



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: **COMMUNITY DEVELOPMENT**

Prepared by: **Alicia Giudice, Director**
Chris Hess, Assistant Director
Alexis Captanian, Housing Analyst

City Manager Approval: _____

TOPIC PERMANENT LOCAL HOUSING ALLOCATION (PLHA)

SUBJECT RESOLUTION RECOMMENDING PERMANENT LOCAL HOUSING ALLOCATION (PLHA) PROJECT FUNDING FOR THE CALENDAR YEAR 2023 TO THE MARIN COUNTY BOARD OF SUPERVISORS

RECOMMENDATION

- 1. Adopt a resolution recommending Permanent Local Housing Allocation (PLHA) project funding for the calendar year 2023 to the Marin County Board of Supervisors.

BACKGROUND

The Permanent Local Housing Allocation Program (PLHA) provides funding to local jurisdictions for housing and is part of the Building Homes and Jobs Act (SB2) approved by the Governor in 2017. PLHA aims to address the state’s housing shortage and high housing costs by providing an ongoing source of housing financing through real estate fees.

In February 2020, the California Department of Housing and Community Development (HCD) released the PLHA Program Notice of Funding Availability (NOFA) for approximately \$195 million in local government funding. Marin County is eligible for non-competitive PLHA funds because of its status as an Entitlement Community by the U.S. Department of Housing and Urban Development for the Community Development Block Grant (CDBG) program and because it has an approved Housing Element in compliance with the State Housing Law, at the time of application, and submits Annual Progress Reports approved by HCD. Funding recommendations are subject to final approval of PLHA funds by HCD.

On July 21, 2020, the Marin County Board of Supervisors passed a resolution to apply for PLHA grant funding through the non-competitive NOFA process. In August 2020, the Board also approved a five-year expenditure plan for the funds. This plan was developed in consultation with the Board of Supervisors Housing Subcommittee and in alignment with the Countywide Priority Setting Committee’s¹ (PSC) approved 2020-24 Consolidated Plan and Assessment of Impediments to Fair Housing Choice (AI).

¹ The Countywide Priority Setting Committee is made up of elected representatives of Marin cities and towns, a member of the Board of Supervisors, and community members representing the federal

FOR CITY CLERK ONLY

Council Meeting:

Disposition:

Under the five-year plan, PLHA funds are matched with funds from the Marin County Affordable Housing Fund (Housing Trust). This activity was recommended by staff to ensure effective and efficient deployment of PLHA funds. Marin County Housing Trust funds can be applied to projects in all jurisdictions of Marin, and seeks collaborative funding from cities and towns where eligible projects are approved. When matched with PLHA, staff aim to distribute funding in each of the CDBG Planning Areas (County Other, San Rafael, and Novato) with funding dependent on the recommended project.

For the 2023 program year, the County has \$1,179,015 in PLHA funds to distribute. Together, these matched funds will support predevelopment, development, acquisition, and preservation of affordable housing, with an emphasis on projects serving those that earn an income at or under 60 percent Area Median Income (AMI), as stipulated in the PLHA Final Guidelines.

ANALYSIS:

All project applications were evaluated by County staff based on the PLHA criteria developed by HCD and on the PSC approved program goals.

HCD PLHA Criteria:

- Project readiness: applicant must have site control for development projects, land use entitlements, environmental review, and commitments of other required funding and resources.
- Priority for projects supporting individuals and households earning 60% AMI or below.

PSC Approved Program Goals:

In addition to the criteria set forth by HCD, the PSC approved the following PLHA program goals, which are informed by the HUD approved 2020-24 Consolidated Plan and Analysis of Impediments to Fair Housing Choice:

- Family Housing
- Rental Housing – Acquisition, New Construction, Rehabilitation
- Homeowner Housing – Acquisition, New Construction, Rehabilitation
- Special Needs Housing
- Land trust in eastern Marin that provides home ownership opportunities, with specific inclusion for African Americans

Additionally, in alignment with the PSC’s efforts on fair housing and equity, all applications include:

- A demographic assessment (race/ethnicity, people with disabilities, families) of the applicant’s existing housing projects in Marin.
- Demographics of staff and board members of the applicant organization(s).

Applications Received and Funding Recommendation

Between February 9 and March 15, 2023, the County released a NOFA for \$2,358,030² in PLHA/Marin Housing Trust funds. A total of nine (9) PLHA/Marin Housing Trust applications

protected classes under fair housing laws which includes race, color, national origin, religion, sex, familial status, and disability.

² This figure is inclusive of the Marin County Trust Fund match.

SAN RAFAEL CITY COUNCIL AGENDA REPORT / Page: 3

were received for projects across the county totaling \$13,216,060 in requests. One (1) of the applications received is for a project located in San Rafael:

3301 Kerner (Eden Housing) is a State Homekey project that will provide 40 apartments serving as supportive housing with wrap around services for formerly homeless persons with mental illness. The project is the adaptive reuse of an existing three-story office building in the Canal neighborhood. Eden Housing has requested \$1,000,000 in PLHA/Marin Housing Trust funds to address unanticipated design changes required to address a portion of the building that is situated in a floodplain. This project meets the regulatory requirements set forth by the PLHA program including readiness and site control. In addition, the project meets two of the program goals approved by the PSC, including the creation of new rental housing and housing that serves a special needs population. To-date, the County has contributed over \$20 million in General Fund and County Housing Trust funds towards this project, and the City of San Rafael has contributed approximately \$2.4 million.

To support these unanticipated costs, staff recommend funding \$500,000 in PLHA/Marin Housing Trust funds (\$250,000 in PLHA funds and \$250,000 in County Housing Trust funds), contingent on a \$250,000 match from the City of San Rafael.

FISCAL IMPACT: The PLHA/Marin Housing Trust fund award is contingent on a \$250,000 match from the City of San Rafael. Staff recommends that the City Council consider a funding request from Eden Housing for the project at 3301 Kerner through the current funding cycle for the City's Affordable Housing Trust Fund. Staff is scheduled to present funding recommendations to the City Council in June 2023, and City Council may appropriate the matching funds at that time.

OPTIONS:

1. Approve the PLHA funding as recommended.
2. Defer to the Countywide Priority Setting Committee to provide the recommendation for the San Rafael Planning Area applications.
3. Do not approve the recommendation and provide direction to staff.

ACTION REQUIRED:

Adopt a resolution recommending Permanent Local Housing Allocation (PLHA) project funding for the calendar year 2023 to the Marin County Board of Supervisors.

ATTACHMENTS:

- Attachment 1 Resolution
- Attachment 2 PLHA Guidelines
- Attachment 3 Funding Application

RESOLUTION NO.

**RESOLUTION OF THE SAN RAFAEL CITY COUNCIL RECOMMENDING
PERMANENT LOCAL HOUSING ALLOCATION (PLHA) PROJECT FUNDING FOR
THE FISCAL YEAR 2023-24 TO THE MARIN COUNTY BOARD OF SUPERVISORS**

BE IT RESOLVED by the Council of the City of San Rafael as follows:

WHEREAS in September 2017, the Governor signed into law Senate Bill 2, the “Building Homes and Jobs Act”; and

WHEREAS in February 2020, the California Department of Housing and Community Development (HCD) released the PLHA Program Notice of Funding Availability (NOFA) for ongoing local government provision of housing financing through real estate fees; and

WHEREAS in July 2020, the Marin County Board of Supervisors passed a resolution to apply for PLHA grant funding through the non-competitive NOFA process; and

WHEREAS in August 2020, the Marin County Board of Supervisors approved a 5-year expenditure plan for the funds; and

WHEREAS in September 2021, the Countywide Priority Setting Committee approved program goals for projects; and

WHEREAS on May 1, 2023, the City Council reviewed the submitted applications in accordance with the required selection process;

NOW, THEREFORE IT IS HEREBY RESOLVED that the City Council recommends to the Marin County Board of Supervisors that the \$250,000 in PLHA funds available for allocation by the City of San Rafael be distributed to Eden Housing’s 3301 Kerner project, subject to adjustments necessary to accommodate any changes in the County of Marin’s final allocation from the California Department of Housing and Community Development (HCD).

I, LINDSAY LARA, City Clerk of the City of San Rafael, hereby certify that the foregoing resolution was duly and regularly introduced and adopted at a regular meeting of the Council of said City held on the 1st day of May 2023, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

Lindsay Lara, City Clerk

Permanent Local Housing Allocation Final Guidelines



**Gavin Newsom, Governor
State of California**

**Alexis Podesta, Secretary
Business, Consumer Services and Housing Agency**

**Douglas R. McCauley, Acting Director
California Department of Housing and Community Development**

2020 West El Camino Avenue, Suite 150
Sacramento, CA 95833

October 2019

The matters set forth herein are regulatory mandates, and are adopted in accordance with the authorities set forth below:

Quasi-legislative regulations ... have the dignity of statutes ... [and]... delegation of legislative authority includes the power to elaborate the meaning of key statutory terms...

Ramirez v. Yosemite Water Co., 20 Cal. 4th 785, 800 (1999)

In consultation with stakeholders, the California Department of Housing and Community Development (Department) may adopt Guidelines to implement this Section, including determining allocation methodologies. Any guideline, rule, policy, or standard of general application employed by the Department in implementing this chapter shall not be subject to the requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Title 2 Government Code, Part 1 of Division 3).

NOTE: Authority Cited: Health and Safety Code Section 50470, subdivision (d).

The Department reserves the right, at its sole discretion, to suspend or amend the provisions of these Guidelines, including, but not limited to, grant award amounts.

INTRODUCTION

Chapter 364, Statutes of 2017 (SB 2, Atkins) was part of a 15-bill housing package aimed at addressing the state's housing shortage and high housing costs. Specifically, it establishes a permanent source of funding intended to increase the affordable housing stock in California. The revenue from SB 2 will vary from year to year, as revenue is dependent on real estate transactions with fluctuating activity. The legislation directs the California Department of Housing and Community Development (Department) to use 70 percent of the revenue collected, beginning in calendar year 2019, to provide financial assistance to local governments for eligible housing-related projects and programs to assist in addressing the unmet housing needs of their local communities. This program is hereafter referred to as the Permanent Local Housing Allocation (PLHA) program.

Guidelines for the PLHA program are organized into five Articles as follows:

Article I. General provisions: This article includes information on the purpose of the Guidelines, program objectives, and definitions used throughout the document.

Article II. Program funding: This article describes allocation formulas and methodologies, and award amounts.

Article III. Formula allocation component: This article describes the requirements for Applicants to apply for funds under the formula allocation of the PLHA program.

Article IV. Competitive allocation component: This article describes requirements and uses for PLHA competitive allocation funds.

Article V. Administration: This article describes administrative functions such as terms, non-performance remedies, and reporting and monitoring requirements.

Permanent Local Housing Allocation (PLHA) Program: 2019 Guidelines

Table of Contents

ARTICLE I. GENERAL PROVISIONS	5
Section 100. Purpose and Scope	5
Section 101. Definitions	5
ARTICLE II. PROGRAM FUNDING	9
Section 200. Allocations	9
Section 201. Award Amounts	10
ARTICLE III. FORMULA ALLOCATION COMPONENT	11
Section 300. Eligible Applicants	11
Section 301. Eligible Activities	12
Section 302. Threshold Requirements	13
Section 303. Application Review	16
Section 304. Deadlines and Funding Requirements	17
ARTICLE IV. COMPETITIVE ALLOCATION COMPONENT	17
Section 400. Eligible Applicants	17
Section 401. Eligible Activities	18
Section 402. Threshold Requirements	18
Section 403. Selection Criteria	20
Section 404. Application Review	22
Section 405. Deadlines and Funding Requirements	23
ARTICLE V. ADMINISTRATION	23
Section 500. Accounting Records	23
Section 501. Audits/Monitoring of Project Files	24
Section 502. Cancellation and Termination	25
Section 503. Reporting	26

ARTICLE I. GENERAL PROVISIONS

Section 100. Purpose and Scope

- (a) These Guidelines (hereinafter “Guidelines”) implement, interpret, and make specific Chapter 364, Statutes of 2017 (SB 2, Atkins - hereinafter “SB 2”) as authorized by Health and Safety Code (HSC) Section 50470, which created the Building Homes and Jobs Trust Fund and the PLHA program. The principal goal of this program is to make funding available to eligible local governments in California for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities. Twenty percent of the funding in the Building Homes and Jobs Trust Fund is required to be expended for Affordable Owner-Occupied Workforce Housing, and the program prioritizes investments that increase the supply of housing to households that are at or below 60 percent of the Area Median Income (AMI), adjusted for household size.
- (b) These Guidelines establish terms, conditions, and procedures for local governments to submit applications to the Department for funds from the PLHA program’s three components, as listed below:
 - (1) Entitlement formula component per HSC 50470(b)(2)(B)(i)(I)
 - (2) Non-entitlement formula component per HSC 50470(b)(2)(B)(i)(II)
 - (3) Non-entitlement competitive grant program component per HSC 50470(b)(2)(B)(i)(I) (eligible Applicants are the same as for component 2 above)
- (c) The non-entitlement competitive grant program component prioritizes assistance to persons experiencing or At risk of homelessness.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(A), subdivision (b)(2)(B)(i) and subdivision (b)(2)(B)(ii)(I-V).

Section 101. Definitions

All terms not defined below shall, unless their context suggests otherwise, be interpreted in accordance with the meanings of terms described in HSC Section 50470.

- (a) “Accessory dwelling unit” (ADU) means a dwelling unit which is attached, detached or located within the living area of the existing dwelling or residential dwelling unit and which provides complete independent living facilities for one or more persons pursuant to Government Code (GC) Section 65852.2 and 65852.22. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family dwelling. An Accessory dwelling unit also includes the following: an efficiency unit, as defined in Section 17958.1 of the HSC, or a manufactured home, as

defined in Section 18007 of the HSC.

- (b) "Activity" means any single eligible undertaking carried out as part of an Applicant's allocation(s) under the Program.
- (c) "Affordable" means a housing unit that satisfies at least one of the following criteria:
1. If the unit is being rented to low-income, Very low-income or Extremely low-income households, it complies with the Multifamily Housing Program guidelines Section 7312 and the Section 7301 definition of "Affordable Rent"; or
 2. If the unit is being sold, it is offered at an "Affordable housing cost", as published in the Fannie Mae Selling Guide, Part B, Debt to Income Ratios, as updated annually (<https://www.fanniemae.com/content/guide/selling/b3/6/02.html#DTI.20Ratios>), and it complies with the income limits stated in the definitions of Moderate-Income and Lower-Income in this section; or
 3. If the unit is being rented to Moderate-Income households, it is available at a gross rent, including a utility allowance, that does not exceed 30 percent of the applicable income eligibility level, and complies with the definition of Moderate-Income in these guidelines
- (d) "Affordable Owner-Occupied Workforce Housing" (AOWH) means owner-occupied housing per HSC Section 50092.1 that is affordable to persons and families of low or moderate income, as that term is defined in HSC Section 50093, except in High-cost areas where Moderate-income shall include households earning up to 150 percent of AMI.
- (e) "Annual Progress Report" (APR) means the Housing Element APR required by GC Section 65400 on the prior year's activities and due to the Department April 1 of each year.
- (f) "Annual Report" means a form issued by the Department and completed by a Local government awarded PLHA funds on which the Local government documents the uses and expenditures of any allocated funds and outcomes achieved.
- (g) "Applicant" means an eligible Local government applying for the program to administer one or more eligible activities. Applicant also means a Local or Regional Housing Trust Fund delegated by an eligible Local government to apply for the program and administer its allocation in accordance with all program rules.

- (h) “Area Median Income” or “AMI” means the most recent applicable county median family income published by the Department, available at the following link:
<http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>
- (i) “At risk of homelessness” means the same as defined in Title 24 Section 578.3 of the Code of Federal Regulations and also includes any household receiving rental assistance funded by the California Emergency Solutions and Housing (CESH) program or the California Homeless Emergency Aid Program (HEAP).
- (j) “Capitalized Reserve for Services” means the reserve funded by the Local government pursuant to Section 301(a)(5) to address project supportive service budget deficits attributable to shortfalls in service funding sources.
- (k) “Comprehensive Housing Affordability Strategy” or “CHAS” means annual data compiled by the United States Census Bureau for the U.S. Department of Housing and Urban Development (HUD) to document the extent of housing problems and housing needs, particularly for low-income households.
- (l) “Community Development Block Grant” or “CDBG” means the program created pursuant to Title I of the Housing and Community Development Act of 1974, 42 U.S.C. 5301 et seq., as amended.
- (m) “Department” means the California Department of Housing and Community Development.
- (n) “Extremely Low Income” has the meaning set forth in HSC Section 50106, which is a maximum of 30 percent of AMI. Grantees shall utilize income limits issued by the Department at the following link:
<http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>.
- (o) “Fund” means the Building Homes and Jobs Trust Fund pursuant to HSC Section 50470.
- (p) “High-cost area” means those counties defined as high cost by the Federal Housing Finance Agency (at: <https://www.fhfa.gov/DataTools/>) and those counties for which HUD adjusted the Very low income and low-income rents due to high costs (at: https://www.huduser.gov/portal/pdrdatas_landing.html), as published by the Department in the annual PLHA Notice of Funding Availability.
- (q) “Local government” means any city, including a charter city, any county, including a charter county, or a city and county, including a charter city and county.

- (r) "Local Housing Trust Fund" or "Regional Housing Trust Fund" means a public, joint public and private fund or charitable nonprofit organization described in Section 501(c)(3) of the Internal Revenue Code, which was established by legislation, ordinance, resolution (including nonprofit articles of incorporation), or a public-private partnership organized to receive specific revenue to address local or regional housing needs.
- (s) "Low or Lower Income" has the meaning set forth in HSC Section 50079.5, which is a maximum of 80 percent of AMI. Grantees shall utilize income limits issued by the Department at the following link:
<http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>.
- (t) "Moderate-Income" has the meaning set forth in HSC Section 50093, which is a maximum of 120 percent AMI, or in High-cost areas, 150 percent of AMI. Grantees shall utilize income limits issued by the Department at the following link:
<http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>.
- (u) "Non-entitlement local government" means a Local government in an area which is not a metropolitan city or part of an urban county, a Local government that, as of September 1, 2017, was an incorporated city with a population of less than 50,000 or a county with an unincorporated area population of less than 200,000 persons which had not entered into a three-year Urban County Cooperation Agreement, or a Local government that was not otherwise entitled to receive CDBG funds directly from HUD.
- (v) "Operating subsidies" means payments to owners of affordable housing developments that make the housing more affordable by covering a portion of the ongoing costs of operating the development. Such payments would have the same effect as rental assistance.
- (w) "Owner-occupied" means a dwelling which is occupied by the owner and includes a single family dwelling or a dwelling unit in a stock cooperative, as defined by Business and Professions Code (BPC), Section 11003.2, a community apartment project, as defined by BPC Section 11004, or a condominium project, as defined by subdivision (c) of BPC Section 11004. 5.
- (x) "Plan" means the document submitted by the Applicant to the Department as part of a complete application in which the Applicant proposes to use allocated funds for at least one eligible Activity. The Plan shall have a term of five years. In succeeding years, the Local government is required to obtain the approval of the Department for any amendments made to the Plan, as set forth in Section 302(c)(5).
- (y) "Permanent Local Housing Allocation Program", "Program", or "PLHA" means the program developed to annually allocate 70 percent of the moneys deposited into the Fund pursuant to HSC Section 50470(b)(2)(B)(i).

(z) "Permanent supportive housing" has the same meaning as in HSC Section 50675.14, that is, housing with no limit on the length of stay, that is occupied by the target population, and that is linked to onsite or offsite services that assist the supportive housing residents in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. Permanent supportive housing may include associated facilities if used to provide services to housing residents. Permanent supportive housing does not include "health facility" as defined by HSC Section 1250 or any "alcoholism or drug abuse recovery or treatment facility" as defined by HSC Section 11834.02 or "Community care facility" as defined in HSC Section 1502, "Mental health rehabilitation centers" as defined in Section 5675 of the Welfare and Institutions Code (WIC), or other residential treatment programs.

