning Prevention Act of 1971. The Subrecipient agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be required.
- G. The Subrecipient shall comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470), the Archaeological and Historical Preservation Act of 1974 (Public Law 93-

EXHIBIT D

- 291), and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this agreement. The Subrecipient shall also comply with Executive Order 11593 on the protection and enhancement of the cultural environment. In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a federal, state, or local historic property list.
- H. Subrecipient shall comply with all National Environmental Policy Act (NEPA) requirements as applicable to the performance of this Agreement as found in 24 CFR Part 50, 24 CFR Part 58, as applicable, and 40 CFR 1500 – 1508. Subrecipient shall not receive authority to incur Activity costs until they have successfully documented compliance with the applicable NEPA requirements, including public noticing and publishing.
- I. The Subrecipient understands and agrees that this Agreement does not constitute a commitment of funds or site approval, and the commitment of funds or approval may occur only upon satisfactory completion of environmental review and receipt by the Department of an approval of the request for release of funds and certification from HUD or the Department under 24 CFR Part 58. The provision of any funds to the applicant is expressly conditioned on the Department's determination to proceed with, modify or cancel the application for funds based on the results of the environmental review.

12. Procurement

The Subrecipient shall comply with the procurement provisions in 2 CFR Part 200.318 – 200.326, Procurement Standards as well as all other Administrative Requirements for Subrecipient and Cooperative Agreements to State, local and federally recognized Indian tribal governments as set forth in 2 CFR 200, et seq., as applicable. All procurements must be conducted in a fair, open, and competitive manner in compliance with both the spirit and the letter of applicable federal and state procurement laws.

13. Federal Labor Standards Provisions

The Subrecipient shall at all times comply, and cause all Project contractors to comply, with applicable federal labor standards, including without limitation, the following:

- A. "Anti-Kickback Act of 1986" (41 U.S.C. §§ 51-58), which prohibits attempted as well as completed "kickbacks," which include any money, fees, commission, credit, gift, gratuity, thing of value, or compensation of any kind. The act also provides that the inclusion of kickback amounts in contract prices is prohibited

EXHIBIT D

conduct in itself. This act requires that the purpose of the kickback was for improperly obtaining or rewarding favorable treatment. It is intended to embrace the full range of government contracting.

- B. Contract Work Hours and Safety Standards Act CWHSSA (40 U.S.C. § 3702), which requires that workers receive "overtime" compensation at a rate of one and one-half (1-1/2) times their regular hourly wage after they have worked forty (40) hours in one week.

The Subrecipient shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Department for review upon request. Subrecipient shall be responsible for monitoring, contractors, and subcontractors, as applicable, for compliance with these provisions.

14. Agreements with Subcontractors

- A. The Subrecipient shall not enter into any agreement, written or oral, with any Contractor or other party without the prior determination that the Contractor or other party is eligible to receive federal funds and is not listed on the Federal Consolidated List of Debarred, Suspended, and Ineligible Contractors.

The terms "other party" is defined as public or private nonprofit agencies or organizations and certain (limited) private for-profit entities who receive grant funds from a Subrecipient to undertake any work pursuant to this Agreement.

- B. An agreement between the Subrecipient and any subcontractor or other party shall require:
- 1) Compliance with all State and federal requirements described in this Agreement including without limitation those that pertain to labor standards, nondiscrimination, Americans with Disabilities Act, Equal Employment Opportunity and Drug Free Workplace, and prevailing wages. In addition to these requirements, all contractors and subcontractors shall comply with the applicable provisions of the California Labor Code.
 - 2) Maintenance of at least the minimum State required Workers' Compensation Insurance for those employees who will perform any portion of the Subrecipient Scope of Work.
 - 3) Maintenance, as required by law, of unemployment insurance, disability insurance and liability insurance, which is reasonable to compensate any person, firm, or corporation, who may be injured or damaged by the contractor, or any subcontractor in performing the Subrecipient Scope of Work.

EXHIBIT D

- 4) Compliance with the applicable Equal Opportunity Requirements described in Section 10 of this exhibit.

C. Subrecipient shall:

Perform the Scope of Work in accordance with federal, state, and local regulations, as are applicable.

D. Subrecipient and Subcontractors: Drug-Free Workplace Act of 1988

- 1) Publish and give a policy statement to all covered employees informing them that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited in the covered workplace and specifying the actions that will be taken against employees who violate the policy.
- 2) Establish a drug-free awareness program to make employees aware of a) the dangers of drug abuse in the workplace; b) the policy of maintaining a drug-free workplace; c) any available drug counseling, rehabilitation, and employee assistance programs; and d) the penalties that may be imposed upon employees for drug abuse violations.
- 3) Notify employees that as a condition of employment on a federal contract or grant, the employee must a) abide by the terms of the policy statement; and b) notify the employer, within 5 calendar days, if he or she is convicted of a criminal drug violation in the workplace.
- 4) Notify the contracting or granting agency within 10 days after receiving notice that a covered employee has been convicted of a criminal drug violation in the workplace.
- 5) Impose a penalty on or require satisfactory participation in a drug abuse assistance or rehabilitation program by any employee who is convicted of a reportable workplace drug conviction.
- 6) Make an ongoing, good faith effort to maintain a drug-free workplace by meeting the requirements of the act.

15. Rights to Inventions Made Under a Contract or Agreement

If a Federal award meets the definition of “funding agreement” under 37 CFR 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of recipient or subrecipient must comply with requirements of 37 CFR Part

EXHIBIT D

401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulation issued by the awarding agency.

16. **Special Conditions Pertaining to Hazards, Safety Standards and Accident Prevention, if applicable to the Scope of Work listed in Exhibit A:**

- A. **Use of Explosives:** When the use of explosives is necessary for the prosecution of the work, the Contractor shall observe all local, state, and federal laws in purchasing and handling explosives. The Contractor shall take all necessary precaution to protect completed work, neighboring property, water lines, or other underground structures. Where there is danger to structures or property from blasting, the charges shall be reduced, and the material shall be covered with suitable timber, steel, or rope mats.

