



## AMENDED AGENDA SEPTEMBER 16, 2025

### REGULAR MEETING OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY AND CITY COUNCIL CITY OF YUBA CITY

5:30 P.M. CLOSED SESSION  
SUTTER ROOM/VIRTUAL

6:00 P.M. REGULAR MEETING  
COUNCIL CHAMBERS/VIRTUAL

|               |                      |
|---------------|----------------------|
| MAYOR         | • Dave Shaw          |
| VICE MAYOR    | • Marc Boomgaarden   |
| COUNCILMEMBER | • Toni Cole          |
| COUNCILMEMBER | • Michael Pasquale   |
| COUNCILMEMBER | • Wade Kirchner      |
| CITY MANAGER  | • Robert Bendorf     |
| CITY ATTORNEY | • Shannon L. Chaffin |

1201 Civic Center Blvd  
Yuba City CA 95993

*Wheelchair Accessible*

*The City has adopted a Reasonable Accommodations Policy that provides a procedure for receiving and resolving requests for accommodation to participate in this meeting. Please visit [yubacity.net ADA & Accessibility Resources page](http://yubacity.net/ADA&AccessibilityResources). If you need assistance in order to attend the City Council meeting, or if you require auxiliary aids or services, e.g., hearing aids or signing services to make a presentation to the City Council, the City is happy to help. Accommodations should be requested as early as possible as additional time may be required in order to provide the requested accommodation; 72 hours in advance is suggested. Please contact City offices at (530) 822-4817 or (TTY: 530-822-4732), so such aids or services can be arranged. Requests may also be made by email at [cityclerk@yubacity.net](mailto:cityclerk@yubacity.net) or [citymanager@yubacity.net](mailto:citymanager@yubacity.net) or mail City Clerk, 1201 Civic Center Blvd, Yuba City, CA 95993.*

**AMENDED AGENDA  
REGULAR MEETING OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT  
AGENCY AND  
CITY COUNCIL - CITY OF YUBA CITY  
SEPTEMBER 16, 2025  
5:30 P.M. CLOSED SESSION  
SUTTER ROOM/VIRTUAL  
  
6:00 P.M. REGULAR MEETING  
COUNCIL CHAMBERS/VIRTUAL**

Materials related to an item on this Agenda submitted to the Successor Agency to the Redevelopment Agency and City Council after distribution of the agenda packet are available for public inspection in the City Clerk's office at 1201 Civic Center Blvd., Yuba City, during normal business hours. Such documents are also available on the City of Yuba City's website at [www.yubacity.net](http://www.yubacity.net), subject to staff's availability to post the documents before the meeting.

The Council Chambers will be open for public attendance and participation. The meeting will also be live streamed for public viewing, but not participation, at the following link: [https://yubacity-net.zoom.us/webinar/register/WN\\_rA7RgFyjRxmcxzmT64E89Q](https://yubacity-net.zoom.us/webinar/register/WN_rA7RgFyjRxmcxzmT64E89Q). Emailed comments sent to [cityclerk@yubacity.net](mailto:cityclerk@yubacity.net) at least 24 hours before the meeting will be distributed to the Successor Agency to the Redevelopment Agency and City Council prior to the meeting. Please identify the Agenda item(s) addressed by the comments.

**Public Comment:**

Any member of the public wishing to address the City Council on any item listed on the closed session agenda, if any, will have an opportunity to present testimony to the City Council in the Council Chamber prior to the City Council convening into closed session. Comments from the public will be limited to three minutes. No member of the public will be allowed to be present once the City Council convenes into closed session.

**Closed Session**

- A. Liability Claim:  
Claimant: Khushwant Randhawa, Claim number: CL2496600338  
Agency Claimed Against: City of Yuba City
- B. Conference with Legal Counsel – Pending Litigation Pursuant to Government Code Section 54956.9(d)(1).  
Case: Hoetger v. City of Yuba City, et al., Sutter County Superior Court Case No. CVCS24-0002392 (complaint for personnel injuries – motor vehicle)
- C. Liability Claim:  
Claimant: Justin Rossiter, Claim 25-26  
Agency Claimed Against: City of Yuba City
- D. Liability Claim:  
Claimant: Jordan McClelland, Claim 25-27



Agency Claimed Against: City of Yuba City

**Regular Meeting**

Call to Order

Roll Call

- ☐ Mayor Shaw
- ☐ Vice Mayor Boomgaarden
- ☐ Councilmember Kirchner
- ☐ Councilmember Pasquale
- ☐ Councilmember Cole

Invocation/Inspiration

Pledge of Allegiance to the Flag

City Attorney's Report on Closed Session Items, City Attorney Shannon Chaffin

Agenda Modifications

**Presentations**

**1. 2025 Sikh Parade Status Update - Chief Jim Runyen**

**Public Communication**

**2. Appearance of Interested Citizens**

You are welcome and encouraged to participate in this meeting. Public comment is taken on action items appearing on the Consent Calendar or Business Items on the Agenda when they are called. Public comment on any other items within the scope of the City's jurisdiction, including items not listed on the Agenda will be considered at this time. Public comment is limited to three minutes per speaker. Members of the public submitting written requests at least 24 hours prior to the meeting will be allotted five minutes to comment per speaker. Repetitive comments may be limited, and large groups are encouraged to select representatives to express the opinions of the group.

**Consent Calendar**

All matters listed under Consent Calendar are considered to be routine and can be enacted in one motion. There will be no separate discussion of these items prior to the time that Council votes on the motion unless members of the City Council request specific items to be discussed or removed from the Consent Calendar for individual action.

**3. Minutes of the September 2, 2025 Regular Meeting of the City Council**

Recommendation: Approve the Minutes of the September 2, 2025 Regular Meeting of the City Council

**4. Chima Ranch – Subdivision Agreement and Final Map Approval**

Recommendation: Adopt a Resolution approving the execution of a Subdivision Agreement with LGI Homes – California, LLC, a California Limited Liability Company providing for public improvements associated with the Chima Ranch Subdivision Map, approving the Chima Ranch Final Map, accepting dedication of rights-of-way and easements shown thereon, and authorizing the filing of the map [Subdivision is located on the west side of Sanborn Road immediately west of the intersection of Pebble Beach Drive and Sanborn Road]

**5. Agreement for Purchase and Sale of Real Property – 433 Plumas Boulevard**

Recommendation: Adopt a Resolution authorizing the City Manager, as Executive Director to the Successor Agency to the Redevelopment Agency of the City of Yuba City, to execute an Agreement for Purchase and Sale of Real Property located at the northeast corner of Plumas Boulevard and Franklin Avenue (APN 052-380-025), and all other necessary documents, in the amount of \$645,000 to Sutter Valley Medical Foundation, dba Sutter Medical Foundation, and authorize the Finance Director to remit the proceeds to the Sutter County Auditor-Controller for distribution to the taxing entities per the Long Range Property Management Plan

**Business Items**

**6. 2024 Consolidated Annual Performance and Evaluation Report (CAPER)**

Recommendation: A. Conduct a Public Hearing to receive comments on the draft 2024 CAPER and after consideration;  
B. Adopt a Resolution Approving the 2024 CAPER and authorizing staff to submit all necessary documents to the U.S. Department of Housing and Urban Development (HUD)

**7. Merriment Village Apartments, Development Plan 25-02**

Recommendation: A. Conduct a Public Hearing, and;  
  
B. Adopt a Resolution of the City Council of the City of Yuba City rescinding the City Council's approval of Development Plan 23-02, determining the Merriment Village Apartments meets the requirements of a Homekey project and that pursuant to Health & Safety Code Section 50675.1.3(i), Development Plan 25-02 is a ministerial project and that pursuant to the California Environmental Quality Act (CEQA) Guidelines Sections 15268(a) and 15002(i), CEQA does not apply to ministerial projects, and approve Development Plan 25-02, Merriment Village Apartments, for the development of a 218-unit income-based (affordable) apartment complex, located on a 7.7-acre parcel at 428 North Walton Avenue (Assessor's Parcel Number 58-120-001)

**8. Appointment of Health Care Committee**

Recommendation: Consider amending the current Health Care Ad Hoc Committee or establishing an alternative to address health care issues with regional providers

**9. Adoption of an Ordinance updating the City's procedures for filing claims against the City**

Recommendation: Introduce an Ordinance of the City Council of the City of Yuba City repealing and adding Section 3-3.04 of Chapter 3 of Title 3 of the Municipal Code regarding special claims procedures by title only and waive the first reading

**10. Merriment Village Apartments Homekey Grant Funding**

Recommendation: For the State-awarded Homekey grant funds currently held in a Yuba City account at US Bank for the Merriment Village

apartment project, staff recommends:

A. The City Council of the City of Yuba City direct the City Manager and Finance Director, within 30 days, to transfer the total amount of Homekey funds on account at US Bank, including accrued interest, to Five Star Community Bank into an account opened by and solely in control by the City of Yuba City and its officers, including the City Council, City Manager and Director of Finance, consistent with HCD Policy and City Policy; and

B. The City Council of the City of Yuba City stipulates the transfer of funds to Five Star Community Bank is contingent upon Habitat for Humanity successfully securing gap funding for the Merriment Village Apartment project with Five Star Community Bank

### **Future Agenda Items**

#### **11. Future Agenda Items**

### **Reports and Communications**

The following reports and communication items are provided for the Council's information. No action can be taken on items under this section unless the Council agrees to include it on a subsequent agenda

#### **12. City Manager's Report**

#### **13. City Council Reports**

### **Adjournment**



# 2025 Sikh Parade Status Update

Presentation by:

Chief Jim Runyen  
Yuba City Police Department

## CITY OF YUBA CITY

### Public Communication

Members of the public may address the City Council on items of interest that are within the City's jurisdiction. Individuals addressing general comments are encouraged to limit their statements.

#### **Procedure**

You are welcome and encouraged to participate in this meeting. Complete a Speaker Card located in the lobby and give to the Clerk, public comment is taken on action items appearing on the Consent Calendar or Business Items on the Agenda when they are called. Public comment on any other items within the scope of the City's jurisdiction, including items not listed on the Agenda, will be considered at this time.

When a matter is announced, wait to be recognized by the Mayor to provide your comments to the Council. Comments should begin by providing your name and place of residence. A three minute limit is requested when addressing Council.

#### **Request for additional time to address Council**

Members of the public submitting written requests at least 24 hours prior to the meeting will be allotted 5 minutes to comment per speaker. Repetitive comments may be limited, and large groups are encouraged to select representatives to express the opinions of the group.

#### **Procedure**

When requesting to comment, please indicate your name and the topic and mail to:

City of Yuba City  
Attn: City Clerk  
1201 Civic Center Blvd  
Yuba City CA 95993

Or email to:  
Ciara Wakefield, City Clerk  
[cityclerk@yubacity.net](mailto:cityclerk@yubacity.net)

CITY OF YUBA CITY  
STAFF REPORT

**Date:** September 16, 2025  
**To:** Honorable Mayor & Members of the City Council;  
**From:** Administration Department  
**Presentation By:** Kristi Morales , Administrative Analyst

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**Summary**

**Subject:** Minutes of the September 2, 2025 Regular Meeting of the City Council  
**Recommendation:** Approve the Minutes of the September 2, 2025 Regular Meeting of the City Council  
**Fiscal Impact:** None

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**Attachments:**

1. 09-02-2025 Regular Meeting Minutes DRAFT

Prepared By:  
Kristi Morales  
Administrative Analyst

Submitted By:  
Robert Bendorf  
Interim City Manager

# ATTACHMENT 1



**MINUTES (DRAFT)**  
**REGULAR MEETING**  
**CITY COUNCIL - CITY OF YUBA CITY**  
**SEPTEMBER 2, 2025**  
**5:30 P.M. CLOSED SESSION**  
**SUTTER ROOM/VIRTUAL**  
**6:00 P.M. REGULAR MEETING**  
**COUNCIL CHAMBERS/VIRTUAL**

**Closed Session**

**Call to Order**

The Closed Session Meeting of the City Council was called to order by Vice-Mayor Boomgaarden at 5:33 PM

**Roll Call**

Present: Councilmembers Cole, Kirchner, Pasquale, and Vice-Mayor Boomgaarden

Absent: Mayor Shaw

**Closed Session**

- A. Liability Claim:  
Claimant: **Jose Esquivel, Claim No. 25-23**  
Agency claimed against: City of Yuba City
- B. Liability Claim:  
Claimant: **Joseph Griesa, Claim No. 25-24**  
Agency claimed against: City of Yuba City
- C. Liability Claim:  
Claimant: **John Brandstetter and Family, Claim 25-25**  
Agency Claimed Against: City of Yuba City

No public comment received

The City Council moved into the Sutter Room for the Special Closed Session Meeting

**Regular Meeting**

**Call to Order**

The Regular Meeting of the City Council was called to order by Vice-Mayor Boomgaarden at 6:00PM

**Roll Call:**

Present: Councilmembers Cole, Kirchner, Pasquale, and Vice-Mayor Boomgaarden

Absent: Mayor Shaw

### **Invocation/Inspiration**

Pastor Greg Mansuer - Adventure Church of Yuba City

### **Pledge of Allegiance to the Flag**

Councilmember Cole

### **City Attorney's Report on Closed Session Items**

Shannon Chaffin, City Attorney (Remote):

- A. Esquivel (Claim 25-23) City Council authorized approval of the claim
- B. Griesa (Claim 25-24) City Council authorized denial of the claim
- C. Brandstetter (Claim 25-25) City Council authorized denial of the claim

### **Agenda Modifications**

None

### **Public Communication**

#### **1. Appearance of Interested Citizens**

No public comment

### **Consent Calendar**

Councilmember Pasquale moved and Councilmember Kirchner seconded the motion to approve Consent Calendar items 2-11:

#### **2. Minutes of the August 19, 2025 Regular Meeting of the City Council; Minutes of the August 19, 2025 Special Closed Session Meeting of the City Council**

Approve the Minutes of the August 19, 2025 Regular Meeting of the City Council, and the Minutes of the August 19, 2025 Special Closed Session Meeting of the City Council

#### **3. Proposed Amendment to AB 481 Military Equipment Use Policy**

A. Adopt **Resolution 25-103** Approving an amendment to the AB 481 Military Equipment Use Policy to remove one (1) DJI Matrice 350 RTK Unmanned Aircraft System (UAS) and replace it with two (2) Autel Evo Max 4T UAS devices

B. Approve the use of COPS Grant funding previously allocated by the City Council for the DJI Matrice 350 RTK to instead be used for the purchase of two (2) Autel Evo Max 4T UAS devices

#### **4. Citywide Network Switch Upgrade**

Adopt **Resolution 25-104** awarding the purchase to ePlus Technology, Inc. for the procurement of HPE/Aruba network switches and Wi-Fi access points in the amount of \$211,593 utilizing the NCPA contract #01-170 with the finding that it is in the best interest of the City

**5. Lighting & Landscape Maintenance District No. 2 Zone A Budget Allocation**

Adopt **Resolution 25-105** authorizing the Finance Director to appropriate \$26,840 from available reserves to Lighting and Landscape No. 2, Zone A (Fund 242), Account No. 6130-63684 (Spec O&M Landscape)

**6. City Welcome Signs Final Design, Fabrication, and Installation (Contingency Increase)**

Adopt **Resolution 25-106** authorizing an increase in the contingency of \$31,949.82 with a finding that it is in the best interest of the City

**7. 2024-2025 Grand Jury Report Response**

Approve the response to the 2024-2025 Sutter County Grand Jury Final Report regarding school zone safety

**8. Chima Ranch Subdivision (Annexation #9 of property in CFD 2021-1)**

Adopt **Resolution 25-107** annexing a certain area, Chima Ranch Subdivision, within the City Limits into an existing Community Facilities District (CFD No. 2021-1) to fund municipal services, and filing said Resolution, along with the Ninth Amendment to the Notice of Special Tax Lien, in the office of County Recorder of the County of Sutter

**9. West Sanborn Unit 2 Subdivision (Annexation #10 of property in CFD 2021-1)**

Adopt **Resolution 25-108** annexing a certain area, West Sanborn Unit 2 Subdivision, within the City Limits into an existing Community Facilities District (CFD No. 2021-1) to fund municipal services, and filing said Resolution, along with the Tenth Amendment to the Notice of Special Tax Lien, in the office of County Recorder of the County of Sutter

**10. Zoning Code Amendment (ZC) 25-01, Rezoning 25-02; Plumas Street Overlay District**

Adopt **Ordinance 009-25** of the City Council of the City of Yuba City finding that Zoning Code Amendment ZC 25-01 and Rezoning 25-02 is not subject to environmental review and approving Zoning Code 25-01 and Rezoning 25-02, revising Title 8, Chapter 5, Article 38 of the Municipal Code to provide for Overlay Districts, adoption of an X28 District establishing the Downtown Plumas Street Overlay District, to prohibit new tobacco and vape retailers as well as retail stores authorized to sell beer, wine, and distilled spirits for consumption off premise consistent with a California Department of Alcoholic Beverage Control Type 20 or 21 License but excluding a wine tasting business where customers can sample wines that may be paired with food and have the ability to purchase sampled wines, and rezoning certain properties among Plumas Street, Forbes Avenue, Scoot Street and Center Street from Community Commercial District (C-2)

Specific Plan to C-2-X28-SP, and waive the second reading

**11. Utilities Department Recruitment Request – WWTF Operator III**

Authorize the Interim Human Resources Director to conduct an open recruitment for a full-time permanent Wastewater Treatment Facility Operator III to fill a vacancy in the Utilities Department

The motion was passed with 4 votes [Mayor Shaw absent]

**Business Items**

**12. Downtown Business Assessments**

Vice Mayor Boomgaarden opened a Public Hearing

No public comment

Vice Mayor Boomgaarden closed the Public Hearing

Councilmember Cole moved and Councilmember Pasquale seconded the motion to:

Adopt **Resolution 25-109** for the inclusion of unpaid Downtown Business Assessments on the secured tax roll in the same manner as the general taxes and directing that a lien also be placed on the subject properties

The motion was passed with 4 votes [Mayor Shaw absent]

**13. Community Sponsorship Request - Casa de Esperanza**

Councilmember Kirchner moved and Councilmember Pasquale seconded the motion to:

Adopt **Resolution 25-110** to approve a monetary sponsorship request from Casa de Esperanza

The motion was passed with 4 votes [Mayor Shaw absent]

**Future Agenda Items**

**14. Future Agenda Items**

No suggestions were made

**Reports and Communications**

**15. City Manager's Report**

**16. City Council Reports**

- Councilmember Cole
- Councilmember Kirchner
- Councilmember Pasquale

- Vice-Mayor Boomgaarden

**Adjournment**

Vice-Mayor Boomgaarden adjourned the Regular Meeting of the City Council at 6:31 PM.

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Marc Boomgaarden, Vice-Mayor

ATTEST:

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Kristi Morales, Deputy City Clerk

CITY OF YUBA CITY  
STAFF REPORT

**Date:** September 16, 2025  
**To:** Honorable Mayor & Members of the City Council;  
**From:** Public Works  
**Presentation By:** Joshua Wolffe, Public Works Director

**Summary**

**Subject:** Chima Ranch – Subdivision Agreement and Final Map Approval  
**Recommendation:** Adopt a Resolution approving the execution of a Subdivision Agreement with LGI Homes – California, LLC, a California Limited Liability Company providing for public improvements associated with the Chima Ranch Subdivision Map, approving the Chima Ranch Final Map, accepting dedication of rights-of-way and easements shown thereon, and authorizing the filing of the map [Subdivision is located on the west side of Sanborn Road immediately west of the intersection of Pebble Beach Drive and Sanborn Road]  
**Fiscal Impact:** Costs and reimbursements in accordance with proposed Subdivision Agreement

**Purpose:**

To approve the necessary agreement and final subdivision map that specify the terms for the Chima Ranch development.

**Council’s Strategic Goal:**

This supports multiple Council strategic goals as the development provides for public safety and new infrastructure in a fiscally responsible and business friendly manner.

**Background:**

On December 14, 2022, the Planning Commission approved Tentative Map SM 22-07, Chima Ranch, to subdivide 14.98 acres into 82 single family residential parcels, including 2 multi-family parcels, located on the west side of Sanborn Road immediately west of the intersection of Pebble Beach Drive and Sanborn Road (Attachment 2). The proposed lot sizes range from 5,150 square feet to 12,234 square feet.

Since Planning Commission approval, the developer and its representatives have been coordinating with City staff to develop the necessary improvement plans and determine the terms of the Subdivision Agreement in accordance with the conditions of approval for the development

and City policy.

### **Analysis:**

The procedure for approval of a Final Map is outlined in Title 8, Chapter 2, Article 8 of the Municipal Code. The process is summarized as follows:

- Tentative Map – The applicant submits a tentative map to the Development Services Department, which is then routed to all City Departments and other agencies for review, comment, and establishment of the Conditions of Approval. Upon preparation of the Conditions of Approval and the environmental document, the map is taken to the Planning Commission for approval. The tentative map for the subject project was approved by the Planning Commission on December 14, 2022.
- Final Map – Upon approval of the tentative map, the applicant submits a Final Map package which includes the Final Map and public improvement plans. If the applicant chooses to file the map prior to the construction of the public improvements, the City requires the execution of a Subdivision Agreement guaranteeing that the improvements will be constructed through the collection of security, such as bonds or a letter of credit.
- Council Approval – Once it is determined that the Final Map is correct and the Conditions of Approval have been met, the map is taken to the City Council for consideration and approval.
- Recordation of the Final Map – Upon Council approval, the City Clerk certifies the action on the map and it is submitted to the Sutter County Recorder for recordation.

In order to proceed with the development, the property owner is to enter into a Subdivision Agreement (Agreement) with the City to ensure the construction of the required public improvements. The Agreement specifies the obligations of the property owner regarding the fees, dedications, and improvements that are required as a condition of the subdivision, and guarantees that the required public improvements will be constructed.

With the recordation of the Final Map, the determined right-of-way and utility easements will be dedicated to the City. Road dedications include Brianna Way, Karinna Court, Saila Way, Kiko Drive, a portion of Pebble Beach Drive, and a portion of Sanborn Road.

### **Fiscal Impact:**

Costs and reimbursements for the public improvements are specified through the proposed Agreement. Exhibit B of the Agreement identifies the fees owed by the Developer to the City at the time of execution of the Agreement. Those fees include plan check, inspection, water extension fees, and water hot tap fees, totaling \$277,758.90. A portion of the fees have already been paid on Building Permit BLD23-02379.

### **Alternatives:**

Delay or modify the recommended actions of approving a Subdivision Agreement or Final Map for Chima Ranch.

**Recommendation:**

Adopt a Resolution approving the execution of a Subdivision Agreement with LGI Homes – California, LLC, a California Limited Liability Company, providing for public improvements associated with the Chima Ranch Subdivision Map, approving the Chima Ranch Final Map, accepting dedication of rights-of-way and easements shown thereon, and authorizing the filing of the map. [Subdivision is located on the west side of Sanborn Road immediately west of the intersection of Pebble Beach Drive and Sanborn Road.]

**Attachments:**

1. Resolution approving Subdivision Agreement, Final Map, Dedication Public Right-of-Way and Easements, and Authorizing the filing of the map
2. Exhibits A and B for Attachment 1
3. Location Map

Prepared By:  
Kevin Bradford  
Deputy P.W. Director – Engineering

Submitted By:  
Robert Bendorf  
Interim City Manager



# ATTACHMENT 1

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY  
APPROVING A SUBDIVISION AGREEMENT WITH LGI HOMES – CALIFORNIA, LLC, A  
CALIFORNIA LIMITED LIABILITY COMPANY, FOR THE CHIMA RANCH SUBDIVISION,  
APPROVING THE CHIMA RANCH SUBDIVISION FINAL MAP SUBDIVIDING LAND INTO 82  
PARCELS TO CONSTRUCT SINGLE-FAMILY RESIDENTIAL BUILDINGS, ACCEPTING  
FOR DEDICATION THE PUBLIC RIGHT-OF-WAY AND UTILITY EASEMENTS SHOWN  
THEREON, AND AUTHORIZING THE FILING OF THE MAP.**

WHEREAS, LGI Homes – California, LLC, a California Limited Liability Company (“subdivider”) owns certain property as identified on Exhibit “B” and has offered for approval a Final Map designated as “Chima Ranch” (“final map”), pursuant to approved Tentative Map for Chima Ranch Subdivision (“tentative map”); and

WHEREAS, the subdivision lies within the boundaries of the City of Yuba City; and

WHEREAS, the Planning Commission of the City of Yuba City, by formal resolution, approved said tentative map; and

WHEREAS, the City Engineer has subsequently reviewed the final map and has determined that the conditions of approval associated with the final map have been satisfied, that the final map is in substantial conformance with the tentative map, and that the final map is ready for City Council approval; and

WHEREAS, all the certificates which appear on the final map (except the approval certificate of the Council of the City of Yuba City and the recording certificate of the Recorder of the County of Sutter) have been signed and acknowledged and said final map has been filed for approval; and

WHEREAS, the final map conforms to all of the requirements of the Subdivision Map Act of the State of California, and City ordinances, resolutions and standards, except that Section 66492 and 66493 of the Subdivision Map Act may not be fully complied with at the time of passage of this resolution and owner having previously filed with the Clerk of the Board of Supervisors of Sutter County a Tax Compliance Certificate Request along with copies of the final map considered herewith by the Council; and,

WHEREAS, the proposed subdivision, together with the provisions for its design and improvement, is consistent with all applicable general and specific plans of the City; and,

WHEREAS, the owner, whose signature(s) appear on the final map, and others have offered for dedication certain streets, public utility easements, access rights and other public properties and uses as shown and delineated upon said final map; and

WHEREAS, required public improvements have not been completed by the subdivider as of the filing of the final map, and all required public improvements shall be required to be completed in accordance with a Subdivision Improvement Agreement approved by and between the City and the Subdivider; and

WHEREAS, the City Council now desires to approve the Subdivision Agreement with Subdivider, approve the final map, accept all dedications thereunder, and authorizes the filing of

the map.

NOW, THEREFORE, the City Council of the City of Yuba City does resolve as follows:

1. Subdivision Agreement: The City Council approves the Subdivision Agreement with LGI Homes – California, LLC, a California Limited Liability Company, attached hereto as Exhibit “A,” and authorizes the City Manager or designee to execute the same on behalf of the City of Yuba City.

2. Findings for Final Map: The City Council finds that:

- a. The final map is in substantial compliance with the tentative map, any deviations therefrom being deemed to be approved by the Council.
- b. The requisite conditions associated with the tentative map have been satisfied, subject to the terms of the Subdivision Agreement approved concurrently herewith.
- c. The final map is in conformance with the General Plan and any applicable specific plan(s).
- d. The final map conforms to all applicable requirements of the Subdivision Map Act of the State of California.

3. Approval of Final Map and Acceptance of Dedications: The City Council approves the final map attached hereto as Exhibit “B”, subject to the terms of the Subdivision Agreement approved concurrently herewith, and subject to complete compliance with Sections 66492 and 66493 of the Subdivision Map Act prior to release of the final map for recordation. The City Council accepts any and all of the streets, public utility easements, public utility facilities, access rights and all parcels of land and easements offered for dedication on the final map, unless it is stated on the final map that said dedications are subject to City acceptance of subdivider-installed improvements, in which case acceptance shall be subject to improvement in accordance with Section 66477.1 of the California Government Code. In addition, the City Council authorizes the filing of the map.

4. This Resolution is not effective until Subdivider submits Payment and Performance Bonds for approval as to legal form by the City Attorney prior to recordation of the Final Map and Subdivision Improvement Agreement.

The foregoing Resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 16<sup>th</sup> day of September, 2025.

AYES:

NOES:

ABSENT:

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Dave Shaw, Mayor

ATTEST:

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Ciara Wakefield, City Clerk

APPROVED AS TO FORM  
COUNSEL FOR YUBA CITY:

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Shannon Chaffin, City Attorney  
Aleshire & Wynder, LLP

Exhibit "A" – Subdivision Agreement

Exhibit "B" – Final Map (Chima Ranch Subdivision, City of Yuba City)

# EXHIBIT “A”

Subdivision Agreement  
Final Map of Chima Ranch  
Subdivision  
Page 1

WHEN RECORDED MAIL TO:

City Clerk  
City of Yuba City  
1201 Civic Center Boulevard  
Yuba City, CA 95993

NO FEE-Government Code §6103

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Public Works Department  
City of Yuba City  
1201 Civic Center Boulevard  
Yuba City, CA 95993

**SUBDIVISION AGREEMENT**  
**FINAL MAP OF CHIMA RANCH SUBDIVISION**  
(Regarding Tentative Map No. 22-07, Chima Ranch Subdivision)

THIS AGREEMENT is made this \_\_\_\_\_ day of \_\_\_\_\_ 2025, by and between the **City of Yuba City**, a general law city, hereinafter referred to as "City," and **LGI Homes – California, LLC, a California Limited Liability Company**, hereinafter referred to as "Subdivider" without regard for number or gender, and is effective the date first appearing on the Clerk's Attestation and signature for the City of Yuba City.

#### RECITALS

A. Subdivider has filed with City a Final Map proposing the subdivision of land owned by Subdivider, situated in the City of Yuba City, County of Sutter, State of California, hereinafter referred to as the "Subject Property", dividing the real property more particularly described as follows:

Lots 1 through 82, inclusive, of the Final Map of Chima Ranch Subdivision according to the map thereof recorded on \_\_\_\_\_, 20\_\_\_\_ in Book \_\_\_\_\_ of Surveys at Page(s) \_\_\_\_\_, Sutter County Records.

B. City requires as a condition precedent to the acceptance and approval of the Final Map the dedication of such streets, highways and public places and easements as are delineated and shown on the Final Map, and deems the same as necessary for the public use, and also requires any and all streets delineated and shown on the Final Map shall be improved by the construction and the installation of the improvements hereinafter specified.

C. Section 8-2.809 of the Yuba City Municipal Code ("City Code") requires Subdivider to enter into this Agreement with City whereby Subdivider agrees to do, perform and complete the work and matters required as Conditions of Approval for Tentative Map No. 22-07 dated December 14, 2022 issued by City and any amendments thereto, hereinafter referred to as "Conditions of Approval", within the time hereinafter specified.

D. Subdivider desires to construct the improvements and develop the Subject Property.

E. Subdivider hereby warrants that any and all parties having record title interest in the Final Map which may ripen into a fee have subordinated to this instrument and all such instruments of subordination, if any, are attached hereto and made a part of this instrument.

#### AGREEMENT

In consideration of the acceptance of the offers of dedication of the streets, highways, public ways, easements and facilities as shown and delineated on the Final Map, and in

consideration of finding of substantial compliance with said Tentative Map, it is mutually agreed and understood by and between Subdivider and City, and Subdivider and City do hereby mutually agree as follows:

1. The Subject Property is subject to the following:
  - a. Time for Performance. The work and improvements required by the Conditions of Approval shall be performed on or before **24 months** of the effective date of this Agreement, except as otherwise specifically set forth in this Agreement. If Subdivider fails to complete such work within such period, City may (but is not required to) complete the same and recover the full cost and expense thereof from Subdivider.
  - b. Conditions of Approval. The Subject Property shall comply with all Conditions of Approval required by Planning Commission Resolution No. PC 22-12, dated December 14, 2022 attached as Exhibit A and incorporated by reference.
  - c. Unforeseen Delays and Extension Process. When a delay occurs due to unforeseen causes beyond the control and without the fault or negligence of Subdivider, the time of completion may be extended for a period justified by the effect of such delay on the completion of the work. As a prerequisite for obtaining an extension, Subdivider must file a written request for a time extension with the City's Public Works Director within 24 months of the effective date of this Agreement. The written request should set forth the facts and unforeseen causes giving rise to the delay, and must be accompanied by an updated Cost Estimate approved by the City Engineer. Subdivider must also pay an extension fee, if any, established by the most recent City Fee Schedule ("Fee Schedule") based upon the higher of the initial or revised estimated total improvement cost for the Final Map. The Public Works Director, in said Director's sole and exclusive discretion, may grant an extension of time for completion of improvements by Subdivider. The Public Works Director may also re-assess Performance Security, Payment Security and any other improvement security to increase the amount based upon the updated Cost Estimate and pursuant to the types and percentage amounts set forth in Paragraph 5 of this Agreement. The Public Works Director shall give Subdivider written notice of the Director's determination in writing, including any additional Performance Security, Payment Security or other improvement security amounts. The Director's determination shall be final and conclusive. No extension of this Agreement shall be valid unless Subdivider shall provide City any additional improvement security within 20 business days after written notice of



the Director's determination. If no extension of time is granted, City shall refund the extension fee, less the cost of any staff time for processing the application, paid by Subdivider at the time of submittal of the request for extension.

2. Scope of Improvements. Subdivider agrees to construct and install, at Subdivider's sole cost and expense, all of the streets, sidewalks, curbs, gutters, storm drainage facilities, water distribution facilities, sewer collection facilities, street lighting facilities, fire hydrants, landscaping and irrigation, and all other work and improvements depicted or required on the Improvement Plans for the Construction on Chima Ranch Subdivision (City Drawing No. 5573-D), as approved by the City Engineer, and any approved amendments thereto, any Conditions of Approval required by Planning Commission Resolution No. PC 22-12, dated December 14, 2022, and in compliance with Chapter 2 of Title 8 of the City Municipal Code and the Subdivision Map Act (hereinafter collectively referred to as "Improvements"), which are incorporated by reference and made a part of this Agreement. Improvements shall be done in accordance with the construction standards contained in the most current edition of the City Standard Specifications and Details and, to the extent not addressed therein, in accordance with the State of California Department of Transportation Standard Plans and Specifications as amended by special provisions approved by the City Engineer.

3. Impact and other Fees. Subdivider shall pay to City the total fees and charges due as a condition of Final Map approval, including those required by City Code Section 8-2.803 and 8-2.1515, and Chapter 10 of Title 8 of the City Code, as they may be amended. The total fees and charges are more particularly itemized and made a part of this Agreement in the attached Exhibit B, which is incorporated by reference.

4. Estimated Reimbursements for Certain Improvements. City shall pay to Subdivider those amounts, if any, shown in Exhibit C, which is incorporated by reference, at such time and only at such time as City has accepted those Improvements. Exhibit C represents City's participation and contribution to the Improvements which City recognizes will ultimately inure to the overall benefit of City, both in connection with the subject development and in connection with future developments. In connection with the amounts set forth in Exhibit C, City has made its best faith efforts at predicting the amounts to be credited as reimbursements for Improvements that will benefit other properties as contemplated by City Code Section 8-2.1501. The parties acknowledge since the subject Improvements have not been completed at the time of execution of this Agreement, the actual cost of construction is not yet known. Some degree of reasonable estimation

is incorporated into the calculations, including the amount of fee credits, if any. Subdivider agrees these figures represent City's best estimates only and they are subject to fluctuation following calculation of actual construction costs after improvement completion and acceptance. Calculations of costs are also based on information submitted by Subdivider to City. Payment of fees and any reimbursements shall be made at the rates and amounts established by the City Code, including pertinent provisions contained in City's Fee Schedule.

5. Fee Credit Adjustments. With regard to fee credits including those referenced above and herein, Subdivider may receive designated fee credits from City as offsets toward a development impact fee for construction of certain required infrastructure improvements either as a part of this Agreement or at some future date. With regard to the amounts to be credited as referenced above, Subdivider acknowledges and agrees any such fee credits are provided contingent upon City accepting required infrastructure improvements completely installed by Subdivider. Until then, and notwithstanding any other provision, Subdivider expressly agrees Subdivider has no right to any portion of any fee credit and the Public Works Director for City, in the Director's sole discretion, may unilaterally amend this Agreement effective upon mailed notice to Subdivider to adjust (including adding, reducing or removing) credits at any time prior to acceptance of all required infrastructure improvements by City. Upon adjustment, Subdivider shall pay in full any development impact fees, due from modification of the fee credit, prior to approval of the subdivision map or as may be deferred by a fee deferral covenant. If the subdivision map has already been approved, all such fees shall be promptly paid by Subdivider. City may enforce recovery of such fees in any manner available at law or in equity, including but not limited to private foreclosure and sale of the property in the manner provided in Section 2924 of the California Civil Code or successor statute.

6. Inspections. City shall inspect all Improvements. All Improvements and materials shall be done, performed and installed in strict accordance with the approved construction plans for said work on file with the City Engineer and the Public Works Standards, which said construction plans and Public Works Standards are hereby referred to and adopted and made a part of this Agreement. In the event there are not any Public Works Standards for any of said Improvements, it is agreed that the same shall be done and performed in accordance with the standards and specifications of the State of California, Division of Highways. All of said Improvements and materials shall be done, performed and installed under the inspection of and to

the satisfaction of the City Engineer.

7. Security. Prior to the approval by the City Council of the Final Map, Subdivider shall furnish to City the following improvement securities set forth in this paragraph. Improvement security shall be of the type as provided for in Government Code §66499 subject to review by the City Attorney and approval of the City Council. Bonds shall be by one or more duly authorized corporate sureties licensed to do business in California subject to the approval of City and on forms furnished or approved by City and Certificates of Deposit must be in a form acceptable to the City Attorney.

a. Performance Security. The total amount shall equal 100% of the final Engineer's Estimate of Probable Cost of Remaining Items of Work, as approved by the City Engineer, to be conditioned upon the faithful performance of this Agreement. Performance Security shall be in the amount of \$1,601,061.50 and in the form of a bond naming the City of Yuba City as obligee, or a certificate of deposit made payable only to the City of Yuba City, or cash.

b. Payment Security. The total amount shall equal 100% of the final Engineer's Estimate of Probable Cost of Remaining Items of Work, except if such securities is in the form of a cash deposit or deposit or instrument of credit, the amount shall be equal to 50% of the total estimated cost of the improvements, as approved by the City Engineer, to secure payment to all contractors and subcontractors performing work on said improvements and all persons furnishing labor, materials or equipment to them for said improvements. Payment Security shall be in the amount of \$1,601,061.50 and in the form of a bond naming the City of Yuba City as obligee, or in the amount of \$800,530.75 in the form of a certificate of deposit made payable only to the City of Yuba City, or cash.

8. Damage Prior to Final Acceptance. Any damage to the work or Improvements constructed pursuant to this Agreement occurring after installation shall be made good to the satisfaction of the City Engineer by Subdivider before any securities are released or the final acceptance of the completed work.

9. Remedy of Defects. Subdivider shall remedy any defective work, labor or materials related to the Improvements, and shall pay City for any damage to the Improvements resulting therefrom, which occur within a period of one year from the date of acceptance of the Improvements by City.

10. Warranty Security. To ensure Subdivider complies with its obligations set forth in paragraph 7, on acceptance of the required work by the City Engineer, a maintenance bond serving as warranty security shall be furnished to the City in the minimum amount of \$395,424.50 which represents ten (10) percent of the total Engineer's Estimate of Probable Cost, including portions of improvements already completed. The warranty security shall serve as a guarantee and warranty of the work for a period of one year following acceptance against any defective work, labor or materials. The warranty security shall be released, less any amount required to be used for fulfillment of the warranty, one year after final acceptance of the subdivision Improvements.

11. No Right of Trespass. This Agreement shall in no way be construed as a grant by City of any rights to Subdivider to trespass upon land rightfully in the possession of, or owned by, another, whether such land be privately or publicly owned.

12. Indemnification. Subdivider shall be obligated as follows:

a. To the furthest extent allowed by law, Subdivider shall indemnify, hold harmless and defend City and each of its officers, officials, employees, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage) incurred by City, Subdivider or any other person, and from any and all claims, demands and actions in law or equity (including attorney's fees, litigation and legal expenses incurred by City or held to be the liability of City, including plaintiff's or petitioner's attorney's fees if awarded, in connection with City's defense of its actions in any proceeding), arising or alleged to have arisen directly or indirectly out of performance or in any way connected with: (i) the making of this Agreement; (ii) the performance of this Agreement; (iii) the performance or installation of the work or Improvements by Subdivider and Subdivider's employees, officers, agents, contractors or subcontractors; (iv) the design, installation, operation, removal or maintenance of the work and Improvements; (v) Subdivider and Subdivider's employees, officers, agents, contractors or subcontractor's failure to provide prevailing wages as may be required by law; or (vi) City's granting, issuing or approving use of this Agreement.

b. Subdivider's obligations under the preceding sentence shall apply regardless whether City or any of its officers, officials, employees or agents are negligent, but shall not apply to any loss, liability, fines, penalties, forfeitures, costs or damages caused solely by the gross negligence, or caused by the willful misconduct, of City or any

of its officers, officials, employees, agents or volunteers.

c. If Subdivider should subcontract all or any portion of the work to be performed under this Agreement, Subdivider shall require each subcontractor to indemnify, hold harmless and defend City and each of its officers, officials, employees, agents and volunteers in accordance with the terms of paragraphs "a" and "b" of this Section. Notwithstanding the preceding sentence, any subcontractor who is a "design professional" as defined in Section 2782.8 of the California Civil Code shall, in lieu of indemnity requirements set forth in paragraphs "a" and "b" of this Section, be required to indemnify, hold harmless and defend City and each of its officers, officials, employees, agents and volunteers to the furthest extent allowed by law (including Section 2782.8 of the California Civil Code), from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage), and from any and all claims, demands and actions in law or equity (including reasonable attorney's fees and litigation expenses) that arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of the design professional, its principals, officers, employees, agents or volunteers in the performance of this Agreement.

d. Subdivider further agrees that the use for any purpose and by any person of any and all of the streets and works and Improvements hereinbefore specified, shall be at the sole and exclusive risk of Subdivider at all times prior to final acceptance by City of the completed street and other improvements thereon and therein. This Section shall survive termination or expiration of this Agreement.

13. Insurance. Throughout the life of this Agreement, Subdivider shall pay for and maintain in full force and effect all policies of insurance described in this Section with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A-VII" in Best's Insurance Rating Guide, or (ii) authorized by City's Risk Manager. The following policies of insurance are required:

a. **COMMERCIAL GENERAL LIABILITY** insurance, which shall be at least as broad as the most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01 and shall include insurance for bodily injury, property damage, and personal and advertising injury with coverage for premises and operations (including the use of owned and non-owned equipment), products and

completed operations, contractual liability (including indemnity obligations under this Agreement), with limits of liability of not less than \$1,000,000 per occurrence for bodily injury and property damage, \$1,000,000 per occurrence for personal and advertising injury and \$1,000,000 aggregate for products and completed operations, and \$1,000,000 general aggregate.

b. COMMERCIAL AUTOMOBILE LIABILITY insurance, which shall be at least as broad as the most current version of Insurance Services Office (ISO) Business Auto Coverage Form CA 00 01 and shall include coverage for all owned, hired, and non-owned automobiles or other licensed vehicles (Section 1, subsection A.1 entitled "Any Auto"), with combined single limits of liability of not less than \$1,000,000 per accident for bodily injury and property damage.

c. PROFESSIONAL LIABILITY (Errors and Omissions) insurance appropriate to the respective person's profession (applicable only to those subcontractors who are providing Professional Services to Subdivider), with limits of liability of not less than \$1,000,000 per claim/occurrence and \$1,000,000 policy aggregate.

d. WORKERS' COMPENSATION insurance as required under the California Labor Code.

e. EMPLOYERS' LIABILITY with minimum limits of liability of not less than \$1,000,000 each accident, \$1,000,000 disease policy limit and \$1,000,000 disease each employee.

Subdivider shall be responsible for payment of any deductibles contained in any insurance policies required hereunder and Subdivider shall also be responsible for payment of any self-insured retentions.

The above described policies of insurance shall be endorsed to provide an unrestricted 30 calendar day written notice in favor of City of policy cancellation of coverage, except for the Workers' Compensation policy which shall provide a 10 calendar day written notice of such cancellation of coverage. **In the event any policies are due to expire during the term of this Agreement, Subdivider shall provide a new certificate evidencing renewal of such policy(ies) not less than 15 calendar days prior to the expiration date of the expiring policy(ies).** Upon issuance by the insurer, broker, or agent of a notice of cancellation in coverage, Subdivider shall file with City a new certificate and all applicable endorsements for such policy(ies).

The General Liability and Automobile Liability insurance policies shall be written on an

occurrence form and shall name City, its officers, officials, agents, employees and volunteers as an additional insured. Such policy(ies) of insurance shall be endorsed so Subdivider's insurance shall be primary and no contribution shall be required of City. In the event claims-made forms are used for any Professional Liability coverage, either (i) the policy(ies) shall be endorsed to provide not less than a five (5) year discovery period, or (ii) the coverage shall be maintained for a minimum of five (5) years following the termination of this Agreement and the requirements of this Section relating to such coverage shall survive termination or expiration of this Agreement. Any Workers' Compensation insurance policy shall contain a waiver of subrogation as to City, its officers, officials, agents, employees and volunteers.

**Subdivider shall have furnished City with the certificate(s) and applicable endorsements for ALL required insurance prior to City's execution of the Agreement.** Subdivider shall furnish City with copies of the actual policies upon the request of City Attorney or the City Clerk at any time during the life of the Agreement or any extension, and this requirement shall survive termination or expiration of this Agreement.

The fact that insurance is obtained by Subdivider or his/her/its subcontractors shall not be deemed to release or diminish the liability of Subdivider or his/her/its subcontractors including without limitation, liability under the indemnity provisions of this Agreement. The duty to indemnify City, its officers, officials, agents, employees and volunteers, shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Subdivider or his/her/its subcontractors. Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of Subdivider, its principals, officers, agents, employees, persons under the supervision of Subdivider, vendors, suppliers, invitees, subcontractors, consultants or anyone employed directly or indirectly by any of them.

If at any time during the life of the Agreement or any extension, Subdivider fails to maintain the required insurance in full force and effect, the Director of Public Works for City, or his/her designee, may order that Subdivider, or its contractors or subcontractors, immediately discontinue any further work under this Agreement and take all necessary actions to secure the work site to insure that public health and safety is protected. All payments due or that become due to Subdivider shall be withheld until notice is received by City that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to City. Any failure to maintain the required insurance shall be sufficient cause for

City to terminate this Agreement.

If Subdivider should subcontract all or any portion of the services to be performed under this Agreement, Subdivider shall require each subcontractor to provide insurance protection in favor of City, its officers, officials, employees, volunteers and agents in accordance with the terms of each of the preceding paragraphs, except that the subcontractors' certificates and endorsements shall be on file with Subdivider and City prior to the commencement of any work by the subcontractor.

14. Payment for Materials and Supplies. Subdivider and Subdivider's subcontractors shall pay for any materials, provisions, and other supplies used in, upon, for, or about the performance of the Improvements contracted to be done, and for any work or labor thereon of any kind, and for amounts due under the Unemployment Insurance Act of the State of California, with respect to such work or labor and shall file with City pursuant to Section 3800 of the California Labor Code, as may be amended, a Certificate of Workers Compensation and shall maintain a valid policy of Workers Compensation Insurance for the duration of the period of construction.

15. Compaction and Materials Testing. Compaction and other materials testing performed for determination of compliance with the Public Works Standards shall at all times remain under the review of the City Engineer who may determine additional test procedures, and additional locations to be tested. All materials testing for improvement work within the public easements and rights-of-way shall be ordered and paid for by Subdivider.

16. Work by Subdivider. It shall be the responsibility of Subdivider to coordinate all work done by Subdivider's contractors and subcontractors, such as scheduling the sequence of operations and the determination of liability if one operation delays another. In no case shall representatives of City be placed in the position of making decisions that are the responsibility of Subdivider. It shall further be the responsibility of Subdivider to give the City Engineer written notice not less than two working days in advance of the actual date on which work is to be started. Failure on the part of Subdivider to notify the City Engineer may cause delay for which Subdivider shall be solely responsible.

17. Inspections. Whenever Subdivider varies the period during which work is carried on each day, Subdivider shall give due notice to the City Engineer so that proper inspection may be provided. If Subdivider fails to duly notify City as herein required, any work done in the absence of the City Engineer will be subject to rejection. Inspection of the Improvements by City shall not relieve Subdivider of any obligation to fulfill the Agreement as prescribed. Defective



work shall be made good, and unsuitable materials may be rejected, notwithstanding the fact that such defective work and unsuitable materials have been previously overlooked by the City Engineer or City Inspector and accepted.

18. Street Surfacing and Underground Facilities. Concrete curbs and gutters, the sanitary sewer system and house connections, together with water mains, gas mains, and their respective service connections, and all other facilities required to be installed underground shall be completed in the streets and alleys before installation of street and alley surfacing.

19. Compliance with Conditions of Approval; Easements. In addition to the Covenants affecting land development, if any, Subdivider shall comply with all Conditions of Approval set forth in the Conditions of Approval for Tentative Map No. 22-07 dated July 22, 2022 and Revised on September 12, 2022, and any amendments thereto, not already fully completed or performed as of the date of the approval of the Final Map and which are not otherwise set forth in this Agreement. Compliance shall include, but is not limited to, any condition to convey to a specific party a fee interest or easement in any parcels in the Subject Property upon Subdivider's completion of all required improvements to said parcels. Subdivider's compliance with such conditions shall be completed within a reasonable time as determined by City, in City's sole discretion, commencing upon the City Engineer sending written notice to Subdivider of the outstanding condition and time in which Subdivider is required to comply, and Subdivider shall timely comply.

20. Compliance with Law. In performing obligations set forth in this Agreement, Subdivider shall comply with all applicable laws, ordinances, codes, regulations, and rules of all local, state and federal governmental agencies having jurisdiction including, without limitation, applicable federal and state labor standards and environmental laws and regulations. It shall be the sole responsibility of Subdivider to determine whether to pay prevailing wages for any or all work required by this Agreement. As a material part of this Agreement, Subdivider agrees to assume all risk of liability arising from any decision not to pay prevailing wages for work required by this Agreement. Subdivider shall indemnify, defend, and hold harmless City and its officials and employees against any failure to comply with such laws, ordinances, codes, regulations, and rules. Subdivider shall comply with the codes or ordinances of City including the City Code and Building Codes.

21. Enforcement of Obligations. City may enforce this Agreement in any manner available at law or in equity, including, but not limited to, reversion to acreage.

22. Limitations of Legal Acts. Except as provided by the Section entitled “Attorney’s Fees and Legal Expenses,” in no event shall the City, or its officers, agents or employees, be liable in damages for any breach or violation of this Agreement, it being expressly understood and agreed Subdivider’s sole legal remedy for breach or violation of this Agreement by City shall be a legal action in mandamus, specific performance or other injunctive or declaratory relief to enforce the provisions of this Agreement.

23. Attorney’s Fees and Legal Expenses. If either party is required to commence any proceeding or legal action to enforce or interpret any term or condition of this Agreement, the prevailing party in such proceeding or action shall be entitled to recover from the other party its reasonable attorney’s fees and legal expenses. For the purposes of this Agreement, “attorneys’ fees” and “legal expenses” include, without limitation, paralegals’ fees and expenses, attorneys, consultants fees and expenses, expert witness fees and expenses, and all other expenses incurred by the prevailing party’s attorneys in the course of the representation of the prevailing party in anticipation of and/or during the course of litigation, whether or not otherwise recoverable as “attorneys’ fees” or as “costs” under California law, and the same may be sought and awarded in accordance with California procedure as pertaining to an award of contractual attorneys’ fees.

24. Obligation Running With Land. This Agreement shall burden the Subject Property described and constitute a covenant running with the land in favor of and for the benefit of City shall be binding upon the successors, transferees, and heirs of Subdivider. Subdivider consents to the recordation of this Agreement with the Sutter County Recorder.

25. Waiver. The waiver by either party of a breach by the other of any provision of this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of either the same or a different provision of this Agreement. No provisions of this Agreement may be waived unless in writing and signed by all parties to this Agreement. Waiver of any one provision herein shall not be deemed to be a waiver of any other provision herein.

26. Successor Statutes Incorporated. All references to a statute or ordinance shall incorporate any or all successor statute or ordinance enacted to govern the activity now governed by the statute or ordinance, noted herein to the extent, however, that incorporation of such successor statute or ordinance does not adversely affect the benefits and protections granted to Subdivider under this Agreement.

27. Incorporation of Attachments: All recitals and attachments to this Agreement, including all Exhibits referenced herein, and all subparts thereto, are incorporated herein by this

reference.

28. Time is of the Essence. Time is of the essence of this Agreement, and the same shall bind and inure to the benefit of the parties hereto, their successors and assigns.

29. No Assignment. No assignment of this Agreement or of any duty or obligation of performance hereunder shall be made in whole or in part by Subdivider without the written consent of City.

30. Captions. Section, paragraph and other captions or headings contained in this Agreement are inserted as a matter of convenience and for reference, and in no way define, limit, extend or otherwise describe the scope or intent of the Agreement or any provision hereof and shall not affect in any way the meaning or interpretation of this Agreement.

31. Ambiguities or Uncertainties. Any ambiguities or uncertainties herein shall be equally and fairly interpreted and construed without reference to the identity of the Party or Parties preparing this Agreement, on the express understanding and agreement the Parties participated equally in the negotiation and preparation of the Agreement, or have had equal opportunity to do so. Accordingly, the Parties hereby waive the benefit of California Civil Code §1654 and any successor or amended statute, providing that in cases of uncertainty, language of a contract should be interpreted most strongly against the Party who caused the uncertainty to exist.

32. Severable Provisions. The provisions of this Agreement are severable. The invalidity or unenforceability of any one provision in this Agreement shall not affect the validity or enforceability of the other provisions, which shall remain in full force and effect.

33. Release of Conditions. The conditions and obligations of this Agreement shall remain in full force and effect until such time as City's Director of the Department of Public Works issues a written release finding the conditions and obligations of this Agreement have been fully satisfied and are no longer required for public health and safety reasons and thereafter records such release with the Sutter County Recorder.

34. Venue. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction. Venue for purposes of the filing of any action regarding the enforcement or interpretation of this Agreement and any rights and duties hereunder shall be Sutter County, California.

35. Acknowledgement of Content. Each party acknowledges that they have read and fully understand the contents of this Agreement. This Agreement represents the entire and

integrated agreement between the parties with respect to the subject matter hereof and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be modified only by written instrument duly authorized and executed by both City and Subdivider.

\*\*\*\*

[Signatures on Next Page]

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement

**CITY OF YUBA CITY,**  
a General Law City

**SUBDIVIDER**

By: \_\_\_\_\_  
Robert Bendorf, Interim City Manager

LGI Homes – California, LLC, a  
California Limited Liability Company

ATTEST

By: \_\_\_\_\_  
Evan Licht  
Authorized Signatory

By: \_\_\_\_\_  
Ciara Wakefield, City Clerk

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

\*(Attach Notary Acknowledgments)

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Shannon L. Chaffin,  
City Attorney

Attachments:

- Exhibit A: Planning Commission Resolution No. PC 22-12 – Conditions of Approval
- Exhibit B: Impact Fees and Other Fees Due Payable by Subdivider
- Exhibit C: Fee Credits and Reimbursements Payable by City

**EXHIBIT A**

**PLANNING COMMISSION RESOLUTION NO. PC 22-12  
CONDITIONS OF APPROVAL**

is on file in  
the City of Yuba City's Development Services Department  
located at 1201 Civic Center Blvd.