(aa) "Regional Housing Needs Allocation" or "RHNA" means the share of the regional housing need represented by persons at all income levels within the area significantly affected by the general plan of the city or county allocated to an Applicant Local government pursuant to GC Section 65584(b).

(bb) "Sponsor" means the legal entity or combination of legal entities with continuing control of a Rental Housing Development. Where the borrowing entity is or will be organized as a limited partnership, Sponsor includes the general partner or general partners who have effective control over the operation of the partnership, or, if the general partner is controlled by another entity, the controlling entity. Sponsor does not include the seller of the property to be developed as the rental housing Project, unless the seller will retain control of the Project for the period necessary to ensure Project feasibility as determined by the Department.

(cc) "Very Low Income" has the meaning set forth in HSC Section 50105, which is a maximum of 50 percent of AMI. Grantees shall utilize income limits issued by the Department at the following link:
<http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470.5 and 50470, subdivision (b)(2).

ARTICLE II. PROGRAM FUNDING

Section 200. Allocations

(a) SB 2 created a dedicated revenue source for affordable housing and directed the Department to make available 70 percent of the moneys in the Building Homes and Jobs Trust Fund, collected on and after January 1, 2019, to Local governments through the following allocations:

(1) Ninety percent of the moneys available shall be allocated based on the formula used under Federal law to allocate CDBG funds within California. This is the formula specified in Title 42 United States Code (USC), Section 5306.

(A) The amount of funds awarded to each Local government eligible for the entitlement formula component shall be determined by the 90 percent of PLHA funds available pursuant to this paragraph (1) and the percentage of funds received by the entitlement Local government in the CDBG federal fiscal year 2017 allocation process performed by HUD.

(B) Through the formula specified in paragraph (1), the percentage of funds allocated to Non-entitlement local governments shall be distributed to Non-entitlement local governments through a competitive grant program.

(2) Ten percent of the moneys available shall be allocated equitably among Non-entitlement local governments. The equitable allocation awarded to each Local government eligible for the Non-entitlement formula component shall be based on the sum of: (1) 50 percent of the funding available for the Non-entitlement formula component divided by the number of local governments eligible for the Non-entitlement formula component and (2) 50 percent of the funding allocated in proportion to each Non-entitlement local government's share of the total most severe housing need in California's Non-entitlement local governments, based upon the most recent HUD Comprehensive Housing Affordability Strategy.

(b) After funds are appropriated by the Legislature as part of the budget act, the Department will issue one or more Notices of Funding Availability (NOFA). Local governments shall submit an application under the NOFA pertaining to the specific allocation for which the Local government is eligible.

(c) It is recommended that Local governments that were urban counties in accordance with the distribution of funds pursuant to the formula specified in 42 USC, Section 5306 for the federal fiscal year 2017 provide a proportional share of their allocations to Local governments within their county with which they had a three-year Urban County Cooperation Agreement as of September 1, 2017, provided that these Local governments meet the threshold requirements of the PLHA and expend sub-allocated funds for eligible activities within the deadlines of the Standard Agreement governing the sub-allocation.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B).

Section 201. Award Amounts

(a) The formula allocation amounts derived pursuant to the formulas in Section 200 will be announced in the NOFA.

- (b) The maximum application amount and the minimum application amount for the competitive allocation will be stated in the NOFA.
- (c) An Applicant may apply for its formula allocation from the current and two prior NOFAs for which it did not receive an award, provided that the award meets the requirements of Section 304(a).

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B).

ARTICLE III. FORMULA ALLOCATION COMPONENT

Section 300. Eligible Applicants

- (a) Eligible Applicants for the entitlement formula component described in Section 100(b)(1) are limited to the metropolitan cities and urban counties allocated a grant for the federal fiscal year 2017 pursuant to the federal CDBG formula specified in 42 USC, Section 5306.
- (b) Eligible Applicants for the non-entitlement formula component described in Section 100(b)(2) and the competitive grant program component described in Section 100(b)(3) are limited to the Non-entitlement local governments.
- (c) A Local government may delegate another Local government to submit an application and administer on its behalf its formula allocation of Program funds, provided that the Local governments enter into a legally binding agreement and the funds are expended for eligible Activities and consistent with Program requirements. The delegating Local government shall be identified in the application. The administering Local government shall be responsible for all Program requirements.
- (d) A Local government may delegate a Local or Regional Housing Trust Fund to submit an application and administer on its behalf its formula allocation of Program funds, provided that the Local government enters into a legally binding agreement with the Local or Regional Housing Trust Fund and the funds are expended for eligible Activities and consistent with Program requirements. The delegating Local government shall be identified in the application. The Local or Regional Housing Trust Fund shall be responsible for all Program requirements.
- (e) An Applicant shall not be eligible to receive a new allocation of PLHA funds if it has an uncommitted amount of formula PLHA funds greater than the following:
 - (1) Four times the pending annual allocation if the pending annual allocation is \$125,000 or less;
 - (2) \$500,000 if the pending annual allocation is greater than \$125,000 and less than \$500,000;

- (3) The amount of the pending annual allocation if the pending allocation is \$500,000 or more.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B).

Section 301. Eligible Activities

(a) Eligible Activities are limited to one or more of the following:

- (1) The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is Affordable to Extremely low-, Very low-, Low-, or Moderate-income households, including necessary Operating subsidies.
- (2) The predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory dwelling units (ADUs), that meets the needs of a growing workforce earning up to 120 percent of AMI, or 150 percent of AMI in high-cost areas. ADUs shall be available for occupancy for a term of no less than 30 days.
- (3) Matching portions of funds placed into Local or Regional Housing Trust Funds.
- (4) Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176.
- (5) Capitalized Reserves for Services connected to the preservation and creation of new Permanent supportive housing.
- (6) Assisting persons who are experiencing or At risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.
 - (A) This Activity may include subawards to Administrative Entities as defined in HSC Section 50490(a)(1-3) that were awarded CESH program or HEAP funds for rental assistance to continue assistance to these households.
 - (B) Applicants must provide rapid rehousing, rental assistance, navigation centers, emergency shelter, and transitional housing activities in a manner consistent with the Housing First practices described in 25 CCR, Section 8409, subdivision (b)(1)-(6) and in compliance with WIC Section 8255(b)(8). An Applicant allocated funds for the new construction, rehabilitation, and preservation of Permanent supportive housing shall incorporate the core

components of Housing First, as provided in WIC Section 8255, subdivision (b).

- (7) Accessibility modifications in Lower-income Owner-occupied housing.
 - (8) Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.
 - (9) Homeownership opportunities, including, but not limited to, down payment assistance.
 - (10) Fiscal incentives made by a county to a city within the county to incentivize approval of one or more Affordable housing Projects, or matching funds invested by a county in an Affordable housing development Project in a city within the county, provided that the city has made an equal or greater investment in the Project. The county fiscal incentives shall be in the form of a grant or low-interest loan to an Affordable housing Project. Matching funds investments by both the county and the city also shall be a grant or low-interest deferred loan to the Affordable housing Project.
- (b) A Local government that receives an allocation shall use no more than 5 percent of the allocation for costs related to the administration of the Activity(ies) for which the allocation was made. Staff and overhead costs directly related to carrying out the eligible activities described in Section 301 are “activity costs” and not subject to the cap on “administrative costs.” A Local government may share any funds available for administrative costs with entities that are administering its allocation.
 - (c) Two or more Local governments that receive PLHA allocations may expend those moneys on an eligible jointly funded project as provided for in Section 50470 (b)(2)(B)(ii)(IV). An eligible jointly funded project must be an eligible Activity pursuant to Section 301(a) and be located within the boundaries of one of the Local governments.
 - (d) Entitlement Local governments may use the flow of PLHA funds to incentivize private lender loans and to guarantee payments for some or all public agency bond financings for activities consistent with the uses identified in Section 301 “Eligible Activities”. This loan guarantee Activity must be identified and fully explained in the Applicant’s “Plan”.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivisions (b)(2)(B)(ii)(IV), (b)(2)(D)(i-x), and (b)(3).

Section 302. Threshold Requirements

Applicants must meet all the following threshold requirements for participation in the formula allocation:

- (a) **Housing Element compliance:** The Applicant and any delegating Local government, if applicable, must have a Housing Element that has been adopted by the Local

government's governing body by the application deadline and subsequently determined to be in substantial compliance with state Housing Element Law pursuant to GC Section 65585. A Local government's current Housing Element compliance status can be obtained by referencing the Department's website at <http://www.hcd.ca.gov/community-development/housing-element>.

- (b) **APR on the Housing Element submitted to the Department:** The Applicant and any delegating Local government, if applicable, must submit to the Department the APR required by GC Section 65400 for the current or prior year by the application deadline date.
 - (1) Please be advised that the Department will not accept other reports in lieu of the APR. Housing Authority Financial Reports, Redevelopment Reports, and other similar reports will not be accepted as meeting this requirement. If uncertain of the status of the report submittal for a Local government, please contact the Department for more information.
- (c) Submit, by the deadline specified in the NOFA, on a form made available by the Department, a complete application which shall meet the following minimum requirements:
 - (1) Application requests an allocation pursuant to Section 200 in order to carry out one or more of the eligible activities described in Section 301. Except for a jointly funded project as described in Section 301(c), any activities must be carried out within the jurisdiction of the Applicant Local government.
 - (2) Submission of the application is authorized by the governing boards of the Applicant.
 - (3) Certification in the resolution that, if the Local government proposes allocation of funds for any Activity to another entity, the Local government's selection process shall avoid conflicts of interest and shall be accessible to the public. For the purposes of this paragraph, "entity" means a housing developer or program operator; "entity" does not mean an administering Local government to whom a Local government delegates its PLHA formula allocation, pursuant to Section 300(d).
 - (4) A Plan detailing:
 - (A) The manner in which allocated funds will be used for eligible Activities.
 - (B) A description of the way the Local government will prioritize investments that increase the supply of housing for households with incomes at or below 60 percent of AMI. Programs targeted at households at or below 60 percent of AMI will be deemed to meet this requirement.

- (C) A description of how the Plan is consistent with the programs set forth in the Local government's Housing Element.
- (D) Evidence that the Plan was authorized and adopted by resolution by the Local government and that the public had an adequate opportunity to review and comment on its content.
- (E) The following for each proposed Activity:
 - (i) A description of each proposed Activity, pursuant to Section 301, and the percentage of funding allocated to it. The description shall specifically include the percentage of funds, if any, directed to AOWH.
 - (ii) The projected number of households to be served at each income level and a comparison to the unmet share of the RHNA at each income level.
 - (iii) A description of major steps/actions and a proposed schedule required for the implementation and completion of the Activity.
 - (iv) The period of affordability and level of affordability for each Activity. Rental Projects are required to have affordability periods of at least 55 years.
- (5) The Plan submitted in response to the NOFA shall be for a term of five years. Local governments shall obtain approval of the Department for amendments made to the Plan in each succeeding year of the term of the Plan. Reallocations of more than 10 percent of funds among Activities require amendment of the Plan, with approval granted by the governing body at a publicly noticed public meeting.
- (6) A certification that, if funds are used for the acquisition, construction, or rehabilitation of for-sale housing projects or units within for-sale housing projects, the grantee shall record a deed restriction against the property that will ensure compliance with one of the following requirements if the property is no longer the primary residence of the homeowner due to sale, transfer or lease, unless it is in conflict with the requirements of another public funding source or law:
 - (A) The PLHA loan and any interest thereon shall be repaid to the Local government's PLHA account. The Local government shall reuse the repayments consistent with Section 301; or
 - (B) The initial owner and any subsequent owner shall sell the home at an Affordable housing cost to a qualified Lower-Income or Moderate-Income household; or
 - (C) The homeowner and the Local government shall share the equity in the unit pursuant to an equity-sharing agreement. The grantee shall reuse the proceeds

of the equity-sharing agreement consistent with this section.

- (7) A certification that, if funds are used for the development of an Affordable Rental Housing Development, the Local government shall make the PLHA assistance in the form of a low-interest, deferred loan to the Sponsor of the Project. The loan shall be evidenced through a Promissory Note secured by a Deed of Trust, and a Regulatory Agreement shall restrict occupancy and rents in accordance with the Local government-approved underwriting of the Project for a term of at least 55 years.
- (8) A Program income reuse plan describing how repaid loans will be reused for eligible activities specified in Section 301.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii).

Section 303. Application Review

- (a) Applicants must submit a complete application by the deadline stated in the NOFA in order to be eligible for funding. Application forms provided by the Department will be available upon release of the NOFA and will require Applicants to submit the forms and other documents to demonstrate that the Local government has met threshold requirements.
- (b) The Department may request additional information to complete its review.
- (c) Applications recommended for funding are subject to conditions specified by the Department. Applicants will receive an official letter of award after the Department approves funding recommendations.
- (d) The Department may issue an Over-the-Counter formula allocation NOFA after completing the NOFA process so that Local governments who were not able to submit formula allocation applications by the application deadline will have another opportunity to do so.
- (e) If funding proposed in Local government Plans for AOWH activities is lower than 20 percent of the moneys available in the Fund, the Department may require Local governments to use a specific percentage of their annual formula allocations in some future year for AOWH activities as part of the annual funding process.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(A).

Section 304. Deadlines and Funding Requirements

- (a) The initial PLHA application, including the Plan, must be submitted within 48 months of the budget appropriation (for example, the budget appropriation for 2019 is July 1, 2019, so the application deadline is June 30, 2023).
- (b) Funds allocated to Local governments that do not submit a complete application by the deadline stated in subsection (a) will revert to the Housing Rehabilitation Loan Fund for the Multifamily Housing Program or for Department-administered technical assistance to Local governments.
- (c) A Local government may petition the Department to return any funds allocated to it to be used for the Multifamily Housing Program.
- (d) Except for predevelopment expenses for construction projects funded by PLHA and costs to develop and prepare the Plan and the PLHA application, no costs incurred more than one year prior to commitment by the Local government may be paid from PLHA funds. Reimbursement of expenses to prepare the Plan and the PLHA application are subject to the cap on administrative fees.
- (e) After the Standard Agreement and attachments have been finalized, the Local government will follow provided instructions for signing all required documents. The Local government must submit all supporting materials and a signed Standard Agreement within the timeline provided in the instruction.
- (f) After the Standard Agreement has been executed by the state, the Local government may submit a request for 100 percent of the funds allocated to be used for eligible expenditures for the Activity(ies) that received the award, and subject to the terms and conditions of the Standard Agreement.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(i) and subdivision (b)(2)(B)(ii)(VI).

ARTICLE IV. COMPETITIVE ALLOCATION COMPONENT

Section 400. Eligible Applicants

- (a) Eligible Applicants for the non-entitlement competitive allocation described in Section 100(b)(3) are limited to Non-entitlement local governments. For development of Rental Housing Projects, the Sponsor must be a co-Applicant.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(i)(I).

Section 401. Eligible Activities

- (a) Eligible Activities are limited to the following and must take place within the jurisdiction of the Applicant Local government:
- (1) Development of new multifamily rental housing that is Affordable to households at or below 60 percent of AMI or substantial rehabilitation of multifamily rental housing that will be Affordable to households at or below 60 percent of AMI, but which is not currently restricted as Affordable housing; or
 - (2) Assistance to persons who are experiencing or At risk of homelessness, including, but not limited to, through rapid rehousing, or rental assistance, supportive services and case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers, or new construction, rehabilitation, or preservation of permanent or transitional rental housing.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(i)(I)(ia), (b)(2)(B)(i)(I)(ib) and subdivision (b)(2)(B)(ii)(V).

Section 402. Threshold Requirements

Applicants must meet all the following threshold requirements for participation in the competitive allocation:

- (a) **Housing Element compliance:** The Applicant must have a Housing Element that has been adopted by the jurisdiction's governing body by the application deadline date and subsequently determined to be in substantial compliance with state Housing Element Law pursuant to GC Section 65585. A Local government's current Housing Element compliance status can be obtained by referencing the Department's website at <http://www.hcd.ca.gov/community-development/housing-element>.
- (b) **APR on the Housing Element submitted to the Department:** The Applicant must submit to the Department the APR required by GC Section 65400 for the current or prior year by the application deadline date.
- (1) Please be advised that the Department will not accept other reports in lieu of the APR. Housing Authority Financial Reports, Redevelopment Reports, and other similar reports will not be accepted as meeting this requirement. If uncertain of the status of the report submittal for a Local government, please contact the Department for more information.
- (c) Submit by the deadline specified in the NOFA, on a form made available by the Department, a complete application which shall meet the following minimum requirements:
- (1) Application requests a grant pursuant to Section 100(b)(3) in order to carry out one

or both of the eligible Activities set forth in Section 401.

- (2) Submission of the application is authorized by the governing board of the Applicant and by the developer co-applicant, if any.
- (3) Certification in the resolution that, if the Local government proposes allocation of funds for any Activity to another entity, the selection process shall avoid conflicts of interest, and shall be accessible to the public.
- (4) Demonstration of readiness, including site control for development Projects, land use entitlements, environmental review and commitments of other funding and resources required, as further set forth in the NOFA;
- (5) Underwriting requirements:
 - (A) Uniform Multifamily Regulations Subchapter 19 of Title 25, Division 1, Chapter 7 (commencing with Section 8300), as amended from time to time, and the Multifamily Housing Program Guidelines (commencing with Section 7300), as amended from time to time, are hereby incorporated by reference into this subchapter and shall apply to Rental Housing Developments receiving assistance under the PLHA competitive allocation. In the event of a conflict between the provisions of Subchapter 19 and these Guidelines, the provisions of these Guidelines shall prevail.
 - (i) Section 8312(c) of the Uniform Multifamily Regulations is hereby amended to read:
 - (c) For Projects utilizing 4 percent tax credits, Developer Fee payments shall not exceed the amount that may be included in Project costs pursuant to 4 CCR, Section 10327. In addition, the Developer Fee paid from development funding sources shall not exceed the following:
 - (1) For acquisition and/or rehabilitation Projects, or adaptive reuse Projects, the lesser of the amount of Developer Fee in Project costs or \$2,000,000.
 - (2) For new construction Projects, the base limit shall be the lesser of the amount that may be included in Project costs or \$2,200,000. To arrive at the final limit on Developer Fee paid from development funding sources, the base limit shall then be multiplied by a ratio that is the average of (i) the difference between 2 and the Project's high-cost ratio, as calculated pursuant to 4 CCR, Section 10317(i)(6) or successor language and (ii) 100 percent.
 - (ii) Section 8312(d) of the Uniform Multifamily Regulations shall not apply.
 - (iii) Section 8314(a)(1)(A) of the Uniform Multifamily Regulations is amended to read:
 - (A) Approved deferred Developer Fee, pursuant to Section 8312, provided that the aggregate of the Developer Fee paid from sources and paid as deferred shall not exceed \$3,500,000.

(B) Period of affordability: All assisted rental units shall be restricted for not less than 55 years.

(C) All development Projects shall demonstrate fiscal integrity.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii).

Section 403. Selection Criteria

(a) Applications submitted within a competitive funding round shall be evaluated using the following criteria. Total available points shall equal 100.

1. Priority Points – 25 points

A. Population - 5 points

(i) If the Applicant is a county that has a population of 200,000 or less within the unincorporated areas of the county, the Applicant shall receive all points.

B. Prior Award – 5 points

(i) If the Applicant did not receive an award based on the formula specified in 42 USC, Section 5306 in 2016, the Applicant shall receive all points.

And either C (i) or C (ii) or C (iii) below:

C. Activity

(i) Assistance for Homeless Persons through Program Activities – 15 points

(a) Applications to assist persons experiencing or At risk of homelessness, including, but not limited to, through programs providing rapid rehousing, or rental assistance, or operating assistance to navigation centers shall receive all points.

Or

(ii) Assistance to Homeless Persons through Development of Navigation Centers– 15 points

(a) Applications for construction of navigation centers shall receive all points.

Or

(iii) Assistance for Homeless Persons through Rental Projects – 15 points

(a) Applications for the new construction, rehabilitation, or preservation of permanent or transitional rental housing in which all or at least 10 percent of the units are restricted to occupancy by tenants who are homeless or At risk of homelessness shall receive all points.

2. Evaluation Criteria – 75 points

Precise scoring for these factors will be set forth in the NOFA.