The Contractor shall notify all owners of public utility property of intention to use explosives at least 8 hours before blasting is done close to such property. Any supervision or direction of use of explosives by the engineer does not in any way reduce the responsibility of the Contractor or his Surety for damages that may be caused by such use.

- B. **Danger Signals and Safety Devices:** The Contractor shall make all necessary precautions to guard against damages to property and injury to persons. The Contractor shall put up and maintain in good condition, sufficient red or warning lights at night, suitable barricades, and other devices necessary to protect the public.
- C. **Protection of Lives and Health:** The Contractor shall exercise proper precaution at all times for the protection of persons and property and shall be responsible for all damages to persons or property, either on or off the worksite, which occur as a result of prosecution of the work. The safety provisions of applicable laws and building and construction codes, in addition to specific safety and health regulations described by Chapter XIII, Bureau of Labor Standards, Department of Labor, Part 1518, Safety and Health Regulations for Construction, as outlined in the Federal Register, Volume 36, No. 75, Saturday, April 17, 1971, Title 29 - LABOR, shall be observed and the Contractor shall take or cause to be taken, such additional safety and health measures as the Developer may determine to be reasonably necessary.

17. **Prohibition Against Payments of Bonus or Commission**

The assistance provided under this Agreement shall not be used for the payment of any bonus or commission for the purpose of:

EXHIBIT D

- A. Obtaining the Department's approval of any Application for assistance; or,
- B. Any other approval or concurrence of the Department required under this Agreement, Title I of the Housing and Community Development Act of 1974, or the State regulations with respect thereto; provided, however, that reasonable fees for bona fide technical, consultant, managerial or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as program costs.
- C. Subrecipient its contractors and employees are prohibited from receiving any payment of fees, kickbacks, gift, unethical benefit from the homebuyer, real estate agents, broker partners, title companies or from first lender for providing loans to the program applicant.

18. Reporting Requirements

Subrecipient must timely submit the reports prescribed below. The Department reserves the right to request additional detail and support for any report made. Reports must be made according to the dates identified, in the formats provided by the Department, and via the Department's Grants Network unless otherwise specified at the discretion of the Department. The Subrecipient's performance under this Agreement will be assessed based in part on whether it has submitted the reports on a timely basis.

- A. Pipeline Report: Subrecipient must maintain a pipeline report at all times that tracks the progress and status of Program applications.
- B. Weekly Implementation Progress Update (Weekly Update): Subrecipient shall provide weekly program implementation updates via email and during weekly calls (as needed) that show progress against the Implementation Timeline described in Exhibit A herein. For any timeline item or critical step that is not on track with the Implementation Timeline, Subrecipient shall include in the Weekly Report all action items or steps Subrecipient will take to mitigate delays.
- C. Monthly Activity Report: Subrecipient must submit a Monthly Activity Report that addresses the following, at a minimum: (1) the pipeline report; (2) a description of activities to be undertaken in the next reporting period; (3) a description of problems or delays encountered in the Scope of Work and course of action taken to address them; (4) a description of actions taken to achieve expenditure deadlines; and (5) a summary of fiscal status including award amount, funds drawn, and remaining balance. Unless otherwise waived in writing by the Department, Monthly Activity Reports must begin on the 10th calendar day of the second month following execution of this Agreement and must continue through the receipt and approval by the Department of the Final Activity Report. Closeout procedures are detailed in Exhibit B, Section 6 herein.

EXHIBIT D

19. **Fiscal Controls**

The Subrecipient shall be responsible for the internal control and monitoring of fiscal and programmatic/operational goals and procedures. The Subrecipient shall establish and maintain such fiscal controls and fund accounting procedures as required by Federal regulations, or as may be deemed necessary by the Department to ensure the proper disbursement of, and accounting for, funds paid to the Subrecipient under this Agreement.

- A. Deposit of Funds: Subrecipient shall maintain separate accounts within established bookkeeping systems for the deposit of CDBG-DR funds. Deposits in minority banks are encouraged.
- B. Fiscal Liability: Subrecipients shall be liable for all amounts which are determined to be due by the Department, including but not limited to, disallowed or ineligible costs which are the result of Subrecipient's or its Contractor's conduct under this Agreement. Subrecipients shall also be liable for the repayment of any and all amounts it has received under this Agreement and which HUD is seeking reimbursement for from the Department. Subrecipient's obligation to repay the foregoing amounts to the Department shall survive indefinitely the expiration or earlier termination of this Agreement. Subrecipient shall be notified in writing and shall be permitted to respond regarding any controversy or proceeding between the Department and HUD arising from this Agreement.
- C. Fiscal Records: All financial transactions must be supported by complete and verifiable source documents. Records shall provide a clear audit trail and shall be maintained as specified in Section 7 herein.

20. **Monitoring Requirements**

The Department monitors its Subrecipients based upon an assessment of risk posed by the Subrecipient and according to specific monitoring criteria per 2 CFR 200.332. During the term of this Agreement, the Department shall perform program and/or fiscal monitoring of the Subrecipient and Approved Activities to ensure compliance with federal and state requirements and timely program implementation. The Subrecipient shall be required to resolve any monitoring findings to the Department's satisfaction by the deadlines set by the Department. In the event Subrecipient disagrees with a finding

and/or any accompanying corrective actions or sanction(s) that are associated with such finding, Subrecipient shall follow an appeals process provided by the Department as described in the [CDBG DR Monitoring Plan](#).