## EXHIBIT B

### IMPACT FEES AND OTHER FEES PAYABLE BY SUBDIVIDER

In accordance with this Agreement, and also in accordance with applicable provisions of the Yuba City Municipal Code, it has been determined that Subdivider shall pay the following fees a minimum of ten (10) calendar days prior to the date of Council action on the Agreement, and prior to issuance of any building permits for the subject development.

|     |                                                                                                    |                            |
|-----|----------------------------------------------------------------------------------------------------|----------------------------|
| (1) | Public Improvement Plan Check and Inspection Fee (Fees to be paid on Building Permit BLD23-02379): |                            |
| (a) | 4% of the estimated total construction cost to \$2,000,000.00<br>\$2,000,000.00 x .04 =            | <u>\$80,000.00</u>         |
| (b) | 3% of the estimated total construction cost above \$2,000,000.00<br>\$1,835,280.00 x .03 =         | <u>\$55,058.40</u>         |
|     | <i>[Fees already paid on Building Permit BLD23-02379]</i>                                          | <u><i>\$142,700.50</i></u> |
|     | SUBTOTAL (A)                                                                                       | <u>\$135,058.40</u>        |
| (2) | Sewer Extension Fees                                                                               |                            |
|     | Developer constructing onsite sewer main.                                                          | <u>\$0.00</u>              |
| (3) | Sewer Connection Fees (per Section 6-5.504 Municipal Code)                                         |                            |
|     | Deferred until application for building permits are filed.                                         | <u>\$0.00</u>              |
| (4) | Water Extension Fees                                                                               |                            |
|     | Developer constructing onsite water main.                                                          | <u>\$0.00</u>              |
| (5) | Water Connection Fees (per Section 6-6.05 Municipal Code)                                          |                            |
|     | Deferred until application for building permits are filed.                                         | <u>\$0.00</u>              |
|     | SUBTOTAL (B)                                                                                       | <u>\$0.00</u>              |

TOTAL FEES PAYABLE BY SUBDIVIDER

SUBTOTAL (A) + SUBTOTAL (B) = \$135,058.40

**EXHIBIT C**  
**FEE CREDITS AND REIMBURSEMENTS PAYABLE BY CITY**

None



## EXHIBIT “B”



THE LOTS ON THIS MAP ARE SUBJECT TO:

1. ASSESSMENT FROM COMMUNITY FACILITIES DISTRICT (CFD) 2021-1, RESOLUTION NUMBER \_\_\_\_\_, RECORDED AS DOCUMENT NO. \_\_\_\_\_ ON \_\_\_\_\_.
2. ASSESSMENT FROM YUBA CITY LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT \_\_\_\_\_, RESOLUTION NUMBER \_\_\_\_\_, RECORDED AS DOCUMENT NO. \_\_\_\_\_ ON \_\_\_\_\_.
3. ANY STREET, DRAINAGE, PUBLIC UTILITY, OR OTHER EASEMENTS AFFECTING THE PROPERTY.
4. THE CITY OF YUBA CITY CONDITIONS OF APPROVAL FOR TENTATIVE SUBDIVISION MAP 22-06 APPROVED ON DECEMBER 14, 2022.
5. SUBJECT TO SUBDIVISION IMPROVEMENT AGREEMENT, RESOLUTION NUMBER \_\_\_\_\_, RECORDED AS DOCUMENT NO. \_\_\_\_\_ ON \_\_\_\_\_.

CERTIFICATE FOR FEE DEDICATION

- A.) OWNER'S NAME AND ADDRESS:  
LGI HOMES - CALIFORNIA, LLC  
1450 LAKE ROBBINS DRIVE, SUITE 430  
THE WOODLANDS, TX 77380
- B.) PROPERTY BEING DEDICATED:  
1. BEING ALL THAT REAL PROPERTY AS SHOWN IN OWNER'S OFFER OF DEDICATION.
- C.) THE CITY OF YUBA CITY SHALL RECONVEY THE ABOVE-DESCRIBED PROPERTY TO THE ABOVE-NAMED OWNER, OR SUCCESSOR IN INTEREST, IF THE CITY DETERMINES PURSUANT TO GOVERNMENT CODE SECTION 66477.5 THAT THE SAME PUBLIC PURPOSE FOR WHICH THE PROPERTY WAS DEDICATED DOES NOT EXIST, OR THE PROPERTY OR ANY PORTION THEREOF IS NOT NEEDED FOR PUBLIC UTILITIES.

OWNER'S STATEMENT

WE, THE UNDERSIGNED, LGI HOMES - CALIFORNIA, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, AS HOLDER OF RECORD TITLE INTERESTS, OF THE HEREIN SUBDIVIDED LANDS, HEREBY CONSENT TO THE PREPARATION AND RECORDATION OF THIS PLAT OF "CHIMA RANCH" AND OFFER FOR DEDICATION AND DO PARTICIPATE IN SAID OFFER OF DEDICATION AND DO HEREBY DEDICATE THE FOLLOWING:

1. 46.0' AND 54.0' STRIPS OF LAND IN FEE TITLE INDICATED ON SAID PLAT AND DESIGNATED AS BRIANNA WAY, KARINNA COURT, KIKO DRIVE, PEBBLE BEACH DRIVE AND SAILA WAY, AS WELL AS 32.0' AND 27.0' STRIPS OF LAND IN FEE TITLE INDICATED ON SAID PLAT AND DESIGNATED AS SANBORN ROAD.
2. EASEMENTS INDICATED AS 12.0' PUE (PUBLIC UTILITY EASEMENT) ON SAID PLAT FOR, BUT NOT LIMITED TO, ELECTRICAL, WATER, SEWER, GAS, STORM DRAINAGE, COMMUNICATIONS SERVICES, AND ALL APPURTENANCES THERETO. OWNER EXPRESSLY COVENANTS NOT TO UNREASONABLY RESTRICT, OBSTRUCT OR INTERFERE WITH SAID PUBLIC UTILITY EASEMENT OR THE USE THEREOF BY THE CITY, ITS AGENTS OR ANY FRANCHISEE
3. EASEMENTS INDICATED AS 20.5' PSE (PUBLIC SERVICE EASEMENT) ON SAID PLAT FOR, BUT NOT LIMITED TO, SIDEWALK PURPOSES, CENTRALIZED MAIL DELIVERY UNITS, STREET SIGNS, TRAFFIC SAFETY SIGNS, LANDSCAPING, CITY UTILITIES, UTILITY CROSSINGS, AND STREET LIGHTING

LGI HOMES - CALIFORNIA, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

BY: [Signature] VP OF DEVELOPMENT 9/5/25  
TITLE:

ACKNOWLEDGMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF California } ss  
COUNTY OF Yuba

ON September 5, 2025 BEFORE ME  
Roger K. Hanlin, NOTARY PUBLIC, PERSONALLY APPEARED

Keith Sprague  
WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND [Signature]  
SIGNATURE OF NOTARY

NOTARY'S NAME Roger K. Hanlin  
MY COMMISSION NUMBER 2405949  
MY COMMISSION EXPIRES June 20, 2026  
PRINCIPAL PLACE OF BUSINESS Yuba County (County)

PLANNER'S STATEMENT

THIS MAP HAS BEEN EXAMINED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2025, FOR CONFORMANCE WITH THE APPROVED TENTATIVE MAP AND THE CONDITIONS OF APPROVAL THEREOF AS APPROVED BY THE YUBA CITY PLANNING COMMISSION ON DECEMBER 14, 2022.

PLANNING DIVISION  
CITY OF YUBA CITY  
STATE OF CALIFORNIA

CITY CLERK CERTIFICATE

STATE OF CALIFORNIA } ss  
COUNTY OF SUTTER  
CITY OF YUBA CITY

I, CIARA WAKEFIELD, CLERK OF THE CITY OF YUBA CITY, STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE CITY COUNCIL OF THE CITY OF YUBA CITY HAS, BY RESOLUTION NO. \_\_\_\_\_ DULY AND REGULARLY PASSED BY SAID COUNCIL ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_, APPROVED THE WITHIN MAP OF "CHIMA RANCH" IN ACCORDANCE WITH THE CONDITIONAL APPROVAL OF THE TENTATIVE MAP, HERETOFORE FILED AS APPROVED, AND BY SAID RESOLUTION HAS ACCEPTED ON BEHALF OF THE PUBLIC ITEM(S) 1, 2, AND 3 SHOWN IN THE OWNER'S OFFER OF DEDICATION.

BY: \_\_\_\_\_  
CIARA WAKEFIELD DEPUTY CITY CLERK, CITY OF YUBA CITY  
CITY CLERK, CITY OF YUBA CITY

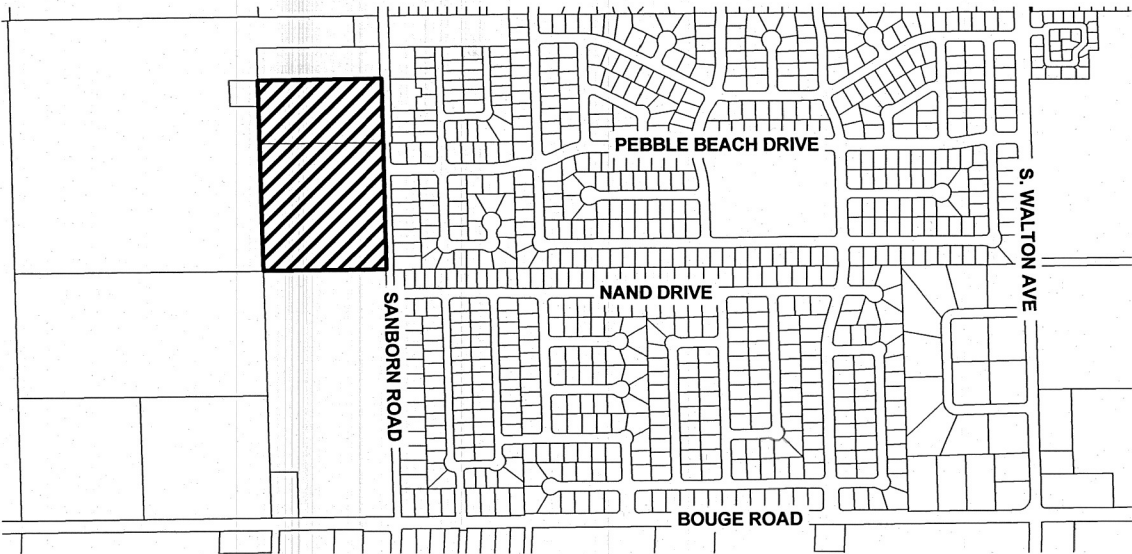
COUNTY TAX COLLECTOR'S STATEMENT

I, NICHOLAS F. VALENCIA, TAX COLLECTOR FOR THE COUNTY OF SUTTER, STATE OF CALIFORNIA, DO HEREBY CERTIFY PURSUANT TO GOVERNMENT CODE SEC. 66492 THAT THE RECORDS OF MY OFFICE SHOW THAT THERE ARE NO LIENS AGAINST THE LANDS SHOWN HEREON OR ANY PART THEREOF FOR UNPAID TAXES OR SPECIAL ASSESSMENTS. AS TO LIENS FOR TAXES NOT YET PAYABLE, I ESTIMATE THAT THERE ARE TAXES IN THE AMOUNT OF \$ 46,275.66 FOR 2025-2026, WHICH ARE A LIEN BUT NOT YET PAYABLE. I CERTIFY PURSUANT TO GOVERNMENT CODE SEC. 66493 THAT SECURITY HAS BEEN DEPOSITED WITH THE COUNTY CONDITIONED UPON THE PAYMENT OF SAID TAXES NOT YET PAYABLE.

ASSESSOR'S PARCEL NOS. 065-020-009-000 AND 065-020-010-000

DATE: September 8, 2025

Nicholas Valencia  
NICHOLAS F. VALENCIA, TREASURER AND TAX COLLECTOR  
COUNTY OF SUTTER, STATE OF CALIFORNIA



VICINITY MAP  
NOT TO SCALE

SURVEYOR'S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF LGI HOMES - CALIFORNIA, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, IN THE MONTH OF AUGUST, 2025. I HEREBY STATE THAT ALL THE MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED OR THAT THEY WILL BE SET IN THOSE POSITIONS BEFORE JANUARY 2026, AND THAT THE MONUMENTS ARE, OR WILL BE, SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED, AND THIS FINAL MAP SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE MAP.

[Signature] 9/4/25  
JOHN S. MALLEN  
P.L.S. 8457



CITY ENGINEER'S STATEMENT

I DO HEREBY CERTIFY THAT THIS MAP HAS BEEN EXAMINED BY ME AND THAT THE SUBDIVISION, AS SHOWN UPON SAID MAP IS SUBSTANTIALLY THE SAME AS SAID SUBDIVISION APPEARED ON THE APPROVED TENTATIVE MAP AND ANY APPROVED ALTERATIONS THEREOF, AND THAT ALL PROVISIONS OF THE SUBDIVISION MAP ACT OF THE STATE OF CALIFORNIA AND ANY LOCAL ORDINANCES APPLICABLE AT THE TIME OF APPROVAL OF THE TENTATIVE MAP HAVE BEEN COMPLIED WITH.

DATE: \_\_\_\_\_  
PRINT NAME: \_\_\_\_\_  
CITY ENGINEER, R.C.E. \_\_\_\_\_



CITY SURVEYOR'S STATEMENT

I, \_\_\_\_\_, CITY SURVEYOR OF THE CITY OF YUBA CITY, DO HEREBY STATE THAT I HAVE EXAMINED THIS MAP AND I AM SATISFIED THAT THIS MAP IS TECHNICALLY CORRECT.

DATE: \_\_\_\_\_  
PRINT NAME: \_\_\_\_\_  
CITY SURVEYOR, P.L.S. \_\_\_\_\_



RECORDER'S CERTIFICATE

FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2025, AT \_\_\_\_\_ M. IN BOOK \_\_\_\_\_ OF SURVEYS, AT PAGE \_\_\_\_\_ AT THE REQUEST OF MHM INC.

DONNA M. JOHNSTON SUTTER COUNTY RECORDER BY: \_\_\_\_\_ DEPUTY

FILE NO. \_\_\_\_\_ FEE PD. \_\_\_\_\_

CHIMA RANCH  
CITY OF YUBA CITY

BEING LOT 3 AND A PORTION OF LOT 2 AS SHOWN ON THAT MAP TITLED "MAP OF THE SE-1/4 OF SECTION 32, TOWNSHIP 15 NORTH, RANGE 3E., M.D.M., IN SUTTER CO., CAL., AS SUBDIVIDED INTO LOTS FOR JAMES LITTLEJOHN" FILED IN BOOK 1 OF SURVEYS, PAGE 40, SUTTER COUNTY RECORDS.

COUNTY OF SUTTER  
CALIFORNIA  
PREPARED BY: MHM INC. 1204 "E" STREET, MARYSVILLE, CA 95901 22205  
AUGUST 2025  
SHEET 1 OF 4



LEGEND

- WC WITNESS CORNER  
() EMBRACES RECORD DATA  
PUE PUBLIC UTILITY EASEMENT  
PSE PUBLIC SERVICE EASEMENT  
M MEASURED  
S.F. SQUARE FEET  
R/W RIGHT-OF-WAY  
(T) TOTAL  
(B.O.B.) BASIS OF BEARINGS  
■ FOUND MONUMENT AS SHOWN  
● SET 5/8" REBAR W / CAP LS 8457  
○ CALCULATED POINT - NOTHING FOUND OR SET  
△ FOUND STANDARD CENTERLINE MONUMENT  
▲ SET STANDARD CENTERLINE MONUMENT

SUBDIVIDED AREA = 14.98 ACRES

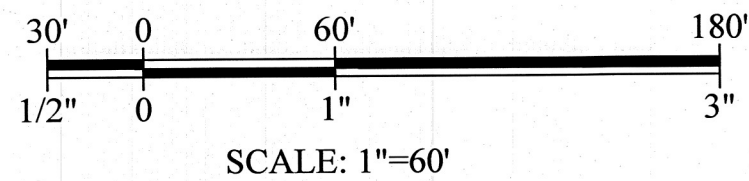
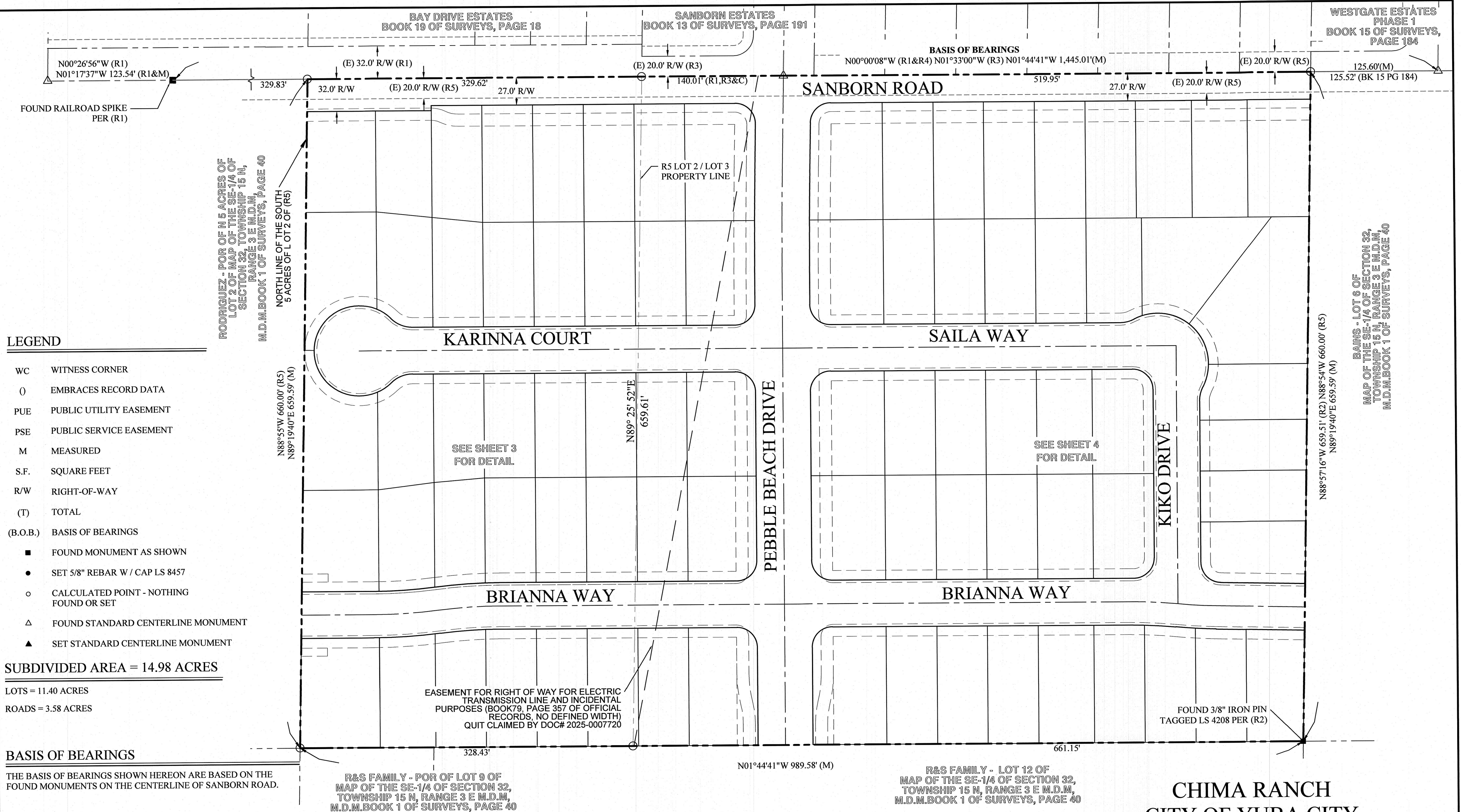
LOTS = 11.40 ACRES  
ROADS = 3.58 ACRES

BASIS OF BEARINGS

THE BASIS OF BEARINGS SHOWN HEREON ARE BASED ON THE FOUND MONUMENTS ON THE CENTERLINE OF SANBORN ROAD.

RECORD REFERENCES

- (R1) BAY DRIVE ESTATES - BOOK 19 OF SURVEYS, PAGE 18  
(R2) RECORD OF SURVEY BOOK 14 OF RECORDS OF SURVEYS, PAGE 195  
(R3) SANBORN ESTATES BOOK 13 OF SURVEYS, PAGE 191  
(R4) PARCEL MAP NO. 110- BOOK 1 OF PARCEL MAPS, PAGE 110  
(R5) MAP OF THE S.E. 1/4 OF SECTION 32- BOOK 1 OF SURVEYS, PAGE 40





| Curve Table |        |         |            |
|-------------|--------|---------|------------|
| Curve #     | Length | Radius  | Delta      |
| C1          | 31.82  | 20.00   | 091°09'08" |
| C2          | 53.82  | 5027.00 | 000°36'48" |
| C3          | 47.28  | 5027.00 | 000°32'20" |
| C4          | 31.42  | 20.00   | 090°00'00" |
| C5          | 23.38  | 30.00   | 044°39'01" |
| C6          | 16.49  | 44.50   | 021°13'35" |
| C7          | 87.14  | 44.50   | 112°11'51" |
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| C10         | 23.38  | 30.00   | 044°39'01" |
| C11         | 31.42  | 20.00   | 090°00'00" |
| C12         | 31.42  | 20.00   | 090°00'00" |
| C13         | 15.82  | 523.00  | 001°43'59" |
| C14         | 50.17  | 523.00  | 005°29'47" |
| C15         | 0.21   | 522.99  | 000°01'22" |
| C16         | 54.96  | 477.00  | 006°36'04" |
| C17         | 5.42   | 477.00  | 000°39'04" |
| C18         | 5.42   | 523.00  | 000°35'38" |
| C19         | 55.14  | 523.00  | 006°02'25" |
| C20         | 5.64   | 523.00  | 000°37'05" |
| C21         | 44.56  | 477.00  | 005°21'07" |
| C22         | 15.72  | 477.00  | 001°53'18" |
| C23         | 31.42  | 20.00   | 090°00'00" |
| C24         | 31.42  | 20.00   | 090°00'00" |
| C25         | 15.60  | 477.00  | 001°52'25" |
| C26         | 30.88  | 477.00  | 003°42'35" |
| C27         | 19.25  | 523.00  | 002°06'31" |
| C28         | 20.65  | 523.00  | 002°15'45" |
| C29         | 31.00  | 20.00   | 088°48'14" |
| C30         | 14.37  | 30.00   | 027°26'21" |
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| C32         | 46.02  | 50.00   | 052°43'49" |
| C33         | 48.50  | 50.00   | 055°34'21" |
| C34         | 8.70   | 50.00   | 009°58'22" |
| C35         | 14.37  | 30.00   | 027°26'21" |
| C36         | 31.42  | 20.00   | 090°00'00" |
| C37         | 47.28  | 4973.00 | 000°32'41" |
| C38         | 52.73  | 4973.00 | 000°36'27" |
| C39         | 31.01  | 20.00   | 088°50'52" |
| C40         | 100.55 | 5000.00 | 001°09'08" |
| C41         | 63.29  | 500.00  | 007°15'08" |
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| C43         | 48.72  | 500.00  | 005°35'00" |
| C44         | 38.14  | 500.00  | 004°22'13" |
| C45 (T)     | 209.16 | 44.50   | 269°18'02" |
| C46 (T)     | 126.43 | 50.00   | 144°52'43" |
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| C49         | 5.40   | 523.00  | 000°35'29" |
| C50         | 31.62  | 20.00   | 090°35'29" |
| C51         | 31.42  | 20.00   | 090°00'00" |
| C52 (T)     | 101.09 | 5027.00 | 001°09'08" |
| C53 (T)     | 100.01 | 4973.00 | 001°09'08" |

LEGEND

WC

WITNESS CORNER

()

EMBRACES RECORD DATA

PUE

PUBLIC UTILITY EASEMENT

PSE

PUBLIC SERVICE EASEMENT

M

MEASURED

S.F.

SQUARE FEET

R/W

RIGHT-OF-WAY

(T)

TOTAL

(B.O.B.)

BASIS OF BEARINGS

■

FOUND MONUMENT AS SHOWN

●

SET 5/8" REBAR W / CAP LS 8457

○

CALCULATED POINT - NOTHING FOUND OR SET

△

FOUND STANDARD CENTERLINE MONUMENT

▲

SET STANDARD CENTERLINE MONUMENT

SUBDIVIDED AREA = 14.98 ACRES

LOTS = 11.40 ACRES

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- RECORD REFERENCES
- (R1)

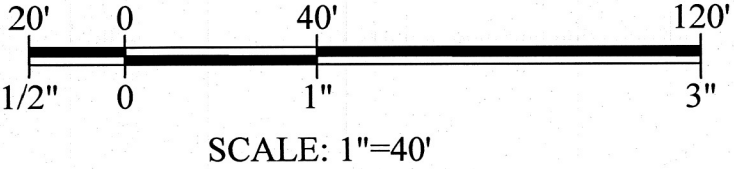
BAY DRIVE ESTATES - BOOK 19 OF SURVEYS, PAGE 18
- (R2)

RECORD OF SURVEY BOOK 14 OF RECORDS OF SURVEYS, PAGE 195
- (R3)

SANBORN ESTATES BOOK 13 OF SURVEYS, PAGE 191
- (R4)

PARCEL MAP NO. 110- BOOK 1 OF PARCEL MAPS, PAGE 110
- (R5)

MAP OF THE S.E. 1/4 OF SECTION 32- BOOK 1 OF SURVEYS, PAGE 40



CHIMA RANCH  
CITY OF YUBA CITY

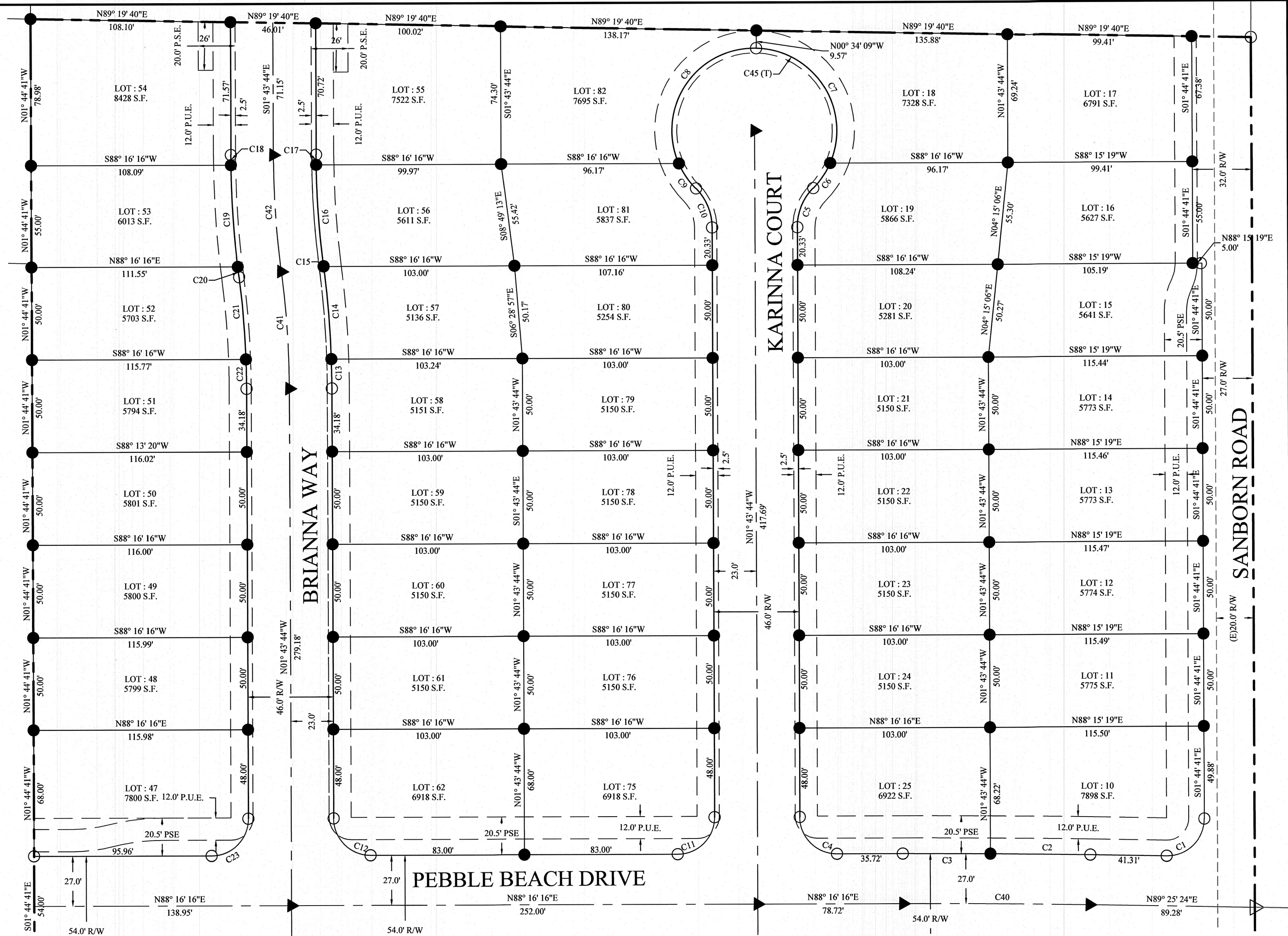
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COUNTY OF SUTTER  
CALIFORNIA

AUGUST 2025

PREPARED BY: MHM INC. 1204 "E" STREET, MARYSVILLE, CA 95901  
22205

SHEET 3 OF 4



SEE SHEET 4



SEE SHEET 3

PEBBLE BEACH DRIVE

BRIANNA WAY

SAILA WAY

SANBORN ROAD

KIKO DRIVE

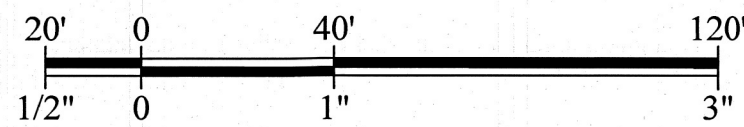
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LEGEND

- WC WITNESS CORNER  
( ) EMBRACES RECORD DATA  
PUE PUBLIC UTILITY EASEMENT  
PSE PUBLIC SERVICE EASEMENT  
M MEASURED  
S.F. SQUARE FEET  
R/W RIGHT-OF-WAY  
(T) TOTAL  
(B.O.B.) BASIS OF BEARINGS  
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CHIMA RANCH  
CITY OF YUBA CITY

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COUNTY OF SUTTER  
CALIFORNIA

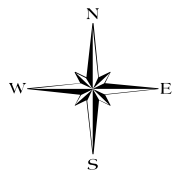
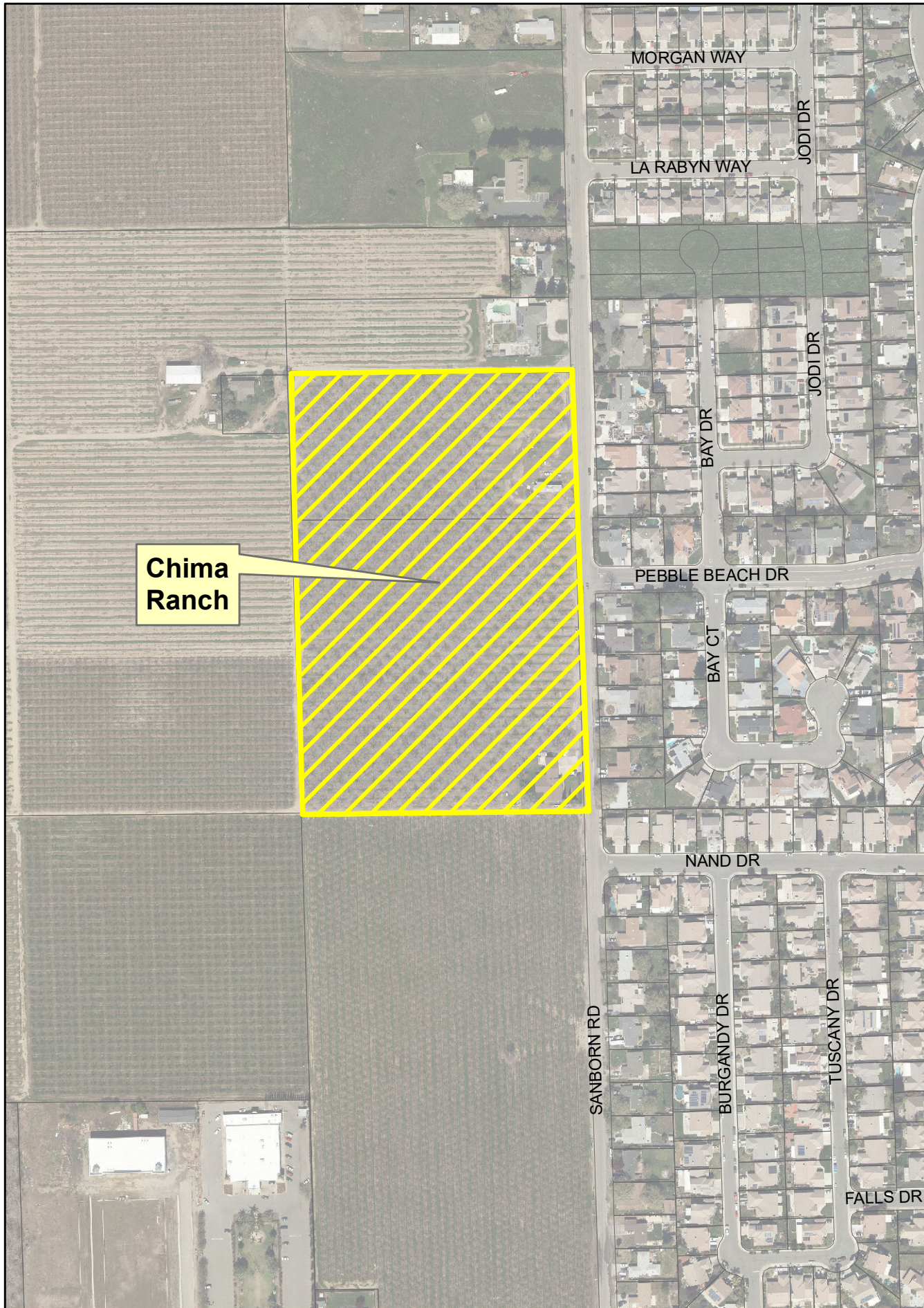
PREPARED BY: MHM INC. 1204 "E" STREET, MARYSVILLE, CA 95901  
22205

AUGUST 2025

SHEET 4 OF 4

## ATTACHMENT 2





Location Map: Chima Ranch  
Tentative Subdivision Map 22-07



CITY OF YUBA CITY  
STAFF REPORT

**Date:** September 16, 2025  
**To:** Honorable Mayor & Members of the City Council; Honorable Chairperson and Directors of the Successor Agency to the Redevelopment Agency of the City of Yuba City  
**From:** Administration Department  
**Presentation By:** Robert Bendorf, City Manager

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**Summary**

**Subject:** Agreement for Purchase and Sale of Real Property – 433 Plumas Boulevard  
**Recommendation:** Adopt a Resolution authorizing the City Manager, as Executive Director to the Successor Agency to the Redevelopment Agency of the City of Yuba City, to execute an Agreement for Purchase and Sale of Real Property located at the northeast corner of Plumas Boulevard and Franklin Avenue (APN 052-380-025), and all other necessary documents, in the amount of \$645,000 to Sutter Valley Medical Foundation, dba Sutter Medical Foundation, and authorize the Finance Director to remit the proceeds to the Sutter County Auditor-Controller for distribution to the taxing entities per the Long Range Property Management Plan  
**Fiscal Impact:** Sale Price – \$645,000

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**Purpose:**

To facilitate and encourage the development of infill property located in the Town Center area.

**Council's Strategic Goal:**

This project addresses multiple City Council Strategic Goals, primarily maintaining the financial stability and sustainability of the City and enhancing the business-friendly environment for the City.

**Background:**

The northeast corner of Plumas Boulevard and Franklin Avenue (433 Plumas Boulevard) (the "Site") is a 2.46-acre vacant parcel, currently owned by the Successor Agency to the Redevelopment Agency of the City of Yuba City (Successor Agency). Based on a 2011 California Supreme Court decision, all redevelopment agencies in California were dissolved as of February 1, 2012. As a result, all redevelopment agencies were required to dissolve and transfer any assets and liabilities to "Successor Agencies" that would bring to a close the redevelopment agencies' business matters. On January 10, 2012, the City Council elected to become the Successor Agency, and in November 2014, the Site was transferred to the Successor Agency.

In 2015, a Long Range Property Management Plan was prepared by Fraser & Associates. The plan recommended the Site be sold for private development. On August 16, 2022, the City Council, acting



as the Successor Agency, declared the Site to be surplus land and directed the City Manager to follow procedures set forth in the Surplus Land Act (SLA) for the sale of the property. Through the SLA process, no housing sponsors or developers submitted a letter of interest to purchase the property and the California Department of Housing and Community Development (HCD) cleared the property for sale.

**Analysis:**

Sutter Medical Foundation approached the City with an interest in developing the Site as a medical facility to serve the community. The purchaser agrees to the following conditions:

1. Development must consist of a medical facility serving the community.
2. Promptly commence applications for governmental approvals to begin construction within 4 years.
3. City reserves the right to reclaim title to the property at the purchase price if development does not meet agreed upon timelines.
4. All obligations run with the land.

In March 2025, an appraisal was prepared by BEC Appraisal & Consulting, Inc., in which the appraised amount was \$645,000. Sutter Medical Foundation is agreeable to purchasing the Site “as is” for this price. The attached Agreement for Purchase and Sale details the terms of the transaction.

**Fiscal Impact:**

The proposed purchase price is \$645,000 with net proceeds being less due to title and escrow fees. Per the Long Range Property Management Plan, the City will remit the net proceeds to the Sutter County Auditor-Controller for distribution to the taxing agencies, of which the City will receive approximately 16% back.

**Alternatives:**

Do not authorize the City Manager to sign the Agreement and provide direction for the disposition of the property.

**Recommendation:**

Adopt a Resolution authorizing the City Manager, as Executive Director to the Successor Agency to the Redevelopment Agency of the City of Yuba City, to execute an Agreement for Purchase and Sale of Real Property located at the northeast corner of Plumas Boulevard and Franklin Avenue (APN 052-380-025), and all other necessary documents, in the amount of \$645,000 to Sutter Valley Medical Foundation, dba Sutter Medical Foundation, and authorize the Finance Director to remit the proceeds to the Sutter County Auditor-Controller for distribution to the taxing entities per the Long Range Property Management Plan.

**Attachments:**

1. Attachment 1 - Resolution
2. Attachment 1 - Exhibit A - Purchase and Sale Agreement
3. Attachment 2 - Vicinity Map

Prepared By:  
Kevin Bradford  
Deputy Public Works Director - Engineering

Submitted By:  
Robert Bendorf  
Interim City Manager



## ATTACHMENT 1

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF YUBA CITY AUTHORIZING THE CITY MANAGER AS THE EXECUTIVE DIRECTOR TO THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF YUBA CITY TO EXECUTE AN AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY LOCATED AT THE NORTHEAST CORNER OF PLUMAS BOULEVARD AND FRANKLIN AVENUE (APN 052-380-025), AND ALL OTHER NECESSARY DOCUMENTS, IN THE AMOUNT OF \$645,000 TO SUTTER VALLEY MEDICAL FOUNDATION, DBA SUTTER MEDICAL FOUNDATION, AND AUTHORIZE THE FINANCE DIRECTOR TO REMIT THE PROCEEDS TO THE SUTTER COUNTY AUDITOR-CONTROLLER FOR DISTRIBUTION TO THE TAXING ENTITIES PER THE LONG RANGE PROPERTY MANAGEMENT PLAN**

WHEREAS, in January 2012, the City Council elected to become the Successor Agency to the Redevelopment Agency of the City of Yuba City (Successor Agency); and

WHEREAS, in November 2014, ownership of the Site was transferred by grant deed to the Successor Agency; and

WHEREAS, in 2015, a Long Range Property Management Plan was prepared by Fraser & Associates and recommended the Site be sold for private development; and

WHEREAS, in August 2022, the Successor Agency declared the Site to be surplus and directed the City Manager/Executive Director to follow procedures set forth in the Surplus Land Act for the sale of the property; and

WHEREAS, in accordance with the Surplus Land Act, staff issued a notice of availability and did not receive any interest from any housing sponsors; and

WHEREAS, the Department of Housing and Community Development has determined that staff met all the requirements under the Surplus Land Act and the Successor Housing Agency is permitted to proceed with the sale or lease of the property; and

WHEREAS, an appraisal was prepared by BEC Appraisal & Consulting, Inc., and the appraised value is \$645,000; and

WHEREAS, the City received an offer from Sutter Valley Medical Foundation, dba Sutter Medical Foundation, to purchase the property for \$645,000 in "as is" condition; and

WHEREAS, staff recommend that the Successor Agency accept the offer and authorize the City Manager to execute an Agreement for Purchase and Sale; and

WHEREAS, per the Long Range Property Management Plan, the net proceeds from the sale of the property are to be remitted to the Sutter County Auditor-Controller for distribution to the taxing agencies.

NOW, THEREFORE, the Successor Agency of the Yuba City Redevelopment Agency, California, does hereby resolve as follows:

1. The City Council finds that all of the facts set forth in the recitals above are true and correct and incorporated herein.
2. The City Manager as the Executive Director to the Successor Agency to the Redevelopment Agency of the City of Yuba City is authorized to execute an Agreement for Purchase and Sale of Real Property located at the northeast corner of Plumas Boulevard and Franklin Avenue (APN 052-380-025), and all other necessary documents, in the amount of \$645,000 to Sutter Valley Medical Foundation, dba Sutter Medical Foundation.
3. The Finance Director is authorized to remit the net proceeds to the Sutter County Auditor-Controller.

The foregoing resolution was duly and regularly introduced, passed, and adopted by the Successor Agency to the Yuba City Redevelopment Agency at a regular meeting thereof held on the 16<sup>th</sup> day of September, 2025.

AYES:

NOES:

ABSENT:

ATTEST:

\_\_\_\_\_  
Dave Shaw, Chair of Successor Agency

\_\_\_\_\_  
Ciara Wakefield, Deputy Agency Secretary

APPROVED AS TO FORM  
COUNSEL FOR SUCCESSOR AGENCY:

\_\_\_\_\_  
Shannon Chaffin, Agency Counsel  
Aleshire & Wynder, LLP

Exhibit A – Purchase and Sale Agreement

**AGREEMENT FOR PURCHASE AND SALE  
OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS**

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS ("**Agreement**") is made this \_\_\_\_ day of \_\_\_\_\_, 2025 by and between **SUTTER VALLEY MEDICAL FOUNDATION**, a California nonprofit public benefit corporation, dba Sutter Medical Foundation ("**Buyer**"), and **CITY OF YUBA CITY AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF YUBA CITY**, a public agency ("**Seller**"). First American Title Company, a California corporation, shall act as escrow ("**Escrow Holder**" and "**Title Company**").

**RECITALS:**

**A.** Seller is the owner of that certain real property commonly known as 433 Plumas Boulevard, in the City of Yuba City, County of Sutter, State of California (APN 052-380-025) legally described in **Exhibit A** attached hereto ("**Property**").

**B.** In order to sell the Property, Seller was required and Seller attests that it did comply with the provisions of the Surplus Land Act (Government Code Section 54220 et seq) and the applicable regulations ("**SLA**"). Pursuant to the SLA, a covenant agreement is mandated to be recorded with respect to any future residential development of the Property.

**C.** Seller desires to sell to Buyer and Buyer agrees to buy, the Property upon the terms and conditions set forth in this Agreement which includes limitations on the future use of the Property by Buyer.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and incorporating the Recitals, the parties hereto agree as follows:

**TERMS AND CONDITIONS:**

**1. PURCHASE AND SALE OF PROPERTY.**

**1.1 Sale.** Pursuant to the terms and subject to the conditions of this Agreement, Buyer agrees to purchase from Seller and Seller agrees to sell to Buyer, the Property (i) in AS-IS condition without representations or warranties; (ii) subject to the covenants in the Grant Deed (defined in Section 1.2); and (iii) the HCD Covenant (as defined in Section 1.3). Following the Effective Date until the Closing, Seller shall not do anything which would impair Seller's title or the condition of the Property.

**1.2 Grant Deed.** At Closing, Seller shall transfer the Property to Buyer in the form of the Grant Deed attached hereto as **Exhibit B** ("**Grant Deed**").

**1.3 HCD Covenant.** At Closing, the Covenant Agreement in the form attached as **Exhibit C** is to be recorded against the Property ("**HCD Covenant**").

**2. EFFECTIVE DATE; OPENING OF ESCROW.**

**2.1 Effective Date.** This Agreement shall be deemed effective upon execution of the Agreement by Seller after the approval by the City Council of the City of Yuba City ("**Effective Date**").

**2.2 Opening of Escrow.** Within five (5) days after the mutual execution of this Agreement by both Buyer and Seller, Seller shall open an escrow ("**Escrow**") with Escrow Holder by causing a fully executed copy of this Agreement to be deposited with Lesley Kaufman, escrow officer ("**Escrow Officer**") at First American Title Company, 1 Parkcenter Drive, Suite 120, Sacramento, California 95825, lkaufman@firstam.com, (916) 490-4512 ("**Escrow**"). Escrow shall be deemed opened upon the date that Buyer and Seller (i) deliver a fully executed copy of this Agreement to Escrow Holder; and (ii) Buyer delivers the Deposit (defined in Section 3.2 below). Upon such receipt of both this Agreement and the Deposit, Escrow Holder shall open escrow for the transaction contemplated hereunder and, then, execute and deliver to Buyer and Seller the Joinder and Acceptance by Escrow Holder in the form attached hereto ("**Opening of Escrow**"). If Escrow is not opened within six (6) business days after the Effective Date, Seller shall have the right to terminate this Agreement upon written notice to Buyer and Escrow Holder.

### **3. CONSIDERATION; PURCHASE PRICE; PAYMENT OF PURCHASE PRICE.**

**3.1 Consideration.** All of the following is material consideration to Seller for the sale of the Property to Buyer: (i) payment of the Purchase Price (defined in Section 3.1.a); (ii) the Covenants (defined in Section 3.1.b); and (iii) the HCD Covenant.

- a. **Purchase Price.** The term "**Purchase Price**" means the sum of Six Hundred Forty-Five Thousand Dollars (\$645,000).
- b. **Covenant.** The covenant of Buyer with respect to the use and development of the Property as set forth in the Grant Deed are material consideration to Seller for the sale of the Property to Buyer ("**Grant Deed Covenant**"). The Grant Deed Covenant shall run with the Property and provide additional controls and rights in Seller with respect to the uses and development of the Property notwithstanding uses otherwise authorized by applicable zoning.
- c. **HCD Covenant.** The HCD Covenant shall be executed by Buyer and recorded following the Grant Deed.

### **3.2 Payment of Purchase Price.**

- a. **Deposit.** Within five (5) business days of the Effective Date, Buyer shall deliver the Deposit to Escrow Holder in the amount of Seventy-Five Thousand Dollars (\$75,000) ("**Deposit**").
- b. **Balance of Purchase Price.** Buyer shall deposit the balance of the Purchase Price with Escrow Holder in Good Funds (as defined below) at least one (1) business day prior to the Closing Date.
- c. **Refundability; Applicability to Price.** The Deposit held by Escrow Holder shall be refunded to Buyer, if Buyer elects to either terminate this Agreement at any time prior to the end of the Due Diligence Period (as defined below) or if Buyer fails to provide the Buyer's Due Diligence Approval Notice (as defined below), pursuant to Section 7.5 below, prior to the expiration of the Due Diligence Period or Buyer's Title Approval Notice, pursuant to Section 6.1, prior to the expiration of the Buyer's Title Review Period, in which case, Escrow Holder shall return the Deposit to Buyer (excluding the Independent Consideration (as defined below)), and neither Buyer nor Seller shall have any further rights or obligations under this Agreement, except as otherwise expressly provided herein. If Buyer



approves its feasibility studies and provides the Buyer's Due Diligence Approval Notice, pursuant to Section 7.5 below, and delivers Buyer's Title Approval Notice, pursuant to Section 6.1, the Deposit shall be refundable consideration and shall be applicable to the Purchase Price. The Deposit shall remain in Escrow until the termination of this Agreement or the Close of Escrow (as defined below), in which event the Deposit shall be distributed in accordance with the terms of this Agreement or otherwise applied to the Purchase Price.

**3.3      Disbursement of Seller's Net Proceeds.** At the Closing Date, the net proceeds (as determined by the Seller's settlement statement) shall be disbursed to Seller.

**3.4      Good Funds.** All funds deposited in Escrow shall be in "**Good Funds**" which means a wire transfer of funds, cashier's or certified check drawn on or issued by the offices of a financial institution located in the State of California.

#### **4.      FUNDS AND DOCUMENTS REQUIRED FROM BUYER AND SELLER.**

**4.1      Seller.** Seller agrees that on or before 12:00 noon at least one (1) business day prior to the Closing Date, Seller will deposit with Escrow Holder such funds and other items and instruments (executed and acknowledged, if appropriate) as may be necessary in order for the Escrow Holder to comply with this Agreement, including without limitation:

- i.      Executed and acknowledged Grant Deed.
- ii.     Executed and acknowledged HCD Covenant.
- iii.    A Non-Foreign Affidavit as required by federal law.
- iv.     Such funds and other items and instruments as may be necessary in order for Escrow Holder and the Title Company to comply with this Agreement.

**4.2      Buyer.** Buyer agrees that on or before at least one (1) business day prior to the Closing Date, Buyer will deposit with Escrow Holder all additional funds and/or documents (executed and acknowledged, if appropriate) which are necessary to comply with the terms of this Agreement, including without limitation:

- i.      Executed copy of the Acceptance executed by Buyer to be attached to the Grant Deed prior to recordation.
- ii.     Executed and acknowledged HCD Covenant.
- iii.    A Preliminary Change of Ownership Statement completed in the manner required in Sutter County ("**PCOR**").
- iv.     Such funds and other items and instruments as may be necessary in order for Escrow Holder and the Title Company to comply with this Agreement.

**4.3      Recordation, Filing, Completion and Distribution of Document.** Escrow Holder shall confirm that any documents signed in counterpart are matching documents and shall combine the signature pages thereof so as to create fully executed documents. Escrow Holder will cause the Grant Deed (with the executed Acceptance attached) followed by the HCD Covenant (to be recorded in that specific order) in the official records of the county recorder of the Sutter of County, State of California ("**Official Records**") so it can issue the Title Policy in

accordance with Section 6.2 and holds for the account of Buyer and Seller, respectively, the funds and items described above to be delivered to Buyer and Seller, respectively, through Escrow, less costs, expenses, and disbursements chargeable pursuant to the terms hereof. Promptly following Close of Escrow, Escrow Holder shall distribute Escrow Holder's final closing statement and conformed copies of all recorded documents to the parties.

## **5. CLOSING DATE; TIME IS OF ESSENCE.**

**5.1 Closing Date.** Escrow shall close within seven (7) business days after Buyer has provided the Buyer's Due Diligence Approval Notice by the Outside Due Diligence Date (pursuant to Section 7), but, in no event, later than ninety (90) days after the Opening of Escrow ("**Closing Date**") unless extended as evidenced by a writing signed by both parties. The terms "**Close of Escrow**" and/or "**Closing**" are used herein to mean the time Grant Deed is filed for recording by the Escrow Holder in the Official Records.

**5.2 Possession.** Upon the Close of Escrow, Seller shall deliver exclusive possession and occupancy of the Property to Buyer free and clear of all claims of possession and all debris.

**5.3 Time is of Essence.** Buyer and Seller specifically agree that time is of the essence under this Agreement.

**5.4 Executive Director's Authority.** Seller by its execution of this Agreement hereby agrees that its Executive Director or designee (who has been designated by Executive Director's written notice delivered to Buyer and Escrow Holder) shall, in Executive Director's sole and exclusive discretion, have authority:

(i) to execute documents on behalf of Seller including, but not limited to, issuing approvals, disapprovals and extensions. Any such approval, disapproval or extension executed by the Executive Director or their designee shall be binding on Seller.

(ii) make minor modifications to this Agreement in order to fulfill the direction of the Successor Agency Board, provided that such minor modifications are approved by the Agency's legal counsel.

## **6. TITLE POLICY.**

### **6.1 Approval of Title.**

Promptly following execution of this Agreement but in no event later than five (5) business days following Opening of Escrow, a preliminary title report shall be issued by First American Title Company ("**Title Company**"), describing the state of title for the Property, together with copies of all exceptions listed therein and a map plotting all easements specified therein ("**Preliminary Title Report**"). Within thirty (30) days after the Opening of Escrow ("**Buyer's Title Review Period**"), Buyer shall notify Seller in writing ("**Buyer's Title Notice**") of Buyer's approval or disapproval of any matters contained in the Preliminary Title Report ("**Disapproved Exceptions**").

In the event Buyer delivers Buyer's Title Notice within said period specifying any Disapproved Exceptions, Seller shall have a period of ten (10) days after receipt of Buyer's Title Notice in which to notify Buyer of Seller's election to either: (i) agree to attempt to remove the Disapproved Exceptions prior to the Close of Escrow; or (ii) decline to remove any such Disapproved Exceptions ("**Seller's Notice**"). If Seller notifies Buyer of its election to decline to

remove the Disapproved Exceptions, fails to timely respond to Buyer's Title Notice, or if Seller is unable to remove the Disapproved Exceptions, Buyer may elect either to terminate this Agreement and the Escrow or to accept title to the Property subject to the Disapproved Exceptions. Buyer shall exercise such election by delivery of written notice to Seller and Escrow Holder within ten (10) days following the earlier of: (i) the date of written advice from Seller that such Disapproved Exceptions cannot be removed; or (ii) the date Seller declines or is deemed to decline to remove such Disapproved Exceptions.

Upon the issuance of any amendment or supplement to the Preliminary Title Report which adds additional exceptions, the foregoing right of review and approval shall also apply to said amendment or supplement, provided, however, that Buyer's initial period of review and approval or disapproval of any such additional exceptions shall be limited to ten (10) days following receipt of notice of such additional exceptions.

Nothing to the contrary herein withstanding, Buyer shall be deemed to have automatically objected to all leases, deeds of trust, mortgages, judgment liens, federal and state income tax liens, delinquent general and special real property taxes and assessments and similar monetary encumbrances affecting the Property, and Seller shall discharge any such non-permitted title matter of record prior to or concurrently with the Close of Escrow.

Notwithstanding the foregoing, Buyer accepts any exceptions related to the (i) covenants in the Grant Deed; (ii) the HCD Covenant; and (iii) any exceptions resulting from Buyer's entry onto the Property pursuant to Section 7.

**6.2 Title Policy.** At the Close of Escrow, Escrow Holder shall furnish Buyer with an ALTA standard (non-extended) owner's policy of title insurance insuring title to the Property vested in Buyer in the amount of the Purchase Price, containing only (i) exceptions approved or waived by Buyer in accordance with Section 6.1; (ii) the covenant in the Grant Deed; (iii) the HCD Covenant; and (iv) any exceptions resulting from Buyer's entry onto the Property pursuant to Section 7 ("**Title Policy**"). The cost of the Title Policy shall be paid by Seller, but Buyer shall be obligated pay for any endorsements or any extended coverage. If Buyer desires to obtain an ALTA extended coverage owner's title policy, Buyer shall deliver an ALTA survey, at Buyer's cost, to Title Company at least ten (10) days prior to the Closing Date and Buyer shall pay the additional cost for the extended coverage.

