Written materials relating to an item on this agenda that are distributed to the legislative bodies within 72 hours before the item is to be considered at its regularly scheduled meeting will be made available for public inspection at the City Clerk's Office, 300 West Third Street 4th Floor during customary business hours. Agenda reports are also on the City of Oxnard web site at www.oxnard.org.

CITY OF OXNARD CALIFORNIA

AGENDA
OXNARD CITY COUNCIL
COMMUNITY SERVICES, PUBLIC SAFETY, HOUSING & DEVELOPMENT COMMITTEE
Council Chambers, 305 West Third Street
January 28, 2025
Regular Meeting - 8:30 to 10:00 PM

Zoom details to call-in for public comment during a meeting:

1. Dial Phone Number: (888) 475-4499
2. Enter Meeting ID: 87513147579
3. Passcode: 239760

If you wish to speak during public comments or a particular item on the agenda, please sign-on by following the zoom call-in steps listed above. Once the presiding officer calls for public speakers, press *9 to raise your hand to inform the City Clerk you would like to speak during the public speaking section for that particular item on the agenda, while in the zoom waiting room. Press *6 when asked to unmute. Listen to the instructions provided virtually on the phone while on hold in the zoom waiting room. Please note that there is a slight time delay when viewing the meeting via television.

IN ACCORDANCE WITH ASSEMBLY BILL 2449, MEMBERS OF THE LEGISLATIVE BODY MAY MEET IN-PERSON OR REMOTELY. TO PARTICIPATE REMOTELY VISIT WWW.OXNARD.ORG.

To find out how you may provide public comment, please refer to the instructions below or at **www.https://www.oxnard.org/city-meetings/**.

The public may view the meeting from home on Spectrum channel 10, Frontier channel 35, or YouTube at Youtube.com/oxnardnews. Video recordings of the meeting are typically available online following the meeting at the City's website at www.oxnard.org/city-meetings.

*Please see the link for the Measure M pre-recorded presentation video for each item listed on this agenda.

YOU MAY PARTICIPATE IN THE MEETING IN THE FOLLOWING WAYS:

1. ATTEND THE MEETING AT THE LOCATION LISTED ABOVE: Submit a speaker card to the City Clerk.

2. EMAIL COMMENTS OR SIGN UP TO SPEAK REMOTELY BEFORE THE MEETING

    a. Submit a request to speak remotely by 3 p.m. on the day of the meeting by using the form available at **www.oxnard.org/citymeetings**.
    b. Submit an email to **cityclerk@oxnard.org** by 3 p.m. on the day of the meeting (indicate the agenda item number in the subject line). All email correspondence will be forwarded to the legislative body prior to the start of the meeting and made part of the legislative record.
    c. Contact the City Clerk's Office at (805) 385-7803 to submit your request.

3. PROVIDING PUBLIC COMMENTS REMOTELY DURING THE MEETING

    a. Follow Zoom details listed above.

In compliance with the Americans with Disabilities Act, if you require special assistance to participate in a meeting, please contact the City Clerk's Office at 385-7803. Notice at least 72 hours prior to the meeting will enable the City to reasonably arrange for your accessibility to the meeting.

Agenda Item Time Estimates include: (Minutes for Presentation + Council Discussion + Public Comment)

b. Public comments on agenda items will be taken following the announcement of the item. After the item is announced, members of the public may register or otherwise be recognized for the purpose of providing public comment.

Please review the Zoom instructions on the registration page to help ensure there are no technical difficulties during your comments and help you understand public comment procedures using Zoom. Detailed participation instructions can be found at www.oxnard.org/city-meetings.

In the event of a disruption which prevents a legislative body of the City of Oxnard from broadcasting a meeting using a call-in option or internet-based service option, or in the event of a disruption within the City's control which prevents members of the public from offering public comment using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on a meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. However, if any of the broadcast options are disrupted, but any of the other broadcast options is still available to the public, the legislative body may take further action on items appearing on a meeting agenda without waiting for the disrupted broadcast option(s) to be restored.

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

Consideration of Teleconference Participation pursuant to Assembly Bill 2449.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

A person may address the legislative body only on matters not appearing on the agenda and within the subject matter jurisdiction of the legislative body. Speaker requests shall be submitted as set forth on the first page of this agenda. Speakers are limited to three minutes. After 30 minutes, if all speakers have not had the opportunity to speak, the remaining speakers will be given an opportunity to speak prior to adjournment of the meeting. The legislative body cannot enter into a detailed discussion or take action on any items presented during public comments at this time. Such items may only be referred to the City Manager/Executive Director/Secretary for administrative action or scheduled on a subsequent agenda for discussion. Persons wishing to speak on public hearing items should do so at the time of the hearing.

C. CONSENT AGENDA

1. City Clerk Department

SUBJECT: Approval of Minutes.

RECOMMENDATION: That the Community Services, Public Safety, Housing & Development approve the minutes of the December 10, 2024 regular meeting as presented.

Contact: Luly Lopez, (805) 385-7805

D. REPORTS

1. Housing Department

SUBJECT: CDBG Loan Agreement for Casa Aliento (10 minutes)

RECOMMENDATION: That the Community Services, Public Safety, Housing & Development Committee recommend that the City Council adopt a resolution authorizing the Housing Director or Designee to execute a $792,999 CDBG Loan Agreement, and any and all related documents thereto, with Casa Aliento LP for the rehabilitation and conversion of an existing motel into 70 Permanent Supportive Housing Units located at 1245 N. Oxnard Boulevard.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/qRXUV1ANLj8

Contact: Brenda Lopez, (805) 385-8092

E. ITEMS FOR FUTURE AGENDAS

F. ADJOURNMENT

COMMUNITY SERVICES, PUBLIC SAFETY, HOUSING & DEVELOPMENT COMMITTEE AGENDA REPORT

CONSENT AGENDA
AGENDA ITEM NO. C.1

DATE: January 28, 2025

TO: Community Services, Public Safety, Housing & Development Committee

FROM: Luly Lopez, City Clerk, (805) 385-7805, luly.lopez@oxnard.org

SUBJECT: Approval of Minutes.

RECOMMENDATION

That the Community Services, Public Safety, Housing & Development approve the minutes of the December 10, 2024 regular meeting as presented.

BACKGROUND

Approval of minutes.

STRATEGIC PRIORITIES

This agenda item is a routine operational item or does not relate to the five strategic priorities adopted by City Council on March 16, 2021.

FINANCIAL IMPACT

There is no financial impact.

Prepared by: Luly Lopez, City Clerk

ATTACHMENTS

None

CITY OF OXNARD CALIFORNIA

COMMUNITY SERVICES, PUBLIC SAFETY, HOUSING & DEVELOPMENT COMMITTEE AGENDA REPORT

REPORTS
AGENDA ITEM NO. D.1

DATE: January 28, 2025

TO: Community Services, Public Safety, Housing & Development Committee

FROM: Brenda Lopez, Interim Housing Director, (805) 385-8092, brenda.lopez@oxnard.org

SUBJECT: CDBG Loan Agreement for Casa Aliento (10 minutes)

RECOMMENDATION

That the Community Services, Public Safety, Housing & Development Committee recommend that the City Council adopt a resolution authorizing the Housing Director or Designee to execute a $792,999 CDBG Loan Agreement, and any and all related documents thereto, with Casa Aliento LP for the rehabilitation and conversion of an existing motel into 70 Permanent Supportive Housing Units located at 1245 N. Oxnard Boulevard.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/qRXUV1ANLj8

BACKGROUND

The Casa Aliento project, located at 1245 N. Oxnard Boulevard, was the original location of the 70-room Vagabond Inn motel and Denny's restaurant. In 2020, Community Development Partners (CDP), an experienced developer of affordable housing, and Mercy House, a homeless services provider, partnered with the County of Ventura to submit a Homekey application to the California Department of Housing and Community Development (HCD) and successfully secured funding to acquire the Vagabond Inn. The Homekey program is a state-funded program that provides funding to create sustainable housing for people experiencing homelessness. In compliance with Homekey funding requirements, Mercy House has been operating the former Vagabond Inn as a temporary non-congregate shelter with the end goal of rehabilitating and converting the facility into permanent supportive housing (PSH). The project will include resources and supportive services for homeless individuals, prioritizing those vulnerable to the COVID-19 public health crisis and persons living with mental disabilities.

On September 16, 2021 the Planning Division approved a zone clearance allowing the change in use to convert the 70-room motel into a PSH apartment complex.

In August 2022, the Oxnard Housing Authority awarded Casa Aliento 19 project-based vouchers and 21 project-based mainstream vouchers, for a total of 40 project-based vouchers.

On May 4, 2023 the Planning Commission approved a Major Modification to make on and off-site improvements and subdivide the existing 1.81-acre project site into two parcels via a tentative parcel map. The map separates Casa Aliento and its associated parking and open space area, consisting of 1.23 acres, from the existing Denny's restaurant and its associated parking lot, consisting of .58 acres.

On June 6, 2023, the City Council approved the tentative subdivision parcel map. On June 18, 2024 the City Council approved the final parcel map to subdivide the Casa Aliento and Denny's parcels.

Casa Aliento began construction of the first phase in October 2023. The first phase, inclusive of 32 units, was completed in August 2024. All units were leased by December 2024, and the remaining 38 units are estimated to be completed in February 2025. Once fully converted, the project will include 69 studio apartments and one 1-bedroom manager's unit (70 unit PSH), site amenities for residents, and a parking lot. CDP will complete the rehabilitation activities while Mercy House will be the supportive services provider. In order to apply for financing to complete the rehabilitation activities at Casa Aliento, CDP and Mercy House formed Casa Aliento LP, a California limited partnership.

DISCUSSION

The original development budget for Casa Aliento was $43,358,346. In November 20024, CDP received updated cost estimates of $45,379,383. Because these additional costs were not anticipated, CDP only secured enough financing to support its original budget, resulting in a financial gap of $2,021,037. The table below provides more information on the project's current financing commitments

Development Sources:	
Low Income Housing Tax Credits	$12,802,700
Mercy House Seller Carryback	$13,500,000
NPLH (Competitive, Noncompetitive, COSR Grant)	$9,043,715
Ventura County	$5,491,298
Developer and General Partner Equity	$1,000,200
Deferred Developer Fee	$1,520,433
Total Sources	$43,358,346

To address the financial gap, Casa Aliento LP is in the process of securing an additional $1,228,038 bridge loan from the Housing Trust Fund Ventura County (HTFVC). In addition, Casa Aliento LP has requested $792,999 in Community Development Block Grant (CDBG) program funds from the City to assist in closing the gap and complete the development. CDBG is a federally funded program that provides annual grants on a formula basis to the City of Oxnard in an effort to increase affordable housing opportunities, create a suitable living environment and expand economic opportunities for low- and moderate-income persons.

At the time of publishing this agenda item, the request for City Council approval of up to $792,999 in CDBG funding for the Casa Aliento project is scheduled for January 21, 2025. Provided Council approves staff's recommended action as part of the Fiscal Year 2023-2024 Annual Action Plan budget reallocation report, staff seeks approval to execute a CDBG Loan Agreement with Casa Aliento LP in an amount not to exceed $792,999.

The Loan Agreement provides the following terms:

1. 3% simple interest;
2. A fifty-five year term;
3. Regulatory agreement term of five-years; and
4. Repayment of the City Loan will be on a residual receipt's basis.

The use of CDBG funds requires all units remain affordable for five-years and serve households experiencing

homelessness. These requirements will be memorialized by the execution and recordation of a regulatory agreement. The project's other financing, namely the Homekey Program, will require the project to remain affordable for fifty-five years (the affordability terms run concurrently) while also serving households experiencing homelessness.

STRATEGIC PRIORITIES

This agenda item supports the Quality of Life strategy. The purpose of the Quality of Life strategy is to restore and increase quality services and programs that enrich Oxnard's diverse community, promotes safe neighborhoods, encourages community engagement, and supports our residents in their efforts to improve their quality of life.

FINANCIAL IMPACT

There is no financial impact to the General Fund for adoption of this recommendation. The Housing Department has existing CDBG (Fund 201) appropriations necessary to fund the agreement, pending City Council approval of the 2nd Substantial Amendment to the Fiscal Year 2023-2024 Annual Action Plan scheduled on January 21, 2025.

For Finance Use Only: $792,999 - CDBG Fund 2018105-53600, Project# TBD - Housing Assistance Loan Grant.

Prepared by: Brenda Lopez, Interim Housing Director

ATTACHMENTS

1. City Resolution
2. Loan Agreement, Promissory Note, Deed of Trust and Regulatory Agreement
3. Presentation

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD AUTHORIZING THE HOUSING DIRECTOR OR DESIGNEE TO EXECUTE A CDBG LOAN AGREEMENT AND COMPANION NECESSARY DOCUMENTS WITH CASA ALIENTO LP FOR THE CASA ALIENTO PROJECT

WHEREAS, The Housing Department is requesting authorization to enter into and execute a CDBG Loan Agreement, and companion necessary documents related to the Loan Agreement, with Casa Alineto LP, a California limited partnership ("Casa Aliento LP"), (as the Project sponsor) in the amount of Seven Hundred and Ninety-Two Thousand Nine Hundred and Ninety-Nine Dollars ($792,999) (the "City Loan Agreement") to develop sixty-nine (69) units of permanent supportive rental housing and one (1) manager's unit at 1245 N. Oxnard Boulevard ("Project") in the City which will provide increased affordable housing opportunities in the City; and

WHEREAS, the Loan Documents will provide the following terms for the City Loan (the "City Loan Terms"): (a) 3% simple interest; (b) loan agreement term of fifty-five years after issuance of a Notice to Completion for the Project; and (c) regulatory agreement term of five years; and (d) repayment of the City Loan will be on a residual receipt's basis.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OXNARD:

SECTION 1. The above Recitals are hereby incorporated into the operative provisions of this Resolution.

SECTION 2. The City's Housing Director or Designee is authorized to enter into and execute the City Loan Agreement, and any necessary amendments thereto, in the amount of $792,999 with the Casa Aliento LP.

SECTION 3. The City Loan Agreement terms will be as follows: (a) 3% simple interest; (b) loan and agreement term of fifty-five years after issuance of a Notice of Completion for the Project; (c) regulatory agreement term of five years; and (d) repayment of the City Loan will be on a residual receipt's basis.;

SECTION 4. The Housing Director or Designee is authorized to execute any other form of document required by any lender, investor, regulator or other third party involved in the transaction, so long as the Housing Director or Designee, in coordination with the City Attorney, determines that the substance of such document(s) does not materially conflict with the substance and intent of this Resolution.

SECTION 5. The City Clerk shall certify the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Oxnard on this ___ day of _____, 2025:

I hereby certify that the foregoing is a true copy of the Resolution adopted by the City Council of the City of Oxnard at a meeting held on the ____ day of _____, 2025 and carried by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Luis Mc Arthur, Mayor

ATTEST:

_____
Lourdes A. López, City Clerk

APPROVED AS TO FORM:

_____
Stephen Fischer, City Attorney

Agreement #32500402

SUBRECIPIENT AGREEMENT FOR CDBG GRANT FUNDS BETWEEN THE CITY OF OXNARD AND ETTING ROAD LLC FOR REHABILITATION COSTS IN SUPPORT OF AFFORDABLE HOUSING DEVELOPMENT IN THE CITY OF OXNARD

This SUBRECIPIENT AGREEMENT FOR CDBG GRANT FUNDS ("Agreement" or "CDBG Subrecipient Agreement") is made and entered into on _____, 2025, by and between the City of Oxnard, a municipal corporation ("City" or "Recipient"), and Casa Aliento LP, a California limited partnership ("Subrecipient"), jointly referred to herein as the "Parties."

WITNESSETH

WHEREAS, the City is a Participating Jurisdiction in the funding programs of the federal Department of Housing and Urban Development ("HUD"), and has received funds from HUD pursuant to the Community Development Block Grant program ("CDBG Program") to be used pursuant to applicable federal regulations (24 CFR Part 570); and

WHEREAS, Subrecipient owns that certain real property located at 1245 N. Oxnard Blvd., Oxnard, California 93030, as more particularly described in **Exhibit A** (the "Property") upon which Subrecipient intends to rehabilitate and convert an existing motel into sixty-nine (69) units of permanent supportive rental housing for persons experiencing homelessness or who are at-risk of homelessness and one (1) manager's unit ("Project); and

WHEREAS, the City has approved CDBG funding in the amount of Seven Hundred and Ninety-Two Thousand Nine Hundred and Ninety-Nine Dollars ($792,999) for the purpose of assisting the Subrecipient with the costs of rehabilitation work related to Subrecipient's development of the Project (the "Work"); and

WHEREAS, this CDBG Subrecipient Agreement sets forth the benefits, entitlements, obligations and responsibilities bestowed upon and agreed to by the Subrecipient in exchange for receiving and using the $792,999 in CDBG Program funds to be used for the Work as described herein; and

WHEREAS, Subrecipient is a "subrecipient" as defined in the Code of Federal Regulations at 24 CFR 570.500(c) and is eligible to perform the Work; and

WHEREAS, according to federal regulations 24 CFR 570.503, before disbursing any CDBG funds to a subrecipient, a written agreement shall be signed by the Recipient and Subrecipient; and

WHEREAS, this CDBG Subrecipient Agreement sets forth the responsibilities of the Recipient and the Subrecipient in accomplishing the objectives of the CDBG Program pursuant to the Housing and Community Development Act of 1974 (the Act), as amended; and

WHEREAS, pursuant to 24 CFR 200, 24 CFR 570.500(c) and 24 CFR 570.501(b), the Recipient may provide CDBG funds to public or private nonprofit agencies, authorities or organizations, or for-profit entities authorized under 24 CFR 570.201(o) (referred to collectively and individually as "subrecipients") to be used by the subrecipients to provide/perform certain eligible services and activities in connection with the Recipient's desire to develop viable urban communities, through community development activities, as specified in 24 CFR 570.200 and 570.202 (a); and

WHEREAS, Recipient agrees to fund the Work activities of the Subrecipient, and the Subrecipient agrees to perform the Work activities hereinafter described in **Exhibit B** – Statement of Work, during the Term of this CDBG Subrecipient Agreement, and otherwise subject to the covenants and conditions hereinafter set forth.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

I. Statement of Work

A. Activity Description

The Subrecipient agrees to perform during the Term of this CDBG Subrecipient Agreement, all CDBG-eligible activities, tasks, obligations, and projects set forth in the Statement of Work attached to this CDBG Subrecipient Agreement as **Exhibit B** and incorporated into this CDBG Subrecipient Agreement by this reference.