A. Community Need – 30 points

(i) Applicants will receive up to a maximum of 30 points based on the rate of households experiencing the most severe housing need according to the most recent HUD CHAS dataset in the Applicant Local government. Applicants will receive points in proportion to this percentage.

B. Applicant Administrative Experience – 15 points

(i) Applicants with prior experience administering local, state or federal affordable housing or community development programs or who have entered into a contract with an entity with prior experience in the implementation of local, state or federal affordable housing or community development programs will receive up to 15 points.

C. Demonstrated Capacity – 30 points

(i) Capacity points will be based on:

(a) Sponsor experience in Affordable Rental Housing Development and ownership (Up to 30 points) or

(b) Navigation center development experience (for development of these facilities) (Up to 30 points) or

(c) Program Operator experience (for non-development Activities) (Up to 30 points)

(b) Where applications requesting funds for more than one eligible Activity pursuant to Section 401 are permitted by the NOFA, each Activity will receive a separate score for each rating factor, and have an individual Activity total. It is possible that one Activity may score highly enough to receive an award, and the other Activity does not.

(c) In the event of tied point scores and insufficient funding for both applications, the Department shall rank the tied applications as follows:

(1) If one of the tied applications is for an Affordable Rental Housing Development and the other is for a program Activity or development of a navigation center, the

- Affordable Rental Housing Development application will be selected for funding;
- (2) If one of the tied applications is for a navigation center and the other is for a program Activity, the navigation center will be selected for funding;
 - (3) If both of the tied applications are for Affordable Rental Housing Developments, the Project with the lowest weighted average affordability of Restricted Units will be selected;
 - (4) If both of the tied applications are for navigation centers, the facility that provides overnight shelter to the greatest number of people will be selected;
 - (5) If both of the tied applications are for programs, the Local government with the highest rate of households experiencing the most severe housing need according to the most recent HUD CHAS dataset will be selected.
- (d) In the event there are insufficient funds to fulfill the entire funding request for the next highest scored application (Application A), the Department will determine whether Application A is feasible without the full funding request. If Application A is not feasible without full funding, the Department may offer the remaining funds to the application whose score is immediately below Application A. If the remaining funds are insufficient to fulfill the funding request for that application (Application B), the Department will again determine whether this application is feasible without the full funding request. If Application B is not feasible without the full funding request, the Department will perform the same analysis for the application whose score is immediately below Application B.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(i)(I)(ia) and subdivision (b)(2)(B)(ii)(V).

Section 404. Application Review

- (a) Applicants must submit a complete application by the deadline stated in the NOFA in order to be eligible for funding. Application forms provided by the Department will be available upon release of the NOFA and will require Applicants to submit the forms and other documents to demonstrate that the Local government has met threshold requirements. The application will require submission of documentation adequate to demonstrate that the application has earned the appropriate number of points.
- (b) The Department may request additional information to complete its review, provided that the new information would not affect scoring.
- (c) Applications recommended for funding are subject to conditions specified by the Department. Applicants will receive an official letter of award after the Department approves funding recommendations.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii).

Section 405. Deadlines and Funding Requirements

- (a) Applicants will be required to enter into a state Standard Agreement (Standard Agreement) that will set forth conditions for funding and milestones that are required to be met.
- (b) After the Standard Agreement and attachments have been finalized, the Local government will follow provided instructions for signing all required documents. The Local government must submit all supporting materials and a signed Standard Agreement within the timeline provided in the instructions or risk forfeiting the grant award.
- (c) Except for predevelopment expenses for construction projects funded by PLHA and the costs to develop and prepare the PLHA application, no costs incurred more than one year prior to commitment by the Local government may be paid from PLHA funds. Reimbursement of expenses to prepare the PLHA application is subject to the cap on administrative fees.
- (d) Grant funds shall not be disbursed until:
 - (1) the Department authorizes loan closing, in the case of development projects; or
 - (2) all general and special conditions have been complied with, in the case of other Activities.
- (e) If funds are used for the development of an Affordable Rental Housing Development, the Local government shall make the PLHA assistance in the form of a low-interest, deferred loan to the Sponsor of the project. The loan shall be evidenced through a Promissory Note secured by a Deed of Trust, and a Regulatory Agreement shall restrict occupancy and rents in accordance with the Department-approved underwriting of the project for at least 55 years.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii)(VI).

ARTICLE V. ADMINISTRATION

Section 500. Accounting Records

- (a) The grantee shall establish a separate ledger account for receipts and expenditures of grant funds and maintain expenditure details in accordance with the approved work plan, budget, and schedule. Separate bank accounts are not required.
- (b) The grantee shall maintain documentation of its financial records for expenditures incurred during the course of the PLHA Activity in accordance with generally accepted accounting principles. Such records shall be kept for at least five years after the close-out report is submitted to the Department.

- (c) The Department or its designated representative shall have the right to review and copy any records and supporting documentation pertaining to the PLHA grant.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii)(III) and subdivision (b)(2)(B)(IV) and subdivision (b)(3).

Section 501. Audits/Monitoring of Project Files

- (a) Grantee shall maintain PLHA files which, at a minimum, should include the following information and reports:
 - 1) Project/Activity description
 - 2) Land/site Information
 - 3) Planning & zoning history (as appropriate)
 - 4) Records of public hearings and public comments
 - 5) Relocation needs (as appropriate)
 - 6) Contracts, loan and grant agreements, Standard Agreement
 - 7) Environmental records & reports/findings (as appropriate)
 - 8) Design/engineering reports & plans (as appropriate)
 - 9) Description of targeted beneficiaries, services to be provided, household incomes, special needs
 - 10) PLHA Activity costs, invoices, purchase orders, sources and uses of funds for PLHA Activities, terms & conditions of financings, draws and all supporting documentation, change orders (as appropriate)
 - 11) Activity schedule and amendments
 - 12) History of Plan amendments
 - 13) Procurement policy used for PLHA Activity(ies)
- (b) The grantee shall maintain such records for possible audit for a minimum of three years after the close-out report is submitted, unless a longer period of records retention is stipulated in the Standard Agreement.
- (c) The grantee shall be responsible for monitoring Rental Housing Developments that received PLHA funds for the term of the loan, including, but not limited to, the Projects' compliance with the occupancy and rent requirements set forth in the Regulatory Agreement, compliance with reserve requirements, and the compliance with habitability standards.
- (d) The grantee shall be responsible for monitoring AOWH loans to assure that the homes remain Owner-occupied.
- (e) If requested by the Department, the grantee shall obtain a report from a qualified,

licensed third party that certifies to the amounts of disbursement and identifies the specific Activities for which the disbursements were made. Such a report is permitted to be a component of the A-133 audit.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii)(IV) and subdivision (b)(3).

Section 502. Cancellation and Termination

- (a) In the event that it is determined, at the sole discretion of the Department, that the grantee is not meeting the terms and conditions of the Standard Agreement, the Department shall issue a notice to stop work. Immediately upon receiving the written notice to stop work, the grantee shall cease all work under the Standard Agreement. The Department has the sole discretion to determine the grantee's compliance with the terms and conditions after issuance of a stop work order, and to deliver a written notice to the grantee to resume work under this Standard Agreement.
- (b) The Department shall terminate the Standard Agreement if the grantee is not in compliance with the Guidelines or the terms and conditions of the Standard Agreement. At least 30 days prior to the effective date of the termination of the Standard Agreement, the Department shall provide written notice to the grantee of its intent to cancel the funding allocation. The notice shall specify the reason for early termination and may permit the grantee or the Department to cure any deficiency(ies) prior to the early termination date. The grantee will submit requested documents to the Department within 30 days of the early termination notice.
- (c) Failure to meet reporting requirements will result in notice to the grantee that it must satisfactorily cure any deficiencies within three months of the notice or it will forfeit the following year's PLHA formula allocation and be ineligible for a competitive award. The Local government will forfeit subsequent PLHA formula allocations and be ineligible for a competitive award until the Department determines that the Local government has met reporting requirements.
- (d) The Department may, as it deems appropriate or necessary, request the repayment of funds from a Local government or offset future years' funds, or pursue any other remedies available to it by law for failure to comply with the Guidelines and/or the terms and conditions of the Standard Agreement.
- (e) Co-Applicants may be adversely impacted by a notice to stop work and/or termination if one grantee is deemed by the Department to not meet the terms and conditions of the Standard Agreement, or fails to meet the reporting requirements outlined in Section 503.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii)(IV) and subdivision (b)(3).

Section 503. Reporting

- (a) The Department shall provide grantees with reporting formats and instructions.
- (b) Annual Reports are required from all grantees pursuant to HSC Section 50470(b)(2)(B)(ii)(III) each year by July 31 for the term of the Standard Agreement. The Annual Report shall document the uses and expenditures of all awarded allocations and outcomes achieved. This report must be signed by both the Local government's PLHA administrator and the Local government's City Manager (or his/her designee), or Chief Executive Officer (or his/her designee) or Chief Financial Officer (or his/her designee). The Annual Report must describe any proposed amendment(s) to the approved Activity and schedule.
- (c) Upon expenditure of all allocated funds and completion of the Activities funded by PLHA, the grantee shall submit a close-out report, which will be part of the Annual Report.
- (d) The Department may request additional information as needed to meet other applicable reporting or audit requirements.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii)(III) and subdivision (b)(2)(B)(ii)(IV).

2023-24 Super-NOFA Application for Affordable Housing Funds

Marin County Housing & Federal Grants Division

This application is for affordable housing developers in Marin County, California who would like to apply for multiple state, local, and federal funding sources simultaneously. Please refer to the Notice of Funding Availability (NOFA) released on February 6, 2023 for detailed information about qualifications and application requirements.

The following grant sources and amounts are available through this application:

1. **Marin County Affordable Housing Fund (HTF) and State Permanent Local Housing Allocation (PLHA)** - \$2.3 million
2. **Federal HOME-ARP** - \$2.4 million
3. **Federal CDBG Housing** - \$600 thousand

Applicant Information

Organization Name

Eden Housing

Website URL

<https://edenhousing.org/>

DUNS

058211947

Mailing Address

22645 Grand Street
Hayward, California, 94541

Project Contact Name

Kate Blessing-Kawamura

Title

Associate Director of Real Estate Development

Email Address

kate.blessing-kawamura@edenhousing.org

Phone Number

(510) 329-5102

Executive Director Name

Linda Mandolini

Executive Director Email Address

LMandolini@edenhousing.org

Is there a co-applicant organization?

No

Briefly describe your organization, including mission, programs, staff experience, and number of clients served. Describe the co-applicant organization, if applicable.

Eden Housing is one of the oldest and most experienced affordable housing non-profit organizations in California. Our mission is to create and sustain high-quality affordable housing communities that advance equity and opportunity for all. Since our inception in 1968, Eden has worked in partnership with cities and local community partners to develop, acquire, or rehabilitate more than 12,000 affordable homes in 170 properties throughout California, and currently provides homes to a diverse population of more than 22,000 lower-income residents.

Eden works in 15 counties, including the County of Marin, where we own and operate The Fireside and Warner Creek. As a mission-driven non-profit, we serve low-income families, seniors, and people living with disabilities. Eden's work goes beyond building high quality buildings, as we strive to create strong communities for the residents who live in our housing and a permanently affordable, high-quality asset for the cities we partner with. Our vision is for everyone to have access to safe, decent, affordable housing. We believe that housing is a basic human necessity that is essential to everyday life and future success. We serve very low, low and moderate-income families, seniors, veterans, people living with physical, mental, or developmental disabilities, and the formerly homeless.

Under the Eden Housing umbrella, Eden Housing Management, Inc. (EHMI) provides quality onsite management and maintenance of our affordable homes, and Eden Housing Resident Services, Inc. (EHRSI) offers free onsite support services and programs for residents. In 2022, Eden Housing brought on John Stewart Company (JSCo) as the property management agent for several of its upcoming permanent supportive housing projects, including 3301 Kerner, to accommodate a growing pipeline.

Have there been any recent or upcoming leadership transitions?

Chief Operating Officer, Oyeshola ("Shola") Olatoye joined Eden in October of 2022. Shola previously served as director of Housing and Community Development for the City of Oakland. Under her leadership, Oakland's City Council approved HCD's two-year Strategic Action Plan, which focused the department's resources on protecting, preserving and producing affordable housing. During her tenure, the City of Oakland won six state Homekey awards resulting in more than 400 new permanent deeply affordable units. Shola also launched the city's federal \$48M Emergency Rental Assistance program and served more than 3,000 Oaklanders who needed immediate rent relief. She also secured the department's research relationship with Stanford University's Impact Lab, resulting in new \$50K impact grant to develop new technology for residents to access affordable rental housing.

A nationally recognized housing leader, Shola has also held executive and senior-level posts at Suffolk Construction, Enterprise Community Partners, HSBC Bank, and HR&A Advisors. In 2014, Mayor Bill de Blasio appointed her as Chair and CEO of the New York City Housing Authority, a role she held for four years. She conducts frequent speaking engagements, including as a panelist at Harvard's T.H. Chan School of Public Health, and was selected as one of four national Fellows for the UC Berkeley Turner Center for Housing Innovation in June 2021.

Shola is responsible for oversight of Property Operations (property management and resident services), Human Resources and Talent Development, and Business Technology.

Have there been any recent expansions or cutbacks in activities and/or budget? If so, please explain.

Eden Housing published a new Strategic Plan in 2020 that aims at the creation of 10,000 new homes in the next ten years. The four pillars of this strategic plan are: (1) Significantly increase housing for low-income Californians; (2) Support the stability and economic mobility of residents; (3) Embed commitment to racial, social and economic justice in all of our work; and (4) Invest in key

infrastructure to increase organizational agility and readiness for scale. As a part of its growth goals Eden plans to expand from a robust Northern California pipeline to a statewide development platform with the capacity to create more homes in high need communities.

If applicable, what is the organization’s standing with licensing or other accreditation authorities?

Eden and its related organizations are in compliance with any applicable licensing requirements.

How does your organization verify client income?

In general, Eden Housing uses the following procedure for determining resident eligibility and for certifying household income: (1) Each prospective resident shall complete an application form and return it to the Property Manager with signed permission for third party verification of income; (2) When an applicant's name nears the top of the waiting list, pertinent information will be confirmed as current and third-party verification letters are sent; (3) The manager shall conduct a personal interview with all members of the prospective household; (4) Third party verification forms will be used to compute income eligibility and a determination will be made concerning applicant household's ability to live harmoniously within the Project community; and (5) Previous landlord verification, credit checks, criminal checks and sex offender checks will be performed. Written notice will be sent advising applicants of their final eligibility status. These procedures may be revised for any units subject to Housing First policies.

General Project Information

Project Name

3301 Kerner

Project Address

3301 Kerner Blvd
San Rafael, California, 94901

Assessor’s Parcel Number (APN)

008-082-52

Funding Requests

Which funding source(s) are you seeking for this project? Please refer to the NOFA for a description of each funding source and eligible project types. Those applying for HOME-ARP funds are highly encouraged to apply for HTF/PLHA funds as well.

HTF/PLHA

HTF/PLHA Amount Requested

\$1,000,000

Project Details

Scope of Work: Describe the proposed project, including details such as property characteristics, proposed use of funds, and number of housing units involved. Explain how the project will benefit the community.

The site is located at 3301 Kerner Boulevard in San Rafael. This project is an adaptive reuse development of a four-story office building to provide 41 units of permanent supportive housing (32 studio units, 8 one-bedroom units, and 1 two-bedroom unit). Located in the Canal neighborhood of San Rafael, this project will provide critically-needed permanent supportive housing and supportive services

for homeless or formerly homeless households with mental illness.

The development will be 100% permanent supportive housing with 14 units for households with severe mental illness at or below 20% AMI through the No Place Like Home Program (NPLH) and 26 units for households at or below 30% AMI who will move from permanent supportive housing at Voyager Carmel Center to 3301 Kerner once construction is complete. One unrestricted two-bedroom unit is set aside for an on-site property manager. Building amenities include: a courtyard, community room, conference room, and offices for case managers and a property manager. The residential floors include a laundry facility on the second floor and trash chutes on every floor.

As of the date of this funding application, the project team is preparing to close on its construction financing and start construction in the next couple of weeks. In the last week, the project team learned that the building structure as currently designed is in a floodplain and that the finished floor of the first-floor residential units will need to be raised. Our request for \$1,000,000 in additional County funding will directly offset these unanticipated costs.

Describe the property's history leading up to this request. Include when the organization acquired/will acquire the property, any previous requests for County funding, attempts to secure other financing, etc.

The County of Marin received a Project Homekey award from the State of California to purchase an office building located on a 1-acre site at 3301 Kerner Boulevard in San Rafael. Project Homekey is a State program using Federal CARES Act funding to purchase existing properties – intended in large part to target hotels, but also allows for creative re-use of other property types, including office buildings as proposed for Kerner. The County closed escrow on the building in December 2020 and engaged Homeward Bound to run a temporary homeless shelter at the site until fall 2022. Kerner Canal, L.P., a single purpose entity controlled by Eden Housing, Inc., entered into a Purchase and Sale Agreement with the County in January 2023.

The project team has secured multiple sources of other financing. These include: \$25.8M in California Housing Accelerator (CHA) funding instead of tax credits; \$4.9M in capital and a \$2.7M Capitalized Operating Subsidy Reserve through the No Place Like Home (NPLH) Program; an \$899,250 County loan funded by Permanent Local Housing Allocation (PLHA), Local Housing Trust Fund (LHTF), and corresponding matching funds from the Affordable Housing Fund; an \$850,000 City of San Rafael loan; a \$1.235M sponsor loan leveraging multiple grants (including a \$200,000 predevelopment grant from the County); accrued deferred interest from soft loans; and a \$19.6M 20-year operating subsidy from the County. The project is currently ineligible for project-based rental subsidy due to its location in a HUD-impacted census tract, which is why the County's ongoing support is essential to the project's viability.

The project team is preparing to close on its construction financing, acquire the property from the County, and start construction in the next couple of weeks. In the last week, the project team learned that the building structure as currently designed is in a floodplain and that the finished floor of the first-floor residential units will need to be raised to comply with local floodplain requirements for residential structures. Our request for \$1,000,000 in additional County funding will directly offset these unanticipated costs. The project team still intends to close and start construction in the next couple of weeks and incorporate much-needed additional funding into the project's capital stack post-closing.

Describe any nearby amenities, such as parks, public transportation, grocery stores, health care facilities, schools, childcare, libraries, parks/open space, etc. that residents of the project are/would be able to use.

The building is in an ideal location within walking distance to public transportation, grocery stores, retail services, and recreation. The site has close connections to the Marin Transit bus transportation, and is within 0.5 miles of Cardenas Market, Pickleweed Park, and the Marin Health and Wellness Campus / Behavioral Health Clinic. The site's proximity to the Marin Health and Wellness Campus / Behavioral Health Clinic will allow residents housed under the NPLH program close access to supportive services.

The Marin Transit bus stop is a short 14 min ride to the San Rafael Transit Center which provides train and bus access to several destinations within Marin and Sonoma County as well as the larger Bay

Area. The station is a major transfer point for Sonoma-Marín Area Rail Transit (SMART) and bus routes in the North Bay, with connections to San Francisco, the East Bay, as well as airports. In addition to SMART, the station is also served by several regional and intercity bus operators which include Golden Gate Transit, Greyhound, Marin Transit, Sonoma County Transit, and Sonoma County Airport Express.

Select the known environmental issues of the proposed project site, and/or adjacent properties if relevant.

Flood zone

Notes or clarifying information on environmental issues:

As noted above, it has come to light very recently that the building is in a floodplain and that the first-floor residential units will need to be raised to comply with local floodplain requirements for residential structures. Our request for \$1,000,000 in additional County funding will directly offset these unanticipated costs.

Have you begun any state or federal environmental review procedures for the proposed project?

No

What is the anticipated timeline for the environmental review(s)?

Pursuant to Health and Safety Code section 50675.1.1, projects acquired through Project Homekey are exempt from CEQA. The project does not have any federal funding and therefore is not required to complete NEPA.

Who is the staff member that will supervise and manage the proposed project? Describe their past experience with project management.