## **7. DUE DILIGENCE.**

**7.1 Natural Hazard Disclosure Report with Tax Disclosures.** Within two (2) days after the Opening of Escrow, Escrow Holder shall order and deliver to Buyer a comprehensive natural hazard disclosure and tax report from Disclosure Source ("**NHD Report**") for Buyer's review and approval. Buyer shall execute the acknowledgement statement that accompanies the NHD Report and deliver a copy to Escrow and Seller.

**7.2 Documents and Materials.** Within five (5) days following the Opening of Escrow, Seller shall deliver to Buyer copies of any engineering reports and drawings, soils reports, geotechnical studies, site history investigations, copies of all lease, copies of all contracts, copies of all correspondence with tenants and any governmental or quasi-governmental agency and all other documents, studies and materials related to physical condition of the , toxics reports and Phase 1 environmental studies, agreements, and any other materials and documents related to the physical condition of the Property which are in Seller's possession and control (collectively, "**Documents**"). Seller makes no representation regarding the existence of any Documents nor the adequacy or accuracy of any of the Documents. The Documents are intended to be a starting

point for Buyer to begin its own independent investigation of the Property and not an analysis of or representation as to the physical, economic, land use or other issues or matters involved in the development of the Property. Seller has not attempted to update the Documents, and no one is entitled to rely on the information contained therein, except as otherwise provided in this Agreement. Buyer, as a part of its due diligence, shall make an independent determination as to the reliability and completeness of the information contained in the Documents

**7.5 Due Diligence.** For a period of up to sixty (60) days following the Opening of Escrow ("**Due Diligence Period**"), Buyer shall have the right to review and inspect the Documents and the Property and conduct such tests as reasonably determined by Buyer. Buyer shall make reasonable efforts to expediate any and all investigations provided the same does not involve additional out-of-pocket cost to Seller.

**7.6 Approval of Due Diligence Matters.** Prior to expiration of the Due Diligence Period ("**Due Diligence Expiration Date**"), Buyer shall, in its sole and absolute discretion, notify Seller in writing (with a copy to Escrow Holder) of (i) its approval of the due diligence matters (excluding title matters which are to be approved or disapproved pursuant to Section 6), and (ii) its election not to terminate this Agreement and Escrow ("**Buyer's Due Diligence Approval Notice**"). Notwithstanding any contrary provision herein, if Buyer does not deliver Buyer's Due Diligence Approval Notice in the time and manner specified above, Buyer shall conclusively be deemed to have disapproved due diligence matters, this Agreement shall terminate, and Escrow Holder shall immediately refund the Deposit to Buyer with no further instructions from Buyer or Seller. Upon written request by Buyer, Seller may, in its discretion, agree in writing to extend the Due Diligence Expiration Date.

**7.7 Right to Enter the Property.** Commencing upon Opening of Escrow, Seller grants Buyer, its agents, and employees a limited license to enter upon the Property for the purpose of conducting engineering surveys, soil tests, investigations, or other studies as determined by Buyer, in Buyer's sole and absolute discretion, to evaluate the condition of the Property, which studies, surveys, reports, investigations, and tests shall be done at Buyer's sole cost and expense. The Property is not fenced or otherwise restricted as to access, and notwithstanding the foregoing, Seller shall not prohibit or object to Buyer's or Buyer's agents' access to the Property, provided Buyer and its agents have complied with the insurance requirements set forth herein. If Seller prevents or unreasonably delays Buyer's or Buyer's agents' or employees' access to the Property to inspect the Property at a day and time requested by Buyer shall be a material breach of this Agreement.

Prior to entry onto the Property, Buyer shall (i) notify Seller the date and purpose of each intended entry together with the names and affiliations of the persons entering the Property; (ii) conduct all studies in a diligent, expeditious and safe manner and not allow any dangerous or hazardous conditions to occur on the Property during or after such investigation; (iii) comply with all applicable laws and governmental regulations; (iv) allow an employee of Seller to be present at Seller's election, provided, however, Buyer shall have no obligation to unreasonably delay its scheduled entry onto the Property to accommodate Seller so that Seller's agent or employee may be present during such Buyer's entry; (v) keep the Property free and clear of all materialmen's liens, lis pendens and other liens arising out of the entry and work performed under this provision; (vi) maintain or assure maintenance of workers' compensation insurance (or state approved self-insurance) on all persons entering the Property in the amounts required by the State of California; (vii) provide to Seller prior to initial entry a certificate of insurance evidencing that Buyer has procured and paid premiums for an all-risk public liability insurance policy written on a per occurrence and not claims made basis in a combined single limit of not less than TWO MILLION

DOLLARS (\$2,000,000) which insurance names Seller as additional insured; (vii) return the Property to substantially its original condition following Buyer's entry; (viii) provide Seller copies of all studies, surveys, reports, investigations and other tests derived from any with the right to subsequently use same; (collectively "**Reports**"); and (ix) to take the Property at closing subject to any title exceptions exclusively caused by Buyer exercising this right to enter.

With respect to insurance certificate as specified above, Buyer may, at its option, use a program of self-insurance or cause the insurance required to be carried hereunder to be issued by a duly licensed captive insurance company owned by or under common ownership or control with Buyer (the "**Captive Insurer**") rather than a third party insurer, if and so long as the Captive Insurer complies with applicable regulatory requirements of and is in good standing with the state in which it is domiciled. If the Captive Insurer fails to comply with applicable regulatory requirements and maintain such good standing with the state in which it is domiciled, Buyer shall promptly procure the insurance coverages required in this Agreement in a manner otherwise permissible herein until the Captive Insurer complies with applicable regulatory requirements of and is in good standing with the state in which it is domiciled. With respect to (and only to the extent of) any insurance issued by the Captive Insurer or otherwise through a self-insurance program, any requirement pertaining to a rating or admission of the insurance company shall not apply and the insured Buyer shall not be required to name any person or entity (including, without limitation, Seller) as an additional insured or loss payee as long as the Captive Insurer or self-insurance program provides a certificate of insurance evidencing the insured Buyer's coverage in accordance with the requirements of this section and that: (A) includes wording that the Captive Insurer or self-insurance program will respond to the indemnification and hold-harmless provisions of this Agreement, and defend Seller, subject to the insurance policy terms, limitations, and exclusions; and (B) provides the same insurance protection that would be provided to Seller if the insurance was provided by a third party insurer with coverage satisfying all of the requirements of this Agreement (except the additional insured requirement).

Buyer agrees to indemnify and hold Seller free and harmless from and against any and all losses, damages (whether general, punitive or otherwise), liabilities, claims, causes of action (whether legal, equitable, or administrative), judgments, court costs, and legal or other expenses (including reasonable attorneys' fees) which Seller may suffer or incur as a consequence of Buyer's exercise of the license granted pursuant to this Section or any act or omission by Buyer, any contractor, subcontractor or material supplier, engineer, architect, or other person or entity acting by or under Buyer (except Seller and its agents or employees) with respect to the Property, excepting any and all losses, damages (whether general, punitive, or otherwise, except consequential damages), liabilities, claims, causes of action (whether legal, equitable or administrative), judgments, court costs, and legal or other expenses (including reasonable attorneys' fees) arising from the mere discovery by Buyer of any hazardous materials or conditions and excepting to the extent such claims arise out of the negligence or misconduct of Seller. Buyer's obligations under this Section are independent of any insurance and shall survive termination of this Agreement for any reason.

The parties agree that breach of any Property entry or restoration conditions in this Section shall constitute a material breach of this Agreement.

## **8. CONDITIONS PRECEDENT TO CLOSE OF ESCROW.**

**8.1 Conditions to Buyer's Obligations.** The obligations of Buyer under this Agreement are subject to the satisfaction or written waiver, in whole or in part, by Buyer of each of the following conditions precedent ("**Buyer's Conditions Precedent**"):

- i. Title Company will issue the Title Policy as specified in Section 6.2.
- ii. Seller has executed and delivered all the documents specified in Section 4.1 to Escrow Holder.
- iii. Escrow Holder holds and will deliver to Buyer the instruments and funds, if any, accruing to Buyer pursuant to this Agreement.
- iv. Buyer has issued the Buyer's Due Diligence Approval Notice pursuant to Section 7.
- v. Seller is not in material default of its obligations under this Agreement.
- vi. After the Due Diligence period, there shall have occurred no material adverse change in the condition of the Property.
- vii. Each and every one of Seller's limited representations and warranties contained in this Agreement shall be true and correct in every material respect as further described and set forth in Section 9.

**8.2 Conditions to Seller's Obligations.** The obligations of Seller under this Agreement are subject to the satisfaction or written waiver, in whole or in part, by Seller of the following conditions precedent:

- i. Buyer has delivered the balance of the Purchase Price to Escrow Holder.
- ii. Buyer has executed and delivered all documents specified in Section 4.2 to Escrow Holder.
- iii. Buyer has issued Buyer's Due Diligence Approval Notice pursuant to Section 7.
- iv. Title Company will issue the Title Policy as specified in Section 6.2.
- v. Escrow Holder holds and will deliver to Seller the instruments and funds accruing to Seller pursuant to this Agreement.
- vi. Buyer is not in material default of its obligations under this Agreement.

**8.3 Failure of Conditions.** If any condition set forth in this Article 8 is not satisfied, or waived in writing by Buyer or Seller, as applicable, at or prior to the times prescribed therein, for a reason other than the default of Buyer or Seller, as applicable, then the applicable benefited party shall have the option, exercisable by written notice to the other party on or prior to the date of Closing, to terminate this Agreement, in which event all rights, obligations and liabilities of Seller and Buyer under and pursuant to this Agreement shall terminate except for any such rights, obligations and liabilities which expressly survive the termination of this Agreement, and the parties shall mutually execute such documents as Escrow Holder may require to cancel and terminate this Escrow, return the Deposit to Buyer (less applicable cancellation charges) and return any other funds or documents to the party depositing same.

## **9. LIMITED REPRESENTATIONS AND WARRANTIES**

**9.1 Limited Representations.** Seller hereby makes the following representations and warranties to Buyer to the best of its knowledge and without the duty to investigate, each of which is true in all respects as of the Opening of Escrow and shall be true in all material respects on the

date of Close of Escrow on the Property:

a. Seller has received no notice and/or has no knowledge that any governmental authority or any employee or agent thereof considers the present use or ownership of the Property to violate or have violated any ordinance, rule, law, regulation, or order of any government or agency, body, or subdivision thereof, or that any investigation has been commenced or is contemplated respecting such possible violations.

b. There are no pending or threatened lawsuits or claims which would affect the Property.

c. The Property is not in violation of any federal, state, or local law, ordinance or regulation relating to the environmental conditions on, under or about the Property including, but not limited to, soil and ground water conditions-

d. Seller has received no written notice from any third parties, prior owners of the Property, or any federal, state, or local governmental agency indicating that any hazardous waste remedial or clean-up work will be required on the Property. There are no environmental, health or safety hazards on, under or about the Property, including but not limited to soil and groundwater conditions.

e. There are no contracts, leases, claims, or rights affecting the Property and no agreements entered into by or under Seller that shall survive the Close of Escrow.

f. No construction or repair work has been done on the Property within the six (6) months prior to the Opening of Escrow.

g. Seller is not, and as of the Close of Escrow will not be, a foreign person within the meaning of Internal Revenue Code Section 1445 or an out-of-state seller under California Revenue and Tax Code Section 18805 and that it will deliver to Buyer through Escrow a non-foreign affidavit on Escrow Holder's standard form pursuant to Internal Revenue Code Section 1445(b)(2) and the Regulations promulgated thereunder and a California Form 590-RE.

h. Seller is a public agency and the Property is not subject to general or special real property taxes or assessments.

**9.2 Seller Covenant.** Prior to Closing, if Seller learns of any fact or condition which would cause any of the warranties and representations in this Section not to be true as of the Closing, Seller shall immediately give written notice of such fact or condition to Buyer.

**9.3 Right to Cancel.** If a breach of a representation, warranty or covenants occurs before Closing and Buyer is aware that such a breach has occurred, the breach shall be grounds to terminate this Agreement in Buyer's sole discretion. If Buyer does not elect to terminate this Agreement, Buyer shall be deemed to have waived any such breach.

**10. LIQUIDATED DAMAGES. IF BUYER SHOULD DEFAULT UNDER THIS AGREEMENT, THEN BUYER AND SELLER AGREE THAT SELLER WILL INCUR DAMAGES BY REASON OF SUCH DEFAULT BY BUYER OR FAILURE OF ESCROW TO CLOSE ON OR BEFORE THE CLOSING DATE, WHICH DAMAGES SHALL BE IMPRACTICAL AND EXTREMELY DIFFICULT, IF NOT IMPOSSIBLE, TO ASCERTAIN. BUYER AND SELLER, IN A REASONABLE EFFORT TO ASCERTAIN WHAT SELLER'S DAMAGES WOULD BE IN THE**



EVENT OF SUCH DEFAULT BY BUYER HAVE AGREED BY PLACING THEIR INITIALS BELOW THAT THE DEPOSIT SHALL BE DEEMED TO CONSTITUTE A REASONABLE ESTIMATE OF SELLER'S DAMAGES UNDER THE PROVISIONS OF SECTION 1671 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. IN THE EVENT OF AND FOR SUCH DEFAULT BY BUYER, THE DEPOSIT SHALL BE SELLER'S SOLE MONETARY REMEDY THEREFOR, UNLESS BUYER WRONGFULLY REFUSES TO CAUSE ESCROW HOLDER TO CANCEL THE ESCROW, IN WHICH INSTANCE SELLER SHALL ALSO BE ENTITLED TO ALL ACTUAL THIRD-PARTY COSTS AND EXPENSES, INCLUDING REASONABLE ATTORNEYS' FEES INCURRED BY SELLER WHICH MAY RESULT FROM BUYER'S WRONGFUL FAILURE TO CANCEL THE ESCROW AND THIS AGREEMENT. THE FOREGOING LIMITATION OF DAMAGES SHALL NOT APPLY TO BUYER'S INDEMNITY OBLIGATIONS NOR THE OBLIGATIONS OF BUYER TO DELIVER THE DOCUMENTS PURSUANT TO SECTION 7.5.

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**Seller's Initials**

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**Buyer's Initials**

## **11. CONDITION OF THE PROPERTY.**

**11.1 Disclaimer of Warranties.** Upon the Close of Escrow, Buyer shall acquire the Property in its "AS-IS" condition without any representations and warranties, except as otherwise stated herein, and Buyer shall be responsible for any defects in the Property, whether patent or latent, including, without limitation, the physical, environmental, and geotechnical condition of the Property, and the existence of any contamination, Hazardous Materials, vaults, debris, pipelines, or other structures located on, under or about the Property, and Seller makes no other representation or warranty concerning the physical, environmental, geotechnical, or other condition of the Property, and Seller specifically disclaims all representations or warranties of any nature concerning the Property made by it, except as otherwise stated herein. The foregoing disclaimer includes, without limitation, topography, climate, air, water rights, utilities, soil, subsoil, existence of Hazardous Materials, or similar substances, the purpose for which the Property is suited, or drainage.

**11.2 Hazardous Materials.** Buyer understands and agrees that, in the event Buyer incurs any loss or liability concerning Hazardous Materials (as hereinafter defined) and/or underground storage tanks whether attributable to events occurring prior to or following the Closing, then Buyer may look to current or prior owners of the Property, but in no event shall Buyer look to Seller for any liability or indemnification regarding Hazardous Materials and/or underground storage tanks. Buyer, from and after the Closing, hereby waives, releases, remises, acquits and forever discharges Seller, and each of the entities constituting Seller, if any, of and from any and all Environmental Claims, Environmental Cleanup Liability and Environmental Compliance Costs, as those terms are defined below, and from any and all actions, suits, legal or administrative orders or proceedings, demands, actual damages, punitive damages, loss, costs, liabilities and expenses, which concern or in any way relate to the physical or environmental conditions of the Property, the existence of any Hazardous Material thereon, or the release or threatened release of Hazardous Materials there from, whether existing prior to, at or after the Closing. It is the intention of the parties pursuant to this release that, except as otherwise stated herein, any and all responsibilities and obligations of Seller, and any and all rights, claims, rights of action, causes of action, demands or legal rights of any kind of Buyer, its successors, assigns or any affiliated entity of Buyer, against the Seller, arising by virtue of the physical or environmental condition of the Property, the existence of any Hazardous Materials thereon, or

any release or threatened release of Hazardous Material there from, whether existing prior to, at or after the Closing, are by this release provision declared null and void and of no present or future force and effect as to the parties; provided, however, that no parties other than the Indemnified Parties (defined below) shall be deemed third party beneficiaries of such release.

In connection therewith, Buyer and each of the entities constituting Buyer, expressly agree to waive any and all rights which said party may have with respect to such released claims under Section 1542 of the California Civil Code which provides as follows:

**“A general release does not extend to claims which the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with debtor or releasing party.”**

**Buyer Initials** \_\_\_\_\_

**Seller Initials** \_\_\_\_\_

Buyer and each of the entities constituting Buyer, shall, from and after the Closing, defend, indemnify and hold harmless Seller and each of the entities constituting Seller (collectively, the **“Indemnified Parties”**) from and against any and all Environmental Claims, Environmental Cleanup Liability, Environmental Compliance Costs, and any other claims, actions, suits, legal or administrative orders or proceedings, demands or other liabilities resulting at any time from the physical and/or environmental conditions of the Property whether before or after the Closing or from the existence of any Hazardous Materials or the release or threatened release of any Hazardous Materials of any kind whatsoever, in, on or under the Property occurring at any time whether before or after the Closing, including, but not limited to, all foreseeable and unforeseeable damages, fees, costs, losses, and expenses, including any and reasonable attorneys’ fees and environmental consultant fees and investigation costs and expenses, directly or indirectly arising there from, and including fines and penalties of any nature whatsoever, assessed, levied, or asserted against any Indemnified Parties to the extent that the fines and/or penalties are the result of a violation or an alleged violation of any Environmental Law.

For purposes of this Agreement, the following terms shall have the following meanings:

“Environmental Claim” means any claim for personal injury, death and/or property damage made, asserted, or prosecuted by or on behalf of any third party, including, without limitation, any governmental entity, relating to the Property or its operations and arising or alleged to arise under any Environmental Law.

“Environmental Cleanup Liability” means any cost or expense of any nature whatsoever incurred to contain, remove, remedy, clean up, or abate any contamination or any Hazardous Materials on or under all or any part of the Property, including the ground water hereunder, including, without limitation, (i) any direct costs or expenses for investigation, study, assessment, legal representation, cost recovery by governmental agencies, or ongoing monitoring in connection therewith and (ii) any cost, expense, loss, or damage incurred with respect to the Property or its operation as a result of actions or measures necessary to implement or effectuate any such containment, removal, remediation, treatment, cleanup, or abatement.

“Environmental Compliance Cost” means any cost or expense of any nature whatsoever necessary to enable the Property to comply with all applicable Environmental Laws in effect. “Environmental Compliance Cost” shall include all costs necessary to demonstrate that the Property is capable of such compliance.

“Environmental Law” means any federal, state, or local statute, ordinance, rule, regulation, order, consent decree, judgment, or common-law doctrine, and provisions and conditions of permits, licenses, and other operating authorizations relating to (i) pollution or protection of the environment, including natural resources, (ii) exposure of persons, including employees, to Hazardous Materials or other products, raw materials, chemicals, or other substances, (iii) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges, or releases of chemical sub-stances from industrial or commercial activities, or (iv) regulation of the manufacture, use, or introduction into commerce of chemical substances, including, without limitation, their manufacture, formulation, labeling, distribution, transportation, handling, storage, and disposal.

“Hazardous Material” is defined to include any hazardous or toxic substance, material, or waste which is or becomes regulated by any local governmental authority, the State of California, or the United States Government. The term “Hazardous Material” includes, without limitation, any material or substance which is: (i) petroleum or oil or gas or any direct or derivate product or byproduct thereof; (ii) defined as a “hazardous waste,” “extremely hazardous waste” or “restricted hazardous waste” under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code; (iii) defined as a “hazardous substance” under Section 25316 of the California Health and Safety Code; (iv) defined as a “hazardous material,” “hazardous substance,” or “hazardous waste” under Sections 25501(o) and (p) and 25501.1 of the California Health and Safety Code (Hazardous Materials Release Response Plans and Inventory); (v) defined as a “hazardous substance” under Section 25281 of the California Health and Safety Code (Underground Storage of Hazardous Substances); (vi) “used oil” as defined under Section 25250.1 of the California Health and Safety Code; (vii) asbestos; (viii) listed under Article 9 or defined as hazardous or extremely hazardous pursuant to Article 1 of Title 22 of the California Code of Regulations, Division 4, Chapter 30; (ix) defined as “waste” or a “hazardous substance” pursuant to the Porter-Cologne Act, Section 13050 of the California Water Code; (x) designated as a “toxic pollutant” pursuant to the Federal Water Pollution Control Act, 33 U.S.C. §1317; (xi) defined as a “hazardous waste” pursuant to the Federal Resource Conservation and Recovery Act, 42 U.S.C. §6901, et seq. (42 U.S.C. §6903); (xii) defined as a “hazardous substance” pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601, et seq. (42 U.S.C. §9601); (xiii) defined as “Hazardous Material” or a “Hazardous Substance” pursuant to the Hazardous Materials Transportation Act, 49 U.S.C. §1801, et seq.; or (xiv) defined as such or regulated by any “Superfund” or “Superlien” law, or any other federal, state or local law, statute, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning Hazardous Materials, oil wells, underground storage tanks, and/or pipelines, as now, or at any time hereafter, in effect.

Notwithstanding any other provision of this Agreement, Buyer’s release and indemnification as set forth in the provisions of this Section, as well as all other provisions of this Section, shall survive the termination of this Agreement and shall continue in perpetuity.

## **12. ESCROW PROVISIONS.**

**12.1 Escrow Instructions.** Sections 1 through 6, inclusive, 8, 12, 14 & 15 constitute the escrow instructions to Escrow Holder. If required by Escrow Holder, Buyer and Seller agree to execute Escrow Holder’s standard escrow instructions, provided that the same are consistent with and do not conflict with the provisions of this Agreement. In the event of any such conflict, the provisions of this Agreement shall prevail. The terms and conditions in sections of this Agreement not specifically referenced above are additional matters for information of Escrow

Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provision upon Escrow Holder's request. To the extent that the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller agree to execute additional instructions, documents and forms provide by Escrow Holder that are reasonably necessary to close Escrow.

**12.2      General Escrow Provisions.** Escrow Holder shall deliver the Title Policy to Buyer and instruct the county recorder of the County of Sutter to mail the Grant Deed to Buyer at the address set forth in Section 14 after recordation. All funds received in this Escrow shall be deposited in one or more general escrow accounts of the Escrow Holder with any bank doing business in the State of California, and may be disbursed to any other general escrow account or accounts. All disbursements shall be according to that party's instructions.

**12.3      Utilities.** Buyer and Seller shall cause any utilities which are in the name of Seller to be transferred to the name of Buyer as of the Close of Escrow or as soon thereafter as practicable. Utilities shall be prorated to the Close of Escrow. In the event final amounts with respect to said prorations are not available as of Close of Escrow, the proration shall be done on an estimated basis and the parties shall prepare a final proration within sixty (60) days following Close of Escrow. Any party who is obligated to pay net amounts based on said final proration shall reimburse the other party said amount within thirty (30) days after completion of the final proration

**12.4      Proration of Real Property Taxes.** As a public agency, Seller is not subject to real property taxes. According, Buyer shall take the Property subject to all taxes accruing from and after the Closing.

**12.5      Payment of Costs.**

- a. **Cost Allocation.** Seller shall pay the costs for the Title Policy (non-extended ALTA owner's policy), the cost of the NHD report, documentary transfer taxes, one-half (1/2) of the escrow costs and any recording fee applicable to the Covenant Agreement (although there should be no recording fees for the Covenant Agreement) ("**Seller's Charges**"). Buyer shall pay the cost of any additional endorsements to the Title Policy requested by Buyer or for any ALTA extended coverage owner's policy (as provided in Section 6.1), and one-half (1/2) of the escrow fees and recording fees for the Grant Deed, and any charges incurred by Buyer's acts ("**Buyer's Charges**"). All other costs of Escrow not otherwise specifically allocated by this Agreement shall be apportioned between the parties in a manner consistent with the custom and usage of Escrow Holder.
- b. **Closing Statement.** At least three (3) business days prior to the Closing Date, Escrow Holder shall furnish Buyer and Seller with a preliminary Escrow closing statement which shall include each party's respective shares of costs. The preliminary closing statement shall be approved in writing by the parties. As soon as reasonably possible following the Close of Escrow, Escrow Holder shall deliver a copy of the final Escrow closing statement to each party.

**12.6      Termination and Cancellation of Escrow.** If Escrow fails to close due to a failure of a condition precedent, then the party in whose favor the condition precedent runs may elect to cancel this Escrow upon written notice to the other party and Escrow Holder. Upon cancellation, Escrow Holder is instructed to return (i) the funds in accordance with the foregoing provisions of

this Agreement, and (ii) all documents then in Escrow to the respective depositor of the same with Escrow Holder. Cancellation of Escrow, as provided herein, shall be without prejudice to whatever legal rights Buyer or Seller may have against each other arising from the Escrow or this Agreement.

**12.7      Information Report.** Escrow Holder shall file and Buyer and Seller agree to cooperate with Escrow Holder and with each other (so long as neither incurs any out-of-pocket costs) in completing any report ("**Information Report**") and/or other information required to be delivered to the Internal Revenue Service pursuant to Internal Revenue Code Section 6045I regarding the real estate sales transaction contemplated by this Agreement, including without limitation, Internal Revenue Service Form 1099-B as such may be hereinafter modified or amended by the Internal Revenue Service, or as may be required pursuant to any regulation now or hereinafter promulgated by the Treasury Department with respect thereto. Buyer and Seller also agree that Buyer and Seller, their respective employees and attorneys, and escrow Holder and its employees, may disclose to the Internal Revenue Service, whether pursuant to such Information Report or otherwise, any information regarding this Agreement or the transactions contemplated herein as such party reasonably deems to be required to be disclosed to the Internal Revenue Service by such party pursuant to Internal Revenue Code Section 6045I, and further agree that neither Buyer nor Seller shall seek to hold any such party liable for the disclosure to the Internal Revenue Service of any such information.

**12.8      No Withholding as Foreign Seller.** Seller represents and warrants to Buyer that Seller is not, and as of the Close of Escrow will not be, a foreign person within the meaning of Internal Revenue Code Section 1445 or an out-of-state seller under California Revenue and Tax Code Section 18805 and that it will deliver to Buyer on or before the Close of Escrow a non-foreign affidavit on Escrow Holder's standard form pursuant to Internal Revenue Code Section 1445(b)(2) and the Regulations promulgated thereunder and a California Form 590-RE.

**12.9      Brokerage Commissions.** Neither party is represented by a broker. Buyer and Seller each agree to indemnify and hold the other parties harmless from and against all liabilities, costs, damages and expenses, including, without limitation, attorneys' fees, resulting from any claims or fees or commissions, based upon agreements by it, if any, to pay a broker's commission and/or finder's fee except as specified above.

**13.      INTENTIONALLY DELETED.**

**14.      NOTICES.** Any notices, demands or communications under this Agreement between the parties shall be in writing, and may be given by (i) personal service, (ii) overnight delivery, or (iii) mailing via United States mail, certified mail, postage prepaid, return receipt requested ("**US Mail**"), addressed to each party as set forth below or such other address as may be furnished in writing by a party, and such notice or communication shall, if properly addressed, be deemed to have been given (a) as of the date so delivered under delivery methods (i) or (ii) above, or (b) three (3) business days after deposit into the U.S. Mail.

**To Seller:** City of Yuba City as Successor Agency  
1201 Civic Center Boulevard  
Yuba City, CA 95993  
Attn: Robert Bendorf, Interim Executive Director

**With a Copy to:** Aleshire & Wynder, LLP  
2440 Tulare Street Suite 410  
Fresno, CA 93721

Attn: Shannon Chaffin, Agency Counsel

**To Buyer:** Sutter Valley Medical Foundation  
c/o Sutter Health Facility & Property Services  
Attn: Director of Real Estate  
2200 River Plaza Drive, Floor 2  
Sacramento, CA 95833

**With a copy to:** Sutter Health Office of General Counsel  
Attn: Cindy Condos, Esq.  
2200 River Plaza Drive, Floor 3  
Sacramento, CA 95833

**Without obligation a  
courtesy copy is  
requested to:** LeaseAdministration@sutterhealth.org

**To Escrow Holder:** First American Title Company  
1 Parkcenter Drive, Suite 120  
Sacramento, CA 95825  
Attn: Lesley Kaufman, Escrow Officer  
Email: lkaufman@firstam.com

## **15. GENERAL PROVISIONS.**

**13.1 Assignment.** Neither party shall have the right to assign this Agreement or any interest or right hereunder or under the Escrow without the prior written consent of the other party. This Agreement shall be binding upon and shall inure to the benefit of Buyer and Seller and their respective heirs, personal representatives, successors and assigns. Notwithstanding the foregoing, Buyer shall have the right to assign its interests under this Agreement, with notice, but without Seller's consent: (1) to any entity controlled by, or under common control with, Buyer or any principal of Buyer; or (2) in connection with a merger, reorganization, transfer, sale of assets, or change of control or ownership of Buyer. Buyer shall provide evidence to Seller confirming the assignee complies with the foregoing requirements. Any such assignment shall be in a form reasonably acceptable to Seller which shall provide that assignee assumes all obligations under this Agreement and that assignor is not released from liability under this Agreement.

**15.1 Attorney's Fees.** In any action between the parties hereto, seeking enforcement of any of the terms and provisions of this Agreement or the Escrow, or in connection with the Property, the prevailing party in such action shall be entitled, to have and to recover from the other party its reasonable attorneys' fees and other reasonable expenses in connection with such action or proceeding, in addition to its recoverable court costs.

**15.2 Interpretation; Governing Law; Venue.** This Agreement shall be construed according to its fair meaning and as if prepared by both parties hereto. This Agreement shall be construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement. Titles and captions are for convenience only and shall not constitute a portion of this Agreement. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and

whenever the context so dictates. The venue for any dispute shall be County of Sutter.

**15.3 No Waiver.** No delay or omission by either party in exercising any right or power accruing upon the compliance or failure of performance by the other party under the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either party of a breach of any of the covenants, conditions or agreements hereof to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions hereof.

**15.4 Modifications.** Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made by written instrument or endorsement thereon and in each such instance executed on behalf of each party hereto

**15.5 Severability.** If any term, provision, condition or covenant of this Agreement or the application thereof to any party or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this instrument, or the application of such term, provisions, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

**15.6 Merger.** This Agreement and other documents incorporated herein by reference contain the entire understanding between the parties relating to the transaction contemplated hereby and all prior to contemporaneous agreements, understandings, representations and statements, oral or written are merged herein and shall be of no further force or effect.

**15.7 Construction.** In determining the meaning of, or resolving any ambiguity with respect to, any word, phrase or provision of this Agreement, no uncertainty or ambiguity shall be construed or resolved against a party under any rule of construction, including the party primarily responsible for the drafting and preparation of this Agreement. Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent. As used in this Agreement, masculine, feminine, or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates.

**15.8 Qualification and Authority.** Each individual executing this Agreement on behalf of Buyer represents, warrants, and covenants to the Seller that (a) such person is duly authorized to execute and deliver this Agreement on behalf of Buyer in accordance with authority granted under the organizational documents of such entity, and (b) Buyer is bound under the terms of this Agreement.

**15.9 No Third Party Beneficiaries.** This Agreement is only between the parties, and is not intended to be nor shall it be construed as being for the benefit of any third party.

**15.10 Calculation of Time Periods; Business Days.** If any date for performance under this Agreement falls on a day that is not a Business Day, then the date of performance shall be the next day which is a Business Day, and the next time period shall be calculated from and after the date of such actual date for performance. "**Business Day**" shall mean any day which is not any one or more of the following: (a) a Saturday, Sunday, national or state holiday, (b) a day on which Escrow Holder is not open for business, or (c) a day on which the Office of the County Recorder of Sutter County is closed or otherwise not accepting documents for recording. Where a time for performance is set forth herein, the applicable time zone shall be the time zone in the County in which the Purchase Property is located.

**15.11 Execution in Counterparts.** This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all parties are not signatories to the original or the same counterpart

**15.12 Electronic Execution.** This Agreement may be electronically executed by the Parties in accordance with UETA and ESIGN using qualified third party service providers such as AdobeSign and DocuSign. The parties understand that any documents to be recorded in the Official Records must be executed in ink and cannot be electronically executed.

**15.13 Exhibits.** Exhibits A, B, and C attached hereto are incorporated herein by reference.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**REMINDER TO PARTIES: Sections 10 and 11.2 must be initialed by both parties.**

**BUYER:**

**SUTTER VALLEY MEDICAL FOUNDATION,**  
a California nonprofit public benefit  
corporation, dba Sutter Medical Foundation

By: \_\_\_\_\_  
Rachael McKinney,  
President, Sacramento Division

Dated: \_\_\_\_\_, 2025

**SELLER:**

**CITY OF YUBA CITY AS SUCCESSOR  
AGENCY TO THE REDEVELOPMENT  
AGENCY OF THE CITY OF YUBA CITY,** a  
public agency

By: \_\_\_\_\_  
Robert Bendorf, Interim Executive Director

Dated: \_\_\_\_\_, 2025

**ATTEST:**

\_\_\_\_\_  
Ciara Wakefield, Agency Secretary

**APPROVED AS TO FORM:**

**ALESHIRE & WYNDER, LLP**

By: \_\_\_\_\_  
Shannon Chaffin, Agency Counsel



### JOINDER AND ACCEPTANCE BY ESCROW HOLDER

The undersigned Escrow Holder hereby acknowledges that on \_\_\_\_\_, 2025, which, pursuant to Section 2.2 of this Agreement, the "Opening of Escrow," the undersigned received a fully executed duplicate original (with the Sections 10 and 11.2 separately initialed) of the foregoing Agreement of Purchase and Sale and Joint Escrow Instructions by and between Sutter Valley Medical Foundation, dba Sutter Medical Foundation, as "Buyer", and the City of Yuba City as Successor Agency to the Redevelopment Agency of the City of Yuba City, as "Seller" together with the Deposit (as defined in Section 3.2.a. Subject to Escrow Holder's receipt of any supplemental escrow instructions as reasonably required, Escrow Holder agrees to act as the Escrow Holder under this Agreement, and to comply with the Escrow Instructions set forth in Section 12. Escrow Holder has assigned Escrow No. \_\_\_\_\_ to this transaction for that purpose.

### FIRST AMERICAN TITLE INSURANCE

BY: \_\_\_\_\_  
Lesley Kaufman, Escrow Officer

DATE: \_\_\_\_\_, 2025

## **EXHIBIT A**

### **LEGAL DESCRIPTION OF PROPERTY**

That certain real property in the City of Yuba City, County of Sutter, State of California legally described as follows:

All that real property being a portion of Lot 38, New Helvetia Rancho in Township 15 North, Range 3 East, Mount Diablo Base & Meridian and being more particularly described as follows:

That parcel of land as described in the Grant Deed from the Redevelopment Agency of the City of Yuba City to the City of Yuba City, a Municipal Corporation and filed in the Office of the County Recorder of Sutter County, California on March 4, 2011 at document number 2011-0003174.

Excepting therefrom:

That portion of land northerly of the following described line:

Commencing at the centerline monument in the intersection of Plumas Boulevard and C Street as shown on that certain Parcel Map No. 908 filed on March 21, 1994 in the Office of the Sutter County Recorder in Book 5 of Parcel Maps at Page 118; thence South 14°34'33" West along the centerline of Plumas Boulevard a distance of 377.08 feet; thence South 75°25'27" East along a line perpendicular to the centerline of Plumas Boulevard a distance of 85.00 feet to a point on the easterly line of Plumas Boulevard; thence along said easterly line South 14°34'33" West a distance of 61.81 feet to the True Point of Beginning; thence leaving said easterly line of Plumas Boulevard South 75°24'27" East a distance of 187.40; thence South 14°35'33" West a distance of 40.44 feet; thence South 17°32'42" East a distance of 68.97 feet; thence North 72°27'17" East a distance of 281.90 feet; thence North 02°33'12" West a distance of 13.44 feet; thence North 87°26'48" East a distance of 37.61 feet to a point on the easterly boundary of that parcel of land dedicated in above described document number 2011-0003174.

EXHIBIT B

GRANT DEED

**Recording requested by and  
When Recorded Return to:**

Sutter Valley Medical Foundation,  
c/o Sutter Health Facility &  
Property Services  
PO Box 619051  
Roseville, CA 95661

APN 052-380-025

(Space Above This Line for Recorder's Office Use Only)

THE UNDERSIGNED GRANTOR DECLARES that the  
documentary transfer tax (computer on full value) is  
\$709.50.

**GRANT DEED**

***(with Option to Repurchase)***

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, CITY OF YUBA CITY AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF CITY OF YUBA CITY, a public agency ("**Grantor**"), hereby grants to SUTTER VALLEY MEDICAL FOUNDATION, a California nonprofit public benefit corporation, dba Sutter Medical Foundation ("**Grantee**"), that certain real property in the City of Yuba City, County of Sutter, State of California, legally described on Exhibit A attached hereto and incorporated herein by reference ("**Property**").

Grantee acknowledges that Grantor sold the Property to Grantee for development and not for speculation in undeveloped land. As material consideration for this conveyance, Grantee covenants for itself and any successors in interest for the benefit of Grantor and the City of Yuba City ("**City**"), as follows:

**1. Development Covenant.**

- 1.1. Covenant.** Upon recordation of this Grant Deed in the official records of the county recorder ("**Official Records**") of the County of Sutter, State of California ("**Recordation Date**"), Grantee covenants to promptly commence and diligently process all applicable governmental approvals to commence construction of a medical facility or medical office building on the Property ("**Medical Building**").

In addition to the Medical Building, the project will include the following components ("**Project**"):

- Continuation of the existing sidewalk and landscape design from the adjacent properties.
- Pedestrian and vehicle emergency access to adjacent office building and surgical hospital, in existence as of the date hereof.

- New landscaping and irrigation substantially consistent with the adjacent office building and surgical hospital.
- Parking as required by City's municipal code.

**1.2. Compliance Date.** Within four (4) years from the Recordation Date ("**Deadline Date**"), Grantee shall commence the construction of the Medical Building consistent with the applicable governmental approvals. Prior to the Deadline Date, Grantee may request an extension of the Deadline Date in writing and Grantee's executive director shall have the authority (but not the obligation) to grant an extension of the Deadline Date by a maximum of six (6) months. The Medical Building will be deemed completed upon issuance of a certificate of occupancy by the City.

**1.3. Termination.** If Grantee reasonably believes that the covenants under Sections 1.1 and 1.2 have been satisfied (as evidenced by the issuance of a Certificate of Occupancy by City), Grantee may send a written notice requesting Grantor to confirm such compliance by execution of an appropriate document concurrently submitted with the notice which document shall be recorded in the Official Records of the County of Sutter. Without charge to Grantee, Grantor shall review and promptly execute, acknowledge, and return an original copy of the same to Grantee or otherwise specify in reasonable detail in writing what remains to be completed. Without limiting the foregoing, Grantor and Grantee hereby expressly agree that the issuance of a certificate of occupancy by City with respect to the Medical Building shall be deemed to terminate the covenants set forth in Sections 1.1 and 1.2 hereof.

**1.4. City as Separate Legal Entity from Grantor.** City is a separate legal entity from Grantor. Grantor has no authority to bind City in any discretionary matter, including, but not limited to, any land use or planning entitlements or the approvals required for the Project. Grantee acknowledges that the terms of the Covenants in this Section 1 do not pre-approve any land use or planning entitlements or approvals Grantee may be required to obtain from City for the Project or any other purpose.

**1.5. Obligations Run With the Land.** Grantee's obligations in this Section 1 constitute covenants, equitable servitudes, restrictions, and easements in gross in favor of Grantor and City which, without regard to technical classification and designation, run with the land and shall be binding on the Grantee and all successors.

**1.6. Discretion Retained by City.** Grantee understands and agrees that this Grant Deed does not constitute any project approval or other approval by City and in no way limits the discretion of City in the environmental review or the permit and approval process in connection with development, construction, or operation of the project or otherwise commit City's discretionary powers in any particular manner including, but not limited to, issuing entitlements. Nothing in this Grant Deed shall in any way limit the discretion of City in acting in its lawful regulatory

capacity, and no action or inaction by City acting in its lawful regulatory capacity shall be a breach or default under this Grant Deed under any legal theory. Without limiting the preceding sentence, and notwithstanding the title of this Grant Deed or that City is a beneficiary of covenant in this Grant Deed, neither this Grant Deed nor any provision thereof shall be deemed under any circumstance to render the covenant in this Grant Deed or to constitute a development agreement as set forth in California Government Code Sections 65864 et seq.

**2. REPURCHASE OPTION.** If Grantee is in default of its obligations under Section 1 prior to termination of Section 1 as provided in Section 1.3, Grantor shall have the option to repurchase the Property ("**Option**") from Grantee for the original purchase price ("**Purchase Price**") paid by Grantee to the Grantor, provided Grantor provides Grantee with written notice of the Option in accordance with the terms herein. Grantor's right to exercise the Option shall terminate within one (1) year of the expiration of the Deadline Date as may have been extended. Upon exercise of the Option, the parties shall cooperate with executing documents to reflect the repurchase and opening escrow to facilitate the transfer of the Property to Grantor for the Purchase Price with other commercially reasonable standard terms including an ALTA non extended owner's title policy (without showing any mechanic liens or trust deeds) to be issued to Grantor, costs allocated as is custom in the County of Sutter and the delivery of possession of the Property to Grantor at closing free of any claims or rights of possession.

**3. COVENANT OF NON-DISCRIMINATION.** Grantee agrees to refrain from restricting the rental, sale, or lease of any portion of the Property on the basis of race, color, creed, religion, sex, marital status, age, ancestry, or national origin of any person. All such deeds, leases, or contracts shall be subject to such nondiscrimination or non-segregation covenant. This covenant shall remain in effect in perpetuity.

**4. NOTICE.** All notices shall be in writing and delivered personally, by overnight air courier service, by facsimile transmission or email, or by U.S. certified or registered mail, return receipt requested, postage prepaid, to the parties at their respective addresses set forth below, and the same shall be effective upon receipt if delivered personally, one (1) business day after depositing with an overnight air courier, or three (3) business days after depositing in the mail immediately:

**To Grantor & City:** City of Yuba City as Successor Agency  
1201 Civic Center Boulevard  
Yuba City, CA 95993  
Attn: Robert Bendorf, Interim Executive Director

**With a Copy to:** Aleshire & Wynder, LLP  
2440 Tulare Street Suite 410  
Fresno, CA 93721  
Attn: Shannon Chaffin, Agency Counsel

**To Grantee:** Sutter Valley Medical Foundation

c/o Sutter Health Facility & Property Services  
Attn: Director, Real Estate  
2300 River Plaza Drive  
Sacramento, CA 95833

**With a copy to:** Sutter Health Legal and Risk Services Department  
Attn: Cindy Condos, Esq.  
2200 River Plaza Drive, Floor 3  
Sacramento, CA 95833  
Email: LeaseAdministration@sutterhealth.org

5. **CALIFORNIA LAW.** The Covenants contained in this Grant Deed shall be construed in accordance with the laws of the State of California.
6. **SEVERABILITY.** If any provision of this Grant Deed or portion thereof, or the application to any person or circumstances, shall to any extent be held invalid, inoperative or unenforceable, the remainder of the covenants contained in this Grant Deed, or the application of such provision or portion thereof to any other persons or circumstances, shall not be affected thereby.
7. **ATTORNEY'S FEES.** In the event any action or suit is brought by a party hereto against another party hereunder by reason of any breach of any of the covenants, agreements or provisions on the part of the other party arising out of this Grant Deed, then in that event the prevailing party shall be entitled to have and recover from the other party all costs and expenses of the action or suit, including reasonable attorneys' fees, expert witness fees, accounting and engineering fees, and any other professional fees resulting therefrom.

IN WITNESS WHEREOF, Grantor has caused this Grant Deed to be executed on its behalf by its respective officers or agents hereunto as of the date written below.

**GRANTOR:**

**CITY OF YUBA CITY AS SUCCESSOR AGENCY  
TO THE REDEVELOPMENT AGENCY OF THE  
CITY OF YUBA CITY, a public agency**

**NOT TO BE EXECUTED UNTIL CLOSING**

By: \_\_\_\_\_  
Robert Bendorf, Interim Executive Director

Dated: \_\_\_\_\_, 2025

ATTEST:

\_\_\_\_\_  
Ciara Wakefield, Agency Secretary

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: \_\_\_\_\_  
Shannon Chaffin, Agency Counsel

## ACCEPTANCE BY GRANTEE

By its acceptance of this Grant Deed, Grantee hereby agrees as follows:

1. Grantee expressly understands and agrees that the terms of this Grant Deed shall be deemed to be covenants running with the land and shall apply to all of the Grantee's successors and assigns.
2. The provisions of this Grant Deed are hereby approved and accepted.

**SUTTER VALLEY MEDICAL FOUNDATION,**  
a California nonprofit public benefit corporation,  
dba Sutter Medical Foundation

Dated: \_\_\_\_\_, 202\_\_

By: \_\_\_\_\_  
Rachael McKinney,  
President, Sacramento Division



**Exhibit A**  
**Legal Description of the Property**

That certain real property in the City of Yuba City, County of Sutter, State of California legally described as follows:

All that real property being a portion of Lot 38, New Helvetia Rancho in Township 15 North, Range 3 East, Mount Diablo Base & Meridian and being more particularly described as follows:

That parcel of land as described in the Grant Deed from the Redevelopment Agency of the City of Yuba City to the City of Yuba City, a Municipal Corporation and filed in the Office of the County Recorder of Sutter County, California on March 4, 2011 at document number 2011-0003174.

Excepting therefrom:

That portion of land northerly of the following described line:

Commencing at the centerline monument in the intersection of Plumas Boulevard and C Street as shown on that certain Parcel Map No. 908 filed on March 21, 1994 in the Office of the Sutter County Recorder in Book 5 of Parcel Maps at Page 118; thence South 14°34'33" West along the centerline of Plumas Boulevard a distance of 377.08 feet; thence South 75°25'27" East along a line perpendicular to the centerline of Plumas Boulevard a distance of 85.00 feet to a point on the easterly line of Plumas Boulevard; thence along said easterly line South 14°34'33" West a distance of 61.81 feet to the True Point of Beginning; thence leaving said easterly line of Plumas Boulevard South 75°24'27" East a distance of 187.40; thence South 14°35'33" West a distance of 40.44 feet; thence South 17°32'42" East a distance of 68.97 feet; thence North 72°27'17" East a distance of 281.90 feet; thence North 02°33'12" West a distance of 13.44 feet; thence North 87°26'48" East a distance of 37.61 feet to a point on the easterly boundary of that parcel of land dedicated in above described document number 2011-0003174.

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

STATE OF CALIFORNIA                     )  
                                                          ) ss.  
COUNTY OF SUTTER                     )

On \_\_\_\_\_, 202\_ before me, \_\_\_\_\_, a notary public, personally appeared \_\_\_\_\_ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

SEAL:

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

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 202\_ before me, \_\_\_\_\_, a notary public, personally appeared \_\_\_\_\_ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Notary Public

SEAL:

**EXHIBIT C**  
**HCD COVENANT**

**FREE RECORDING REQUESTED AND  
WHEN RECORDED, RETURN TO:**

City of Yuba City  
1201 Civic Center Blvd  
Yuba City, CA 95993  
Attention: City Clerk

APN: 052-380-025

(Space above This Line for Recorder's Office Use Only)  
(Exempt from Recording Fee per Gov. Code § 6103)

**COVENANT AGREEMENT**

THIS COVENANT AGREEMENT RESTRICTIONS (this "**Covenant Agreement**") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_, by SUTTER VALLEY MEDICAL FOUNDATION, a California nonprofit public benefit corporation, dba Sutter Medical Foundation ("**Owner**"), in favor of the CITY OF YUBA CITY AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF YUBA CITY, a public agency ("**Successor Agency**"). Owner and City are occasionally referred to herein each as a "**party**" and jointly as the "**parties**". Both the Department of Housing and Community Development ("**HCD**") and the City of Yuba City ("**City**") are third party beneficiaries of this Covenant Agreement.

**R E C I T A L S:**

- A.** Owner owns that certain real property located in the City of Yuba City, County of Sutter, State of California, more particularly described in Exhibit A attached hereto and incorporated herein by this reference ("**Property**").
- B.** Owner acquired the Property from the Successor Agency pursuant to that certain Grant Deed recorded immediately prior to this Covenant ("**Grant Deed**") in the official records of the county recorder of the County of Sutter, State of California ("**Official Records**").
- C.** In order to sell the Property to Owner for non-residential development, the Successor Agency was required and it attests that it did comply with the provisions of the Surplus Land Act (Government Code Section 54220 et seq) and the applicable regulations ("**SLA**").
- D.** This Covenant Agreement is mandated under the SLA with respect to any future residential development of the Property.
- E.** Accordingly, Owner, and Successor Agency now desire to place a covenant

regarding any future residential development of the Property.

NOW, THEREFORE, Owner declares, covenants, and agrees, by and for itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through it, that the Property shall be burdened, held, transferred, encumbered, used, sold, conveyed, leased, and occupied, subject to the covenant hereinafter set forth.

**1. EFFECTIVE DATE; TERM.** This Covenant Agreement shall be effective as of the date it is recorded in the Official Records ("**Effective Date**") and continue for a period of Fifty-Five (55) years ("**Term**").

**2. COVENANT.** Nothing herein shall be construed to require the Property to be developed for residential. However, if, at any time during the Term, ten (10) or more residential units are developed on the Property, not less than fifteen percent (15%) of the total number of residential units developed on the Property shall be sold or rented at affordable housing cost, as defined in Section 50052.5 of the California Health and Safety Code, or affordable rent, as defined in Section 50053 of the California Health and Safety Code, to lower income households, as defined in Section 50079.5 of the California Health and Safety Code. Thereafter, rental units shall remain affordable to and occupied by lower income households for a period of fifty-five (55) years for rental housing and forty-five (45) years for ownership housing. The initial occupants of all ownership units shall be lower income households, and the units shall be subject to an equity sharing agreement consistent with the provisions of paragraph (2) of subdivision (c) of 65915 of the California Government Code. These requirements are covenants running with the land and shall be enforceable against any owner who violates a covenant and each successor-in-interest who continues the violation by any of the entities described in subdivisions (a) to (f), inclusive, of Section 54222.5 of the California Government Code.

**3. COVENANT TO RUN WITH THE LAND.** Owner hereby subjects and burdens the Property to the covenant set forth in Section 2. Owner understands that the covenant runs with the land and shall pass to and be binding upon Owner's successors in title to the Property for the Term. Each and every contract, deed, or other instrument hereafter executed covering or conveying the Property, or any portion thereof, shall conclusively be held to have been executed, delivered, and accepted subject to this Covenant Agreement, regardless of whether such covenants, reservations, and restrictions are set forth in such contract, deed, or other instrument.

**5. AMENDMENTS, MODIFICATIONS OR TERMINATION.** This Covenant Agreement may not be amended, modified, or terminated except in writing, executed by the Successor Agency (if still in existence), the then owner of the Property, City, and HCD and recorded in the Official Records.

**6. MISCELLANEOUS.**

**6.1. Notices.** All notices, demands, requests, elections, approvals, disapprovals, consents or other communications given under this Covenant Agreement shall be in writing and shall be given by personal delivery, certified mail, return

receipt requested, or overnight guaranteed delivery service and addressed as follows:

**To Successor  
Agency & City:** City of Yuba City  
1201 Civic Center Blvd  
Yuba City, CA 95993  
Attention: City Manager

**With a Copy to:** City of Yuba City  
1201 Civic Center Blvd  
Yuba City, CA 95993  
Attention: City Attorney

**To Owner:** Sutter Valley Medical Foundation  
c/o Sutter Health Facility & Property Services  
Attn: Director, Real Estate  
2300 River Plaza Drive  
Sacramento, CA 95833

**With Copy To:** Sutter Health Legal and Risk Services Department  
Attn: Cindy Condos, Esq.  
2200 River Plaza Drive, Floor 3  
Sacramento, CA 95833

Email: [LeaseAdministration@sutterhealth.org](mailto:LeaseAdministration@sutterhealth.org)

Notices shall be effective upon the earlier of receipt or refusal of delivery. Each party shall promptly notify the other party of any change(s) of address to which notice shall be sent pursuant to this section.

- 6.2. Governing Law.** This Covenant Agreement shall be construed and enforced in accordance with the laws of the State of California and any legal action shall be brought in a court of competent jurisdiction in the County of Sutter.
- 6.3. Attorney's Fees.** In the event of any litigation or other legal proceeding arising from this Covenant Agreement, the prevailing party will be entitled to recover, in addition to any other relief awarded or granted, its reasonable costs and expenses, including attorney's fees, incurred in the proceeding.
- 6.4. Construction.** This Covenant Agreement shall be construed according to its fair meaning as if prepared by both parties and in favor of full enforcement. Headings used in this Covenant Agreement are provided for convenience only.
- 6.5. No Waiver.** The failure to enforce any term, covenant, or condition of this Covenant Agreement shall not be construed as a waiver of the right to enforce this, or any other, term, covenant, or condition of this Covenant Agreement.

**6.6. Successor Agency.** Upon termination of the Successor Agency, City is the successor of all rights of Successor Agency under this Covenant Agreement.

**6.7. Incorporation of Recitals.** The Recitals set forth above are hereby incorporated into this Covenant Agreement.

IN WITNESS WHEREOF, the parties have executed this Covenant Agreement as of the dates specified below.

**OWNER:**

**SUTTER VALLEY MEDICAL FOUNDATION**, a California nonprofit public benefit corporation, dba Sutter Medical Foundation

**NOT TO BE EXECUTED UNTIL CLOSING**

By: \_\_\_\_\_  
Rachael McKinney,  
President, Sacramento Division

Dated: \_\_\_\_\_, 2025

**CITY:**

**CITY OF YUBA CITY AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF YUBA CITY**, a public agency

**NOT TO BE EXECUTED UNTIL CLOSING**

By: \_\_\_\_\_  
Robert Bendorf, Interim Executive Director

Dated: \_\_\_\_\_, 2025

ATTEST:

\_\_\_\_\_  
Ciara Wakefield, Agency Secretary

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: \_\_\_\_\_  
Shannon Chaffin, Agency Counsel

**EXHIBIT A**  
**LEGAL DESCRIPTION OF PROPERTY**

That certain real property in the City of Yuba City, County of Sutter, State of California legally described as follows:

All that real property being a portion of Lot 38, New Helvetia Rancho in Township 15 North, Range 3 East, Mount Diablo Base & Meridian and being more particularly described as follows:

That parcel of land as described in the Grant Deed from the Redevelopment Agency of the City of Yuba City to the City of Yuba City, a Municipal Corporation and filed in the Office of the County Recorder of Sutter County, California on March 4, 2011 at document number 2011-0003174.