The Subrecipient and the City have executed the City of Oxnard CDBG Regulatory Agreement and Restrictive Covenants ("CDBG Covenants") concurrently with this CDBG Subrecipient Agreement. The CDBG Covenants establish a five (5) year compliance period for the Project. During the five (5) year CDBG Covenants compliance period, the Subrecipient shall operate and maintain the Project's site development in conformance with the CDBG Covenants and with the requirements of this CDBG Subrecipient Agreement. In case of a conflict between the CDBG Covenants and this CDBG Subrecipient Agreement, the more restrictive covenants, standards, and/or requirements shall apply.

The Statement of Work includes a description of the Work, tasks to be performed, a schedule and a budget for the Work. The Subrecipient may request a modification of the Work activities, tasks, schedule or budget in writing to the Recipient. The Recipient shall review each request to modify the activities, tasks, schedule, or budget on a case-by-case basis and will respond to the Subrecipient within thirty (30) days of the request.

B. National Objectives

All activities and projects funded with CDBG funds must meet one of the CDBG Program's National Objectives: (1) to primarily benefit low- and moderate-income persons; (2) to aid in the prevention or elimination of slums or blight; or (3) to meet community development needs having a particular urgency, as defined in 24 CFR 570.208.

C. Level of Accomplishment – Goals and Performance Measures

The Subrecipient certifies that the Work carried out pursuant to this CDBG Subrecipient Agreement will meet the CDBG Program national objective of primarily benefitting low- and moderate-income persons (income eligible persons or households). It is intended for the CDBG funds to be used to fund the costs of rehabilitation work in furtherance of Subrecipient's development of the Project. CDBG Program effectiveness is measured through an on-going evaluation of activities, and the Subrecipient agrees to perform the Work according to the goals set forth in **Exhibit B**.

D. Staffing

Any changes in key personnel assigned or their general responsibilities during the performance of the Work, as described in **Exhibit B**, must be reported to the Recipient.

E. Performance Monitoring

The Recipient will monitor the Subrecipient's performance against goals and performance standards, as stated above. Substandard performance, as determined by the Recipient, will constitute noncompliance with this CDBG Subrecipient Agreement. If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the Recipient, Agreement suspension and/or termination procedures (*i.e.*, default proceedings) will be initiated by the Recipient.

Activities, tasks, schedule, and reporting requirements related to the Work are described in Section 21 (Records and Reports) and in **Exhibit B**, Sections 2 and 3. In the event that the Work will not be completed as scheduled, the Subrecipient shall notify the Recipient of the completion deficiencies and that said deficiencies shall be corrected within forty-five (45) calendar days. Failure of the Subrecipient to correct the deficiencies within forty-five (45) calendar days will require the Recipient to schedule a Work Review Conference pursuant to Section 8 (Work Review Conference).

The Recipient will use the Subrecipient's performance reports to monitor the performance of activities and delivery of services under this CDBG Subrecipient Agreement. In addition, the Recipient's representative may visit the Subrecipient's offices to inspect the records required by

HUD to be maintained in order to document the CDBG-funded activities, services and expenditures. These records include copies of the original source documentation that tracks the performance of the rehabilitation activities, documents the on-going provision of affordable housing to low- and moderate-income persons / households, demonstrates that the program clients are eligible to receive HUD-funded services, and verifies that funds were expended to perform the activities described in item 1.A., "Activity Description," above.

On-Going Project Operation tasks, schedule and reporting requirements related to the five (5) year compliance period are described in **Exhibit B**, Section 4 (On-Going Project Operation) and in the CDBG Regulatory Agreement. Deficiencies in the Subrecipient's performance and/or of Project compliance, as determined by the Recipient at its sole discretion, may cause the Recipient to implement a thirty (30) day notice and cure period.

II. Payment for Activities and Services

The Recipient shall reimburse the Subrecipient for the activities and services performed by the Subrecipient pursuant to the Scope of Work in **Exhibit B** and in accordance with the conditions and terms set forth in the "Schedule of Compensation" attached hereto as **Exhibit C**. The compensation shall be paid at the time and manner set forth in **Exhibit C**. The Reimbursement Amount shall constitute reimbursement only for allowable costs incurred as a result of the Work activities. The Parties understand and agree that reimbursement of Work costs shall be conditioned upon the Recipient's receipt of CDBG Program funds from the federal government, as set forth in Section 3 (Availability of Funds), or accumulation of CDBG Program Income, as set forth in Section 18 (Program Income), and as a result of this CDBG Subrecipient Agreement, and shall not be a charge on any other funds of the Recipient. Recipient represents that it currently has Seven Hundred and Ninety-Two Thousand Nine Hundred and Ninety-Nine Dollars ($792,999) from the designated sources set aside and will continue to keep such funds set aside to fully reimburse Subrecipient pursuant to the terms of this Agreement.

All requests for reimbursement shall be submitted as per Section 17 (Fiscal Control) for costs incurred under this CDBG Subrecipient Agreement, along with one (1) set of copies of original source documentation supporting the expenditures by the Subrecipient for the Work identified in **Exhibit B** – Statement of Work, which shall be submitted to the Recipient in such form acceptable to the Recipient in its sole and absolute discretion. Such documentation shall be submitted prior to any payment, in whole or in part, by the Subrecipient of the Reimbursement Amount.

III. Availability of Funds/Modifications

The Recipient's provision of funding to the Subrecipient pursuant to this CDBG Subrecipient Agreement is contingent on the availability of CDBG funds and continued federal authorization for CDBG program activities, and is subject to amendment or termination due to lack of funds or authorization. Recipient represents that it currently has Seven Hundred and

Ninety-Two Thousand Nine Hundred and Ninety-Nine Dollars ($792,999) from the designated sources set aside and will continue to keep such funds set aside to fully reimburse Subrecipient pursuant to the terms of this Agreement. This CDBG Subrecipient Agreement is subject to written modification and termination as necessary by Recipient in accordance with requirements contained in any future Federal legislation, regulations or Recipient policy. All other modifications must be in written form and approved by both Parties.

IV. Obligation of Funds

The Subrecipient shall not obligate any funds, incur any costs, or initiate identified project(s), which are the subject of this CDBG Subrecipient Agreement, until all environmental review has been completed and certified by Recipient and Recipient has issued a written "Environmental Assessment" form or has received from HUD an "Authorization to Obligate Funds and Incur Costs."

V. Term of Agreement

The Term of this Agreement shall commence on the date written above and, unless sooner terminated as hereinafter provided, shall terminate fifty-five (55) years from the recordation of a notice of completion issued for the Project. At the conclusion of the Term of this Agreement, all unpaid principal and interest are due and payable pursuant to the CDBG Note.

VI. Time for Performance

The Subrecipient shall not perform any work under this CDBG Subrecipient Agreement until Recipient gives the Subrecipient a written approval (which shall serve as an Authorization to obligate funds and incur costs). All activities and services required of the Subrecipient under this CDBG Subrecipient Agreement shall be completed as established in Section VII of this CDBG Subrecipient Agreement.

VII. Timely Completion and Expenditure

Timely completion of the Work is the highest priority of this CDBG Subrecipient Agreement. To ensure timely completion and expenditures, the Subrecipient will demonstrate reasonable progress by:

A. No earlier than January 21, 2025 the Subrecipient shall commence Work activities as described in **Exhibit B**. This commencement date may be amended only with prior written approval by the Housing Director or Designee in conformance with Section 8 (Work Review Conference).

B. No later than June 30, 2025, the Subrecipient shall complete all Work activities as described in **Exhibit B**. This completion schedule may be extended only with prior written approval by the City in conformance with Section 8 (Work Review Conference) but shall in no event be extended beyond December 31, 2025. $792,999 in CDBG funds authorized under this CDBG Subrecipient Agreement must be expended by Subrecipient **by no later than April 21, 2025**. Additionally, all requests for reimbursements along with documentation to support expenditures being reimbursed with CDBG funds must be submitted by Subrecipient to City staff **by no later than April 21, 2025**. Failure to meet the April 21, 2025 expenditure and supporting documentation deadline, may result in a loss of any undisbursed CDBG funds.

Failure to meet established performance goals and standards and/or noncompliance with applicable rules and regulations shall constitute non-compliance with the terms of this Agreement. If the Recipient, in its sole discretion, determines that the Subrecipient fails to meet the performance goals and standards of this CDBG Subrecipient Agreement then pursuant to Section 8 (Work Review Conference) the Recipient may schedule a Work Review Conference and require the Subrecipient to promptly develop and submit a remediation plan to the Recipient for review and approval.

VIII. Work Review Conference:

In the event that quarterly reports required by Section 21 (Records and Reports) indicate the CDBG Program funds will not be expended by April 21, 2025, and/or that the Work as described in **Exhibit B** will not be completed by June 30, 2025, the Subrecipient will notify the Recipient of the completion deficiencies and correct the deficiencies within forty-five (45) calendar days. Failure of the Subrecipient to correct the deficiencies within forty-five (45) calendar days will require the Recipient to schedule a Work Review Conference.

The Work Review Conference will serve to identify reasons for delayed performances and weaknesses. Based on the Work Review Conference discussions, both the Recipient and the Subrecipient will generate a remediation plan that may include but is not limited to re-design of the Work, amendments to the Work activities, extending the term of the Work activities, or re-allocation of the funds to another eligible CDBG project. Approval of said remediation plan shall be at the reasonable discretion of the City and shall be in conformance with all applicable CDBG Program and HUD regulations.

Failure to comply with this remediation plan and/or this CDBG Subrecipient Agreement will trigger administrative requirements in accordance with 2 CFR Part 200.338 and 2 CFR Part 200.305(b) (6). In addition, such failure shall constitute an event of default under the CDBG Deed of Trust and CDBG Note.

IX. Compensation and Method of Payment

For performance of the Work activities described in **Exhibit B**, the Recipient shall

reimburse the Subrecipient an amount not to exceed Seven Hundred and Ninety-Two Thousand Nine Hundred and Ninety-Nine Dollars ($792,999) ("Reimbursement Amount"), which shall constitute full and complete compensation hereunder for the Work activities. The Reimbursement Amount will only be paid if reimbursable from the federal government under the Housing and Community Development Act of 1974 for the amount indicated above, or from CDBG program income, as described in 24 CFR 570.500(a), and accumulated as a result of this Agreement. The Reimbursement Amount shall constitute reimbursement only for allowable costs incurred as a result of the Work activities described in **Exhibit B**.

The Parties understand and agree that such reimbursement, if any, shall be conditioned upon the Recipient's receipt of CDBG program funds from the federal government or accumulation of CDBG program income, as set forth in Section 18 (Program Income) and as a result of this Agreement, and shall not be a charge on any other funds of the Recipient. The Subrecipient shall use the Payment Request Form (**Exhibit D** of this Agreement) for reimbursement purposes.

All reimbursement requests shall be submitted via the Request for Payment Form supporting the invoice for costs incurred under this Agreement, along with one (1) set of copies of all original source documentation supporting the expenditures by the Subrecipient for the Work activities, which shall be submitted to the Recipient in such form acceptable to the Recipient in its sole and absolute discretion. Such supporting documentation shall be submitted prior to any payment, in whole or in part, by the Recipient of the Reimbursement Amount.

X. Designated Representative

A. The Recipient's representative is as follows:

Name and Title: City of Oxnard

Address:

Housing Department
435 S D Street
Oxnard, CA 93030
Attention: Housing Director

B. The Subrecipient's representative(s), who shall be responsible for job performance, negotiations, contractual matters, and coordination with the Recipient Representative is as follows:

Name and title: Casa Aliento LP

Address: 3416 Via Oporto, Suite 301
Newport Beach, CA 92663

The Subrecipient's professional services shall be actually performed by, or shall be immediately supervised by, the Subrecipient's representative.

C. Any party may change such address(es) given above by providing notice in writing to the other parties, and thereafter notices shall be transmitted to the new address(es).

XI. Assurances

The Subrecipient hereby assures and certifies that it has complied with the Housing and Community Development Act, applicable regulations, policies, guidelines and requirements, 2 CFR Part 225, as amended and that it will comply with all applicable Federal, State and local laws and regulations as they relate to acceptance and use of Federal funds for this Federally-assisted program. Also, the Subrecipient represents and warrants with respect to the Statement of Work specified in **Exhibit B** of this Agreement, that it will comply with all of the provisions of 24 CFR Part 570, as applicable. The Subrecipient further represents and warrants that it will comply with any further amendments or changes to said required assurances and certifications, and that during the term of this Agreement it will maintain current copies of said assurances and certifications at the address of the Subrecipient's representative, as provided in Section 10 (Designated Representative).

XII. Compliance

The Subrecipient agrees that it hereby undertakes the same obligations to Recipient that Recipient has undertaken to HUD pursuant to Recipient's CDBG application and certifications. The obligations undertaken by the 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:

A. The Housing and Community Development Act of 1974 (Public Law 93-383) as amended, and legislative changes contained in the Housing and Urban-Rural Recovery Act of 1983; and the Housing and Community Development Act of 1987, plus all succeeding revisions and amendments to these Acts.

B. Final regulations of the Department of Housing and Urban Development relating to Community Development Block Grants (Title 24, Chapter V, Part 570 of the Code of Federal Regulations commencing with Section 570.1) dated September 6, 1988; and revisions to 24 CFR Part 570 at Subpart J entitled "Grant Administration" and dated March 11, 1988, plus all succeeding revisions and amendments to these regulations.

C. Land Covenants. This CDBG Subrecipient Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and 24 CFR 570.601 and 602. In regard to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement, the Subrecipient shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the Recipient and the United States are beneficiaries of and entitled to enforce such covenants. The Subrecipient, in undertaking its obligation to carry out the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

D. Regulations of the Department of Housing and Urban Development relating to environmental review procedures for the Community Block Grant program (Title 24, Subtitle A, Part 58 of the Code of Federal Regulations, commencing at Section 58.1) except that the Subrecipient does not assume Recipient's environmental responsibilities as described in 24 CFR Part 570.604.

E. Environmental Mitigation: The Subrecipient shall implement and monitor all Project mitigation measures approved in the Project's National Environmental Policy Act (NEPA) document prepared by the Recipient. The staff responsible for implementing and monitoring mitigation measures shall be clearly identified in the Project construction plan(s).

F. Title VI of the Civil Rights Act of 1964 (Public Law 88-352) as amended; Title VIII of the Civil Rights Act of 1968 (Public Law 90-284) (affirmatively furthering fair housing) as amended; Section 104(b) and 109 of Title I of the Housing and Community Development Act of 1974 as amended; Section 3 of the Housing and Urban Development Act of 1968 (employment priorities for new hires); 12 U.S.C. 1701u (Economic opportunities for low- and very low-income persons); Section 504 of the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Age Discrimination Act of 1975; Executive Order 11246 as amended by Executive Order 11375 and 12086; Executive Order 11063 as amended by Executive Order 12259; and HUD regulations heretofore issued or to be issued to implement these authorities relating to civil rights, and pursuant to 24 CFR 570.904(d) and 2 CFR Part 200.321:

1. Contracting with Small and Women and Minority Owned Businesses (W/MBE) (2 CFR 200.321). The Subrecipient will take all necessary affirmative steps to assure that minority owned and/or women owned business enterprises and labor area surplus firms are used when possible. Such firms and businesses have 50% or more ownership by an ethnic minority person(s) and/or by woman/women. All construction projects receiving HUD funds and all contractors and subcontractors who receive $10,000 or more in HUD funds shall fulfill these hiring requirements. These steps are in addition to full and open competition and must include, at a minimum, the following six affirmative steps:

a) Solicitation Lists. Subrecipient must place small and minority businesses and women's business enterprises on solicitation lists (2 CFR 200.321(b)(1);

b) Solicitation. The Subrecipient must assure that it solicits small and minority businesses and women's business enterprises whenever they are potential sources (2 CFR 200.321(b)(2);

c) Dividing Requirements. Subrecipient must divide total requirements when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises (2 CFR 200.321(b)(3);

d) Delivery Schedules. The Subrecipient must establish delivery schedules where the requirement permits, which encourage participation by small and minority businesses and women's business enterprises (2 CFR 200.321(b)(4);

e) Obtaining Services and Assistance. The Subrecipient must use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce (2 CFR 200.321(b)(5); and

f) Prime Contractor Requirements. The Subrecipient must require the prime contractor, if subcontractors are anticipated or let, to take the five affirmative steps as described in (a) through (e) above (2 CFR 200.321(b)(6).

G. Economic Opportunities for Low- and Very Low-Income Persons (24 CFR Part 135) Non-Public Housing Authority entities that obligate or commit to spend over $200,000, or any individual contractor or subcontractor that receives $100,000 of covered funds on projects involving housing construction, demolition, rehabilitation, or other public construction is required to comply with Section 3 of the Housing and Urban Development Act of 1968, hereinafter referred to as "Section 3 (HUD)".

