

EXHIBIT E

PROJECT-SPECIFIC PROVISIONS AND SPECIAL TERMS AND CONDITIONS**Interim Housing****1. PROJECT-SPECIFIC PROVISIONS****Project Name:****Address:****Assessor Parcel Numbers (APNs):****A. Interim Housing – Award, Disbursement, and Eligible Use(s)**

Grantee received a Homekey Program award letter on [Date] (the “Award Date”). Pursuant to that award letter, the Grantee is receiving Homekey Grant funds in the amount of \$[_____.00] (the “Award”). The [Payee/Designated Payee] of these funds is [Full legal name of the Public Entity or Tribal Entity/Full legal name of the Co-Applicant]. Grantee will use the funds to provide Interim Housing for the Target Population. Specifically, the Grantee will apply these funds towards the following Eligible Use(s):

- 1) [Example: Acquisition and rehabilitation of a hotel to provide Interim Housing for the Target Population]
- 2) [Example: Master lease of a property to provide non-congregate Interim Housing for the Target Population]
- 3) [Example: Capitalization of an operating subsidy for the Assisted Units]
- 4) [Example: Relocation costs for individuals who are being displaced as a result of the Homekey project This amount represents one-half of the relocation cost per unit. The Grantee is responsible for paying the balance of any and all relocation costs necessitated by the Project.]

The Homekey Award is comprised of:

<u>Total Award</u>	\$
<u>Capital Award</u>	\$
<u>Acquisition</u>	\$
<u>Rehabilitation</u>	\$

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<u>Master Leasing</u>	\$
<u>New Construction</u>	\$
<u>Affordability Covenants</u>	\$
<u>Relocation</u>	\$
<u>Operating Award</u>	\$

B. Unit Mix

<u># of Bedrooms</u>	<u>Total Homekey Units</u>	<u>Homekey-funded Manager Units</u>	<u>Homekey-Assisted Units</u>	<u>AMI Income Limit</u>	<u>Target Population or Subpopulation Restriction</u> [At-Risk of Homelessness; Homeless; Homeless Youth or Youth At-Risk of Homelessness; Chronically Homeless]
0 (Studio)					
1-Bedroom					
2-Bedroom					
3-Bedroom					
Totals:					

Grantee must use referrals to the Homekey Assisted Units through the local Coordinated Entry System (CES) or comparable prioritization system based on greatest need. All referral protocols for Homekey Assisted Units must be developed in collaboration with the local CoC and implementation consistent with the requirements set forth in the Homekey NOFA.

C. Project Narrative

- 1) [Please provide a lean, but reasonably comprehensive description of the Project. *Briefly describe the site, the asset, and the location. (Proximity to public transit? Proximity to essential services?) *Briefly describe whether this Project involves acquisition only or acquisition and rehabilitation. If the Project involves a master lease of the property, please note that here.

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*Identify any subpopulation (e.g., Homeless Youth) that will be served by the Project. *Briefly describe any physical features, services, or amenities that are unique to this Project. *Detail any additional communal amenities that will be supplied, such as a meeting room, a community room, or a communal kitchen.]

- 2) **Homeless Youth Project.** This Project received set-aside funding as a Homeless Youth Project. Grantee shall have jointly applied and/or partnered with a nonprofit corporation with experience serving the foregoing subpopulation; and the Project shall provide Supportive Services for Youth Assisted Units using a Positive Youth Development (PYD) model and trauma-informed care. Grantee shall abide by all additional representations in the Application that qualified the Grantee's Project for prioritized funding as a Homeless Youth Project. [Please delete this language if it is not applicable to this Project.]
- 3) **Set-Aside Funds – Homeless Youth or Youth at Risk of Homelessness Occupancy.** This Project's Award included set-aside funds for Homeless Youth or Youth at Risk of Homelessness in the amount of \$[_____.00]. In exchange for these set-aside funds, the Grantee has agreed that at least [#] units in this Project will be restricted to occupancy by Homeless Youth or Youth at Risk of Homelessness for the duration of the 30-year regulatory term. [Please delete this language if it is not applicable to this Project.]

D. Scope of Work

[Please include a clear, precise description of the deliverables and the work to be performed; the services to be provided; and all other goals, objectives, and deliverables to be fulfilled. *Please identify the construction activities, rehabilitation activities, and site modifications to be completed. *Please identify all services outlined in the Supportive Services plan.]