Excepting therefrom:

That portion of land northerly of the following described line:

Commencing at the centerline monument in the intersection of Plumas Boulevard and C Street as shown on that certain Parcel Map No. 908 filed on March 21, 1994 in the Office of the Sutter County Recorder in Book 5 of Parcel Maps at Page 118; thence South 14°34'33" West along the centerline of Plumas Boulevard a distance of 377.08 feet; thence South 75°25'27" East along a line perpendicular to the centerline of Plumas Boulevard a distance of 85.00 feet to a point on the easterly line of Plumas Boulevard; thence along said easterly line South 14°34'33" West a distance of 61.81 feet to the True Point of Beginning; thence leaving said easterly line of Plumas Boulevard South 75°24'27" East a distance of 187.40; thence South 14°35'33" West a distance of 40.44 feet; thence South 17°32'42" East a distance of 68.97 feet; thence North 72°27'17" East a distance of 281.90 feet; thence North 02°33'12" West a distance of 13.44 feet; thence North 87°26'48" East a distance of 37.61 feet to a point on the easterly boundary of that parcel of land dedicated in above described document number 2011-0003174.



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

STATE OF CALIFORNIA                    )  
                                                          ) ss.  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 202\_\_ before me, \_\_\_\_\_, a notary public, personally appeared \_\_\_\_\_ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

SEAL:

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

STATE OF CALIFORNIA            )  
                                                          ) ss.  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 202\_\_ before me, \_\_\_\_\_, a notary public, personally appeared \_\_\_\_\_ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

SEAL:

## ATTACHMENT 2

# VICINITY MAP



CITY OF YUBA CITY  
STAFF REPORT

**Date:** September 16, 2025  
**To:** Honorable Mayor & Members of the City Council;  
**From:** Development Services Department  
**Presentation By:** Shannon Sardo, Administrative Analyst

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**Summary**

**Subject:** 2024 Consolidated Annual Performance and Evaluation Report (CAPER)  
**Recommendation:** A. Conduct a Public Hearing to receive comments on the draft 2024 CAPER and after consideration;  
B. Adopt a Resolution Approving the 2024 CAPER and authorizing staff to submit all necessary documents to the U.S. Department of Housing and Urban Development (HUD)  
**Fiscal Impact:** No direct fiscal impact would result from approving the 2024 CAPER

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**Purpose:**

To solicit public input on the City's Community Development Block Grant (CDBG) program and approve submission of the 2024 Consolidated Annual Performance and Evaluation Report.

**Council's Strategic Goal:**

This item address Council's goal of infrastructure in that the City receives funding from the federal U.S. Department of Housing and Urban Development to address housing and community development within the City.

**Background:**

The Consolidated Annual Performance and Evaluation Report (CAPER) is required of all jurisdictions that receive CDBG entitlement funds from the U.S. Department of Housing and Urban Development (HUD). The purpose of the CAPER is to evaluate the City's progress in using CDBG funds to meet the housing and community development goals contained in the City's five-year Consolidated Plan. The City's grant allocation for the 2024 Program Year (PY) was \$567,725. An additional \$95,993 was utilized from previous years' unexpended funds. Per HUD guidelines, these funds must be used to further the overall goals of the CDBG program to provide decent, safe, sanitary housing; a suitable living environment; and to expand economic opportunities for low and moderate-income persons. The PY covers the period from July 1, 2024 to June 30, 2025.

**Analysis:**

The purpose of the hearing is to solicit community feedback on the City's efforts in utilizing its CDBG funding to meet the housing and community development goals outlined in the City's Five-Year Consolidated Plan. It also provides the public an opportunity to identify community housing needs.

In addition to this public hearing, the City is holding a public comment period, which commenced on



September 3, 2025 and will end on September 19, 2025. Citizens and organizations are encouraged to submit comments regarding the report during this time. To date, no public comments have been received.

### **2024 Program Year Accomplishments**

A total of \$295,355.20 was expended within the 2024 Program Year. The following accomplishments were made:

- Sutter Yuba Homeless Assistance: A total of \$30,799.41 was expended to provide public and homeless services; a combined total of 744 low-income persons were assisted through the combined efforts of the Sutter-Yuba Homeless Consortium and six (6) non-profit agencies who serve the City's homeless population.
- Yuba-Sutter Gleaner's Foodbank Food Recovery: A total of 443,916 pounds of food recovered from this program with \$16,322.38 expended
- New Day Training Center – Therapy for low-income couples: \$5,000 was expended and helped 6 couples receive therapy services.
- Playzeum – Play-for-All Initiative: \$7,700 expended and the program completed, providing scholarships to 51 low-income youth.
- FREED Center for Independent Living – Home Repair Program: A total of \$15,969.75 was expended and assistance provided to 40 households during the PY.
- ADA Public Facility Improvements Project: The City set aside a total of \$186,554.97 for the installation of new curb, gutter and ADA compliant sidewalks/ramps to provide accessibility and safe passage for individuals with disabilities. The project is still in the planning stages.
- Casa de Esperanza – ADA Ramp Replacement: \$57,575 expended and ADA ramp constructed for emergency shelter.
- Patriot Park Playground Replacement: \$60,225.94 expended for deposit to contractor for materials to replace playground equipment.
- Yuba City PD - 2nd Street Overnight Camping Improvements: \$15,000 awarded for the purchase of secure storage for those utilizing the camping site.

In addition to the above expenditures during the program year, the following 2024 projects and programs have since been completed: FREED Home Repair/Modifications, Sutter Yuba Homeless Services, and Yuba-Sutter Foodbank Food Recovery.

### **Fiscal Impact:**

A total of \$295,355.20 in CDBG funding was expended during the 2024 PY from designated 2024 activities to fund community development projects throughout the City.

### **Alternative:**

Direct staff to modify the proposed 2024 CAPER. Some modifications will result in a required 15-day public comment period and may potentially cause the deadline to submit the CAPER to HUD to be missed.

### **Recommendation:**

- A. Conduct a Public Hearing and after consideration;
- B. Approve the 2024 CAPER and adopt a Resolution authorizing staff to submit all necessary documents to the U.S. Department of Housing and Urban Development (HUD)

### **Attachments:**

1. Resolution to Approve 2024 CAPER
2. Draft 2024 CAPER

Prepared By:  
Shannon Sardo

Submitted By:  
Robert Bendorf

Administrative Analyst II

Interim City Manager

# ATTACHMENT 1



**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY  
APPROVING THE 2024 CONSOLIDATED ANNUAL PERFORMANCE & EVALUATION  
REPORT, CERTIFYING COMPLIANCE WITH THE REQUIREMENTS OF THE CDBG  
PROGRAM, AND AUTHORIZING STAFF TO SUBMIT ALL APPROVED DOCUMENTS TO  
THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

WHEREAS, the Department of Housing and Urban Development determined that the City of Yuba City received \$567,725 under program year 2024 of the Housing and Community Development Act of 1974, as amended; and

WHEREAS, the City of Yuba City held a public hearing on September 16, 2025, to consider public comments and evaluation regarding the 2024 Consolidated Annual Performance & Evaluation Report (CAPER), the community development accomplishments and the actual use of CDBG funds contained therein; and

WHEREAS, the City of Yuba City has provided the citizens with an opportunity to review and comment on concerns involving the accomplishments of spent funds for proposed community development and housing activities, the range of activities that may be undertaken and other important program requirements, and provided citizens with adequate opportunity to participate in the review of the 2024 CAPER, including any revisions, changes or amendments thereto for public comment period commencing on September 3, 2025 and ending on September 19, 2025.

NOW, THEREFORE, be it resolved by the City Council of the City of Yuba City that the 2024 CAPER is hereby approved, that the City Manager is authorized to execute all documents related thereto, and that staff is authorized to submit all documents to the United States Department of Housing and Urban Development.

The foregoing resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on September 16, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

\_\_\_\_\_  
Dave Shaw, Mayor

\_\_\_\_\_  
Ciara Wakefield, Deputy City Clerk

APPROVED AS TO FORM  
COUNSEL FOR YUBA CITY:

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Shannon Chaffin, City Attorney  
Aleshire & Wynder, LLP

## ATTACHMENT 2

The City of Yuba City's Development Services Department is responsible for the administration of the Community Development Block Grant (CDBG) funds, including facilitating project/program implementation, monitoring project activities and outcomes, and ensuring compliance with all the U.S. Department of Housing and Urban Development (HUD) requirements and regulations, such as fair housing, Davis-Bacon requirements (prevailing wages), environmental reviews, affirmative action, competitive bidding procedures, and fiscal and contract administration. CDBG activities are carried out by both internal City Departments, as well as external Subrecipients.

The Consolidated Annual Performance and Evaluation Report (CAPER) is a report mandated for all communities that receive CDBG entitlement funds from HUD. The 2024 CAPER covers the period from July 1, 2024 through June 30, 2025 and reports on the City's progress in using CDBG funds to meet the housing and community development goals contained in the 2020 Consolidated Plan (Con Plan), a five-year comprehensive planning document that covers the period of July 1, 2020 through June 30, 2025. The Con Plan also identifies the City's overall need for affordable and supportive housing as well as non-housing community development needs. It is comprised of several components, including a five-year Strategic Plan that outlines the strategy for use of available resources to meet identified needs and an Annual Action Plan (AAP) that describes the activities the City plans to undertake to meet the goals set forth in the Strategic Plan. The CAPER evaluates the City's overall progress in carrying out priorities of assistance identified in the Con Plan and Annual Action Plan for the 2024-2025 Program Year.

## **CR-05 - Goals and Outcomes**

### **Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)**

CDBG entitlement funds are the main Community Planning and Development (CPD) funding source the City receives to accomplish the goals and objectives outlined in the Con Plan. While other funding sources like State HOME and CalHome funds are available, CDBG funding is tailored to meet the highest priority needs and other funding sources are leveraged to assist with filling in the gaps. In addition, several community development activities are funded with CDBG to specifically target the need to provide a suitable living environment for low and moderate-income households.

The 2024 CAPER reports on the fifth and final year in the 2020 Con Plan. The following sections provide a more detailed analysis of the City's performance for the 2024 Program Year

### **Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)**

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual

outcomes/outputs, and percentage completed for each of the grantee's program year goals.

| Goal                                          | Category                          | Source / Amount    | Indicator                                                                                   | Unit of Measure        | Expected – Strategic Plan | Actual – Strategic Plan                    | Percent Complete | Expected – Program Year | Actual – Program Year | Percent Complete |
|-----------------------------------------------|-----------------------------------|--------------------|---------------------------------------------------------------------------------------------|------------------------|---------------------------|--------------------------------------------|------------------|-------------------------|-----------------------|------------------|
| Homeless Assistance                           | Homeless                          | CDBG: \$44,500     | Public service activities other than Low/Moderate Income Housing Benefit                    | Persons Assisted       | 684                       | 744                                        | 108.77%          | 419                     | 744                   | 177.99%          |
| Housing Rehabilitation                        | Affordable Housing                | CDBG: \$20,000     | Homeowner Housing Rehabilitated                                                             | Household Housing Unit | 15                        | 40                                         | 266.67%          | 30                      | 40                    | 133.33%          |
| Infrastructure Improvements/ADA Modifications | Non-Housing Community Development | CDBG: \$246,518.82 | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit | Persons Assisted       | 8500                      | 12,936*<br><small>Census data used</small> | 152.18%          | 13000                   | 799                   | 6.15%            |
| Non-Homeless Supportive Services              | Non-Homeless Special Needs        | CDBG: \$40,663.85  | Public service activities other than Low/Moderate Income Housing Benefit                    | Persons Assisted       | 100                       | 51                                         | 51.00%           | 5000                    | 148                   | 33.78%           |

|                                                  |                                         |                    |                                                                                                                  |                     |      |                                |        |      |   |       |
|--------------------------------------------------|-----------------------------------------|--------------------|------------------------------------------------------------------------------------------------------------------|---------------------|------|--------------------------------|--------|------|---|-------|
| Public Facilities<br>Construction/Rehabilitation | Non-Housing<br>Community<br>Development | CDBG:<br>\$175,000 | Public Facility<br>or<br>Infrastructure<br>Activities other<br>than<br>Low/Moderate<br>Income<br>Housing Benefit | Persons<br>Assisted | 4000 | 12,936*<br>census data<br>used | 323.4% | 2625 | 0 | 0.00% |
|--------------------------------------------------|-----------------------------------------|--------------------|------------------------------------------------------------------------------------------------------------------|---------------------|------|--------------------------------|--------|------|---|-------|

Table 1 - Accomplishments – Program Year & Strategic Plan to Date

**Assess how the jurisdiction’s use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.**

During the 2024 Program Year (PY) the City continued to address the high priority needs identified in the Con Plan, including preservation of existing units; homeless housing and supportive services; housing and supportive services for special needs; and public improvements and infrastructure, including ADA improvements. Recognizing there are limited resources available, the City actively supported efforts by other entities to acquire funding for priority needs, identified in the Con Plan, that benefit low- and moderate-income residents.

The Sutter-Yuba Homeless Consortium (SYHC) was designated to act as the lead agency and fiscal agent in providing services and programs to the City’s homeless population. These programs and services were provided in conjunction with five (5) other non-profit agencies, Hands of Hope, Bridges to Housing, The Salvation Army, Central Valley Homeless Veterans Assistance Program, Regional Emergency Shelter Team (REST) and the Sutter County Homeless Shelter.

- **Sutter Yuba Homeless Assistance:** A total of \$30,799.41 was expended to provide public and homeless services; a combined total of 744 low-income persons were assisted through the combined efforts of the Sutter-Yuba Homeless Consortium and six (6) non-profit agencies who serve the City’s homeless population.
- **Non-Homeless Supportive Services:**
  - **Yuba-Sutter Gleaner’s Foodbank Food Recovery:** A total of 443,916 pounds of food recovered from this program with \$16,322.38 expended

- **New Day Training Center – Therapy for low-income couples:** \$5,000 was expended and helped 6 couples receive therapy services.
- **Playzeum – Play-for-All Initiative:** \$7,700 expended and the program completed, providing scholarships to 51 low-income youth.
- **Housing Rehabilitation:**
  - **FREED Center for Independent Living – Home Repair Program:** A total of \$15,969.75 was expended and assistance provided to 40 households during the PY, projects included modification to improve mobility/accessibility and upgrades/replacements to critical appliances for senior and/or disabled individuals.
- **Infrastructure Improvements/ADA Modifications:**
  - **ADA Public Facility Improvements Project:** The City set aside a total of \$186,554.97 for the installation of new curb, gutter and ADA compliant sidewalks/ramps to provide accessibility and safe passage for individuals with disabilities. The project is still in the planning stages.
  - **Casa de Esperanza – ADA Ramp Replacement:** \$57,575 expended and ADA ramp constructed for emergency shelter.
- **Public Facilities Construction/Rehabilitation:**
  - **Patriot Park Playground Replacement:** \$60,225.94 expended for deposit to contractor for materials to replace playground equipment.
  - **Yuba City PD - 2nd Street Overnight Camping Improvements:** \$15,000 awarded for the purchase of secure storage for those utilizing the camping site.

In addition to the above expenditures during the program year, the following 2024 projects and programs have since been completed: FREED Home Repair/Modifications, Sutter Yuba Homeless Services, and Yuba-Sutter Foodbank Food Recovery.

## CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).

91.520(a)

|                                           | CDBG         |
|-------------------------------------------|--------------|
| White                                     | 1,023        |
| Black or African American                 | 107          |
| Asian                                     | 43           |
| American Indian or American Native        | 36           |
| Native Hawaiian or Other Pacific Islander | 21           |
| <b>Total</b>                              | <b>1,230</b> |
| Hispanic                                  | 398          |
| Not Hispanic                              | 832          |

Table 2 – Table of assistance to racial and ethnic populations by source of funds

### Narrative

A total of 1,230 people were assisted with CDBG funding during the 2024 Program Year. Approximately 32% identified as Hispanic. Many residents who identify as Hispanic, do not also identify as another race, therefore, this often leaves a discrepancy in reporting numbers.



## CR-15 - Resources and Investments 91.520(a)

### Identify the resources made available

| Source of Funds | Source           | Resources Made Available | Amount Expended During Program Year |
|-----------------|------------------|--------------------------|-------------------------------------|
| CDBG            | public - federal | 663,718.82               | 295,355.20                          |
| Other           | public - federal | 0                        | 0                                   |

**Table 3 - Resources Made Available**

### Narrative

The City received Community Development Block Grant (CDBG) Entitlement funds through the United States Department of Housing and Urban Development (HUD). Below is a breakdown of the total “Resources Made Available” as identified in table 3 above; all of which are CDBG funds:

The City’s CDBG allocation for the 2024 Program Year (PY) was \$567,725; \$95,993.82 was transferred from previous years’ unexpended funds.

### Identify the geographic distribution and location of investments

| Target Area                     | Planned Percentage of Allocation | Actual Percentage of Allocation | Narrative Description |
|---------------------------------|----------------------------------|---------------------------------|-----------------------|
| Citywide                        | 64                               | 64                              | Other                 |
| Qualified Low/Mod Census Tracts | 34                               | 34                              | Low/Mod Areas         |

**Table 4 – Identify the geographic distribution and location of investments**

### Narrative

In general, the City allocated investment of resources on a city-wide basis. The distribution of funding is predicated somewhat on the nature of the activities funded. Resources targeted to preservation of existing housing were allocated on a city-wide basis. Resources targeted to special needs populations, including homeless, were allocated on a city-wide basis, where needs are identified and/or where resources could be coordinated with existing facilities and services. Activities such as public facilities and improvements were targeted to the City’s Qualified Low/Mod Census Tracts most in need of assistance.

## **Leveraging**

**Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.**

Community Development Block Grant (CDBG) funds are not sufficient to fully fund activities; as a result, activities undertaken are leveraged with a variety of Federal, State funds, charitable organizations and private donations. Subrecipients identify additional funding sources in their budgets included with their applications for CDBG funding. The CDBG funds do not require matching funds. The City continues to struggle to meet any matching requirements when applying for other Federal or State funding sources.

There is no publicly owned land or properties located within the City that were used to address needs identified in the 2020 Con Plan or 2024 Action Plan.

The City pursued and supported applications by other entities who applied for Federal and State funding during the 2024 Program Year to address priority needs. The City's application for Permanent Local Housing Allocation (PLHA) funding from HCD was approved; as a result, the City received grant funding in the amount of approximately \$1.28 million over three funding years. The City has committed PLHA funds to Habitat for Humanity to aid in the construction of an affordable housing project. The City has also committed funding from the City's Low-Mod Income Asset fund to the Regional Housing Authority to aid in their construction of a low-income housing project as well

## CR-20 - Affordable Housing 91.520(b)

**Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.**

The City continued offering and/or providing funding for affordable housing activities which includes the single-family Owner Occupied Housing Rehabilitation, First-Time Homebuyer Down Payment Assistance, and the Exterior Home Repair Programs. The City worked in partnership with local non-profit agencies and the to preserve affordable housing units.

|                                                                            | One-Year Goal | Actual    |
|----------------------------------------------------------------------------|---------------|-----------|
| Number of Homeless households to be provided affordable housing units      | 0             | 0         |
| Number of Non-Homeless households to be provided affordable housing units  | 30            | 40        |
| Number of Special-Needs households to be provided affordable housing units | 0             | 0         |
| <b>Total</b>                                                               | <b>30</b>     | <b>40</b> |

**Table 5 – Number of Households**

|                                                                      | One-Year Goal | Actual    |
|----------------------------------------------------------------------|---------------|-----------|
| Number of households supported through Rental Assistance             | 0             | 0         |
| Number of households supported through The Production of New Units   | 0             | 0         |
| Number of households supported through Rehab of Existing Units       | 30            | 40        |
| Number of households supported through Acquisition of Existing Units | 0             | 0         |
| <b>Total</b>                                                         | <b>30</b>     | <b>40</b> |

**Table 6 – Number of Households Supported**

**Discuss the difference between goals and outcomes and problems encountered in meeting these goals.**

The transition of housing loan administrators, housing market prices, and specific guidelines from the State on how loan program funds can be spent have created issues in meeting the City's goals for affordable housing.

Although the City does not operate a rental assistance program, the RHA administers the Housing Choice Voucher (HCV) Section 8 Rental Assistance Program. A total of 744 households were assisted during this Program Year (PY). The RHA also administers the United States Department of Agriculture (USDA) – Rural

Development Housing Program; it assisted a total of 188 families this PY.

In addition, CDBG funding awarded to the SYHC is used for rental assistance. Funding awarded to FREED and Habitat for Humanity is used for rehabilitation of existing affordable units and some special-needs households.

**Discuss how these outcomes will impact future annual action plans.**

**Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.**

Despite the issues described above, the City will be able to adjust goals and meet objectives set forth in the new 2025 Consolidated Plan.

| <b>Number of Households Served</b> | <b>CDBG Actual</b> | <b>HOME Actual</b> |
|------------------------------------|--------------------|--------------------|
| Extremely Low-income               | 713                | 0                  |
| Low-income                         | 601                | 0                  |
| Moderate-income                    | 118                | 0                  |
| <b>Total</b>                       | <b>1,432</b>       | <b>0</b>           |

**Table 7 – Number of Households Served**

#### **Narrative Information**

The low-income persons listed above were served through the Sutter Yuba Homeless Consortium, FREED Home Repair, Playzeum, Yuba Sutter Gleaner's Foodbank, and Casa de Esperanza's emergency shelter.

## **CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)**

**Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:**

### **Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

Many persons experiencing homelessness, require specialized or intensive assistance in order to get back into permanent housing and be linked with services needed for on-going stability. Often, homeless persons suffer from mental health conditions, drug or alcohol addiction, chronic physical illnesses, and many experience more than one of these conditions, which may contribute to their homelessness.

The City relies on the Sutter-Yuba Homeless Consortium (SYHC), our area's Continuum of Care (CoC), to coordinate services for the homeless. The SYHC is a regional, non-profit organization that brings together public and private agencies and organizations to address the full scope of housing and supportive services needed by the varying homeless population. During the 2024 Program Year (PY), SYHC has implemented its Coordinated Entry System (CES). Coordinated Entry is a HUD-mandated requirement to prioritize services to the most vulnerable within the community. In Yuba City, the CES is located at Hands of Hope's day services center. Upon entering the CES, homeless individuals have their needs assessed to determine which services they are eligible for and are assigned a case manager to assist them in obtaining permanent housing. Additionally, Hands of Hope offers several life skills classes to help facilitate a client's move toward self-sufficiency.

Annually the SYHC, along with volunteers, conduct a Point-in-Time (PIT) count of the homeless. The information is limited since it cannot count every person that is homeless or count people that are at risk of homelessness. It does however provide an estimate of the homeless population, helps to assess the needs of the various sub-populations, and helps to assess the progress in ending homelessness. In 2023, the most recent unsheltered count, SYHC identified a total of 963 individuals experiencing homelessness in Sutter and Yuba Counties, and 252 precariously housed individuals.

All agencies that received CDBG funding during this Program Year utilize intake forms to collect data and assess the needs of homeless individuals and families. They assess for chronic homelessness, physical, mental, or behavioral issues as well as any financial difficulties these individuals may have. Once their individual needs are assessed, they construct a case plan specific to their needs and assist them in achieving their individual goals and milestones. Their assistance can include classes that address specific barriers that each client may have that affect them maintaining housing stability. These classes may include; Seeking Safety, Anger Management, Relapse Prevention, Life Skills, Budgeting, Co-dependency, Kitchen class, Health Classes, Grief Counseling, One-on-Ones with case managers and Parenting classes.

### **Addressing the emergency shelter and transitional housing needs of homeless persons**

The City works within the framework of and relies on the SYHC and member agencies to address the emergency shelter and transitional housing needs of homeless individuals and families.

Some of the funding awarded to SYHC goes towards the Regional Emergency Shelter Team, which provides emergency shelter for homeless individuals and families and ramps up operation during the winter months.

The City took the following actions during this PY to address the needs of homeless persons: 1) The City's zoning code allows for emergency shelter and transitional shelter sites in accordance with State Law; and 2) the City continued to support applications for emergency shelter and/or transitional housing funding by the SYHC and member agencies, consistent with City policy.

Better Way shelter, Sutter County's homeless shelter opened in doors in the City of Yuba City in 2019. Better Way has a 40-bed capacity, and offers a temporary place to stay for up to 3 months for single individuals age 18 and above. The City has committed some of its PLHA funding to Better Way to support operations.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs**

Low-income households overpaying for rent and utilities are constantly at risk of becoming homeless. The City's objectives for helping low-income individuals and families avoid homelessness include maintain and increasing the supply of affordable housing as well as supporting the efforts of SYHC and its member agencies.

During this PY the City provided CDBG funds to the SYHC. The SYHC provides a forum for its member agencies who assist low-income households and individuals receiving assistance from public and private agencies to develop comprehensive, coordinated services that address the underlying reasons for homelessness helping those individuals and families avoid becoming homeless. The SYHC allocates funding to non-profit agencies who provide programs and services to the City's homeless population. These agencies are: The Bridges to Housing, Central Valley Homeless Veterans Assistance Program, and the Salvation Army; these agencies provide assistance with security deposits, one-time rental assistance, utility assistance, on-going supportive services and/or case management to individuals and families that are formerly homeless or at risk of becoming homeless.

Bridges to Housing provides financial assistance to low income individuals and families in the form of security deposits to prevent them from becoming homeless. The deposit assistance provided by Bridges to Housing is sometimes the financial assistance needed to help those at risk of being homeless moving forward in a positive direction. Providing security deposit assistance to homeless individuals or families give them a fresh start placing them in a stable and safe environment and moving them from the uncertainty of being homeless. Bridges to Housing also provides everyone with a list of additional resources and referrals to such organizations as Hands of Hope while they are going through this transition

period giving them the additional hope and resources they need avoid becoming homeless again.

The Central Valley Homeless Veterans Assistance Program provides assistance to veterans with one-time rent assistance and utility assistance to create or maintain stable housing. They also provide additional supportive services and participate and support the Sutter-Yuba Veterans Stand Down event held annually during which veterans and their families receive a variety of services.

The City's efforts during this PY to help low-income individuals and families avoid becoming homeless included continuing its Housing Rehabilitation Program that maintains the City's existing affordable housing stock as well as continuing to work in cooperation with the Regional Housing Authority (RHA). The RHA provides a variety of housing options to low and very low-income households. To date the Department of Housing and Community Development (HCD) has yet to respond to the City's request for a housing price waiver. This is crucial in order to effectively operate and expend HOME funds with the high housing prices within the City. HCD is the State Agency that oversees and provides HOME funding opportunities, (on a competitive basis), for the City's First-Time Homebuyer and Owner Occupied Rehabilitation programs.

**Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

The City does not provide supportive services or case management to homeless or formerly homeless persons. The City relies on the SYHC and its member service providers to address the supportive services and case management needed to help homeless people's transition to permanent housing, independent living, secure permanent affordable housing and prevent recurring homelessness.

## **CR-30 - Public Housing 91.220(h); 91.320(j)**

### **Actions taken to address the needs of public housing**

The City does not own or operate public housing units, but works in collaboration with the Regional Housing Authority, who manages the City's Neighborhood Stabilization and Homes2Families housing units.

### **Actions taken to encourage public housing residents to become more involved in management and participate in homeownership**

Since the City does not own, operate public housing or have oversight over Housing Authority operations, there are no City strategies directed at public housing tenants; however, the City encourages all residents to be active participants in their community.

The RHA has continued to work with residents to provide an environment in which they are able to accumulate adequate resources in order to move into non-subsidized housing and homeownership.

### **Actions taken to provide assistance to troubled PHAs**

The RHA is not identified as a troubled Housing Authority; therefore, this section does not apply.



## **CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)**

**Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)**

The City's 2021-2029 Housing Element establishes specific goals, policies, and objectives relative to the provision of housing for all economic segments of the community and to adopt an action plan. The plan outlines policies and actions that will provide a systematic program for achieving the City's fair share of regional housing needs, maintaining the existing housing stock, providing affordable housing, facilitating the production of a wide range of housing types, and facilitating the incorporation of energy-efficient materials and technology in new and existing housing units. These policies include: allowing for accessory dwelling units in all zones where residential structures are allowed in accordance with AB 2299; allowing for single room occupancy (SRO) housing without a use permit in commercial zones; continuing to ensure zoning standards and development of housing at higher density ranges through exploration of creative options such as shared-parking, mixed-use development, encouragement of additional building floors, etc. Also, developing regulations for condominium conversions that minimize displacement of low-income residents and prevent the loss of affordable housing units, a density bonus which will offer incentives for developers who submit projects for multi-unit affordable housing, the requirement for developers to replace all affordable housing units lost to new development, and allowing residential use in non-residential land use designations. In addition, the City permits rotating cold weather shelters in religious institutions in each of the Residential Districts by-right, providing housing opportunities, albeit on a limited basis.

### **Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)**

During the 2024 Program Year, the City continued its efforts to identify alternate funding sources, supported funding applications by service providers that expanded the availability of affordable housing, and supported applications for homeless assistance and supportive services. The City continued to implement zoning and land use policies that encourages the development of affordable housing. The City also continued to encourage partnerships with other local government entities and service providers so that underserved needs may be better met by coordinated and collaborative uses of resources.

### **Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)**

The City continues to implement HUD's lead-based paint regulations. Efforts by the City in this regard include the disclosure of possible lead hazards and implementation of lead risk assessment, clearance testing procedures and supervision of lead-related work performed in conjunction with any of its housing programs. Any mitigation or removal of lead-based paint hazard is in accordance with HUD guidelines.

### **Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)**

Poverty has many causes. Among the causes are disabilities (physical and developmental disabilities,

chronic diseases, mental illness, etc.), a lack of adequate education or vocational training, a lack of sufficient spousal support and substance abuse problems. According to the 2021 U.S. Census Bureau American Community Survey data, 13% of Yuba City's population resides in poverty.

During this Program Year, the City has continued its efforts to forge relationships with public and private organizations that share a common mission for improving the quality of life for lower income individuals through housing, social services, employment and skills training, neighborhood revitalization and economic development.

The City is also a member of the Yuba-Sutter Economic Development Corporation (YSEDC) which offers economic development programs and partners with local lending institutions to make loans available to businesses creating and/or retaining jobs for low income residents.

Sutter County offers residents and businesses assistance through their Human Services Department, Employment Services offered include: Job Fairs, Hiring Assistance, Advertising and Recruitment Services, Employment Counseling, Job Search Programs and Strategies, Resume Design and a Resource Center.

The Regional Housing Authority, through the Family Self Sufficiency (FSS) Program, a voluntary 5-year program, provides rental assistance and support programs in order to allow households on the Housing Choice Voucher (HCV) Section 8 Rental Assistance Program to become free of public assistance.

#### **Actions taken to develop institutional structure. 91.220(k); 91.320(j)**

The City's Development Services Department is responsible for the administration of the City's Housing Programs, including the CDBG Program. The Development Services Department also oversees the City's Community Development and Economic Development activities. As an entitlement jurisdiction, the City receives an annual allocation of CDBG funds directly from the Department of Housing and Urban Development (HUD); both internal City departments and external agencies implement the programs and projects identified in the Annual Action Plan. The Development Services Department has continued to collaborate with other City Departments, the City Council, City Commissions, as well as local agencies, organizations and residents to develop programs and activities that serve low and moderate-income individuals and families within the jurisdiction.

#### **Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)**

The City will continue to meet with and maintain a dialogue with non-profit agencies and organizations that serve low and moderate-income persons. The City will work to enhance and improve the organizational capacity and foster a collective planning process.

The City will continue to work closely with the Regional Housing Authority to develop, preserve and

improve the supply of affordable housing in the City.

During the 2024 PY, the City has also committed PLHA funding, as well as funding from their Low-Mod Asset Fund (formerly redevelopment agency funds) to Habitat for Humanity and Regional Housing Authority for two affordable housing projects, that will total over 300 affordable units.

**Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)**

The City includes HUD brochures on sub-prime lending practices in the City's First Time Homebuyers and Housing Rehabilitation Programs.

To the extent that impediments pertain to private sector activities, the City carefully monitors any complaints received and, if necessary, refers fair housing matters to California Rural Legal Assistance. The City also encouraged applications for boards and commissions from all classes of citizens in order to promote adequate citizen representation.

## **CR-40 - Monitoring 91.220 and 91.230**

**Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements**

The City monitors its performance through the Consolidated Annual Performance and Evaluation Report (CAPER). Each year the City reviews and reports progress it has made in carrying out its Con Plan and Action Plan. The 2024 CAPER includes a description of resources made available, investment of available resources, geographic distribution and location of investments, results/outcomes, actions taken to affirmatively further fair housing and any other actions taken during the 2024 Program Year (PY) as outlined in the 2024 Action Plan.

Throughout the 2023 PY, the City utilized the Integrated Disbursement and Information System (IDIS) for setting up, funding, drawing down and reporting CDBG and other funds as required. IDIS reports are incorporated into the 2024 CAPER and made available to the public as required.

The City utilized a performance measurement system to ensure accurate reporting of results in IDIS and in the 2024 CAPER for the programs and projects undertaken by the City during this PY.

In addition to the HUD monitoring and reporting requirements, the City completed the following monitoring program for its housing and community development programs and projects:

- The City reviewed and reported to the State Department of Housing and Community Development on the progress the City made during this PY implementing its 2021-2029 Housing Element.
- The City monitored its Sub-Recipients to ensure compliance with federal and local requirements outlined in Sub-Recipient Agreements. The level of Sub-Recipient monitoring conducted by City staff is determined through a Risk Assessment (RA), utilizing a variety of factors i.e., Sub-Recipients new to CDBG funding, Sub-Recipients with higher staff turnover, etc. The RA determines which Sub-Recipients have a higher level of risk of non-compliance with CDBG Program regulations and requirements. For Sub-Recipients determined to have a higher risk of non-compliance, City staff will conduct an on-site monitoring and may be provided technical assistance, training, or additional oversight by City staff throughout the year. For those Sub-Recipients that are determined to have a low risk of non-compliance, City staff may determine a desk review is sufficient to ensure on-going compliance with CDBG requirements. The RA conducted for the monitoring during this PY determined that two interanal subrecipients were at risk of non-compliance due to lack of timeliness expenditure of funding. These subrecipients were given guidance on how to maintain a timeline for expenditures and the most efficient pathway to getting the funding expended. The DSD will continue to monitor these departments to ensure funds are expended within given timeline. The City utilizes quarterly reporting to

monitor Sub-Recipient progress and financials, and to provide feedback moving forward based on those reports to ensure funds are being expended successfully.

### **Citizen Participation Plan 91.105(d); 91.115(d)**

#### **Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.**

The City's Citizen Participation Plan (CPP) details the public noticing requirements for CDBG activities, sets threshold requirements for Annual Action Plan amendments, and also provides a detailed description of the CDBG Program Year cycle. In addition to carrying out the actions set forth in the City's Citizen Participation Plan, the following actions were taken during the 2023 Program Year:

##### **1. Public Notice Requirements**

The Public Notice for Public Review and Comment for the 2024 CAPER was published on September 2, 2025. The comment period began on September 3, 2025 and will end on September 19, 2025. The Public Notice and 2024 CAPER were also posted on the City's website, where translation services were available. The notice provided 15 days for citizens to comment on the report as required by 24 CFR 91.105(d). This report and all CDBG public information files are available for public review at City Hall and the Public Library.

The City maintains a list of organizations and agencies that advocate on behalf of special needs groups and in addition to the publishing the Public Notice in the local newspaper and on the City's website, the City provides notice to all entities on this list, inviting them and their clients to participate in the CAPER process, including the Public Hearing.

##### **2. Reporting and Recordkeeping**

The City maintains all CDBG programs and financial records. All CDBG program reports will be submitted to HUD as required. A citizen information file is maintained and available for public review.

##### **3. Citizen Comments**

Copies of the 2024 CAPER were made available to the public during the 15-day comment period. A public hearing for public review and comment for the 2024 CAPER will be held on September 16, 2025 before the City Council.

RESERVED FOR PUBLIC COMMENTS.

### **CR-45 - CDBG 91.520(c)**

#### **Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.**

The City does not have any plans to change its program objectives at this time. With the requirement of the new Consolidated Plan for the 2025 Program Year, objectives largely remained the same.

**Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?** No; the City does not have any BEDI grants.

**[BEDI grantees] Describe accomplishments and program outcomes during the last year.**

Not applicable to the City.

## CR-58 – Section 3

Identify the number of individuals assisted and the types of assistance provided

| Total Labor Hours                     | CDBG | HOME | ESG | HOPWA | HTF |
|---------------------------------------|------|------|-----|-------|-----|
| Total Number of Activities            | 1    | 0    | 0   | 0     | 0   |
| Total Labor Hours                     | 0    |      |     |       |     |
| Total Section 3 Worker Hours          | 0    |      |     |       |     |
| Total Targeted Section 3 Worker Hours | 0    |      |     |       |     |

**Table 8 – Total Labor Hours**

| Qualitative Efforts - Number of Activities by Program                                                                                                                                                   | CDBG | HOME | ESG | HOPWA | HTF |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------|-----|-------|-----|
| Outreach efforts to generate job applicants who are Public Housing Targeted Workers                                                                                                                     |      |      |     |       |     |
| Outreach efforts to generate job applicants who are Other Funding Targeted Workers.                                                                                                                     |      |      |     |       |     |
| Direct, on-the job training (including apprenticeships).                                                                                                                                                |      |      |     |       |     |
| Indirect training such as arranging for, contracting for, or paying tuition for, off-site training.                                                                                                     |      |      |     |       |     |
| Technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).                                                                                                    |      |      |     |       |     |
| Outreach efforts to identify and secure bids from Section 3 business concerns.                                                                                                                          |      |      |     |       |     |
| Technical assistance to help Section 3 business concerns understand and bid on contracts.                                                                                                               |      |      |     |       |     |
| Division of contracts into smaller jobs to facilitate participation by Section 3 business concerns.                                                                                                     |      |      |     |       |     |
| Provided or connected residents with assistance in seeking employment including: drafting resumes, preparing for interviews, finding job opportunities, connecting residents to job placement services. |      |      |     |       |     |
| Held one or more job fairs.                                                                                                                                                                             |      |      |     |       |     |
| Provided or connected residents with supportive services that can provide direct services or referrals.                                                                                                 |      |      |     |       |     |
| Provided or connected residents with supportive services that provide one or more of the following: work readiness health screenings, interview clothing, uniforms, test fees, transportation.          |      |      |     |       |     |
| Assisted residents with finding child care.                                                                                                                                                             |      |      |     |       |     |
| Assisted residents to apply for, or attend community college or a four year educational institution.                                                                                                    |      |      |     |       |     |
| Assisted residents to apply for, or attend vocational/technical training.                                                                                                                               |      |      |     |       |     |
| Assisted residents to obtain financial literacy training and/or coaching.                                                                                                                               |      |      |     |       |     |
| Bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.                                                                                               |      |      |     |       |     |
| Provided or connected residents with training on computer use or online technologies.                                                                                                                   |      |      |     |       |     |
| Promoting the use of a business registry designed to create opportunities for disadvantaged and small businesses.                                                                                       |      |      |     |       |     |
| Outreach, engagement, or referrals with the state one-stop system, as designed in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.                                                    |      |      |     |       |     |
| Other.                                                                                                                                                                                                  |      |      |     |       |     |

**Table 9 – Qualitative Efforts - Number of Activities by Program**

## **Narrative**

The City had one Section 3 activity during the 2024 PY, but progress has not yet been made on that activity.



CITY OF YUBA CITY  
STAFF REPORT

**Date:** September 16, 2025  
**To:** Honorable Mayor & Members of the City Council;  
**From:** Development Services Department  
**Presentation By:** Doug Libby, Development Services Director

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**Summary**

**Subject:** Merriment Village Apartments, Development Plan 25-02

**Recommendation:** A. Conduct a Public Hearing, and;

B. Adopt a Resolution of the City Council of the City of Yuba City rescinding the City Council's approval of Development Plan 23-02, determining the Merriment Village Apartments meets the requirements of a Homekey project and that pursuant to Health & Safety Code Section 50675.1.3(i), Development Plan 25-02 is a ministerial project and that pursuant to the California Environmental Quality Act (CEQA) Guidelines Sections 15268(a) and 15002(i), CEQA does not apply to ministerial projects, and approve Development Plan 25-02, Merriment Village Apartments, for the development of a 218-unit income-based (affordable) apartment complex, located on a 7.7-acre parcel at 428 North Walton Avenue (Assessor's Parcel Number 58-120-001)

**Fiscal Impact:** On May 2, 2023, the City Council approved a Funding Commitment letter to contribute \$1,787,922 in the form of development fee waivers and \$155,000 annually of available Permanent Local Housing Allocation (PLHA) Funding for ongoing annual operations costs

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**Purpose:**

To consider rescinding the City Council's approval of Development Plan 23-02 and approving Development Plan 25-02 for the Merriment Village Apartments project.

**Council's Strategic Goal:**

This item meets the City Council's strategic goals of quality infrastructure (housing), business friendly, and quality of life.

**Background:**

On September 19, 2023, the City Council approved Development Plan 23-02 for the Merriment Village Apartment project located at 428 North Walton Avenue. The project provides for a 218-unit income-based apartment complex at 428 North Walton Avenue.

Since project approval, the applicant, Habitat for Humanity, has been working to secure project

financing to construct the project.

The project has received significant funding from the State Department of Housing and Community Development Department (HCD) through a joint application between the City and Habitat in the form of a Homekey 3.0 Grant in the amount of \$24,632,331 consisting of \$22,632,331 for construction of capital improvements and \$2,615,425 for operating expenses.

It has been almost two years since the City Council’s approval. To update project conditions and to utilize a newer exemption for affordable housing projects under CEQA, Habitat for Humanity has submitted a new application for approval, Development Plan 25-02.

On August 27, 2025, the Planning Commission unanimously recommended the City Council rescind its approval of Development Plan 23-02, determining the Merriment Village Apartments meets the requirements of a Homekey project and that pursuant to Health & Safety Code Section 50675.1.3(i), newly filed Development Plan No. 25-02 is a ministerial project and that pursuant to the California Environmental Quality Act (CEQA) Guidelines Sections 15268(a) and 15002(i), CEQA does not apply to ministerial projects, and approve Development Plan 25-02, Merriment Village Apartments, for the development of a 218-unit income-based (affordable) apartment complex, located on a 7.7-acre parcel at 428 North Walton Avenue (Assessor’s Parcel Number 58-120-001).

**Analysis:**

The submittal of Development Plan application DP 25-02 necessitates the City to rescind its approval of Development Plan 23-02.

Although a new application has been submitted, the project elements remain the same. The Merriment Village Apartments project proposes to develop a 218-unit income-based (affordable) apartment complex on 7.7 acres, which will include five multifamily buildings, a facility building, a clubhouse, and a fitness/multipurpose building. The project density is approximately 28 dwelling units per acre, and is proposed to be developed in two phases.

Due to the project exceeding 100 dwelling units, final approval by the City Council is required pursuant to Municipal Code Section 8-5.7001 (a).

An important distinction about this new application and utilizing a new CEQA exemption is this new application is considered a ministerial act under the law, which means the City does not have discretion to deny this new application. The role of the City Council in this matter is to evaluate whether this Project meets the requirements of a Homekey Project Pursuant to Health & Safety Code Section 50675.1.3. Additional discussion about this is explained in the “Environmental Determination” section of this staff report.

Finally, Habitat for Humanity has agreed to comply with the previously approved Conditions of Approval from Development Plan 23-02, as part of the City’s approval of Development Plan 25-02, except for a Condition that pertains to the CEQA exemption used.

***General Plan Consistency***

An analysis of this project’s consistency with the General Plan concludes that the project is consistent with the General Plan. This is reflected in the Resolution prepared for the project.

**Compatibility with neighboring uses:**

|                                     |
|-------------------------------------|
| <b>TABLE 1: BORDERING LAND USES</b> |
|-------------------------------------|

|        |                                                                                                                                                                                                                                       |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| North: | Multifamily housing units (duplex and four-plexes)                                                                                                                                                                                    |
| South: | A vacant commercial lot is located directly south of the proposal with a Chevron fuel station and Mini Mart south of the vacant parcel.                                                                                               |
| East:  | Single Family residences                                                                                                                                                                                                              |
| West:  | North Walton Avenue is directly west of the property, west of the street is a vacant parcel with an approved Tentative Subdivision Map (TSM 23-01), West Walton Village. The tentative map proposes duplex and half-plex development. |

The project is located on the east side of North Walton Avenue, between Bridge Street and Franklin Road. There are several existing housing units (single-family and multifamily) on the north and east sides of the proposed development. Along the south side of the proposal there is a vacant commercial parcel (1.3-acres), with a Chevron fuel station and Mini Mart farther south at the northeast corner of North Walton Avenue and Franklin Road.

There is often a perception from residents of single-family homes to not be near apartments for perceived issues of crime and economics (property values). However, from a land use planning perspective, apartments near single-family residences (homes adjacent to homes) is not a compatibility issue.

## **Design Review**

The primary view of the project is from North Walton Avenue. The proposal will place the buildings along street frontages with parking on the sides and in the rear, which offers passersby a view of the nicely designed buildings instead of a parking lot. This is enhanced with street trees along North Walton Avenue, behind the sidewalk, at a minimum of 30' on center which will further soften the views of the apartment complex. The amenities including a community building, offices, play structure, swimming pool, outdoor patio areas, etc. are centrally located. The architectural design is of a high quality and, with the incorporated Conditions of Approval, comply with the Yuba City Municipal Code Development Standards and Design Guidelines.

## **Traffic**

The proposed development is bounded by existing development. In addition, the location is identified by Sacramento Area Council of Governments (SACOG) as being in an area having a 50 percent or more Vehicle Miles Traveled (VMT) reduction and is compliant with Senate Bill 743, meaning VMT is not identified as an impact due to the project's location within the City.

Ingress and egress to the project is provided from Walton Avenue. Walton Avenue and the nearest intersections, Walton Avenue/Bridge Street and Walton Avenue/Franklin Road intersections are within acceptable City adopted level of service standards which is not expected to deteriorate from the traffic generated by this proposal. This Project will provide pedestrian and bicycle improvements to access Walton Avenue.

North Walton Avenue, Franklin Road and Bridge Street are existing arterial roadways, built for high traffic volumes, that will be impacted by the proposed development. The Public Works Department reviewed the proposal and found that combined with the on-site road improvements to North Walton Avenue, adequate levels of service will be maintained.

## **Parking**

The proposed project includes a minimum of one parking space per residential unit. The California Density Bonus Law states that local governments are no longer allowed to impose any parking requirements for 100% affordable housing projects located within ½ mile from an accessible major

transit stop. The developer has included 243 off-street parking spaces including ADA and EV spaces. The Yuba City Municipal Code would require 281 off-street parking spaces for this development if the California Density Bonus Law did not apply.

## **Noise**

The Municipal Code requires the construction of a 6-foot-tall masonry wall to help mitigate potential noise between multifamily development and single-family residences. As discussed, this proposal includes a perimeter wall on the north, east, and south sides of the project. Additionally, construction will be required to comply with existing City standards regarding time of construction, noise mitigation, etc.

## **Availability of City services:**

City water and wastewater collection are available to the property. A stormwater drainage system is nearby that will be operated and maintained by the City and which drains to the Gilsizer Slough.

## **Environmental Determination:**

Development Plan 25-02 is for a Homekey-funded project. Homekey funds are authorized pursuant to Health & Safety Code Section 50675.1.3. Health & Safety Code Section 50675.1.3(a) lists the authorized uses for the Homekey funds, which include new construction of dwelling units.

Health & Safety Code Section 50675.1.3(i) provides that Homekey projects shall not be subject to a conditional use permit, discretionary permit, or any other discretionary review or approval.

CEQA Guidelines Sections 15268(a) and 15002(i) state that CEQA applies only to discretionary actions and "whether an agency has discretionary or ministerial controls over a project depends on the authority granted by the law providing the controls over the activity."

Based on the language of Health & Safety Code Section 50675.1.3(i) that Homekey projects may not be subject to discretionary approvals, Homekey projects are ministerial and CEQA does not apply to Development Plan 25-02.

## **Fiscal Impact:**

This project does not have a direct General Fund impact. The City Council previously approved a Funding Commitment letter on May 2, 2023, to contribute \$1,787,922 toward the City of Yuba City development fees and \$155,000 annually of Permanent Local Housing Allocation (PLHA) Funding for ongoing annual operation costs. From the May 2, 2023, City Council staff report, the City's contribution is in the form of fee waivers as follows:

| <b>City Fee</b>                   | <b>Fee Estimate</b> |
|-----------------------------------|---------------------|
| Development Impact Fees           | \$780,147.91        |
| Building Permit Fees              | \$199,594.72        |
| Sewer Connection & Extension Fees | \$495,956.07        |
| Water Connection Fees             | \$312,223.08        |
| Total Estimated City Fees:        | \$1,787,921.78      |

## **Alternatives:**

Staff do not see any alternatives available regarding Development Plan 25-02. As a Homekey project meeting the requirements for grant funding, this is a ministerial action and with its approval, the City

acknowledges such.

**Recommendations:**

1. Conduct a Public Hearing, and;
2. Adopt a Resolution of the City Council of the City of Yuba City rescinding the City Council's approval of Development Plan 23-02, determining the Merriment Village Apartments meets the requirements of a Homekey project and that pursuant to Health & Safety Code Section 50675.1.3(i), Development Plan 25-02 is a ministerial project and that pursuant to the California Environmental Quality Act (CEQA) Guidelines Sections 15268(a) and 15002(i), CEQA does not apply to ministerial projects, and approve Development Plan 25-02, Merriment Village Apartments, for the development of a 218-unit income-based (affordable) apartment complex, located on a 7.7-acre parcel at 428 North Walton Avenue (Assessor's Parcel Number 58-120-001).

**Attachments:**

1. Proposed Resolution
2. Location Map
3. Development Plan

**Prepared By:**

Doug Libby, AICP  
Director of Development Services

**Submitted By:**

Robert Bendorf  
Interim City Manager

# ATTACHMENT 1

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY RESCINDING THE CITY COUNCIL'S APPROVAL OF DEVELOPMENT PLAN 23-02, DETERMINING THE MERRIMENT VILLAGE APARTMENT PROJECT MEETS THE REQUIREMENTS OF A HOMEKEY PROJECT AND THAT PURSUANT TO HEALTH & SAFETY CODE SECTION 50675.1.3(I), DEVELOPMENT PLAN 25-02 IS A MINISTERIAL PROJECT AND THAT PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) GUIDELINES SECTIONS 15268(A) AND 15002(I), CEQA DOES NOT APPLY TO MINISTERIAL PROJECTS, AND APPROVE DEVELOPMENT PLAN 25-02, MERRIMENT VILLAGE APARTMENTS, FOR THE DEVELOPMENT OF A 218-UNIT INCOME-BASED (AFFORDABLE) APARTMENT COMPLEX, LOCATED ON A 7.7-ACRE PARCEL AT 428 NORTH WALTON AVENUE (ASSESSOR'S PARCEL NUMBER 58-120-001)**

**WHEREAS**, the City received an application in April 2023 for Development Plan (DP) 23-02, to construct a 218-unit income-based (affordable) apartment complex on 7.7 acres, located at 428 North Walton Avenue; and

**WHEREAS**, on September 19, 2023, the City Council conducted a Public Hearing to consider Development Plan (DP) DP 23-02, and after conducting a public hearing approved Resolution 23-118, thereby approving the Merriment Village Apartment project at 428 North Walton Avenue, Assessor's Parcel 58-120-001.

**WHEREAS**, the applicant for the Merriment Village Apartment project, Habitat for Humanity Yuba-Sutter, desires to update project conditions and to utilize a newer exemption for affordable housing projects under the California Environmental Quality Act (CEQA), therefore Habitat for Humanity Yuba-Sutter has submitted a new application for approval, DP 25-02; and

**WHEREAS**, all project elements remain the same under DP 25-02 and the project continues to provide for 218 income-based affordable housing units; and

**WHEREAS**, DP 25-02 is a Homekey funded project. Homekey funds are authorized pursuant to Health & Safety Code Section 50675.1.3. Health & Safety Code Section 50675.1.3(a) lists the authorized uses for the Homekey funds, which include new construction of dwelling units; and

**WHEREAS**, Health & Safety Code Section 50675.1.3(i) provides that Homekey projects shall not be subject to a conditional use permit, discretionary permit, or any other discretionary review or approval. As a result, DP 25-02, is considered a ministerial project; and

**WHEREAS**, CEQA Guidelines Sections 15268(a) and 15002(i) state that CEQA applies only to discretionary actions and "whether an agency has discretionary or ministerial controls over a project depends on the authority granted by the law providing the controls over the activity." Based on the language of Health & Safety Code Section 50675.1.3(i) that Homekey projects may not be subject to discretionary approvals, Homekey projects are ministerial and CEQA does not apply to DP 25-02; and

**WHEREAS**, although DP 25-02 is a ministerial project, Habitat for Humanity Yuba-Sutter has agreed to continue to comply with the conditions of approval adopted as part of DP 23-02,

except for conditions that the City and applicant mutually agree to revise; and

**WHEREAS**, due to the filing of a new application (DP 25-02), it is desirable for the City Council to rescind its previous approval of DP 23-02 as reflected in Resolution No. 23-118; and

**WHEREAS**, the City Council has reviewed all associated documents prepared for DP 25-02, including those related to the previous approval of DP 23-02 and all the evidence received by the Planning Commission; and

**WHEREAS**, On September 16, 2025, the City Council conducted a public hearing to consider DP 25-02, and received both oral testimony and written information presented at the hearing regarding the same; and

**WHEREAS**, the City Council of the City of Yuba City considered said recommendations of the Planning Commission on the matter and after review and consideration of the environmental determination, the City Council now desires to approve the project; and

**WHEREAS**, the City Council of the City of Yuba City now desires approve DP 25-02 and the associated environmental determination; and

**NOW, THEREFORE**, the City Council of the City of Yuba City resolves as follows:

1. Recitals. The City Council hereby specifically finds that all of the facts set forth in the recitals above are true and correct and incorporated herein.

CEQA Finding. A preliminary environmental assessment was prepared for this project in accordance with the requirements of the California Environmental Quality Act (CEQA). The City Council finds and determines that the project is a Homekey funded affordable housing project. Health & Safety Code Section 50675.1.3(i) provides that Homekey projects shall not be subject to a conditional use permit, discretionary permit, or any other discretionary review or approval. As a result, DP 25-02, is considered a ministerial project. CEQA Guidelines Sections 15268(a) and 15002(i) state that CEQA applies only to discretionary actions and "whether an agency has discretionary or ministerial controls over a project depends on the authority granted by the law providing the controls over the activity." Based on the language of Health & Safety Code Section 50675.1.3(i) that Homekey projects may not be subject to discretionary approvals, Homekey projects are ministerial and CEQA does not apply to DP 25-02.