Cory Hiraga, Project Developer, is leading the project management of this project and oversees the day-to-day responsibilities across all stages including entitlements, design, financing, and construction. Cory has experience providing project management, planning, and construction management for affordable housing new construction and acquisition/rehab projects. In addition to 3301 Kerner, he currently manages a 176-unit family project in Hayward, CA that has closed on its construction financing and is about to break ground.

Kate Blessing-Kawamura, Associate Director of Real Estate Development, is supervising this project and has managed new construction and preservation projects at various stages of development. Since joining Eden, she financed and begun construction of a 62-unit family project in San Leandro, CA; planned the substantial rehabilitation of a 200-unit, 10-acre project in Santa Rosa, CA; led a robust community engagement process and obtained entitlements for a 50-unit mixed use development in Palo Alto; and obtained entitlements and closed on the construction financing for a 176-unit family project in Hayward, CA.

Susie Criscimagna, Senior Director of Real Estate Development, is also supervising this project and is experienced with managing affordable housing projects in all stages of development. She supervises project management staff, providing training and guidance on affordable housing development. She has worked on the development of several other affordable housing projects with Eden Housing as a project manager or supervising staff, including a 66-unit development in Dublin, 130-unit development in Alameda, and 62-unit project in San Leandro.

Will the project involve hiring an external property management company?

Yes

Describe the property management company. Include the company name and the number of affordable housing sites and units that it currently manages.

Property management will be provided by The John Stewart Company. In 2022, Eden Housing brought on John Stewart Company (JSCo) as the property management agent for several of its upcoming permanent supportive housing projects to accommodate a growing pipeline. Founded in 1978 to provide high quality property management to affordable housing in the Bay Area, JSCo has developed into a full-service housing management, development, and consulting organization and is the largest affordable housing manager in California. JSCo has extensive permanent supportive housing management experience. The John Stewart Company currently manages 100+ PSH properties across the state of California within their portfolio of 450+ properties containing over 34,000 residential units.

If awarded funding, you will need to draft and submit an Affirmative Marketing Plan for this project. The plan would describe how you will market the project to different groups of people based on protected characteristics such as race, color, national origin, religion, sex (including sexual orientation and gender identity), familial status, and disability. Please refer to the Affirmative Marketing tab of the [Federal Grants website](#) for more information.

Describe any prior experience with affirmative marketing or similar initiatives.

The marketing and management of the project will ensure that occupancy shall be open to all persons regardless of race, color, ancestry, religion, national origin, sex, marital status, age, physical handicap, or other arbitrary factors. Affirmative marketing will be used to actively promote the goals of fair housing. The units will be marketed in a variety of local publications, online, and through major employers, local libraries, community centers, service organizations and schools. The marketing plan will include specific strategies for targeted outreach to minority populations and difficult to reach groups. Referrals will be accepted from Marin Coordinated Entry System and Marin Health and Human Services. All advertisements will include the prominent use of Equal Housing Opportunity logos, slogans and/or statements of intent to affirmatively market the units.

Annually, The John Stewart Company will analyze the race, ethnicity, and other categories of current tenants and the applicants on the waiting list to measure the success of our marketing efforts before starting its marketing. Thereafter, The John Stewart Company will annually review the affirmative marketing for 3301 Kerner to ensure that its marketing efforts are targeting the persons least likely to apply to ensure a balance of the applicants on the waiting list and the residents. The Compliance Manager will review the demographic data for the housing area to determine if the housing area must be extended to ensure that The John Stewart Company is conducting outreach to under-represented populations before doing any future marketing.

All projects funded by HUD programs must Affirmatively Further Fair Housing. This is defined as combating housing discrimination and taking meaningful actions to overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to housing opportunities based on protected characteristics: race, color, national origin, religion, sex (including sexual orientation and gender identity), familial status, and disability.

Describe any past community engagement activities for this project, and future plans for community engagement.

In July 2021 a mural was unveiled by the Canal Arts Initiative on the 3301 Kerner building as a welcome sign to the Canal neighborhood of San Rafael. Eden intends to preserve the mural and engage with the Canal Art Initiative on the possibility of commissioning another mural on the building. It is our hope that the Kerner building not only provides permanent supportive housing but also supports the community in which the building is located.

Eden also intends to hold multiple community meetings with neighbors, community organizations, and

the business community during construction, lease-up, and operation of the property. We have already engaged with community organizations such as Resilient Shore and the Canal Alliance. Eden is invested in this project and in the Canal neighborhood of San Rafael and its many stakeholders.

Demographics and Unit Information

In the table below, enter the existing or anticipated number of units based on income level and bedroom count. Refer to the [Current Marin County Income Limits](#) to determine income level.

Anticipated Unit Count by Bedrooms and Income Level

	Extremely Low	Very Low	Low	Moderate	Market Rate	TOTAL UNITS
Studio	32					32
1 bed	8					8
2 bed					1	1
3 bed						0
4 bed						0
Other						0
TOTAL UNITS	40	0	0	0	1	41

Notes or clarifying information on the unit count:

Per near-final draft PLHA/AHF loan docs as of the date of this application, the County intends to restrict 40 units at Extremely Low Income. The two-bedroom manager's unit will be unrestricted.

In the table below, enter the demographics of the people who live (or will live) in the proposed housing project. If unknown, use the demographics of households within similar existing Marin complexes as the proposed project, within the organization's purview. Specify the number of Hispanic/Latino residents in its stand-alone column. The "Total" column must include the number of Hispanic/Latino residents as part of the sum.

Are these numbers specific to the proposed project, or to a similar existing Marin complex?

Similar existing Marin complex

Demographic Information

	Total Number of Persons	Persons Identifying as Hispanic/Latino
White	77	
Black/African American	8	
Asian	15	
American Indian/Alaskan Native		
Native Hawaiian/Other Pacific Islander		

	Total Number of Persons	Persons Identifying as Hispanic/Latino
American Indian/Alaskan Native & White		
Asian & White		
Black/African American & White		
American Indian/Alaskan Native & Black.African American		
Other Multi-Racial		
Other/Not Disclosed	8	8
TOTAL (Unduplicated)	108	8

Fill in a number for each of the fields below. For new construction, or if you are unsure, please put 0.

Families

17

Female-headed households

61

Households that include person(s) with a disability

13

Notes or clarifying information on demographics:

This is aggregated demographic data from two Eden properties in Marin County from 2022.

The Race/Ethnicity fields above do not directly align with the data fields from our records. See below.

Race/Ethnicity

White 77
 Latinx 8
 Black 8
 API 15
 Total 108

Project Planning

Select the current phase of the proposed project.

Building

Describe the project timeline and specify a real or estimated completion date for each milestone below. Add/explain any additional milestones as needed.

For acquisition projects:

Appraisal

Monday, April 4, 2022

Written Offer

Monday, January 1, 1900

Purchase Option Agreement Signed

Tuesday, January 10, 2023

Inspections

Monday, January 1, 1900

Negotiations

Monday, January 1, 1900

Closing

Thursday, March 30, 2023

Explain any additional milestones for Acquisition Projects below:

The project team is preparing to close on its construction financing, acquire the property from the County, and start construction in the next couple of weeks.

For fields that are not applicable to the project, I used this date: January 1, 1990.

For new construction and/or rehabilitation projects:**Define scope of work/finish design**

Friday, December 9, 2022

Complete planning and environmental review

Monday, January 1, 1900

Release bid package

Sunday, January 15, 2023

Select contractor

Tuesday, February 1, 2022

Finalize contract

Friday, March 24, 2023

Obtain building permits

Monday, April 3, 2023

Start construction

Monday, April 3, 2023

Complete construction

Sunday, September 1, 2024

Explain any additional milestones for New and/or Rehabilitation Projects below:

The project team is preparing to close on its construction financing, acquire the property from the County, and start construction in the next couple of weeks. The building permit will be issued immediately after closing.

For fields that are not applicable to the project, I used this date: January 1, 1990.

Will you be seeking Project Based Section 8 Vouchers for this project?

No

Please be aware that if Project Based Section 8 Vouchers (PBV) are committed to the project, the environmental review process and subsidy layering must be completed before the acquisition is complete or construction commences. Actions taken prior to PBV being committed are not subject to this requirement.

Describe the type of site control that your organization has for the proposed property. If this request includes funds for acquisition, summarize the acquisition terms, price, contingencies, and conditions.

Kerner Canal, L.P., a single purpose entity controlled by Eden Housing, Inc., entered into a Purchase and Sale Agreement with the County in January 2023. The project anticipates closing on its construction financing and acquiring the property from the County in the coming weeks.

Expanding on the Scope of Work, please describe the rehabilitation that is proposed for the property and how it will address specific conditions (i.e., replacement needs, deferred maintenance, existing building violations, required seismic upgrades, building or health code problems). Please describe any other existing rehabilitation needs that are not included in the project scope and explain their exclusion.

The redesign includes utility upgrades and site improvements including accessible parking and paths of travel and localized grading and drainage as deemed necessary. The patio courtyard will be redeveloped and a portion of the landscape will be replaced or new planting designed and coordinated with existing irrigation. A portion of the top level of the parking garage will be designed as an outdoor open space and gardening area.

The redesign will also include structural upgrades to the building and new construction to the extent required by the City of San Rafael. The mechanical, electrical, and plumbing (MEP) systems will be redesigned for the new residential building program to residential type V- 1hr codes and sprinkler and Emergency Systems Specifications. The MEP system required upgrades will be integrated into the existing building systems.

As noted above, it has come to light very recently that the building is in a floodplain and that the first-floor residential units will need to be raised to comply with local floodplain requirements for residential structures. Our request for \$1,000,000 in additional County funding will directly offset these unanticipated costs.

Describe the accessibility of the building. Do you plan to make accessibility improvements?

The Project will comply with the Tier 2 California Housing Accelerator Program Guidelines, most recently amended August 31, 2022. Under these Housing Accelerator Guidelines, adaptive reuse projects are considered rehabilitation projects. As noted above, site improvements include improvements to accessible parking and paths of travel.

How will the rehabilitation be staged to minimize risk and inconvenience to the residents? If certain systems or parts of residents' units will be temporarily inoperable or unusable (e.g., kitchen or bathroom) during construction, what is the estimated duration of such interruptions? What mitigations will you provide?

Not applicable. There are no current residents of the building.

Describe in detail any temporary relocation of existing tenants at the site due to proposed rehab activities. Explain why relocation is needed and provide the estimated duration and number of impacted tenants. If known, identify which laws (local, state, federal) must be followed in carrying out the relocation.

Not applicable. There are no existing tenants.

Financing Plan

What is the status of all proposed project funding sources as of the date of this application?

California Housing Accelerator (CHA) - \$25,824,201 - Committed
NPLH - \$4,981,492 - Committed
Marin County (PLHA + LHTF+ AHF) - Existing - \$899,250 - Committed
City of San Rafael (AHTF) - \$850,000 - Committed
Sponsor Loan (HPN + MCF + County) - \$1,235,000 - Committed
Accrued Interest on Committed Soft Loans - \$78,325 - Committed
Marin County (PLHA + AHF) - Requested - \$1,000,000 - Applied For
Accrued Interest on Marin County (PLHA + AHF) - Requested - \$37,918 - Applied For

What is the timing and likelihood for obtaining commitments of anticipated funding sources?

All of the sources above have been committed to the project, with the exception of the \$1,000,000 in additional County funding requested and associated accrued interest.

In the event that any funding sources are not obtained or are committed at lower levels than requested, what alternatives will be pursued?

The project is considering approaching other funders, such as the Marin Community Foundation, for additional funding.

For each item in your project budget, to be attached to this application, please explain how the budgeted amount was derived, whether costs are estimated or bid, and any other relevant information that justifies the budgeted expense (e.g., cost per square foot, percentage of other costs, estimated number of work hours).

Acquisition Costs: Based off of actual anticipated closing costs for our upcoming closing.

Hard Costs: Based off of hard bids from our contractor and subcontractors.

Soft Costs: Based off of actual predevelopment costs already incurred, invoices for impact and permit fees, and anticipated costs for our upcoming closing.

Costs of issuance/financing fees: Based off of actual and estimated fees for our upcoming closing.

Is your organization receiving any other Marin County funding for this project?

Yes

Please describe. Include a brief overview of the goals and accomplishments achieved through this funding.

The project has \$899,250 in PLHA, LHTF, and AHF soft loan debt from the County of Marin committed. In addition, the County of Marin provided a \$200,000 predevelopment grant to Eden Housing for this project, which is being structured as a larger sponsor loan for the project. These committed funds have reduced the accrued predevelopment interest expense for the project and provided indispensable soft financing to get us to construction closing.

Does your organization have unspent funds that were previously awarded by the County (for any project)?











Yes

What is your timeline for expending the fund balance?

The funds outlined above will be expended at our construction closing in the coming weeks.

Attachments

Please closely review the Notice of Funding Availability (NOFA) for instructions on which documents you must attach. The County requires specific attachments for each funding type (HTF/PLHA, HOME-ARP, CDBG Housing). Please label your attachments in this manner: "2023-24 [Document Name] for [Organization Name]- [Project Name]."

 2023-2024 Board for Eden - 3... .pdf	 2023-2024 Budget for Eden -pdf
 2023-2024 Const S&U for Ede...pdf	 2023-2024 FS (19-20) for Ede...pdf
 2023-2024 FS (20-21) for Ede...pdf	 2023-2024 IRS Exempt for Ed... .pdf
 2023-2024 Op Budget and Ca...pdf	 2023-2024 Perm S&U for Ede... .pdf
 2023-2024 Project Schedulexlsx	 2023-2024 Site Control for Ed...pdf

Certification

Please review your responses above for accuracy.

Name of Person Completing this Application

Kate Blessing-Kawamura

Title of Person Completing this Application

Associate Director of Real Estate Development

By checking this box,

I hereby certify that the information in this application is true and accurate to the best of my knowledge.

INCUMBENCY CERTIFICATE
Eden Housing, Inc.

The persons named below are the members of the Board of Directors of the corporation named above and/or are the Officers duly elected or appointed to the offices set forth opposite their names.

NAME	OFFICE	CURRENT TWO-YEAR TERM (OFFICERS) CURRENT TERM (DIRECTORS)
Jim Kennedy	Chair Director	January 2022- January 2024* January 2021 - January 2025*
Rudy Johnson	Vice Chair Director	January 2022 - January 2024* January 2022 - January 2026*
Amy Neches	Treasurer Director	January 2022 – January 2024* January 2020 – January 2024*
Cheryl O’Connor	Secretary Director	January 2022 – January 2024* January 2023 – January 2026
Calvin Whitaker	Assistant Secretary Director	January 2023 – January 2024 January 2020 - January 2024*
Annette Billingsley	Director	January 2020 - January 2024*
Nicholas Randall	Director	January 2020 – January 2024 *
John Gaffney	Director	January 2020 - January 2024*
Doug Kuerschner	Director	January 2022 - January 2024*
Grace Li	Director	January 2023 - January 2026
Joe Postigo	Director	January 2022 - January 2024*
Sean Callum	Director	January 2023 – January 2026
Sheila Burks	Director	January 2020 – January 2024*
Candice Gonzalez	Director	January 2022 – January 2026*
David Garcia	Director	January 2022 – January 2026*
Ali Solis	Director	January 2023 – January 2026
Kara Douglas	Director	January 2023– January 2026

Linda Mandolini, President (non-voting), serves at the will of the Board and is authorized to sign on behalf of the Corporation.

*The bylaws were amended in 2022 to include a new term limit structure, shifting from three 4-year terms to four 3-year terms for directors, and one 3-year term for officers. Director terms marked with an asterisk were legacy terms from the prior structure and will be transitioned to the new structure upon current term expiration.

As of January 27, 2023



Base Scenario			
	<i>Units Managed / Added</i>	<i>Units Added</i>	<i>Units Added</i>
	9,365	9,560	9,682
EDEN HOUSING	195	122	161
2023 CORPORATE BUDGET			
CASH BASIS	2023 Budget	2024 Projections	2025 Projections
Developer Fee	17,679,187	12,594,361	15,077,873
Service Program Fees	6,410,048	6,602,349	6,800,420
Property Management & Services Fee	12,120,196	12,547,033	13,030,491
Asset Management Fees	1,943,719	1,999,564	1,999,564
Affiliate Loans-Notes Receivables	4,840,759	4,616,969	4,473,934
Distributable Cash From Properties	2,443,739	4,659,247	4,659,247
Portfolio Distributions	9,228,217	11,275,780	11,132,745
Grants & Contributions	1,466,490	1,226,490	1,226,490
Dividend & Interest Income	934,538	934,000	934,000
Investment Gains (Losses)	(915,000)	-	-
Other Income	1,486,028	2,160,490	2,160,490
Total Cash Revenue	\$ 46,923,676	\$ 45,180,013	\$ 48,202,019
Payroll Expense	29,180,078	30,960,860	32,783,544
	68%	68%	69%
Operating Expenses	7,172,373	7,453,256	7,685,853
Service Program Expenses	6,466,342	6,602,349	6,800,420
Service Program Expenses			
Office Improvements	9,500	9,975	10,474
Debt Service	137,912	164,831	130,625
MGP Expenses	208,003	208,003	208,003
Other Expenses	355,414	382,808	349,101
Total Cash Expenses	43,174,208	45,399,273	47,618,918
Net Cash Income, Recurring	\$ 3,749,468	\$ (219,260)	\$ 583,101

SOURCES OF FUNDS - PERMANENT

	AMOUNT	TOTAL INTEREST COST	OID INTEREST RATE	AMORT (Yr)	COMMENTS
					<i>Total Permanent Debt:</i>
NPLH	4,981,492	3.000%	1.903%	55.0	<i>Per Unit: 121,500</i>
City of San Rafael HTF Loan	850,000	3.000%	1.788%	55.0	<i>Per Unit: 20,732</i>
Accrued Deferred Interest - City of San R	22,309				
Sponsor Loan (HPN/MCF/County)	1,235,000	3.000%	1.788%	55.0	<i>Per Unit: 30,122</i>
Accrued Deferred Interest - Sponsor Loan	32,414				
Marin County Loan (PLHA/AHF/LHTF)	899,250	3.000%	1.788%	55.0	<i>Per Unit: 21,933</i>
Accrued Deferred Interest - Marin County	23,602				
Addl Marin Co Funds (requested)	1,000,000	3.000%	1.788%	55.0	<i>Per Unit: 24,390</i>
Accrued Deferred Interest - Addl Marin Co	37,918				
HCD - CA Housing Accelerator Pgm Loan	<u>25,824,201</u>	0.000%	0.000%	20.0	<i>Per Unit: 629,859</i>
TOTAL SOURCES	34,906,185				
<i>Surplus/(Shortfall)</i>	<i>(0)</i>				

PERMANENT LOAN INTEREST RATE	TRANCHE A	TRANCHE B	INVESTOR EQUITY STACK	OTHER ASSUMPTIONS
Base Rate	3.800%	4.830%		
Cushion	1.000%	0.000%	LIHTC Equity (Federal+Sta)	0 Current AFR: 2.14%
MIP	0.000%	0.000%	Historic Tax Credit	0 AFR Month: 3/1/22
GNMA/Servicing	0.000%	0.000%	Investment Tax Credit (Sol)	0 AFR Cushion: 0.75%
Issuer	0.050%	0.050%	Subtotal LP Equity	0 Total U/W AFR: 2.89%
Trustee	0.000%	0.000%		
Rating	0.000%	0.000%	CA Certificated Credit Sale	0
Remarketing	0.000%	0.000%	Total Investor Equity	0
Rebate Analyst	0.000%	0.000%		
Total	4.850%	4.880%		