EXHIBIT D

21. Audit/Retention and Inspection of Records

- A. The Subrecipient must have intact, auditable fiscal and program records at all times. If the Subrecipient is found to have missing audit reports from the California State Controller's Office (SCO) during the term of this Agreement, the Subrecipient will be required to submit a plan to the State for submitting the audit to the SCO. If the deadlines are not met, the Department may initiate remedies for noncompliance in accordance with Section 4 herein. The Subrecipient's audit completion plan is subject to prior review and approval by the Department.
- B. The Subrecipient agrees that the Department or its designee will have the right to review, obtain, and copy all records pertaining to performance of this Agreement. The Subrecipient agrees to provide the Department or its designee with any relevant information requested and shall permit the Department or its designee access to its premises, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with California Public Contract Code (PCC) Section 10115, et seq., Government Code (GC) Section 8546.7 and 2 CCR 1896.60, et seq., and other requirements of this Agreement. The Subrecipient further agrees to maintain such records for a minimum period of five (5) years after the Department notifies Subrecipient that the HUD/the Department grant agreement has been closed according to the record retention requirements at 2 CFR 200.334. The Subrecipient shall comply with the caveats and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in Public Contract Code section 10115.10.
- C. An expenditure which is not authorized by this Agreement, or which cannot be adequately documented shall be disallowed and must be reimbursed to the Department or its designee by the Subrecipient immediately upon demand of the Department.
- D. Absent fraud or material error on the part of the Department, the determination by the Department of the allowability or validity of any expenditure shall be final and conclusive.
- E. For the purposes of annual audits, Subrecipient shall comply with 2 CFR Part 200 Subpart F for the State CDBG-DR Programs. Pursuant to 2 CFR Part 200 Subpart F, the Subrecipient shall perform an annual audit at the close of each fiscal year in which this Agreement is in effect. The costs of the Homebuyer Assistance related portion of the audit may be charged to the program in accordance with Public Law 98-502, 2 CFR Part 200 Subpart F, and Title 25 CCR Section 7122.

EXHIBIT D

- 1) The audit shall be performed by a qualified State, department, local or independent auditor. The agreement/contract for audit shall include a clause which permits access by the Department to the independent auditor's working papers.
 - 2) If there are audit findings, the Subrecipient must submit a detailed response to the Department for each audit finding. The Department will review the response and, if it agrees with the response, the audit process ends, and the Department will notify the Subrecipient in writing. If the Department is not in agreement, the Subrecipient will be contacted in writing and informed what corrective actions must be taken. This action may include the repayment of disallowed costs or other remediation.
 - 3) The Department shall not approve reimbursement for any expenditures for the audit, prior to receiving an acceptable audit report.
 - 4) If so directed by the Department upon termination of this Agreement, the Subrecipient shall cause all records, accounts, documentation, and all other materials relevant to the grant activity(ies) to be delivered to the Department as depository.
- F. Notwithstanding the foregoing, the Department will not reimburse the Subrecipient for any audit cost incurred after the expenditure deadline of this Agreement.

22. Insurance

- A. The Grantee shall have and maintain in full force and effect prior to the start of work, and at all times during the term of this Agreement such forms of insurance, at such levels as may be determined by the Grantee and the Department to be necessary for specific components of the grant activity(ies) described in Exhibit E. Prior to the commencement of any work, Grantee shall provide to the Department acceptable proof(s) of insurance confirming the required insurance coverages are in effect and naming the Department as an additional insured, where applicable. No insurance policy may be cancellable on less than thirty (30) calendar days prior notice to the insured and the Department. Grantees are responsible for requiring sufficient insurance, including but not limited to liability and workers compensation insurance, from all contractors and subrecipients.

Grantees are recommended to be listed as an additional insured on policies held by contractors or subrecipients for the implementation of this award. Where a Grantee insurance policy is required to be purchased specifically for the execution or implementation of the activity funded through this award, the Department must be listed as an additional insured on the declarations page of

EXHIBIT D

the policy.

- B. Additional Coverages. In the event that Grantee, and/or any of its Subrecipients or Contractors, will be engaging in any Hazardous Activity as part of the Collective Work contemplated by this Agreement, then the party(ies) engaging in any Hazard Activity(ies) shall provide to the Department, prior to commencement of any such activity(ies), such insurance coverages in such forms and in such amounts as the Department may require in its sole discretion. Such coverages are in addition to all other insurance coverages required by this Agreement and shall be imposed on any Subrecipient and/or Contractor pursuant to the Subrecipient Agreement or Contract. For purposes of the provision, the term "Hazardous Activity" includes the following: (a) the removal, storage, and/or transportation of any "hazardous material", as such term is defined under federal, state, or local law, ordinance, regulation, or guideline, (b) the removal, storage, or transportation of lead-based paint, (c) blasting, (d) any activity which by its nature is abnormally dangerous, and (d) any "ultrahazardous activity" as defined in California case law. In addition to providing proof of such required coverages, the party(ies) engaging in the Hazardous Activity(ies) shall procure, at its expense prior to the commencement of any work, all required permits, licenses, consents, and approvals that are required for the lawful conduct of such activities and shall provide adequate written proof thereof to the Department. No Hazardous Activity work may be commenced, or contracted for, prior to the provision of the required insurance coverages and licensure proof to the Department.

23. Anti-Lobbying Certification

The Subrecipient shall require that the language of this certification be included in all contracts or subcontracts entered into in connection with the Program and shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into.

Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and no more than \$100,000 for such failure.

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

EXHIBIT D

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

24. **Conflict of Interest**

Pursuant to 24 CFR 570.489(h), no member, officer, employee, or consultant of the Subrecipient, or its designees or agents, no member of the governing body of the locality in which the program is situated, and no other public official of such locality or localities who exercise or have exercised any functions or responsibilities with respect to CDBG-DR activities assisted under this part, or who are in a position to participate in a decision making process or gain inside information with regard to such activities, including members and delegates to the Congress of the United States, may obtain a financial interest or benefit from a CDBG-DR assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to a CDBG-DR assisted activity or its proceeds, either for themselves or those with whom they have business or immediate family ties, during their tenure, or for 1 year thereafter. The Subrecipient shall incorporate, or cause to be incorporated, in all such contracts or subcontracts a provision prohibiting such interest pursuant to the purposes of this section.