2. Development Plan 25-02 Findings: The City Council finds the following required findings of Section 8-5.7001(C) of the Municipal Code that must be made prior to approving the project (*the required findings are in italics*):

- a. *The site for the proposed use is adequate in size and shape to accommodate said use, public access, parking and loading, yards, landscaping, and other features required by this chapter.*

Evidence. The site is of adequate size to accommodate the project. The proposed residential density of 28 residences per acre is within the Medium High Density Residential (HDR) permitted density range of 12-36 residences per acre. Adequate public access is provided from two access points on North Walton Avenue. The apartment project will provide 243 off-street vehicle parking spaces, which greatly exceeds the requirements under the California Density Bonus Law (Assembly Bill 2345) for parking spaces of 100% affordable housing projects. Landscaping and open space/recreation area standards are also met. All City



services are available to the site.

- b. The streets serving the site are adequate to carry the quantity of traffic generated by the proposed use.*

Evidence. North Walton Avenue, Franklin Road and Bridge Street are existing arterial roadways, built for high traffic volumes, that will be impacted by the proposed development. The Public Works Department reviewed the proposal and found that combined with the on-site road improvements to North Walton Avenue, and the payment of the development impact fees for roads, the nearby streets will maintain adequate levels of service.

- c. The site design, design of the buildings, and the scale of the project will complement neighboring facilities.*

Evidence. Based on the analysis provided in the staff report and the conditions of approval, the site design of the project adequately considered the impacts on neighboring properties. The project's design provides adequate building setbacks from the property lines, and there is adequate perimeter landscaping that improves the project's exterior appearance.

The proposed building design includes various materials, including stucco and stone accents. Combined with the landscaping which includes trees planted along the perimeter and throughout the site that will ensure that to the extent feasible the facility will be compatible with neighboring properties.

- d. The application satisfies at least one of the findings found in Title 6, Chapter 9, Article 6 of the Municipal Code.*

Evidence. This project complies with this finding as the Sutter Butte Flood Control Agency (SBFCA) is the "Local Flood Management Agency" for the Sutter-Butte Basin and as such, has the responsibility to prepare an annual report demonstrating adequate progress as defined in California Government Code Section 645007 (a). SBFCA has prepared Adequate Progress Report Updates for ULOP and transmitted them to the Central Valley Flood Protection Board. As such this site has adequate flood protection. Additionally, the City has imposed conditions on the Development Plan that will protect property within the area to the urban level in urban areas and urbanizing areas.

3. Recinding approval of Development Plan 23-02: Based on the information contained in this resolution, the City Council of the City of Yuba City rescinds its approval of DP 23-02 as reflected in Resolution 23-118.
4. Approval of the Development Plan 25-02: Based on the information provided, the City Council of the City of Yuba City determines this Project meets the requirements of a Homekey Project Pursuant to Health & Safety Code Section 50675.1.3 and approves DP 25-02, a ministerial project, subject to the mutually agreed upon Conditions of Approval attached hereto as Exhibit A.
5. Effective: This Resolution shall become effective immediately.

The foregoing Resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 16<sup>th</sup> day of September, 2025.

AYES:

NOES:

ABSENT:

**CITY OF YUBA CITY**

---

Dave Shaw, Mayor

**ATTEST:**

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Ciara Wakefield, Deputy City Clerk

APPROVED AS TO FORM  
COUNSEL FOR YUBA CITY

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Shannon Chaffin, City Attorney  
Aleshire & Wynder, LLP

Exhibit A: Conditions of Approval

## EXHIBIT A

**CITY OF YUBA CITY  
CONDITIONS OF APPROVAL  
DEVELOPMENT PLAN 25-02  
SEPTEMBER16, 2025**

**MERRIMENT VILLAGE APARTMENTS  
APN: 058-120-001-000**

**NOTICE TO PROJECT APPLICANT**

In accordance with the provisions of Government Code Section 66020(d)(1), the imposition of fees, dedication, reservations or exactions for this project are subject to protest by the project applicant at the time of approval or conditional approval of the development or within ninety (90) calendar days after the date of imposition of fees, dedications, reservation, or exactions imposed on the development project. This notice does not apply to those fees, dedications, reservations, or exactions which were previously imposed and duly noticed; or, where no notice was previously required under the provisions of Government Code Section 66020(d)(1) in effect before January 1, 1997.

**IMPORTANT: PLEASE READ CAREFULLY**

Please note that this project is subject to a variety of discretionary conditions of approval. These include conditions based on adopted City plans and policies, those determined through the development plan review and environmental assessment essential to mitigate adverse effects on the environment including the health, safety, and welfare of the community, and recommended conditions for development that are not essential to health, safety, and welfare, but would on the whole enhance the project and its relationship to the neighborhood and environment.

Approval of this development plan shall be considered null and void in the event of failure by the applicant and/or the authorized representative, architect, engineer, or designer to disclose and delineate all facts and information relating to the subject property and the proposed development.

Approval of this development plan may become null and void in the event that development is not completed in accordance with all the conditions and requirements imposed on this development plan, the zoning ordinance, and all City standards and specifications. This development plan is granted, and the conditions imposed, based upon the application submittal provided by the applicant, including any operational statement. The application is material to the issuance of this development plan. Unless the conditions of approval specifically require operation inconsistent with the application, a new or revised development plan is required if the operation of this establishment changes or becomes inconsistent with the application. Failure to operate in accordance with the conditions and requirements imposed may result in revocation of the development plan or any other enforcement remedy available under the law. The City shall not assume responsibility for any deletions or omissions resulting from the development plan review process or for additions or alterations to any construction or building plans not specifically submitted and reviewed and approved pursuant to this development plan or subsequent amendments or revisions. These conditions are conditions imposed solely upon the development plan, and are not conditions imposed on the City or any third party. Likewise, imposition of conditions

to ensure compliance with federal, state, or local laws and regulations does not preclude any other type of compliance enforcement.

These conditions are applicable to any person or entity making use of this development plan, and references to “developer” or “applicant” herein also include any applicant, property owner, owner, leasee, operator, or any other person or entity making use of this development plan.

## **CONDITIONS OF APPROVAL**

1. To the furthest extent allowed by law, applicant/property owner shall indemnify, hold harmless and defend City and each of its officers, officials, employees, consultants, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, damages and costs (including attorney's fees, litigation expenses and administrative record preparation costs) arising from, resulting from, or in connection with any Third-Party Action (as hereinafter defined). The term “Third Party Action” collectively means any legal action or other proceeding instituted by (i) a third party or parties, or (ii) a governmental body, agency or official other than the City, that: (a) challenges or contests any or all of these Conditions of Approval or any approval associated with entitlements associated with the project (collectively “Approvals”); or (b) claims or alleges a violation of CEQA or another law in connection with the Approvals by the City, or the grant, issuance or approval by the City of any or all Approvals. Applicant's/property owner's obligations under this paragraph shall apply regardless of whether City or any of its officers, officials, employees, consultants, agents or volunteers are actively or passively negligent, but shall not apply to any loss, liability, fines, penalties forfeitures, costs or damages caused solely by the active negligence or willful misconduct of the City or any of its officers, officials, employees, agents or volunteers. The provisions of this section shall survive any termination, revocation, overturn, or expiration of an approval.

Nothing in this section shall obligate the City to defend any claim and the City shall not be required to pay or perform any settlement arising from any such claim not defended by the City, unless the City approves the settlement in writing. Nor shall the City be prohibited from independently defending any claim, and if the City does decide to independently defend a claim, the applicant/property owner shall be responsible for City's attorneys' fees, expenses of litigation, and costs for that independent defense, including the costs of preparing any required administrative record. Applicant/property owner shall submit all documents filed in the Third-Party Action for review and approval of the City Attorney prior to filing of said documents on behalf of the City.

The City may, at any time, require the applicant to reimburse the City for costs that have been, or which the City reasonably anticipates will be, incurred by the City during the course of processing or defending any Third-Party Actions. The City shall provide applicant/property owner with an invoice detailing all reasonable costs incurred. Applicant/property owner shall tender to the City payment-in-full of all reasonable and necessary costs within thirty (30) days from the date upon the invoice. Applicant/property owner shall contact the City within a reasonable time to arrange any extension of the thirty (30) day time period for payment-in-full of the invoiced amount. Applicant/property owner further acknowledges and agrees, failure to timely tender payment-in-full to the City shall be considered a breach and non-compliance with the conditions of approval for the project. Applicant/property owner

shall also be required, upon request of the City, to deposit two month's estimated costs anticipated by the City to be incurred, which may be used by the City as a draw down account to maintain a positive balance pending tender of payment by Applicant/property owner as noted herein.

2. The site design shall be designed in conformance with the Site Plan, dated April 14, 2023, as appropriate, and as approved by the Planning Commission.
3. Approval of Development Plan (DP) 23-02 shall be null and void without further action if either 1) the project has not been substantially commenced within two years of the approval date of Development Plan 23-02; or 2) that a request for an extension of time, pursuant to Section 8-5.7106 of the Yuba City Municipal Code has not been submitted to the City.
4. The development and operation of the project shall comply with all local, state, and federal codes (including Building and Fire codes) and local development standards.
  - a. The Developer or Representative shall obtain an Encroachment Permit from the City prior to performing any work within public right of way.
5. The Developer shall, prior to the issuance of the first certificate of occupancy of the first building, construct a 6-foot-high masonry wall along all interior property lines in accordance with Yuba City Municipal Code Sec. 8-5. 5905.
6. The Developer shall, prior to the issuance of the first certificate of occupancy of the first building, install landscaping along North Walton Avenue, on all sides of Building 4, and in the parking area for the area required with the development of Phase One, or as approved by the Development Services Director.
7. All exterior lighting shall be decorative in nature. No wall packs are permitted.
8. Decorative window treatment shall be installed, such as an inset of three inches or adding framing or trim around the windows, as approved by the Development Services Director.
9. To help contain fugitive dust, construction sites shall be watered down during the construction phase of the project or as directed by the Public Works Department.
10. Paved streets shall be swept frequently (water sweeper with reclaimed water recommended; wet broom) if soil material has been carried onto adjacent paved, public thoroughfares from the project site.
11. The Developer, at their expense, shall be solely responsible for all quality control associated with the project. The quality control shall include, but is not limited to, the following: survey work, potholing existing utilities, all geotechnical testing, soil reports, concrete testing, asphalt testing, and any other required special testing/inspections. The City will only perform necessary testing to insure compliance.
12. Storage of construction material is not allowed in the travel way.

## **PRIOR TO ISSUANCE OF A GRADING PERMIT**

13. The improvement plans for the development of the subject property shall include all measures required to ensure that no drainage runoff resulting from the development of the property flow onto the adjacent lands or impede the drainage from those lands. At first submittal of the improvement plans, provide existing / proposed grades at the perimeter of the proposed development, and existing grades at the adjacent lands. If retaining walls are required they shall be constructed of concrete or masonry block.

## **PRIOR TO APPROVAL OF THE IMPROVEMENT/BUILDING PLANS**

14. The plans shall indicate the locations of all septic and leach field areas, and all wells. All existing facilities shall be destroyed in accordance with the requirements of the Sutter County Environmental Health and Yuba City Building Departments.
15. The Developer shall comply with all City requirements related to drainage, including submittal of a drainage plan for any drainage improvements for the proposed development. A drainage analysis, along with calculations, shall be submitted to the City Engineer for approval. The analysis shall include, but is not limited to:
  - a. Grading and drainage plan showing the proposed drainage conveyance and storage system.
  - b. Supporting calculations demonstrating adequacy of conveyance capacity and storage volume. The calculation analysis shall meet the requirements of the Yuba City Basin Drainage Study.
  - c. Storm Drain Collection Systems- For the design of all pipeline conveyance facilities, the Hydraulic Grade Line (HGL) shall be maintained a minimum of one foot below the gutter flow line of all drain inlets and at least one foot below all maintenance hole rims during a 10-year, 24-hour storm event. The storm drain minimum pipe size shall be 12 inches. The minimum velocity shall be 2 fps.
  - d. Street Flow- The street system shall be designed to convey the 100-year, 24-hour runoff while maintaining a water surface at least 1 foot below the adjacent building pad elevations (or alternatively, the building pad elevations shall be at least 1 foot above the 100-year water level). The grading plan shall ensure that the 100-year, 24-hour runoff can be conveyed through the development and to the receiving drainage facility.
  - e. Drainage systems (pipes and street systems) shall be designed to accommodate the runoff from the ultimate development of the entire upstream watershed.
  - f. Detention Basins - A 100-year, 4-day storm shall be used for sizing detention storage facilities. The detention basin release rate from a 100-year, 24-hour storm after development must be equal to or lower than the runoff rate from the detention basin's tributary area before development.
  - g. The drainage analysis shall be completed and stamped by a Professional Engineer and determined by the City Engineer, if necessary, to be comprehensive, accurate, and adequate.

16. The development shall comply with Yuba City's stormwater requirements and Post-Construction Standards Plan. The Post Construction information can be found here: [https://www.yubacity.net/city\\_hall/departments/public\\_works/engineering/stormwater\\_management](https://www.yubacity.net/city_hall/departments/public_works/engineering/stormwater_management)

17. All development shall be designed to local, state, and federal flood standards.
18. Developer is to construct street lights along the east side of North Walton Avenue. Placement of the street lights shall be approximately 250 feet apart, or as approved by the Public Works Director.
19. Any street lighting is a public improvement which shall meet the City Standard Details and be included in the Improvement Plans and Specifications for the development when the improvement plans are submitted for the first improvement plan check.
20. The existing power poles along the property on North Walton Avenue shall be placed underground, or addressed in accordance with the City's Overhead Utility Policy adopted March 17, 2020, or as otherwise determined by the Public Works Director. The total lineal foot length of overhead lines along North Walton Avenue is determined to be 693 lineal feet.
21. Any proposed drive gates, and associated hardware locks, shall comply with Municipal Code Section 4-5.02 – Revisions to the 2021 International Fire Code; *Security Gates*; and be approved by the Fire Department. Said drive gates shall be placed at a distance from North Walton Avenue that allows for safe ingress/egress, as approved by the Public Works Director.
22. Required Improvement Plan Notes:
  - a. "Any excess materials shall be considered the property of the contractor/owner and shall be disposed of away from the job site in accordance with applicable local, state and federal regulations."
  - b. "During construction, the Contractor shall be responsible for controlling noise, odors, dust and debris to minimize impacts on surrounding properties and roadways. The Contractor shall be responsible for all construction equipment to be equipped with manufacturers approved muffler baffles. Failure to do so may result in the issuance of an order to stop work."
  - c. "If any hazardous waste is encountered during the construction of this project, all work shall be immediately stopped and the Sutter County Environmental Health Department, the Fire Department, the Police Department, and the City Inspector shall be notified immediately. Work shall not proceed until clearance has been issued by all of these agencies."
  - d. "The Contractor(s) shall be required to maintain traffic flow on affected roadways during non-working hours, and to minimize traffic restriction during construction. The Contractor shall be required to follow traffic safety measures in accordance with the CalTrans "Manual of Traffic Safety Controls for Construction and Maintenance Work Zones." The City of Yuba City emergency service providers shall be notified, at least two working days in advance, of proposed construction scheduled by the contractor(s)."
  - e. "Soil shall not be treated with lime or other cementitious material without prior express permission by the Public Works Department."
  - f. "Where an excavation for a trench and/or structure is five (5) feet deep or more, the contractor shall conform to O.S.H.A. requirements. The contractor shall provide a copy of the approved O.S.H.A. permit, and shoring details and



calculations prepared by California licensed structural engineer to the Public Works Department.”

- g. “Should any field conditions, conflicts, errors, and/or omissions be overlooked during the design review process, or during construction of the development, then any additional work identified during construction shall be implemented by the Developer at the Developer’s expense.”

#### **PRIOR TO ISSUANCE OF A BUILDING PERMIT**

- 23. The property shall petition for formation of a Zone of Benefit of the Yuba City Lighting and Maintenance District for the purpose of maintaining the street lights. The Engineering Division shall be reimbursed actual costs associated with the formation of the district.
- 24. All applicable fees associated with using the Gilsizer District drainage system shall be paid, or as otherwise determined by the Public Works Director.

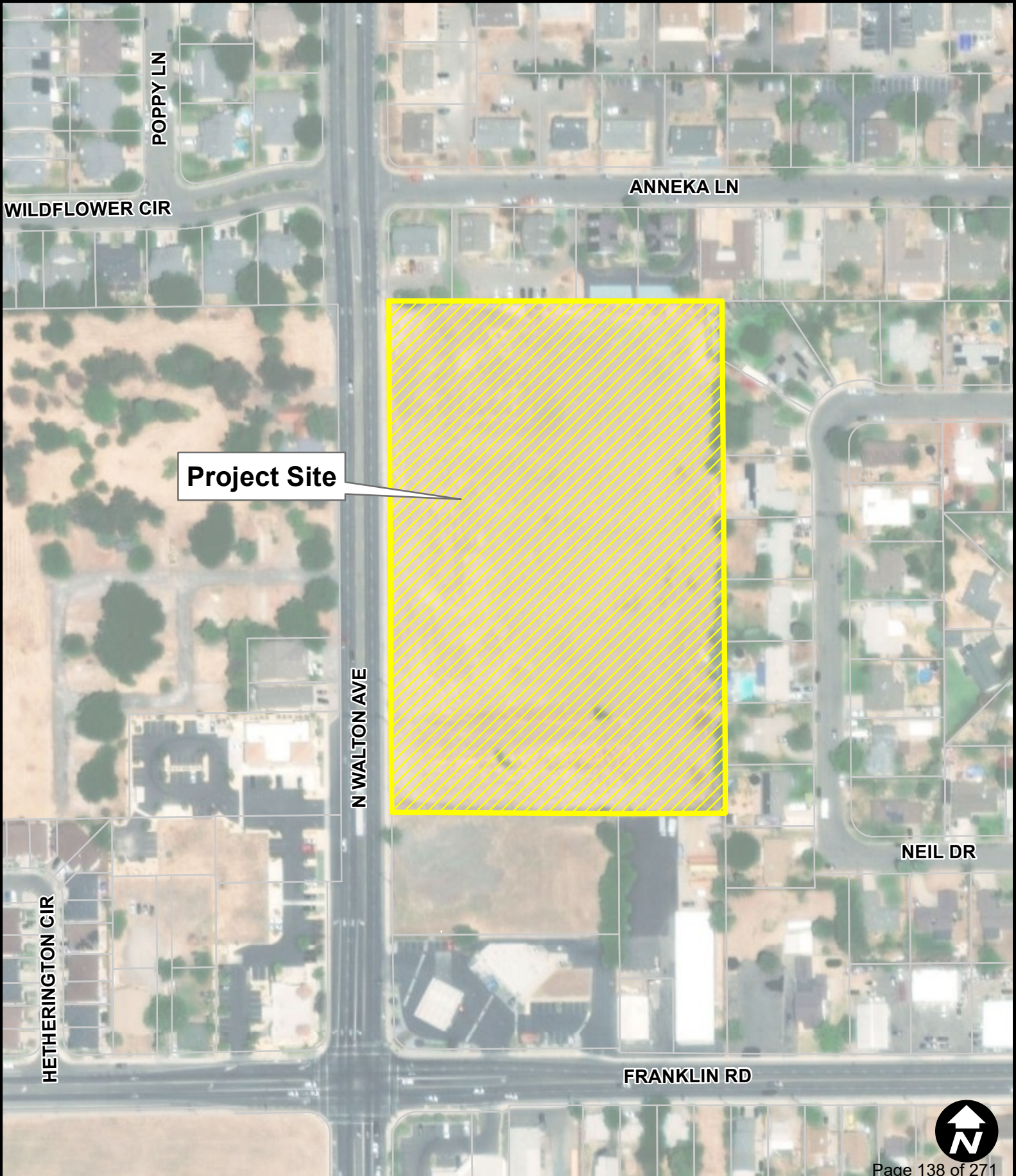
#### **PRIOR TO THE ISSUANCE OF A CERTIFICATE OF OCCUPANCY**

- 25. All street lighting shall be constructed in accordance with the improvement plans, dedicated to the City of Yuba City, and energized prior to the issuance of any certificate of occupancy, unless otherwise approved by the Public Works Director.
- 26. All sidewalks along the City right-of-way shall be free of any non-control joint cracking. In addition, any concrete with cracks, chips, blemishes, and spalling greater than an inch in diameter shall be replaced from control joint to control joint.
- 27. Prior to issuance of any certificate of occupancy, all underground utilities, public improvements, and site improvements, including rough grading, shall be completed in accordance with City requirements.

## ATTACHMENT 2

# Merriment Village Apartments

Location Map / DP 23-02



**Project Site**



## ATTACHMENT 3

# Merriment Village Apartments

YUBA CITY, CA



## SHEET INDEX

A-0.0 COVER SHEET/SHEET INDEX

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A-0.2 PROJECT DATA

A-0.02-1 PHASING PLAN - PHASE 1

A-0.02-2 PHASING PLAN - PHASE 2

A-0.3 SITE AERIAL VIEWS

A-0.4 SITE VIGNETTES

A-0.5 SITE VIGNETTES

G-01 PRELIMINARY GRADING PLAN

L-1 CONCEPTUAL SITE PLAN

L-2 CONCEPTUAL SITE PLAN

L-3 CONCEPTUAL SITE PLAN

L-4 CONCEPTUAL WALL PLAN

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A-1.1 BUILDING A - EXTERIOR ELEVATIONS - 36 PLEX

A-1.2 BUILDING A - LEVEL 1 FLOOR PLAN - 36 PLEX

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A-2.1 BUILDING B - EXTERIOR ELEVATIONS - 24 PLEX

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A-2.3 BUILDING B - LEVEL 2 & 3 FLOOR PLAN - 24 PLEX

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A-5.0 UNIT PLAN

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A-6.1 FACILITIES BUILDING - EXTERIOR ELEVATIONS

A-6.2 FACILITIES BUILDING - FLOOR PLAN

A-7.0 COMMUNITY CENTER - EXTERIOR ELEVATIONS

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A-7.2 COMMUNITY CENTER - FLOOR PLAN

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A-8.0 TRASH ENCLOSURE - PLAN & ELEVATIONS

A-9.0 MATERIAL AND COLOR BOARD

MECHANICAL SCREENING DIAGRAM

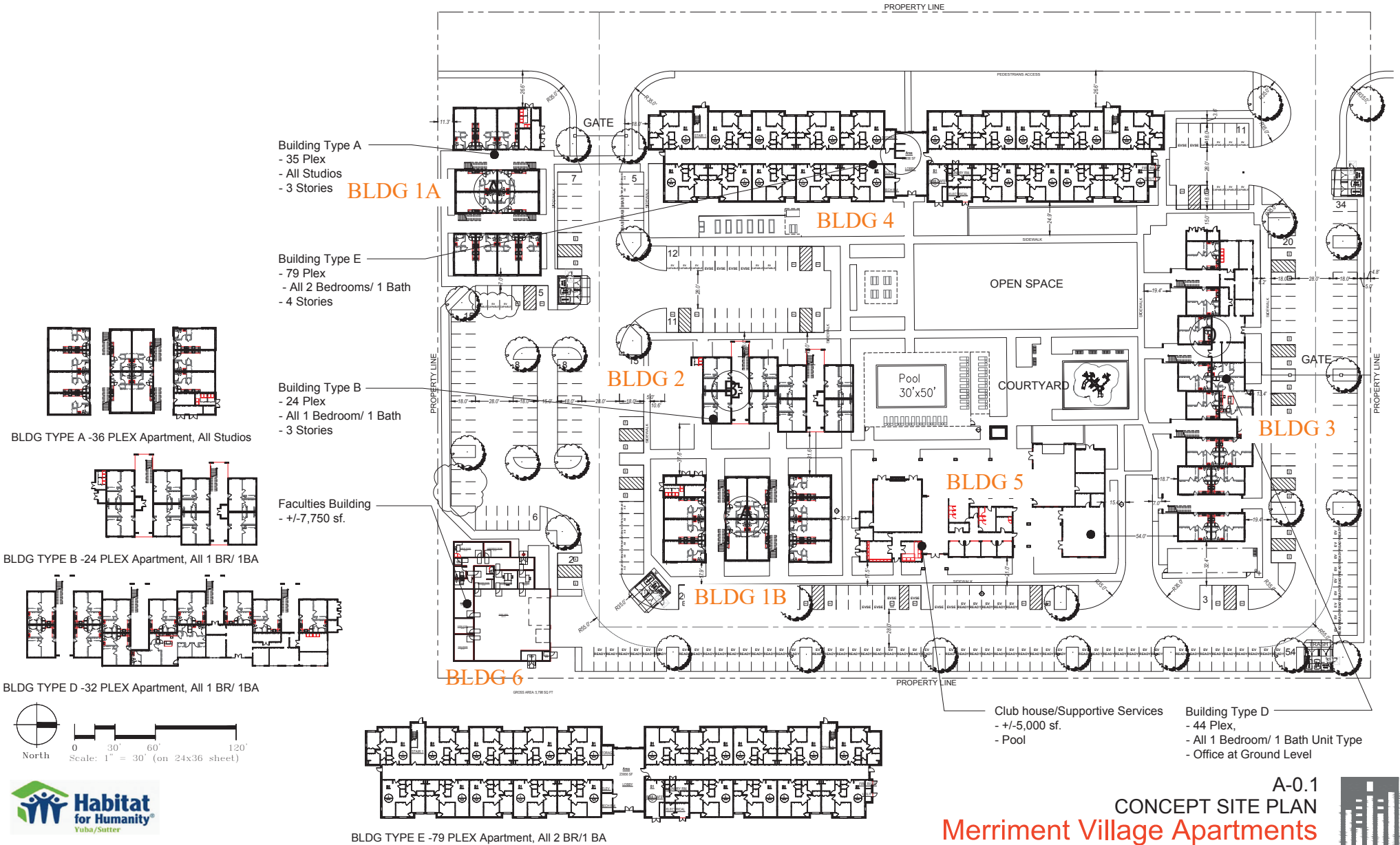


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# MERRIMENT VILLAGE APARTMENTS

2/2/2023

| PARCEL SUMMARY            |           |            |  |
|---------------------------|-----------|------------|--|
| APN                       |           |            |  |
| GENERAL PLAN              |           |            |  |
| ZONING                    |           |            |  |
| GROSS LAND AREA           | 7.7 ACRES | 335,412 SF |  |
| TOTAL UNITS               | 218       |            |  |
| DENSITY (DU / Gross Acre) | 28.31     |            |  |
| SITE COVERAGE             | 17%       |            |  |

| BUILDING TYPE / UNIT MIX |                            |        |             |             |             |              |
|--------------------------|----------------------------|--------|-------------|-------------|-------------|--------------|
| BLDG TYPE                |                            | STUDIO | 1 BD / 1 BA | 2 BD / 1 BA | 3 BD / 2 BA | TOTAL / BLDG |
|                          | MULTIPLIER<br>(# OF BLDGS) |        |             |             |             |              |
| BLDG A                   | 2                          | 70     | 0           | 0           | 0           | 70           |
| BLDG B                   | 1                          | 0      | 24          | 0           | 0           | 24           |
| BLDG D                   | 1                          | 0      | 44          | 0           | 1           | 45           |
| BLDG E                   | 1                          | 0      | 0           | 79          | 0           | 79           |
| TOTAL                    |                            | 70     | 68          | 79          | 1           | 218          |
| % OF MIX                 |                            | 32.1%  | 31.2%       | 36.2%       | 0.5%        | 100.0%       |

| UNIT MIX DETAIL |            |          |                |               |                 |
|-----------------|------------|----------|----------------|---------------|-----------------|
| UNIT TYPE       | FLOOR PLAN | QUANTITY | NRSF (EA UNIT) | GSF (EA UNIT) | BALCONY / PATIO |
| STUDIO          | S1         | 70       | 448            | 496           | 0               |
| 1 BD / 1 BA     | A2         | 68       | 693            | 530           | 0               |
| 2 BD / 1 BA     | B1         | 79       | 787            | 848           | 0               |
| 3 BD / 2 BA     | C1         | 1        | 1,000          | 1,003         | 0               |
| TOTALS          |            | 218      |                |               |                 |

| BUILDING AREA SUMMARY |            |                  |          |             |       |           |                        |
|-----------------------|------------|------------------|----------|-------------|-------|-----------|------------------------|
| BLDG TYPE             | MULTIPLIER | Conditioned Area |          |             |       |           | Ground Floor Site Area |
|                       |            | NRSF AREA        | GSF AREA | Circulation | Misc. | Utilities |                        |
| CLUBHOUSE/SUPPORTIVE  | 1          |                  | 9,100    |             |       |           | 9,100                  |
| BLDG A                | 2          | 18,000           | 21,400   | 3,400       | 0     | 500       | 7,450                  |
| BLDG B                | 1          | 13,030           | 16,450   | 3,420       | 0     | 310       | 5,750                  |
| BLDG D - MIXED USE    | 1          | 28,930           | 31,200   | 4,570       | 2,300 | 200       | 11,300                 |
| BLDG E                | 1          | 54,380           | 94,500   | 21,270      | 950   | 210       | 17,900                 |
| FACULTIES BLDG        | 1          | 5,650            | 5,800    | 460         |       |           | 5,800                  |
| RESIDENTIAL           |            | 119,990          | 169,350  | 32,660      | 3,250 | 1,220     | 48,200                 |
| CLUBHOUSE/SUPPORTIVE  |            |                  | 9,100    |             |       |           | 9,100                  |
| TOTAL SITE AREAS      |            | 114,340          | 178,450  | 32,660      | 3,250 | 1,220     | 57,300                 |

| PARKING SUMMARY  |            |                   |                 |
|------------------|------------|-------------------|-----------------|
| REQUIRED PARKING |            |                   |                 |
|                  | REQ. RATIO | UNIT COUNT / TYPE | SPACES REQUIRED |
| STUDIO           | 1          | 70                | 70              |
| 1 BED            | 1          | 68                | 68              |
| 2 BED            | 1          | 79                | 79              |
| 3 BED            | 1          | 1                 | 1               |
| TOTAL            |            |                   | 218             |

|               | OVERALL | SURFACE (UNCOVERED) | GARAGE (DETACHED) | CARPORTS |
|---------------|---------|---------------------|-------------------|----------|
| PROVIDED      | 243     | 205                 | 0                 | 0        |
| HC STALLS     |         | 37                  |                   |          |
| HC VAN        |         | 1                   |                   |          |
| TOTAL         |         | 243                 |                   | 0        |
| PARKING RATIO | 1.11    | 1.11                |                   | 0.00     |

| ELECTRIC VEHICLE PARKING (PER CALGREEN 2022) |        |                     |                   |       |
|----------------------------------------------|--------|---------------------|-------------------|-------|
| PARKING PROVIDED                             |        |                     |                   |       |
|                                              | REQ. % | SURFACE (UNCOVERED) | GARAGE (DETACHED) | TOTAL |
| EV CAPABLE                                   | 10%    | 25                  | 0                 | 25    |
| EV READY                                     | 25%    | 62                  | 0                 | 62    |
| INSTALLED EV (EVSE)                          | 5%     | 13                  | 0                 | 13    |
| ACCESSIBLE EVSE                              |        |                     |                   | 1     |
| ACCESSIBLE VAN EVSE                          |        |                     |                   | 1     |



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A-0.2  
PROJECT DATA  
Merriment Village Apartments  
YUBA CITY, CA

APRIL 14, 2023 | MR220585.00



**PHASE I:**

- BUILDING 4
- ALL ROADS AND CURBS
- ALL UNDERGROUND UTILITIES
- (4) TRASH ENCLOSURES

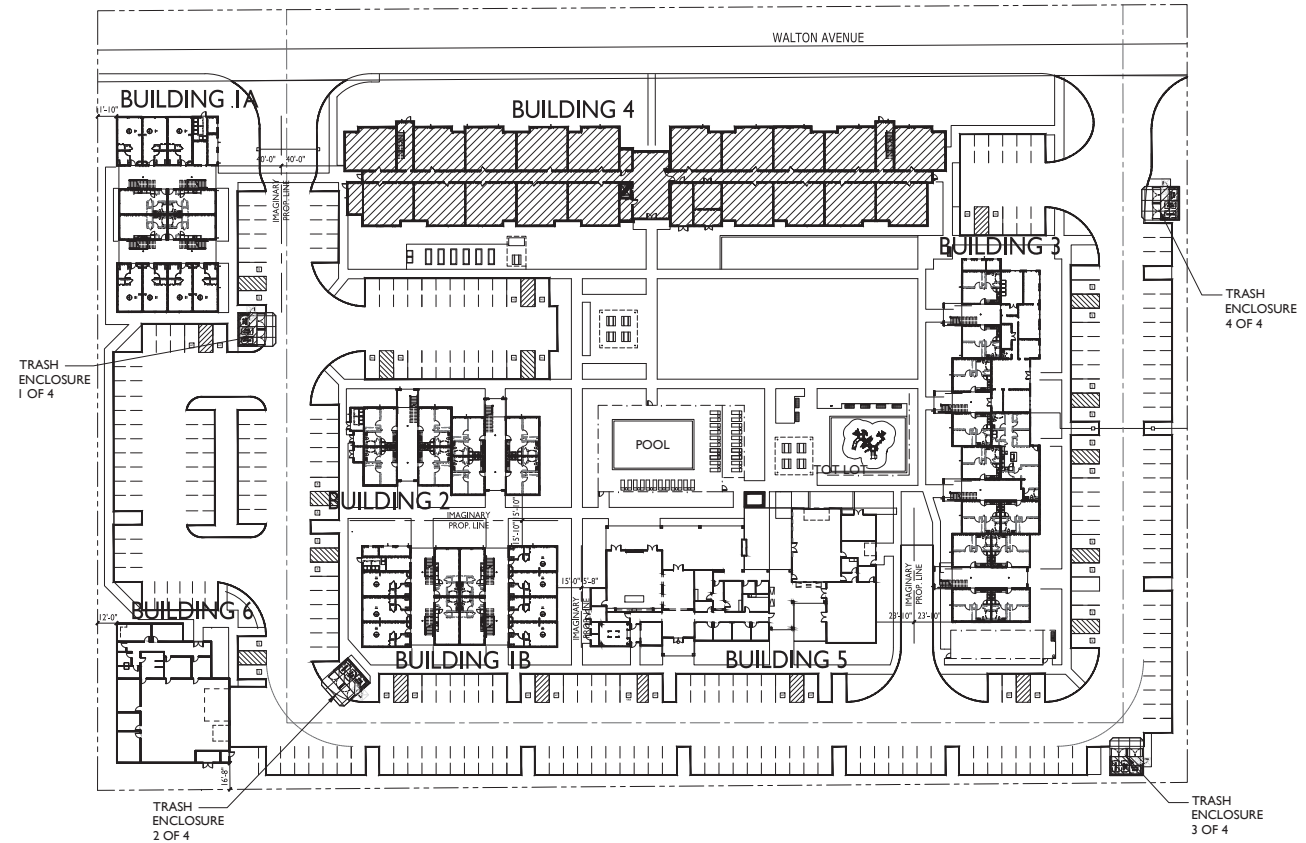
**ACCESSIBLE UNIT CALCULATIONS**

TOTAL UNITS = 182

NOTE: (110) UNITS LOCATED AT GROUND LEVEL OF BREEZEWAY BUILDINGS OR IN ELEVATOR BUILDING, (72) UNITS LOCATED AT UPPER LEVEL OF BREEZEWAY BUILDINGS WITH NO ELEVATOR.

REQUIREMENTS PER 2022 CALIFORNIA BUILDING CODE CHAPTER 11A AND 11B FOR PUBLIC HOUSING.

1. (100) TYPE 11A - DWELLING UNIT(S) WITH ADAPTABLE FEATURES.
2. (10) TYPE 11B - (5%) OF DWELLING UNIT(S) WITH MOBILITY FEATURES.
3. (4) TYPE 11B - (2%) OF DWELLING UNIT(S) WITH COMMUNICATIONS FEATURES.  
(REFER TO ELECTRICAL SHEETS FOR LOCATION OF UNITS)



1 ARCHITECTURAL SITE PLAN  
SCALE: 1/32" = 1'-0"



ISSUE DATE: 2023-06-09  
REVISIONS



**MERRIMENT VILLAGE**  
WALTON AVENUE AND ANNEKA LANE  
YUBA CITY, CA

2023-06-09 ISSUED FOR DESIGN DEVELOPMENT

JOB NO. -  
OWNER -  
ARCHITECTURAL SITE PLAN

A0.02-1



**PHASE 2:**

- BUILDINGS 1A, 1B, 2, 3, 5, 6
- LANDSCAPING / POOL / TOT LOT

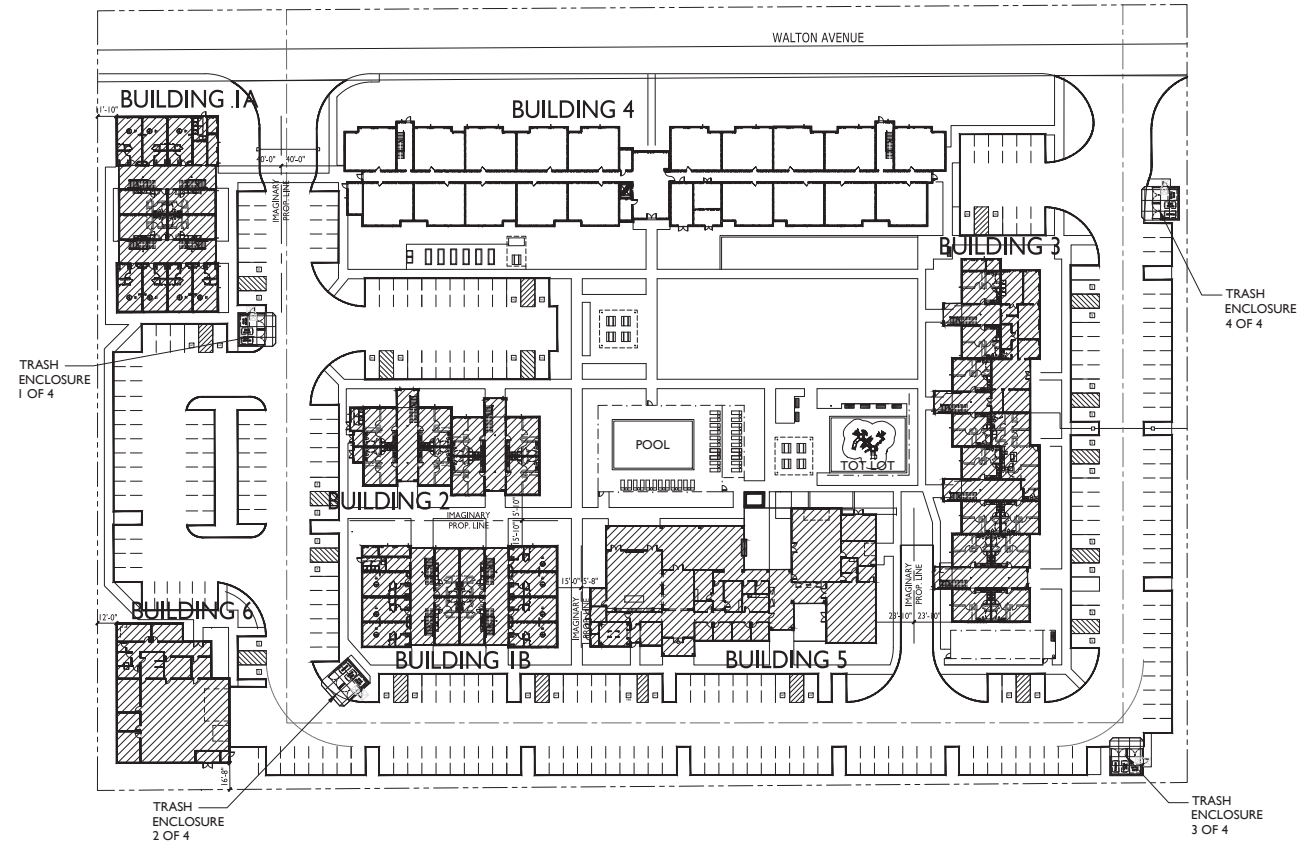
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SCALE: 1/32" = 1'-0"



ISSUE DATE: 2023-06-09  
REVISIONS



**MERRIMENT VILLAGE**  
WALTON AVENUE AND ANNEKA LANE  
YUBA CITY, CA

2023-06-09 ISSUED FOR DESIGN DEVELOPMENT

JOB NO. - 2023-06-09  
OWNER - YUBA CITY  
ARCHITECTURAL FIRM - HILBERS INCORPORATED

A0.02-2



NORTH - EAST



NORTH - WEST



SOUTH - EAST



SOUTH - WEST



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A-0.3  
SITE AERIAL VIEWS  
**Merriment Village Apartments**  
YUBA CITY, CA

APRIL 14, 2023 | MR220585.00







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A-0.4  
SITE VIGNETTES  
**Merriment Village Apartments**  
YUBA CITY, CA

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A-0.5  
SITE VIGNETTES  
**Merriment Village Apartments**  
YUBA CITY, CA

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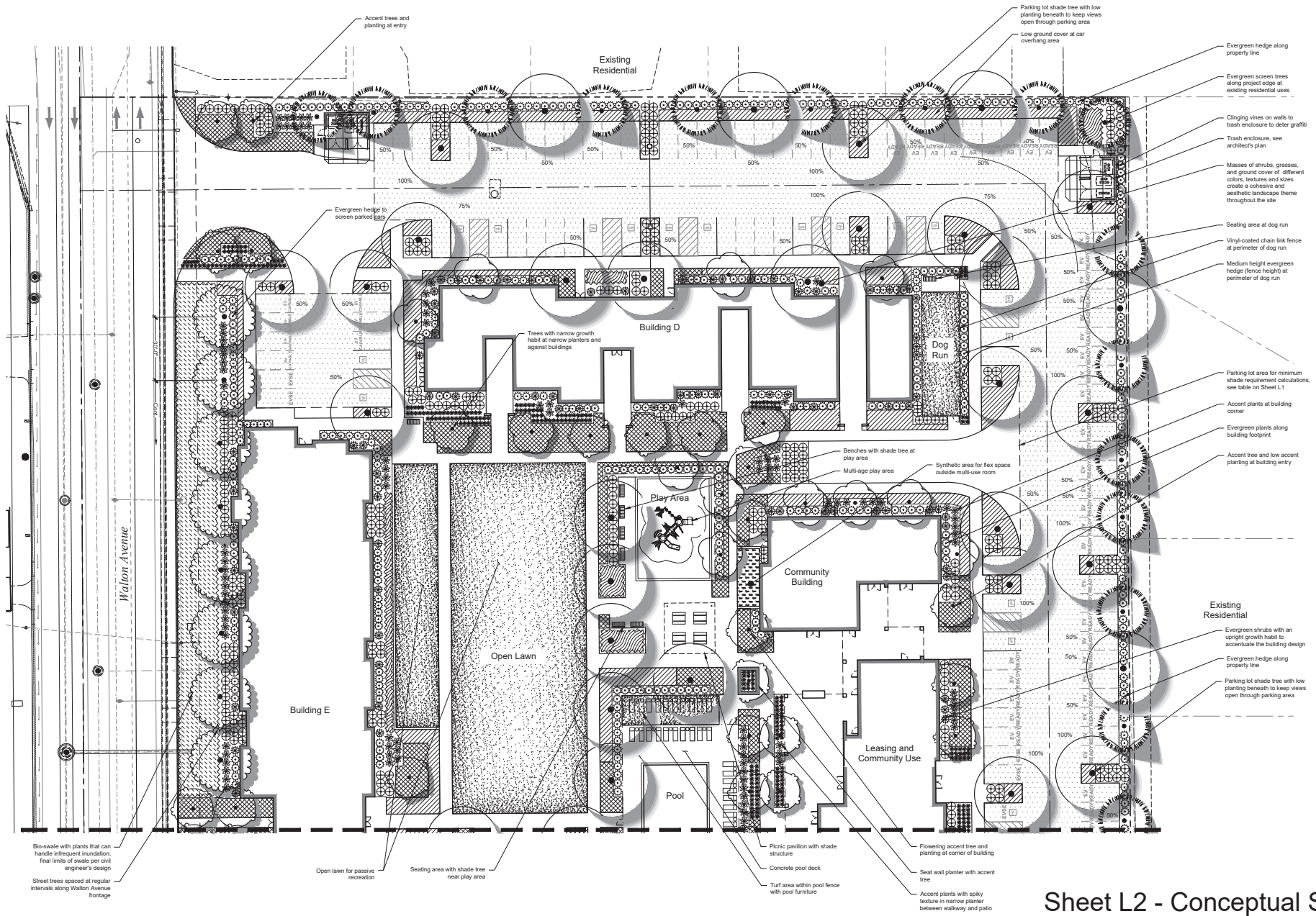






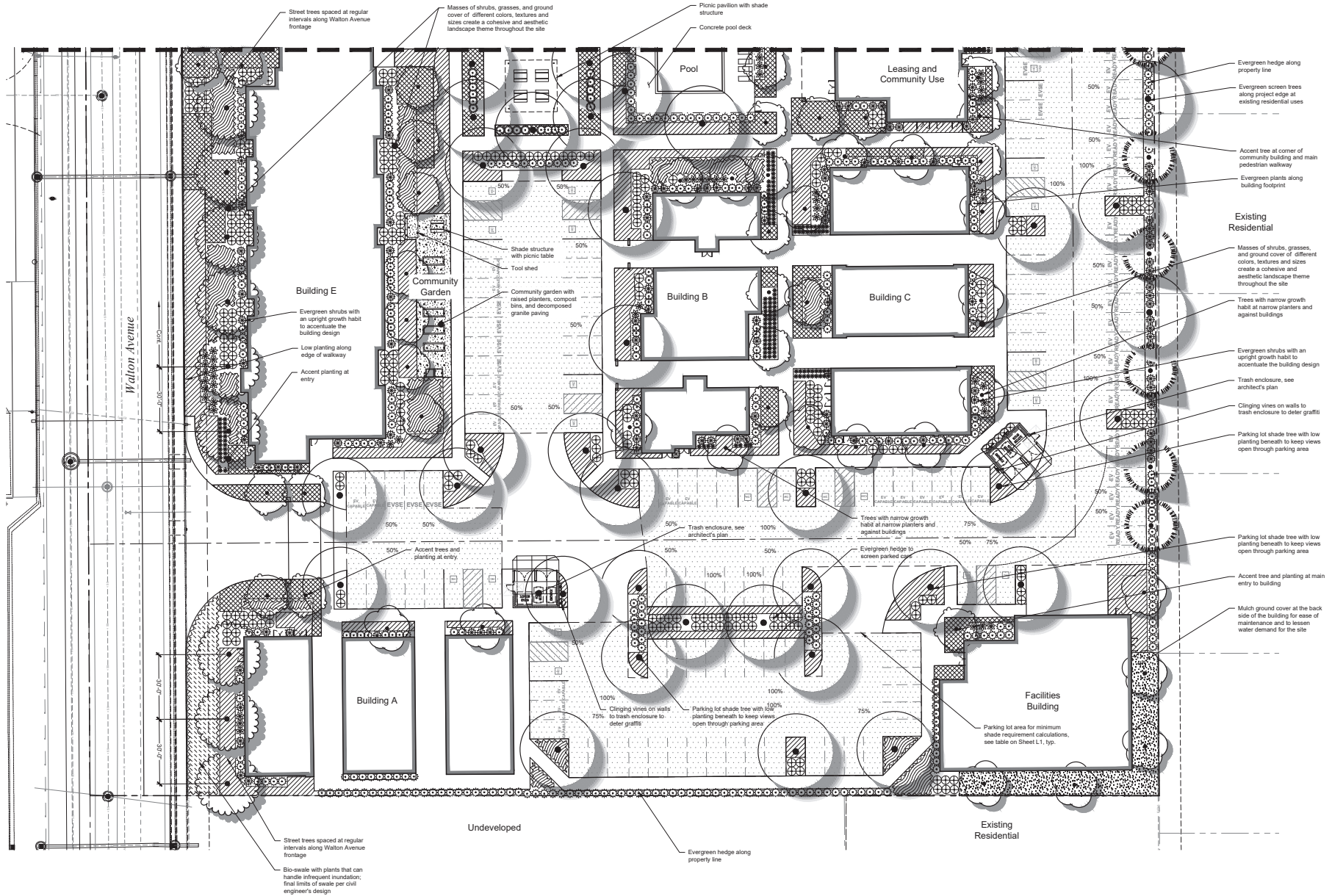






Sheet L2 - Conceptual Site Plan

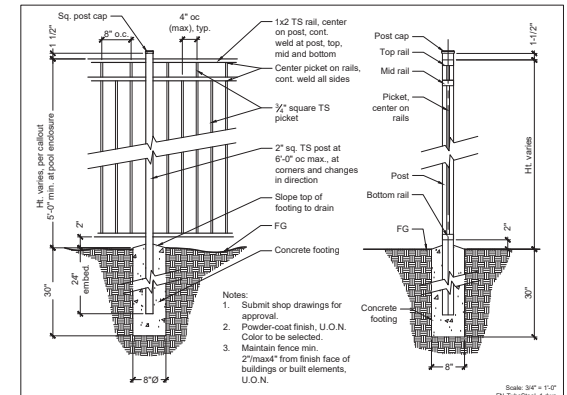
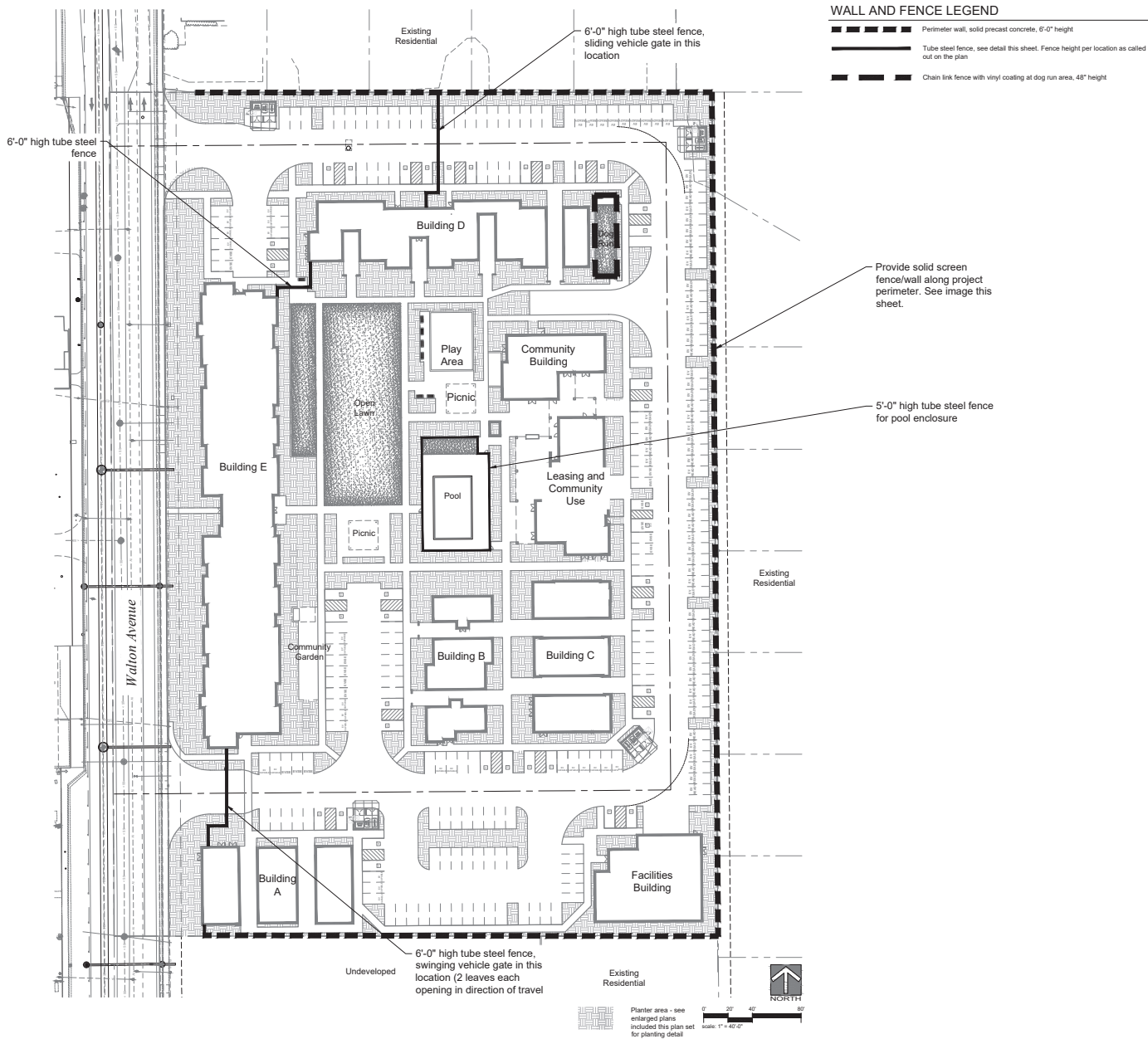




Sheet L3 - Conceptual Site Plan

25 May 2023 | Merriment Apartments - Yuba City, CA





Tube Steel Fence



Perimeter Wall

## Sheet L4 - Conceptual Wall Plan

28 June 2023 | Merriment Apartments - Yuba City, CA



**Sam Harned**  
Landscape  
Architecture  
P.O. Box 2275  
Oakdale, CA 95361  
360-860-7376 www.samharned.com



REAR ELEVATION



RIGHT ELEVATION



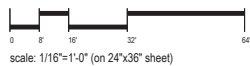
LEFT ELEVATION



NORTH ELEVATION



Yuba City, California



A1.00  
EXTERIOR ELEVATIONS - APARTMENT 'A' - 35 PLEX  
**Merriment Village Apartments**  
Yuba City, CA



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January 14, 2023 | MR220585.00





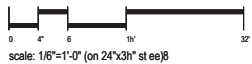
PERSPECTIVE - FRONT ELEVATION



REAR ELEVATION



FRONT ELEVATION



Yuba City, California

A5.00  
EXTERIOR ELEVATIONS - APARTMENT '3' - 51 PLEX  
**Merriment Village Apartments**  
Yuba City, CA



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APRIL J1, 5054 2MR550| 8| .00



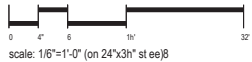
PERSPECTIVE - REAR ELEVATION



LEFT ELEVATION



REAR ELEVATION



Yuba City, California

**A5.0J**  
EXTERIOR ELEVATIONS - APARTMENT '3' - 51 PLEX  
**Merriment Village Apartments**  
Yuba City, CA



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APRIL J1, 5054 2MR550| 8| .00





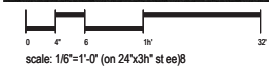
PERSPECTIVE - FRONT ELEVATION



REAR ELEVATION



FRONT ELEVATION



Yuba City, California

**A1.00**  
EXTERIOR ELEVATIONS - APARTMENT '3' - 55 PLEX  
**Merriment Village Apartments**  
Yuba City, CA



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APRIL J5, 4041 2MR440| 8| .00



PERSPECTIVE - REAR ELEVATION



LEFT ELEVATION



REAR ELEVATION

0 4' 8' 12' 32'  
scale: 1/16"=1'-0" (on 24"x36" sheet)

**HILBERS**  
INCORPORATED  
CONTRACTORS & ENGINEERS

**Habitat**  
for Humanity  
BUILDING COMMUNITIES

Yuba City, California

**A1.0J**  
EXTERIOR ELEVATIONS - APARTMENT '3' - 55 PLEX  
**Merriment Village Apartments**  
Yuba City, CA

**BSB**  
DESIGN  
BSBDESIGN.COM

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APRIL J5, 4041 2MR440| 8| .00





INTERIOR ELEVATION



RIGHT ELEVATION



LEFT ELEVATION



NORTH ALTON AVENUE ELEVATION



Yuba City, California

A1.00  
EXTERIOR ELEVATIONS - APARTMENT 'E' - 35 PLEX  
Merriment Village Apartments  
Yuba City, CA



The drawings presented are illustrative of character and design intent only, and are subject to change based upon final design considerations (i.e. applicable codes, structural, and MEP design requirements, unit plan / floor plan changes, etc.) © 2023 BSB Design, Inc.