The purpose of the Section 3 (HUD) is to ensure that employment and other economic opportunities generated by the U.S. Department of Housing and Urban Development (HUD) assistance or HUD assisted project covered by Section 3 (HUD), shall, to the greatest extent feasible, be directed to low and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

The Subrecipient shall insure that all Section 3 (HUD) covered contracts (where $100,000 or more in HUD funds are used to reimburse a contractor or subcontractor for work) shall include the following clause:

1. The work to be performed under this CDBG Subrecipient Agreement is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u and the implementing regulations at 24 CFR 135 (Economic Opportunities for Low-And Very Low-Income Persons). The purpose of Section 3 (HUD) is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3 (HUD), shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

2. As evidenced by its execution of this Agreement, the Subrecipient certifies that it is under no contractual or other impediment that would prevent it from complying with the part 135 regulations.

3. The Contractor agrees to send to each labor organization or representative of workers with which the Contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Contractor's commitments under this Section 3 (HUD) clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall contain the Section 3 (HUD) preference, shall set forth: (1) the minimum number and job titles subject to hire; (2) availability of apprenticeship and training positions; (3) the qualifications for each, and the name and location of the person(s) taking applications for each of the positions; and (4) the anticipated date the work shall begin.

4. The Contractor agrees to require this Section 3 (HUD) clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 (HUD) clause, upon a finding that a subcontractor is in violation of the regulations in 24 CFR Part 135. The Contractor shall not subcontract with any subcontractor where the Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.

5. By its signature to this Agreement, the Contractor will certifies that any vacant employment positions, including training positions, that are filled (1) after the Contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the Contractor's obligations under 24 CFR Part 135.

6. Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.

H. The Labor Standards Regulations set forth in Section 570.603 of 24 CFR Part 570; and HUD Handbook 1344.1. If this Agreement involves construction or facility improvements exceeding $2,000 awarded by the Recipient, the Subrecipient agrees to comply with:

Prevailing Wages: Requirements of the Secretary of Labor in accordance with the Davis-Bacon Act (40 USC 276a to 276 a-7) as supplemented in the Department of Labor regulations (29 CFR Part 5) applies. If there is a difference between the minimum wage rates predetermined by the Secretary of Labor and the prevailing wage rates determined to be applicable to this contract by the Director of the California Department of Industrial Relations for similar classifications of labor, the Subrecipient and its contractor and subcontractors shall pay not less than the higher wage rate.

The Subrecipient agrees that, except with respect to the rehabilitation of residential property designed for residential use for less than eight (8) households, all contractors engaged under contracts in excess of $2,000.00 for construction, renovation or repair of any building or work financed in whole or in part with assistance provided under this Agreement, shall comply with federal requirements adopted by the Recipient pertaining to such contract, and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR, Parts 3, 1, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journeymen; provided, that if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the Subrecipient of its obligation, if any, to require payment of the higher wage. The Subrecipient shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph, for such contracts in excess of $10,000.00.

Copeland Anti-Kickback Act: During the performance of this Agreement, the Subrecipient and its contractors and subcontractors agree to comply with the Copeland Anti-Kickback Act (18 USC 874) as supplemented in the Department of Labor regulations (29 CFR Part 3). This act provides that the Subrecipient, its contractor and subcontractors shall be prohibited from inducing any person employed in the construction, completion, or repair of public facilities to give up any part of the compensation which they are otherwise entitled.

The Subrecipient, its contractor and subcontractors shall maintain documentation that demonstrates compliance with hour and wages requirements of this part. Such documentation shall be made available to the Recipient for review upon request. The Subrecipient's contractor and subcontractors agree to include a provision requiring such compliance in its lower tier covered contracts and transactions.

Agreements exceeding $100,000 that involve the employment of mechanics or laborers shall comply with the following:

Contract Work Hours and Safety Standards Act: Where applicable, during the performance of this Agreement, all contracts awarded by the Subrecipient, the prime contractor and subcontractors in excess of $2,000 for construction contracts and in excess of $100,000 are required, pursuant to the Contract Work Hours and Safety Standards Act, to apply the four clauses below. These clauses shall be inserted in addition to the clauses required by 29 CFR Part 5.5(a) or 29 CFR Part 4.6. As used in this section, the terms laborers and mechanics include watchmen and guards.

1. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

2. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in Section 1 above , the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (a) of this section, in the sum of $10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (a) of this section.

3. Withholding for unpaid wages and liquidated damages. The Recipient shall upon its own action or upon written request of an authorized representative of the U.S. Department of Housing and Urban Development (HUD) or the U.S. Department of Labor (DOL) withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in Section 2 above.

4. Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in Sections 1 through 4 of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in Section 1 through 4 of this section.

Bonding Requirements. For construction or facility improvements contracts or subcontracts exceeding the Simplified Acquisition Threshold ($150,000) the Recipient may accept the bonding policy and requirements of the Subrecipient provided that the Recipient has made a determination that the CDBG funds are adequately protected. If such a determination has not been made, the minimum requirements must be as follows:

a) Bid Guarantee. At the submission of a bid to the Subrecipient, the contractor shall furnish a "bid" guarantee equivalent to five percent of the bid price. The "bid guarantee" must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.

I. Equal Employment Opportunity. During the performance of this Agreement, the Subrecipient agrees it will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, and hereby promises to comply with the provisions on contractor agreements contained in Presidential Executive Order #11246 as amended by Executive Order 11375 and as approved by the Department of Labor Relations (41 CFR Part 61).

J. CFR Part 200 entitled Uniform Administrative Requirements Cost Principles and Audit Requirements for Federal Awards, Administrative regulations, including, but not limited to, applicable Sections of Department of Housing and Urban Development regulations located at: 24 CFR 92.505 – Uniform Administrative Requirements. Pursuant to 24 CFR 92.505, the Subrecipient will comply with the requirements of 2 CFR part 200, except that the following provisions shall not apply: §§ 200.306, 200.307, 200.308 (not applicable to participating jurisdictions), 200.311 (except as provided in § 92.257), 200.312, 200.329, 200.333, and 200.334. The provisions of 2 CFR 200.305 apply as modified by § 92.502(c). If there is a conflict between definitions in 2 CFR part 200 and 24 CFR part 570, the definitions in 24 CFR part 570 shall govern.

K. The following laws and regulations relating to preservation of historic places: Public Law 89-665 the Archaeological and Historical Preservation Act of 1974 (Public Law 93-291), and Executive Order 11593 including the procedures prescribed by Advisory Council on Historic Preservations in 36 Code of Federal Regulations, Part 800.

L. The Architectural Barriers Act of 1968 (42 U.S.C. Section 4151 and the Americans with Disabilities Act of 1990 (ADA).

M. The Hatch Act relating to the conduct of political activities (Chapter 15 of Title 5, U.S.C.).

N. The Flood Disaster Protection Act of 1973 (Public Law 93-234 and the regulations adopted pursuant thereto) Section 202(a) and the regulations in 44 CFR parts 59 through 79.

O. The Clean Air Act (42 U.S.C. Chapter 85) and the Federal Water Pollution Control Act, as amended (33 U.S.C. Section 1251 et seq.) and the regulations adopted pursuant thereto.

P. Executive Order 12372, which requires State Clearinghouse review and comment of any CDBG project for the planning, construction, reconstruction, and/or installation of water or sewer facilities.

Q. Section 401(b) of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831 (b)).

R. Debarment and Suspension. An agreement or contract must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM) database, in accordance with 2 CFR 180 that implements Executive Orders 12549 and 12689, "Debarment and Suspension." Provision of 24 CFR Part 570.609, and 24 CFR 5.105(c) for procurement activities regarding use of debarred, suspended, or ineligible contractors or subcontractors and 24 CFR Part 24 for non-procurement activities, regarding use of debarred, suspended, or ineligible contractors or subcontractors. This Agreement is a covered transaction for purposes of 2 CFR 180 and 2 CFR 3000. As such the Subrecipient is required to verify with the Recipient that the Subrecipient, its contractors, subcontractors, its principles (defined at 2 CFR 180.940), or its affiliates (defined at 2 CFR 180.905) are excluded (defined at 2 CFR 180.940) or disqualified (defined at 2 CFR 180.935).

The Subrecipient must comply with 2 CFR 180, subpart C and 2 CFR 3000, subpart C during the term of this Agreement and any other contract that may arise as a result of this agreement. Subrecipient must include a provision requiring such compliance in its lower tier covered contracts and transactions.

If it is later determined that the Subrecipient did not comply with 2 CFR 1800, Subpart C and 2 CFR 3000, subpart C, in addition to remedies available to the Recipient and the Federal Government, may pursue available remedies, including but not limited to suspension and/or debarment.

Contractors excluded, disqualified or otherwise ineligible (e.g., suspension, debarment, or limited denial of participation) for Federal procurement and non-procurement programs per 24 CFR 570.609 shall not be considered for contract award. This applies to any CDBG-assisted contracts for the procurement of goods and services, professional services, public services, and construction activities (prime and sub-prime contractors).

The Subrecipient shall work with the Recipient to verify eligibility for all contractors and subcontractors, its principles or its affiliates are not excluded or disqualified subject to procurement requirements prior to contract award by the Subrecipient. The Subrecipient shall not use a self-certification letter or form signed by the contractor as a substitute for evidence of their eligibility status.

To verify and document a contractor's eligibility the Subrecipient shall check the General Services Administration System for Award Management site (https://www.sam.gov/portal/SAM/#1#1) to assure the contractor's eligibility and shall submit the verification(s) to the Recipient prior to the notification and award of the contract. The Subrecipient shall retain a copy of the verification(s) for their file to verify results for each contractor.

The Subrecipient further agrees to comply with any environmental, procurement, construction, and other guidelines provided by Recipient. All local code regulations must be recognized and services provided must conform to the said standards.

S. Reporting. The Subrecipient also agrees to submit an annual performance and evaluation report no later than 30 days after the completion of the most recent program year showing the status of all activities as of the end of the program year. The purpose of the performance and evaluation report is to assist the Recipient in complying with its reporting obligations under 24 Code of Federal Regulations section 570.507(a) and under 24 Code of Federal Regulations Part 91. The Recipient shall specify the content and format of this report.

T. Rights to Inventions. Per 2 CFR Appendix II to Part 200(F), if the use of CDBG award meets the definition of "funding agreement" under 37 CFR 401.2(a) and the Agreement includes the performance of experimental, developmental, or research work, the Subrecipient must provide for the rights of the Federal Government and the Recipient in any resulting invention as established by 37 CFR part 401, Rights to Inventions Made by Non-profit Organizations and Small Business Firms under Government Grants, Contracts, and Cooperative Agreements. This contract incorporates by reference the patent and inventions rights as specified within in the 37 CFR §401.14. Contractor must include this requirement in all sub-tier contracts involving experimental, developmental, or research work.

The regulation at 37 C.F.R. § 401.2(a) currently defines "funding agreement" as any contract, grant, or cooperative agreement entered into between any Federal agency, other than the Tennessee Valley Authority, and any contractor for the performance of experimental, developmental, or research work funded in whole or in part by the Federal government. This term also includes any assignment, substitution of parties, or subcontract of any type entered into for the performance of experimental, developmental, or research work under a funding agreement as defined in the first sentence of this paragraph.

U. Clean Air Act and the Federal Water Pollution Control Act. If this Agreement involves construction or facility improvements and exceeds $150,000 the following provision is applicable. The Subrecipient shall comply with all applicable standards, orders, or regulations issued under Section 306 of the Clean Air Act (42 USC 7401 – 7671q), Section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738, and EPA regulations (40 CFR Part 15), which prohibit the use under nonexempt federal contracts, grants, or loans of facilities included in the EPA List of Violating Facilities. Violations will be reported to the US EPA Administrator for Enforcement (EN-329).

By execution of this Agreement, the Subrecipient, its contractor and subcontractors will be deemed to have stipulated as follows:

1. The Subrecipient, its contractor and subcontractors hereby declare that no person who will be utilized in the performance of this contract has a violation of Section 508 of the Clean Water Act or Section 306 of the Clean Air Act which prohibits them from perform work on a federally funded project.

2. During the performance of this contract, the Subrecipient, its contractor and/or subcontractor agrees to comply with all applicable standards, orders, and regulations issued pursuant to the Clean Air Act (42 USC 7401-7671q), and the Federal Water Pollution Control Act as amended (33 USC 1251-1387). Violations must be reported to the EPA.

3. That any facility that is or will be utilized in the performance of this Agreement, unless the Agreement is exempt under the Clean Air Act, as amended (42 USC 7401 – 7671q et seq., as amended by Public Law 91-604), and under the Federal Water Pollution Control Act, as amended (33 USC 1251 et seq., as amended by Public Law 92-500), Executive Order 11738, and regulations in implementation thereof (40 CFR 15) is not listed, on the date of this Agreement award, on the EPA List of Violating Facilities pursuant to 40 CFR 15.20.

4. That the Subrecipient, its contractor and subcontractors agree to comply and remain in compliance with all the requirements of Section 114 of the Clean Air Act and Section 308 of the Federal Water Pollution Control Act and all regulations and guidelines listed thereunder.

5. That the Subrecipient, its contractor and subcontractors shall promptly notify the Recipient of the receipt of any communication from the Director, Office of Federal Activities, EPA, indicating that a facility that is or will be utilized for the Agreement is under consideration to be listed on the EPA List of Violating Facilities.

6. That the Subrecipient, its contractor and subcontractors agree to include or cause to be included the requirements of this article in every nonexempt subcontract, and further agrees to take such action as the government may direct as a means of enforcing such requirements.

V. Procurement of Recovered Materials. During the performance of this Agreement, the Subrecipient, its contractor and subcontractors agree to comply with all of the standards, order, and requirements issued under Section 6002 of the Solid Waste Disposal Act, Pub. L. No. 89-272 (1965) (codified as amended by the Resource Conservation and Recovery Act at 42 USC 6962). See 2 CFR 200, Appendix II (J), or at 2 CFR 200.322.

The Subrecipient, its contractor and subcontractors shall include the provisions of this article in all subcontracts under the Agreement.

The following provides the clause that the Subrecipient, its contractor and subcontractors can include in contracts meeting the above thresholds:

1. In the performance of this contract, the (name of contractor here) shall make maximum use of products containing recovered materials that are EPA- designated items unless the product cannot be acquired:

a) Competitively within a timeframe providing for compliance with the contract performance schedule;

b) Meeting contract performance requirements; or

c) At a reasonable rice.

2. Information about this requirement, along with the list of EPA-designated items, is available at EPA's Comprehensive Procurement Guidelines web site:

https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program

The requirements of Section 6002 include procuring only items designated in guidelines of the EPA at 40 CFR 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired by the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

W. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and regulations adopted to implement the Act in the Code of Federal Regulations, Title 24, Part 42.

X. The Subrecipient shall comply with all provisions of the Build America, Buy American Act (BABA), as applicable to this project, including but not limited to, ensuring that the construction materials used in the project are produced in the United States. This includes all iron, steel, and manufactured goods, unless an exception is authorized under the law.

XIII. Subcontracts

The Subrecipient shall incorporate the same or substantially equivalent requirements as are contained in this CDBG Subrecipient Agreement in all subcontracts which utilize any CDBG funds and/or support any CDBG program(s) covered by this CDBG Subrecipient Agreement; when program(s) utilize(s) CDBG funds and other funding sources, all funds shall be subject to CDBG regulations. The Subrecipient, by entering into any such subcontract for performance of any portion of the CDBG Program, is not relieved of its responsibilities to Recipient as set forth in this CDBG Subrecipient Agreement.

XIV. Non-Discrimination/Religious Activities

No person with responsibilities in the operation of any project under this CDBG Subrecipient Agreement will discriminate because of race, creed, color, national origin, age, sex, political affiliation, sexual orientation, gender identity, handicap, beliefs, or marital or familial status.

The Subrecipient agrees that funds provided under this CDBG Subrecipient Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

The Subrecipient will ensure that every effort is made to provide equal opportunity to every potential minority and women's business vendor, contractor and subcontractor. The Subrecipient will take affirmative action to insure that all employment practices are free from such discrimination. Such employment practices include but are not limited to the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

The Subrecipient agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting agency setting forth the provisions of this nondiscrimination clause.

XV. Standard of Conduct/Conflict of Interest and Lobbying

No member, officer or employee of the Subrecipient or its designee 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 exercises any functions or responsibilities with respect to the Project activities during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the process thereof, for work to be performed in connection with the Project activities assisted under this CDBG Subrecipient Agreement.

No member, officer or agent of the Subrecipient shall participate in the selection of the award, or administration of, any Project activities or construction contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.

No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any Project activities, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted activity, or with respect to proceeds from the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this Section, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or

appointed official of the Recipient, the Subrecipient, or any designated public agency.

By entering into this CDBG Subrecipient Agreement, the Subrecipient certifies:

A. No federal appropriated funds have been paid or will be paid, by or on behalf of the Subrecipient, 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 making of any Federal grant, the making of any Federal loan, the entering into a cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant loan, or cooperative agreement in accordance with the Department of Interior and Related Agencies Appropriations Act, known as the Byrd Amendments, and HUD's 24 Code of Federal Regulations (CFR) 87.

Furthermore, for Agreements of $100,000 or more, subrecipient shall file the required certification in **Exhibit D**. This certification process also applies to the Subrecipient's contractor and subcontractors contracts, of $100,000 or more, who must certify to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 USC 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the Recipient.

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, the Subrecipient shall complete and submit Standard Form LL, "Disclosure Form to Report Lobbying," in accordance with its instructions, and other federal disclosure forms as requested.

C. The Subrecipient shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients 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 Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

D. Mandatory Disclosures. The Subrecipient must disclose, in a timely manner, in writing to the Recipient all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially effecting the Federal award described in 2 CFR 200.113. Failure to make require disclosures can result in any of the remedies described in 2 CFR 200.338 Remedies for noncompliance, including suspension or debarment.

XVI. Use of Funds for Entertainment, Meals or Gifts

The Subrecipient represents and warrants that it will not use funds provided through the Agreement to pay for entertainment, meals or gifts.