25. **Obligations of Subrecipient with Respect to Certain Third-Party Relationships**

The Subrecipient shall remain fully, primarily, and continually obligated under the provisions of this Agreement notwithstanding its designation of any third party or parties for the undertaking of all or any part of the Approved Activity Work with respect to which assistance is being provided under this Agreement to the Subrecipient. The Subrecipient shall comply with all lawful requirements of the Department necessary to ensure that the Work, with respect to which assistance is being provided under this Agreement to the Subrecipient, is carried out in accordance with the Department's Assurance and Certifications, including those with respect to the assumption of environmental responsibilities of the Department under Section 104(g) of the Housing and Community Development Act of 1974 [42 U.S.C. § 5304(g)].

26. **Energy Policy and Conservation Act**

This Agreement is subject to mandatory standards and policies relating to energy efficiency which are contained in the State Energy Conservation Plan issued in compliance with the federal Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).

EXHIBIT D

27. State Contract Manual Requirements (Section 3.11, Federally Funded Contracts (Rev. 3/03)):

- A. All contracts, except for State construction projects that are funded in whole or in part by the Federal government, must contain a 30-day cancellation clause and the following provisions:
- 1) It is mutually understood between the parties that this contract may have been written for the mutual benefit of both parties before ascertaining the availability of congressional appropriation of funds to avoid program and fiscal delays that would occur if the contract were executed after that determination was made.
 - 2) This contract is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the purpose of this Program. In addition, this contract is subject to any additional restrictions, limitations, or conditions enacted by the Congress or to any statute enacted by the Congress that may affect the provisions, terms, or funding of this contract in any manner.
 - 3) The parties mutually agree that if the Congress does not appropriate sufficient funds for the program, this contract shall be amended to reflect any reduction in funds.
 - 4) The Department has the option to invalidate the contract under the 30-day cancellation clause or to amend the contract to reflect any reduction in funds.
- B. Exemptions from provisions A.1 through A.4 above may be granted by the Department of Finance provided that the director of the State agency can certify in writing that Federal funds are available for the term of the contract.
- C. Gov. Code § 8546.4(e) provides that State agencies receiving Federal funds shall be primarily responsible for arranging for Federally required financial and compliance audits, and shall immediately notify the Director of Finance, the State Auditor, and the State Controller when they are required to obtain Federally required financial and compliance audits.

28. Combating Fraud

False, Fictitious or Fraudulent Claims

Warning: Any person who knowingly makes a false claim or statement to the U.S.

EXHIBIT D

Department of Housing and Urban Development (“HUD”) or the Department in connection with this Agreement may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C. 3729.

Detecting, Preventing, and Reporting FRAUD

Fraud is a white-collar crime that has a devastating effect on the CDBG program because the CDBG program beneficiaries are victims of this crime when the CDBG program is abused.

HCD wants to stop any criminal misuse of the CDBG program it administers, and in so doing all CDBG funds go to people it was designed to help and to improve their living conditions.

Combating Fraud

The HUD Office of Inspector General (OIG) is committed to protecting HUD’s programs, operations, and beneficiaries from dishonest individuals and organizations.

HUD cannot combat fraud alone.

HUD relies on HCD and CDBG-DR subrecipients to combat CDBG-DR program fraud. HUD also relies on applicants for, and people receiving, HUD benefits, such as tenants receiving rental assistance, borrowers with HUD-insured loans, or citizens having their communities restored using HUD grants.

The HUD OIG Hotline number is 1-800-347-3735, which is the primary means to submit allegations of fraud, waste, abuse, mismanagement, or whistleblower-related matters for the CDBG program to the Office of Inspector General.

HUD OIG accepts reports of fraud, waste, abuse, or mismanagement in the CDBG-DR program from HUD employees, anyone administering the CDBG-DR program, anyone working in the CDBG-DR program, subrecipients, contractors, and the public.

You can report mismanagement or violations of law, rules, or regulations by HUD employees or program participants.

Fraud, Waste, and Abuse in the CDBG-DR program and its operation may be reported in one of the following four (4) ways:

E-mail to: hotline@hudoig.gov

By Phone: Call toll free: 1-800-347-3735

By Fax: 202-708-4829

By Mail to:

ReCoverCA Homebuyer Assistance Program

Approved Date: 10/10/2023

Prep Date: 10/30/2023

EXHIBIT D

HUD OIG, Office of Investigation

Room 1200
Field Office
One Sansome Street
San Francisco, CA 94104
[\(213\) 534-2518](tel:(213)534-2518)

or

HUD OIG, Office of Investigation

Suite 4070
Regional Office
300 North Los Angeles Street
Los Angeles, CA 90012
[\(213\) 534-2518](tel:(213)534-2518)

29. Authority to Post Remediated Versions of Agreement

Subrecipient hereby understands and acknowledges that the Department is obligated under federal law to post on the Department's website copies of all CDBG-DR executed contracts. As posted, such contracts must be compliant with federal and state law accessibility laws, including the California Government Code Section 11546.7 (2017 Assembly Bill 434) and the federal Americans with Disability Act, Section 508. The state law is most stringent of the two, so all posted documents must meet Web Content Accessibility Guidelines 2.0 (WCAG 2.0) accessibility level.

To comply, the Department must utilize document remediation tools that provide the compliant formatting. All remediation will only change formatting, color schemes, and update any tables so that screen readers can properly read out the content of the table. Thus, during remediation, the appearance of this Agreement may change, but under no circumstances shall any terms or tenets of the Agreement be changed in anyway.