SOURCES OF FUNDS - CONSTRUCTION

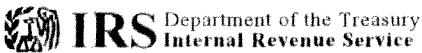
	AMOUNT	INTEREST RATE	TERM (Mos.)	COMMENTS
Conventional Construction Loan	28,832,404	8.226%	25	
City of San Rafael HTF Loan	850,000	3.000%	25	
Accrued Deferred Interest - City of San R	22,309			
Sponsor Loan (HPN/MCF/County)	1,235,000	3.000%	25	
Accrued Deferred Interest - Sponsor Loan	32,414			
Marin County Loan (PLHA/AHF/LHTF)	899,250	3.000%	25	
Accrued Deferred Interest - Marin County	23,602			
Addl Marin Co Funds (requested)	1,000,000	3.000%	25	
Accrued Deferred Interest - Addl Marin Co	37,918			
Donated Land	0			
Costs Deferred Until Conversion	<u>1,973,290</u>			<i>See page 2 - right column</i>
TOTAL SOURCES	34,906,185			
<i>Surplus/(Shortfall)</i>	<i>0</i>			
Sources Less Deferred To Conversion:	32,932,896			<i>Syndication Costs 89,670</i> <i>Net Equity for TCAC (89,670)</i> <i>Less Costs Deferred to Conv. 34,906,185</i>

CONSTRUCTION LOAN INTEREST RATE	CONSTRUCTION LOAN VALUATION	TAX-EXEMPT BOND DATA
1 mo term		
Index Type: SOFR	Restricted NOI	530,575
Current Index: 4.78%	OAR	5.00%
Spread: 2.20%	FMV per NOI	10,611,503
Base Interest Rate (not including cushion)	Agg. Credit Value @ 0.00	0
Cushion - Total 1.25%	Perm-Only Soft Debt	<u>30,805,693</u>
Interest Rate (All-In) 8.23%	Total Value	41,417,196
	LTV:	80.00%
*Cushion includes 1% Bank Underwriting		CDLAC Per-Unit Limit
Cushion and 0.25% cushion to close	Max. Const. Loan Amount	33,133,757
	Commitment Amount	TBD
		CDLAC 55% Limit
		17,516,742

Kerner Street

Uses of Funds

	Res Cost:		100.00%		COST ALLOCATIONS						LIHTC ELIGIBLE BASIS		OTHER BASIS & COST ALLOCATIONS			
	Res Sq Foot:		100.00%		Assuming 266 Election? Yes											
	TOTAL	Per Unit	Total Residential	Total Non-Residential	Depreciable			Expensed	Amortized	Constr./Rehab	Acquisition	Deferred to Completion or Perm Conv.	Land/Basis for 50% Test	Historic Rehab Tax Credit Basis	ITC Tax Credit Basis (Solar PV)	
ACQUISITION COSTS																
<i>Total Purchase Price - Real Estate:</i>																
0																
Title/Recording/Escrow - Acquisition	30,000	732	30,000	0	30,000	0	0			0	0	30,000				
Legal - Acquisition	20,000	488	20,000	0	20,000	0	0			0	0	20,000				
Other Acquisition Costs/Transfer Tax	22,010	537	22,010	0	22,010	0	0			0	0	22,010				
HARD COSTS																
Total Construction Contract:																
21,754,090																
NEW CONSTRUCTION																
Hard Costs-Unit Construction	18,766,975	457,731	18,766,975	0	18,766,975	0			18,766,975		0	18,766,975	18,766,975			
GC - General Conditions	1,223,941	29,852	1,223,941	0	1,223,941	0			1,223,941		0	1,223,941	1,223,941			
GC - Overhead & Profit	968,047	23,611	968,047	0	968,047	0			968,047		0	968,047	968,047			
GC - Insurance	406,580	9,917	406,580	0	406,580	0			406,580		0	406,580	406,580			
GC - Bond Premium	124,413	3,034	124,413	0	124,413	0			124,413		0	124,413	124,413			
Contingency - Escalation (GC)	264,134	6,442	264,134	0	264,134	0			264,134		0	264,134	264,134			
Contingency - Owner's Construction	2,175,409	53,059	2,175,409	0	2,175,409	0			2,175,409		0	2,175,409	2,175,409			
REHAB																
SOFT COSTS																
Architecture - Design	931,481	22,719	931,481	0	931,481	0			931,481		0	931,481	931,481		0	
Design/Engineering	74,000	1,805	74,000	0	74,000	0			74,000		0	74,000	74,000		0	
Phase III/Toxics Report	44,000	1,073	44,000	0	44,000	0			44,000		0	44,000	44,000		0	
Special Inspections/Testing	85,000	2,073	85,000	0	85,000	0			85,000		0	85,000	85,000		0	
Prevailing Wage Monitor	72,000	1,756	72,000	0	72,000	0			72,000		0	72,000	72,000		0	
Owner's Rep / Construction Supervision	126,000	3,073	126,000	0	126,000	0			126,000		0	126,000	126,000		0	
Consultant: Asbestos Monitoring	4,000	98	4,000	0	4,000	0			4,000		0	4,000	4,000		0	
Local Development Impact Fees	818,111	19,954	818,111	0	818,111	0			818,111		0	818,111	818,111		0	
Local Permits/Fees	102,124	2,491	102,124	0	102,124	0			102,124		0	102,124	102,124		0	
Real Estate Taxes During Const	16,174	394	16,174	0	16,174	0		0	16,174		0	16,174	16,174		0	
Insurance During Const	800,000	19,512	800,000	0	800,000	0			800,000		0	800,000	800,000		0	
Appraisal	5,500	134	5,500	0	5,500	0			5,500		0	5,500	5,500		0	
Market/Rent Comp Study	11,000	268	11,000	0	11,000	0		11,000	0		0	0	0		0	
Soft Cost - Soft Lenders Fees & Expenses	10,000	244	10,000	0	10,000	0			10,000		0	10,000	10,000		0	
Soft Cost Contingency	361,881	8,826	361,881	0	361,881	0			361,881		0	361,881	361,881		0	
Predev. Loan Interest/Fees	2,000	49	2,000	0	2,000	0	2,000		0	0	0	0	0		0	
Construction Loan Interest	3,429,352	83,643	3,429,352	0	1,848,095	0	1,581,257		1,848,095	0	1,848,095	1,848,095	1,848,095		0	
Accrued Interest - City of San Rafael HTF Loan	22,309	544	22,309	0	11,982	0	10,327		11,982	0	11,982	11,982	11,982		0	
Accrued Interest - Sponsor Loan (HPN/MCF/C)	32,414	791	32,414	0	17,409	0	15,004		17,409	0	17,409	17,409	17,409		0	
Accrued Interest - Marin County Loan (PLHA/A	23,602	576	23,602	0	12,676	0	10,925		12,676	0	12,676	12,676	12,676		0	
Accrued Interest - Addl Marin Co Funds (reque	37,918	925	37,918	0	25,630	0	12,288		25,630	0	25,630	25,630	25,630		0	
Lender Fees - HCD - CA Housing Accelerator f	40,000	976	40,000	0	0	0	0	40,000	0	0	0	0	0		0	
Title/Recording/Escrow - Construction	59,996	1,463	59,996	0	59,996	0			59,996		0	59,996	59,996		0	
Title/Recording/Escrow - Permanent	15,000	366	15,000	0	0	0		15,000	0	15,000	0	15,000	15,000		0	
Legal (Owner): Construction Closing	50,000	1,220	50,000	0	50,000	0			50,000		0	50,000	50,000		0	
Permanent Closing	20,000	488	20,000	0	0	0		20,000	0	20,000	0	20,000	20,000		0	
Organization of Ptnshp	6,670	163	6,670	0	0	0		6,670	0	0	0	0	0		0	
Syndication Consulting/Consulting	63,000	1,537	63,000	0	63,000	0			0	2,500	0	0	0		0	
Audit/Cost Certification	20,000	488	20,000	0	0	0		20,000	0	0	0	0	0		0	
Marketing	64,755	1,579	64,755	0	0	0		64,755	0	0	0	0	0		0	
Furnishings Not in Contract	220,000	5,366	220,000	0	220,000	0			220,000		0	220,000	220,000		0	
Capitalized Replacement Reserve	41,000	1,000	41,000	0	41,000	0			0	41,000	0	41,000	41,000		0	
Capitalized Operating Reserve (6 mos.)	497,531	12,135	497,531	0	497,531	0			497,531		0	497,531	497,531		0	
Capitalized NPLH COSR Transition Reserve	133,825	3,264	133,825	0	133,825	0			133,825		0	133,825	133,825		0	
Marin Co Subsidy - HCD TR Fee	146,623	3,576	146,623	0	146,623	0			146,623		0	146,623	146,623		0	
Developer Fee	2,200,000	53,659	2,200,000	0	2,200,000	0			2,200,000	0	1,100,000	2,200,000	2,200,000		-	
COSTS OF ISSUANCE/FINANCING FEES																
Construction Lender Origination Fee	187,411	4,571	187,411	0	100,997	0		86,414	100,997	0	0	100,997	100,997		0	
Construction Lender Expenses	60,000	1,463	60,000	0	32,334	0		27,666	32,334	0	0	32,334	32,334		0	
Construction Lender Counsel	70,000	1,707	70,000	0	37,723	0		32,277	37,723	0	0	37,723	37,723		0	
Subtotal - Financing/Costs of Issuance	317,411	7,742	317,411	0	0	171,054	0	0	146,356	171,054	0	171,054	171,054		0	
TOTAL DEVELOPMENT COSTS	34,906,185	851,370	34,906,185	0	953,990	31,996,613	0	1,716,557	239,026	31,996,613	0	1,973,290	31,848,623	31,776,613	0	
<i>TDC Per Unit</i>	<i>851,370</i>	<i>100.00%</i>														
<i>TDC Net of accrued interest:</i>	<i>34,749,943</i>															
<i>TDC TCAC</i>	<i>34,816,515</i>		<i>34,816,515</i>													



Department of the Treasury
Internal Revenue Service

P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248323016
May 14, 2009 LTR 4168C E0
23-1716750 000000 00 000
00018272
BODC: TE

EDEN HOUSING INC
22645 GRAND ST
HAYWARD CA 94541-5031



017492

Employer Identification Number: 23-1716750
Person to Contact: Yvette Davis
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your request of May 05, 2009, regarding your tax-exempt status.

Our records indicate that a determination letter was issued in August 1986, that recognized you as exempt from Federal income tax, and discloses that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records also indicate you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

A handwritten signature in cursive script that reads "Michele M. Sullivan".

Michele M. Sullivan, Oper. Mgr.
Accounts Management Operations I



Department of the Treasury
Internal Revenue Service

P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248323016
May 14, 2009 LTR 4168C E0
94-2946400 000000 00 000
00018275
BODC: TE

EDEN HOUSING MANAGEMENT INC
22645 GRAND ST
HAYWARD CA 94541-5031



017491

Employer Identification Number: 94-2946400
Person to Contact: Yvette Davis
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your request of May 05, 2009, regarding your tax-exempt status.

Our records indicate that a determination letter was issued in November 1986, that recognized you as exempt from Federal income tax, and discloses that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records also indicate you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section 509(a)(3).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

Michele M. Sullivan, Oper. Mgr.
Accounts Management Operations I



Department of the Treasury
Internal Revenue Service

P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248323016
May 14, 2009 LTR 4168C E0
94-3315887 000000 00 000
00018276
BODC: TE

EDEN HOUSING RESIDENT SERVICES INC
% LORI GANZ
22645 GRAND ST
HAYWARD CA 94541-5031



017490

Employer Identification Number: 94-3315887
Person to Contact: Yvette Davis
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your request of May 05, 2009, regarding your tax-exempt status.

Our records indicate that a determination letter was issued in March 2000, that recognized you as exempt from Federal income tax, and discloses that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records also indicate you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section 509(a)(3).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

Michele M. Sullivan, Oper. Mgr.
Accounts Management Operations I

Kerner Street

Base Year Income & Expense

INCOME		
Scheduled Gross Income - Residential		189,600
Total Gross Rental Subsidy Income - Marin County Carmel Units		156,000
Total Operating Subsidy Income - NPLH COSR		133,825
Vacancy Loss - Residential	10.0%	(18,960)
Vacancy Loss - Marin County Carmel Units	10.0%	(15,600)
EFFECTIVE GROSS INCOME		444,865
EXPENSES - RESIDENTIAL		
Administrative		
Advertising	500	
Legal	5,000	
Accounting/Audit	15,491	
Security	245,400	
Other: Misc. Admin	25,540	
Total Administrative		291,931
Management Fee		36,900
Utilities		
Electricity	16,500	
Water/Sewer	51,700	
Total Utilities		68,200
Payroll/Payroll Taxes		
On-Site Manager/Office Admin	126,220	
Maintenance Payroll	53,500	
Payroll Taxes/Benefits	61,441	
Total Payroll/Payroll Taxes		241,161
Insurance		97,024
Maintenance		
Painting	1,700	
Repairs	17,100	
Trash Removal	19,000	
Exterminating	4,500	
Grounds	9,000	
Elevator	8,000	
janitorial contract/supplies/uniforms	33,790	
Total Maintenance		93,090
Other		
Misc. Tax/License	2,850	
Total Other		2,850
Resident Services		
Tenant Services	121,484	
Total Resident Services		121,484
Replacement Reserve		20,500
Real Estate Taxes		1,000
TOTAL EXPENSES - RESIDENTIAL		974,140
<i>Per Unit Per Annum (incl. Reserves)</i>	23,760	
<i>Per Unit Per Annum (w/o taxes/res/svc)</i>	20,272	
<i>TCAC Minimum (w/o taxes/res/svc)</i>	5,500	
TOTAL EXPENSES - COMMERCIAL		0
NET AVAILABLE INCOME		(529,275)
Less: Mandatory Annual HCD Payment (Grossed Up for DSCR Factor)	1.00	(20,922)
Operating Subsidy Income - Marin Co OpEx Subsidy		530,575
ADJUSTED NET AVAILABLE INCOME: TOTAL		(19,622)
ADJUSTED NET AVAILABLE INCOME: NET OF OP SUBSIDY		(824,422)
Debt Service Coverage Ratio		1.00
AVAILABLE FOR DEBT SERVICE (NET OF OP SUBSIDY)		(824,422)
AVAILABLE FOR DEBT SERVICE (OP SUBSIDY OVERHANG)		804,800
NET AVAILABLE INCOME AFTER SENIOR DEBT SERVICE		(19,622)

Kerner Street

15-Year Cash Flow

Version: Closing

Assumptions		2.00%	Rent Increase - Section 8	2.00%	Perm Loan - % Debt Svc Yr1	0.0%																												
Rent Increase: Residential Tenant Rent:		2.00%	Rent Increase - Marin County	2.00%	Perm Loan - % Debt Svc Yr	0.0%																												
Rent Increase: Commercial Rents		3.00%	Rent Increase - Test C	2.00%	Perm Loan - % Debt Svc Yr:	66.7%																												
Expenses Increase:		0.00%	Rent Increase - Test D	2.00%	Perm Loan - % Debt Svc Yr:	100.0%																												
Reserve Increase:		0.00%			Perm Loan - % Debt Svc Yr:	100.0%																												
Credit Period Year:		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30		
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053		
GROSS POTENTIAL INCOME - RESIDENTIAL		0	45,473	190,509	194,320	198,206	202,170	206,214	210,338	214,545	218,835	223,212	227,676	232,230	236,875	241,612	246,444	251,373	256,401	261,529	266,759	272,094	277,536	283,087	288,749	294,524	300,414	306,423	312,551	318,802	325,178	331,682		
Draw from NPLH COSR		0	133,825	133,825	133,825	133,825	133,825	133,825	133,825	133,825	133,825	133,825	133,825	133,825	133,825	133,825	133,825	133,825	133,825	133,825	133,825	133,825	133,825	133,825	133,825	133,825	133,825	133,825	133,825	133,825	133,825	133,825		
Incremental Income: Marin County Carmel Unit		3,617,633	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Vacancy Loss - Residential		10.0%	0	(4,547)	(19,051)	(19,432)	(19,821)	(20,217)	(20,621)	(21,034)	(21,454)	(21,884)	(22,321)	(22,768)	(23,223)	(23,687)	(24,161)	(24,644)	(25,137)	(25,640)	(26,153)	(26,676)	(27,209)	(27,754)	(28,309)	(28,875)	(29,452)	(30,041)	(30,642)	(31,255)	(31,880)	(32,518)	(33,168)	
Vacancy Loss - Marin County Carmel Units		10.0%	0	(3,741)	(15,675)	(15,988)	(16,308)	(16,634)	(16,967)	(17,306)	(17,652)	(18,005)	(18,366)	(18,733)	(19,108)	(19,490)	(19,879)	(20,277)	(20,683)	(21,096)	(21,518)	(21,949)	(22,388)	(22,835)	(23,292)	(23,758)	(24,233)	(24,718)	(25,212)	(25,716)	(26,231)	(26,755)	(27,290)	
GROSS EFFECTIVE INCOME		0	208,424	446,357	452,608	458,984	465,487	472,120	478,886	485,787	492,826	500,006	507,330	514,800	522,420	530,191	538,119	546,205	554,452	562,865	571,446	580,198	455,300	464,406	473,694	483,168	492,831	502,688	512,742	522,997	533,457	544,126		
TOTAL EXPENSES		0	228,719	960,502	989,317	1,018,996	1,049,566	1,081,053	1,113,485	1,146,889	1,181,296	1,216,735	1,253,237	1,290,834	1,329,559	1,369,446	1,410,529	1,452,845	1,496,430	1,541,323	1,587,563	1,635,190	1,684,245	1,734,773	1,786,816	1,840,420	1,895,633	1,952,502	2,011,077	2,071,409	2,133,552	2,197,558		
NET OPERATING INCOME		0	(20,294)	(514,144)	(536,709)	(560,013)	(584,079)	(608,933)	(634,599)	(661,102)	(688,469)	(716,728)	(745,907)	(776,034)	(807,139)	(839,254)	(872,410)	(906,640)	(941,978)	(978,458)	(1,016,117)	(1,054,992)	(1,228,945)	(1,270,367)	(1,313,122)	(1,357,252)	(1,402,801)	(1,449,814)	(1,498,335)	(1,548,413)	(1,600,095)	(1,653,432)		
REPLACEMENT RESERVE		20,500	0	4,917	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500		
Mandatory Annual HCD Payment		0.42%	0	0	13,948	20,922	20,922	20,922	20,922	20,922	20,922	20,922	20,922	20,922	20,922	20,922	20,922	20,922	20,922	20,922	20,922	20,922	20,922	20,922	20,922	20,922	20,922	20,922	20,922	20,922	20,922	20,922	20,922	
NET REMAINING INCOME		0	(25,211)	(548,592)	(578,131)	(601,435)	(625,502)	(650,355)	(676,021)	(702,524)	(729,892)	(758,151)	(787,329)	(817,456)	(848,562)	(880,676)	(913,832)	(948,062)	(983,400)	(1,019,881)	(1,057,539)	(1,096,414)	(1,270,367)	(1,311,789)	(1,354,544)	(1,398,674)	(1,444,224)	(1,491,236)	(1,539,757)	(1,589,835)	(1,641,517)	(1,694,855)		
NET CASH FLOW		0	(25,211)	(548,592)	(578,131)	(601,435)	(625,502)	(650,355)	(676,021)	(702,524)	(729,892)	(758,151)	(787,329)	(817,456)	(848,562)	(880,676)	(913,832)	(948,062)	(983,400)	(1,019,881)	(1,057,539)	(1,096,414)	(1,270,367)	(1,311,789)	(1,354,544)	(1,398,674)	(1,444,224)	(1,491,236)	(1,539,757)	(1,589,835)	(1,641,517)	(1,694,855)		
Draw From Marin Co OpEx Subsidy		15,932,111	0	25,211	548,592	578,131	601,435	625,502	650,355	676,021	702,524	729,892	758,151	787,329	817,456	848,562	880,676	913,832	948,062	983,400	1,019,881	1,057,539	1,096,414	683,146	0	0	0	0	0	0	0	0		
Remaining Net Cash Flow		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(587,221)	(1,311,789)	(1,354,544)	(1,398,674)	(1,444,224)	(1,491,236)	(1,539,757)	(1,589,835)	(1,641,517)	(1,694,855)		
TOTAL MARIN COUNTY SUBSIDY (rental income/OpEx)		19,549,745	62,626	705,341	738,014	764,516	791,844	820,025	849,084	879,048	909,946	941,806	974,658	1,008,531	1,043,458	1,079,471	1,116,603	1,154,888	1,194,363	1,235,062	1,277,025	1,320,289	683,146	0	0	0	0	0	0	0	0			
GP AMF			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Residual Receipts Loans			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
NPLH		64.44%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
City of San Rafael HTF Loan		11.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Sponsor Loan (HPN/MCF/County)		0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Marin County Loan (PLHA/AHF/LHTF)		11.63%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Addl Marin Co Funds (requested)		12.94%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
HCD - CA Housing Accelerator Pgm Loan		0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