XVII. Fiscal Control

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

Disbursement of Funds: CDBG funds shall generally be disbursed by Recipient to the Subrecipient on a reimbursement basis for actual expenses.

The Recipient agrees to pay the Subrecipient progress payments at the time and in the manner set forth in the Schedule of Compensation, **Exhibit C**. Payment by the Recipient is not to be construed as final in the event HUD disallows reimbursement for the Work or any portion thereof. Source documentation, as specified by the Recipient, supporting the invoice(s) shall be submitted by the Subrecipient with request for payment.

The Subrecipient shall be liable for all amounts which are determined to be due by HUD including, but not limited to, disallowed costs which are the result of the Subrecipient's or its contractor's conduct under this CDBG Subrecipient Agreement.

The Subrecipient shall be notified in writing and shall be permitted to respond regarding any controversy or proceeding between the Recipient and HUD arising from this CDBG Subrecipient Agreement.

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 22 (Agreement Responsibility for Monitoring and Records) of this CDBG Subrecipient Agreement.

XVIII. Program Income

Program Income is defined in Subpart J of 24 CFR Part 570.504 and is described as gross income received by the Subrecipient and directly generated from the use of CDBG funds.

Program income includes, but is not limited to, the following:

A. Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds;

B. Proceeds from the disposition of equipment purchased with CDBG funds;

C. Gross income from the use or rental of real or personal property acquired by the Subrecipient with CDBG funds, less costs incidental to generation of the income;

D. Gross income from the use or rental of real property owned by the Subrecipient that was constructed or improved with CDBG funds, less costs of the non- CDBG portion;

E. Payment of principal and interest on loans made using CDBG funds except as provided in 24 CFR Part 570.500(a)(3);

F. Proceeds from the sale of loans or obligations secured by loans made with CDBG funds;

G. Interest earned on program income pending its disposition; and

H. Funds collected through special assessments made against properties owned and occupied by households not of low or moderate income where the assessments are used to recover all or part of the CDBG programs portion of a public improvement.

During the effective Term of this CDBG Subrecipient Agreement, the Subrecipient shall report all program income as defined in 24 CFR 570.500(a), generated by activities carried out with CDBG funds under this CDBG Subrecipient Agreement. Program Income may be retained by the Subrecipient subject to the provisions of the Cooperative Agreement, the Act, and its regulations. Any program income retained must only be used for eligible activities in accordance with all CDBG requirements.

It shall be the Subrecipient's responsibility to manage and use the program income in compliance with the standards and requirements set forth in section 570.504(a) & (b) (1) through (b)(3). The transfer of CDBG funds from the Recipient to the Subrecipient shall be adjusted to reflect any program income in accordance with the principles set forth in section 570.504(b) (2) (i) and (ii). In addition, all of the provisions of this CDBG Subrecipient Agreement shall apply to the management and use of the program income.

Recipient shall monitor the use of any program income, requiring appropriate record keeping and reporting by the Subrecipient as may be needed for this purpose, and shall report the use of such program income to HUD. In the event of close-out as defined in section 570.509 of the federal regulations or change of status of the Subrecipient, (*i.e.*, from Subrecipient to entitlement), all program income on hand or received by the Subrecipient subsequent to the close-out or change of status shall be paid to the Recipient.

Program income attributable to projects funded under this CDBG Subrecipient Agreement and on hand with the Subrecipient when this CDBG Subrecipient Agreement expires, is terminated with or without cause, or received after the Agreement expiration, shall be paid to the Recipient as required by 24 CFR Part 570.503(b)(8) when the Subrecipient ceases to be under continuous Agreement with the Recipient for the operation of CDBG programs. As long as there is no break in the CDBG Subrecipient Agreement period, program income shall be governed by the provisions of this Section.

The Project shall continue to meet the CDBG program national objective per 24 CFR 570.208 as required by 24 CFR 570.503(b)(7)(i). If the Project is not used in accordance with 24 CFR 570.503(b)(7)(i) the Subrecipient shall reimburse the Recipient to comply with the requirements of 24 CFR 570.503 (b)(7)(ii).

XIX. Reversion of Assets

A. Reversion of Assets. The five (5) year period set forth in 24 CFR 570.503(b)(7) for compliance with one or more national objectives shall be included and contained within the five (5) year compliance period established by the CDBG Covenants.

B. Upon expiration of this CDBG Subrecipient Agreement, the Subrecipient shall transfer to the Recipient any CDBG funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG funds. Any real property under the Subrecipient's control that was acquired and/or improved in whole or in part with CDBG funds (including CDBG funds provided to the Subrecipient in the form of a loan) in excess of $25,000 shall:

1. Be used to meet one of the national objectives in 24 CFR Part 570.208 until the end of the five (5) year compliance period established by the CDBG Covenants (pursuant to Section 5.B above – Term of Agreement), or the length of time to be further prescribed by mutual agreement of the Parties.

2. Be disposed of in such manner that the Recipient is reimbursed in the amount of the fair market value of the property at the time of disposition of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition and/or improvement of such property. The payment is Program Income to the Recipient.

3. If the Subrecipient is a private non-profit organization, the Subrecipient further agrees to a voluntary lien / deed of trust on above-reference property as to any CDBG funds received and that such lien / deed of trust will be notarized and recorded in the Office of the County Recorder. The Subrecipient will utilize the lien / deed of trust form specified by the Recipient, and will be subject to provisions listed in this CDBG Subrecipient Agreement and in the CDBG Covenants.

XX. Procurement/Equipment

Equipment, which shall be defined as tangible, nonexpendable, personal property having a useful life of more than one (1) year and an acquisition cost of $1,000 or more per unit, is eligible for purchase using CDBG funds only upon prior approval of the Recipient and subject to 24 CFR Part 570.207(b)(1). Such equipment shall be used by the Subrecipient in the project for which it was acquired as long as needed, regardless of whether such project continues to be supported by Federal funds; at the time, equipment may be used in other activities currently or previously supported by a Federal agency. Use of such equipment is also subject to provisions of 24 CFR Part 200.313(c). If applicable, the Subrecipient shall also establish procedures for managing equipment, which meet the requirements of 24 CFR Part 200.313(d). Further, proceeds from disposition of such equipment shall be treated as program income as specified in Section 18 (Program Income) of this CDBG Subrecipient Agreement.

XXI. Records and Reports

The Subrecipient agrees to supply to the Recipient, on a quarterly and annual basis, any progress reports and/or other reasonable documentation as may be required by the Recipient to audit performance of the Work activities covered by this CDBG Subrecipient Agreement (and the subsequent Property operational activities) and to enable the Recipient to analyze and evaluate utilization of the CDBG funds by the Subrecipient. The Subrecipient shall maintain separate accounting and financial records for each funding (revenue) source in support of the Work.

A. Payment Request Form: Subrecipient shall submit a Payment Request Form (Exhibit “D”) and copies of the original supporting documents for payment to the Recipient.

B. Progress Reports: Progress reports for Work activities shall address project status and, if applicable, explanation of any problems/delays encountered and/or anticipated and measures to be taken to correct such problems; revised milestones including anticipated schedule for Work completion; and a summary of expenditures, obligations, program income, and drawdown to date. In addition, the Subrecipient shall provide as part of the progress report any citizen comments received during the reporting period relative to the Work, and responses to such comments, and additional information, as needed. Subrecipient shall submit such report quarterly within thirty (30) days of the close of report period including in the event that no expenditures occurred, which shall be documented in the quarterly report.

C. The Subrecipient shall use the CDBG Monitoring Checklist – Housing/Rehab., hereinafter referred to as "the Checklist," to collect and retain all Work documents to provide the Recipient for its records.

D. Completion Report: The Subrecipient shall prepare and submit to the Recipient a Completion Report within thirty (30) days of completion of Work activities covered by this CDBG Subrecipient Agreement. Said report shall consist of an overview and evaluation of the Work activities, a comparison of milestones' progress, total costs incurred, listing of files, listing of personnel, and other reasonable information requested by the Recipient. The Completion Report shall be made as part of the Quarterly Report Form.

E. Annual HUD/Recipient Reports: The Subrecipient shall submit to the Recipient in a timely manner other reports as requested/required by the Recipient for HUD compliance including, but not limited to the Contractor/Subcontractor, EEO-4, and Minority Financial Institution Reports (if applicable), the Affirmative Marketing Report, and provide, as requested by HUD and/or Recipient, information necessary to prepare the any other required reports and/or plans.

F. Audit: The Subrecipient shall be responsible for conducting an annual audit of its CDBG program in compliance with Title 2 CFR Part 200.500 – 200.520 issued pursuant to the Single Audit Act of 1984 and the Single Audit Amendments of 1996, P.L. 98-502, as applicable. A copy of said audit shall be forwarded to the Recipient upon completion. Any costs associated with the annual audit shall be the responsibility of and paid for by the Subrecipient.

If the Subrecipient does not exceed the expenditure limits per 2 CFR Part 200.000-520, the Subrecipient shall provide the Recipient with a copy of the Subrecipient's latest Audit Report.

XXII. Agreement Responsibility for Monitoring and Records

HUD, the Office of the Inspector General (OIG), and the designated representatives of the Recipient, and other appropriate officials shall have access to all personnel records, management information, and fiscal data of the Subrecipient and any agency or contractor with whom the

Subrecipient executes a subcontract necessary to carry out any CDBG program(s) for monitoring purposes (24 CFR 200.328, 200.327 and 200.326). The Subrecipient shall respond in a timely manner to all identified corrective action needs as a result of HUD, Recipient, or other monitoring. The Subrecipient shall submit to Recipient all required reports and monitoring corrective action plans on a timely basis, as delineated by the Recipient. Records shall be maintained as follows:

A. The Subrecipient agrees to retain all pertinent records under the CDBG Program, including financial records, until advised by the Recipient that further retention is unnecessary. Generally, records shall be retained for a period for five (5) years from the end of the Term (see Section 5 above – Term of Agreement) or the fiscal year in which the last project covered by the Recipient's annual agreement with HUD is completed. Records shall be open and available for inspection by auditors and/or other staff assigned by HUD and/or the Recipient during the normal business hours of the subrecipient. If at the end of such five (5) year period, there is ongoing litigation, claims, negotiations, audit or other action involving the Subrecipient's or the Recipient's records, which has started before expiration of the five (5) year period, the Subrecipient will retain the records until the completion of the action and resolution of all issues which arise from it as stated in 2 CFR Part 200.333.

B. Consistent with applicable state and local laws regarding privacy and obligations of confidentiality, the Subrecipient shall furnish and cause each of its own subrecipients or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts to the Recipient, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein The Subrecipient also must provide citizens with reasonable access to records on the past use of CDBG funds (24 CFR 570.508).

C. Records for nonexpendable property shall be retained for a period of five (5) years after final disposition of the property, if applicable.

XXIII. Inspection Rights

The Subrecipient agrees to allow the Recipient to inspect the Work and the Project at reasonable times upon a minimum 24-hour advance notice.

XXIV. Request for Technical Assistance

The Subrecipient shall refer to the Recipient any regulatory or procedural questions regarding operation of its CDBG program. All formal requests for technical assistance shall be submitted in writing. Requests should specify the problem area, particular assistance being requested and proposed solution if applicable. Informal questions regarding day-to-day program operation may be directed to the designated Recipient representative.

XXV. Hold Harmless and Indemnification

The Subrecipient shall hold the Recipient and the Recipient's officers, employees, agents and volunteers harmless and free from any and all claims, liabilities or expenses, including attorney's fees, arising out of or relating to any negligent act, negligent omission, or other wrongful conduct related in any way to the Subrecipient's performance of the Work pursuant to this CDBG Subrecipient Agreement, provided such claims, liabilities or expenses were not the result of the gross negligence, willful misconduct or fraud of the Recipient or the Recipient's officers, employees, agents or volunteers. In the event the Recipient and/or any of the Recipient's officers, employees, agents or volunteers are named in any lawsuit, or should any claim be made against it or any of them by lawsuit or otherwise arising out of or relating to such negligent act, negligent omission or other wrongful conduct for which it is entitled to indemnification pursuant to this Section XXV, the Subrecipient shall indemnify them for any judgment rendered against them, any sums paid out in settlement or otherwise, and all costs incurred by them in their defense, including, but not limited to attorney's fees.

The Subrecipient also understands and agrees that it is being employed to perform the services provided for by this CDBG Subrecipient Agreement because of the Subrecipient's professed expertise and experience in performing the Work provided for under this CDBG Subrecipient Agreement. In addition, the Subrecipient understands and agrees that while the Recipient and the Recipient's officers or agents may elect to do so, they have no duty to review, inspect, or supervise the Work performed by the Subrecipient pursuant to this CDBG Subrecipient Agreement, except as otherwise expressly provided for by this CDBG Subrecipient Agreement. As a consequence, the Subrecipient waives any right of contribution against the Recipient or any of the Recipient's officers, employees, agents and volunteers arising out of such failure to inspect, review, monitor or supervise the Work performed by the Subrecipient pursuant to this CDBG Subrecipient Agreement.

XXVI. Insurance

Subrecipient shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Subrecipient, its agents, representatives, or employees.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Subrecipient shall maintain insurance coverage as specified in **Exhibit E** of this Agreement.

Verification of Coverage

Subrecipient shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Subrecipient's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

The certificates of insurance and endorsements shall be sent via email. If you have not received your request or are having difficulty with electronic upload, contact insurance@oxnard.org.

Subcontractors

Subrecipient shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein.

XXVII. Covenants and Conditions

Each term and each provision of this CDBG Subrecipient Agreement to be performed by the Subrecipient shall be construed to be both a covenant and a condition.

XXVIII. Effect of Termination

For Agreements exceeding $10,000 the following applies:

A. Termination of Agreement for Convenience: In accordance with 24 CFR Part 570.509(e) and 2 CFR 200.339, this CDBG Subrecipient Agreement may be terminated by mutual agreement of the parties or by either party after a thirty (30) days written notice of intention to terminate, setting forth the reasons and the effective date of such termination, has been given to the other party, provided, however, that no notice of termination given by the Subrecipient shall be effective unless HUD has agreed to release Recipient from its obligations pursuant to the program activity(ies) in **Exhibit B** – Statement of Work and no notice of termination given by Subrecipient shall be effective unless Recipient is in default under this CDBG Subrecipient Agreement and such default has not been cured within applicable notice and cure periods.. Alternatively, this CDBG Subrecipient Agreement will automatically terminate in the event that the United States Government terminates the CDBG programs or terminates the program activity(ies) which is the subject of the Agreement.

B. Termination of Agreement for Cause: In accordance with 24 CFR 570.509(f) and 2 CFR 200.339, the Parties hereto understand that pursuant to the Recipient's execution of the HUD application, the Recipient assumed responsibility as to the performance of the Work. If through any cause the Subrecipient fails to fulfill in a timely and proper manner its obligations under this CDBG Subrecipient Agreement to undertake, conduct or perform the Work identified in this CDBG Subrecipient Agreement, or if the Subrecipient violates any of the covenants, agreements, or stipulations of this CDBG Subrecipient Agreement and does not cure such violation within applicable notice and cure periods, the Recipient shall thereupon have the right to terminate this CDBG Subrecipient Agreement by giving written notice of such termination and specifying the effective date thereof at least (5) days before the effective date of such termination. Notwithstanding the above, the Subrecipient shall not be relieved of liability to the Recipient for damages sustained by the Recipient by virtue of any payments to the Subrecipient for the purpose of set-off until such time as the exact amount of damages due the Recipient from the Subrecipient is determined.

C. Upon termination, as stated in subsections A or B above of this CDBG Subrecipient Agreement, the Recipient shall be liable to the Subrecipient only for Work done by the Subrecipient up to and including the date of termination of this CDBG Subrecipient Agreement, unless the termination is for cause, in which event the Subrecipient need be compensated only to the extent required by law. The Subrecipient hereby expressly waives any and all claims for damages for compensation arising under this CDBG Subrecipient Agreement except as set forth in this Section in the event of such termination.

D. If this Agreement is terminated pursuant to this Section, the Subrecipient shall remain responsible for compliance with the requirements in 2 CFR 200.343 (Closeout) and 2 CFR 200.344 (Post-closeout adjustments and continuing responsibilities).

XXIX. Taxpayer Identification Number

The Subrecipient shall provide the Recipient with a complete Request for Taxpayer Identification Number and Certification, Form W-9 as issued by the Internal Revenue Service.

XXX. Modification of Agreement

Except as provided in Section 3 (Availability of Funds), the tasks described in this CDBG Subrecipient Agreement and all other terms of this CDBG Subrecipient Agreement may be modified only upon mutual written consent of the Recipient and the Subrecipient.

XXXI. Use of the term "Recipient"

Reference to "Recipient" in this CDBG Subrecipient Agreement includes the designated Recipient representative, or any authorized representative acting on behalf of the Recipient.

XXXII. Notices

All notices given, or required to be given, pursuant to this CDBG Subrecipient Agreement shall be in writing and may be given by personal delivery or by mail. Notice sent by mail shall be addressed to each party's designated representative as set forth above in Section 10 (Designated Representative). When addressed in accordance with Section 10, such notice shall be deemed given upon deposit in the United States mail, postage prepaid. In all other instances, notices shall be deemed given at the time of actual hand delivery. Changes may be made in the names or addresses of persons to whom notices are to be given by giving notice in the manner prescribed in Section 10.C.

Notices shall be sent to the Recipient and to Subrecipient's representative at the addresses shown in Section 10 (Designated Representative).

XXXIII. Permits and Licenses

The Subrecipient, at its sole expense, shall obtain and maintain during the Term of this CDBG Subrecipient Agreement, all appropriate permits, licenses, and certificates that may be required in connection with the performance of Work under this CDBG Subrecipient Agreement, or as specified in Section 39 (Patents & Royalties).