Additionally, the Department shall offer website visitors the option to receive a scanned, un-remediated copy of this Agreement via email, which option Subrecipient also consents to.

The foregoing Subrecipient authorizations apply to both this original Standard Agreement as well as any and all subsequent amendments thereto.

EXHIBIT E

SPECIAL TERMS AND CONDITIONS

1. Risk Assessment

During the term of this Agreement, Subrecipient agrees to timely provide documents and information to facilitate the Department's Subrecipient risk assessment process. Subrecipient further agrees to comply with the requirements, requests, and results of the Department's risk assessment, including participation in Subrecipient monitoring events.

2. Special Conditions

Not Applicable

EXHIBIT F**SUBRECIPIENT FILE**

Applicant Information	
Name	Craig Ferguson
Email	cferguson@rcrcnet.org
Title	Deputy Director
Company	Golden State Finance Authority
Company Website	www.gsfahome.org
City, State	Sacramento, CA
Project Team	
Organization Name	Golden State Finance Authority
Employer Identification Number	68-0322272
DUNS	967795480
Project Director Name	Peter Tran
Email	ptran@rcrcnet.org
Phone	855.740.8422
Project Manager Name	Anthony Rahill
Email	arahill@rcrcnet.org
Phone	855.740.8422
Organization Address	
Address	1215 K Street, Suite 1650
Address 2	
City, State, Zip	Sacramento, CA 95814
County	Sacramento
Congressional District/Region	
Phone	855.740.8422
Fax	
Authorized Representative	
Name	Craig Ferguson
Title	Deputy Director
Email	cferguson@rcrcnet.org
Phone	855.740.8422
Business/Finance Contact	
Name	Milena De Melo
Title	Finance Director
Email	mdemelo@rcrcnet.org
Phone	855.740.8422

EXHIBIT G

DATA SHARING AND USAGE PROTOCOLS

Overview

This Data Sharing and Usage Protocols exhibit (“Exhibit”) sets forth the content, appropriate disclosure, use, handling, and protection of any data needed by and stored in HCD’s and/or Golden State Finance Authorities (GSFA) systems of record, respectively. The data may be generated from or provided by HCD and/or GSFA as needed in GSFA’s administration of the Community Development Block Grant-Disaster Recovery (CDBG-DR) ReCoverCA Homebuyer Assistance Program (“HBA”) for the purposes of documenting eligibility, participation, and/or Duplication of Benefit (“DOB”) for any applicant to the HBA program, and for reporting all required HBA program and beneficiary data to HUD.

This Exhibit provides, among other things, the procedural terms and conditions for data usage and protocols for handling data breaches and security incidents. This Exhibit overrides any contrary instructions, directions, agreements, or other understandings in or pertaining to any other prior communication from HCD or any of its subdivisions with respect to the data specified herein.

The content specifications set forth herein may be changed only by a mutually approved written amendment to the Standard Agreement by HCD and GSFA. For the purposes of this Exhibit, “GSFA” includes GSFA employees, subcontractors, consultants, and any other third-party entities that are contracted with GSFA and assigned to the work of program implementation, administration, collecting and/or reporting the HBA data, or calculating DOB. GSFA is wholly responsible for all data use by its employees, subcontractors, consultants, and any other third-parties that are contracted with GSFA and assigned to any HBA related work. Since, pursuant to Section 4.0 herein, HCD can require data sharing agreements from GSFA for its third-party partners, HCD strongly recommends GSFA execute data sharing agreements with all third-party entities regardless of whether HCD requires it or not.

Neither GSFA nor any of their subcontractors or agents shall have or acquire any ownership interest or rights in the data covered by this Exhibit as a result of GSFA’s entering into this Standard Agreement. Notwithstanding the foregoing, or anything else in this Exhibit, GSFA must maintain all data for a minimum of five (5) years after the closeout of HCD’s grant with HUD which funds the HBA activities, as required by federal regulation.

EXHIBIT G

1.0 Point of Contact – HCD

HCD and GSFA agree that the following named individual will be designated as the “Point-of-Contact” for all data useage and protocols on behalf of HCD is the HBA Program Specialist:

Michelle Chand

(Name of Contact)

**ReCoverCA Homebuyer Assistance Program
Specialist II**

(Title)

**California Department of Housing and Community
Development**

(Company/Organization)

**2020 West El Camino Avenue, Suite 200
Sacramento, CA 95833**

Michelle.Chand@hcd.ca.gov

916-776-7604

(Company Physical / E-Mail Address / Telephone Number)

2.0 Point-of-Contact for GSFA

HCD and GSFA agree that the following named individual will be designated as the “Point-of-Contact” for data useage and protocols on behalf of GSFA:

Anthony Rahill

(Name of Contact)

Director of Data Management

(Title)

Golden State Finance Authority

Company/Organization

1215 K Street, Suite 1650

Sacramento, CA 95814

arahill@rcrcnet.org

(855)-740-8422

ReCoverCA Homebuyer Assistance Program

Approved Date: 10/10/2023

Prep Date: 10/30/2023

EXHIBIT G

Company's physical address/Contact's email and phone number

3.0 Intended Use of Data

Use of the HBA data by GSFA and HCD is intended to enable both parties to fulfill their contractual compliance obligations under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, PL 100-707, signed into law November 23, 1988; amended the Disaster Relief Act of 1974, PL 93-288 ("Stafford Act"). The purpose of the ReCoverCA HBA Program, is to assist victims of disasters for which HCD has been awarded CDBG-DR funding, and for which HCD implements or causes to be implemented, a homebuyer assistance program. **The data being collected and shared, pursuant to this Exhibit, is to be used only for the purposes of program outreach, determinations of applicant participation and eligibility, and for avoiding/calculating duplication of benefits with any funds provided to the applicant for the same purpose. All data covered by this Exhibit is to be treated as highly confidential at all times and only used for the express purposes described herein. Any other use or dissemination of the data is strictly prohibited.**