APRIL J1, 4042 | MR4408f 8.00



PERSPECTIVE - FRONT ELEVATION



PERSPECTIVE - REAR ELEVATION



Yuba City, California

A1.0J  
EXTERIOR ELEVATIONS - APARTMENT 'E' - 35 PLEX  
**Merriment Village Apartments**  
Yuba City, CA



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APRIL J1, 4042 | MR4408f 8.00





FRONT ELEVATION



LEFT ELEVATION



PERSPECTIVE



EXTERIOR ELEVATIONS - FAMILIES ' 3 IL5 IN1  
r A' ITAT POR r 3i ANITm  
mnt | MapsMI C



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AYRIL ubsCeQy , i ROceJ4J0ee



REAR ELEVATION



RIGHT ELEVATION



FRONT ELEVATION



A. Ceu  
 EXTERIOR ELEVATIONS - FAMILIES ' 3 IL5 IN1  
 r A' ITAT POR r 3i ANITm  
 mnt | MapsMI C



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AYRIL ubsCeCy , i ROceJ4J0ee



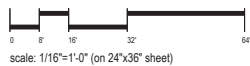
REAR ELEVATION - REAR ELEVATION



RIGHT ELEVATION



FRONT ELEVATION



3/4" P&I PI ret ryd

A51.  
EXTERIOR ELEVATIONS - POMM' NIT3 PENTER  
MbrrC bymV en sb A, l mC bym  
3/4" P&I PA



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A, r m8f | o. oF HMRoo. G Gl .





SS VOEVSD OPELANM

SS VOEVSD OPELANM



SS VOEVSD OPELANM

0 4' 8' 12' 16' 20' 24' 28' 32'

scale: 1/8"=1'-0" (on 24"x36" sheet)

**HILBERS**  
INCORPORATED  
CONTRACTORS & ENGINEERS

**Habitat**  
for Humanity  
BUILDING COMMUNITIES

02 | gS it8fS gli andig

EXTR  
O LOVANVS OPELANM SS N1 1. MA OS OMLOV  
1 ym yJtPillguyE4gm yJtn  
02 | gS it8fS E

**BSB**  
DESIGN  
BSBDDESIGN.COM

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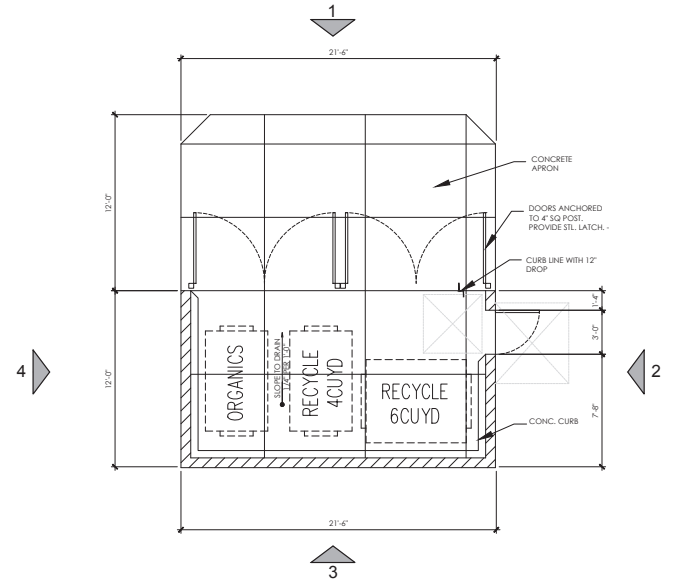
REAR ELEVATION - 4  
SCALE: 1/4" = 1'-0"



REAR ELEVATION - 3  
SCALE: 1/4" = 1'-0"



REAR ELEVATION - 2  
SCALE: 1/4" = 1'-0"



PLAN  
SCALE: 1/4" = 1'-0"



PERSPECTIVE  
NOT TO SCALE



FRONT ELEVATION - 1  
SCALE: 1/4" = 1'-0"

## TRASH ENCLOSURE



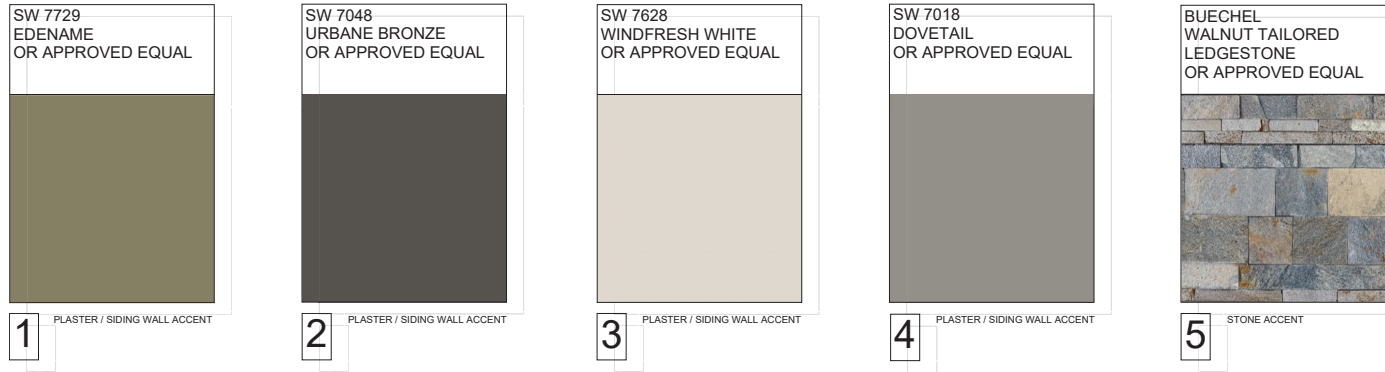
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A-8.0  
PLAN & ELEVATIONS  
Merriment Village Apartments  
YUBA CITY, CA

APRIL 14, 2023 | MR220585.00



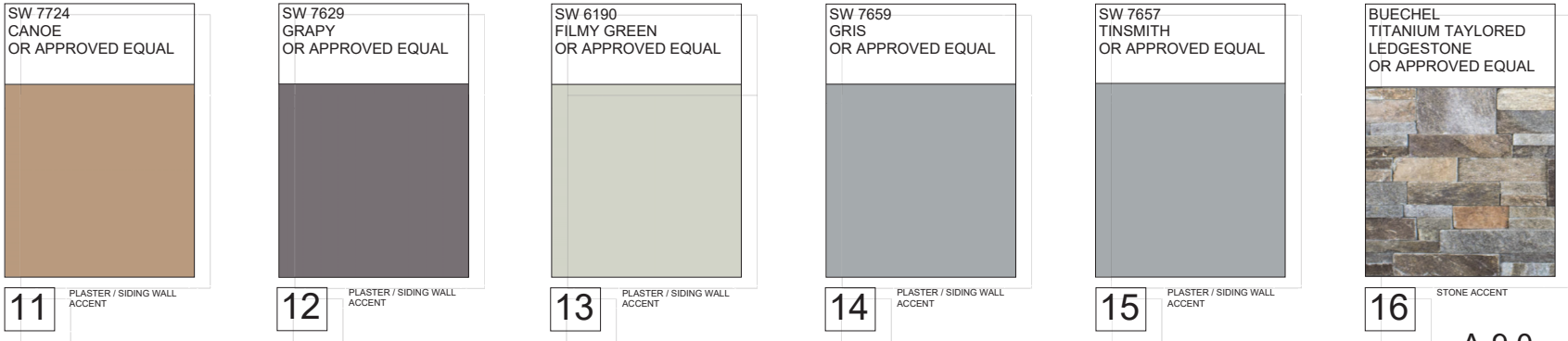
## SCHEME 1



## SCHEME 2



## SCHEME 3

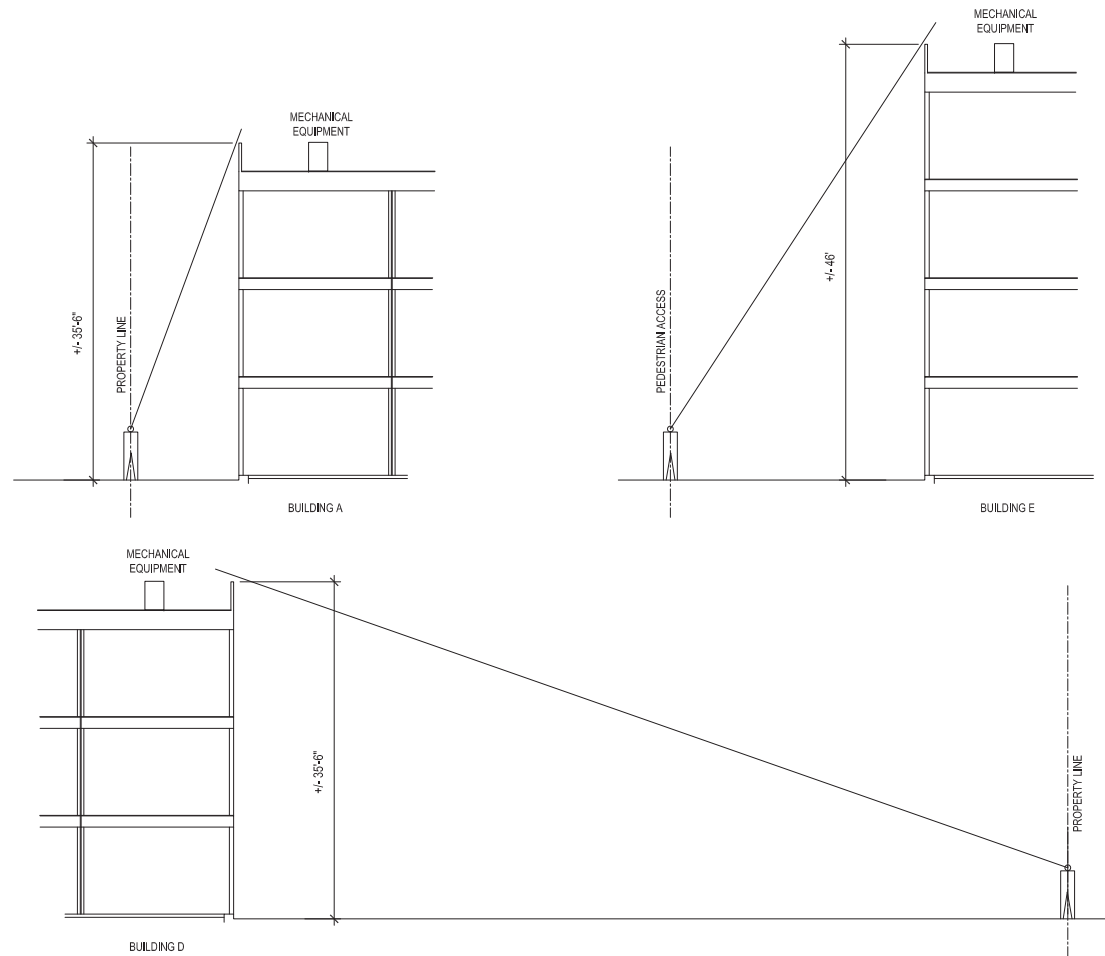


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# A-9.0 MATERIAL & COLOR BOARD Merriment Village Apartments YUBA CITY, CA

JANUARY 12, 2023 | MR000000.00





MERRIMENT VILLAGE YUBA CITY, CA  
MECHANICAL EQUIPMENT SCREENING DIAGRAM



## EXHIBIT B

**CITY OF YUBA CITY  
CONDITIONS OF APPROVAL  
DEVELOPMENT PLAN 25-02  
AUGUST 27, 2025**

**MERRIMENT VILLAGE APARTMENTS  
APN: 058-120-001-000**

**NOTICE TO PROJECT APPLICANT**

In accordance with the provisions of Government Code Section 66020(d)(1), the imposition of fees, dedication, reservations or exactions for this project are subject to protest by the project applicant at the time of approval or conditional approval of the development or within ninety (90) calendar days after the date of imposition of fees, dedications, reservation, or exactions imposed on the development project. This notice does not apply to those fees, dedications, reservations, or exactions which were previously imposed and duly noticed; or, where no notice was previously required under the provisions of Government Code Section 66020(d)(1) in effect before January 1, 1997.

**IMPORTANT: PLEASE READ CAREFULLY**

Please note that this project is subject to a variety of discretionary conditions of approval. These include conditions based on adopted City plans and policies, those determined through the development plan review and environmental assessment essential to mitigate adverse effects on the environment including the health, safety, and welfare of the community, and recommended conditions for development that are not essential to health, safety, and welfare, but would on the whole enhance the project and its relationship to the neighborhood and environment.

Approval of this development plan shall be considered null and void in the event of failure by the applicant and/or the authorized representative, architect, engineer, or designer to disclose and delineate all facts and information relating to the subject property and the proposed development.

Approval of this development plan may become null and void in the event that development is not completed in accordance with all the conditions and requirements imposed on this development plan, the zoning ordinance, and all City standards and specifications. This development plan is granted, and the conditions imposed, based upon the application submittal provided by the applicant, including any operational statement. The application is material to the issuance of this development plan. Unless the conditions of approval specifically require operation inconsistent with the application, a new or revised development plan is required if the operation of this establishment changes or becomes inconsistent with the application. Failure to operate in accordance with the conditions and requirements imposed may result in revocation of the development plan or any other enforcement remedy available under the law. The City shall not assume responsibility for any deletions or omissions resulting from the development plan review process or for additions or alterations to any construction or building plans not specifically submitted and reviewed and approved pursuant to this development plan or subsequent amendments or revisions. These conditions are conditions imposed solely upon the development plan, and are not conditions imposed on the City or any third party. Likewise, imposition of conditions

to ensure compliance with federal, state, or local laws and regulations does not preclude any other type of compliance enforcement.

These conditions are applicable to any person or entity making use of this development plan, and references to “developer” or “applicant” herein also include any applicant, property owner, owner, leasee, operator, or any other person or entity making use of this development plan.

## **CONDITIONS OF APPROVAL**

1. To the furthest extent allowed by law, applicant/property owner shall indemnify, hold harmless and defend City and each of its officers, officials, employees, consultants, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, damages and costs (including attorney’s fees, litigation expenses and administrative record preparation costs) arising from, resulting from, or in connection with any Third-Party Action (as hereinafter defined). The term “Third Party Action” collectively means any legal action or other proceeding instituted by (i) a third party or parties, or (ii) a governmental body, agency or official other than the City, that: (a) challenges or contests any or all of these Conditions of Approval or any approval associated with entitlements associated with the project (collectively “Approvals”); or (b) claims or alleges a violation of CEQA or another law in connection with the Approvals by the City, or the grant, issuance or approval by the City of any or all Approvals. Applicant’s/property owner’s obligations under this paragraph shall apply regardless of whether City or any of its officers, officials, employees, consultants, agents or volunteers are actively or passively negligent, but shall not apply to any loss, liability, fines, penalties forfeitures, costs or damages caused solely by the active negligence or willful misconduct of the City or any of its officers, officials, employees, agents or volunteers. The provisions of this section shall survive any termination, revocation, overturn, or expiration of an approval.

Nothing in this section shall obligate the City to defend any claim and the City shall not be required to pay or perform any settlement arising from any such claim not defended by the City, unless the City approves the settlement in writing. Nor shall the City be prohibited from independently defending any claim, and if the City does decide to independently defend a claim, the applicant/property owner shall be responsible for City’s attorneys’ fees, expenses of litigation, and costs for that independent defense, including the costs of preparing any required administrative record. Applicant/property owner shall submit all documents filed in the Third-Party Action for review and approval of the City Attorney prior to filing of said documents on behalf of the City.

The City may, at any time, require the applicant to reimburse the City for costs that have been, or which the City reasonably anticipates will be, incurred by the City during the course of processing or defending any Third-Party Actions. The City shall provide applicant/property owner with an invoice detailing all reasonable costs incurred. Applicant/property owner shall tender to the City payment-in-full of all reasonable and necessary costs within thirty (30) days from the date upon the invoice. Applicant/property owner shall contact the City within a reasonable time to arrange any extension of the thirty (30) day time period for payment-in-full of the invoiced amount. Applicant/property owner further acknowledges and agrees, failure to timely tender payment-in-full to the City shall be considered a breach and non-compliance with the conditions of approval for the project. Applicant/property owner

shall also be required, upon request of the City, to deposit two month's estimated costs anticipated by the City to be incurred, which may be used by the City as a draw down account to maintain a positive balance pending tender of payment by Applicant/property owner as noted herein.

2. The site design shall be designed in conformance with the Site Plan, dated April 14, 2023, as appropriate, and as approved by the Planning Commission.
3. Approval of Development Plan (DP) 23-02 shall be null and void without further action if either 1) the project has not been substantially commenced within two years of the approval date of Development Plan 23-02; or 2) that a request for an extension of time, pursuant to Section 8-5.7106 of the Yuba City Municipal Code has not been submitted to the City.
4. The development and operation of the project shall comply with all local, state, and federal codes (including Building and Fire codes) and local development standards.
  - a. The Developer or Representative shall obtain an Encroachment Permit from the City prior to performing any work within public right of way.
5. The Developer shall, prior to the issuance of the first certificate of occupancy of the first building, construct a 6-foot-high masonry wall along all interior property lines in accordance with Yuba City Municipal Code Sec. 8-5. 5905.
6. The Developer shall, prior to the issuance of the first certificate of occupancy of the first building, install landscaping along North Walton Avenue, on all sides of Building 4, and in the parking area for the area required with the development of Phase One, or as approved by the Development Services Director.
7. All exterior lighting shall be decorative in nature. No wall packs are permitted.
8. Decorative window treatment shall be installed, such as an inset of three inches or adding framing or trim around the windows, as approved by the Development Services Director.
9. To help contain fugitive dust, construction sites shall be watered down during the construction phase of the project or as directed by the Public Works Department.
10. Paved streets shall be swept frequently (water sweeper with reclaimed water recommended; wet broom) if soil material has been carried onto adjacent paved, public thoroughfares from the project site.
11. The Developer, at their expense, shall be solely responsible for all quality control associated with the project. The quality control shall include, but is not limited to, the following: survey work, potholing existing utilities, all geotechnical testing, soil reports, concrete testing, asphalt testing, and any other required special testing/inspections. The City will only perform necessary testing to insure compliance.
12. Storage of construction material is not allowed in the travel way.

## **PRIOR TO ISSUANCE OF A GRADING PERMIT**

13. The improvement plans for the development of the subject property shall include all measures required to ensure that no drainage runoff resulting from the development of the property flow onto the adjacent lands or impede the drainage from those lands. At first submittal of the improvement plans, provide existing / proposed grades at the perimeter of the proposed development, and existing grades at the adjacent lands. If retaining walls are required they shall be constructed of concrete or masonry block.

## **PRIOR TO APPROVAL OF THE IMPROVEMENT/BUILDING PLANS**

14. The plans shall indicate the locations of all septic and leach field areas, and all wells. All existing facilities shall be destroyed in accordance with the requirements of the Sutter County Environmental Health and Yuba City Building Departments.

15. The Developer shall comply with all City requirements related to drainage, including submittal of a drainage plan for any drainage improvements for the proposed development. A drainage analysis, along with calculations, shall be submitted to the City Engineer for approval. The analysis shall include, but is not limited to:

- a. Grading and drainage plan showing the proposed drainage conveyance and storage system.
- b. Supporting calculations demonstrating adequacy of conveyance capacity and storage volume. The calculation analysis shall meet the requirements of the Yuba City Basin Drainage Study.
- c. Storm Drain Collection Systems- For the design of all pipeline conveyance facilities, the Hydraulic Grade Line (HGL) shall be maintained a minimum of one foot below the gutter flow line of all drain inlets and at least one foot below all maintenance hole rims during a 10-year, 24-hour storm event. The storm drain minimum pipe size shall be 12 inches. The minimum velocity shall be 2 fps.
- d. Street Flow- The street system shall be designed to convey the 100-year, 24-hour runoff while maintaining a water surface at least 1 foot below the adjacent building pad elevations (or alternatively, the building pad elevations shall be at least 1 foot above the 100-year water level). The grading plan shall ensure that the 100-year, 24-hour runoff can be conveyed through the development and to the receiving drainage facility.
- e. Drainage systems (pipes and street systems) shall be designed to accommodate the runoff from the ultimate development of the entire upstream watershed.
- f. Detention Basins - A 100-year, 4-day storm shall be used for sizing detention storage facilities. The detention basin release rate from a 100-year, 24-hour storm after development must be equal to or lower than the runoff rate from the detention basin's tributary area before development.
- g. The drainage analysis shall be completed and stamped by a Professional Engineer and determined by the City Engineer, if necessary, to be comprehensive, accurate, and adequate.

16. The development shall comply with Yuba City's stormwater requirements and Post-Construction Standards Plan. The Post Construction information can be found here: [https://www.yubacity.net/city\\_hall/departments/public\\_works/engineering/stormwater\\_management](https://www.yubacity.net/city_hall/departments/public_works/engineering/stormwater_management)



17. All development shall be designed to local, state, and federal flood standards.

18. Developer is to construct street lights along the east side of North Walton Avenue. Placement of the street lights shall be approximately 250 feet apart, or as approved by the Public Works Director.

19. Any street lighting is a public improvement which shall meet the City Standard Details and be included in the Improvement Plans and Specifications for the development when the improvement plans are submitted for the first improvement plan check.

20. The existing power poles along the property on North Walton Avenue shall be placed underground, or addressed in accordance with the City's Overhead Utility Policy adopted March 17, 2020, or as otherwise determined by the Public Works Director. The total lineal foot length of overhead lines along North Walton Avenue is determined to be 693 lineal feet.

21. Any proposed drive gates, and associated hardware locks, shall comply with Municipal Code Section 4-5.02 – Revisions to the 2021 International Fire Code; *Security Gates*; and be approved by the Fire Department. Said drive gates shall be placed at a distance from North Walton Avenue that allows for safe ingress/egress, as approved by the Public Works Director.

22. Required Improvement Plan Notes:

- a. "Any excess materials shall be considered the property of the contractor/owner and shall be disposed of away from the job site in accordance with applicable local, state and federal regulations."
- b. "During construction, the Contractor shall be responsible for controlling noise, odors, dust and debris to minimize impacts on surrounding properties and roadways. The Contractor shall be responsible for all construction equipment to be equipped with manufacturers approved muffler baffles. Failure to do so may result in the issuance of an order to stop work."
- c. "If any hazardous waste is encountered during the construction of this project, all work shall be immediately stopped and the Sutter County Environmental Health Department, the Fire Department, the Police Department, and the City Inspector shall be notified immediately. Work shall not proceed until clearance has been issued by all of these agencies."
- d. "The Contractor(s) shall be required to maintain traffic flow on affected roadways during non-working hours, and to minimize traffic restriction during construction. The Contractor shall be required to follow traffic safety measures in accordance with the CalTrans "Manual of Traffic Safety Controls for Construction and Maintenance Work Zones." The City of Yuba City emergency service providers shall be notified, at least two working days in advance, of proposed construction scheduled by the contractor(s)."
- e. "Soil shall not be treated with lime or other cementitious material without prior express permission by the Public Works Department."
- f. "Where an excavation for a trench and/or structure is five (5) feet deep or more, the contractor shall conform to O.S.H.A. requirements. The contractor shall provide a copy of the approved O.S.H.A. permit, and shoring details and

calculations prepared by California licensed structural engineer to the Public Works Department.”

- g. “Should any field conditions, conflicts, errors, and/or omissions be overlooked during the design review process, or during construction of the development, then any additional work identified during construction shall be implemented by the Developer at the Developer’s expense.”

## **PRIOR TO ISSUANCE OF A BUILDING PERMIT**

23. The property shall petition for formation of a Zone of Benefit of the Yuba City Lighting and Maintenance District for the purpose of maintaining the street lights. The Engineering Division shall be reimbursed actual costs associated with the formation of the district.

24. All applicable fees associated with using the Glisizer District drainage system shall be paid, or as otherwise determined by the Public Works Director.

## **PRIOR TO THE ISSUANCE OF A CERTIFICATE OF OCCUPANCY**

25. All street lighting shall be constructed in accordance with the improvement plans, dedicated to the City of Yuba City, and energized prior to the issuance of any certificate of occupancy, unless otherwise approved by the Public Works Director.

26. All sidewalks along the City right-of-way shall be free of any non-control joint cracking. In addition, any concrete with cracks, chips, blemishes, and spalling greater than an inch in diameter shall be replaced from control joint to control joint.

27. Prior to issuance of any certificate of occupancy, all underground utilities, public improvements, and site improvements, including rough grading, shall be completed in accordance with City requirements.



CITY OF YUBA CITY  
STAFF REPORT

**Date:** September 16, 2025  
**To:** Honorable Mayor & Members of the City Council;  
**From:** Administration Department  
**Presentation By:** Robert Bendorf, City Manager, Interim City Manager

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**Summary**

**Subject:** Appointment of Health Care Committee  
**Recommendation:** Consider amending the current Health Care Ad Hoc Committee or establishing an alternative to address health care issues with regional providers  
**Fiscal Impact:** None

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**Background:**

At a previous City Council meeting in June, direction was provided to staff to prepare a memo to discuss further the issue of a "Health Care" committee.

Prior to the June meeting, the City Council had discussed issues related to health care, with a focus on updates from our local hospital. An initial meeting was held with Mayor Shaw, Vice-Mayor Boomgaarden, City Manager Robert Bendorf and the CEO of Adventist Rideout Hospital, Chris Champlin to discuss a variety of issues.

During and after the meeting, several options were discussed to allow the Yuba-Sutter region's largest city to further engage with local health care providers, ultimately exploring what our organization can do to support our residents and their health care needs.

**Option 1**

Keep the original committee and appoint citizen representatives to work with the committee and Adventist Rideout.

**Option 2**

Form a committee of two Councilmembers and strive to meet with most health care providers in the Yuba-Sutter area.

**Option 3**

Petition to be a member of the Yuba-Sutter Health Care Council, which consists of most major health providers in Yuba-Sutter. The member representative would be a Yuba City Councilmember.

Ultimately, it would be the responsibility of the Councilmembers assigned to each option to report back at regularly scheduled meetings of the City Council. Should significant issues come up from the Health Care Council or the providers, the City, at its discretion can enlist broader groups for further discussion.

**Fiscal Impact:**

None

**Recommendation:**

Consider amending the current Health Care Ad Hoc Committee or establishing an alternative to address health care issues with regional providers.

**Attachments:**

None

**Prepared By:**

Robert Bendorf  
Interim City Manager

**Submitted By:**

Robert Bendorf  
Interim City Manager

CITY OF YUBA CITY  
STAFF REPORT

**Date:** September 16, 2025  
**To:** Honorable Mayor & Members of the City Council;  
**From:** Administration Department  
**Presentation By:** Robert Bendorf, City Manager, Interim City Manager

---

**Summary**

**Subject:** Adoption of an Ordinance updating the City's procedures for filing claims against the City

**Recommendation:** Introduce an Ordinance of the City Council of the City of Yuba City repealing and adding Section 3-3.04 of Chapter 3 of Title 3 of the Municipal Code regarding special claims procedures by title only and waive the first reading

**Fiscal Impact:** None

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**Purpose:**

To amend the special claims procedures to implement a more uniform and efficient process for filing claims against the City.

**Background:**

In California, public agencies such as the City are generally immune from liability for injuries to persons or property under the doctrine of sovereign immunity, subject to certain exceptions established by statute or constitutional law. However, the State has enacted the Government Claims Act (Government Code §§ 810 et seq.) (the "Act"), which sets forth the procedures for presenting liability claims against public agencies for consideration and possible resolution. These claims may arise from tort, contract, or other legal theories.

Under the Act, anyone seeking monetary damages or other relief from the City must first file an administrative claim within either a six-month or one-year statute of limitations, depending on the nature of the claim. This requirement gives the City an opportunity to investigate the matter in a timely manner, potentially resolve the issue without litigation, and limit liability by barring late or meritless claims.

The Act identifies certain types of claims that are exempt from the administrative claim requirement. These include claims brought by the State or other public entities, claims by public employees, and claims related to taxes, special assessments, or bonds. If a claim falls under one of these exemptions, the claimant may proceed directly to court without presenting a claim to the City first.

However, the Act also provides a mechanism to allow the City to require the otherwise exempt claims to be filed with the City. This allows the City to limit potential liability against claims that are untimely and to reduce litigation expenses and potential judgments.

**Analysis:**

Here, the City's claims presentation ordinance under Section 3-3.04 of the Yuba City Municipal Code, but would benefit from being updated to be more specific regarding exempt claims, procedures, process, and settlement authority.

The proposed ordinance would address a specific presentation protocol for claims against the City. Section 3-3.04 will require all public entities, and others exempted under Section 905, with claims for money or damages against the City to file an administrative claim with the City prior to commencing litigation, and will prevent claims from being filed on behalf of a class of persons unless verified by each member of that class.

Procedurally, Section 3-3.04 will require all claims to be delivered to the City Clerk's office. The Risk Manager will assess each claim. If appropriate, the ordinance provides for delegation of authority to the Risk Manager to deny, approve, or compromise any claim up to \$10,000 with the concurrence of the Controller. Claims up to \$25,000 may be denied, approved, or compromised by the City Manager with the concurrence of the City Attorney. Any claim in excess of \$25,000 would be approved by the City Council.

Staff is recommending that the City Council adopt the proposed ordinance to repeal and add Section 3-3.04 of the Yuba City Municipal Code relating to the establishment of a presentation protocol for claims against the City. To allow for implementation coordination, the ordinance is proposed to go into effect January 1, 2026.

**Fiscal Impact:**

No additional fiscal impact is anticipated; there may be cost savings from the streamlining of the process.

**Alternatives:**

1. Provide direction to staff as to the changes which should be incorporated into the Ordinance
2. Take no action on the Ordinance

**Recommendation:**

Introduce an Ordinance of the City Council of the City of Yuba City repealing and adding Section 3-3.04 of Chapter 3 of Title 3 of the Municipal Code regarding special claims procedures by title only and waive the first reading.

**Attachments:**

1. Ordinance - Claim Processing

**Prepared By:**

Vrunda Shah  
Deputy City Attorney

**Submitted By:**

Robert Bendorf  
Interim City Manager

# ATTACHMENT 1

**ORDINANCE NO. \_\_\_\_**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF YUBA CITY REPEALING AND  
ADDING SECTION 3-3.04 OF CHAPTER 3 OF TITLE 3, OF THE MUNICIPAL CODE  
REGARDING THE SPECIAL CLAIMS PROCEDURES**

WHEREAS, the doctrine of sovereign immunity generally protects public agencies from liability for injuries to persons or property, except as otherwise provided by statute or constitutional law; and

WHEREAS, Government Tort Claims Act (Government Code §§ 810 *et seq.*) (the “Act”) establishes the statutory framework for presenting liability claims against public agencies, including claims arising in tort, contract, or other legal theories; and

WHEREAS, the Act sets forth procedural requirements that enable public agencies to investigate claims in a timely manner, minimize litigation costs, and limit liability by barring untimely or noncompliant claims; and

WHEREAS, Section 905 of the Act exempts certain claims from the standard administrative claim presentation requirements, including, but not limited to, claims filed by the State or other local public entities; and

WHEREAS, Section 935 of the Act authorizes public agencies to adopt, by charter, ordinance, or regulation, local procedures requiring the presentation of administrative claims for those types of claims exempt under Section 905 and not otherwise governed by specific statutes or regulations; and

WHEREAS, Sections 3-3.04 of Chapter 3, Title 3 of the Yuba City Municipal Code provides limited procedures for the filing of claims against the City, which may be supplemented with standard provisions to establish a more complete and consistent claims process; and

WHEREAS, the City Council of the City of Yuba desires to amend the special claims procedures to implement a more uniform and efficient process for filing claims against the City, thereby reducing administrative burden, limiting liability exposure, and ensuring compliance with applicable law.

NOW THEREFORE, the City Council of the City of Yuba City does ordain as follows:

SECTION 1. Recitals. The above recitals are incorporated by reference.

SECTION 2. CEQA. The City Council finds and determines that the adoption of an ordinance regarding Planning Commission membership and terms of office is not a “project” for the purposes of the California Environmental Quality Act (CEQA) as the membership of the Planning Commission is an organizational or administrative activity of the City that will not result in direct or indirect physical changes to the environment as contemplated by CEQA Guidelines section 15378. As such, this activity is not subject to CEQA.

SECTION 3. Amendment. Section 3-3.04 of Chapter 3, Title 3 of the Yuba City Municipal Code is repealed in its entirety.

SECTION 4. Amendment. Section 3-3.04 of Chapter 3, Title 3 of the Yuba City Municipal Code is added to read in its entirety as follows:

**Section 3-3.04. – Special claims procedures.**

- (a) Claims against the city shall be in writing, verified by the claimant or his or her guardian, conservator, executor or administrator and filed with the City Clerk of the city. All claims shall be filed within one year after the accrual of the cause of action, unless a shorter period is provided by applicable law. The Risk Manager, in consultation with the City Attorney, shall evaluate the sufficiency and form of all such claims and give notices relative to any deficiency thereof to the claimant. No claim may be filed on behalf of a class of persons unless verified by every class member. All claims shall contain the information required by California Government Code section 910. The Risk Manager shall have all such claims investigated, and shall prepare an investigative report and a recommendation relating to each such claim, in consultation and cooperation with the City Attorney. Claims against the city for money or damages which are excepted by Section 905 from Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of the Government Code, and which are not governed by any other statutes or regulations expressly relating thereto, shall be governed by the claims procedure prescribed in this Article. All claims against the city, including claims under the Revenue and Taxation Code or their statute prescribing procedures for the refund, rebate, exemption, cancellation, amendment, modification or adjustment of a tax, assessment, fee or charge or any portion thereof, or any penalties, costs or charges related thereto; and claims by the State or by a State Department or agency or by another public entity shall be presented and acted upon in accordance with this Article as a prerequisite to suit thereon.
- (b) All claims excepted by Government Code Section 905 shall be presented within the time, and in the manner prescribed by Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of the Government Code for the claims to which that part applies, as those provisions now exist or are amended and as provided by this Article.
- (c) The Risk Manager may deny any claim including a claim in litigation amounting to ten thousand dollars (\$10,000.00) or less, or may, with the concurrence of the Controller or designee, approve for payment any claim or pending litigation amounting to ten thousand dollars (\$10,000.00) or less, or compromise for ten thousand dollars (\$10,000.00) or less any claim. "Pending litigation," for purposes of this section 3-3.04, shall mean any action, proceeding, or cause pending in any court of record or before anybody, official, or agency, including (without limitation), any administrative proceeding or special proceeding, provided that pending litigation shall not include a criminal proceeding.
- (d) The Risk Manager shall forward any claim not disposed of pursuant to subsection (c) of this section to the City Manager, and shall include therewith an investigative report and recommendation. The City Manager may, with the concurrence of the City Attorney, deny any claim amounting to twenty-five thousand dollars (\$25,000.00) or less, approve for payment any claim or payment of pending litigation amounting to twenty-five thousand dollars (\$25,000.00) or less, or compromise any claim or settlement of pending litigation amounting to twenty-five



thousand dollars (\$25,000.00) or less. The City Manager shall return any claim which has been approved, or compromised or denied by him, together with his and the City Attorney's decisions relative thereto, to the Risk Manager who shall be responsible for immediately notifying the claimant of such decision and expediting the payment of any claim which has been approved or compromised.

- (e) For all claims not disposed of pursuant to subsection (c) or (d) of this section, the City Attorney shall prepare and submit, as soon as possible, a report to the Council either in open session or in closed session, at the City Attorney's election, together with a recommendation that such claim be approved, compromised, or denied. The City Attorney shall, following the decision of Council, return the claim file to the Risk Manager attaching thereto a memorandum indicating the Council's decision in the matter. The Risk Manager shall thereupon notify the claimant, in writing, of the decision and expedite payment of any claim which has been approved or compromised.
- (f) Notwithstanding the above, the Risk Manager shall notify and send copies of all claims which are determined to be covered by insurance to the insurance carrier which provides coverage to the city, and shall be the city's liaison with such carriers for the purpose of any claim involvement.
- (g) The City Manager and Controller may delegate their respective responsibilities set forth in Section 3-3.04 to any staff member of their respective offices or to the Risk Manager. The City Attorney may delegate the responsibilities set forth in this article to an attorney in the City Attorney's Office.
- (h) The procedure prescribed and the regulations and rules established by or under this Article do not require a shorter time for the presentation of any claim than the time provided in Government Code Section 911.2. The procedure prescribed under this Article or any rules promulgated thereunder do not require a longer time for the taking of action upon any claim than the time provided in Government Code Section 912.4.
- (i) It is the intent of the Council in adopting this ordinance to extend as broadly as possible under the law the requirement that a claim be presented to the city as a pre-requisite to the bringing of any action against the city, including, but not limited to, actions arising out of or relating to contracts. As authorized under California Government Code Section 935, it is the intent of the Council that all claims for money or damages which are otherwise excepted by Section 905 of the California Government Code be filed with the city's City Clerk prior to the bringing of any suit.
- (j) The City Manager may adopt any and all regulations (and prescribe the form of any required claims and notices, to the extent allowed by the Government Claims Act) necessary or desirable to implement the provisions of this section.
- (k) The procedures called for by this section or any enabling regulations shall apply retroactively to previously accrued claims.

**SECTION 5. Severability.** If any provision(s) of this Ordinance or the application thereof to any person or circumstances is held invalid or unconstitutional by any court of competent jurisdiction, such invalidity or unconstitutionality shall not affect any other provision or application,

and to this end the provisions of this ordinance are declared to be severable. The City Council hereby declares that they would have adopted this ordinance and each section, subsection, sentence, clause, phrase, part or portion thereof, irrespective of the fact that any one or more sections, subsections, clauses, phrases, parts or portions thereof be declared invalid or unconstitutional.

SECTION 6. Conflicting Provisions. If provisions of this Ordinance are in conflict with each other, other provisions of the City's Code, regulations or policies, any other resolution or ordinance of the City, or any state law or regulation, the more restrictive provisions shall apply.

SECTION 6. Effective Date. This Ordinance shall be effective January 1, 2026.

This Ordinance was introduced on September 16, 2025, and duly adopted by the City Council of the City of Yuba City at its duly noticed regular meeting \_\_\_\_\_, 2025, by the following electronic vote:

AYES:

NOES:

ABSENT:

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Dave Shaw, Mayor  
City of Yuba City

ATTEST:

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Ciara Wakefield, City Clerk  
City of Yuba City

APPROVED AS TO FORM  
COUNSEL FOR YUBA CITY:

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Shannon Chaffin, City Attorney  
Aleshire & Wynder, LLP

CITY OF YUBA CITY  
STAFF REPORT

**Date:** September 16, 2025  
**To:** Honorable Mayor & Members of the City Council;  
**From:** Development Services Department  
**Presentation By:** Doug Libby, Development Services Director

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**Summary**

**Subject:** Merriment Village Apartments Homekey Grant Funding

**Recommendation:**

For the State-awarded Homekey grant funds currently held in a Yuba City account at US Bank for the Merriment Village apartment project, staff recommends:

A. The City Council of the City of Yuba City direct the City Manager and Finance Director, within 30 days, to transfer the total amount of Homekey funds on account at US Bank, including accrued interest, to Five Star Community Bank into an account opened by and solely in control by the City of Yuba City and its officers, including the City Council, City Manager and Director of Finance, consistent with HCD Policy and City Policy; and

B. The City Council of the City of Yuba City stipulates the transfer of funds to Five Star Community Bank is contingent upon Habitat for Humanity successfully securing gap funding for the Merriment Village Apartment project with Five Star Community Bank

**Fiscal Impact:** This item does not have a fiscal impact on the City because the funding at issue is state-awarded Homekey grant funding and is not General Fund dollars. Funding shall only be dispersed consistent with the recorded Covenant and Loan Agreement between the City of Yuba City and Habitat for Humanity

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**Purpose:**

For the City Council to determine whether to transfer State awarded Homekey grant funds currently held by the City of Yuba City at US Bank to Five Star Community Bank.

**Council's Strategic Goal:**

This item meets the City Council's strategic goals of building quality infrastructure (housing), fostering a business-friendly environment, and enhancing the overall quality of life for Yuba City residents.

**Background:**

In March of 2023 the California Department of Housing and Community Development, (HCD), released the Notice of Funding Availability for Homekey 3.0 with approximately \$37,158,338 available for the Sacramento region.

On April 18, 2023, the City Council received a presentation from Habitat for Humanity – Yuba/Sutter, (Habitat), regarding their proposed 217-unit apartment complex titled Merriment Village Apartments, located on 7.5 acres at 428 North Walton Avenue. The estimated project cost is approximately \$75 million. Habitat for Humanity has proposed to divide the project into multiple phases, with Phase 1 including a 4-story, 79-unit building to apply for Homekey program funding.

On May 2, 2023, the City Council adopted Resolution No. 23-056 authorizing a joint application with Habitat for Humanity to apply for Homekey 3.0 funds for Phase 1 and authorized the Mayor to submit a Funding Commitment letter for the City contributions. The application was submitted to HCD in May 2023. The joint application was approved and on June 13, 2024, the City received the Standard Agreement from HCD, awarding up to \$24,632,331 in Homekey funding. After multi-month coordination with the City regarding the proposed development, the applicant, Habitat for Humanity, filed an application for DP 23-02 to construct a 218-unit income-based apartment complex at 428 North Walton Avenue.

On September 19, 2023, the City Council approved the Merriment Village Apartment project, Development Plan (DP) 23-02 together with twenty-seven (27) Conditions of Approval.

On July 2, 2024, the City Council defined “deal points” for an agreement between the City of Yuba City and Habitat for Humanity regarding the terms required to disperse Homekey grant funding for the project and a Covenant and Loan Agreement between the City of Yuba City and Habitat for Humanity was recorded July 11, 2024, as Document No. 2024-0005918 (Staff Report Attachment 1).

### **Analysis:**

Habitat for Humanity Yuba-Sutter (Habitat) has been working with local financial institutions to obtain financing to close the project’s “gap funding”, which is believed to be between \$5-7M for full project buildout.

Habitat has selected Five Star Community Bank as its preferred institution for financing to close the project’s funding gap. The financing will be secured by Habitat’s existing assets. The terms for the proposed financing are specified in staff report Attachment 2. It should be noted that Five Star Community Bank will pay an equivalent rate of interest as offered by US Bank; however, rates are variable and will likely change over time.

Part of the proposal includes a provision to transfer the project’s state-awarded Homekey grant funding to an account at Five Star Community Bank with the money to be held in an account in the City’s name.

Five Star Community Bank’s proposal includes the following request:

1. Transfer the Homekey grant funding, currently held in a City account US Bank, to Five Star Community Bank as a single transaction; or
2. Transfer 50 percent of the grant funding to Five Star Community Bank initially and then the remaining 50 percent no later than December 5, 2025.

As previously stated, the Homekey grant award is \$24,632,331. As of August 31, 2025, the account balance at US Bank, including interest, is \$25,460,512.

**Environmental Determination:**

The Merriment Village project has previously been determined to be exempt from the California Environmental Quality Act (CEQA) by exemptions established under State law.

**Fiscal Impact:**

This item does not have a fiscal impact on the City because the funding at issue is state-awarded Homekey grant funding and is not General Fund dollars. Funding shall only be dispersed consistent with the recorded Covenant and Loan Agreement between the City of Yuba City and Habitat for Humanity (Document No. 2024-0005918).

**Alternatives:**

The City Council is not required to transfer the Homekey grant funding to a different financial institution; however, the monies will still be held in an account in the City's name only and monies can only be dispersed consistent with the previously cited Covenant and Loan Agreement. Due to the City still maintaining control of the grant funds, staff is supportive of this request.

**Recommendations:**

For the Homekey grant funds currently held in a Yuba City account at US Bank for the Merriment Village apartment project, staff recommends:

A. The City Council of the City of Yuba City direct the City Manager and Finance Director, within 30 days, to transfer the total amount of Homekey funds on account at US Bank, including accrued interest, to Five Star Community Bank into an account opened by and solely in control by the City of Yuba City and its officers, including the City Council, City Manager and Director of Finance, consistent with HCD Policy and City Policy; and

B. The City Council of the City of Yuba City stipulates the transfer of funds to Five Star Community Bank is contingent upon Habitat for Humanity successfully securing gap funding for the Merriment Village Apartment project with Five Star Community Bank.

**Attachments:**

1. Existing Covenant and Loan Agreement
2. Five Star Community Bank Letter of Intent

**Prepared By:**

Doug Libby  
Director of Development Services

**Submitted By:**

Robert Bendorf  
Interim City Manager

## ATTACHMENT 1



RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO:

City Clerk  
City of Yuba City  
1201 Civic Center Boulevard  
Yuba City, CA 95993

NO FEE-Government Code §6103



Recorded in Official Records  
County of Sutter  
Donna M. Johnston  
County Clerk-Recorder

**2024-0005918**

07/11/2024  
12:34 PM

Titles: 2 Pages: 76

|                 |        |
|-----------------|--------|
| Recording Fees: | \$0.00 |
| CA SB2 Fee:     | \$0.00 |
| Taxes:          | \$0.00 |
| Total Fees:     | \$0.00 |
| RBRAR           |        |



Development Division, Public Works Department  
City of Yuba City  
1201 Civic Center Boulevard  
Yuba City, CA 95993

**COVENANT AND LOAN AGREEMENT  
MERRIMENT VILLAGE  
(PHASE I)**

Merriment Village (Phase 1)  
Page 2

THIS COVENANT AND LOAN AGREEMENT ("**Agreement**") is made effective this 11<sup>th</sup> day of July 2024 ("**Effective Date**"), by and between **CITY OF YUBA CITY**, a general law city ("**City**"), and **HABITAT FOR HUMANITY YUBA/SUTTER, INC.**, a California nonprofit corporation public benefit corporation ("**Habitat**"). City and Habitat are sometimes each individually referred to as a "**Party**" and jointly as the "**Parties.**"

## RECITALS

A. In March of 2023 the California Department of Housing and Community Development, (**HCD**), released the Notice of Funding Availability for Homekey 3.0 with approximately \$37,158,338 available for the Sacramento region.

B. On June 6, 2023, Habitat acquired that certain unimproved real property consisting of approximately 7.5 acres located at 428 North Walton Avenue in City of Yuba as legally described on Exhibit A attached hereon ("**Property**") for a purchase price of \$2,125,000. Concurrently with recordation of the deed, that certain Deed of Trust with Assignment of Rents dated June 1, 2023 securing the sum of \$850,000 which was recorded as Instrument No. 2023-0005025 in the Official Records of Sutter County ("**Original Deed of Trust**").

C. On April 18, 2023, City Council received a presentation from Habitat for the construction of a 217 unit apartment complex titled "Merriment Village Apartments," on the Property. The estimated cost of the total project is approximately \$75 million ("**Project**"). Rather than attempting to develop the Project all at once, Habitat proposed to split the Project into multiple phases, with Phase 1 including a 4-story, 79-unit assisted units and one manager unit, 1 to apply for Homekey program funding ("**Phase 1**").

D. HCD funding typically requires a joint application with a local public entity. The public entity does not actually construct or administer the approved project but does remain jointly and severally liable under the Standard Agreement. On May 2, 2023, City Council adopted Resolution No. 23-056 authorizing a joint application with Habitat for Humanity to apply for Homekey 3.0 funds for Phase 1 and authorized the Mayor to submit a Funding Commitment letter for City contributions.

E. The joint application was submitted to HCD in May 2023 and was approved by HCD on February 13, 2024 ("**Award Date**"), and on June 13, 2024, City received the Standard Agreement from HCD ("**Standard Agreement**"), awarding up to \$24,632,331 in Homekey funding for Phase 1 ("**Grant Funds**") consisting of \$22,632,331 for the construction of capital improvements ("**Grant Construction Funds**") and \$2,615,425 for operating expenses ("**Grant**

Merriment Village (Phase 1)  
Page 3

**Operating Funds**”). Upon completion, acceptance and execution of the Standard Agreement by HCD, the commitment of HCD to issue the Grant Funds pursuant to the Standard Agreement is sometimes hereinafter referred to as the “**Award**.”

F. The Standard Agreement provides that the Grant Funds can be distributed to “Grantee” which is Habitat as the Eligible Applicant. However, the Standard Agreement provides that the City is fully jointly and severally liable for breach of the Standard Agreement, City is requiring that all Grant Funds must be transferred to City for distribution by City for the construction of Phase I.

G. Habitat has indicated to City that there is currently a funding gap between the Grant Construction Funds and construction bids of approximately \$6,000,000 to \$7,000,000 (“**Gap Funding**”). While Habitat has indicated it has several plans in place to secure sufficient money to cover the Gap Funding which are summarized on Exhibit E to the Standard Agreement, none of the plans will be able to be implemented at the time the Standard Agreement provided by HCD must be executed by July 12, 2024.

H. The Standard Agreement specifies a deadline for construction to be complete. This deadline has already started running during the time that HCD has been processing the application. As a practical matter, the default HCD timeline is not sufficient for projects of this type and scale. Habitat currently estimates that the project will take longer to complete than the time currently left. Based on its experience, Habitat has represented that extensions are commonly granted and recommends coordinating a time extension once sufficient progress has been made. City desires to ensure the request is made as soon as reasonably feasible.

I. The Parties now desire to enter into this Agreement to further define the roles and responsibilities of each for the construction of Phase I and implementation of the Standard Agreement.

## AGREEMENT

In consideration of the mutual covenants and promises contained herein, Habitat and City, mutually agree as follows:

1. **Recitals**. The Recitals are incorporated herein as if set forth in full.
2. **Standard Agreement**. The Parties agree that the terms of this Agreement shall be interpreted consistently with the obligations of the Standard Agreement which is attached hereto as Exhibit B (“**Standard Agreement**”), but that this Agreement shall further refine and clarify the obligations of each Party with respect to Phase I.
3. **General Responsibilities of Parties**.

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Merriment Village (Phase 1)  
Page 4

a. **City.** If feasible, City shall receive **all** Grant Funds (both the Grant Construction Funds and the Grant Operating Funds) directly from HCD to be used for construction of Phase 1 consistent with the Standard Agreement. However, if, for any reason, any of the Grant Funds are received by Habitat, all such funds must be immediately transferred to City and Habitat's failure to promptly transmit all funds to City shall be a material default under this Agreement. City shall establish a project management disbursement process for the disbursement of the funds for payment of the construction costs for Phase I consistent with standard construction loan disbursements. City shall review any reports and other required documentation submitted by Habitat to HCD as required under the Standard Agreement. If Habitat fails to timely submit said reports to the City or HCD, the City may submit the same to HCD at Habitat's sole cost and expense.

b. **Habitat.** Habitat shall (i) comply with the requirements of the State Homekey Program as detailed in the Homekey 3.0 NOFA dated March 29, 2023, and amended November 15, 2023 ("**HomeKey Program**"), and the Standard Agreement; (ii) comply with all other applicable federal, state, and local laws, regulations and policies including, but not limited to, those governing the Grant Funds, the construction of Phase I (which may include prevailing wages), etc.; (iii) comply with all Project-specific provisions and special terms and conditions identified in the Standard Agreement including, but not limited to, Exhibit E; (iv) comply with all project management, construction oversight, and budget management as required by City and generally defined in Exhibit C attached hereto ("**Construction & Management Requirements**"); (v) provide periodic detailed construction updates and financial reporting as required by City from time to time; and (vi) perform marketing and community outreach to seek qualified persons to occupy Phase I when completed. Habitat shall submit to HCD any required reports and other required documentation to HCD as required under the Standard Agreement, after first submitting the same to the City for review and approval. Habitat confirms to City that all its representations and warranties in the Standard Agreement are true and correct as of the Effective Date.

c. **City and Habitat.** Upon issuance of the Award, Habitat shall promptly and diligently (i) provide and receive approval of plans and specifications for Phase I consistent with the Scope of Work defined in the Standard Agreement for approval by City ("**Approved Plans**"); (ii) complete a construction loan budget for Phase I for review and approval by City ("**Approved Construction Budget**"); (iii) prepare a

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performance schedule (for both obtaining the Gap Funding and construction of Phase I for approve by City ("**Approved Performance Schedule**"); (iv) diligently seek the Gap Funding on reasonable terms and approved by City consistent with the construction loan budget; (v) seek approvals and entitlements from City for Phase I in accordance with City's standard process; and (vi) comply with all requirements of the Standard Agreement and this Agreement. City shall have the right, but not the obligation, to construct or complete (directly or through a third party vendor) the Phase I improvements, to ensure budget management or to secure the Gap Funding, to guarantee construction Phase 1 or its completion to secure the Gap Funding, or to operate Phase I when completed. Nothing in this Agreement shall be deemed or construed to permit or authorize any use of the Property or any portion thereof to any other uses, or to construct any improvements thereon, other than in accordance with the Approved Plans.

**4. Time for Performance and Extensions.** Habitat shall diligently comply with all of the covenants, conditions and obligations under the Standard Agreement. As between the Parties, Habitat shall be solely responsible for compliance within the timelines required by the Standard Agreement, including, but not limited to, those set forth in Exhibit E thereto. When a delay occurs due to unforeseen causes beyond the control and without the fault or negligence of Habitat, Habitat shall promptly notify City and then seek and secure an extension from HCD consistent with the requirements of the Standard Agreement and shall cooperate with City regarding the same. If reasonably required to comply with the construction deadline, Habitat shall promptly apply for an extension from HCD to complete Phase 1 construction not later than when progress of the construction is 25% complete and shall provide a copy of same to City.

**5. Disbursement of Grant Construction Funds.**

**a. General Disbursement Requirements.** If the Award is made and the Grant Funds are received by City, City shall disburse the Grant Construction Funds to Habitat pursuant to a standard construction disbursement control system which services may be provided by a third party vendor retained by City ("**Construction Disbursement Control Company**") in accordance with a construction disbursement control agreement ("**Construction Disbursement Control Agreement**") as approved by City with the cost to be reimbursed to City by Habitat. The Construction Disbursement Control Agreement shall provide for disbursement of the Grant Construction Funds subject to satisfaction of standard conditions including, but not limited to, (a) affidavit from the engineer or architect that the work has been completed in accordance with the Approved Plans; (ii) City inspection approvals have been issued; (iii) mechanic lien releases have

Merriment Village (Phase 1)  
Page 6

been provided; (iv) an endorsement to the Loan Title Policy (as defined in Section 7) has been issued; (v) Habitat is not in default under this Agreement or the Standard Agreement; and (vi) such other requirements as reasonably required by City.