E. Grantee Contract Coordinator

Authorized Representative Name:	
Authorized Representative Title:	

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Address:	
Telephone No.:	
E-Mail Address:	

F. Additional Conditions Precedent to Disbursement

- 1) [Enter prior to disbursement conditions here or type None]

G. Budget Detail

- 1) Grantee is obligated to cover the Project's development, operations and service costs for five (5) years. Grantee will satisfy this obligation by leveraging funding commitments, or other reasonable funding assurances, from the following funding sources: [List each government, philanthropic, and private funding source by its full legal name. This list may include the Homekey Program.]
- 2) **Master Lease.** Grantee shall abide by its obligation and 15-year plan to cover the Project's operations and service costs. Grantee will satisfy this obligation by leveraging the following funding sources: [List each government, philanthropic, and private funding source by its full legal name]. [Please delete this paragraph if it is not applicable to this Project.] [If this paragraph is applicable, please delete the paragraph above.] [If the Department has chosen to waive the master leasing requirement of a 15-year plan, please briefly describe the Department's rationale for that waiver.]
- 3) Grantee shall maintain the ongoing affordability of the Project by leveraging the following non-Homekey sources of rental or operating subsidies: [Identify the relevant non-Homekey funding sources.] [Please delete this language if it is not applicable to this Project (i.e., the Project did not receive points under the relevant evaluation criterion in the NOFA).]

H. Performance Milestones.

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[Add, customize, or delete rows as required by the facts of this transaction.
Please delete this instruction before routing this Exhibit E for internal review.]

Performance Milestones	Milestone Completion Date
Project escrow must be closed and Capital funds must be fully expended.	[Insert date which is eight (8) months from date of Award or 15 months if extension granted]
Homekey-funded operating funds must be fully expended. [delete if not applicable]	June 30, 2026
All Acquisition, Construction and/or Rehabilitation of the Homekey Project must be completed.	[Insert date which is twelve (12) months from date of Award]
Full occupancy by the Target Population must be accomplished in accordance with the descriptions and representations set forth in the Application.	[Insert date which is twelve (15) months from date of Award]
A copy of Grantee's written nondiscrimination policy (in accordance with <u>Exhibit D</u> of this Agreement) must be submitted to the Department.	[Insert date which is eight (8) months from date of Award]
A Department-approved Affordability Covenant must be recorded against the Project real property after the Departments approval to record, and as specified and described in the NOFA and this Agreement.	[If property has already been acquired, then insert "30 days from disbursement of funds"] [If property has not been acquired, then insert 90 days from Standard Agreement execution] *But not before Department approval

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Performance Milestones	Milestone Completion Date
A copy of the Notice of Exemption from the California Environmental Quality Act (CEQA) filed with the Office of Planning and Research (OPR) as applicable	[Insert date which is eight (8) months from date of Award]
Homekey-funded operating funds must be fully expended.	June 30, 2026
A Homekey Program and Expenditure Report must be submitted to the Department as specified and described in the NOFA.	January 31 – Each year for five (5) years following the Effective Date of this Agreement.
Interim to Permanent Housing Conversion. [Delete if not applicable]	Projects cannot be converted to permanent housing prior to 5 years unless HCD approves an earlier conversion based on the awardee <u>demonstrating</u> the financial feasibility of the permanent project.
Conversion of the Interim Housing facility to Permanent Housing must be completed. [Delete if not applicable]	[Insert date which is twelve (12) months from date of Award + 15 years]
Regulatory Agreement/Use Restriction must be recorded against the Project site of the Permanent Housing. [Delete if not applicable]	Within three (3) months of completion of conversion.

2. SPECIAL TERMS AND CONDITIONS

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

A. Master Lease

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[Payee/Designated Payee] shall apply the funds towards a lump sum pre-payment of all lease payment obligations for the Project calculated over the Project's full Homekey term of affordability and reduced to net present value (NPV). [Please delete this paragraph if it is not applicable to this Project.]