4.0 Constraints on Use of Data

Data supplied by HCD to GSFA or collected and/or created by GSFA on HCD's behalf from applicants to the ReCoverCA HBA Program, is and at all times shall remain the exclusive property of HCD and shall not in any circumstances be sold, leased, rented, licensed, exchanged, transferred, or otherwise in any way shared with or provided to any third-parties or entities, other than those included in paragraph 3.0 of the Overview section above, by GSFA without the prior written consent of HCD. Consent may be given, withheld, or conditioned in HCD's sole and absolute discretion, unless the sharing is required by law or by court order. GSFA and HCD agree without reservation to notify the other within five (5) business days if or when either entity is aware they are required by law or court order to share any data that is the subject of this Exhibit.

Any failure of GSFA to observe the foregoing restrictions shall constitute a material breach of the Standard Agreement. When such permission is granted by HCD, GSFA shall ensure that the third-party or entity, at all times, adheres to the requirements of this Exhibit. HCD reserves the right, during the term of this Standard Agreement, to require any such third-party or entity to execute and deliver to HCD upon demand a data sharing agreement with language similar to this Exhibit. The data covered by this Exhibit shall not be used internally or externally for any purpose not directly described in Section 3.0 of this Exhibit without the prior written consent of HCD.

EXHIBIT G

Some or all of the data specified herein may constitute personally identifiable information (PII) under state and federal law. GSFA agrees that the creation, receipt, storage, maintenance, transmittal and disclosure of HBA data containing PII shall be subject to the provisions of the California Information Practices Act, Civil Code section 1798 et. seq., 42 CFR Part 2, and the provisions of all other applicable state law and federal law. GSFA also agrees not to use any data by itself or in combination with any other data from any source, whether publicly available or not, to individually identify any person or persons.

5.0 Data Security

GSFA agrees to employ at all times hereof industry best practices, both technically and procedurally, to continually protect HBA data from any unauthorized physical and/or electronic access. The methods employed by GSFA in the transfer, use, and storage of the data, for protecting such data are subject to annual review and approval by HCD.

6.0 Network Security

6.1 Internet Access

Connections to GSFA computers utilizing the Internet, whether for client access or remote administration, must be protected using any of the following industry standard cryptographic technologies: TLS version 1.2 or higher, IPsec, SSH/SCP, PGP. The use of other cryptographic technologies must be approved in writing by HCD.

6.2 Data Storage

Regardless of the media employed (e.g., disk, tape, etc.) or the location of the stored data (e.g., local, remote, the “cloud”, etc.), data must be stored in an encrypted format. Encryption algorithms must be AES-128 or better. The use of other encryption algorithms for data storage must be approved in writing by HCD.

7.0 Compliance with Applicable Laws and Regulations

GSFA shall comply with all applicable state and federal laws and regulations protecting the privacy of citizens, including without limitation, the Family Educational Rights and Privacy Act (FERPA). Additionally, GSFA shall also comply with all applicable provisions of the Financial Services Modernization Act (the “Gramm-Leach-Bliley Act”).

8.0 Notification of Security Breaches

HCD and GSFA agree that in the event of any actual or suspected breach or compromise of the security, confidentiality or integrity of computerized data where

EXHIBIT G

personally identifiable information of any HBA participant(s) (applicant or awardee) was, or is reasonably believed to have been, acquired and/or accessed by an unauthorized person, HCD and GSFA shall follow all protocols described in, **Notification of Breach**, and notify the other party of the breach of the security system containing such data immediately upon awareness of occurrence, comply with all notification actions, and/or assist with all notification actions required by federal and state policy and applicable laws and regulations.

9.0 Indemnification, Defense, and Hold Harmless

GSFA, at its sole cost and expense, shall indemnify, defend (with counsel acceptable to HCD), and hold harmless HCD and its directors, officers, employees, representatives and agents from and against any and all allegations, claims, actions, suits, demands, damages, liabilities, obligations, losses, settlements, judgments, penalties, fines, costs and expenses (including, but not limited to attorney fees' and costs) arising out of, relating to, resulting from or in connection with the performance of this Exhibit by GSFA, except to the extent of any injuries and damages that a court determines were caused by the sole active negligence or willful misconduct of HCD. The obligations of GSFA under this Section 10.0 are not limited by the amount of any insurance or bond maintained by GSFA for such events, and GSFA's obligations hereunder shall indefinitely survive the expiration or earlier termination of this Standard Agreement.

10.0 Expiration/Termination of Services

If HCD or GSFA terminates this Standard Agreement, GSFA ceases operation of the HBA program, or upon the expiration of this Standard Agreement, GSFA shall submit to HCD all data and work in progress on hand and outside of HCD's system of record in Excel, Word, and or PDF file formats, as appropriate, and destroy all source data. GSFA shall certify to HCD in writing under penalty of perjury within five (5) business days of services termination that all copies of the data stored on GSFA servers, backup servers, personal computers, backup media, or other media including paper copies have been permanently erased* or destroyed. Data destruction does not include data stored on the mortgage originator's system and servers since that data was collected directly from the applicants.

*Permanently erased is defined as follows: data are completely overwritten and are unrecoverable. File deletions or media high level formatting operations do not constitute a permanent erasure.

11.0 Survival

The limitations on intended use of data, the constraints on use of data, requirements for data security, requirements for data elements, data handling requirements, network security, notification of security breaches, indemnification, requirements to destroy all data upon the termination or expiration of this Standard Agreement, and the

EXHIBIT G

requirements contained in this exhibit shall survive this Standard Agreement into perpetuity.

12.0 Signatory Authority

By the signatures of the duly authorized representative on this Standard Agreement, HCD and GSFA each acknowledge that they have read, understand, and agree to all of the provisions of this Exhibit.