XXXIV. Waiver

A waiver by the Recipient of any breach of any term, covenant, or condition contained in this CDBG Subrecipient Agreement shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained in this CDBG Subrecipient Agreement whether of the same or different character.

XXXV. Violation or Breach Agreement Terms

A breach of any of the stipulations contained in this Agreement may be sufficient grounds for withholding of progress payments, withholding of final payment, termination of the Agreement, suspension/debarment or any other action determined to be appropriate by the Recipient.

XXXVI. Governing Law

The terms, covenants and conditions of this CDBG Subrecipient Agreement shall be interpreted according to the laws of the State of California. Should litigation occur, venue shall be in the County of Ventura.

XXXVII. Integrated Agreement

This CDBG Subrecipient Agreement represents the entire Agreement between the Recipient and the Subrecipient and all preliminary negotiations and agreements are deemed a part of this CDBG Subrecipient Agreement. No verbal agreement or implied covenant shall be held to vary the provisions of this CDBG Subrecipient Agreement. This Agreement shall bind and inure to the benefit of the Parties to this CDBG Subrecipient Agreement and any subsequent successors and assigns.

XXXVIII. No Assignment without Consent

A. Inasmuch as this CDBG Subrecipient Agreement is intended to secure the specialized services of the Subrecipient, unless a transfer is allowed either (i) in the CDBG Note or (ii) pursuant to subsection B below, the Subrecipient shall not have the right to either (l) assign or transfer this CDBG Subrecipient Agreement, or any part hereof or monies payable hereunder, or (II) modify its own organizational structure, without the prior written consent of the City, which consent will not be unreasonably withheld, and any such assignment or transfer without the City's prior written consent shall be considered null and void.

B. A limited partner(s) may remove and replace the managing general partner of the Subrecipient for cause pursuant the Subrecipient / limited partner agreement. However, the Subrecipient's managing general partner shall not be replaced without prior written approval of the City, and the City shall consider then approve or disapprove such replacement without unreasonable delay.

XXXIX. Patents and Royalties

A. Subrecipient shall provide and pay for all licenses and royalties necessary for the legal use and operation of any of the equipment or specialties used in the Project activities. Certificates showing the payment of any such licenses or royalties and permits for the use of any patented or copyrighted devices shall be secured and paid for by Subrecipient and delivered to the Recipient upon completion of the Project activities, if required.

B. Subrecipient shall assume all costs arising from the use of patented materials, equipment, devices, or processes used in or incorporated in the Project activities and agrees to indemnify and hold harmless the Recipient and its duly authorized representatives from all suits of law, or actions of every nature for or on account of the use of any patented materials, equipment, devices, or processes.

XL. Copyright

Any reports, maps, documents or other materials produced in whole or part by the

Subrecipient, its contractor or any subcontractor or person responsible to the Subrecipient under this CDBG Subrecipient Agreement shall be the property of the Recipient and none shall be subject to an application for copyright by or on behalf of the Subrecipient, contractor, subcontractors or any person responsible to the Subrecipient during performance of this CDBG Subrecipient Agreement.

This CDBG Subrecipient Agreement may be executed in counterparts and shall be fully effective as if signed by all parties whether or not the signatures of all the parties appear on the original or on any one copy of this CDBG Subrecipient Agreement.

XLI. Subordination.

A. The Deed of Trust and the Regulatory Agreement shall be subordinated to each Senior Lien described below and to other liens approved by the Housing Director or Designee securing financing set forth in the Approved Financing Plan, if any, but only on condition that all of the following conditions are satisfied:

1. All of the proceeds of the proposed Senior Lien, less any transaction costs, must be used to provide construction and/or permanent financing for the Development.

2. The subordination agreement(s) must be structured to minimize the risk that the Deed of Trust would be extinguished as a result of a foreclosure by the Senior Lender or other holder of the Senior Lien. To satisfy this requirement, the subordination agreement must provide the City with adequate rights to cure any defaults by the Borrower, including: (i) providing the City or its successor with copies of any notices of default at the same time and in the same manner as provided to the Borrower; and (ii) providing the City with a cure period to cure any default.

B. The subordination(s) described in this section may be effective only during the original term of the Senior Lien (including any extension options set forth in the documents evidencing the Senior Loan) and any refinancing of the Senior Lien.

C. "Senior Liens" shall mean liens securing repayment of and regulatory agreements associated with the following loans:

1. Keybank National Association and U.S. Bank Trust Company, National Association $20,013,627 construction loan
2. California Department of Housing and Community Development $7,234,582 Competitive No Place Like Home permanent loan
3. California Department of Housing and Community Development $1,600,109 Non-Competitive No Place Like Home permanent loan
4. The County of Ventura construction/permanent CDBG-CV loan of $3,491,298
5. The County of Ventura construction/permanent HOME-ARP loan of $1,000,000
6. Mercy House CHDO, Inc construction/permanent loan of $13,500,000

[Signatures appear on the following pages]

NOW, THEREFORE, the Parties hereto have caused this CDBG Subrecipient Agreement to be executed and attested by their proper officer thereunder duly authorized, all as of the day first above written.

RECIPIENT:
THE CITY OF OXNARD

Housing Director

APPROVED AS TO FORM:

Stephen Fischer
City Attorney

APPROVED AS TO INSURANCE:

Michael More
Human Resources/Risk Manager

SUBRECIPIENT:
CASA ALIENTO, LP, a California limited partnership

By: Casa Aliento CDP LLC, a California limited liability company
Its: Administrative General Partner

By: Community Development Partners, a California benefit corporation,
Its: Manager

Kyle Paine, President

By: Casa Aliento Mercy House CHDO LLC, a California limited liability company
Its: Managing General Partner

By: Mercy House CHDO, Inc., a California non-profit public benefit corporation
Its: Manager

Lawrence G. Haynes, Jr., Chief Executive Officer

EXHIBIT A
LEGAL DESCRIPTION

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF VENTURA, STATE OF CALIFORNIA, DESCRJBED AS FOLLOWS:

PARCELS 1 AND 2, OF PARCEL MAP NO. 22-300-04, IN THE CITY OF OXNARD, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 74, PAGES 9, 10 AND 11, OF INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 200-0-082-220 AND APN: 200-0-082-230

EXHIBIT B
STATEMENT OF WORK

1. Description of Work

(a) Rehabilitation Work: The Subrecipient will use the $792,999 in CDBG Program funds to complete rehabilitation work related to Subrecipient's development of the Project. The Subrecipient will operate the Project as permanent supportive rental housing for persons experiencing homelessness or who are at-risk of homelessness The Subrecipient will manage the Project for a five (5) year compliance period (pursuant to the CDBG Covenants) as permanent supportive rental housing for persons experiencing homelessness or who are at-risk of homelessness with incomes at or below 50% of the area median income for Ventura County.

(b) On-going Project Operation: The Subrecipient and the City have executed the CDBG Regulatory Agreement and Restrictive Covenants ("CDBG Covenants") concurrently with this CDBG Subrecipient Agreement. The CDBG Covenants establish a five (5) year compliance period for the Project. During the five (5) year compliance period, the Subrecipient shall operate and maintain the Project development in conformance with the CDBG Covenants and with the requirements of this CDBG Subrecipient Agreement. In case of a conflict between the CDBG Covenants and this CDBG Subrecipient Agreement, the more restrictive covenants, standards, and/or requirements shall apply. Project apartment units shall be occupied by income eligible tenants continuously throughout the five (5) year compliance period (pursuant to the CDBG Covenants), to the satisfaction of the Recipient and HUD.

2. Scope of Work: Rehabilitation Work

(a) This CDBG Subrecipient Agreement shall be executed prior to the disbursement of any CDBG funds to the Subrecipient. The Subrecipient agrees that the CDBG Program funds of $792,999 shall be secured through the establishment of a lien in fifth position during construction phase and sixth position during permanent phase of financing on the title of the Property. The Subrecipient agrees to take any and all actions necessary to secure, retain, and defend the position of the City's CDBG lien on the title of the Property as set forth in this subsection (a) unless the City has agreed in writing to a different arrangement within the chain of title and the City has issued its written consent to such a change prior to any such change in title being initiated or put into effect.

(b) No earlier than January 21, 2025, the Subrecipient shall commence Work activities as described in **Exhibit B**. This commencement date may be amended only with prior written approval by the Housing Director or Designee in conformance with Section 8 (Work Review Conference).

(c) No later than June 30, 2025, the Subrecipient shall complete all Work activities as described in **Exhibit B**. This completion schedule may be extended only with prior written

approval by the City Housing Director or Designee in conformance with Section 8 (Work Review Conference) but shall in no event be extended beyond December 31, 2025.

(d) If the City, in its sole discretion, determines that the Work fails to comply with the Scope of Work standards and requirements described herein, such failure shall constitute an event of default under the CDBG Deed of Trust and CDBG Note and also this CDBG Subrecipient Agreement.

3. Reporting.

(a) Construction Phase: During the rehabilitation construction phase, the Subrecipient shall submit quarterly progress reports to the City describing the progress made towards such rehabilitation activities. The quarterly reports shall be submitted to the City within 15 days after the end of each quarter.

(b) On-going reporting: See below – Scope of Work: On-Going Project Operation.

4. Scope of Work: On-Going Project Operation.

(a) For each year of the five (5) year compliance period of the CDBG Covenants the Subrecipient shall own, operate and manage the Property in full compliance with all applicable government codes and laws, and to the full satisfaction of the City. The Subrecipient shall provide housing and related services, benefits and assistance to low- and moderate-income persons / households, in compliance with 24 CFR 570.201 and 24 CFR 570.208 of the federal CDBG regulations, throughout the entire five (5) year compliance period.

(b) The Project shall be occupied by income eligible tenants continuously throughout the five (5) year compliance period of the CDBG Covenants, to the satisfaction of the Recipient and HUD. The five (5) year compliance period shall commence upon the date of the recordation of a notice of completion (of construction) issued for the Project.

(c) In conformance with the CDBG Covenants: (i) throughout the entire five (5) year of the CDBG Covenants, the Subrecipient shall provide all beneficiary information in a report format and time schedule that (1) is acceptable to the City, and (2) that enables the City to meet all reporting requirements of HUD and the CDBG Program, and (ii) the Subrecipient shall fully assist and cooperate with the City as the City monitors and audits the Project during the five (5) years of the CDBG Covenants. The Subrecipient shall promptly address and resolve all shortcomings of the Project or defects identified by the City to the City's satisfaction.

(d) During the Term of this CDBG Subrecipient Agreement, the Subrecipient shall retain legal ownership of the Property and of all rights, royalties, profits and proceeds generated or caused by the Property.

(f) Reversion of Assets. The five (5) year period set forth in 24 CFR 570.503(b)(7) for

compliance with one or more national objectives shall be included and contained within the five (5) year compliance period established by the CDBG Covenants.

EXHIBIT C
SCHEDULE OF COMPENSATION

1. **Compensation.** Subject to the terms and conditions of this CDBG Subrecipient Agreement, and pursuant to the CDBG Note, the City shall provide to the Subrecipient the amount of Seven Hundred and Ninety-Two Thousand Nine Hundred and Ninety-Nine Dollars ($792,999) of CDBG Program funds to enable the Subrecipient to pay for eligible rehabilitation costs related to development of the Project. In no instance shall the City be liable for Work costs in excess of $792,999, nor for any unauthorized or ineligible costs. The Subrecipient shall not obligate or expend the funds for any purpose other than for the rehabilitation work set forth herein. Payment for the foregoing shall be in accordance with the following procedure:

(a) Concurrently with this CDBG Subrecipient Agreement, the Subrecipient shall execute a promissory note in favor of the City in the amount of $792,999 ("CDBG Note"), a deed of trust and assignment of rents ("CDBG Deed of Trust"), and a regulatory agreement and restrictive covenants ("CDBG Covenants"). The CDBG Deed of Trust and the CDBG Covenants shall be recorded prior to any payment of CDBG Program funds from the City to the Subrecipient. The CDBG Deed of Trust and the CDBG Regulatory Agreement shall be subordinated to other liens and regulatory agreements ("Senior Liens") on the Project as described in Section XLI.of this Agreement, but only on condition that all of the following conditions are satisfied:

(i) All of the proceeds of the proposed Senior Lien, less any transaction costs, must be used to provide construction and/or permanent financing for the Development.

(ii) The subordination agreement(s) must be structured to minimize the risk that the CDBG Deed of Trust would be extinguished as a result of a foreclosure by the Senior Lender or other holder of the Senior Lien. To satisfy this requirement, the subordination agreement must provide the City with adequate rights to cure any defaults by the Subrecipient, including: (i) providing the City or its successor with copies of any notices of default at the same time and in the same manner as provided to the Subrecipient; and (ii) providing the City with a cure period to cure any default.

(iii) The subordination(s) described in this section may be effective only during the original term of the Senior Lien and any refinancing of the Senior Lien.

The Housing Director or Designee is authorized to execute and form of subordination agreement provided by such Senior Lenders and approved as to form by the City Attorney

(b) The Subrecipient shall submit a completed Subrecipient Payment Request Form (see attached **Exhibit D**) with each payment request. Such payment requests may be submitted no more frequently than on a monthly basis. The Subrecipient shall also submit receipts and other documentation that describe the documents, materials, and activities that will be paid for and/or reimbursed with each specific payment request.

(c) The Subrecipient may not request disbursement of CDBG funds until the funds are needed for payment of eligible costs (i.e., reimbursement of eligible rehabilitation costs).

(d) The CDBG Covenants affecting the Project shall provide for the use of the Property as an affordable housing project that benefits low- and moderate-income persons / households for a compliance period of at least five (5) years.

2. Billing. Subrecipient shall submit an invoice and copies of all original supporting documentation to the Recipient at the following address:

CITY OF OXNARD
Housing Department
435 S D Street
Oxnard, CA 93030
Attention: Housing Director

3. Progress Reports. The Subrecipient shall submit quarterly progress reports to the Recipient.

4. Method of Payment. Payment to Subrecipient of the compensation discussed above shall be based on the submittal and approval of an invoice, and based on conformance with this CDBG Subrecipient Agreement during the Term of this CDBG Subrecipient Agreement. The final disbursement of $1 will occur after final inspection and Project is 100% occupied.

5. Sources and Availability of Funds. It is understood by the parties hereto that the funds being used for the purposes of this CDBG Subrecipient Agreement are funds furnished to the City through HUD pursuant to the provisions of Title 1 of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et. seq.) (hereinafter referred to as the "Act"). Notwithstanding any other provision of this CDBG Subrecipient Agreement, the liability of the City shall be limited to the CDBG funds that are available. The Subrecipient understands that the City must wait for the release of funds from HUD before grant funds may be advanced or reimbursed. The City shall incur no liability to the Subrecipient, its officers, agents, employees, suppliers, or contractors for any delay in making any such payments, unless such delay is caused by City's intentional misconduct.

6. Relationship to Grant Agreement. The Subrecipient acknowledges and agrees that this CDBG Subrecipient Agreement is subject to the obligations and limitations imposed on the City by the grant agreement for the CDBG Program ("Grant Agreement") executed by HUD and the City, and by all future amendments to the Grant Agreement, and that this CDBG Subrecipient Agreement is intended to be in conformance and harmony with the Grant Agreement. The Subrecipient further acknowledges that if the Grant Agreement is terminated by the United States Government prior to the implementation by appropriation and/or funding of this CDBG Subrecipient Agreement, then the City shall have the right to terminate or amend this CDBG Subrecipient Agreement by giving

written notice of the termination or amendment of the Agreement to the Subrecipient. The Subrecipient hereby expressly agrees to the provisions of the Grant Agreement and further expressly agrees that nothing in this CDBG Subrecipient Agreement shall be deemed to require the City to perform an obligation in conflict with the Grant Agreement. The Subrecipient further agrees that the City's right to enter into amendments to the Grant Agreement is not, and shall not be restricted or impaired, in any way, by this CDBG Subrecipient Agreement.

4. Reimbursement of Improper Expenditures. If at any time within applicable statutory periods of limitation it is determined by the City or by HUD or its duly authorized representatives, or by the United States Secretary of Treasury or duly authorized representatives that funds provided for under the terms and conditions of this CDBG Subrecipient Agreement have been used by or on behalf of the Subrecipient in a manner or for purposes not authorized or prohibited by the Act or regulations adopted pursuant thereto the Subrecipient shall, at the City's request, pay to the City an amount equal to one hundred percent (100%) of the amount improperly expended.

EXHIBIT D

SUBRECIPIENT PAYMENT REQUEST FORM

ORGANIZATION NAME:

Invoice Number:

Project Name:

Contract Period:

Total Budget:

Billing Period:

Agreement Number: 3XXXXX **HUD Agreement Number: B-XX-MC-06-0534**

Line Item per Category	Budgeted Amount	July 2024	August 2024	September 2024	October 2024	*Month. Year*	*Month. Year*	*Month. Year*	*Month. Year*	*Month. Year*	*Month. Year*	*Month. Year*	Project to date Amount	Balance
Position													0.00	0.00
Salaries/wages													0.00	0.00
Employee Benefits													0.00	0.00
Other:													0.00	0.00
[Enter Line Item]													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
Total													**0.00**	**0.00**

Invoice Amount Due: _____

By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729–3730 and 3801–3812).