Habitat shall only use the Grant Construction Funds for construction of Phase 1 (both hard and soft costs as provided in the Approved Construction Budget), and said funds shall not be used for any other purpose.

**b. Conditions to Obligation to Disburse.** Habitat shall not be entitled to any disbursements of the Grant Construction Funds or funds from any other source until all of the following conditions have been satisfied to the satisfaction of City:

- i. **Insurance.** Habitat has provided the insurance as specified in Section 9.
- ii. **Gap Funding.** Habitat has secured the Gap Funding as required by Section 6.
- iii. **Security.** Habitat has executed the Construction Note and Construction Deed of Trust to City which is insured by a loan title policy pursuant to Section 7 and also provided other security agreements and documents as specified in Section 7.
- iv. **Affordability Covenant.** The Affordability Covenant as defined in the Standard Agreement and as approved by City shall be executed and recorded against the Property ("**Affordability Covenant**").
- v. **No Default.** Habitat is no in default of this Agreement or the Standard Agreement.

If Habitat fails to satisfy all of the foregoing conditions in accordance with the Approved Performance Schedule, City shall have the right, in its discretion, to terminate the Standard Agreement and return all Grant Funds to HCD.

**c. Periodic Disbursements.** The Grant Construction Funds shall be disbursed periodically pursuant to the Construction Disbursement Control Agreement.

**6. Gap Funding.** Habitat shall be solely responsible for, and shall promptly seek, non-federal funding to secure the Gap Funding in accordance with the Approved Performance Schedule. Habitat shall provide written updates of its efforts to secure Gap Funding to City Manager by the 20<sup>th</sup> of each month or more frequently if requested by City.

City shall reasonably cooperate with Habitat in securing the Gap Funding but City shall not be required to incur costs nor provide any guaranty to any lender providing the Gap Funding ("**Gap Funding Lender**"). The agreement with the Gap Funding shall be subject to the review and approval of City and shall specify that the funds may be distributed in accordance with the Approved Construction Budget and shall be controlled by and through the Construction

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Merriment Village (Phase 1)  
Page 7

Disbursement Control Company at the discretion of City. City may, in its sole discretion, elect to subordinate the Construction Deed of Trust to a deed of trust required by the Gap Funding Lender upon terms and conditions as required by City which may include the right of City to assume the Gap Funding Agreement.

If Gap Funding has not been secured prior to the first disbursement, Habitat shall furnish to City a performance bond in the amount of the Gap Funding, but not less than \$7,000,000, to be conditioned upon the faithful performance of this Agreement, and naming City of Yuba City as obligee. The performance bond shall be subject to prior review as to form by City Attorney, and then approval of City Manager and City Attorney as to legal form. The bond shall be by one or more duly authorized corporate sureties licensed to do business in California subject to the approval of City and on forms furnished or approved by City.

7. **Construction Deed of Trust and Other Security** Habitat shall execute and deliver to City a promissory note in the amount of the Grant Construction Funds in a form as required by City ("**Grant Construction Note**") to be secured by construction deed of trust in a form specified by City to ("**Construction Deed of Trust**") which shall be executed and acknowledged by Habitat and recorded in first lien position on the Property although City may, in its sole discretion, elect to allow the Construction Deed of Trust to be in second lien position junior to the Original Deed of Trust although the Original Deed of Trust shall be required to subordinate to the Affordability Covenant. The Grant Construction Note shall provide, among other things, that a default by Habitat under this Agreement shall be a default under the Note, that default under the Standard Agreement is a default under the Note, that this Agreement is NOT secured by the Construction Deed of trust, a due on sale or encumbrance clause, an acceleration clause and other standard and reasonable provisions. Habitat shall provide a loan title insurance policy issued by Placer Title Company ("**Title Company**") in the amount of the Gap Construction Funds subject to only to (i) the Affordability Covenant; and (ii) the exceptions as approved by City in its discretion and with the obligation of Placer to issue endorsements as required by City upon the distribution of funds ("**Loan Title Policy**"). Habitat shall be responsible for the cost of the Loan Title Policy. Habitat shall also provide such other security instruments as required by City including, but not limited to, a personal property security agreement, UCC-1, collateral assignment of contracts, etc.

8. **Indemnification.** Habitat shall be obligated as follows:

a. To the furthest extent allowed by law, Habitat shall indemnify, hold harmless and defend City and each of its officers, officials, employees, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages

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(whether in contract, tort or strict liability, including, but not limited to, personal injury, death at any time and property damage) incurred by City, Habitat or any other person, and from any and all claims, demands and actions in law or equity (including attorney's fees, litigation and legal expenses incurred by City or held to be the liability of City, including plaintiff's or petitioner's attorney's fees if awarded, in connection with City's defense of its actions in any proceeding), arising or alleged to have arisen directly or indirectly out of performance or in any way connected with: (i) the making of this Agreement or the Standard Agreement; (ii) the performance of this Agreement or the Standard Agreement; (iii) the performance or installation of any Phase 1 work or improvements and subsequent management and operations thereof by Habitat and Habitat' employees, officers, agents, contractors or subcontractors; (iv) the design, installation, operation, removal or maintenance of any work and improvements related to Phase 1; (v) Habitat and its employees, officers, agents, contractors or subcontractor's failure to comply with prevailing wage laws as applicable law; or (vi) City's granting, issuing or approving use of this Agreement or the Standard Agreement.

b. Habitat's obligations under the preceding sentence shall apply regardless of whether or not City or any of its officers, officials, employees or agents are negligent, but shall not apply to any loss, liability, fines, penalties, forfeitures, costs or damages caused solely by the gross negligence, or caused by the willful misconduct, of City or any of its officers, officials, employees, agents or volunteers.

c. If Habitat should contract or subcontract all or any portion of the work to be performed under this Agreement, Habitat shall require each contractor or subcontractor to indemnify, hold harmless and defend City and each of its officers, officials, employees, agents and volunteers in accordance with the terms of paragraphs "a" and "b" of this Section. Notwithstanding the preceding sentence, any subcontractor who is a "design professional" as defined in Section 2782.8 of the California Civil Code shall, in lieu of indemnity requirements set forth in paragraphs "a" and "b" of this Section, be required to indemnify, hold harmless and defend City and each of its officers, officials, employees, agents and volunteers to the furthest extent allowed by law (including Section 2782.8 of the California Civil Code), from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage), and from any and all claims, demands and actions in law or equity (including reasonable attorney's fees and litigation expenses) that arise out of, pertain to, or relate



Merriment Village (Phase 1)  
Page 9

to the negligence, recklessness or willful misconduct of the design professional, its principals, officers, employees, agents or volunteers in the performance of this Agreement.

d. Habitat further agrees that the use for any purpose and by any person of any street, sidewalk, or works of improvement to be dedicated to City or within any City right of way, shall be at the sole and exclusive risk of Habitat at all times prior to final acceptance by City of such completed street and other improvements thereon and therein. This Section shall survive termination or expiration of this Agreement.

e. This provision shall survive termination of this Agreement or the Standard Agreement for any reason.

9. **Insurance.** At all times, Habitat shall pay for and maintain in full force and effect all policies of insurance described in this Section with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A-VII" in Best's Insurance Rating Guide, or (ii) authorized by City's Risk Manager. The following policies of insurance are required:

a. **COMMERCIAL GENERAL LIABILITY** insurance, which shall be at least as broad as the most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01 and shall include insurance for bodily injury, property damage, and personal and advertising injury with coverage for premises and operations (including the use of owned and non-owned equipment), products and completed operations, contractual liability (including indemnity obligations under this Agreement), with limits of liability of not less than \$2,000,000 per occurrence for bodily injury and property damage, \$2,000,000 per occurrence for personal and advertising injury and \$2,000,000 aggregate for products and completed operations, and \$5,000,000 general aggregate.

b. **BUILDERS RISK** (Course of Construction) insurance utilizing an "All Risk" (Special Perils) coverage form, with limits equal to the full amount of the property and/or materials being installed and/or constructed on or within the facility, and in no event at least a minimum of \$15,000,000 of the completed value of the project. Said coverage shall not be required to maintain coverage for earthquake or flood risk if not reasonably commercially available in the discretion of City Manager, and shall not include coinsurance penalty provisions.

c. **COMMERCIAL AUTOMOBILE LIABILITY** insurance, which shall be at least as broad as the most current version of Insurance Services Office (ISO)

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Merriment Village (Phase 1)  
Page 10

Business Auto Coverage Form CA 00 01 and shall include coverage for all owned, hired, and non-owned automobiles or other licensed vehicles (Section 1, subsection A.1 entitled "Any Auto"), with combined single limits of liability of not less than \$2,000,000 per accident for bodily injury and property damage.

d. **PROFESSIONAL LIABILITY** (Errors and Omissions) insurance appropriate to the respective person's profession (applicable only to those contractors or subcontractors who are providing Professional Services to Habitat), with limits of liability of not less than \$2,000,000 per claim/occurrence and \$2,000,000 policy aggregate.

e. **WORKERS' COMPENSATION** insurance as required under the California Labor Code.

f. **EMPLOYERS' LIABILITY** with minimum limits of liability of not less than \$1,000,000 each accident, \$1,000,000 disease policy limit and \$1,000,000 disease each employee. If the Habitat do not have any employees on the offsite portion of the project, then this section is not applicable.

Habitat shall be responsible for payment of any deductibles contained in any insurance policies required hereunder and Habitat shall also be responsible for payment of any self-insured retentions.

The above described policies of insurance shall be endorsed to provide an unrestricted 30 calendar day written notice in favor of City of policy cancellation of coverage, except for the Workers' Compensation policy which shall provide a 10 calendar day written notice of such cancellation of coverage. **In the event any policies are due to expire during the term of this Agreement, Habitat shall provide a new certificate evidencing renewal of such policy(ies) not less than 15 calendar days prior to the expiration date of the expiring policy(ies).** Upon issuance by the insurer, broker, or agent of a notice of cancellation in coverage, Habitat shall file with City a new certificate and all applicable endorsements for such policy(ies).

The General Liability and Automobile Liability insurance policies shall be written on an occurrence form and shall name City, its officers, officials, agents, employees and volunteers as an additional insured. Such policy(ies) of insurance shall be endorsed so Habitat's insurance shall be primary and no contribution shall be required of City. In the event claims-made forms are used for any Professional Liability coverage, either (i) the policy(ies) shall be endorsed to provide not less than a five (5) year discovery period, or (ii) the coverage shall be maintained for a minimum of five (5) years following the termination of this Agreement and the requirements of this Section relating to such coverage shall survive termination or expiration of

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Page 11

this Agreement. Any Workers' Compensation insurance, Commercial General Liability, Builder's Risk Insurance, or Commercial Automobile Liability policy shall contain a waiver of subrogation as to City, its officers, officials, agents, employees and volunteers.

**Habitat shall have furnished City with the certificate(s) and applicable endorsements for ALL required insurance to City prior to City's obligations to disburse any funds as specified in Section 5.** Habitat shall furnish City with copies of the actual policies upon the request of City Attorney or City Clerk at any time during the life of the Agreement or any extension, and this requirement shall survive termination or expiration of this Agreement.

The fact that insurance is obtained by Habitat or its contractor or subcontractors shall not be deemed to release or diminish the liability of Habitat or their subcontractors including without limitation, liability under the indemnity provisions of this Agreement. The duty to indemnify City, its officers, officials, agents, employees and volunteers, shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Habitat or its contractor or subcontractors. Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of Habitat, its principals, officers, agents, employees, persons under the supervision of Habitat, vendors, suppliers, invitees, contractors, subcontractors, consultants or anyone employed directly or indirectly by any of them.

If at any time during the life of the Agreement or any extension, Habitat fails to maintain the required insurance in full force and effect, City Manager for City, or his/her designee, may order that Habitat, or its contractors or subcontractors, immediately discontinue any further work under this Agreement and take all necessary actions to secure the work site to insure that public health and safety is protected. All payments to Habitat shall be withheld until notice is received by City that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to City. Any failure to maintain the required insurance shall be sufficient cause for City to withhold funding under this Agreement, or utilize the same or other funding to obtain an insurance policy for City's benefit at Habitat's sole cost and expense.

If Habitat should contract or subcontract all or any portion of the services to be performed under this Agreement, Habitat shall require each contractor or subcontractor to provide insurance protection in favor of City, its officers, officials, employees, volunteers and agents in accordance with the terms of each of the preceding paragraphs, except that i) the contractor and subcontractors' certificates and endorsements shall be on file with Habitat and City prior to the commencement of any work by the contractor or subcontractor; ii)

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Merriment Village (Phase 1)  
Page 12

subcontractors shall not be required to provide Builder's Risk coverage; and iii) City Manager may modify subrogation requirements for subcontractors.

10. **Payment for Materials and Supplies.** Habitat and its contractor and subcontractors shall pay for any materials, provisions, and other supplies used in, upon, for, or about the performance of the improvements and operations to be done under Exhibit E of the Standard Agreement, and for any work or labor thereon of any kind, and for amounts due under the Unemployment Insurance Act of the State of California, with respect to such work or labor and shall file with City pursuant to Section 3800 of the California Labor Code, as may be amended, a Certificate of Workers Compensation and shall maintain a valid policy of Workers Compensation Insurance for the duration of the period of construction. Habitat shall not permit the filing of any mechanic liens against the Property. If a mechanic lien is filed, Habitat shall promptly obtain the release of such lien in compliance with applicable law by either paying the amount of the line or recording a bond pursuant to Civil Code Section 8424 and providing evidence of the release of the mechanic lien satisfactory to City which may include information from the title company.

11. **Work by Habitat.** It shall be the responsibility of Habitat to coordinate all work done by Habitat's contractors and subcontractors, such as scheduling the sequence of operations and the determination of liability if one operation delays another. In no case shall representatives of City be placed in the position of making decisions that are the responsibility of Habitat. It shall further be the responsibility of Habitat to give written notice to City Engineer (together with any other person designated by City) not less than two working days in advance of the actual date on which work is to be started. Failure on the part of Habitat to notify City Engineer may cause delay for which Habitat shall be solely responsible.

12. **Impact and other Fees.** To the extent not otherwise waived or committed to be paid by City pursuant to a separate written agreement, Habitat shall pay to City (or other regulating entity) fees or charges due for construction and operation of Phase 1, if any.

13. **Entitlements, Permits, and Inspections.** Habitat agrees that nothing in this Agreement shall relieve it from the requirement to comply with any provision of federal, State, or local law or regulation. Habitat shall be responsible for obtaining any entitlements, plans, permits, inspections, environmental clearances, etc., and agrees to comply with all conditions of approval or approved plan requirements for Phase 1. Habitat agrees that nothing in this Agreement shall require City to exercise its legislative or police power, or to make any other approval, unless otherwise expressly required of the Standard Agreement. City shall have the right, upon two days' notice, to inspect the Project to determine whether it is meeting the

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Page 13

requirements of the Standard Agreement.

**14. Failure to Perform, Right of Entry, and Option to Ensure Compliance.**

**a. Default.** Habitat shall be in default of this Agreement (“Default”) upon the occurrence of any of the following:

- i. Habitat is in default of the Standard Agreement after notice and opportunity to cure if any provided in the Standard Agreement.
- ii. Fails to comply with Performance Schedule after 5 days’ notice from City.
- iii. Fails to comply with the insurance requirements in Section 9.
- iv. Breach of the Construction Note and/or Construction Deed of Trust.
- v. Is no longer actively registered as a non-profit corporate capable of doing business within the State of California, or begins to wind up operations;
- vi. Phase I is abandoned and work stops for more than 5 consecutive days;
- vii. Commencement of foreclosure of any lien on the Property;
- viii. Transfer of any portion of the Property without City’s consent;
- ix. A surety is required to either pay a contractor or subcontractors or assumes completion of all or a portion of the work required by Exhibit E to the Standard Agreement.
- x. Failure to comply with any other provision of this Agreement after 15 days’ notice from City.

**b. Remedies.** Upon any Default, City shall have all rights under law and equity including, but not limited to, (i) commencement of foreclosure of the Construction Deed of Trust, (ii) have a receiver appointed, and the right, but not the obligation, to assume the construction or completion of Phase 1 in order to ensure compliance with the Standard Agreement with the right to use the Grant Construction Funds for same.

**c. Operations.** If after completion of Phase 1, if Habitat fails to comply with the operational requirements of the Standard Agreement and/or the Affordability Covenant, City may assume operations (or obtain another operator to assume operations) after notice and opportunity to cure consistent with Subsections a and b. Habitat authorizes entry on the Property, and agrees to promptly take all action reasonably necessary for City to ensure operations consistent with the Standard

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Page 14

Agreement.

d. **Payment/Lien.** City shall be entitled to reimbursement from Habitat (or other entity as appropriate) of all costs and expenses incurred by City in curing any default, assuming completion of the work and improvements, assuming operations, or reimbursing payments to HCD under the Standard Agreement. Costs and expenses shall include legal costs and attorneys' fees, which right of reimbursement shall be secured by a lien upon the property identified in Exhibit A to the extent of such costs and disbursements.

e. **Other Remedies.** Nothing in this Section shall waive City's right to avail itself of other rights including recourse to security, insurance, liens, or other legal recourse.

15. **Compliance with Laws.** In performing obligations set forth in this Agreement, Habitat shall comply with all applicable laws, ordinances, codes, regulations, and rules of all local, state and federal governmental agencies having jurisdiction including, without limitation, applicable federal and state labor standards and environmental laws and regulations. It shall be the sole responsibility of Habitat to determine whether to pay prevailing wages for any or all work required by this Agreement or the Standard Agreement. Habitat shall indemnify, defend, and hold harmless City and its officials and employees against any failure to comply with such laws, ordinances, codes, regulations, and rules. Habitat shall comply with the codes or ordinances of City including City Code and Building Codes.

16. **Enforcement of Obligations.** City may enforce this Agreement in any manner available at law or in equity.

17. **Limitations of Legal Acts.** Except as provided by the Section entitled "Attorney's Fees and Legal Expenses," in no event shall City, or its officers, agents or employees, be liable in damages for any breach or violation of this Agreement or the Standard Agreement, it being expressly understood and agreed Habitat's sole legal remedy for breach or violation of this Agreement or the Standard Agreement by City shall be a legal action in mandamus, specific performance or other injunctive or declaratory relief to enforce the provisions of this Agreement or the Standard Agreement.

18. **Attorney's Fees and Legal Expenses.** If any party is required to commence any proceeding or legal action to enforce or interpret any term or condition of this Agreement or the Standard Agreement, the prevailing party in such proceeding or action shall be entitled to recover from the other party its reasonable attorney's fees and legal expenses. For the purposes of this Agreement, "attorneys' fees" and "legal expenses" include, without limitation,

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Page 15

paralegals' fees and expenses, attorneys, consultants fees and expenses, expert witness fees and expenses, and all other expenses incurred by the prevailing party's attorneys in the course of the representation of the prevailing party in anticipation of and/or during the course of litigation, whether or not otherwise recoverable as "attorneys' fees" or as "costs" under California law, and the same may be sought and awarded in accordance with California procedure as pertaining to an award of contractual attorneys' fees.

**19. Obligation Running With Land.** This Agreement which affects affordable housing shall burden the Property, and shall be enforceable as equitable servitudes and constitute a covenant running with the land in favor of and for the benefit of City shall be binding upon the successors and transferees of Habitat. Habitat consents to the recordation of this Agreement with the Sutter County Recorder.

**20. Waiver.** The waiver by either Party of a breach by the other of any provision of this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of either the same or a different provision of this Agreement. No provisions of this Agreement may be waived unless in writing and signed by both Parties to this Agreement. Waiver of any one provision herein shall not be deemed to be a waiver of any other provision herein.

**21. Successor Statutes Incorporated.** All references to a statute or ordinance shall incorporate any or all successor statute or ordinance enacted to govern the activity now governed by the statute or ordinance, noted herein to the extent, however, that incorporation of such successor statute or ordinance does not adversely affect the benefits and protections granted to either Party.

**22. Estoppel Certificates.** Either Party may at any time deliver written Notice to the other Party requesting an estoppel certificate ("**Estoppel Certificate**") stating:

- a. The Agreement is in full force and effect and is a binding obligation of the Parties; and
- b. The Agreement has not been amended or modified either orally or in writing or, if so amended, identifying the amendments; and
- c. That no enforcement actions are outstanding or if so the status thereof.

A Party receiving a request for an Estoppel Certificate shall provide a signed certificate to the requesting Party within thirty (30) days after receipt of the request. The Estoppel Certificate shall be in a form reasonably approved by City Attorney's Office, and Habitat shall pay all of City's reasonable costs incurred in issuing such Estoppel Certificate.

**23. Time is of the Essence.** Time is of the essence of this Agreement, and the same shall bind and inure to the benefit of the parties hereto, their successors and assigns.

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24. **No Assignment.** No assignment of this Agreement or of any duty or obligation of performance hereunder (including those required by Exhibit E of the Standard Agreement) shall be made in whole or in part by Habitat without the prior written consent of City.

25. **Restrictions on Sales, Transfers, and Encumbrances.** The Property may not be transferred or encumbered without the prior written consent of City in its sole and absolute discretion. Any transfer of the ownership interests in Habitat shall constitute a transfer under this Section.

26. **Binding on Successors.** All of the provisions, agreements, rights, powers, standards, terms, covenants and obligations contained in this Agreement shall be binding upon the Parties and their respective heirs, successors (by merger, consolidation, or otherwise) and assigns, devisees, administrators, representatives, lessees, and all other persons acquiring any rights or interests in Phase 1 of the property, or any portion thereof, whether by operation of laws or in any manner whatsoever and shall inure to the benefit of the Parties and their respective heirs, successors (by merger, consolidation or otherwise) and assigns.

27. **No Third Party Beneficiaries.** There are no third party beneficiaries to this Agreement, and this Agreement is not intended and shall not be construed, to benefit or be enforceable by any third party whatsoever.

28. **Relationship of Parties.** It is specifically understood and agreed by and between the Parties that the Project is a private development by Habitat, that neither Party is acting as the agent of the other in any respect hereunder, and that such Party is an independent contracting entity with respect to the terms, covenants, and conditions contained in this Agreement. The only relationship between City and Habitat is that of a government entity regulating the development of private property and the flow through provision of grant funding from the State, and the owner of such private property. No partnership or joint venture is created as a result of this Agreement or the Standard Agreement.

29. **Entire Agreement.** Except as this Agreement may be implemented through the Standard Agreement, this Agreement constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement, and this Agreement supersedes all previous negotiations, discussions, and agreements between the Parties. No parole evidence of any prior or other agreement shall be permitted to contradict or vary the terms of this Agreement.

30. **Qualification; Authority.** Each individual executing this Agreement on behalf of Habitat represents, warrants and covenants to City that (a) it is duly formed and authorized to do business in the state of California, (b) such person is duly authorized to execute and deliver this Agreement on behalf of Habitat in accordance with authority granted under the

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organizational documents of Habitat, and (c) Habitat is bound under the terms of this Agreement. Furthermore, Habitat represents and warrants to City that all authority statements by Habitat in the Standard Agreement are true and correct.

**31. Minor Amendments.** City Manager for City shall be authorized to approve and execute minor non-substantive amendments to this Agreement without formal approval of City Council.

**32. Further Actions and Instruments.** Each of the Parties shall cooperate with and provide reasonable assistance to the other to the extent necessary to implement this Agreement. Upon the request of either Party at any time, the other Party shall promptly execute, with acknowledgment or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary to implement this Agreement or to evidence or consummate the transactions contemplated by this Agreement.

**33. Captions.** Section, paragraph and other captions or headings contained in this Agreement are inserted as a matter of convenience and for reference, and in no way define, limit, extend or otherwise describe the scope or intent of the Agreement or any provision hereof and shall not affect in any way the meaning or interpretation of this Agreement.

**34. Ambiguities or Uncertainties.** Any ambiguities or uncertainties in this Agreement shall be equally and fairly interpreted and construed without reference to the identity of the Party or Parties preparing this Agreement, on the express understanding and agreement the Parties participated equally in the negotiation and preparation of the Agreement, or have had equal opportunity to do so. Accordingly, the Parties hereby waive the benefit of California Civil Code §1654 and any successor or amended statute, providing that in cases of uncertainty, language of a contract should be interpreted most strongly against the Party who caused the uncertainty to exist.

**35. Severable Provisions.** The provisions of this Agreement are severable. The invalidity or unenforceability of any one provision in this Agreement shall not affect the validity or enforceability of the other provisions, which shall remain in full force and effect.

**36. Release of Agreement.** The conditions and obligations of this Agreement shall remain in full force and effect until such time as City Manager for City issues a written release finding the conditions and obligations of this Agreement have been fully satisfied and are no longer required for public health and safety reasons and thereafter records such release with the Sutter County Recorder. Upon request of Habitat, City Manager (subject to approval City Attorney) shall also have authority to subordinate this Agreement to an interest on the Property.

**37. Notices.** Any notice to either Party shall be in writing and given by delivering

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the notice in person or by sending the notice by registered or certified mail, or Express Mail, return receipt requested, with postage prepaid, to the Party's mailing address. The respective mailing addresses of the Parties are, until changed as hereinafter provided, the following:

|                        |                                                                                                       |
|------------------------|-------------------------------------------------------------------------------------------------------|
| <b>To City:</b>        | Development Services Director<br>City of Yuba City<br>1201 Civic Center Blvd.<br>Yuba City, CA 95993  |
| <b>With a copy to:</b> | City Manager<br>City of Yuba City<br>1201 Civic Center Blvd.<br>Yuba City, CA 95993                   |
| <b>Habitat:</b>        | Habitat for Humanity Yuba/Sutter, Inc.<br>Attn: Joseph Hale, CEO<br>202 D St.<br>Marysville, CA 95901 |

Either Party may change its mailing address at any time by giving ten (10) days' notice of such change in the manner provided for in this section. All notices under this Agreement shall be deemed given, received, made or communicated on the date personal delivery is affected or, if mailed, on the delivery date or attempted delivery date shown on the return receipt. Nothing in this provision shall be construed to prohibit communication by facsimile transmission, so long as an original is sent by first class mail, commercial carrier or is hand-delivered.

**38. Venue.** This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction. Venue for purposes of the filing of any action regarding the enforcement or interpretation of this Agreement and any rights and duties hereunder shall be Sutter County, California.

**39. Acknowledgement of Content.** Each party acknowledges that they have read and fully understand the contents of this Agreement. This Agreement represents the entire and integrated agreement between the parties with respect to the subject matter hereof and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be modified only by written instrument duly authorized and executed by both City and Habitat.

**40. Counterparts.** This Agreement may be executed by the Parties in counterparts which counterparts shall be construed together and have the same effect as if all of the Parties

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Page 19

had executed the same instrument.

41. Exhibits. Exhibits A, B and C attached hereto are incorporated herein by reference.

[SIGNATURES ON FOLLOWING PAGE]

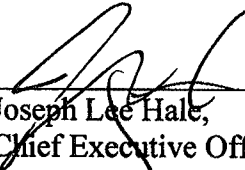
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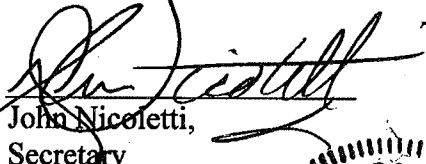
Merriment Village (Phase 1)  
Page 20

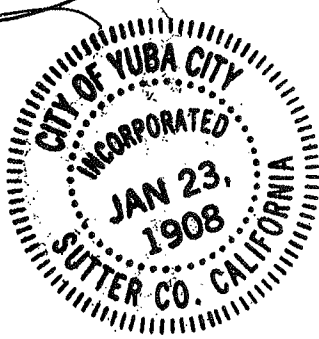
IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement as of the Effective Date.

**HABITAT:**

HABITAT FOR HUMANITY  
YUBA/SUTTER, INC., a California  
nonprofit public benefit corporation

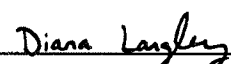
By:   
Joseph Lee Hale,  
Chief Executive Officer

By:   
John Nicoletti,  
Secretary



**CITY:**

CITY OF YUBA CITY, a public body,  
corporate and politic

By:   
Diana Langley, City Manager

**ATTEST:**

  
Ciara Wakefield, Deputy City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: \_\_\_\_\_  
Shannon Chaffin, City Attorney

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

STATE OF CALIFORNIA           )  
COUNTY OF GUTTER                 ) ss

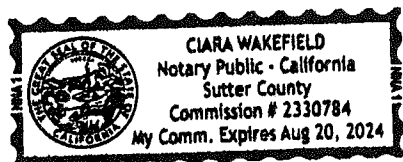
On JULY 10, 2024, 2024 before me, C. WAKEFIELD, a notary public, personally appeared JOHN NICOLETTI who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

C. Wakefield  
Notary Public

SEAL:





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

STATE OF CALIFORNIA )  
COUNTY OF SUTTER ) ss

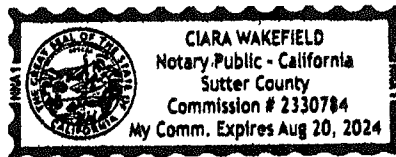
On JULY 10, 2024, 2024 before me, C. WAKEFIELD, a notary public, personally appeared JOSEPH LEE HATE who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

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

**WITNESS my hand and official seal.**

Wakelield  
Notary Public

SEAL:



**ACKNOWLEDGMENT**

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

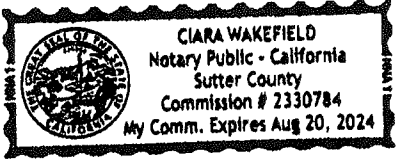
State of California  
County of SUTTER

On JULY 10, 2024 before me, CIARA WAKEFIELD, NOTARY PUBLIC  
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.



Signature CI Wakefield (Seal)

Merriment Village (Phase 1)  
Page 20

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement as of the Effective Date.

**HABITAT:**

HABITAT FOR HUMANITY  
YUBA/SUTTER, INC., a California  
nonprofit public benefit corporation

By: \_\_\_\_\_  
Joseph Lee Hale,  
Chief Executive Officer

By: \_\_\_\_\_  
John Nicoletti,  
Secretary

**CITY:**

CITY OF YUBA CITY, a public body,  
corporate and politic

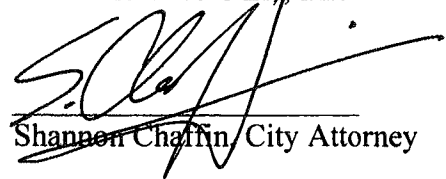
By: \_\_\_\_\_  
Diana Langley, City Manager

**ATTEST:**

\_\_\_\_\_  
Ciara Wakefield, Deputy City Clerk

**APPROVED AS TO FORM:**

ALESHIRE & WYNDER, LLP

By:   
Shannon Chaffin, City Attorney

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

STATE OF CALIFORNIA )  
COUNTY OF Fresno ) ss

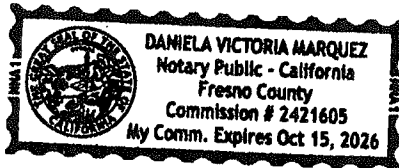
On July 10, 2024 before me, Daniela Victoria Marquez, a notary public, personally appeared Shannon L. Chaffin who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

  
\_\_\_\_\_  
Notary Public

SEAL:



**EXHIBIT A****PROPERTY DESCRIPTION**

That certain real property in the City of Yuba, County of Sutter, State of California legally described as follows:

Being a portion of Lot 13 as shown on that certain Map entitled "Plat of the Mary Gray Tract" filed in the Office of the County Recorder of Sutter County, California, on January 4, 1915, in Book 3 of Surveys, Page 11, more particularly described as follows:

Beginning at a point on the Westerly line of said Lot 13, said point being North 1° 15' West and distant on said course 363.00 feet from the Southwest corner of said Lot 13, said point of beginning being the Northwest corner of that certain Lot or parcel of land conveyed by William J. Gray and Golda A. Gray, his wife, to W. L. Dolan by a deed dated January 18, 1946 and recorded in Book 254 of Official Records, Page 3 running thence North 1° 15' West along said Westerly line of Lot 13, a distance of 693.00 feet to the Northwest corner of Lot 13; thence North 89° 05' East along the Northerly line of said Lot 13, a distance of 495.00 feet to the Northeast corner of said Lot 13; thence South 1° 15' East along the Easterly line of said Lot 13, a distance of 1,056.00 feet to the Southeast corner of said Lot 13; thence South 89° 05' West along the Southerly line of said Lot 13, a distance of 145.00 feet to the Southeast corner of said Lot or parcel of land conveyed to W. L. Dolan; thence North 1° 15' West along the Easterly line of said lot or parcel of land conveyed to W. L. Dolan, a distance of 363.00 feet to the Northeast corner of said Lot or parcel of land conveyed to W.L. Dolan; and thence South 89° 05' West along the Northerly line of said Lot or parcel of land conveyed to W. L. Dolan, a distance of 350.00 feet to the point of beginning.

EXCEPTING THEREFROM that portion of the above described property described in that certain Deed dated January 20, 1955, in which A. J. Trigueiro and Mary G. Trigueiro, his wife, are grantors and Ed B. Reamy and Reva L. Reamy, his wife, are grantees, recorded February 15, 1955, in Volume 434 of Official Records, Page 264, Sutter County Records.

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**EXHIBIT B**  
**STANDARD AGREEMENT**

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STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

SCO ID:

AGREEMENT NUMBER

23-HK-18192

PURCHASING AUTHORITY NUMBER (if applicable)

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

CONTRACTING AGENCY NAME

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

CONTRACTOR'S NAME

City of Yuba City, and Habitat for Humanity Yuba/Sutter, Inc.

2. The term of this Agreement is:

START DATE

Upon HCD Approval

THROUGH END DATE

Fifteen (15) years from Effective Date

3. The maximum amount of this Agreement is:

\$24,632,331.00

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

| EXHIBITS                       | TITLE                                                        | PAGES         |
|--------------------------------|--------------------------------------------------------------|---------------|
| Exhibit A                      | Authority, Purpose and Scope of Work                         | 10            |
| Exhibit B                      | Budget Detail and Payment Provisions                         | 3             |
| Exhibit C*                     | State of California General Terms and Conditions             | GTC - 04/2017 |
| Exhibit D                      | Homekey General Terms and Conditions                         | 23            |
| Exhibit E                      | Project-Specific Provisions and Special Terms and Conditions | 8             |
| TOTAL NUMBER OF PAGES ATTACHED |                                                              | 44            |

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

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

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

CONTRACTOR

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

See Attached

CONTRACTOR BUSINESS ADDRESS

See Attached

CITY

See Attached

STATE

See Attached

ZIP

See Attached

PRINTED NAME OF PERSON SIGNING

See Attached

TITLE

See Attached

CONTRACTOR AUTHORIZED SIGNATURE

See Attached

DATE SIGNED

See Attached

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

Department of Housing and Community Development

CONTRACTING AGENCY ADDRESS

651 Bannon Street, Suite 400

CITY

Sacramento

STATE

CA

ZIP

95811

PRINTED NAME OF PERSON SIGNING

TITLE

Contract Services Section Manager

CONTRACTING AGENCY AUTHORIZED SIGNATURE

DATE SIGNED

California Department of General Services Approval (or exemption, if applicable)

Exempt per; SCM Vol. 1 4.04.A.3 (DGS memo dated 06/12/1981)



STATE OF CALIFORNIA  
**STANDARD AGREEMENT**  
STD 213 (Rev. 06/03)

City of Yuba City  
Habitat for Humanity Yuba/Sutter, Inc.  
23-HK-18192

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**CONTRACTOR**

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**City of Yuba City**  
a California Government City

By: Shon Harris  
Shon Harris (Jul 11, 2024 10:13 PDT)

Date: 7/11/2024

Shon Harris  
Mayor

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Address:

1201 Civic Center Boulevard  
Yuba City, CA 95993

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**Habitat for Humanity Yuba/Sutter, Inc.**  
a California nonprofit a California nonprofit public benefit corporation

By: Joseph Hale

Date: 07/11/2024

Joseph Hale  
Chief Executive Officer

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Address:

202 D Street  
Marysville, CA 95901

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Prep Date: 05/17/2024

# 23-HK-18192 - (REVISED) Pending - STD 213

Final Audit Report

2024-07-11

|                 |                                              |
|-----------------|----------------------------------------------|
| Created:        | 2024-07-11                                   |
| By:             | Diana Langley (dlangle@yubacity.net)         |
| Status:         | Signed                                       |
| Transaction ID: | CBJCHBCAABAAM78DuLkFQTV44O5342SKNRv6CdbAiGdE |

## "23-HK-18192 - (REVISED) Pending - STD 213" History

-  Document created by Diana Langley (dlangle@yubacity.net)  
2024-07-11 - 4:28:00 PM GMT
-  Document emailed to Joseph Hale (jhale@yubasutterhabitat.org) for signature  
2024-07-11 - 4:29:18 PM GMT
-  Email viewed by Joseph Hale (jhale@yubasutterhabitat.org)  
2024-07-11 - 4:57:29 PM GMT
-  Document e-signed by Joseph Hale (jhale@yubasutterhabitat.org)  
Signature Date: 2024-07-11 - 5:00:20 PM GMT - Time Source: server
-  Document emailed to Shon Harris (shonharris@yubacity.net) for signature  
2024-07-11 - 5:00:22 PM GMT
-  Email viewed by Shon Harris (shonharris@yubacity.net)  
2024-07-11 - 5:12:13 PM GMT
-  Document e-signed by Shon Harris (shonharris@yubacity.net)  
Signature Date: 2024-07-11 - 5:13:01 PM GMT - Time Source: server
-  Agreement completed.  
2024-07-11 - 5:13:01 PM GMT

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**EXHIBIT A****AUTHORITY, PURPOSE AND SCOPE OF WORK****1. Authority**

California Assembly Bill No. 140 (Chapter 111, Statutes of 2021) ("**AB 140**") added sections 50675.1.3 and 50675.1.4 to the Multifamily Housing Program ("**MHP**") (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code). Health and Safety Code section 50675.1.3 provides the statutory basis for the Homekey Program – Round 3 ("**Homekey**" or "**Program**"). Health and Safety Code section 50675.1, subdivision (d) authorizes the Department of Housing and Community Development ("**Department**" or "**HCD**") to administer MHP.

The Department issued a Homekey Program Notice of Funding Availability, Round 3 on March 29, 2023 (the "**NOFA**"). The NOFA incorporates by reference the MHP, as well as the Multifamily Housing Program Final Guidelines, dated March 30, 2022 and amended on May 5, 2022 ("**MHP Guidelines**"), both as amended and in effect from time to time. The NOFA, further, incorporates by reference, the Uniform Multifamily Regulations (UMRs) (Cal. Code Regs., tit. 25, § 8300 et seq.), effective November 15, 2017, and as subsequently amended, except to the extent that any UMR provision would be inconsistent with the provisions of the NOFA. Homekey grant funds are derived primarily from the state's direct allocation of the federal Coronavirus State Fiscal Recovery Fund ("**CSFRF**"), which was established by the American Rescue Plan Act of 2021 ("**ARPA**") (Pub.L. No. 117-2). Homekey funds are also derived from the State of California's General Fund.

This STD 213, Standard Agreement ("**Agreement**") is entered under the authority and in furtherance of the Program. This Agreement is the result of an Application by the Grantee, as defined below, for funding under the Program (the "**Grant**"). As such, this Agreement shall be executed by the Grantee. Where the Grantee comprises a Public Entity or Tribal Entity, as defined below, and one or more additional entities, all entities shall execute the Agreement.

This Agreement hereby incorporates by reference the Application, as well as the project report prepared by the Department in reliance on the representations and descriptions included in that Application. This Agreement is governed by the following (collectively, the "**Program Requirements**"), and each of the following, as amended and in effect from time to time, is incorporated hereto as if set forth in full herein:

Homekey Program – Round 3 (Homekey)

NOFA Date: 03/29/2023, as amended 11/15/2023

Project Name: Merriment Village Apartments

Approved Date: 11/21/2023

Prep. Date: 05/17/2024

Unique Entity Identifier(s): PBUJLH2KP9T9, LEK1XYNBNYL7

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## EXHIBIT A

- A. AB 140;
- B. The above-referenced MHP statutory scheme;
- C. The NOFA;
- D. The MHP Guidelines;
- E. The UMRs;
- F. ARPA and related federal guidance;
- G. The award letter issued by the Department to the Grantee; and
- H. All other applicable law.

### 2. **Purpose**

The Homekey Program is intended to provide housing for individuals and families who are homeless or who are at risk of homelessness, as defined in Part 578.3 of Title 24 of the Code of Federal Regulations, and who are inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases ("**Target Population**").

Grantee applied to the Department for the Grant in order to conduct one or more of the activities outlined in Paragraph 4 below. By entering into this Agreement and thereby accepting the award of Program Grant funds, the Grantee agrees to comply with the Program Requirements and the terms and conditions of this Agreement.

### 3. **Definitions**

Any capitalized terms that are not defined below shall have the definitions set forth in the NOFA, the MHP statutes, and the MHP Guidelines. In the event of any conflict, the definitions in this Agreement and the NOFA are controlling.

- A. "**Affordability Covenant**" means the legally binding instrument which (i) is recorded in first position against Project real property in consideration for the Homekey Program award to the Grantee; (ii) imposes use, operation, occupancy, and affordability restrictions on the real property and improvements; and (iii) incorporates the Homekey Program Requirements by reference. Upon

Homekey Program – Round 3 (Homekey)  
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Prep. Date: 05/17/2024  
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**EXHIBIT A**

its execution, the Affordability Covenant shall be binding, effective, and enforceable against all successors, transferees, and assignees, in accordance with Section 208 of the NOFA, after a certificate of occupancy or its equivalent has been issued for the Project, or if no such certificate is issued, from the date of initial occupancy of the Project. Interim Housing Projects, Permanent Housing Projects, and Permanent Housing Projects on tribal trust land shall be encumbered with 30-year, 55-year, and 50-year Affordability Covenants, respectively.

- B. **"AMI"** means Area Median Income.
- C. **"Application"** means the application for Grant funds that was submitted in response to the Department's NOFA.
- D. **"Assistance Listing Number"** (ALN) formerly known as the Catalog of Federal Domestic Assistance (CFDA) Number, is a five-digit number assigned in the awarding document for all federal assistance award mechanisms.
- E. **"Assisted Unit"** means a Homekey-funded residential dwelling unit that is subject to rent, income, occupancy, and other restrictions in accordance with Program Requirements. See also **"Youth Assisted Unit."**
- F. **"Chronically Homeless"** is defined in accordance with Part 578.3 of Title 24 of the Code of Federal Regulations.
- G. **"Co-Applicant"** means the nonprofit corporation, for-profit corporation, limited liability company, and/or limited partnership that applied for an award of Homekey Grant funds with the Eligible Applicant (i.e., a Public Entity or Tribal Entity).
- H. **"Date of Award"** means the date on the award letter issued from the Department to the Grantee.
- I. **"Designated Payee"** means the Co-Grantee that will serve as the payee of the Program Grant funds. If applicable, the Designated Payee is identified at Exhibit E of this Agreement.
- J. **"Eligible Applicant"** means the Public Entity or Tribal Entity that applied for an award of Homekey Grant funds.

Homekey Program – Round 3 (Homekey)

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Project Name: Merriment Village Apartments

Approved Date: 11/21/2023

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**EXHIBIT A**

- K. **"Eligible Uses"** means the activities that may be funded by the Homekey Program Grant. Those activities are listed at Paragraph 4 below of this Agreement, and at Health and Safety Code section 50675.1.3, subdivision (a).
- L. **"Expenditure Deadline for Capital Funds"** means the date by which the capital expenditure award must be fully expended. This deadline is eight (8) months from the Date of Award, or up to 15 months from the Date of Award if an expenditure deadline extension has been requested and approved by the Department.
- M. **"Expenditure Deadline for Operating Funds"** means the date by which the operating subsidy award must be fully expended. This deadline is **June 30, 2026**.
- N. **"Grantee or Subrecipient"** means the Eligible Applicant (and, if applicable, the Co-Applicant) that has been awarded funds under the Program, and that will be held responsible for compliance with and performance of all Program Requirements. The Grantee may comprise one or more entities, so long as the Grantee structure includes an "Eligible Applicant," as defined in the NOFA and as set forth above. **"Grantee"** refers, both individually and collectively, to the Co-Applicant and/or the Eligible Applicant that received a Homekey Grant after submitting an Application or a joint Application to the Department. When the Grantee comprises two or more entities, each entity may be referred to as a **"Co-Grantee."** On the STD 213 portion of this Agreement, the Grantee is identified as the Contractor.
- O. **"Homeless Youth"** means a child, a youth, or a current or former foster youth through the age of 25 who qualifies as "homeless" under any of the relevant definitions set forth or identified at Part 578.3 of Title 24 of the Code of Federal Regulations.
- P. **"Homeless Youth Project"** means a Project that was prioritized to receive set-aside Homekey funds because (i) at least 25 percent of its Assisted Units will be restricted to Homeless Youth or Youth at Risk of Homelessness; (ii) the Grantee jointly applied and/or partnered with a nonprofit corporation with experience serving the foregoing subpopulation; and (iii) the Project will provide Supportive Services for Youth Assisted Units using a Positive Youth Development (PYD) model and trauma-informed care. Such Project may also have been prioritized because it is located within a one-mile radius of youth-centered amenities, such as community colleges, universities, trade schools, apprenticeship programs,

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### EXHIBIT A

employment programs, childcare centers for parenting youth, and community centers for youth.

- Q. **“Interim Housing”** means any facility whose primary purpose is to provide a temporary shelter for the Target Population and which does not require occupants to sign leases or occupancy agreements.
- R. **“Local Public Entity”** is defined at Health and Safety Code section 50079, and means any county, city, city and county, the duly constituted governing body of an Indian reservation or rancheria, tribally designated housing entity as defined in Section 4103 of Title 25 of the United States Code and Section 50104.6.5, redevelopment agency organized pursuant to Part 1 (commencing with Section 33000) of Division 24, or housing authority organized pursuant to Part 2 (commencing with Section 34200) of Division 24, and also includes any state agency, public district, or other political subdivision of the state, and any instrumentality thereof, that is authorized to engage in or assist in the development or operation of housing for persons and families of low or moderate income. In addition, and in accord with this Health and Safety Code definition, the term **“Local Public Entity”** also includes two or more local public entities acting jointly.
- S. **“Performance Milestones”** means the indicators and metrics of progress and performance that are identified as such at Exhibit E of this Agreement. Grantee’s failure to satisfy any one of the Performance Milestones will constitute a breach of this Agreement and will entitle the Department to exercise any and all available remedies, including the recapture of disbursed Grant funds and the cancellation of this Agreement.
- T. **“Permanent Housing”** means housing, dwellings, or other living accommodations where the landlord does not limit the tenant’s length of tenancy, the landlord does not restrict the tenant’s movements, and the tenant has a lease and is subject to the rights and responsibilities of tenancy.
- U. **“Program Requirements”** means the legal authority and Program materials listed at Paragraph 1.A – H, above.
- V. **“Project”** means a structure or set of structures with common financing, ownership, and management, which provides Permanent Housing or Interim

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### EXHIBIT A

Housing for the Target Population, and which is subject to an appropriate Affordability Covenant in accordance with Section 208 of the NOFA.

- W. **"Public Entity"** is defined in accordance with Health and Safety Code section 50675.1.3, subdivision (a), and means a city, a county, a city and county, and any other state entity, regional entity, or Local Public Entity, including any council of government, metropolitan planning organization, and regional transportation planning agency designated in Section 29532.1 of the Government Code. For purposes of this Agreement, a **"Local Public Entity"** is defined in accordance with Health and Safety Code section 50079 and as set forth above.
- X. **"Scope of Work"** or **"Work"** means the work to be performed by the Grantee to accomplish the Program purpose.
- Y. **"Supportive Services"** means social, health, educational, income support, employment, and housing stability services and benefits; coordination of community building and educational activities; individualized needs assessment and case management; and individualized assistance with obtaining services and benefits.
- Z. **"Target Population"** means individuals and families who are "homeless" or "at risk of homelessness," as those terms are defined in Part 578.3 of Title 24 of the Code of Federal Regulations, and who are inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases. The Target Population also includes Homeless Youth or Youth at Risk of homelessness. For Grantees utilizing HOME-ARP funding as match, the "Target Population" also includes individuals and families who are "Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking" and "Other Populations" as defined in HUD Community Planning and Development (CPD) Notice 21-10.
- AA. **"TCAC"** means the California Tax Credit Allocation Committee.
- BB. **"Tribal Entity"** means an entity that meets any of the following criteria:
  - 1) Meets the definition of Indian tribe under section 4103(13)(B) of title 25 of the United States Code;
  - 2) Meets the definition of Tribally Designated Housing Entity under section 4103(22) of title 25 of the United States Code;

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**EXHIBIT A**

- 3) Is not a federally recognized tribe, but is either:
- a) Listed in the petitioner list of the Office of Federal Acknowledgment (OFA) within the Office of the Assistant Secretary – Indian Affairs of the Department of the Interior pursuant to Part 82.1 of Title 25 of the Code of Federal Regulations; or
  - b) Is an Indian tribe located in the State of California and identified on the contact list maintained by the Native American Heritage Commission for the purpose of consultation pursuant to Government Code section 65352.3.
- CC. **“Unique Entity ID” (UEI)** is a 12-character alphanumeric ID assigned to an entity by [www.Sam.gov](http://www.Sam.gov).
- DD. **“Youth Assisted Unit”** means an Assisted Unit serving Homeless Youth or Youth at Risk of Homelessness. See also **“Assisted Unit.”**
- EE. **“Youth at Risk of Homelessness”** means a child, a youth, or a current or former foster youth through the age of 25 who qualifies as “at risk of homelessness” or “homeless” under any of the relevant definitions set forth or identified at Part 578.3 of Title 24 of the Code of Federal Regulations.

**4. Eligible Uses**

Grantee shall apply the Program Grant funds to one or more of the following uses. All costs in connection with such Eligible Uses must be incurred on or after March 3, 2021, by the Expenditure Deadline for Capital Funds, and by the Expenditure Deadline for Operating Funds, respectively and as applicable. Grantee’s use of the funds and scope of work (**“Scope of Work”** or **“Work”**) are specified at Exhibit E of this Agreement.

- A. Acquisition or rehabilitation, or acquisition and rehabilitation, of motels, hotels, hostels, or other sites and assets, including apartments or homes, adult residential facilities, residential care facilities for the elderly, manufactured housing, commercial properties, and other buildings with existing uses that could be converted to permanent or interim housing.
- B. Master leasing of properties for non-congregate housing.
- C. Conversion of units from nonresidential to residential.

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**EXHIBIT A**

- D. New construction of dwelling units.
- E. The purchase of affordability covenants and restrictions for units.
- F. Relocation costs for individuals who are being displaced as a result of the Homekey Project.
- G. Capitalized operating subsidies for units purchased, converted, or altered with Homekey Grant funds provided pursuant to Health and Safety Code section 50675.1.3.

**5. Rent Standards**

- A. Permanent Housing. Rent limits for initial occupancy, and for each subsequent occupancy, of an Assisted Unit shall not exceed 30 percent of that Assisted Unit's designated income-eligibility level.
- B. Interim Housing. No rent shall be charged to the Target Population residents of Interim Housing.

**6. Program Deadlines**

- A. Acquisition, rehabilitation, and/or construction shall be completed within 12 months of the Date of Award.
- B. Grantee shall expend any capital expenditure award by the Expenditure Deadline for Capital Funds.
- C. The Homekey-funded portion of the operating award must be disbursed by the Department by June 30, 2025. Grantee shall expend any Homekey-funded operating subsidy award by the Expenditure Deadline for Operating Funds.
- D. Full occupancy shall be achieved within 15 months of the Date of Award.

**7. Performance Milestones**

- A. Grantee shall complete each of the Performance Milestones set forth at Exhibit E of this Agreement by the date designated for such completion therein (each, a "**Milestone Completion Date**"). The Performance Milestones shall include, but

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### EXHIBIT A

not be limited to, any applicable Expenditure Deadline for Capital Funds, Expenditure Deadline for Operating Funds, or occupancy deadline.

- B. The Department may, in its sole and absolute discretion, approve an extension of the acquisition, rehabilitation, construction, and/or occupancy deadlines if the Grantee demonstrates, to the Department's satisfaction, that the relevant delay is caused by reasonably unforeseeable events, conditions, or circumstances.
- C. In no event will the Department approve an extension request in the absence of Grantee's demonstration of good cause for said extension, along with Grantee's reasonable assurances that the extension will not result in Grantee's failure to meet other Performance Milestones or any Expenditure Deadline under this Agreement. Construction labor shortages and supply chain issues do not constitute reasonably unforeseeable events, conditions, or circumstances for purposes of an extension request.
- D. The Department will not grant extensions of the Expenditure Deadline for Operating Funds.

#### 8. Reporting Requirements

- A. Grantee shall submit an annual Homekey Program and Expenditure Report, and comply with all additional reporting requirements, as set forth and specified at Section 601 of the NOFA, all in accordance with the Milestone Completion Date(s) set forth at Exhibit E of this Agreement.
- B. After satisfaction of each Performance Milestone, the Grantee shall promptly report its progress, in writing, to the Department.
- C. Upon the Department's request and as specified, the Grantee shall provide progress reports in connection with the development plan and any updates to the timeline for completion of the Project. The development plan should include the Project's completion milestones and any updates or substantial changes.
- D. In addition, the Grantee shall submit to the Department such periodic reports, updates, and information as deemed necessary by the Department to monitor compliance and/or perform Program evaluation. Any requested data or information shall be submitted in electronic format on a form provided by the Department.

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## EXHIBIT A

### 9. Department Contract Coordinator

The Department's Contract Coordinator for this Agreement is the Deputy Director of the Division of State Financial Assistance, or the Deputy Director's designee. Unless otherwise informed, Grantee shall mail any notice, report, or other communication required under this Agreement by First-Class Mail to the Department Contract Coordinator at the following address or email to [Homekey3SGM@hcd.ca.gov](mailto:Homekey3SGM@hcd.ca.gov):

California Department of Housing and Community Development  
Attention: Homekey Program – Round 3 (Homekey)  
State Grant Management Section  
2020 West El Camino Avenue, Suite 400, 95833  
P. O. Box 952050  
Sacramento, CA 94252-2050

### 10. Grantee Contract Coordinator

The Grantee Contract Coordinator for this Agreement may coordinate with the State Grant Management Section Manager for the Homekey Program. Unless otherwise informed, the Department shall mail any notice, report, or other communication required under this Agreement by First-Class Mail, or through a commercial courier, to the Grantee Contract Coordinator at the address specified at Exhibit E of this Agreement.

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**EXHIBIT B****BUDGET DETAIL AND PAYMENT PROVISIONS****1. Budget Detail**

Grantee has been awarded the Grant amount set forth in this Agreement.