B. Affordability Covenant

- 1) The state, regional, local, or tribal Grantee shall ensure that the Project is duly encumbered with a 55-year Affordability Covenant that **(a)** is recorded in first position against the Project for the benefit of the state, regional, local, or tribal Grantee; **(b)** restricts the use, operation, occupancy, and affordability of the Project in accordance with this Agreement and the applicable Program Requirements; **(c)** duly names the Department as a third-party beneficiary with the right and privilege, but not the obligation, of enforcement thereof; and **(d)** is otherwise in form and substance acceptable to the Department.
- 2) The Affordability Covenant must be recorded against the real property of the Project site by the Milestone Completion Date set forth herein. The Grantee shall obtain the Department's express written approval of the Affordability Covenant prior to the recordation of the same. After recordation, the Grantee shall promptly provide the Department with a conformed copy of the recorded Affordability Covenant.
- 3) Unless otherwise authorized by the prior and express written approval of the Department, the Affordability Covenant must be recorded as a lien against the Project in first position, and must remain in first position, over all other Project agreements, covenants, or other matters of record on the real property for the period of affordability required by the Program.

C. Affordability Covenant – Tribal Trust Land

- 1) The tribal Grantee shall ensure that the Project is duly encumbered with a 50-year Affordability Covenant that **(a)** is recorded in first position against the Project for the benefit of the tribal Grantee; **(b)** restricts the use, operation, occupancy, and affordability of the Project in accordance with this Agreement and the applicable Program Requirements; **(c)** duly names the Department as a third-party beneficiary with the right and privilege, but

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not the obligation, of enforcement thereof; and **(d)** is otherwise in form and substance acceptable to the Department.

- 2) The Affordability Covenant must be recorded against the real property of the Project site by the Milestone Completion Date set forth herein. The Grantee shall obtain the Department's express written approval of the Affordability Covenant prior to the recordation of the same. After recordation, the Grantee shall promptly provide the Department with a conformed copy of the recorded Affordability Covenant.
- 3) Unless otherwise authorized by the prior and express written approval of the Department, the Affordability Covenant must be recorded as a lien against the Project in first position, and must remain in first position, over all other Project agreements, covenants, or other matters of record on the real property for the period of affordability required by the Program.
[Please delete or revise this paragraph, or any portion of this paragraph, as required by the facts of this Project. If this paragraph is applicable to this Project, please delete the foregoing "Affordability Covenant" paragraph.]

D. Affordability Covenant – Master Lease

- 1) The state, regional, local, or tribal Grantee shall ensure that the Project is duly encumbered with a 30-year Affordability Covenant that **(a)** is recorded in first position against the Project for the benefit of the Department; **(b)** restricts the use, operation, occupancy, and affordability of the Project in accordance with this Agreement and the applicable Program Requirements; and **(c)** is otherwise in form and substance acceptable to the Department.
- 2) Within ninety (90) calendar days of receiving an execution copy of the Affordability Covenant from the Department, the Grantee shall ensure that the Affordability Covenant is duly executed by the owner of the real property of the Project site; provide a copy of the same to the Department; ensure that the fully executed Affordability Covenant is recorded against both the Grantee's interest in the Project and the fee interest in the real property of the Project site; ensure recordation of said Affordability Covenant in the Official Records of the County of []; and provide the

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Department with a conformed copy of the recorded Affordability Covenant. At the time of recordation, the lease shall have a term remaining that is at least thirty (30) years in duration.

- 3) Unless otherwise authorized by the prior and express written approval of the Department, the Affordability Covenant must be recorded as a lien against the Project in first position and as specified above, and it must remain in first position, over all other Project agreements, covenants, or other matters of record on the real property for the period of affordability required by the Program. [Please delete this specific “Affordability Covenant – Master Lease” paragraph if it is not applicable to this Project. If this paragraph does apply to this Project, please delete the foregoing general “Affordability Covenant” paragraph.]
- E. [Any Department-approved extensions to deadlines will be described in this section.]
- F. Grantee has committed to serve specific sub-populations as per NOFA Section 304, Application Scoring Criteria (3)(a). [Grantee shall ensure that at least 25 percent of the Project’s Assisted Units are restricted to occupancy by households experiencing Chronic Homelessness] [Grantee shall ensure that at least 50 percent of the Project’s Assisted Units are restricted to occupancy by households experiencing Homelessness [Please delete this paragraph, or any portion of this paragraph, as required by the facts of this Project.]
- G. Grantee has committed to the following large family housing types for the project, as per NOFA Section 304, Application Scoring Criteria, (3)(b), [at least 25 percent of the Assisted Units in the Project are three-bedrooms or larger units and at least 25 percent of the Assisted Units in the Project are two-bedroom or larger units] [Please delete this paragraph, as required by the facts of this Project]
- H. Grantee has committed to a 55-year use restriction for the Project and has waived any potential accommodation by the Department to increase income limits, as described in the NOFA, for [at least 25 percent of the Assisted Units] [or] [at least 50 percent of the Assisted Units] [or] [at least 75 percent of the Assisted Units] [or] [100 percent of the Assisted Units]. During the Homekey Application review process and in accordance with the NOFA, the Grantee