Authorized Signature: _____ **Date:** _____

Title: _____

EXHIBIT E

INSURANCE

INSURANCE REQUIREMENTS FOR CONSTRUCTION PROJECTS (WITH BUILDER'S RISK REQUIREMENT)

1. Contractor shall obtain and maintain during the performance of any services under this Contract the following insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of services hereunder by Contractor, its agents, representatives, employees or subcontractors.

a. Commercial General Liability Insurance, including Contractual Liability, in an amount not less than $2,000,000 combined single limit for bodily injury and property damage for each claimant for general liability with coverage equivalent to Insurance Services Office Commercial General Liability Coverage (Occurrence Form CG 0001). If a general aggregate limit is used, that limit shall apply separately to the project location or shall be twice the occurrence amount;

b. Business Automobile Liability Insurance in an amount not less than $1,000,000 combined single limit for bodily injury and property damage for each claimant for automobile liability with coverage equivalent to Insurance Services Office Automobile Liability Coverage (Occurrence Form CA0001) covering Code No. 1, "any auto;"

c. If architectural, engineering, or electrical work will be performed under the Contract, Professional Liability/Errors and Omissions Insurance appropriate to the work being done in an amount not less than $1,000,000, with neither Contractor nor listed subcontractors having less than $500,000 individually. The Professional Liability/Errors and Omissions Insurance must be project specific with at least a one-year extended reporting period, or longer upon request.

d. Course of Construction Insurance providing coverage for "all risks" of loss in an amount not less than the completed value of the project, with City named as Owner and Insured.

e. Workers' Compensation Insurance in compliance with the laws of the State of California, and Employer's Liability Insurance in an amount not less than $1,000,000 per claimant. Additionally, the workers' compensation policy shall include a waiver of all rights of subrogation which the insurer may have against the City.

1. Contractor shall, prior to performance of any services, file with the Risk Manager certificates of insurance with original endorsements effecting coverage required by this Exhibit INS-E. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be on the attached forms or on other forms approved by the Risk Manager. All certificates and endorsements are to be received and approved by the Risk Manager before work commences. City reserves the right to require complete certified copies of all required insurance policies at any time. The

certificates of insurance and endorsements shall be sent via email. If you have not received your request or are having difficulty with electronic upload, contact insurance@oxnard.org

2. Contractor agrees that all insurance coverages shall be provided by a California admitted insurance carrier with an A.M. Best rating of A:VII or better and shall be endorsed to state that coverage may not be suspended, voided, canceled by either party, or reduced in coverage or limits without 30 days' prior written notice to the Risk Manager. The Risk Manager shall not approve or accept any endorsement if the endorsement contains "best effort" modifiers or if the insurer is relieved from the responsibility to give such notice.

3. Contractor agrees that the Commercial General Liability and Business Automobile Liability Insurance policies shall be endorsed to name City, its City Council, officers, employees and volunteers as additional insureds as respects: liability arising out of activities performed by or on behalf of Contractor; products and completed operations of Contractor; premises owned, occupied or used by Contractor; or automobiles owned, leased, hired or borrowed by Contractor. The coverage shall contain no special limitations on the scope of protection afforded to City, its City Council, officers, employees and volunteers. **The General Liability Special Endorsement Form and Automobile Liability Special Endorsement Form attached to this Exhibit INS-E or substitute forms containing the same information and acceptable to the Risk Manager shall be used to provide the endorsements (ISO form CG 2010 11/85 or if not available, CG 2010 with an edition date prior to 01/04 and CG 2037).**

4. The coverages provided to City shall be primary and not contributing to or in excess of any existing City insurance or self-insurance coverages **(this must be endorsed)**. Additionally, the workers' compensation policy shall include a waiver of all rights of subrogation which the insurer may have against the City. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its City Council, officers, employees and volunteers. The insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5. Any deductibles or self-insured retentions must be declared to and approved by the Risk Manager. At the option of the Risk Manager, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its City Council, officers, employees and volunteers, or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

6. All insurance standards applicable to Contractor shall also be applicable to Contractor's subcontractors. Contractor agrees to maintain appropriate agreements with subcontractors and to provide proper evidence of coverage upon receipt of a written request from the Risk Manager.

1/23

INSTRUCTION FOR SUBMITTING INSURANCE CERTIFICATES AND ENDORSEMENT FORMS

Certificates of Insurance

The sample accord form on the following page is provided to facilitate your preparation and submission of certificates of insurance. You may use this or any industry form that shows coverage as broad as that shown on the attached sample. **Please note the certificate holder address must be as shown on the attached sample accord form with the contract number and insurance exhibit identification information completed.** Improperly addressed certificates may delay the contract start-up date because the City's practice is to return unidentifiable insurance certificates to the insured for clarification as to the contract number. **Cancellation provisions must be endorsed to the policy. Modifying the certificate does not change coverage or obligate the carrier to provide notice of cancellation.**

Endorsement Forms

Original endorsements are required for general liability and automobile liability insurance policies and must be attached to the applicable certificate of insurance. City preference is that you use the endorsement forms which are attached. Substitute forms will be accepted, however, as long as they include provisions comparable to the sample accord form.

INS-E.doc

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

CODE SUB-CODE

COMPANIES AFFORDING INSURANCE COVERAGE

INSURED

COMPANY LETTER A SPECIFY COMPANY NAMES IN THIS SPACE

COMPANY LETTER B

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	**GENERAL LIABILITY** [x] COMMERCIAL GENERAL LIABILITY [x] CLAIMS MADE [x] OCCUR. [x] OWNER'S & CONTRACTOR'S PROT.				GENERAL AGGREGATE PRODUCTS COMP/OP AGG. PERSONAL & ADV. INJURY EACH OCCURRENCE FIRE DAMAGE (Any one fire) MED. EXPENSE (Any one person)	$2,000,000 $2,000,000 $2,000,000 $2,000,000 $ $
A	**AUTOMOBILE LIABILITY** [x] ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE	$1,000,000 $ $ $
A	**EXCESS LIABILITY** UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE AGGREGATE	$ $
A	**WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY**				STATUTORY LIMITS EACH ACCIDENT DISEASE-POLICY LIMIT DISEASE-EACH EMPLOYEE	 $1,000,000 $1,000,000 $1,000,000
A	**OTHER** Errors and omissions insurance or malpractice insurance available for the insured's profession; if architectural, engineering or electrical work will be performed under the Contract, Course of Construction Insurance				Minimum coverage Each consultant/ & listed sub-consultant Course of Construction Completed Value of Project	$1,000,000 $500,000

SAMPLE

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/RESTRICTIONS/SPECIAL ITEMS

CERTIFICATE HOLDER

CITY OF OXNARD % Evident ID, Inc.
8520 Allison Pointe Blvd. Ste 223
PMB 5210
Indianapolis, Indiana 462500-4299 US

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ~~ENDEAVOR TO~~ MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, ~~BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.~~

AUTHORIZED REPRESENTATIVE

GENERAL LIABILITY SPECIAL ENDORSEMENT
FOR THE CITY OF OXNARD (the "City")

SUBMIT IN DUPLICATE

ENDORSEMENT NO.	ISSUE DATE (MM/DD/YY)

PRODUCER

Telephone:

NAMED INSURED

POLICY INFORMATION:
Insurance Company:
Policy No.:
Policy Period: (from) (to)
LOSS ADJUSTMENT EXPENSE ☐ Included in Limits ☐ In Addition to Limits

☐ Deductible ☐ Self-Insured Retention (check which) of $ _____
with an Aggregate of $_____ applies to _____
coverage. ☐ Per Occurrence ☐ Per Claim (which)

APPLICABILITY This insurance pertains to the operations, products and/or tenancy of the named insured under all written agreements and permits in force with the City unless checked here ☐ in which case only the following specific agreements and permits with the City are covered:

CITY AGREEMENTS/PERMITS

TYPE OF INSURANCE

GENERAL LIABILITY
☐ COMMERCIAL GENERAL LIABILITY ☐ Claims Made
☐ COMPREHENSIVE GENERAL LIABILITY Retroactive Date _____
☐ OWNERS & CONTRACTORS PROTECTIVE ☐ Occurrence

COVERAGES	LIABILITY LIMITS IN THOUSANDS $ EACH OCCURRENCE	AGGREGATE
☐ GENERAL		
☐ PRODUCTS/COMPLETED OPERATIONS		
☐ PERSONAL & ADVERTISING INJURY		
☐ FIRE DAMAGE		
☐ _____		
☐ _____		

OTHER PROVISIONS

Underwriter's representative for claims pursuant to this insurance.

CLAIMS:
Name: _____
Address: _____
_____
Telephone: (___) _____

In consideration of the premium charged and notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any endorsement now or hereafter attached thereto, insurance company agrees as follows:

1. **INSURED.** The City, its officers, agents, employees and volunteers are included as insureds with regard to liability and defense of suits arising from the operations, products and activities performed by or on behalf of the named insured.
2. **CONTRIBUTION NOT REQUIRED.** As respects: (a) work performed by the named insured for or on behalf of the City; or (b) products sold by the named insured to the City; or (c) premises leased by the named insured from the City, the insurance afforded by this policy shall be primary insurance as respects the City, its officers, agents, employees or volunteers; or stand in an unbroken chain of coverage excess of the named insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the City, its officers, agents, employees or volunteers shall be in excess of this insurance and shall not contribute with it.
3. **SEVERABILITY OF INTEREST.** This insurance applies separately to each insured against whom claim is made or suit is brought except with respect to the company's limits of liability. The inclusion of any person or organization as an insured shall not affect any right which such person or organization would have as a claimant if not so included.
4. **CANCELLATION NOTICE.** With respect to the interests of the City, this insurance shall not be canceled, or materially reduced in coverage or limits except after thirty (30) days prior written notice by receipted delivery has been given to the City.
5. **PROVISIONS REGARDING THE INSURED'S DUTIES.** Any failure to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the City, its officers, agents, employees or volunteers.
6. **SCOPE OF COVERAGE.** This policy, if primary, affords coverage at least as broad as:
   a. Insurance Services Office Commercial General Liability Coverage, "occurrence" form CG0001; or
   a. If excess, affords coverage which is at least as broad as the primary insurance form CG0001.

Except as stated above nothing herein shall be held to waive, alter or extend any of the limits, conditions, agreements or exclusions of the policy to which this endorsement is attached.

ENDORSEMENT HOLDER

CITY OF OXNARD % Evident ID, Inc.
8520 Allison Pointe Blvd. Ste 223
PMB 5210
Indianapolis, Indiana 462500-4299 US

AUTHORIZED REPRESENTATIVE

☐ Broker/Agent ☐ Underwriter ☐ _____

I _____ (print/type name), warrant that I have authority to bind the above-mentioned insurance company and by my signature hereon do so bind this company to this endorsement.

Signature _____
(original signature required)

Telephone: ( ) Date Signed _____

Rev. 1/23 DNS-E.doc

AUTOMOBILE LIABILITY SPECIAL ENDORSEMENT
FOR THE CITY OF OXNARD (the "City")

SUBMIT IN DUPLICATE

ENDORSEMENT NO.	ISSUE DATE (MM/DD/YY)

PRODUCER

Telephone:

NAMED INSURED

POLICY INFORMATION:

Insurance Company:
Policy No.:
Policy Period: (from) (to)
LOSS ADJUSTMENT EXPENSE ☐ Included in Limits ☐ In Addition to Limits

☐ Deductible ☐ Self-Insured Retention (check which) of $ _____
with an Aggregate of $_____ applies to _____
coverage: ☐ Per Occurrence ☐ Per Claim (which)

APPLICABILITY. This insurance pertains to the operations, products and/or tenancy of the named insured under all written agreements and permits in force with the City unless checked here ☐ in which case only the following specific agreements and permits with the City are covered:

CITY AGREEMENTS/PERMITS

TYPE OF INSURANCE

☐ COMMERCIAL AUTO POLICY
☐ BUSINESS AUTO POLICY
☐ OTHER

OTHER PROVISIONS

LIMIT OF LIABILITY

$ _____ per accident, for bodily injury and property damage.

CLAIMS: Underwriter's representative for claims pursuant to this insurance.

Name: _____

Address: _____

Telephone: (____) _____

In consideration of the premium charged and notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any endorsement now or hereafter attached thereto, insurance company agrees as follows:

1. **INSURED.** The City, its officers, agents, volunteers and employees are included as insureds with regard to liability and defense of suits arising from the operations, products and activities performed by or on behalf of the named insured.
2. **CONTRIBUTION NOT REQUIRED.** As respects: (a) work performed by the named insured for or on behalf of the City; or (b) products sold by the named insured to the City; or (c) premises leased by the named insured from the City, the insurance afforded by this policy shall be primary insurance as respects the City, its officers, agents, employees or volunteers; or stand in an unbroken chain of coverage excess of the named insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the City, its officers, agents, employees or volunteers shall be in excess of this insurance and shall not contribute with it.
3. **SEVERABILITY OF INTEREST.** This insurance applies separately to each insured against whom claim is made or suit is brought except with respect to the company's limits of liability. The inclusion of any person or organization as an insured shall not affect any right which such person or organization would have as a claimant if not so included.
4. **CANCELLATION NOTICE.** With respect to the interests of the City, this insurance shall not be canceled, or materially reduced in coverage or limits except after thirty (30) days prior written notice by receipted delivery has been given to the City.
5. **PROVISIONS REGARDING THE INSURED'S DUTIES.** Any failure to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the City, its officers, agents, employees or volunteers.
6. **SCOPE OF COVERAGE.** This policy, if primary, affords coverage at least as broad as:
   a. Insurance Services Office Automobile Liability Coverage, "occurrence" form CA0001, code ("any auto"); or
   b. If excess, affords coverage which is at least as broad as the primary insurance form referenced in the preceding section (1).

Except as stated above nothing herein shall be held to waive, alter or extend any of the limits, conditions, agreements or exclusions of the policy to which this endorsement is attached.

ENDORSEMENT HOLDER

CITY OF OXNARD % Evident ID, Inc.
8520 Allison Pointe Blvd. Ste 223
PMB 5210
Indianapolis, Indiana 462500-4299 US

AUTHORIZED REPRESENTATIVE

☐ Broker/Agent ☐ Underwriter ☐ _____

I _____ (print/type name), warrant that I have authority to bind the above-mentioned insurance company and by my signature hereon do so bind this company to this endorsement.

Signature _____

(original signature required)

Telephone: ( ) Date Signed _____

Rev. 1/23 INS-E.doc

Agreement #A-8568

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO: CITY OF OXNARD Housing Department 435 S D Street Oxnard, CA 93030 Attention: Housing Director No recording fee pursuant to California Government Code Section 27383	
APN: 200-0-082-220 AND 200-0-082-230	SPACE ABOVE THIS LINE FOR RECORDER'S USE

CITY OF OXNARD CDBG REGULATORY AGREEMENT AND RESTRICTIVE COVENANTS

These CITY OF OXNARD CDBG REGULATORY AGREEMENT AND RESTRICTIVE COVENANTS ("CDBG Covenants") are made and entered into on or about _____, 2025, by and between the City of Oxnard, a municipal corporation (the "City" or "Recipient"), and Casa Aliento LP, a California limited liability partnership (the "Subrecipient").

RECITALS

A. The City is a Participating Jurisdiction in the funding programs of the federal Department of Housing and Urban Development ("HUD"), and has received funds from HUD pursuant to the Community Development Block Grant program ("CDBG Program") to be used pursuant to applicable federal regulations (24 CFR Part 570).

B. Subrecipient owns that certain real property located at 1245 N. Oxnard Blvd., Oxnard, California 93030, as more particularly described in Exhibit A (the "Property"), upon which Subrecipient intends to rehabilitate and convert an existing motel into sixty-nine (69) units of permanent supportive rental housing for persons experiencing homelessness or who are at-risk of homelessness and one (1) manager's unit (the "Project").

C. The City has provided a loan to the Subrecipient in the amount of Seven Hundred and Ninety-Two Thousand Nine Hundred and Ninety-Nine Dollars ($792,999) for the purpose of assisting the Subrecipient with the costs of rehabilitation work related to Subrecipient's development of the Project (the "Work").

D. The City and the Subrecipient wish to assure that the Project will be rented continuously to Income-Eligible households experiencing Homelessness or who are at-risk of Homelessness

with incomes at or below 50% of the area median income for Ventura County in conformance with these CDBG Covenants for the entire Term of these CDBG Covenants, as defined below.

E. The purpose of these CDBG Covenants is to regulate and restrict the occupancy, rents, operation, ownership, and management of the Project and its affordable housing units. These CDBG Covenants are intended to run with the land and be binding on the Subrecipient and its successors and assigns in the Property.

F. These CDBG Covenants are subject to the terms and conditions of the CDBG Subrecipient Agreement between the Recipient and the Subrecipient of even date herewith.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged the parties and agree as follows:

ARTICLE I. DEFINITIONS

Section 1.01 "Term" means the five (5) year compliance period during which the Project must meet the affordability requirements imposed under the CDBG Program, commencing upon the date of the recordation of a notice of completion issued for the Project. Regarding the reversion of assets, the five (5) year period set forth in 24 CFR 570.503(b)(7) for compliance with one or more national objectives shall be included and contained within the five (5) year compliance period established by these CDBG Covenants.

Section 1.02 "CDBG Loan" means the loan of CDBG Program funds in the amount of Seven Hundred and Ninety-Two Thousand Nine Hundred and Ninety-Nine Dollars ($792,999) made by the City to the Subrecipient to assist with payment of the cost of the Work pursuant to the CDBG Subrecipient Agreement and the CDBG Note.

Section 1.03 "CDBG Subrecipient Agreement" means the Subrecipient Agreement for CDBG Grant Funds Between the City of Oxnard and Casa Aliento LP for rehabilitation Costs in Support of Affordable Housing Development in the City of Oxnard executed by and between the Subrecipient and the City concurrently herewith and setting forth the terms and conditions governing the CDBG Loan.

Section 1.04 "CDBG Deed of Trust" means that certain Deed of Trust with Assignment of Rents executed by and between the Subrecipient and the City and recorded concurrently herewith as security for the CDBG Loan with the Subrecipient as trustor and the City as beneficiary, as well as any amendments to, modifications of, and restatements thereto.

Section 1.05 "CDBG Loan Documents" are collectively the CDBG Subrecipient Agreement, the CDBG Note, the CDBG Deed of Trust, and these CDBG Covenants as they may be amended, modified, or restated from time to time, along with all exhibits and attachments to these documents.