**2. Conditions of Disbursement**

The Department will disburse the full amount of the Grant award to the Grantee after this Agreement has been fully executed and after the Department receives the Grantee's request for funds, with all required supporting documents appended thereto. The Grantee shall append the following supporting documents to the request for funds, all in form and substance acceptable to the Department:

- A. Payee Data Record (STD 204) or Government Agency Taxpayer ID Form, as applicable;
- B. An authorizing resolution or set of authorizing resolutions that, in the Department's reasonable determination, materially comports with the Program Requirements (if the Grantee has not already submitted same);
- C. Documentary evidence of any eligible costs incurred on or after March 3, 2021 and before the execution of this Agreement;
- D. Certification of compliance with California's prevailing wage law, as well as all applicable federal prevailing wage law;
- E. A copy of the Department-approved relocation plan for the Project, or a copy of a Department-issued Certification Regarding Non-Application of Relocation Benefits and Indemnification Agreement which has been duly executed by the Grantee and approved by the Department;
- F. Evidence of the insurance coverages required under the Program and/or a written acknowledgment of self-insured status;
- G. Documentary evidence of capacity to provide operating funds for the Project for at least five (5) years;

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- H. A current title report (dated within 15 days of the request for funds); or for tribal trust land, a title status report ("TSR") or an attorney's opinion regarding chain of title and current title status;
- I. A Draft Covenant or Regulatory Agreement must be submitted to the Department for review and approval;
- J. Any forms, certifications, or documentation required pursuant to Paragraph 1.F-- Additional Conditions Precedent to Disbursement of Exhibit E of this Agreement; and
- K. Any other forms, certifications, or documentation deemed necessary by the Department prior to disbursement of Grant funds.

**3. Performance**

- A. After disbursement of the funds, the Grantee shall meet each Performance Milestone set forth at Exhibit E by the relevant Milestone Completion Date. After satisfaction of each Performance Milestone, the Grantee shall promptly report its progress, in writing, to the Department. Grantee may apply to the Department for an extension of a Milestone Completion Date as allowed by the NOFA and this Agreement.
- B. FAILURE TO SATISFY ANY ONE OF THE PERFORMANCE MILESTONES WILL CONSTITUTE A BREACH OF THIS AGREEMENT AND ENTITLES THE DEPARTMENT TO MANDATE THE GRANTEE TO RETURN TO THE DEPARTMENT ANY FUNDS DISBURSED; IN ANY SUCH INSTANCE, THE DEPARTMENT MAY ALSO CANCEL THIS AGREEMENT WITHOUT OWING ANY DAMAGES OR OTHER PAYMENT TO GRANTEE.

**4. Fiscal Administration**

- A. Grantee shall either deposit the Grant funds with an escrow company licensed to do business in the State of California and in good standing or deposit the Grant funds in an interest-bearing checking or savings account that is insured by the Federal Deposit Insurance Corporation ("FDIC"). All interest earned from the deposit of Grant funds shall be used for eligible Program activities.

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- B. Any capital expenditure award funds that have not been expended by the Expenditure Deadline for Capital Funds must be returned to the Department with accrued interest. Any operating subsidy award funds that have not been expended by the Expenditure Deadline for Operating Funds must be returned to the Department with accrued interest. Checks shall be made payable to the Department of Housing and Community Development and shall be mailed to the Department at the address below, no later than thirty (30) calendar days after the applicable Expenditure Deadline.

Department of Housing and Community Development  
Accounting Division, Suite 300  
2020 W. El Camino Avenue  
Sacramento, California 95833

**5. Duplication of Benefit**

Homekey funding is not required to be used as funding of last resort. However, Grantee may not use Homekey funding to cover expenditures that have already been funded through other sources. Expenses that have been or will be reimbursed under any federal program are not eligible uses of Homekey funding.

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### HOMEKEY GENERAL TERMS AND CONDITIONS

#### Federal Grant Identification

\$435 million of grant funds are derived from U.S. Department of the Treasury FAIN SLFRP3211 (Coronavirus State and Local Fiscal Recovery Fund (CSFRF) established by the Federal American Rescue Plan Act of 2021 (ARPA) (Public Law 11702). CFDA # 21.027 dated 06/04/2021 and \$301 million from State General Fund.

#### 1. Effective Date, Term of Agreement, Timing, and Deadlines

- A. This Agreement, when fully executed by the Department and the Grantee, is effective upon the date of the Department representative's signature on the STD 213, Standard Agreement (such date, the "Effective Date").
- B. This Agreement shall terminate fifteen (15) years after the Effective Date, as stated in Section 2 of the STD 213, Standard Agreement (such date, the "Expiration Date").
- C. Grantee will receive the disbursement of Program funds after satisfying all conditions precedent to such disbursement, as set forth under Paragraph 2 of Exhibit B and, as necessary and applicable, under Paragraph 1.F – Additional Conditions Precedent to Disbursement of Exhibit E.
- D. Any expenses incurred prior to March 3, 2021, after the Expenditure Deadline for Capital Funds, or after the Expenditure Deadline for Operating Funds, respectively and as applicable, are not eligible for payment under the Program, unless an alternate arrangement is legally permissible and has been approved by the Department in advance and in writing.
- E. Grant funds that have not been expended by the applicable Expenditure Deadlines shall revert to the Department in the absence of an alternate arrangement that has been approved by the Department in advance and in writing.

#### 2. Termination for Cause

The Department may terminate this Agreement for cause at any time by giving at least fourteen (14) calendar days' advance written notice to the Grantee. Upon such termination, Grantee shall return any unexpended funds to the Department within thirty

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(30) calendar days of the date on the Department's written notice of termination, unless the Department has approved an alternate arrangement in advance and in writing, as provided below. Such termination will not limit any other remedies that may be available to the Department under this Agreement, at law, or in equity. Cause shall consist of Grantee's breach of, or failure to satisfy, any of the terms or conditions of this Agreement. Cause includes but is not limited to the following:

- A. Grantee's failure to satisfy the conditions precedent to disbursement or to expend Program Grant funds, as specified.
- B. Grantee's failure to timely satisfy each or any of the conditions set forth in these Homekey General Terms and Conditions, the Project-Specific Provisions and Special Terms and Conditions set forth at Exhibit E of this Agreement (including any one of the Performance Milestones), or the award letter.
- C. Grantee's violation of any of the Program Requirements.
- D. The Department's determination of the following:
  - 1) Any material fact or representation, made or furnished to the Department by the Grantee in connection with the Application or the award letter, shall have been untrue or misleading at the time that such fact or representation was made known to the Department, or subsequently becomes untrue or misleading; or
  - 2) Grantee has concealed any material fact from the Department related to the Application or the Project.
- E. The Department's determination that the objectives and requirements of the Homekey Program cannot be met in accordance with applicable timeframes, as memorialized by this Agreement.

In the event of this or any other breach, violation, or default by the Grantee, the Department may give written notice to the Grantee to cure the breach, violation, or default. If the breach, violation, or default is not cured to the Department's satisfaction within a reasonable time, as determined by the Department in its sole and absolute discretion, then the Department may declare a default under this Agreement and seek any and all remedies that are available under this Agreement, at law, or in equity.

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**EXHIBIT D****3. Cancellation**

- A. It is mutually understood between the parties that this Agreement may have been written for the mutual benefit of both parties before ascertaining the availability of congressional appropriation of funds to avoid program and fiscal delays that would occur if this Agreement were executed after that determination was made.
- B. This Agreement is valid and enforceable only if sufficient funds are made available to the State of California by the United States Government for fiscal years 2021-2022 through 2025-2026 for CSFRF purposes. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or to any statute enacted by the Congress that may affect the provisions, terms, or funding of this Agreement in any manner.
- C. The parties mutually agree that if the Congress does not appropriate sufficient funds for the CSFRF, this Agreement shall be amended to reflect any subsequent reduction in CSFRF funds.
- D. The Department may cancel this Agreement, in whole or in part, if (i) sufficient funds are not made available by the United States Government; (ii) Congress enacts any restrictions, limitations, or conditions that impact this Agreement or the funding of this Agreement; or (iii) cancellation is otherwise permitted under state contracting law.
- E. To cancel this Agreement pursuant to this paragraph, the Department shall give thirty (30) calendar days' advance written notice to the Grantee. The Grantee shall return any unexpended portion of its Grant award to the Department within thirty (30) calendar days from the date on the Department's written notice of cancellation, unless (i) the parties have agreed upon an alternate arrangement in advance and in writing; or (ii) an alternate arrangement is necessary for one or both parties to remain in compliance with ARPA or other applicable law.

**4. Eligible Activities**

Grant funds awarded to the Grantee shall be applied to the eligible uses set forth at Exhibit A and described in greater detail at Exhibit E. Payment for any cost which is not authorized by this Agreement or which cannot be adequately documented shall be disallowed and must be reimbursed to the Department or its designee.

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**EXHIBIT D****5. Performance Milestones**

Grantee shall timely satisfy and complete all Performance Milestones, as identified at Exhibit E of this Agreement.

**6. Article XXXIV**

Per Health and Safety Code section 37001, subdivision (h)(5), article XXXIV, section 1 of the California Constitution ("**Article XXXIV**") is not applicable to Homekey-funded acquisition, rehabilitation, reconstruction, alterations work, new construction, or any combination thereof, of lodging facilities or dwelling units.

**7. Appraisals**

Grantee shall, at the request of the Department, provide an appraisal of any real property or any interest in real property that is acquired with the Grant funds. Any such appraisal shall be prepared in a form, and by a qualified appraiser, acceptable to the Department.

**8. Byrd Anti-Lobbying Amendment**

(31 U.S.C. 1352) Grantees, Subrecipients, Co-Applicants, Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

**9. Anti-Kickback Act of 1986**

Grantee shall ensure that all contracts comply with the Anti-Kickback Act of 1986 (41 U.S.C. §§ 5158) that prohibits attempted as well as completed "kickbacks," which include any money, fees, commission, credit, gift, gratuity, thing of value, or compensation of any kind.

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### 10. Rights to Inventions Made Under a Contract or Agreement

If the Federal award meets the definition of "funding agreement" under 37 CFR § 401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

### 11. Contracting and Labor Standards

#### A. **Davis Bacon Act codified at 40 U.S.C. 3141, et seq. (as amended)**

Where funds provided through this Agreement are used for construction work or in support of construction work, the Grantee shall also ensure that the federal requirements of the Davis Bacon Act codified at 40 U.S.C. 3141, et seq. (as amended), pertaining to federal labor standards and compliance, are met and documented. Grantee recognizes that multiple labor standards (both state prevailing wage and federal Davis-Bacon Act) may apply to the project and both standards must be satisfied.

#### B. **Contract Work Hours and Safety Standards Act of 1962 (40 U.S.C. 3701–3708)**

Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

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- C. For the purposes of this requirement "construction work" includes, but is not limited to, rehabilitation, alteration, demolition, installation or repair done under contract and paid for, in whole or in part, through this Agreement. All construction work shall be done through the use of a written contract with a properly licensed building contractor incorporating these requirements (the "construction contract"). Where the construction contract will be between the Grantee and a licensed building contractor, the Grantee shall serve as the "awarding body" as that term is defined in the California Labor Code. Where the Grantee will provide funds to a third party that will enter into the construction contract with a licensed building contractor, the third party shall serve as the "awarding body." Prior to any disbursement of funds, including but not limited to release of any final retention payment, the Department may require a certification from the awarding body that prevailing wages have been or will be paid.
- D. The applicable wage rate determination on construction work will be the more restrictive of the rate prescribed in the California Labor Code Sections 1770-1784, or the Davis-Bacon Wage Determination.
- E. Grantee shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Department for review upon request.
- F. Where funds provided through this Agreement are used for construction work, or in support of construction work, the Grantee shall ensure that the requirements of California Labor Code, Chapter 1, commencing with Section 1720, Part 7 [California Labor Code Sections 1720-1743] (pertaining to the payment of prevailing wages and administered by the California Department of Industrial Relations) are met.

**12. Domestic Preferences for Procurement 2 CFR Part 184 § 70915**

- A. As appropriate and to the extent consistent with law, the non-Federal entity should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award.
- B. For purposes of this section:

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- 1) "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.
- 2) "Manufactured products" means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

**13. Prohibition of Certain Telecommunications and Video Surveillance Services or Equipment 2 CFR 200.216**

Recipients and subrecipients are prohibited from obligating or expending loan or grant funds to:

- A. Procure or obtain;
- B. Extend or renew a contract to procure or obtain; or
- C. Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115–232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).
  - 1) For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).
  - 2) Telecommunications or video surveillance services provided by such entities or using such equipment.
  - 3) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of

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the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

- D. In implementing the prohibition under Public Law 115–232, section 889, subsection (f), paragraph (1), heads of executive agencies administering loan, grant, or subsidy programs shall prioritize available funding and technical support to assist affected businesses, institutions and organizations as is reasonably necessary for those affected entities to transition from covered communications equipment and services, to procure replacement equipment and services, and to ensure that communications service to users and customers is sustained.
- E. See also Public Law 115–232, section 889 for additional information.
- F. See also § 200.471.

### 14. Environmental Compliance

Grantee shall provide a Phase I Environmental Site Assessment ("ESA") for the Project, in conformance with ASTM Standard Practice E 1527, evaluating whether the Project is affected by any recognized environmental conditions. If the Phase I ESA discloses evidence of recognized environmental conditions and Grantee desires to proceed with the Project, the Grantee shall provide the Department with a Phase II report and any additional reports as required by the Department and in a form acceptable to the Department. Any remediation work shall be subject to Department approval. Grantee shall also provide an asbestos assessment and a lead-based paint report for the Department's approval if the Project involves rehabilitation or demolition of existing improvements.

- A. Grantee shall comply with the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251, *et seq.*, as amended, and 33 U.S.C. § 1318 relating to inspection, monitoring, entry, reports, and information, and all regulations and guidelines issued thereunder.
- B. Grantee shall comply with the requirements of the Clean Air Act (42 U.S.C. 7401–7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251–1387), as amended—Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401–7671q) and the Federal Water Pollution Control Act as

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amended (33 U.S.C. 1251–1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

- C. Grantee shall comply with Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50 regarding air quality protections, as amended.
- D. Grantee shall comply with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. §4001). Grantee shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, that flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).
- E. Grantee shall comply with the requirements of the Residential Lead-Based Paint Hazard Reduction Act of 1992 and Section 401(b) of the Lead-Based Paint Poisoning Prevention Act of 1971. Grantee agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR §570.608, and 24 CFR Part 35, Subpart B. Such regulations pertain to all Homekey-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be required.
- F. 2 CFR Part 200.323 Procurement of recovered materials. A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a

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manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines. See § 200.323.

- G. Grantee shall comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), the Archaeological and Historical Preservation Act of 1974 (Public Law 93-291), and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this agreement. Grantee shall also comply with federal Executive Order 11593 on the protection and enhancement of the cultural environment. In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a federal, state, or local historic property list.
- H. Grantee shall comply with all National Environmental Protection Act (NEPA) requirements as applicable to the performance of this Agreement as found in 24 CFR Part 50, 24 CFR Part 58, as applicable, and 40 CFR Parts 1500 – 1508. The CARES Act provides that funds may be used to cover or reimburse allowable costs of eligible activities to prevent, prepare for, and respond to coronavirus incurred by a Grantee after January 21, 2020. However, Grantee shall not execute this Agreement nor receive reimbursement for pre-agreement eligible activity costs until they have successfully documented compliance with the applicable NEPA requirements, including public noticing and publishing.
- I. This Agreement does not constitute a commitment of funds or site approval, and the commitment of funds or approval may occur only upon satisfactory completion of environmental review and receipt by the Grantee of an approval of the request for release of funds and certification from the Department under 24 CFR Part 50, 24 CFR Part 58, and 40 CFR 1500 - 1508. The provision of any funds to the project is conditioned on the Grantee's determination to proceed with, modify or cancel the project based on the results of the environmental review. The Grantee will not receive appropriate notice to proceed until they have successfully documented compliance with the applicable NEPA requirements, including public noticing and publishing.

**15. Insurance**

- A. Grantee shall obtain the insurance coverages identified in the NOFA. Grantee

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shall maintain such insurance coverages for either the term of this Agreement or the term of any required restrictive covenant or regulatory agreement, whichever applicable term is longer. Grantee shall name the State of California and the Department, as well as their respective appointees, officers, agents, and employees, as additional insureds on all such policies. Such policies shall provide for notice to the Department in the event of any lapse of coverage or insurance claim thereunder. Prior to disbursement of any Grant funds, Grantee shall provide evidence satisfactory to the Department of its compliance with these insurance requirements.

- B. If Grantee is self-insured, in whole or in part, as to any of the required types and levels of coverage, the Grantee shall provide the Department with a written acknowledgment of its self-insured status prior to disbursement of any Grant funds. If the Grantee abandons its self-insured status at any time after execution of this Agreement, the Grantee shall immediately notify the Department, and shall promptly comply with the insurance coverage requirements under the Program.

### 16. Operating Funds

Grantee shall demonstrate its capacity to provide five (5) years of operating funds for the Project. As set forth at Exhibit B of this Agreement, Grantee shall provide documentary evidence of such capacity prior to disbursement of any Grant funds.

### 17. Relocation

Grantee shall comply with the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, in 24 CFR Part 42, 49 CFR Part 24, and 42 U.S. §5304(d) as they apply to the performance of this Agreement. Grantee agrees to comply with 24 CFR 570.606 relating to the acquisition and disposition of all real property utilizing grant funds and to the displacement of persons, businesses, non-profit organizations and farms occurring as a direct result of any acquisition of real property utilizing grant funds.

Grantee must have a relocation plan prior to proceeding with any phase of a Project or other activity that will result in the displacement of persons, businesses, or farm operations. To ensure that displaced persons and entities do not suffer a disproportionate impact as a result of Projects which benefit the public, all notices to vacate and relocation services must be provided to them in accordance with applicable law. In addition, before the Homekey award will be disbursed, Grantee must have

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either:

- A. Department-approved relocation plan; or
- B. Department-issued Certification Regarding Non-Application of Relocation Benefits and Indemnification Agreement, which has been duly executed by the Grantee and approved by the Department.

**18. One-for-One Replacement of Assisted Units**

One-for-one replacement of Assisted Units is permissible if approved in advance by the Department per Section 300 of the NOFA, after the Department's determination, in its sole and absolute discretion, that such replacement will not reduce the inventory of units that are already available at affordable rents to households that are at or under 30 percent AMI.

**19. Site Control**

Unless and except as otherwise expressly approved in writing by the Department or provided at Exhibit E to this Agreement, the Grantee shall have control of the property at all times, and such control shall not be contingent on the approval of any other party. The status and nature of the Grantee's title and interest in the property must be acceptable to the Department. Site control may be evidenced by one of the following:

- A. Fee title.
- B. A leasehold interest on the property with provisions that enable the lessee to make improvements on and encumber the property provided that the terms and conditions of any proposed lease shall permit compliance with, and satisfaction of, all Program objectives and requirements, including, without limitation, those set forth in this Agreement. If the Grantee's interest in the property is a leasehold, and the lessee and the lessor are affiliated or related parties, then the Department may require both the lessee and the lessor to execute this Agreement.
- C. An executed disposition and development agreement, or irrevocable offer of dedication to a public agency.
- D. A sales contract, or other enforceable agreement for the acquisition of the property. If this form of evidence was relied upon at the time of Application, the

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Department may impose additional Performance Milestones (e.g., presentation of additional or supplemental evidence of eventual site control closer to any projected close of escrow).

- E. A letter of intent, executed by a sufficiently authorized signatory of the Grantee, that expressly represents to the Department, without condition or reservation, that, upon successful application, the Grantee shall purchase or otherwise acquire a sufficient legal interest in the property to accomplish the purpose of the award. The letter of intent must also be duly acknowledged by the party selling or otherwise conveying an interest in the subject property to the Grantee. If this form of evidence was relied upon at the time of Application, the Department may impose additional Performance Milestones (e.g., presentation of additional or supplemental evidence of eventual site control closer to any projected close of escrow).
- F. Other evidence of site control that gives the Department assurance (equivalent to A-E above) that the Grantee will be able to complete the Project in a timely manner and in accordance with the Program's objectives and requirements, including, without limitation, those set forth or referenced in this Agreement.

#### 20. Adaptability and Accessibility

The Project shall comply with all applicable federal, state and local laws regarding adaptability and accessibility, including, without limitation, the requirements set forth in the NOFA.

#### 21. Title Status and Reports

Grantee shall provide a current title report for the real property on which the Project is located. If Grantee's interest in the property is leasehold, then Grantee shall provide a current title report for the leasehold interest and the fee interest. For tribal trust land, Grantee shall provide a TSR or an attorney's opinion regarding chain of title and current title status. As set forth and specified at Exhibit B of this Agreement, Grantee shall provide such title report or documentation of title status prior to disbursement of any Homekey Grant funds.

#### 22. Title Insurance

Grantee shall provide evidence of title insurance and an ALTA As-Built Survey that are acceptable to the Department. The condition of title, the insurer, the liability amount, the

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form of policy, and the endorsements shall be subject to Department approval. The policy shall insure that Grantee holds good and marketable title (fee simple or leasehold).

### 23. Property Management Plan

Grantee shall submit a property management plan to the Department for its review and approval. Such management plan shall be consistent with any representations made in the Application, and it shall meet the Program Requirements (e.g., include the management, maintenance, and repair information required by the MHP Guidelines).

### 24. Supportive Services Plan

Grantee shall submit a Supportive Services plan to the Department for its review and approval. Such Supportive Services plan shall be consistent with any representations made in the Application, and it shall meet the Program Requirements (e.g., provide for delivery of housing stability services and benefits).

### 25. Nondiscrimination

Grantee shall adopt a written nondiscrimination policy requiring that no person shall, on the grounds of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, age, medical condition, genetic information, citizenship, primary language, immigration status (except where explicitly prohibited by federal law), arbitrary characteristics, and all other classes of individuals protected from discrimination under federal or state housing laws, individuals perceived to be a member of any of the preceding classes, or any individual or person associated with any of the preceding classes, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with Homekey funds.

Statutes and regulations prohibiting discrimination are applicable to this Agreement and include, without limitation, the following:

- A. Grantee and any of its contractors, subcontractors, successors, transferees, and assignees shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as

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implemented by the U.S. Department of the Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this Agreement. Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the U.S. Department of the Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this Agreement;

- B. Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.";
- C. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.); Grantee shall affirmatively further fair housing, in accordance with the Civil Rights Act of 1964 (42 U.S.C §2000a, et seq.), and the Fair Housing Act (42 U.S.C. §3601, et seq.), according to 42 U.S.C. §5306, et seq. and in compliance with California statute (Gov. Code sections 65583, et seq.). Grantee shall comply with the Fair Housing Amendment Act of 1988 (Public Law 100-430). Grantee shall develop and implement an affirmative fair housing marketing plan that is satisfactory to the Department. Appropriate aspects of the initial plan shall be incorporated into the ongoing management plan to ensure positive outreach and informational efforts to those who are least likely to know about and apply for Interim Housing or Permanent Housing. Grantee is encouraged to refer to the guidelines for Affirmative Fair Housing Marketing Plans issued by the U.S. Department of Housing and Urban Development ("HUD"). Grantee shall comply with all applicable state and federal fair housing laws;
- D. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794); prohibiting recipients of federal funds from discrimination against persons with disability; the Americans With Disabilities Act of 1990 prohibiting all public discrimination against persons with disabilities; the Age Discrimination Act of 1975 prohibiting age-based discrimination in federally funded activities; Executive Order 11063 prohibiting discrimination in disposition of properties owned or

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financed with federal funds, as amended by Executive Order 12259; and Executive Order 11246 regarding fair employment, as amended by Executive Orders 11375, 11478 and 12086; and HUD regulations heretofore issued or to be issued to implement these authorities relating to civil rights;

- E. The Age Discrimination Act of 1975, as amended (42 U.S.C. § 6101 et seq.); The Age Discrimination Act of 1975, as amended (42 U.S.C. § 6101 et seq.); prohibiting age-based discrimination in federally funded activities.

Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. § 12101 et seq.); Americans With Disabilities Act of 1990 prohibiting all public discrimination against persons with disabilities. The State of California nondiscrimination statutes, regulations, and standards set forth and identified in the NOFA and at Exhibit C of this Agreement.

### 26. Affirmative Fair Housing Marketing Plan and Fair Housing Compliance

- A. Grantee shall affirmatively further fair housing, in accordance with the Civil Rights Act of 1964 (42 U.S.C §2000a, et seq.), and the Fair Housing Act (42 U.S.C. §3601, et seq.), according to 42 U.S.C. §5306, et seq. and in compliance with California statute (Gov. Code sections 65583, et seq.). Grantee shall comply with the Fair Housing Amendment Act of 1988 (Public Law 100-430).
- B. Grantee shall develop and implement an affirmative fair housing marketing plan that is satisfactory to the Department. Appropriate aspects of the initial plan shall be incorporated into the ongoing management plan to ensure positive outreach and informational efforts to those who are least likely to know about and apply for Interim Housing or Permanent Housing. Grantee is encouraged to refer to the guidelines for Affirmative Fair Housing Marketing Plans issued by the U.S. Department of Housing and Urban Development ("HUD"). Grantee shall comply with all applicable state and federal fair housing laws.

### 27. Grantee Acknowledgment of the Pet Friendly Housing Act of 2017

By executing this Agreement, Grantee acknowledges that the Pet Friendly Housing Act of 2017 (Health & Saf. Code, § 50466) requires each housing development, if it is financed on or after January 1, 2018 pursuant to Division 31 of the Health and Safety Code, to authorize a resident of the housing development to own or otherwise maintain one or more common household pets within the resident's dwelling unit, subject to applicable state laws and local governmental ordinances related to public health, animal

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control, and animal anticruelty.

**28. Final Certificate of Occupancy**

Grantee shall provide a final certificate of occupancy (or an equivalent form of occupancy certification or approval) issued by the local agency having jurisdiction over such certificates.

**29. Occupancy**

The Assisted Units shall be occupied by the Target Population, and such units shall be in decent, safe, and sanitary condition at the time of their occupancy. In addition, the Grantee shall certify, upon occupancy, that it will employ the core components of Housing First (as set forth at Welfare and Institutions Code section 8255) as part of its property management plan and Supportive Services plan.

**30. Tenant Selection**

Referrals to Assisted Units shall be made through the local Coordinated Entry System ("CES"), or another comparable prioritization system based on greatest need shall be used. All referral protocols for Assisted Units shall be developed in collaboration with the local Continuum of Care and implemented consistent with the Program Requirements.

**31. Participation in Statewide HDIS/HMIS**

Grantee shall support Continuum of Care participation in the statewide Homeless Data Integration System ("HDIS"). As required by and in accordance with state and federal law (including all applicable privacy law), Grantee shall further disclose relevant data to the local Homeless Management Information System ("HMIS") and comparable data collection systems.

**32. Affordability Covenant**

- A. An Affordability Covenant shall be recorded against the Project real property in accordance with Section 208 of the NOFA and this Agreement. For Interim Housing Projects, the Department will prepare, and the Public Entity or Tribal Entity shall cause, a 30-year Affordability Covenant to be recorded against the Project real property.

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- B. For Interim Housing Projects that will ultimately result in Permanent Housing, the Public Entity or Tribal Entity shall prepare and cause a 30-year Affordability Covenant to be recorded against the Project real property during the interim phase and upon conversion to permanent housing the public entity or tribal entity shall cause a 55-year affordability covenant.
- C. For Permanent Housing Projects, the Public Entity or Tribal Entity shall prepare and cause a 55-year Affordability Covenant to be recorded against the Project real property. For Permanent Housing Projects located on tribal trust land, a 50-year Affordability Covenant shall be recorded against the Project real property.
- D. The Affordability Covenant shall require integration of the Target Population within all entrances, common areas, and buildings that comprise the Project.
- E. The Affordability Covenant shall include occupancy and rent restrictions that maintain the Project's accessibility to the Target Population over the full term of the Affordability Covenant.
- F. All Affordability Covenants are subject to the advance written approval of the Department, and shall be acceptable to the Department in form, substance, and priority. Project-specific requirements and deadlines are set forth at Exhibit E of this Agreement.

**33. Restrictions on Sales, Transfers, and Encumbrances**

Grantee shall not, for the duration of this Agreement, sell, assign, transfer, or convey the Project, or any interest therein or portion thereof, without the express prior written approval of the Department.

**34. Retention, Inspection, and Audit of Records**

- A. Grantee is responsible for maintaining records which fully disclose the activities funded by the Grant. Grantee shall retain all records for a period of five (5) years after the expiration of this Agreement, unless a longer retention period is stipulated. If any litigation, claim, negotiation, audit, monitoring, inspection or other action commences during this required retention period, all records must be retained until a full and final resolution of the action.
- B. The Department, as well as its appointees, employees, agents, and delegates, shall have the right to review, obtain, and copy all records pertaining to performance under this Agreement. The U.S. Department of the Treasury and

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any authorized oversight body or representative, including, without limitation, the Treasury's Office of Inspector General, the Government Accountability Office, and the Pandemic Relief Accountability Committee, shall have the right of access to such records in order to conduct audits or other investigations. Grantee shall provide any relevant information requested, and shall permit access to its premises, upon reasonable notice and during normal business hours, for the purpose of interviewing employees and inspecting and copying books, records, accounts, and other relevant material.

- C. At any time during the term of this Agreement, the Department may perform or cause to be performed a financial audit of any and all phases of the Project. At the Department's request, the Grantee shall provide, at its own expense, a financial audit prepared by a certified public accountant. The audit shall be performed by a qualified state, local, independent, or Department auditor. Where an independent auditor is engaged, the audit services agreement shall include a clause which permits the Department to have access to the independent auditor's relevant papers, records, and work product.
- D. If there are audit findings, the Grantee shall submit a detailed response to the Department for each audit finding. The Department will review the response. If the Department determines, in its sole and absolute discretion, that the response is satisfactory, the Department will conclude the audit process and notify the Grantee in writing. If the Department determines, in its sole and absolute discretion, that the response is not satisfactory, the Department will contact the Grantee, in writing, and explain the action required to cure any audit deficiencies. Such action could include the repayment of ineligible costs or other remediation.
- E. If so directed by the Department upon the termination or expiration of this Agreement, the Grantee shall deliver all records, accounts, documentation, and other materials that are relevant to this Agreement to the Department as depository.

### 35. Site Inspection

The Department reserves the right, upon reasonable notice, to inspect the Project to determine whether it meets the Program Requirements. If the Department reasonably determines that the site is not acceptable for the Project in accordance with] the Program Requirements, the Department reserves the right to rescind the award and the Grant. Nothing in this paragraph is intended to create or imply any obligation of the Department to inspect the Project.

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### 36. Compliance with State and Federal Laws, Rules, Guidelines, and Regulations

- A. Grantee, its agencies or instrumentalities, contractors, sub-grantees, and subrecipients shall comply with all local, state, and federal laws, statutes, and regulations, as well as policies and guidelines established by the Department for the administration of the Homekey program.
- B. Grantee shall comply with the requirements of 24 CFR 570.480 et seq., the Housing and Urban Development (HUD) 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Guidance, as adopted by HUD at 2 CFR 2400, Title II of the Cranston-Gonzales National Affordable Housing Act (42 U.S.C. § 12701 et seq.) and all federal regulations and policies issued pursuant to these regulations. The Grantee further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

### 37. Updated Information

If there is any change in the information that has been provided to the Department, Grantee shall promptly provide the Department with updated documentation (e.g., updated sources and uses). All changes shall be subject to Department approval. In addition, Grantee shall promptly notify the Department, in writing, of any changes in Grantee or Co-Grantee organization, authorization, or capacity.

### 38. Survival of Obligations

The obligations of the Grantee, as set forth in this Agreement, shall survive the termination or expiration of this Agreement.

### 39. Litigation

Grantee shall notify the Department immediately of any claim or action undertaken by or against it which affects or may affect this Agreement or the Department and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement, the Program Requirements, the interests of the Department, and the objectives of the Homekey Program.

### 40. Entire Agreement; Severability

This Agreement constitutes the entire agreement between the Grantee and the

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Department. All prior representations, statements, negotiations, and undertakings with regard to the subject matter hereof are superseded hereby. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remaining terms and provisions of this Agreement, or the application of such terms or provisions to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

### 41. Modification or Waiver under AB 1010

The Department reserves the right to waive or modify any requirement under this Agreement, or any Program Requirement, as authorized by and in accordance with Assembly Bill No. 1010 (Chapter 660, Statutes of 2019) ("**AB 1010**"), which is codified at Health and Safety Code section 50406, subdivision (p).

### 42. Waivers

No waiver of any breach, violation, or default under this Agreement shall be held to be a waiver of any other or subsequent breach or violation thereof or default thereunder. The Department's failure, at any time, to enforce the provisions of this Agreement or to require the Grantee's performance under this Agreement shall in no way be construed as a waiver of such provisions or performance, and it shall not affect the validity of this Agreement or the Department's right to enforce this Agreement.

### 43. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

This Agreement is subject to the administrative requirements, cost principles, and audit requirements for federal awards to non-federal entities, which are set forth at 2 Code of Federal Regulations part 200.

- A. Accounting Standards: Grantee agrees to comply with, and administer the activity in conformance with, 2 CFR Part 200.300 et seq, and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.
- B. Debarred contractors: It certifies that neither the Applicant or its staff are presently debarred, suspended, proposed for debarment, declared ineligible, or

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voluntarily excluded from participation in federal assistance programs, in any proposal submitted in connection with the Homekey program, per the Excluded Party List System located at <https://www.sam.gov/SAM/>. In addition, the Applicant will not award contracts to or otherwise engage the services of any contractor while that contractor (or its principals) is debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation from the covered transaction, in any proposal submitted in connection with the Homekey program under the provisions of 24 CFR Part 24.

Single Audit Requirements: Grantee is responsible for complying, as necessary, with the Single Audit Act and its implementing regulation at 2 Code of Federal Regulations part 200, subpart F regarding audit requirements.

### 44. Disputes

In the event of any conflict between this Agreement and any Grantee documents or side agreements, this Agreement and the Program Requirements shall prevail, are applicable, and shall be enforceable by the Department even if the Department provided review or approval of such documents and side agreements.

### 45. Consent

The parties agree that wherever the consent or approval of the Department or Grantee is required under this Agreement, such consent or approval shall not be unreasonably withheld, conditioned, or delayed, unless the same is specified as being in that party's sole and absolute discretion, or other words of similar import.

### 46. Grantee Liability

Grantee shall remain liable to the Department for performance under this Standard Agreement and compliance with all Program Requirements regardless of any Department-approved transfer or assignment of interest, or of any designation of a third party for the undertaking of all or any part of the Scope of Work. Likewise, each Co-Grantee shall remain jointly and severally liable to the Department for performance under this Standard Agreement and compliance with all Program Requirements regardless of any Department-approved transfer or assignment of interest; any designation of a third party for the undertaking of all or any part of the Scope of Work; or the Co-Grantees' identification of a Designated Payee.

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**47. Defense and Indemnification**

Grantee agrees to defend, indemnify, and hold harmless the Department, and its appointees, agents, employees, and officers, from any losses, damages, liabilities, claims, actions, judgments, court costs and legal or other expenses (including attorneys' fees), which may arise in connection with Grantee's use of the Grant funds and performance under this Agreement. If any attorney, including the California Attorney General, is engaged by the Department to enforce, construe, or defend any provision of this paragraph, with or without the filing of any legal action or proceeding, Grantee shall, individually or jointly, pay to the Department, immediately upon demand, the amount of all attorneys' fees and costs incurred by the Department in connection therewith.

**48. Time Is of the Essence**

Time is of the essence under this Agreement, and in the performance of every term, covenant, and obligation contained herein.

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## EXHIBIT E

### **PROJECT-SPECIFIC PROVISIONS AND SPECIAL TERMS AND CONDITIONS**

#### **1. PROJECT-SPECIFIC PROVISIONS**

Project Name: Merriment Village Apartments

Address: 428 N. Walton Avenue, Yuba City, CA 95993

Assessor Parcel Numbers (APNs): 058-120-001-000

#### **A. Permanent Housing – Award, Disbursement, and Eligible Use(s)**

Grantee received Homekey Program award letter on February 13, 2024 (the “**Award Date**”). Pursuant to that award letter, the Grantee is receiving Homekey Grant funds in the amount of \$24,632,331.00 (the “**Award**”). The Payee of these funds is the City of Yuba City. Grantee will use the funds to provide Permanent Housing for the Target Population and subpopulations as specified in the unit mix chart included herein. Specifically, the Grantee will apply these funds towards the following eligible use(s):

- 1) New Construction of dwelling units to provide Permanent Housing for the Target Population.

The Homekey Award is comprised of:

|                         |                 |
|-------------------------|-----------------|
| <b>Total Award</b>      | \$24,632,331.00 |
| <b>Capital Award</b>    | \$22,016,906.00 |
| Acquisition             | \$0.00          |
| Rehabilitation          | \$0.00          |
| Master Leasing          | \$0.00          |
| New Construction        | \$22,016,906.00 |
| Affordability Covenants | \$0.00          |
| Relocation              | \$0.00          |
| <b>Operating Award</b>  | \$2,615,425.00  |

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**EXHIBIT E****B. Unit Mix**

| # of Bedrooms | Total Homekey Units | Homekey-funded Manager Units | Homekey-Assisted Units | AMI Income Limit | Target Population or Subpopulation Restriction |
|---------------|---------------------|------------------------------|------------------------|------------------|------------------------------------------------|
| 2-Bedroom     | 79                  | 0                            | 79                     | 30%              | Homeless                                       |
| 3-Bedroom     | 1                   | 1                            | 0                      | N/A              | Manager Unit                                   |
| Totals:       | 80                  | 1                            | 79                     |                  |                                                |

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

**C. Project Narrative**

- 1) Merriment Village Apartments is the Phase 1 of a larger project that will create 80 newly construction units, with 79 two-bedroom units, and one (1) three-bedroom manager's unit. The Project will provide permanent supportive housing for households with incomes equal to or less than 30% of Area Median Income (AMI). Seventy-nine (79) units will exceed federal and state accessibility requirements for persons with mobility disabilities and will include features accessible to persons with hearing or vision disabilities. Each unit will include a refrigerator, microwave, basic cooking utensils, and storage for food and kitchenware, a bed, nightstand, a desk, or table, living space seating and storage units. Off-site amenities, located within two miles of the project include transportation stops, a medical clinic, a grocery store/supermarket, a pharmacy, and a public park.

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**EXHIBIT E****D. Scope of Work****1) Construction and Rehabilitation Detail:**

Overall, the scope of work for phase one of the Merriment Village Project involves site preparation, infrastructure development, and construction of the 79 housing units.

- a) Prepare and clear the land for construction, conduct soil testing and prepare the site foundation, install temporary utilities to support construction activities
- b) Develop ground for community center and playground area, Construct roadways and sidewalks to connect the housing units to the community.
- c) Install drainage and irrigation systems
- d) Install plumbing, electrical, and HVAC systems in each unit.
- e) Install smoke detectors and fire suppression systems to ensure safety.

**2) Supportive Services and Staffing Detail:**

Grantee shall assure that the case manager ratio for this project will be maintained at 14.4 to 1 for Homelessness. Habitat for Humanity: Yuba/Sutter, Inc. will practice the Housing First model and will manage the property. Supportive Outreach Services (SOS) will lead the project's Supportive Services. On site services include Case management and Housing Navigation; Household management skills: managing costs,

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**EXHIBIT E**

cooking, and shopping; One-on-one coaching in house cleaning; use of utilities, household appliances and plumbing conditions of a lease.

**E. Grantee Contract Coordinator**

|                                  |                                                  |
|----------------------------------|--------------------------------------------------|
| Authorized Representative Name:  | Shon Harris                                      |
| Authorized Representative Title: | Mayor                                            |
| Entity Name:                     | City of Yuba City                                |
| Address:                         | 1201 Civic Center Boulevard, Yuba City, CA 95993 |
| Telephone No.:                   | (530) 822- 4602                                  |
| E-Mail Address:                  | shonharris@yubacity.net                          |

|                                  |                                                                              |
|----------------------------------|------------------------------------------------------------------------------|
| Authorized Representative Name:  | Joseph Hale                                                                  |
| Authorized Representative Title: | CEO                                                                          |
| Entity Name:                     | Habitat for Humanity Yuba/Sutter, Inc.                                       |
| Address:                         | 202 D Street, Marysville, CA 95901                                           |
| Telephone No.:                   | (530) 742-2727, Ext 211                                                      |
| E-Mail Address:                  | <a href="mailto:jhale@yubasutterhabitat.org">jhale@yubasutterhabitat.org</a> |

**F. Additional Conditions Precedent to Disbursement**

None

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**EXHIBIT E****G. Budget Detail**

- 1) Grantee is obligated to cover the Project's development, operations, and service costs for five (5) years. Grantee will satisfy this obligation by leveraging funding commitments, or other reasonable funding assurances, from the following funding sources:
  - a) Homekey Award dated February 13, 2024, for a funding commitment of \$24,632,331.00 for new construction.
  - b) The Habitat for Humanity (HHYS) letter dated May 14, 2024, for a funding commitment of \$1,000,000.00 for in kind development materials.
  - c) The HHYS letter dated May 14, 2024, for a funding commitment of \$4,445,175.00 for project development in cash from ReStore.
  - d) The HHYS letter dated May 14, 2024, for a funding commitment of \$989,965.00 for in kind furnishings.
  - e) The City of Yuba City letter dated January 8, 2023, for a funding commitment of \$155,000 annually for project years one to three for a total of \$465,000.00 in Permanent Local Housing (PLHA) for construction and development.
  - f) The City of Yuba City letter dated January 8, 2023, for a funding commitment of \$1,787,922.00 for development.
- 2) Grantee shall maintain the ongoing affordability of the Project by leveraging the following non-Homekey sources of rental or operating subsidies:
  - a) The HHYS letter dated May 14, 2024, for a funding commitment of \$183,333.33 annually for project years four to fifteen for a total amount of \$2,200,000.00 for in kind support services.
  - b) The HHYS letter dated May 14, 2024, from CalAIM partnership agreement for a funding commitment of \$1,478,011.00 in community support for project years four and five. HHYS also

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**EXHIBIT E**

commits \$9,289,712.00 in operating subsidy from vouchers & medical during project years four through fifteen.

- c) The City of Yuba City letter dated January 8, 2023, for a funding commitment of \$155,000.00 annually for project years four through fifteen for a total amount of \$1,860,000.00 in PLHA funds for operating subsidies.

**H. Performance Milestones**

| <b>Performance Milestones</b>                                                                                                                      | <b>Milestone Completion Date</b>                                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| Project escrow must be closed and Capital funds must be fully expended.                                                                            | May 13, 2025<br>(This date includes a 7-month extension granted by the Department) |
| Homekey-funded operating funds must be fully expended.                                                                                             | June 30, 2026                                                                      |
| All Acquisition, Construction and/or Rehabilitation of the Homekey Project must be completed.                                                      | February 13, 2025                                                                  |
| Full occupancy by the Target Population must be accomplished in accordance with the descriptions and representations set forth in the Application. | May 13, 2025                                                                       |
| A copy of Grantee's written nondiscrimination policy (in accordance with <u>Exhibit D</u> of this Agreement) must be submitted to the Department.  | October 14, 2024                                                                   |

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**EXHIBIT E**

| <b>Performance Milestones</b>                                                                                                                                                                            | <b>Milestone Completion Date</b>                                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| A Department-approved Affordability Covenant must be recorded against the Project real property after the Departments approval to record, and as specified and described in the NOFA and this Agreement. | 30 days from Standard Agreement execution<br><br>*But not before Department approval      |
| A copy of the Notice of Exemption from the California Environmental Quality Act (CEQA) filed with the Office of Planning and Research (OPR) as applicable.                                               | October 14, 2024                                                                          |
| A Homekey Program and Expenditure Report must be submitted to the Department as specified and described in the NOFA.                                                                                     | January 31 – Each year for five (5) years following the Effective Date of this Agreement. |

**2. SPECIAL TERMS AND CONDITIONS**

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

**A. Affordability Covenant**

- 1) The state, regional, local, or tribal Grantee shall ensure that the Project is duly encumbered with a 55-year Affordability Covenant that (a) is recorded in first position against the Project for the benefit of the state, regional, local, or tribal Grantee; (b) restricts the use, operation, occupancy, and affordability of the Project in accordance with this Agreement and the applicable Program Requirements; (c) duly names the Department as a third-party beneficiary with the right and privilege, but not the obligation, of enforcement thereof; and (d) is otherwise in form and substance acceptable to the Department.

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**EXHIBIT E**

- 2) The Affordability Covenant must be recorded against the real property of the Project site by the Milestone Completion Date set forth herein. The Grantee shall obtain the Department's express written approval of the Affordability Covenant prior to the recordation of the same. After recordation, the Grantee shall promptly provide the Department with a conformed copy of the recorded Affordability Covenant.
  - 3) Unless otherwise authorized by the prior and express written approval of the Department, the Affordability Covenant must be recorded as a lien against the Project in first position, and must remain in first position, over all other Project agreements, covenants, or other matters of record on the real property for the period of affordability required by the Program.
- B. Grantee has committed to serve specific sub-populations as per NOFA Section 304, Application Scoring Criteria (3)(a). Grantee shall ensure that at least 50 percent of the Project's Assisted Units are restricted to occupancy by households experiencing Homelessness.
- C. Grantee has committed to a 55-year use restriction for the Project and has waived any potential accommodation by the Department to increase income limits, as per NOFA Section 304, Application Scoring Criteria, (3)(c), for 100 percent of the Assisted Units.
- D. Grantee has committed to the following accessibility details for the Project, as per NOFA Section 304, Application Scoring Criteria, (3)(d), the Project will exceed the state and federal accessibility requirements set forth in the NOFA. At least 15 percent of the Project's Assisted Units must have features accessible to persons with mobility disabilities. At least 10 percent of the Project's units must have features accessible to persons with hearing or vision disabilities.

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## EXHIBIT C

### ADDITIONAL SCOPE OF WORK

In addition to the work required by this Agreement, Habitat shall be responsible for performing the following items identified below. Note that this list is not inclusive, and is intended to instead outline the broad categories of the scope of work that may be necessary to complete Phase I.

**1. Project Management.**

- a. Finance and construct and ultimately operate supportive services for the Project consistent with this Agreement, the Standard Agreement, and all federal, State, and local requirements.
- b. Record all covenants or other documents required by the Standard Agreement or this Agreement in a form acceptable to City Manager and City Attorney.
- c. Apply for and obtain approval for any required entitlement (including a site plan), permit (including encroachment permits), approvals of required plans and specifications, etc.
- d. Maintain site control at all times.
- e. Provide all documentation and information needed to comply with its funding and reporting requirements under the Standard Agreement. with all submissions first provided for review and approval by City Manager.

**2. Budget Management.**

- a. Obtain funding and finance the completion of all aspects of Phase 1.
- b. Receive, review, and process all invoices and requests for payment from contractors or other persons regarding the project. Ensure that expenditures are reasonable, necessary, responsible, and eligible prior to submission of the same to City.
- c. Ensure prompt and timely payment of contractors, subcontractors, and materialmen.
- d. Provide financial reports to City as required by the Agreement. Provide data and documentation regarding the same to City upon request of City.
- e. Ensuring that expenditures do not exceed budgeted amounts, and the project stays within funding amounts or additional funding is timely secured.
- f. If changes are required to the budget, Habitat will present the requested changes to City for approval, which shall not be unreasonably withheld if the requests meet the State Homekey requirements.

**3. Construction Management.**

- a. Monitor all work at the project site to ensure the work is being performed

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consistent with this Agreement, the Standard Agreement, and all federal, State, and local requirements.

b. Ensure that Homekey procurement requirements are met in the procurement of a general contractor and all sub-contracts associated with the project to complete the work for the Project.

c. Procure a general contractor for the project.

d. Obtain and complete all inspections.

e. Provide monthly update report to City detailing the status of the project.

**4. Project Close Out.**

a. Provide City with copies of all required documentation (permits, inspections reports, any applicable certifications, and similar information) necessary for City to complete project awards close out as required by the Standard Agreement or HCD.

**5. Operations.**

a. Comply with the requirements of the Standard Agreement for operations, including the provision of supportive services and staffing, etc.

b. Comply with the provisions of any recorded covenant, including affordability, and any ongoing requirements of the Standard Agreement.

c. Submit, obtain, and comply with the property management plan and supportive services plan approved by HCD.

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**END OF DOCUMENT**



## ATTACHMENT 2

September 08, 2025

Habitat for Humanity Yuba Sutter, Inc.



RE: Proposed Financing Term Sheet with Five Star Bank

Dear Joseph and John

This term sheet is a follow-up to our recent discussion regarding your proposed financing needs. This letter outlines the general terms of Five Star Bank's ("FSB") financing program as they would pertain to your requests. Consideration of the loan terms contained herein are subject to underwriting and due diligence, review, and acceptance of applicable third-party reports, and approval of the financing request by FSB in its sole discretion.

**Borrower:** Habit for Humanity Yuba Sutter, Inc.

**Guarantor(s):** N/A

**Loan Purpose:** Provide Habitat with a real estate secured loan, which will bridge the gap financing requirements in order to complete the Merriment Village project located on N. Walton Avenue in Yuba City, CA.

**Loan Amount:** \$5,000,000 secured by real estate as described further below.  
Loan amount limited by:

- 65% LTV based on appraised, as-is value on each property described in the collateral section below.

**Rate Structure:** Interest only: WSJ Prime Rate – 1%.

**Loan Term:** 24 months

**Payment Structure:** Interest payable monthly, for 24 months. Principal and accrued interest balance due at maturity.

**Prepayment Penalty:** None

**Collateral:** The proposed loan shall be secured by the following collateral in the lien position specified.

| Real Estate Description                                               | Lien Position   |  |
|-----------------------------------------------------------------------|-----------------|--|
| Deed of Trust on property located at 202 D street, Marysville, CA     | 1st             |  |
| Deed of Trust on properties located at 10184-10208 N St, Live Oak, CA | 1 <sup>st</sup> |  |
| Deed of Trust on property located at 916 Plumas Street, Yuba City, CA | 1 <sup>st</sup> |  |
| Deed of Trust on property located at 428 N Walton, Avenue, Yuba City  | 2 <sup>nd</sup> |  |

**Fees:**

Borrower shall be responsible for payment of the following fees, in addition to expenses incurred directly or indirectly by FSB as a result of considering said request, including but not limited to title, escrow, appraisal, environmental, and legal fees, whether or not the proposed loan is approved and funded.

| Fee Type           | Fee Amount  | Fee Percentage                                                                                                                   |
|--------------------|-------------|----------------------------------------------------------------------------------------------------------------------------------|
| Loan Origination   | \$37,500.00 | 0.75% of Loan Amount if full grant proceeds from HCD and accrued interest are deposited with Five Star Bank up front             |
| Loan Origination   | \$50,000.00 | 1% of the Loan Amount if grant proceeds from HCD are deposited with Five Star Bank in phases. See Deposit Accounts section below |
| Loan Documentation | \$0.00      |                                                                                                                                  |

## General Requirements

**Appraisal:**

For all proposed real estate collateral, an appraisal of the property ordered by FSB is to be obtained as a part of the underwriting process at the sole cost of the applicant. Upon acceptance of an Expression of Interest letter by the applicant and receipt of funds to cover the estimated appraisal cost, we will formally engage the appraiser.

**Environmental:**

For all proposed real estate collateral, the bank's Environmental Questionnaire is to be completed. A Radius Report acceptable to the FSB will be required. Should any environmental concerns be cited in the Questionnaire or Radius Report, further investigation including A Phase One

Environmental Site Assessment Report and potentially remediation may be required at the sole cost of the applicant.

**Insurance:** Proof of insurance will be required for any applicable policies, including but not limited to hazard, flood, liability, and business interruption. The bank's standard deductibles for hazard insurance are \$2,000 and \$5,000 for residential and commercial real estate, respectively. All other deductibles will be determined during underwriting.

**Other Conditions:** Other conditions, including but not limited to maintaining a loan to value ratio equal to or less than that at loan origination, maintaining a minimum debt coverage ratio, and providing periodic financial information of the borrower and guarantors, will be memorialized in final loan documents if the proposed financing is approved.

**Deposit Accounts:** Consideration of the application for credit is contingent upon Habitat's "HCD" Grant funds, in the amount of \$24,632,331 plus accrued interest be deposited into a Five Star Bank account. These funds will be used for the construction costs associated with the Merriment Village Apartment complex located at 428 N Walton Avenue in Yuba City.

It is our understanding the City of Yuba City maintains the HCD Grant funds with US Bank. Five Star Bank will work with City Staff to facilitate the transition of the HCD grant funds in the event City Staff needs additional time to move the entire balance over to Five Star Bank. In this scenario, Five Star Bank requests 50% of the "HCD" deposit balance be transferred after City Council approval of the Merriment project and the remaining balance transferred by or before December 5, 2025.

Habitat for Humanity Yuba Sutter, Inc will open and maintain its sole deposit relationship with FSB for the duration of the proposed loan.

**Banking Services:** To make it easier for the City of Yuba City and Habitat, Five Star Bank can take the lead in monitoring the entire construction project. FSB has extensive knowledge in all parts of construction lending. Construction draw requests from the Contractor are monitored via third party inspections ensuring each draw request is in-line with the percentage the project is complete. Lien free endorsements are requested through the title company on each advance request ensuring the property is free of contractor/subcontractor liens.

**Please let us know if the City of Yuba City would like FSB to take the construction monitoring lead, and if so, we request the City of Yuba City open the depository account with FSB and transfer 100% HCD funds up front which makes for seamless payments to Contractor and reconciliation of costs. The City of Yuba City is the owner of the account and will control the withdrawals towards the cost of construction.**

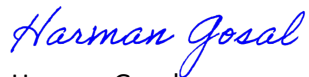
Joseph and John, thank you for taking the time to meet my CEO, James Beckwith and myself this week. As James indicated in our meeting, FSB has history of financing affordable housing projects, Merriment Village falls in

**line with such financing. Our team is working through the information presented and have made it our top priority.**

Please be advised that this Term Sheet does not constitute a commitment by FSB to approve or fund the financing request as we have not performed our complete due diligence required to consider this request for financing, nor have we, in our sole discretion, considered this request for approval. To submit this loan request for consideration of approval, a complete package of financial information and other information for the applicant, and any underlying collateral must be received by FSB and successfully analyzed.

Please call me with any questions that you may have.

Sincerely,



Harman Gosal

Senior Vice President / Business Development Manager

530.713.6023

hgosal@fivestarbanc.com

## CITY OF YUBA CITY

### **Future Agenda Items**

- Councilmember Cole
- Councilmember Kirchner
- Councilmember Pasquale
- Vice Mayor Boomgaarden
- Mayor Shaw

## CITY OF YUBA CITY

### **Reports and Communications**

The following reports and communication items are provided for the Council's information. No action can be taken on items under this section unless the Council agrees to include it on a subsequent agenda

#### **City Manager's Report**

## CITY OF YUBA CITY

### **Reports and Communications**

The following reports and communication items are provided for the Council's information. No action can be taken on items under this section unless the Council agrees to include it on a subsequent agenda

#### **City Council Reports**

- Councilmember Cole
- Councilmember Kirchner
- Councilmember Pasquale
- Vice Mayor Boomgaarden
- Mayor Shaw

### **Adjournment**