13.0 Personnel Controls

13.1 Employee Discipline. If any person fails to comply with any of the privacy laws or requirements discussed in this Exhibit, that person shall be prohibited from performing any work under this Standard Agreement and shall be prohibited from accessing any data going forward.

13.2 Confidentiality Statement. All persons that will be working with any source data, including, but not limited to ReCoverCA HBA Program PII and other confidential data must sign a confidentiality statement that includes, at a minimum, General Use, Security and Privacy Safeguards, Unacceptable Use, and Enforcement Policies. The statement must be signed by the workforce member prior to access to any source data, including, but not limited to ReCoverCA HBA Program PII and other confidential data. The statement must be renewed annually. The data requester shall retain each workforce member's written confidentiality statement for HCD's inspection for a period of six (6) years following expiration/termination of the specified DSA.

13.3 Background Check. Before a workforce member may access any source data, including, but not limited to ReCoverCA HBA Program PII and other confidential data, the workforce member shall undergo, at no cost to HCD, a state and federal fingerprint-based background check conducted by the Department of Justice (DOJ). A criminal history that warrants substantial concerns on the part of HCD as a result of either the initial DOJ background check or any subsequent criminal record review shall exclude the workforce member from having access to any source data, including, but not limited to ReCoverCA HBA Program PII and other confidential data.

14.0 Technical Security Controls

14.1 Workstation/Laptop encryption. All workstations and laptops that process and/or store any source data, including, but not limited to ReCoverCA HBA Program PII and other confidential data must be encrypted using a FIPS 140-2 certified algorithm which is 128 bit or higher, such as Advanced Encryption Standard (AES). The encryption solution must be full disk unless approved by the HCD Chief Information Security Office (CISO).

EXHIBIT G

- 14.2 Server Security.** Servers containing any source data, including, but not limited to ReCoverCA HBA Program PII and other confidential data, must ensure all source data is fully encrypted and have sufficient administrative, physical, and technical controls in place to protect that data.
- 14.3 Minimum Necessary.** Only the minimum necessary amount of source data, including, but not limited to ReCoverCA HBA Program PII and other confidential data, required to perform necessary business functions may be copied, downloaded, or exported.
- 14.4 Removable media devices.** All electronic files that contain any source data, including, but not limited to ReCoverCA HBA Program PII and other confidential data, must be encrypted when stored on any removable media or portable device (i.e., USB thumb drives, CD/DVD, cellular devices, backup tapes etc.). Encryption must be a FIPS 140-2 certified algorithm which is 128 bit or higher, such as AES.
- 14.5 Antivirus software.** All workstations, laptops and other systems that process and/or store any source data, including, but not limited to ReCoverCA HBA Program PII, and other confidential data, must install and actively use comprehensive anti-virus software solution with automatic updates scheduled at least daily.
- 14.6 Patch Management.** All workstations, laptops, cellular devices, and other systems that process and/or store any source data, including, but not limited to ReCoverCA HBA Program PII and other confidential data must have critical security patches applied, with system reboot if necessary. There must be a documented patch management process which determines installation timeframe based on risk assessment and vendor recommendations. At a maximum, all applicable patches must be installed within five (5) calendar days of vendor release. Applications and systems that cannot be patched due to operational reasons must have compensatory controls implemented to minimize risk, where possible.
- 14.7 Data Destruction.** When no longer needed, or upon the termination or expiration of this Standard Agreement, whichever comes first, the data requester must certify in writing that all source data, including, but not limited to ReCoverCA HBA Program PII and other confidential data, has been destroyed using the Gutmann or US Department of Defense (DoD) 5220.22-M (7 Pass) standard, or by degaussing. Media may also be physically destroyed in accordance with NIST Special Publication 800-88. Other methods require prior written permission of the HCD CISO. Notwithstanding the foregoing, or anything else in this Exhibit, provided there are no breached as no early termination of this Standard

EXHIBIT G

Agreement, GSFA is required to maintain all HBA data for a minimum of five (5) years after the closeout of HCD's grant with HUD, as required by federal regulation.

- 14.8 Transmission encryption.** All data transmissions of any source data, including, but not limited to ReCoverCA HBA Program PII and other confidential data, outside of HCD's system of record, must be encrypted using a FIPS 140-2 certified algorithm which is 128 bit or higher, such as AES. Encryption can be end to end at the network level, or the data files containing PII can be encrypted.

This requirement pertains to any type of source data, including, but not limited to ReCoverCA HBA Program PII and other confidential data in motion such as website access, file transfer, and E-Mail.

- 14.9 Intrusion Detection.** All GSFA owned and/or operated systems involved in accessing, holding, transporting, and protecting any source data, including, but not limited to ReCoverCA HBA Program PII, and other confidential data, that are accessible via the Internet must be protected by a comprehensive intrusion detection and prevention solution.

15.0 Audit Controls

- 15.1 System Security Review.** GSFA must ensure audit control mechanisms that record and examine system activity are in place. All GSFA owned and/or operated systems processing and/or storing any source data, including, but not limited to ReCoverCA HBA Program PII and other confidential data, must have at least a semi-annual system risk assessment/security review which provides assurance that administrative, physical, and technical controls are functioning effectively and providing adequate levels of protection. Reviews should include vulnerability scanning tools.

- 15.2 Log Reviews.** All GSFA owned and/or operated systems processing and/or storing any source data, including, but not limited to ReCoverCA HBA Program PII and other confidential data, must have a routine procedure in place to review system logs for unauthorized access.

- 15.3 Change Control.** All systems processing and/or storing any source data, including, but not limited to ReCoverCA HBA Program PII and other confidential data, must have a documented change control procedure that ensures separation of duties and protects the confidentiality, integrity and availability of data.