SOURCES OF FUNDS - PERMANENT

	AMOUNT	TOTAL INTEREST COST	OID INTEREST RATE	AMORT (Yr)	COMMENTS
					<i>Total Permanent Debt:</i>
NPLH	4,981,492	3.000%	1.903%	55.0	<i>Per Unit: 121,500</i>
City of San Rafael HTF Loan	850,000	3.000%	1.788%	55.0	<i>Per Unit: 20,732</i>
Accrued Deferred Interest - City of San R	22,309				
Sponsor Loan (HPN/MCF/County)	1,235,000	3.000%	1.788%	55.0	<i>Per Unit: 30,122</i>
Accrued Deferred Interest - Sponsor Loan	32,414				
Marin County Loan (PLHA/AHF/LHTF)	899,250	3.000%	1.788%	55.0	<i>Per Unit: 21,933</i>
Accrued Deferred Interest - Marin County	23,602				
Addl Marin Co Funds (requested)	1,000,000	3.000%	1.788%	55.0	<i>Per Unit: 24,390</i>
Accrued Deferred Interest - Addl Marin Co	37,918				
HCD - CA Housing Accelerator Pgm Loan	<u>25,824,201</u>	0.000%	0.000%	20.0	<i>Per Unit: 629,859</i>
TOTAL SOURCES	34,906,185				
<i>Surplus/(Shortfall)</i>	<i>(0)</i>				

PERMANENT LOAN INTEREST RATE	TRANCHE A	TRANCHE B	INVESTOR EQUITY STACK	OTHER ASSUMPTIONS
Base Rate	3.800%	4.830%		
Cushion	1.000%	0.000%	LIHTC Equity (Federal+Sta)	0 Current AFR: 2.14%
MIP	0.000%	0.000%	Historic Tax Credit	0 AFR Month: 3/1/22
GNMA/Servicing	0.000%	0.000%	Investment Tax Credit (Sol)	0 AFR Cushion: 0.75%
Issuer	0.050%	0.050%	Subtotal LP Equity	0 Total U/W AFR: 2.89%
Trustee	0.000%	0.000%		
Rating	0.000%	0.000%	CA Certificated Credit Sale	0
Remarketing	0.000%	0.000%	Total Investor Equity	0
Rebate Analyst	0.000%	0.000%		
Total	4.850%	4.880%		

SOURCES OF FUNDS - CONSTRUCTION

	AMOUNT	INTEREST RATE	TERM (Mos.)	COMMENTS
Conventional Construction Loan	28,832,404	8.226%	25	
City of San Rafael HTF Loan	850,000	3.000%	25	
Accrued Deferred Interest - City of San R	22,309			
Sponsor Loan (HPN/MCF/County)	1,235,000	3.000%	25	
Accrued Deferred Interest - Sponsor Loan	32,414			
Marin County Loan (PLHA/AHF/LHTF)	899,250	3.000%	25	
Accrued Deferred Interest - Marin County	23,602			
Addl Marin Co Funds (requested)	1,000,000	3.000%	25	
Accrued Deferred Interest - Addl Marin Co	37,918			
Donated Land	0			
Costs Deferred Until Conversion	<u>1,973,290</u>			<i>See page 2 - right column</i>
TOTAL SOURCES	34,906,185			
<i>Surplus/(Shortfall)</i>	<i>0</i>			
Sources Less Deferred To Conversion:	32,932,896			<i>Syndication Costs 89,670</i> <i>Net Equity for TCAC (89,670)</i> <i>Less Costs Deferred to Conv. 34,906,185</i>

CONSTRUCTION LOAN INTEREST RATE	CONSTRUCTION LOAN VALUATION	TAX-EXEMPT BOND DATA
1 mo term		
Index Type: SOFR	Restricted NOI	530,575
Current Index: 4.78%	OAR	5.00%
Spread: 2.20%	FMV per NOI	10,611,503
Base Interest Rate (not including cushion) 6.98%	Agg. Credit Value @ 0.00	0
Cushion - Total 1.25%	Perm-Only Soft Debt	<u>30,805,693</u>
Interest Rate (All-In) 8.23%	Total Value	41,417,196
	LTV:	80.00%
*Cushion includes 1% Bank Underwriting		CDLAC Per-Unit Limit
Cushion and 0.25% cushion to close	Max. Const. Loan Amount	33,133,757
	Commitment Amount	TBD
		CDLAC 55% Limit
		17,516,742

Kerner Street

Uses of Funds

	Res Cost:		100.00%		COST ALLOCATIONS						LIHTC ELIGIBLE BASIS		OTHER BASIS & COST ALLOCATIONS			
	TOTAL	Per Unit	Residential	Total Non-Residential	Assuming 266 Election?			Expensed	Amortized	Constr./Rehab	Acquisition	Deferred to Completion or Perm Conv.	Land/Basis for 50% Test	Historic Rehab Tax Credit Basis	ITC Tax Credit Basis (Solar PV)	
					Yes	No	Yes									
ACQUISITION COSTS																
<i>Total Purchase Price - Real Estate:</i>																
0																
Title/Recording/Escrow - Acquisition	30,000	732	30,000	0	30,000	0	0			0	0	0	30,000			
Legal - Acquisition	20,000	488	20,000	0	20,000	0	0			0	0	0	20,000			
Other Acquisition Costs/Transfer Tax	22,010	537	22,010	0	22,010	0	0			0	0	0	22,010			
HARD COSTS																
Total Construction Contract:																
21,754,090																
NEW CONSTRUCTION																
Hard Costs-Unit Construction	18,766,975	457,731	18,766,975	0	18,766,975	0			18,766,975		0	18,766,975	18,766,975			
GC - General Conditions	1,223,941	29,852	1,223,941	0	1,223,941	0			1,223,941		0	1,223,941	1,223,941			
GC - Overhead & Profit	968,047	23,611	968,047	0	968,047	0			968,047		0	968,047	968,047			
GC - Insurance	406,580	9,917	406,580	0	406,580	0			406,580		0	406,580	406,580			
GC - Bond Premium	124,413	3,034	124,413	0	124,413	0			124,413		0	124,413	124,413			
Contingency - Escalation (GC)	264,134	6,442	264,134	0	264,134	0			264,134		0	264,134	264,134			
Contingency - Owner's Construction	2,175,409	53,059	2,175,409	0	2,175,409	0			2,175,409		0	2,175,409	2,175,409			
REHAB																
SOFT COSTS																
Architecture - Design	931,481	22,719	931,481	0	931,481	0			931,481		0	931,481	931,481		0	
Design/Engineering	74,000	1,805	74,000	0	74,000	0			74,000		0	74,000	74,000		0	
Phase III/Toxics Report	44,000	1,073	44,000	0	44,000	0			44,000		0	44,000	44,000		0	
Special Inspections/Testing	85,000	2,073	85,000	0	85,000	0			85,000		0	85,000	85,000		0	
Prevailing Wage Monitor	72,000	1,756	72,000	0	72,000	0			72,000		0	72,000	72,000		0	
Owner's Rep / Construction Supervision	126,000	3,073	126,000	0	126,000	0			126,000		0	126,000	126,000		0	
Consultant: Asbestos Monitoring	4,000	98	4,000	0	4,000	0			4,000		0	4,000	4,000		0	
Local Development Impact Fees	818,111	19,954	818,111	0	818,111	0			818,111		0	818,111	818,111		0	
Local Permits/Fees	102,124	2,491	102,124	0	102,124	0			102,124		0	102,124	102,124		0	
Real Estate Taxes During Const	16,174	394	16,174	0	16,174	0		0	16,174		0	16,174	16,174		0	
Insurance During Const	800,000	19,512	800,000	0	800,000	0			800,000		0	800,000	800,000		0	
Appraisal	5,500	134	5,500	0	5,500	0			5,500		0	5,500	5,500		0	
Market/Rent Comp Study	11,000	268	11,000	0	11,000	0		11,000	0		0	0	0		0	
Soft Cost - Soft Lenders Fees & Expenses	10,000	244	10,000	0	10,000	0			10,000		0	10,000	10,000		0	
Soft Cost Contingency	361,881	8,826	361,881	0	361,881	0			361,881		0	361,881	361,881		0	
Predev. Loan Interest/Fees	2,000	49	2,000	0	2,000	0	2,000		0	0	0	0	0		0	
Construction Loan Interest	3,429,352	83,643	3,429,352	0	1,848,095	0	1,581,257		1,848,095	0	0	1,848,095	1,848,095		0	
Accrued Interest - City of San Rafael HTF Loan	22,309	544	22,309	0	11,982	0	10,327		11,982	0	0	11,982	11,982		0	
Accrued Interest - Sponsor Loan (HPN/MCF/C)	32,414	791	32,414	0	17,409	0	15,004		17,409	0	0	17,409	17,409		0	
Accrued Interest - Marin County Loan (PLHA/A)	23,602	576	23,602	0	12,676	0	10,925		12,676	0	0	12,676	12,676		0	
Accrued Interest - Addl Marin Co Funds (request)	37,918	925	37,918	0	25,630	0	12,288		25,630	0	0	25,630	25,630		0	
Lender Fees - HCD - CA Housing Accelerator f	40,000	976	40,000	0	0	0	0	40,000	0	0	0	0	0		0	
Title/Recording/Escrow - Construction	59,996	1,463	59,996	0	59,996	0			59,996		0	59,996	59,996		0	
Title/Recording/Escrow - Permanent	15,000	366	15,000	0	0	0		15,000	0	15,000	0	0	0		0	
Legal (Owner): Construction Closing	50,000	1,220	50,000	0	50,000	0			50,000		0	50,000	50,000		0	
Permanent Closing	20,000	488	20,000	0	0	0		20,000	0	20,000	0	0	0		0	
Organization of Ptnshp	6,670	163	6,670	0	0	0		6,670	0	0	0	0	0		0	
Syndication Consulting/Consulting	63,000	1,537	63,000	0	63,000	0			0	2,500	0	0	0		0	
Audit/Cost Certification	20,000	488	20,000	0	0	0		20,000	0	0	0	0	0		0	
Marketing	64,755	1,579	64,755	0	0	0		64,755	0	0	0	0	0		0	
Furnishings Not in Contract	220,000	5,366	220,000	0	0	0		0	220,000		0	0	0		0	
Capitalized Replacement Reserve	41,000	1,000	41,000	0	41,000	0			0	41,000	0	0	0		0	
Capitalized Operating Reserve (6 mos.)	497,531	12,135	497,531	0	497,531	0			497,531		0	497,531	497,531		0	
Capitalized NPLH COSR Transition Reserve	133,825	3,264	133,825	0	133,825	0			133,825		0	133,825	133,825		0	
Marin Co Subsidy - HCD TR Fee	146,623	3,576	146,623	0	146,623	0			146,623		0	146,623	146,623		0	
Developer Fee	2,200,000	53,659	2,200,000	0	2,200,000	0			2,200,000	0	1,100,000	2,200,000	2,200,000		-	
COSTS OF ISSUANCE/FINANCING FEES																
Construction Lender Origination Fee	187,411	4,571	187,411	0	100,997	0		86,414	100,997	0	0	100,997	100,997		0	
Construction Lender Expenses	60,000	1,463	60,000	0	32,334	0		27,666	32,334	0	0	32,334	32,334		0	
Construction Lender Counsel	70,000	1,707	70,000	0	37,723	0		32,277	37,723	0	0	37,723	37,723		0	
Subtotal - Financing/Costs of Issuance	317,411	7,742	317,411	0	0	171,054	0	0	146,356	171,054	0	0	171,054	171,054	0	
TOTAL DEVELOPMENT COSTS	34,906,185	851,370	34,906,185	0	953,990	31,996,613	0	1,716,557	239,026	31,996,613	0	1,973,290	31,848,623	31,776,613	0	
<i>TDC Per Unit</i>	<i>851,370</i>	<i>100.00%</i>														
<i>TDC Net of accrued interest:</i>	<i>34,749,943</i>															
<i>TDC TCAC</i>	<i>34,816,515</i>		<i>34,816,515</i>													

3301 Kerner - 41 Units

Project Schedule

March-23	Marin County CDA Affordable Housing Funds - Application Deadline
March-23	Estimated Construction Closing
April-23	Estimated Construction Start
September-24	Estimated Temporary Certificate of Occupancy
January-25	Estimated 100% Occupancy
May-25	Estimated Permanent Conversion

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "**Agreement**") is made and entered into as of the 10th day of JANUARY, 2023, by and between COUNTY OF MARIN, a political subdivision of the State of California, (referred to hereinafter as "**Seller**") and Kerner Canal, L.P., a California limited partnership (referred to hereinafter as "**Buyer**").

WHEREAS, Seller owns that certain real property at 3301 Kerner Boulevard, San Rafael, County of Marin, California, and more particularly described in Exhibit "A" attached hereto, together with any and all improvements located thereon and all right, title and interest of Seller in and to any and all easements, rights of way, privileges, appurtenances, and rights of same belonging to, and inuring thereto (the "**Property**"). The Property is identified by the Marin County Assessor as APN: 008-082-52; and

WHEREAS, Seller purchased Property with California Department of Housing and Community Development (HCD) Homekey Grant Funds (Project Homekey); and

WHEREAS, pursuant to the requirements of Project Homekey, the Property is to be used as permanent supportive housing, as detailed in Standard Agreement Number 20-HK-00058 and the associated regulatory agreement entered into by HCD and Seller; and

WHEREAS, Seller has expressed an interest in selling the Property to Buyer, upon certain terms, covenants and conditions hereinafter set forth; and

WHEREAS, Buyer is interested in securing a purchase and sale agreement for the Property from Seller, subject to certain terms, covenants and conditions hereinafter set forth; and

NOW, THEREFORE, in consideration of the mutual covenants of the parties and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

1. **Effective Date**. This Agreement shall be effective as of the date this Agreement is fully signed and delivered by both Parties (the "Effective Date").
2. **Purchase and Sale of Property**.
 - (a) Seller agrees to sell to Buyer, and Buyer agrees to purchase the Property from Seller, upon the terms, covenants and conditions set forth in this Agreement.
 - (b) The purchase price for the Property during the term of this Agreement shall be equal to **ONE DOLLAR (\$1.00)** ("**Purchase Price**"). The Purchase Price shall be payable as follows:

- i. At Closing Buyer shall pay Seller the Purchase Price, subject to the adjustments set forth in this Agreement.
 - ii. No later than fourteen (14) days after the Effective Date Buyer shall deposit into Escrow Account No. 54605-21-02106 ("**Escrow**") at DOMA, 21060 Redwood Road, Suite 110, Castro Valley, CA 94546 (Escrow Officer, Suzanne Smith) ("**Title Company**") an original copy of this Agreement along with instructions, to be held by the Title Company as escrow agent. As used in this Agreement the term "**Effective Date**" shall mean the date that this Agreement is signed by both parties.
 - (c) The close of escrow will be handled by the Title Company (the "**Closing Agent**") and shall take place pursuant to escrow instructions issued by both Buyer and Seller along with the terms and conditions of this Agreement. The Closing Agent shall be responsible for: (i) preparing a closing checklist no later than fifteen (15) days prior to the Closing Date; (ii) a settlement statement for the review and approval of the parties; (iii) receiving the Purchase Price proceeds; (iv) disbursing the Purchase Price proceeds; (v) causing all documents to be recorded; and (vi) otherwise conducting the Closing. The Closing ("**Closing Date**") shall occur at the earliest date practicable or before December 31, 2023, whichever is sooner, subject to all **Contingencies** (as that term is defined in paragraph 4) being satisfied or specifically waived by Buyer.
 - (d) On the Closing Date, Seller shall deliver to Buyer a duly executed and acknowledged Grant Deed ("**Deed**") conveying title to the Property to Buyer; and such other documents or certificates as Title Company reasonably requests to effect the Closing and transfer of title to the Property as described herein.
 - (e) Buyer hereby agrees that Property shall be used as permanent supportive housing for people experiencing homelessness or at risk of homelessness according to Project Homekey and agrees to assume responsibility for assuring conformance with all aspects of the Standard Agreement Number 20-HK-00058 and the Regulatory Agreement between the Department of Housing and Community Development and Seller.
3. **Agreement Term.** The term of this Agreement begins on the Effective Date and terminates on December 31, 2023 unless otherwise mutually agreed to by the Parties and extended through written amendment to this Agreement.
4. **Contingencies.**

- (a) This Agreement, the Closing, and Seller's and Buyer's obligations hereunder shall be expressly contingent upon satisfying the contingencies set forth in paragraphs 4.(b)-(m) below (collectively, the "**Contingencies.**") Buyer and Seller agree to use their best efforts to ensure that the Contingencies are satisfied.
- (b) Seller has, at Seller's expense, obtained a Preliminary Report issued on November 21, 2022 by the Title Company for the Property, indicating known liens, encumbrances, restrictions, easements, and conditions of record. Said report is attached to this Agreement as Exhibit "A" and by reference made a part hereof. Any updates to said Preliminary Report will be provided to Buyer and Seller directly from the Title Company and automatically become an addendum to Exhibit "A".
- (c) Buyer has examined the Preliminary Report (Exhibit A) and will accept title to the Property subject to Schedule B exceptions as follows: Exceptions 1 through 13 and Exception 16 ("Permitted Exceptions"). Any Assessments or Community Facility Districts with outstanding obligations attributable to Seller shall be disclosed by Seller as prescribed herein.
- (d) Exceptions 14 and 15 shall be removed by the Title Company in cooperation with the Seller prior to Close of Escrow. Seller shall notify Buyer, within seven (7) days after the Effective Date of this Agreement, whether or not Seller will cure the objectionable title matters specified herein. If Seller is unable or unwilling to eliminate or cure all such objectionable title matters, or to make arrangements satisfactory to Buyer to have all such matters eliminated or cured prior to Closing, and provided that Buyer shall not thereafter waive such disapproved matters (in which case such matters shall then be deemed "Permitted Exceptions"), Buyer shall have the right to terminate this Agreement within seven (7) days after Buyer's receipt of Seller's written notice of these "Uncured Title Exceptions", whereupon all liability by reason of this Agreement shall cease except such liability as expressly survives termination. If Buyer does not terminate this Agreement within seven (7) days after Buyer's receipt of Seller's Uncured Title Exceptions notice, such title objections shall be deemed Permitted Exceptions. In the event that the Seller's written notice of Uncured Title Exceptions is or should have been provided after the fourteen (14) day Inspection period, this shall constitute a Change in Condition (as that term is defined in paragraph 5) and Buyer's rights under paragraph 9 herein shall apply.
- (e) Notwithstanding the provisions of paragraph 4.(c) above, the term "Permitted Exceptions" shall not include, and Seller's conveyance of title to the Property shall not be subject to, mechanics' or materialmen's liens, judgment liens, mortgages, deeds of trust, and other liens (excluding real property tax or assessment liens that are not yet due and payable) capable of being satisfied by the payment of a specified sum.