Section 1.06 "CDBG Note" means the City of Oxnard Community Development Block Grant Program Promissory Note Secured By Deed Of Trust executed by the Subrecipient concurrently herewith in favor of the City in the amount of Seven Hundred and Ninety-Two Thousand Nine Hundred and Ninety-Nine Dollars ($792,999)) evidencing the CDBG Loan, which is secured by the CDBG Deed of Trust, as well as any amendments to, modifications of, or restatements thereto.

Section 1.07 "Low-income household" means a household having an income equal to or less than the Section 8 very low-income limit established by HUD (i.e. 50% or less of area median income adjusted for family size by the State Department of Housing and Community Development) pursuant to 24 CFR 570.3.

Section 1.08 "Income Eligible" shall mean individuals and households meeting the income definitions under Sections 1.07.

Section 1.09 "Area Median Income" shall mean the county wide median income in the then currently published guidelines of the U.S. Department of Housing and Urban Development.

Section 1.10 "Homelessness" has the same meaning as defined in Section 578.3 of Title 24 of the Code of Federal Regulation.

Article II. TERMS AND COMPLIANCE

Section 2.01 The Subrecipient's actions with respect to the Property, the Project and the use of funds from the CDBG Loan shall at all times be in full conformity with all of the requirements of the CDBG Loan Documents.

Section 2.02 These CDBG Covenants shall be effective throughout the Term, as defined above.

Section 2.03 The Subrecipient shall comply with all requirements imposed on projects assisted under the CDBG Program (24 CFR Part 570) in effect on the date that the CDBG Loan is executed by all parties, and as the same may be amended from time to time.

Section 2.04 These affordability requirements shall be covenants running with the land as defined in California Civil Code section 1462. Pursuant to Civil Code section 1468 which governs such covenants, the provisions of these CDBG Covenants shall be binding upon all parties having any right, title, or interest in any of the properties described herein, or any portion thereof and on their heirs, successors in interest and assigns for the Term of these CDBG Covenants. The parties agree that all future deeds or transfers of interest regarding the Property shall show the restrictions of these CDBG Covenants for as long as the Covenants are in effect.

Section 2.05 The Subrecipient, by and for itself and any successors in interest, covenants and agrees that for the entire Term of these CDBG Covenants there shall be no sale, lease, rental, occupancy, removal or other transfer of any of the Project's affordable rental apartment units except for the rental or leasing of individual apartment units to income eligible persons/ households (as defined in Section 1.09 above), or a transfer as permitted in the CDBG Note. The on-site managers' apartment units are not subject to affordability restrictions. Any sale, lease, rental, occupancy, removal or other transfer of any of the Project's affordable rental apartment units in violation of these CDBG Covenants shall be void unless authorized by the prior written consent of the City.

Section 2.06 In the event that the Subrecipient ceases to use the Property as an affordable housing project for income eligible persons / households, or if the Property is transferred, assigned, leased, sold, encumbered or foreclosed whether voluntarily or involuntarily within the Term of these CDBG Covenants, without the prior written consent of the City, the Subrecipient shall repay to the City all CDBG funds loaned to the Subrecipient and invested in the Project, subject to a reasonable notice and cure period.

Article III. PROJECT OCCUPANCY AND RENTS

Section 3.01 During the Term of these CDBG Covenants, the Subrecipient shall rent the units in the Project, excluding the managers' units, to Income-Eligible households experiencing Homelessness or who are at-risk of Homelessness with incomes at or below 50% of the area median income for Ventura County at rent levels consistent with the requirements of 24 CFR 570.201 and 24 CFR 570.208 of the federal CDBG regulations. Non-compliance under the terms of these CDBG Covenants shall constitute an event of default under the CDBG Note and CDBG Deed of Trust, subject to applicable cure periods.

Section 3.02 Pursuant to 24 CFR 8.22 & 8.23 & 8.32, no less than five percent (5%) of the Project's units shall be constructed as Accessible units (for the physically disabled) and an additional two percent (2%) or more of the Project's units shall be constructed as Sensory units (for the visual and hearing disabled).

Section 3.03 The Project's units, other than the manager's unit, shall be occupied by Income-Eligible households experiencing Homelessness or who are at-risk of Homelessness with incomes at or below 50% of the area median income for Ventura County within twelve (12) months from the date of issuance of a certificate of occupancy for the Project. Upon the initial occupancy of each individual unit, other than the manager's unit, the Subrecipient shall provide to the City a Beneficiary Report pursuant to Section 4.01(a) (Beneficiary Report). This 12-month occupancy requirement may not be extended without prior written approval by the City. If all of the Project's units are not occupied within eighteen (18) months of the date of issuance of a certificate of occupancy for the Project, then this shall constitute an event of default, and the Subrecipient shall repay to the City all CDBG funds loaned to the Subrecipient and invested in the Project.

Section 3.04 Marketing Plan. Prior to occupancy of the Project, the Subrecipient shall submit to the City for approval the marketing plan for the Project, including information on affirmative marketing efforts and compliance with both the federal fair housing laws and the City's affirmative marketing policy. The City shall approve or disapprove the Project marketing plan within thirty (30) days. If the City does not respond within such 30 days, the marketing plan shall be deemed approved. If the City disapproves the marketing plan, the City shall specify its reasons for disapproval. The Subrecipient shall submit a revised marketing plan within thirty (30) days of the City's notice of disapproval. The City shall approve or disapprove the revised marketing plan within thirty (30) days of submittal. The City's disapproval of a revised marketing plan shall constitute an event of default under the provisions of the CDBG Note and the CDBG Deed of Trust.

Article IV. REPORTING AND ON-GOING OPERATIONS

Section 4.01 Beneficiary Report. Immediately upon the initial occupancy of all sixty-nine (69) affordable rental units by Income-Eligible households experiencing Homelessness or who are at-risk of Homelessness with incomes at or below 50% of the area median income for Ventura County the Subrecipient shall submit to the Recipient a beneficiary report that provides the tenant household information necessary to enable the Recipient to submit a project completion report into the federal Integrated Disbursement and Information System (IDIS). This beneficiary information is required for the households in all seventy 70) affordable housing units, excluding the manager's unit.

Section 4.02 On-Going Project Operation. For each year of the Term of these CDBG Covenants, the Subrecipient shall:

(a) Annually submit to and obtain City approval of the rental rate and utility allowance that is used for each of the Project's affordable housing units.

(b) Provide each tenant household with a minimum 30-day notice prior to implementing any rent increase.

(c) Submit to the City an annual report on the Project's affordable housing units. At a minimum, this annual report shall provide the following information for each unit: tenant household name, size and income amount, the rental unit size (number of bedrooms) and address, and the rental / utility rate that was charged for the reporting year.

(d) Affirmative Marketing: Annual reports shall be submitted by the Subrecipient to the City. Each report shall describe the clientele served by the Project (i.e. total number of clients served with respect to race, ethnicity, gender and disability status). Affirmative steps shall be taken (i.e. targeted marketing) with respects to increasing the participation of any underserved or under-represented group(s).

Section 4.03 Inspection, Records and Monitoring

(a) All required reports and supporting materials that are required by these CDBG Covenants shall be retained by the Subrecipient for a period of no less than five (5) years. The Subrecipient shall make all such reports and materials available to the City or its representative for review and copy within ten (10) days after any request by the City to review such reports.

(b) The Subrecipient shall permit the City or its representative to conduct annual compliance monitoring, including performing on-site records review and inspections of the Project development and Property, as required by regulation or reasonably requested by the City. The City shall provide reasonable notice prior to inspection.

Article V. GENERAL

Section 5.01 These CDBG Covenants shall not be subordinate to any deed of trust, agreement and/or other obligations of the Subrecipient concerning the Property, except for Senior Liens described in Section XLI.C of the CDBG Subrecipient Agreement, and may be subordinated in priority only as to other liens and encumbrances otherwise approved in writing by the City.

Section 5.02 Notices required to be sent to the City hereunder shall be sent by certified mail, return receipt requested, to the following address:

CITY OF OXNARD
Housing Department
435 S D Street
Oxnard, CA 93030
Attention: Housing Director

Notices to Subrecipient shall be to:

CASA ALIENTO LP
3416 Via Oporto, Suite 301
Newport Beach, CA 92663
Attention: Asset Management

With copy to: CASA ALIENTO MERCY HOUSE CHDO LLC
P.O. Box 1905
Santa Ana, CA 92701
Attention: Chief Executive Officer

Section 5.03 The Subrecipient hereby specifically acknowledges and agrees to be bound by the covenants contained herein regarding the affordability of the Project and its affordable housing units.

Section 5.04 These CDBG Covenants may be executed in counterparts and shall be fully effective as if signed by all parties whether or not the signatures of all the parties appear on the original or on any one copy of these CDBG Covenants.

[Signature blocks appear on following pages]

IN WITNESS WHEREOF, the parties hereto have executed these CDBG Covenants as of the day and year first above written.

RECIPIENT:
THE CITY OF OXNARD

Housing Director

APPROVED AS TO FORM:

Stephen Fischer
City Attorney

SUBRECIPIENT:
CASA ALIENTO, LP, a California limited partnership

By: Casa Aliento CDP LLC, a California limited liability company
Its: Administrative General Partner

By: Community Development Partners, a California benefit corporation,
Its: Manager

Kyle Paine, President

By: Casa Aliento Mercy House CHDO LLC, a California limited liability company
Its: Managing General Partner

By: Mercy House CHDO, Inc., a California non-profit public benefit corporation
Its: Manager

Lawrence G. Haynes, Jr., Chief Executive Officer

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____ (Place Notary Seal Above)
Signature of Notary Public

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____ (Place Notary Seal Above)
Signature of Notary Public

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____ (Place Notary Seal Above)
Signature of Notary Public

EXHIBIT A

LEGAL DESCRIPTION

All that certain real property situated in the County of Ventura, State of California, described as follows:

PARCELS 1 AND 2, OF PARCEL MAP NO. 22-300-04, IN THE CITY OF OXNARD, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 74, PAGES 9, 10 AND 11, OF INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 200-0-082-220 AND APN: 200-0-082-230

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO: CITY OF OXNARD Housing Department 435 S D Street Oxnard, CA 93030 Attention: Housing Director No recording fee pursuant to California Government Code Section 27383	
APN: 200-0-082-220 AND APN: 200-0-082-230	SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST AFFECTING REAL PROPERTY
WITH ASSIGNMENT OF RENTS
(This Deed of Trust contains an acceleration clause)
(Secures CDBG Promissory Note, Subrecipient Agreement, and Regulatory Agreement)

This DEED OF TRUST WITH ASSIGNMENT OF RENTS (the "Deed of Trust") is made _____,2025 between Casa Aliento LP, a California limited partnership, herein called TRUSTOR, whose address is 3416 Via Oporto, Suite 301, Newport Beach, CA 92663, to Commonwealth Land Title Company, a California corporation, as trustee, herein called TRUSTEE, and the City of Oxnard, a municipal corporation (the "City"), herein called BENEFICIARY,

WITNESSETH: That Trustor grants to Trustee in Trust, with Power of Sale, that property located at 1245 North Oxnard Boulevard, in the City of Oxnard, which is located in Ventura County, California, as more particularly described in Exhibit A (the "Property") attached hereto and incorporated herein by this reference;

Together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues, and profits.

This grant is made for the purpose of securing the performance of each agreement of Trustor incorporated by reference or contained herein; and performance of that certain Subrecipient Agreement For CDBG Grant Funds of even date herewith, that certain City of Oxnard CDBG Regulatory Agreement and Restrictive Covenants of even date herewith, and that certain City of Oxnard Community Development Block Grant Program Promissory Note Secured by Deed of Trust dated _____, 2025, in the face amount of $792,999 made by Trustor to the order of the Beneficiary. This Deed of Trust secures all obligations of each of the foregoing agreements. Any default in the performance of obligations under any of such agreements is a default under each of the agreements and is a default hereunder, and entitles Beneficiary and Trustee to exercise all rights and remedies herein described.

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the fictitious deed of trust recorded in Orange

County August 17, 1964, and in all other counties August 18, 1964, in the book and at the page of Official Records in the office of the county recorder of the county where said property is located, noted below opposite the name of such county, namely:

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE
Alameda	1288	556	Madera	911	136	San Luis Obispo	1311	137
Alpine	3	130-31	Marin	1849	122	San Mateo	4778	175
Amador	133	438	Mariposa	90	453	Santa Barbara	2065	881
Butte	1330	513	Mendocino	667	99	Santa Clara	6626	664
Calaveras	185	338	Merced	1660	753	Santa Cruz	1638	607
Colusa	323	391	Modoc	191	93	Shasta	800	633
Contra Costa	4684	1	Mono	69	302	San Diego Series 5	1964	149774
Del Norte	101	549	Monterey	357	239	Sierra	38	187
El Dorado	704	635	Napa	704	742	Siskiyou	506	762
Fresno	5052	623	Nevada	363	94	Solano	1287	621
Glenn	469	76	Orange	7182	18	Sonoma	2067	427
Humboldt	801	83	Placer	1028	379	Stanislaus	1970	56
Imperial	1189	701	Plumas	166	1307	Sutter	655	585
Inyo	165	672	Riverside	3778	347	Tehama	457	183
Kern	3756	690	Sacramento	5039	124	Trinity	108	595
Kings	858	713	San Benito	300	405	Tulare	25300	108
Lake	437	110	San Bernardino	6213	768	Toulumne	177	160
Lassen	192	367	San Francisco	A-804	596	Ventura	2607	237
Los Angeles	T-3878	874	San Joaquin	2855	283	Yolo	769	16
						Yuba	398	693

shall inure to and bind the parties hereto, with respect to the property above described. Said Agreements, terms and provisions contained in said subdivisions A and B, (identical in all counties, and attached hereto), are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein (provided that in the event any said provision is inconsistent with the language in this Deed of Trust, the language of this Deed of Trust shall control), and Beneficiary may charge for a statement regarding the obligation secured hereby; provided the charge therefore does not exceed the maximum allowed by law.

The Trustor acknowledges receipt of a copy of such provisions of such fictitious deed of trust.

If the Trustor shall sell, convey or alienate said property, or any part thereof, or any interest therein, or shall be divested of his title or any interest therein in any manner or way, whether voluntarily or involuntarily, in a manner not allowed by the agreements secured by this Deed of Trust or without the written consent of the Beneficiary being first had and obtained, Beneficiary shall have the right, at its option, except as prohibited by law, to declare any indebtedness or obligations secured hereby, irrespective of the maturity date specified in any note evidencing the same, immediately due and payable.

The undersigned Trustor, requests that a copy of any notice of default and any notice of sale hereunder be made to it at its address hereinbefore set forth.

Exhibit A is attached hereto and incorporated herein.

(Signature appears on following page)

SIGNATURE OF TRUSTOR

CASA ALIENTO LP, a California limited partnership

By: Casa Aliento CDP LLC, a California limited liability company
Its: Administrative General Partner

By: Community Development Partners, a California benefit corporation
Its: Manager

Kyle Paine, President

By: Casa Aliento Mercy House CHDO LLC, a California limited liability company
Its: Managing General Partner

By: Mercy House CDDO, Inc., a California non-profit public benefit corporation
Its: Manager

Lawrence G. Haynes, Jr. Chief Executive Officer

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(Place Notary Seal Above)

_____
Signature of Notary Public

EXHIBIT A

LEGAL DESCRIPTION

All that certain real property situated in the County of Ventura, State of California, described as follows:

PARCELS 1 AND 2, OF PARCEL MAP NO. 22-300-04, IN THE CITY OF OXNARD, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 74, PAGES 9, 10 AND 11, OF INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 200-0-082-220 AND APN: 200-0-082-230

Agreement #A-8569

CITY OF OXNARD
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
PROMISSORY NOTE SECURED BY DEED OF TRUST

$792,999 **Oxnard, California** **_____, 2025**

FOR VALUE RECEIVED, Casa Aliento LP, a California limited partnership ("Subrecipient"), whose address is 3416 Via Oporto, Suite 301, Newport Beach, CA 92663, hereby promises to pay to the order of the City of Oxnard, a municipal corporation ("City"), whose address is 435 South D Street, Oxnard, California 93030, the principal amount equal to Seven Hundred and Ninety-Two Thousand Nine Hundred and Ninety-Nine Dollars ($792,999), or so much thereof as may be advanced by City to Subrecipient, together with interest thereon, as set forth below.

1. **PURPOSE.** In order to assist Subrecipient in developing sixty-nine (69) units of permanent supportive rental housing for persons experiencing homelessness or who are at-risk of homelessness and one (1) manager's unit located at 1245 N. Oxnard Blvd, Oxnard, California ("Project"), City has agreed to loan to Subrecipient the amount of Seven Hundred and Ninety-Two Thousand Nine Hundred and Ninety-Nine Dollars ($792,999) to cover the costs of rehabilitation activities in furtherance of the Project, which amount is derived from funds received by the City from the United States Department of Housing and Urban Development through the Community Development Block Grant Program ("CDBG Funds").

2. **SUBRECIPIENT'S OBLIGATION.** This promissory note ("Note") evidences Subrecipient's obligation to pay City the principal amount of Seven Hundred and Ninety-Two Thousand Nine Hundred and Ninety-Nine Dollars ($792,999)) ("Loan") for the CDBG Funds loaned to Subrecipient by City for the specific uses designated in that certain Subrecipient Agreement for CDBG Grant Funds by and between Subrecipient and City of even date herewith ("Subrecipient Agreement") and that certain CDBG Regulatory Agreement and Restrictive Covenants by and between Subrecipient and City of even date herewith ("Regulatory Agreement"). This Note is secured by a Deed of Trust and Assignment of Rents by Subrecipient in favor of City of even date herewith ("Deed of Trust," and collectively with this Note, the Subrecipient Agreement and the Regulatory Agreement, the "CDBG Loan Documents").