16.0 Paper Document Controls

EXHIBIT G

- 16.1 Supervision of Data.** No source data, including, but not limited to ReCoverCA HBA Program PII and other confidential data, in paper form shall be left unattended at any time, unless it is locked in a file cabinet, file room, desk or office. Unattended means that information is not being observed by an employee authorized to access the information. No source data, including, but not limited to ReCoverCA HBA Program PII and other confidential data, in paper form shall be left unattended at any time in vehicles or planes and shall not be checked in baggage on commercial airplanes.
- 16.2 Confidential Destruction.** All source data, including, but not limited to ReCoverCA HBA Program PII and other confidential data, must be disposed of through confidential means, such as crosscut shredding and pulverizing.
- 16.3 Faxing.** Faxes containing any source data, including, but not limited to ReCoverCA HBA Program PII, and other confidential data shall not be left unattended and fax machines shall be in secure areas. Faxes shall contain a confidentiality statement notifying persons receiving faxes in error to destroy them. Fax numbers shall be verified with the intended recipient before sending the fax.
- 16.4 Mailing.** Mailings of any source data, including, but not limited to ReCoverCA HBA Program PII and other confidential data, shall be sealed and secured from damage or inappropriate viewing to the extent possible. Mailings of individually identifiable records of any source data, including, but not limited to ReCoverCA HBA Program PII and other confidential data, shall be sent using a tracked mailing method which includes verification of delivery and receipt, unless the prior written permission is obtained from HCD.

17.0 Notification of Breach

- 17.1 Definitions.** (1) Personal Information ("PI") shall have the meaning given to such term in California Civil Code section 1798.29. (2) Security Incident means the attempted or successful unauthorized access, use, disclosure, modification, loss or destruction of ReCoverCA HBA Program PI or confidential data that is intended for the limited purposes set forth in this Exhibit.

- 18.0 Breaches and Security Incidents.** During the term of this Standard Agreement, GSFA agrees to implement reasonable systems for the discovery and prompt reporting of any breach or security incident, and to take the following steps in the event of a suspected or actual breach or security incident:

- 18.1 Notice to HCD** (1) To notify HCD **immediately by telephone call plus email** upon the discovery of a breach of unsecured ReCoverCA HBA Program PI in electronic media or in any other media if the PI was, or is reasonably believed to

EXHIBIT G

have been, accessed or acquired by an unauthorized person, or upon the discovery of a suspected security incident that involves data provided to GSFA by HCD. (2) To notify HCD **within 4 hours by email** of the discovery of any suspected breach or security incident, intrusion or unauthorized access, use or disclosure of PI in violation of this Exhibit and this Addendum, or potential loss of confidential data covered by this Exhibit. A breach shall be treated as discovered by GSFA as of the first day on which the breach is known, or by exercising reasonable diligence would have been known, to any person (other than the person committing the breach) who is an employee, officer or other agent of GSFA. Notice shall be provided to the HCD Point-of-Contact and the HCD Chief Information Security Officer (CISO). If the incident occurs after business hours or on a weekend or holiday and involves electronic PII, notice shall be provided by calling and emailing the HCD Point-of-Contact and the HCD CISO on that weekend or holiday. Notice shall be made using the protocols and forms found on the Information Security Management on the California Department of Technology (CDT) website in the Incident Management Samples and Templates section. (<https://cdt.ca.gov/security/resources/>).

Upon discovery of a breach or suspected security incident, intrusion or unauthorized access, use or disclosure of ReCoverCA HBA Program PII, User shall take:

- immediate corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment.
- any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations.

18.2 Investigation and Investigation Report. To immediately investigate such security incident, breach, or unauthorized access, use or disclosure of ReCoverCA HBA Program PII. Within 72 hours of the discovery, User shall submit updated reports and notices, to the extent known at that time to the HCD Point-of-Contact and the HCD CISO.

18.3 Complete Report. To provide a complete report of the investigation to the HCD Point-of-Contact and the HCD CISO as soon as possible but no later than five (5) calendar days of the discovery of the breach or unauthorized use or disclosure. The report shall be submitted pursuant to guidance and requirements found on the CDT website at <https://cdt.ca.gov/security/resources/> and shall include a full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the improper use or disclosure. If HCD requests information in addition to that listed on the CDT templates, User shall make reasonable efforts to provide HCD with such information. If necessary, a supplemental report may be used to submit revised or additional information after the completed report is submitted, by submitting the revised or additional information on an updated CDT report form.

EXHIBIT G

18.4 Responsibility for Reporting of Breaches. If the cause of a breach of PI is attributable to User or its agents, subcontractors or vendors, User is responsible for such breach. If User has reason to believe that duplicate reporting of the same breach or incident may occur because its subcontractors, agents or vendors may report the breach or incident to HCD in addition to User, User shall notify HCD and User may take appropriate action to prevent duplicate reporting. The breach reporting requirements of this paragraph are in addition to the reporting requirements set forth in subsection 1, above.

18.5 Contact Information. To direct communications to the above referenced staff, the User shall initiate contact as indicated herein. The parties reserve the right to make changes to the contact information below by giving written notice to the User. Said changes shall not require an amendment to this Addendum or the Standard Agreement to which it is incorporated.

GSFA Point-of-Contact	HCD Point-of-Contact	HCD Chief Information Security Officer
IT Manager Desk: Mobile:	Michelle Chand California Department of Housing and Community Development Program Specialist II, ReCoverCA Homebuyer Assistance Program 2020 West El Camino Avenue, Suite 200 Sacramento, CA 95833 Phone: 916-776-7604 Michelle.Chand@hcd.ca.gov	Sonny Lee California Department of Housing and Community Development Chief Information Security Officer 2020 West El Camino Avenue, Suite 375 Sacramento, CA 95833 Phone: 916-704-9228 Sonny.Lee@hcd.ca.gov