- (f) Intentionally Omitted
- (g) Buyer shall have ninety (90) days after the Effective Date to obtain and complete any additional investigations, inspections, reports, appraisals, and studies reasonably necessary to permit Buyer to determine that the Property is suitable for Buyer's potential uses of the Property and in a condition satisfactory to Buyer and also in compliance with any and all applicable laws and ordinances ("**Inspection Period**"). During this Inspection Period, Buyer may, at its sole discretion, terminate this Agreement. Throughout the Inspection Period, Buyer or its designated representatives or agents may enter upon the Property at times approved by the Seller upon providing not less than twenty-four (24) hours advance written notice, delivered via email directly to Seller in connection with Buyer's inspection of the Property.
- (h) Buyer shall have forty-five (45) days after the Effective Date to complete a review and investigation of all records, materials and information supplied by Seller as provided in paragraph 5. Disclosures.
- (i) If Buyer does not deliver a written termination notice to Seller prior to the expiration of the Inspection Period, the Inspection Period shall be conclusively presumed to have been satisfied or waived. If Buyer does send a written termination notice to Seller prior to the expiration of the Inspection Period, then this Agreement shall be deemed terminated except such liability as expressly survives termination.
- (j) If Buyer determines the Contingencies are not satisfied and does not waive such Contingencies on or before the dates indicated above for such Contingency, then Buyer may elect to terminate this Agreement by delivering written notice thereof to Seller, in which event (i) the Agreement shall be deemed terminated, and (ii) the parties shall have no further obligations to the other, except such obligations as expressly survive termination of the Agreement.
- (k) Buyer shall not permit any mechanics' or other liens to be filed against the Property by reason of labor or materials furnished to the Property at the direction or request of Buyer or its representatives, agents or contractors. If any such lien is filed against the Property, Buyer shall cause the lien to be discharged of record or bonded within thirty (30) days after notice to Buyer of the filing of any such lien.

- (l) Seller shall not permit any mechanics' or other liens to be filed against the Property by reason of labor or materials furnished to the Property at the direction or request of Seller or its representatives, agents or contractors. If any such lien is filed against the Property, even if such lien is filed after the close of escrow but relates to renovations, Seller shall cause the lien to be discharged of record or bonded within thirty (30) days after notice to Seller of the filing of any such lien.
- (m) Buyer hereby agrees that it shall work in good faith with County and HCD to add Buyer as a party to and thereby amend Standard Agreement Number 20-HK-00058 and the Regulatory Agreement between the HCD and Seller, to the extent required by HCD, and to conform with any other requirements mandated by HCD for full compliance with Project Homekey. Seller shall obtain written confirmation of HCD's approval of Seller's conveyance of the Property to Buyer, as required by the Standard Agreement Number 20-HK-00058.

If any condition precedent is not satisfied or waived by the party for whose primary benefit it exists, said benefited party may terminate this Agreement by written notice to the other party, in which event the Parties shall have no further obligation to each other under this Agreement.

- 5. **Disclosures.** Seller shall disclose and deliver to Buyer, within twenty (20) days following the Effective Date, copies of any and all rental agreements, leases, contracts for services, materials and supplies, liens, debts or other encumbrances and any other documents related to the Property to the extent available and in Seller's possession ("**Seller's Reports**").
- 6. **As-Is.** Except as otherwise expressly provided for herein, Buyer hereby acknowledges and agrees that the sale of the Property is and will be made on an "as is, where is" basis and that neither Seller, nor any representative, agent or employee of Seller has made, or will make, any representations, warranties or guaranties of any kind or character whatsoever with respect to the Property.
- 7. **Change in Condition.** All risk of loss related to the Property shall remain with Seller until close of Escrow. Provided, however, and notwithstanding any other provision in this Agreement, Buyer shall be responsible for any and all loss, harm or damage related to the Property to the extent Buyer or Buyer's agents or employees are a substantial factor in causing such loss, harm or damage. Any such loss, harm or damage

attributable to the Buyer shall not be deemed a "Change in Condition" that may give rise to Buyer's ability to terminate this Agreement.

8. **Buyer's Notice.** Seller shall immediately notify Buyer of and provide Buyer with all information related to a Changes in Condition during the term of this Agreement including but not limited to the following:
 - (a) Any damage or destruction to the Property or any portion thereof that occurs after the Effective Date of this Agreement.
 - (b) Receipt of any documents or information related to the Property's use, value, or control, including but not limited to liens, claims, lawsuits, notices.
 - (c) Any other event or information received or discovered by Seller that could affect the use, operation or value of the Property (each, a "Change in Condition").

9. **Buyer's Options.**
 - (a) Subject to paragraphs 4(c) and 15, if a material Change in Condition occurs, through no fault of Buyer, without limiting any of Buyer's other rights hereunder, Buyer shall have the right, at its option, to terminate this Agreement by written notice to Seller as set forth in written notice delivered to Seller by the earlier of the end of the Term or ten (10) business days after Seller notifies Buyer of the Change in Condition, to either to either (i) terminate this Agreement and neither party shall have any further liability or obligation to the other except for Buyer's obligations which are expressly intended to survive; or (ii) proceed with the purchase of the Property, and accept the Property without remedy for the Change in Condition, without any monetary credit, and without a reduction in the Purchase Price (except as set forth in this paragraph). If Buyer does not deliver any notice to Seller within such ten (10) business day period, Buyer shall be deemed to have elected option (ii). If Buyer terminates this agreement pursuant to this paragraph, this Agreement in whole shall terminate and the parties shall have no further obligation to each other under this Agreement except those obligations expressly stated to survive.
 - (b) In the case of an insured casualty, if Buyer does not terminate this Agreement and agrees to accept the Property in its then condition, without limiting any of Buyer's other rights hereunder, all proceeds of any insurance settlement or claim payable to Seller by reason of such Change in Condition shall be paid or assigned to Buyer.

10. **Prorations.** Real estate taxes and assessments, if any, will be prorated as of the date of Closing, based upon the last actual tax bills available. If the actual tax bills are not available for the current tax fiscal year, then prorations will be based on the tax bills for

the prior tax fiscal year and, upon the request of either party, the parties will re-prorate and adjust the tax prorations when the tax bills for the current tax fiscal year of Closing become available.

11. **Costs/Closing Credit.** Seller shall pay all fees associated with the preparation of any title commitment. Buyer shall pay the premium for a standard owner's policy of title insurance, any additional premium required for the policy of title insurance and the cost of any endorsements requested by Buyer. Seller shall also pay for all fees incurred for recording the Deed and preparing any survey map that may be desired by Seller, and any state and local transfer and conveyance taxes and fees. Each party shall pay its own attorneys' fees.
12. **Seller's Certificate.** Seller hereby makes the following representations to Buyer:
 - (a) Seller is a government entity, validly existing and in good standing under the laws of the State of California.
 - (b) Seller has the full power, authority and legal right to execute and deliver this Agreement and to consummate the transactions and perform its obligations as contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary action, and this Agreement has been duly and validly executed and delivered by Seller.
13. **Buyer's Certificate.** Buyer hereby makes the following representations to Seller:
 - (a) Buyer has the full power, authority and legal right to execute and deliver this Agreement and to consummate the transactions and perform its obligations as contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary action, and this Agreement has been duly and validly executed and delivered by Buyer.
 - (b) Buyer is not a foreign person and is a "United States Person" as such term is defined in Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended.
 - (c) For purposes of California Health and Safety Code Section 25359.7, the delivery from Seller to Buyer of the Seller's Reports constitute written notice to Buyer under such code section.
 - (d) Buyer shall exercise good faith efforts in conducting Buyer's due diligence in connection with the transaction contemplated by this Agreement.

(e) Buyer agrees to inform Seller of all material findings in respect to the condition of the Property that Buyer may discover in the conduct of Buyer's due diligence.

14. **Complete Agreement and Amendments**. This Agreement, including any exhibits, expresses the entire agreement of the parties. There are no other understandings, oral or written, which in any manner alter or enlarge its terms. This Agreement supersedes any and all prior agreements between the parties hereto regarding the Property. This Agreement may be amended, but only in writing and only if such writing is executed by the party to be charged.
15. **Assignment**. Neither party may assign its rights and obligations hereunder without obtaining the prior written consent of the other party, and such consent shall not be unreasonably withheld; provided, however, upon prior notice to the other party, (A) Seller shall be permitted to assign its rights and obligations hereunder to any party that directly or indirectly (i) controls Seller (ii) is controlled by Seller, (iii) is under common control with Seller and (B) Buyer shall be permitted to assign its rights and obligations hereunder upon written notice to Seller, to any party that directly or indirectly is controlled by Buyer, as may be determined by Buyer to facilitate the purchase of the Property, including but not limited to a limited partnership in which Buyer or its wholly owned affiliate is the managing general partner. No assignor shall be released from any of its obligations or liabilities under this Agreement.
16. **Notices**. All notices or tender required or permitted herein shall be in writing and shall be sent to the address set forth below (or such other address as a party may hereafter designate for itself by written notice to the other parties as required hereby) of the party for whom such notice or communication is intended:

If to Seller: Marin County Public Works Department
Attn: Alexi Dicker
P.O. Box 4186
San Rafael, CA 94913
Email: adicker@marincounty.org

If to Buyer: Kerner Canal, L.P.
c/o Eden Housing, Inc.
22645 Grand Street
Hayward, CA 94541
Attn: Andrea Osgood
Email: aosgood@edenhousing.org

Any such notice or communication shall be sufficient if sent (i) by registered or certified mail, return receipt requested, postage prepaid; (ii) by hand delivery; (iii) by overnight courier service; or (iv) by telecopy or email, with an original by first class mail. Any

such notice or communication shall be effective when delivered to the recipient or upon refusal of such delivery.

17. **Broker's Commission.** The parties represent that they have not dealt with any broker, agent, or finder in connection with this transaction. Each party hereby warrants and represents to the other that no person or entity can properly claim a right to a commission, broker's fee or other compensation based on contacts or understandings between such claimant and Seller or Buyer. Each party hereto agrees to indemnify, defend and hold the other party harmless from any Loss and Expense arising from any claims or demands of any broker, agent or finder with whom such party has dealt for any commission or fee alleged to be due in connection with this transaction. The terms and provisions of this paragraph shall survive the Closing and transfer of title.
18. **Casualty Loss.** As used herein, the term "**Casualty Loss**" means any destruction by fire, storm or other casualty of the Property or a portion thereof, in each case, prior to Closing. Seller shall promptly give Buyer written notice ("**Casualty Notice**") of any Casualty Loss of which Seller becomes aware. In the event of a Casualty Loss in excess of \$100,000, Buyer shall have the option, which must be exercised within thirty (30) days after its receipt of the Casualty Notice, to terminate this Agreement or to proceed with the Closing. If Buyer then elects to terminate this Agreement, all rights, duties, obligations and liabilities created hereunder shall cease except such liability as expressly survives termination. If Buyer elects to proceed with Closing, whether or not the Casualty Loss exceeds \$100,000, it shall acquire the Property in accordance with the terms hereof and Seller shall transfer to Buyer all of its rights to insurance proceeds, claims, awards and other payments arising out of such Casualty Loss and pay to Buyer all sums paid to Seller as insurance proceeds, awards or other payments arising out of such Casualty Loss. Seller shall at all times keep the Property insured for the full insurable value thereof. The terms and provisions of this Section 18 shall survive the Closing.
19. **Remedies.**
 - (a) If Seller fails to perform any of Seller's material obligations under this Agreement, and the same continues until the date that is the earlier of (i) the Closing Date or (ii) five (5) business days after Seller's receipt of written notice from Buyer, Buyer may, as Buyer's sole remedy for Seller's failure, cancel this Agreement within ten (10) business days after the expiration of the relevant time period specified in clauses (i) and (ii) above.
 - (b) If Buyer fails to perform any of Buyer's material obligations under this Agreement and the same continues until the date that is the earlier of (i) the Closing Date or (ii) five (5) days after Buyer's receipt of written notice from Seller, Seller may, as Seller's sole remedy for Buyer's failure, cancel this Agreement within ten (10)

business days after the expiration of the relevant time period specified in clauses (i) and (ii) above;

- (c) Seller and Buyer hereby agree that it would be impracticable and extremely difficult to fix the amount of Seller's actual damages and further agree that (\$50,000.00) is a reasonable estimate of the amount Seller might be damaged as a result of Buyer's failure to perform under this Agreement as set forth in 19.b above. Seller and Buyer acknowledge that the payment of such liquidated damages is not intended as a forfeiture or penalty within the meaning of California Civil Code Sections 3275 or 3369, but is intended to constitute liquidated damages to Seller pursuant to California Civil Code Sections 1671, 1676 and 1677.

20. **Attorneys' Fees.** If any legal action is brought by either party to enforce any provision of this Agreement, or in the event of the termination of this Agreement, each party shall bear its own costs and expenses, including attorney fees.

21. **Miscellaneous.**

- (a) This Agreement shall be governed by the law of the State of California.
- (b) Each party shall execute, acknowledge, and deliver, at or after the Closing Date, such further assurances, instruments and documents as the other may reasonably request in order to fulfill the intent of this Agreement and the transactions contemplated hereby.
- (c) If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect and shall in no way be impaired or invalidated, and the parties agree to substitute for the invalid or unenforceable provision a valid and enforceable provision that most closely approximates the intent and economic effect of the invalid or unenforceable provision.
- (d) This Agreement may be executed in counterparts and transmitted by facsimile by and to each of the parties, and each such counterpart shall be deemed an original, and all of them together shall constitute a single instrument.
- (e) The parties acknowledge that each party and its counsel have reviewed, commented on and approved this Agreement and any rule of construction otherwise requiring any ambiguities within this Agreement to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.
- (f) In the event that any time period set forth in this Agreement would otherwise expire on a Saturday, Sunday or holiday, such time period shall be deemed to be automatically extended to the next business day.

SIGNATURE PAGES TO FOLLOW

IN WITNESS WHEREOF, Seller and Buyer have entered into this Agreement as of the day and year first above written.

BUYER:

Kerner Canal, L.P.,
a California limited partnership

By: Kerner Canal LLC,
a California limited liability company,
its general partner

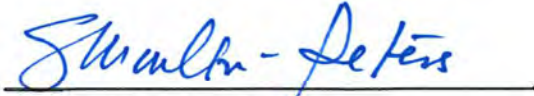
By: Eden Investments, Inc.,
a California nonprofit public benefit corporation,
its managing member

By: 
Andrea Osgood,
Senior Vice President of Real Estate Development

Date: 12/21/2022

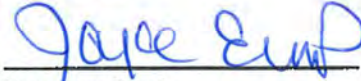
SELLER:

COUNTY OF MARIN



*Stephanie Moulton-Peters
President, Board of Supervisors*

ATTEST:



Deputy Clerk

Date: 7/11/23

Approved as to form:

Deputy County Counsel

SELLER:

COUNTY OF MARIN

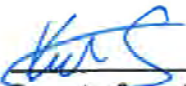
Stephanie Moulton Peters, President
Board of Supervisors

ATTEST:

Deputy Clerk

Date: _____

Approved as to form:



Deputy County Counsel



EXHIBIT A

21060 Redwood Road, Suite 110
Castro Valley, CA 94546
Office Phone: 510-537-8300
Office Fax: 510-537-0928
Email: Suzanne.Smith@doma.com

Doma Title of California, Inc.
21060 Redwood Road, Suite 110
Castro Valley, CA 94546
Attn: Suzanne Smith

Your Ref:
Our Order No.: 54605-21-02106
Property Address: 3301 Kerner Boulevard, San
Rafael, CA 94901

Preliminary Report Dated as of November 21, 2022 at 12:00 AM.

IN RESPONSE TO THE ABOVE REFERENCED APPLICATION FOR A POLICY OF TITLE INSURANCE,

North American Title Insurance Company

Hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and limitations on covered risks of said Policy or Policies are set forth in Exhibit A attached. The Policy to be issued may contain an Arbitration Clause. When the amount of insurance is less than that set forth in the Arbitration Clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the Parties. Limitations on covered risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a deductible amount and a maximum dollar limit of liability for certain coverages are also set forth in Exhibit A. Copies of the Policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The form of Policy of title insurance contemplated by this report is:
CLTA Standard Coverage Policy

Please note that the America First Homeowner's Policy (CLTA/ ALTA Homeowner's Policy) can only be issued on transactions involving individuals as purchasers and residential 1-4 properties. Any indication that the America First Homeowner's Policy (CLTA/ ALTA Homeowner's Policy) will be issued in a transaction that does not meet these criteria is hereby revised to state that the policy contemplated is a Standard Coverage Policy.

Brian O'Connell, Title Officer III

SCHEDULE A

1. The estate or interest in the land herein after described or referred to covered by this report is:
A Fee as to Parcel(s) One, an Easement as to Parcel(s) Two.
2. Title to said estate or interest at the date hereof is vested in:
County of Marin, a Political Subdivision of the State of California
3. Real Property in the City of San Rafael, County of Marin, State of California, described as follows:

See attached Legal Description

LEGAL DESCRIPTION

Real Property in the City of San Rafael, County of Marin, State of California, described as follows:

PARCEL ONE:

PARCEL 2, AS SHOWN UPON THAT CERTAIN PARCEL MAP ENTITLED "PARCEL MAP LANDS OF PANSINI AS DESCRIBED IN BOOK 2230 OFFICIAL RECORDS AT PAGE 607 AND BOOK 2503 OFFICIAL RECORDS AT PAGE 236, SAN RAFAEL, MARIN COUNTY, CALIFORNIA", FILED FOR RECORD DECEMBER 30, 1980 IN BOOK 18 OF PARCEL MAPS AT PAGE 82, MARIN COUNTY RECORDS.

EXCEPTING THEREFROM THAT PORTION AS CONVEYED TO THE CITY OF SAN RAFAEL IN THE DEED RECORDED DECEMBER 22, 2009 AS SERIES NUMBER 2009-0070487, MARIN COUNTY RECORDS AND RE-RECORDED FEBRUARY 22, 2010 AS SERIES NUMBER 2010-0008378, MARIN COUNTY RECORDS.

PARCEL TWO:

AN EASEMENT FOR INGRESS AND EGRESS DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF THAT PARCEL OF LAND DESCRIBED IN SAID DEED RECORDED JUNE 9, 1978 IN BOOK 3386 OF OFFICIAL RECORDS AT PAGE 278, MARIN COUNTY RECORDS; SAID POINT BEING ON THE NORTHERLY LINE OF BELVEDERE STREET AND AT THE MOST WESTERLY CORNER OF PARCEL 2, AS SHOWN UPON THAT CERTAIN PARCEL MAP ENTITLED "PARCEL MAP LANDS OF PANSINI AS DESCRIBED IN BOOK 2230 OFFICIAL RECORDS AT PAGE 607 AND BOOK 2503 OFFICIAL RECORDS AT PAGE 236 SAN RAFAEL, MARIN COUNTY, CALIFORNIA", FILED FOR RECORD DECEMBER 30, 1980 IN BOOK 18 OF PARCEL MAPS AT PAGE 82 MARIN COUNTY RECORDS; THENCE NORTHERLY ALONG THE EASTERLY LINE OF SAID LANDS OF LUCEY AND THE WESTERLY LINE OF SAID PARCEL 2, NORTH 20° 28' 00" EAST 7.30 FEET; THENCE LEAVING SAID EASTERLY LINE OF LUCEY, AND SAID WESTERLY LINE OF PARCEL 2, NORTH 69° 24' 00" WEST 8.00 FEET; THENCE SOUTHERLY ALONG A LINE PARALLEL TO AND 8.00 FEET WESTERLY OF SAID EASTERLY LINE OF LUCEY, SOUTH 20° 28' 00" WEST 2.49 FEET TO THE NORTHERLY LINE OF BELVEDERE STREET; SAID POINT BEING ON A CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 222.50 FEET AND TO WHICH POINT A RADIAL LINE BEARS NORTH 50° 26' 54" EAST; THENCE SOUTHEASTERLY 9.35 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 2° 24' 30" TO THE POINT OF BEGINNING.

SAID EASEMENT IS FOR THE BENEFIT OF AND APPURTENANT TO PARCEL 2, AS SHOWN UPON THE PARCEL MAP ABOVE REFERRED TO.

APN: 008-082-52

SCHEDULE B

At the date hereof exceptions to coverage in addition to the printed exceptions and exclusions in the policy form designated on the face page of this report would be as follows:

1. Intentionally Deleted.
2. General and special taxes and assessments for the fiscal year 2022-2023 are not assessed.
3. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
4. Any claim that any portion of the land is or was formerly tidelands or submerged lands.
5. Intentionally Deleted.
6. Intentionally Deleted.
7. An easement for sewer and incidental purposes, recorded July 18, 1957 as Book 1128 at Page 467 of Official Records.
In Favor of: San Rafael Sanitation District
8. An easement for ingress, egress, and incidental purposes in the document recorded June 22, 1973 as Book 2698 at Page 666 of Official Records.
9. An easement for ingress, egress, and incidental purposes in the document recorded March 2, 1978 in Book 3338, Page 566 of Official Records
10. An easement for Public Sanitary Sewer and incidental purposes, recorded January 7, 1981 as/in Instrument No. 1981-0000659, Official Records.