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received a scoring advantage for making this commitment. [Please delete this paragraph, or any portion of this paragraph, as required by the facts of this Project.] [If this paragraph does apply to this Project, please ensure that the “Use Restriction” paragraph above sets forth terms that are typically used for Permanent Housing Projects.] [Use for interim to perm]

- I. Grantee has committed to the following accessibility details for the Project, as per NOFA Section 304, Application Scoring Criteria, (3)(d), [the Project will exceed the state and federal accessibility requirements set forth in the NOFA. At least 15 percent of the Project’s Assisted Units must have features accessible to persons with mobility disabilities. [and/or At least 10 percent of the Project’s units must have features accessible to persons with hearing or vision disabilities. [Please delete this paragraph, or any portion of this paragraph, as required by the facts of this Project.] [Use if points were earned for interim to perm]
- J. [If the Project is subject to AB 1010, indicate that here, and describe any waivers and modifications of the Program Requirements.]
- K. **Post-Conversion Regulatory Agreement**
- 1) After the Interim Housing facility has been converted to Permanent Housing, the state, regional, local, or tribal Grantee shall ensure that the Permanent Housing Project is duly encumbered with a 55-year covenant, declaration, regulatory agreement, or similar use restriction (the “**Regulatory Agreement**”) that (a) is recorded in first position against the Project for the benefit of the state, regional, local, or tribal Grantee; (b) restricts the use, operation, occupancy, and affordability of the Project in accordance with this Agreement and the applicable Program Requirements; (c) duly names the Department as a third-party beneficiary with the right and privilege, but not the obligation, of enforcement thereof; and (d) is otherwise in form and substance acceptable to the Department.
 - 2) The Regulatory Agreement must be recorded against the real property of the Project site by the Milestone Completion Date set forth herein. The Grantee shall obtain the Department’s express written approval of the Regulatory Agreement prior to the recordation of the same. After recordation, the Grantee shall promptly provide the Department with a conformed copy of the recorded Regulatory Agreement.

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- 3) Unless otherwise authorized by the prior and express written approval of the Department, the Regulatory Agreement must be recorded as a lien against the Project in first position, and must remain in first position, over all other Project agreements, covenants, or other matters of record on the real property for the period of affordability required by the Program. [Please delete or revise this paragraph, or any portion of this paragraph, as required by the facts of this Project.]

L. Post-Conversion Use Restriction (Tribal Land)

- 1) After the Interim Housing facility has been converted to Permanent Housing, the tribal Grantee shall ensure that the Permanent Housing Project is duly encumbered with a 50-year covenant, declaration, regulatory agreement, or similar use restriction (the “**Use Restriction**”) that (a) is recorded in first position against the Project for the benefit of the tribal Grantee; (b) restricts the use, operation, occupancy, and affordability of the Project in accordance with this Agreement and the applicable Program Requirements; (c) duly names the Department as a third-party beneficiary with the right and privilege, but not the obligation, of enforcement thereof; and (d) is otherwise in form and substance acceptable to the Department.
- 2) The Use Restriction must be recorded against the real property of the Project site by the Milestone Completion Date set forth herein. The Grantee shall obtain the Department’s express written approval of the Use Restriction prior to the recordation of the same. After recordation, the Grantee shall promptly provide the Department with a conformed copy of the recorded Use Restriction.
- 3) Unless otherwise authorized by the prior and express written approval of the Department, the Use Restriction must be recorded as a lien against the Project in first position, and must remain in first position, over all other Project agreements, covenants, or other matters of record on the real property for the period of affordability required by the Program. [Please delete or revise this paragraph, or any portion of this paragraph, as required by the facts of this Project. If this paragraph is applicable to this Project, please delete the “Post-Conversion Regulatory Agreement” paragraph above.]

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M. **Supportive Services Plans** required by HCD must be received by HCD no later than 90 days prior to occupancy.

N. **Special Conditions**

- 1) [Enter special conditions here except for prior to disbursement, those should go in section 1(F) above. If no special conditions apply remove.]

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