3. **INTEREST.** Subject to Section 4, this Note shall bear simple interest at the rate of three percent (3%) per annum from the date of the first disbursement under the Subrecipient Agreement. Interest is not compounding.

4. **DEFAULT INTEREST.** In the event of default by Subrecipient of any of its obligations under the CDBG Loan Documents, Subrecipient shall pay to City interest on the outstanding principal of this Note, at an annual rate equal to the lesser of (i) ten percent (10%) or (ii) the highest interest allowed by law, in addition to the interest rate provided in Section 3 above, from the date of the event of default until the date that the event of default is cured or the Loan is repaid in full. The default interest shall be paid monthly and is due to the City on the first day of each month.

5. **AMOUNT AND TIME OF PAYMENT.** The principal and interest of the Loan shall be due and payable on the earlier of: (a) fifty-five (55) years from the date of the recordation of a notice of completion issued for the Project, or (b) the date the Property is sold or otherwise transferred, except, if Subrecipient is a limited partnership and the affordability covenants are maintained for the duration of the original City affordability period, for a transfer to the general partner(s) of the Subrecipient or, a City approved affiliate thereof, or (c) Subrecipient has failed to commence Project activities as set forth in Section VII of the Subrecipient Agreement, or (d) an event of default by Subrecipient which has not been cured as within thirty (30) days after notice thereof by City or such longer period if so specified by the City. Annual loan payments on the Loan shall be made in accordance with Section 7 hereof. In the event of default by Subrecipient which has not been cured as provided herein, the principal and all current and accrued interest shall be due and payable in accordance with Section 9 of this Note. In any event, the principal and all current and accrued interest shall be due and payable no later than December 31, 2080.

6. **DEFINITIONS.** Unless otherwise defined, all capitalized terms in this Note shall have the definition ascribed to such terms in the Subrecipient Agreement.

a. "**ANNUAL FINANCIAL STATEMENT**" means the financial statement for each calendar year prepared at Subrecipient's expense and prepared under accounting principles generally accepted in the United States of America and audited by Certified Public Accountants reasonably acceptable to City, which shall form the basis for determining the Residual Receipts.

b. **"ANNUAL OPERATING EXPENSES"** means with respect to a particular calendar year the following costs reasonably and actually incurred for operation and maintenance of the Project, using generally accepted accounting principles: debt service currently due on a non-optional basis (excluding debt service due from Residual Receipts, cash flow or surplus cash of the Development) on loans associated with development of the Project and approved by the City; property and other taxes and assessments imposed on the Project; premiums for property damage and liability insurance; utility services not paid for directly by tenants, including water, sewer, trash collection, gas, and electricity; maintenance and repair, including but not limited to, pest control, landscaping and grounds maintenance, painting and decorating, cleaning, common systems repairs, general repairs, janitorial supplies and maintenance oversight fee; any annual license or certificate of occupancy fees required for operation of the Project; general administrative expenses including, but not limited to, advertising and marketing, security services and systems, professional fees for legal, audit, accounting and tax returns; bookkeeping fees, property management fees not to exceed eight percent (8%) of Gross Revenues from the Project plus reimbursements including on-site manager costs and reimbursements which are standard in the industry; any fees or costs in connection with resident/social services provided to tenants; social services oversight fee in a reasonable amount given comparable fees for such services at that time; cash deposited into a reserve for capital replacements of Project

improvements in such reasonable amounts as are approved by Senior Lenders to the Project, any current and accrued fee for managing the Subrecipient entity, paid to the manager of the Subrecipient, in an annual amount of Twenty Thousand Dollars ($20,000) a year (or partial year) of the Project's operations, increasing annually by three percent (3%); payment of any previously unpaid portion of the Development Fee due (with interest at a rate not to exceed the applicable federal rate) not exceeding a cumulative amount of the Development Fee as allowed by HCD; cash deposited into an operating reserve in such reasonable amounts as are approved by Senior Lenders to the Development; extraordinary operating costs specifically approved by the City; and other ordinary and reasonable operating expenses not listed above. Annual Operating Expenses shall not include the following: depreciation, amortization, depletion or other non-cash expenses or any amount expended from a reserve account. The Annual Operating Expenses shall be reported in the Annual Financial Statement.

c. "**GROSS REVENUE**" means for each calendar year, all revenue, income, receipts, and other consideration actually received by Subrecipient from operation and leasing of the Project. Gross Revenue includes, but is not limited to: (i) all rents, fees and charges paid by tenants, payments or other rental subsidy payments received for the dwelling units, deposits forfeited by tenants, all cancellation fees, price index adjustments and any other rental adjustments to leases or rental agreements resulting in actual income to Subrecipient; (ii) the proceeds of business interruption or similar insurance; (iii) the proceeds of casualty insurance to the extent not utilized to repair or rebuild the Project (or applied toward the cost of recovering such proceeds); (iv) condemnation awards for a taking of part or all of the Project for a temporary period. Gross Revenue shall exclude tenants' security deposits, loan proceeds, capital contributions or other similar advances.

d. "**RESIDUAL RECEIPTS**" in a particular calendar year shall mean the amount by which Gross Revenue exceeds Annual Operating Expenses.

7. **PAYMENTS**. All accrued interest and principal shall be due and payable in accordance with the terms set forth in Section 5. Commencing on July 1st of the first year after the date of the recordation of a notice of completion issued for the Project, and on July 1st of each year thereafter for the following fifty-five (55) years, Subrecipient shall make an annual Loan payment as follows: (i) while the loans to Subrecipient from the California Department of Housing and Community Development Competitive No Place Like Home Program in the amount of $7,234,582 (the "**Competitive NPLH Loan**"), the California Department of Housing and Community Development Non-Competitive No Place Like Home Program in the amount of $1,600,109 (the "**Non-Competitive NPLH Loan**") and the County of Ventura HOME-ARP Program in the amount of $1,000,000 (the "**HOME-ARP Loan**") are outstanding, (7.46%) of fifty percent (50%) of Residual Receipts for the previous calendar year; and (ii) at such time as the Competitive NPLH Loan, the Non-Competitive NPLH Loan and the HOME-ARP Loan have been fully satisfied, (100%) of fifty percent (50%) of Residual Receipts for the previous calendar year (each, an "**Annual Payment**"). The Subrecipient shall provide the City with any documentation reasonably requested by the City to substantiate the Subrecipient's determination of the Gross

Revenue, Annual Operating Expenses, and Annual Payment. The City shall apply all Annual Payments first to accrued interest, and second to principal. In the event that the City determines that there is an understatement in the amount of an Annual Payment due to City, Subrecipient shall promptly pay to City such understatement, but in any event, no later than within twenty (20) days of notice of such understatement. In the event that City determines that there has been an overpayment in an Annual Payment due to City, City shall pay to Subrecipient the amount of overpayment promptly, but in any event, within twenty (20) days of such determination. If contested, Subrecipient has the right to pay under protest and request an audit by an independent CPA. On or before each Annual Payment the Subrecipient shall submit its Annual Financial Statement to City for the preceding calendar year together with the required Annual Payment for the preceding calendar year and each Payment Date thereafter until the Loan is paid in full or otherwise terminated. City shall review and approve the percentage amount to be paid by Subrecipient and the Annual Financial Statement, or request revisions, within sixty (60) days after receipt. In the event City fails to approve or disapprove the Annual Financial Statement within the sixty (60) day period, Subrecipient may request a written determination of approval or disapproval following the expiration of such period. In the event City fails to provide a written determination to Subrecipient within ten (10) days following the receipt of Subrecipient's request for determination, the Annual Financial Statement shall be deemed approved.

8. **PLACE AND MANNER OF PAYMENT.** All amounts due and payable under this Note are payable at the office of City at the address set forth above, or at such other place as City may designate to Subrecipient in writing from time to time, in any coin or currency of the United States which on the respective Payment Dates thereof shall be legal tender for the payment of public and private debts.

9. **DEFAULT AND ACCELERATION.** This Note is secured by the Deed of Trust. All covenants, conditions and agreements contained in the Deed of Trust and the Subrecipient Agreement are hereby made a part of this Note. Subrecipient agrees that the principal and all current and accrued interest, shall, at the option of City, be immediately due and payable upon any event of default as defined in the Subrecipient Agreement which has not been cured pursuant to that Subrecipient Agreement, including without limitation the failure of Subrecipient to make any payment when due. Upon any such event of default, City may exercise any other right or remedy permitted under this Note and the CDBG Loan Documents. Notwithstanding anything to the contrary contained in the CDBG Loan Documents, City hereby agrees that any cure of any event of default made or tendered by Subrecipient's limited partners shall be deemed to be a cure by Subrecipient and shall be accepted or rejected on the same basis as if made or tendered by Subrecipient.

10. **PREPAYMENT OF LOAN**. No prepayment penalty will be charged to Subrecipient for payment of all or any portion of the Loan amounts prior to the end of the term described herein. However, prepayment of the Loan during the term of the Regulatory Agreement shall require City approval and shall not affect Subrecipient's obligations under the Regulatory Agreement.

11. **NO OFFSET.** Subrecipient hereby waives any rights of offset it now has or may hereafter have against City, its successors and assigns, and agrees to make the payments called for herein in accordance with the terms of this Note.

12. **WAIVERS.** All presentments, notices of dishonor, and protests are waived by all makers, sureties, guarantors, and endorsers of this Note, if any.

13. **CONSENTS AND APPROVALS.** Any consent or approval of City required under this Note shall not be unreasonably withheld or delayed.

14. **NOTICES.** Except as may be otherwise specifically provided herein, any approval, notice, direction, consent request or other action by City shall be in writing and may be communicated to Subrecipient at the principal office of Subrecipient set forth below, or at such other place or places as Subrecipient shall designate in writing, from time to time, for the receipt of communications from City. Copies of all notices which are sent to Subrecipient under the terms of the Loan Documents shall also be sent the additional parties as listed at the address below.

SUBRECIPIENT:

With copy to:	Casa Aliento, LP 3416 Via Oporto, Suite 301 Newport Beach, CA 92663 Attn: Asset Management
With copy to:	NEF Assignment Corporation, as nominee 10 South Riverside Plaza, Suite 1700 Chicago, Illinois 60606 Attn: General Counsel
And to:	Casa Aliento Mercy House CHDO LLC c/o Mercy House CHDO, Inc. P.O. Box 1905 Santa Ana, CA 92702 Attn: Chief Executive Officer
And to:	Sabelhaus & Strain PC 1724 10th Street, Suite 110 Sacramento, CA 95811 Attn: Stephen A. Strain, Esq.

15. **BINDING UPON SUCCESSORS.** All provisions of this Note shall be binding upon and inure to the benefit of the successors-in-interest, transferees, and assigns of Subrecipient and City.

16. **GOVERNING LAW.** This Note shall be interpreted under and governed by the laws of the State of California, except for those provisions relating to choice of law and those provisions preempted by federal law.

17. **SEVERABILITY.** Every provision of this Note is intended to be severable. If any provision of this Note shall be held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.

18. **TIME.** Time is of the essence in this Note.

19. **WAIVER.** Any waiver by City of any obligation in these Loan Documents must be in writing. No waiver will be implied from any delay or failure by City to take action on any breach or default of Subrecipient or to pursue any remedy allowed under the Loan Documents or applicable law. Any extension of time granted to Subrecipient to perform any obligation under the Loan Documents shall not operate as a waiver or release from any of the Subrecipient's obligations under the Loan Documents. Consent by City to any act or omission by Subrecipient shall not be construed to be consent to any other or subsequent act or omission or to waive the requirement for City's written consent to future waivers.

20. **AMENDMENTS AND MODIFICATIONS.** Any amendments or modifications to this Note must be in writing, and shall be made only if executed by both Subrecipient and City.

21. **NONRECOURSE.** Except as expressly provided in the second paragraph of this Section 21, the Subrecipient, and the Subrecipient's partners, officers, directors, employees and agents shall not have any direct or indirect personal liability for payment of the principal of, or interest on, this Note. The sole recourse of the City with respect to the principal of, or interest on, the Note shall be to the property securing the indebtedness evidenced by the Note. However, nothing contained in the foregoing limitation of liability shall (i) limit or impair the enforcement against all such security for the Note of all the rights and remedies of the City, or (ii) be deemed in any way to impair the right of the City to assert the unpaid principal amount of the Note as demand for money within the meaning and intendment of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto.

The foregoing limitation of liability is intended to apply only to the obligation for the repayment of the principal of, and payment of interest on the Note, except as hereafter set forth; nothing contained herein is intended to relieve the Subrecipient of personal liability to the extent of actual damages for (i) Subrecipient's fraud or willful misrepresentation; (ii) the failure to pay taxes, assessments or other charges (which are not contested by the Subrecipient in good faith) which may create liens on the Property that are payable or applicable prior to any foreclosure under the Deed of Trust (to the full extent of such taxes, assessments or other charges); (iii) the fair market value of any personal property or fixtures removed or disposed of by the Subrecipient other than in accordance with the Deed of Trust; (iv) the material misapplication of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent

domain or by reason of damage, loss or destruction to any portion of the Property; (v) the Subrecipient's indemnification obligations under the Subrecipient Agreement; and (vi) payment to the City of any rental income or other income arising with respect to the Property received by the Subrecipient after the City has given notice to the Subrecipient of the occurrence of an event of default and after the expiration of all applicable notice and cure periods, subject to the rights of any City providing a loan secured by the Property to which the City has subordinated the Deed of Trust.

(signature appears on following page)

IN WITNESS WHEREOF, the Subrecipient has executed this Note as of the day and year first above written.

SUBRECIPIENT:

CASA ALIENTO LP, a California limited partnership

By: Casa Aliento CDP LLC, a California limited liability company
Its: Administrative General Partner

By: Community Development Partners, a California benefit corporation
Its: Manager

_____
Kyle Paine, President

By: Casa Aliento Mercy House CHDO LLC, a California limited liability company
Its: Managing General Partner

By: Mercy House CDDO, Inc., a California non-profit public benefit corporation
Its: Manager

_____
Lawrence G. Haynes, Jr. Chief Executive Officer

CDBG Loan Agreement for Casa Aliento, a 70-Unit Permanent Supportive Housing Project Located at 1245 N. Oxnard Blvd.

Brenda Lopez, Interim Housing Director
Housing Department

Community Services, Public Safety, Housing & Development Committee
January 28, 2025

CITY OF OXNARD CALIFORNIA

1) The Casa Aliento project, located at 1245 N. Oxnard Blvd., was the original location of the 70-room Vagabond Inn motel.

2) In 2020, during the initial round of Homekey Funding, Community Development Partners (CDP), an experienced developer of affordable Housing, and Mercy House, a homeless services provider, partnered with the County of Ventura to submit a Homekey application to the California Department of Housing and Community Development (HCD) and successfully secured funding to acquire the Vagabond Inn.

3) In compliance with Homekey funding requirements Mercy House has been operating the former Vagabond Inn as a temporary non-congregate shelter with the end goal of rehabilitating and converting the temporary housing facility into permanent supportive housing (PSH) in two phases, with amenities, resources, and services for homeless individuals.

4) On September 16, 2021 the Planning Division approved a Zone Clearance allowing the change in use to convert the 70-room hotel into a PSH apartment complex.

5) On May 4, 2023 the Planning Commission approved a Major Modification to make on and off-site improvements and subdivide the existing 1.81-acre project site into two parcels via a tentative parcel map, with the goal of separating the property for Casa Aliento and the Denny's. The final parcel map was approved by the City Council on June 18, 2024.

6) In September 2023 Casa Aliento closed on its construction financing and began construction on the residential units in October 2023. In August 2024, the first phase, inclusive of 32 units, was completed and 32 tenants were able to move into the newly renovated units. The remaining 38 units are estimated to be completed within the month of February 2025.

7) The original development budget was $43,358,346. In November 2024, CDP received updated cost estimates resulting in a revised development budget of $45,379,383.

8) The project now has $2,021,037 gap in financing.

The table below provides more information on the project's current financing commitments.

Development Sources:	
Low Income Housing Tax Credits	$12,802,700
Mercy House Seller Carryback	$13,500,000
NPLH (Competitive, Noncompetitive, COSR Grant)	$9,043,715
Ventura County	$5,491,298
Dev Equity + GP Equity	$1,000,200
Deferred Developer Fee	$1,520,433
Total Sources	**43,358,346**

GAP FINANCING

To address the financial gap, Casa Aliento LP is in the process of securing an additional $1,228,038 bridge loan from the Housing Trust Fund Ventura County (HTFVC).

In addition, Casa Alient LP has requested $792,999 in Community Development Block Grant (CDBG) program funds from the City to assist in closing the gap and complete the development.

At the time of publishing this agenda item, the request for City Council approval of up to $792,999 in CDBG funding for the Casa Aliento project is scheduled for January 21, 2025. Provided Council approves staff‘s recommended action as part of the Fiscal Year 2023-2024 Annual Action Plan budget reallocation report, staff seeks approval to execute a CDBG Loan Agreement with Casa Aliento LP in an amount not to exceed $792,999.

The Loan Agreement provides the following terms:

1. 3% simple interest;
2. A fifty-five year term and charge
3. Regulatory agreement term of five-years; and
4. Repayment of the City Loan will be on a residual receipts basis.

Casa Aliento

RECOMMENDATION

That the Community Services, Public Safety, Housing & Development Committee recommend that the City Council adopt a resolution authorizing the Housing Director or Designee to execute a $792,999 CDBG Loan Agreement, and any and all related documents thereto, with Casa Aliento LP for the rehabilitation and conversation of an existing motel into 70 Permanent Supportive Housing Units located at 1245 N. Oxnard Boulevard.

CITY OF OXNARD CALIFORNIA

End of Presentation