In Favor of: San Rafael Sanitation District
Affects: A Portion of said land

Terms and provisions contained in the above document.
11. Any and all offers of dedications, conditions, restrictions, easements, notes and/or provisions shown or disclosed by the filed or recorded map referred to in the legal description, including but not limited to:

For: Access and incidental purposes.
For: Public utility and incidental purposes.
For: Sewer and incidental purposes.
12. An easement for ingress, egress and incidental purposes in the document recorded October 19, 1982 as Series Number 1982-0043604 of Official Records.
13. An easement for The right to construct, install, inspect, maintain, replace, remove, use facilities and incidental purposes, recorded June 20, 1983 as/in Instrument No. 1983-0028924, Official Records.

In Favor of: Pacific Gas and Electric Company, a California Corporation
Affects: A Portion of said land

Terms and provisions contained in the above document.
14. The terms and provisions contained in the document entitled " Regulatory Agreement and Declaration of Restrictive Covenants " recorded May 19, 2022 as Instrument No. 2022-0020382 of Official Records.

15. With respect to County of Marin, a Political Subdivision of the State of California, a corporation:
 - a. A certificate of good standing of recent date issued by the Secretary of State of the corporation's state of domicile.
 - b. A certified copy of a resolution of the Board of Directors authorizing the contemplated transaction and designating which corporate officers shall have the power to execute on behalf of the corporation.
 - c. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.

Notice: If an ALTA Extended Lender's Policy is to be issued, the following exceptions will appear:

16. Any rights, interests, or claims of parties in possession of the land not shown by the public records.

*****END OF REPORT*****

A. NOTICE OF RECORDING PROCEDURE

Pursuant to Cal. Revenue & Tax Code §480.3, all Deeds and other Documents that reflect a change in ownership must be accompanied by a Preliminary Change of Ownership Report to be completed by the transferee. If this special report is not presented at the time of recording, an additional recording fee of \$20.00, as required by law, will be charged. Preliminary Change in Ownership forms, instructions on how to complete them, and a nonexclusive list of documents that are affected by this change, are available from the County Recorder's Office or the Office of the County Assessor.

Effective January 1, 2018, Cal. Government Code §27388.1 imposes an additional fee of \$75.00 to be paid at the time of recording for every real estate instrument, paper, or notice required or permitted by law to record, except those expressly exempted from payment.

B. GOOD FUNDS LAW

Under Section 12413.1 of the California Insurance Code, Doma Title of California, Inc. may only make funds available for disbursement in accordance with the following rules:

Same day availability. Disbursement on the date of deposit is allowed only when funds are deposited to Doma Title of California, Inc. by Cash or Electronic Transfer (Wire). Cash will be accepted only under special circumstances and upon approval by management.

Next business day availability. If funds are deposited to Doma Title of California, Inc. by cashier's checks, certified checks or teller's checks, disbursement may be on the next business day following deposit. A "teller's check" is one drawn by an insured financial institution against another insured financial institution (e.g., a savings and loan funding with a check drawn against a FDIC insured bank).

Second business day availability. If the deposit is made by checks other than those described in paragraphs 1 and 2 above, disbursement may occur on the day when funds must be made available to depositors under Federal Reserve Regulation CC. In most cases, these checks will be available on the second business day following deposit. (For further details, consult California Insurance Code Section 12413, et seq. and Regulation CC).

These are the minimum periods before funds will be made available. Doma Title of California, Inc. is not obligated to disburse funds at the expiration of the time periods above, and expressly reserves the right to require additional time before disbursing on deposited funds. Close of escrow and final disbursement will not be made based on deposits in the form of personal checks, corporate checks, credit union checks, money market checks, travelers checks and official checks until confirmation of final clearance of the funds.

Doma Title of California, Inc. will not be responsible for accruals of interest or other charges resulting from compliance with the disbursement restrictions imposed by state law.

Doma Title of California, Inc. charges for recording the transaction documents include charges for services performed by Doma Title of California, Inc., in addition to an estimate of payments to be made to governmental agencies.

Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

- C. The map attached, if any, may or may not be a survey of the land depicted hereon. Doma Title of California, Inc. expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

AFFILIATED BUSINESS ARRANGEMENT DISCLOSURE

Referring Party:

Doma Insurance Agency, Inc.; Doma Insurance Agency of Arizona, Inc.; Doma Title of California, Inc.; Doma Insurance Agency of Florida, Inc.; Doma Insurance Agency of Illinois, Inc.; Doma Insurance Agency of Indiana, LLC; Doma Insurance Agency of Minnesota, Inc.; Doma Title Agency of Nevada, Inc.; Doma Insurance Agency of New Jersey, Inc.; Doma Insurance Agency of Texas, Inc.; or Doma Insurance Agency of Utah, LLC, as applicable (“Doma Insurance Agency”)

This is to give notice that Doma Insurance Agency has business relationships with Doma Title Insurance, Inc. (known as North American Title Insurance Company in the state of Mississippi) (“Doma Title”); Doma Customer Financing LLC (“Doma Customer Financing”); and Cura Home, Inc. (“Cura Home”). Doma Insurance Agency, Doma Title, Doma Customer Financing, and Cura Home are part of the Doma Family of Companies and are indirect wholly owned subsidiaries of Doma Holdings, Inc. Because of these relationships, the referral of services to Doma Title, Doma Customer Financing, or Cura Home may provide Doma Insurance Agency a financial or other benefit.

Set forth below are the estimated charges or range of charges for the settlement services provided by Doma Title, Doma Customer Financing, and Cura Home. You are NOT required to use Doma Title, Doma Customer Financing, or Cura Home as a condition for closing your transaction. THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

Provider and Settlement Service	Charge or Range of Charges
Doma Title <ul style="list-style-type: none"> • Provides title insurance 	10% - 40% of costs for lender’s and/or owner’s title insurance, as applicable, depending on the property state, and as shown on the Loan Estimate and/or Closing Disclosure provided by your lender.
Doma Customer Financing <ul style="list-style-type: none"> • Provides credit services 	Origination fee ranges between 0% - 3% of loan amount.
Cura Home <ul style="list-style-type: none"> • Provides home warranty services 	The home warranty contract premium ranges between \$300 - \$1,400 in annual premium.
<p>This is an affiliated business arrangement disclosure statement. Actual services and charges may vary according to the circumstances underlying the transaction, including the home value, coverage and limits chosen, as well as other requested terms, unusual market conditions, government regulation, property location and similar factors.</p>	

ACKNOWLEDGMENT

I/we have read this disclosure form and understand that Doma Insurance Agency is referring me/us to purchase the above-described settlement service and may receive a financial or other benefit as the result of this referral.

Buyer/Borrower:

Seller:

Date: _____

Date: _____

DOMA TITLE OF CALIFORNIA, INC.

21060 Redwood Road, Suite 110, Castro Valley, CA 94546

Office Phone: 510-537-8300 Office Fax: 510-537-0928 Email: Suzanne.Smith@doma.com

Closing Protection Letters can be ordered directly by emailing cacpl@doma.com with your title order number and property address.

Attention:

Your Ref:

Our Order No.: 54605-21-02106

LENDERS SUPPLEMENTAL REPORT

Dated as of November 21, 2022 at 12:00 AM.

Title Officer: Brian O'Connell

The above numbered report (including any supplements or amendments thereto) is hereby modified and/or supplemented in order to reflect the following additional items relating to the issuance of an American Land Title Association loan form policy of Title Insurance:

Our ALTA Loan Policy, when issued, will contain Endorsement Nos. 100 and 116.

There is located on said land a Commercial
Known as: 3301 Kerner Boulevard, San Rafael, CA 94901
City of San Rafael
County of Marin
State of California.

According to the public records, there has been no conveyance of the land within a period of 124 months prior to the date of this report, except as follows:

A document recorded December 8, 2020 as Instrument No. 2020-0062725 of Official Records.

From: Dennis Gilardi and Susan Gilardi, Trustees of the Gilardi Charitable Remainder Unitrust dated September 7, 2018

To: County of Marin, a Political Subdivision of the State of California

Privacy Policy

The Doma Family of Companies

FACTS	What does the Doma family of companies do with your personal information?		
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some, but not all, sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.		
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> • Social Security number, date of birth and income • Transaction history and payment history • Purchase history and account balances 		
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information, the reasons the Doma Family of Companies chooses to share, and whether you can limit this sharing.		
Reasons we can share your personal information		Does Doma share?	Can you limit this sharing?
For our everyday business purposes Such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus		Yes	No
For our marketing purposes To offer our products and services to you		Yes	No
For joint marketing with other financial companies		No	We don't share
For our affiliates' everyday business purposes Information about your transactions and experiences		Yes	No
For our affiliates' everyday business purposes Information about your creditworthiness		No	We don't share
For our affiliates to market to you		Yes	No
For nonaffiliates to market to you		No	We don't share
To limit our sharing	<ul style="list-style-type: none"> • Call 1-866-929-7437—our menu will prompt you through your choice(s) or • Visit us online: www.doma.com <p>Please note:</p> <p>If you are a <i>new customer</i>, we can begin sharing your information 30 days from the date we sent this notice. When you are <i>no longer our customer</i>, we continue to share your information as described in this notice.</p> <p>However, you can contact us at any time to limit our sharing.</p>		
Questions?	Call 1 (866) 929-7437 or go to www.doma.com		

Privacy Policy

The Doma Family of Companies

Who we are	
Who is providing this notice?	The Doma Family of Companies (identified below), which offers title insurance and settlement services.
What we do	
How does Doma protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secure files and buildings.
How does Doma collect my personal information?	We collect your personal information, for example, when you <ul style="list-style-type: none"> • Apply for insurance • Apply for financing • Give us your contact information • Provide your mortgage information • Show your government-issued ID We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only <ul style="list-style-type: none"> • Sharing for affiliates' everyday business purposes— information about your creditworthiness • Affiliates from using your information to market to you • Sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing.
What happens when I limit sharing for an account I hold jointly with someone else?	Your choices will apply to everyone on your account – unless you tell us otherwise.
Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> • Our affiliates are the entities that comprise the Doma Family of Companies (listed below) and include companies with a Doma name; financial companies such as Doma Insurance Agency, Inc. and Doma Home Insurance Services, LLC; and nonfinancial companies such as Title Agency Holdco, LLC.
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> • Nonaffiliates we share with can include collection agencies, our service providers, companies that perform marketing and advertising services on our behalf, and consumer reporting agencies.
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> • Doma doesn't jointly market.
Other important information	
*For California residents: you may have additional rights under the California Consumer Privacy Act. For a description of those rights, please see our Doma Family of Companies' privacy policy located here: www.doma.com .	

Rev. 08/11/2022

Privacy Policy

The Doma Family of Companies

The Doma Family of Companies consists of the following entities:

Doma Holdings, Inc. Doma Corporate, LLC Doma Customer Financing LLC Doma Home Insurance Services, LLC Doma Insurance Agency, Inc. Doma Insurance Agency of Arizona, Inc. North American Title Company of Colorado Doma Insurance Agency of Florida, Inc. Doma Insurance Agency of Illinois, Inc. Doma Insurance Agency of Indiana, LLC Doma Insurance Agency of Louisiana, LLC Doma Insurance Agency of Minnesota, Inc. Doma Title Insurance Company of New York Doma Title Agency of Nevada, Inc. Doma Insurance Agency of New Jersey, Inc.	Doma Insurance Agency of Texas, Inc. Doma Insurance Agency of Utah, LLC Doma Title Insurance, Inc. Doma Trustee Services, LLC Doma Title of California, Inc. Cura Home, Inc. NASSA LLC North American Title Company North American Title Insurance Company North American Asset Development, LLC North American Services, LLC Spear Agency Acquisition Inc. States Title Holding, Inc. States Title, LLC Title Agency Holdco, LLC
--	---

Rev. 08/11/2022

CLTA Preliminary Report Form - Exhibit A (Rev. 05-06-16)

CLTA STANDARD COVERAGE POLICY - 1990
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)
EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.

4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.
 This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1% of Policy Amount Shown in Schedule A or \$2,500 (whichever is less)	\$10,000
Covered Risk 18:	1% of Policy Amount Shown in Schedule A or \$5,000 (whichever is less)	\$25,000
Covered Risk 19:	1% of Policy Amount Shown in Schedule A or \$5,000 (whichever is less)	\$25,000
Covered Risk 21:	1% of Policy Amount Shown in Schedule A or \$2,500 (whichever is less)	\$5,000

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14);
 or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

[Except as provided in Schedule B - Part II, [t[or T]his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

[PART I

[The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.]

PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:]

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
1. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
2. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
3. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
4. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of: [The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

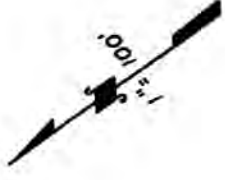
1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.

5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.
7. [Variable exceptions such as taxes, easements, CC&R's, etc. shown here.]

**ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY - ASSESSMENTS PRIORITY (04-02-15)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions, or location of any improvement erected on the Land; (iii) the subdivision of land; or (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.



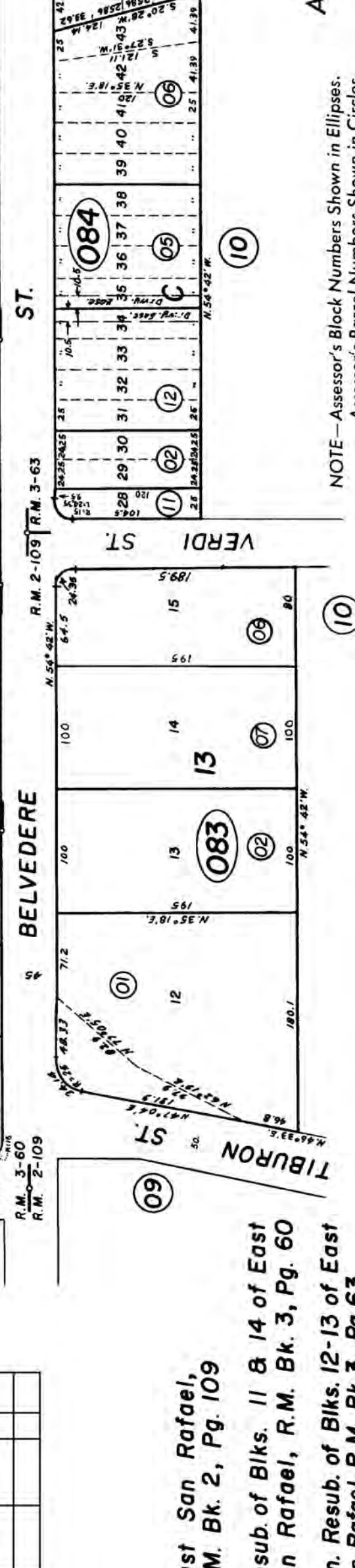
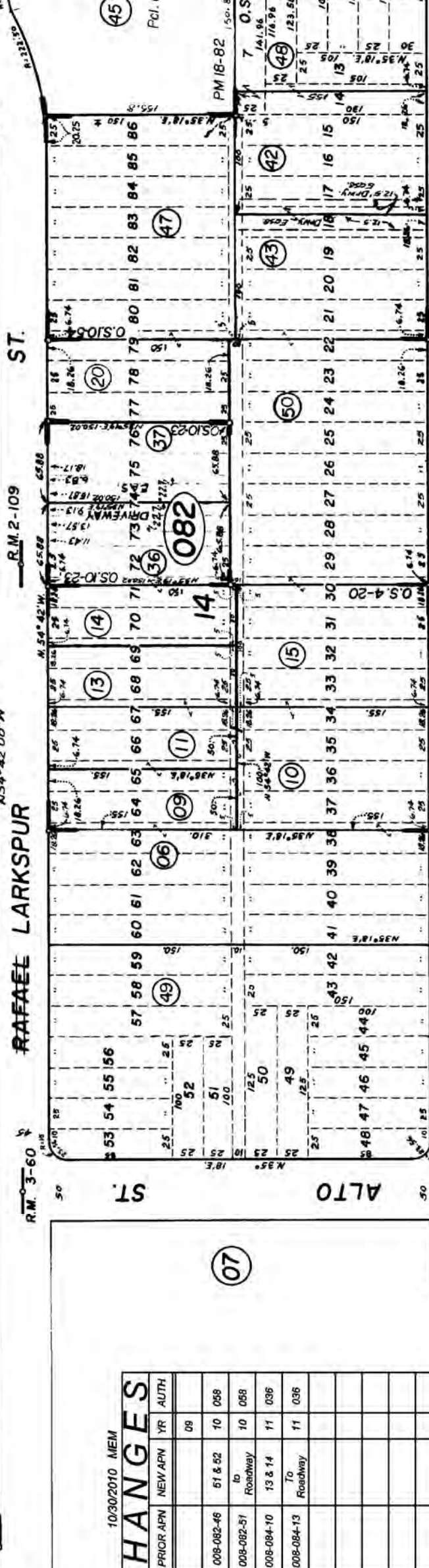
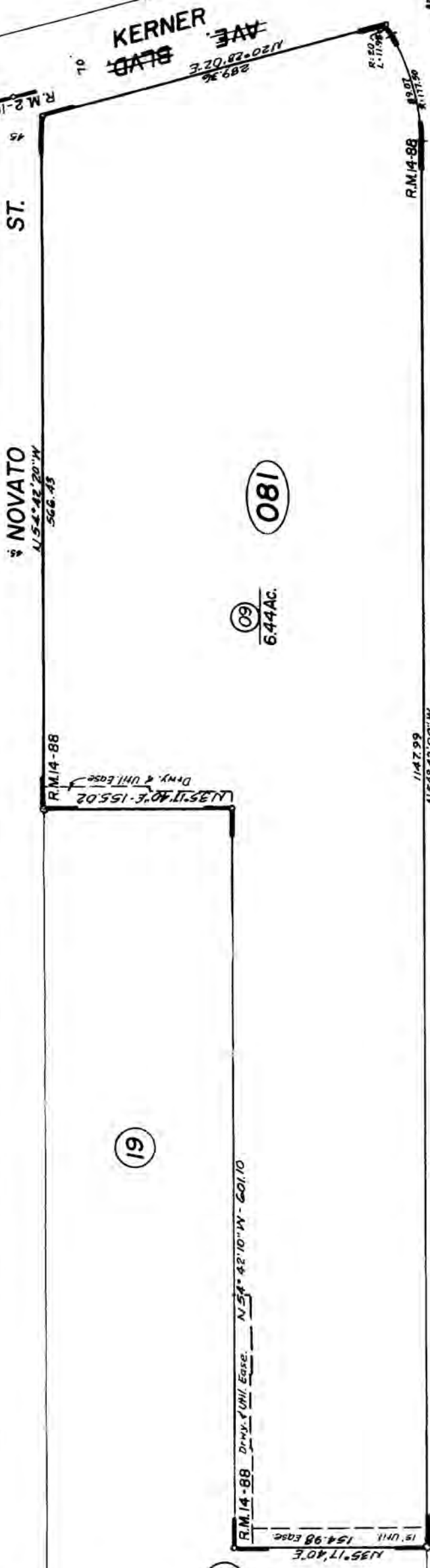
(03)

Bk. 9
20

Bk. 9
01

CITY OF SAN RAFAEL
Assessor's Map Bk. 8 -Pg. 08
County of Marin, Calif.

NOTE - Assessor's Block Numbers Shown in Ellipses.
Assessor's Parcel Numbers Shown in Circles.



10/30/2010 MEM

BLK	PRIOR APN	NEW APN	YR	AUTH
			09	
082	008-082-46	51 & 52	10	058
082	008-082-51	To Roadway	10	058
084	008-084-10	13 & 14	11	036
084	008-084-13	To Roadway	11	036

East San Rafael,
R.M. Bk. 2, Pg. 109
Resub. of Blks. 11 & 14 of East
San Rafael, R.M. Bk. 3, Pg. 60
Ptn. Resub. of Blks. 12-13 of East
San Rafael, R.M. Bk. 3, Pg. 63