

**HOMEWARD BOUND OF MARIN: APPLICATION – NOVATO VETERAN & WORKFORCE HOUSING, HUD  
PARCEL, FORMER HAMILTON ARMY AIRFIELD, NOVATO, CA**

**Application Checklist**

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**A. Application Forms**

- 1. A Completed Application Checklist
- 2. Completed Application, signed by authorized personnel of the applicant
- 3. Completed Application Excel Spreadsheet including each of the following tabs:
  - a. Rent Roll (if applicable)
  - b. Performance Schedule
  - c. Acquisition Sources and Uses **N/A**
  - d. Permanent Sources and Uses
  - e. Completed 1-Year Operating Budget and (template provided) 20-Year Cash Flow.

**B. Organizational Attachments (as applicable)**

**Applicant    Co-Applicant (N/A)**

- 1. Current year's operating budget
- 2. Financial statements for last three fiscal years (audited preferred)
- 3. Names and Addresses of Board of Directors
- 4. IRS Tax Exemption letter

**C. Required Attachments**

*The following attachments must be submitted with your application.*

- 1. Documentation of site control (e.g. Purchase Contract, Option to Purchase, Grant Deed)
- 2. Board Resolution that authorizes site acquisition and application for  
MCHTF funds (if entity's governing body is a board)
- 3. Affirmative Marketing Plan (City template available)
- 4. Memorandum of Understanding between co-applicants or borrower and development consultant  
(if applicable) **(N/A)**

**D. Supplemental Attachments (as applicable)**

*The following additional attachments may be requested after the Application has been submitted.*

- 1. Appraisal (including Fair Market Value and Value with Regard to Restrictions) **(N/A)**
- 2. Preliminary Title Report
- 3. Capital Needs Assessment **(N/A)**
- 4. Architectural Drawings
- 5. Property Inspection Reports **(N/A)**
- 6. Survey and Analysis of Building Systems **(N/A)**
- 7. Phase I Environmental Site Assessment
- 8. Phase II Environmental Site Assessment **(N/A)**
- 9. Copies of applications for other funding and commitment letters
- 10. Tenant Income Certification Forms for no less than 50% of the existing residents **(N/A)**
- 11. Proposed Temporary Relocation Plan **(N/A)**

**Application Information**

Organization Homeward Bound of Marin

Contact Name Paul Fordham

Title: Co-Chief Executive Officer

Address 1385 North Hamilton Parkway

City Novato

State CA

Zip 94949

Phone 415.382.336s x211

Email pfordham@hbofm.org

**Co-Application Information (if applicable)**

Organization: **N/A**

Contact Name

Title

Address

City

State

Zip

Phone

Email

**Development Information**

Development Name Novato Veterans and Workforce Housing

Development Address 826 State Access Road

City Novato

State CA

Zip 94949

APN (provide site name if applicable) APN 157-970-07 (HUD Parcel Hamilton Airfield)

**Number of anticipated units by income level and bedroom count**

	Very-low	Low	Moderate	Market	Total
Studio	0	0	0	0	0
1	50	0	0	0	50
2	0	0	0	0	0
3	0	0	0	0	0
4	0	0	0	0	0
Total	50	0	0	0	50

## 1. Summary

**Briefly summarize the request, including property description, proposed use of funds (and number of units involved).**

With heartfelt gratitude to the County of Marin for your vital and ongoing partnership, Homeward Bound respectfully submits this proposal for \$1,000,000 in funds to develop veterans and workforce housing on the 2.8-acre “HUD Parcel” site in the former Hamilton Army Airfield in Novato. This future housing community will provide 50 critically needed new homes, including 24 affordable one-bedroom units of permanent supportive housing for veterans in a two-story apartment building, and 26 one-bedroom rental units of workforce housing in an adjacent and similarly designed two-story structure. The site will also include a job training facility.

Located next to existing housing programs operated by Homeward Bound for over 20 years, this new development will replace three dilapidated former warehouses and complete a coherent campus of services to address homelessness in Marin. The funding requested will be used for construction of the housing and related improvements.

**Artist renderings: future veteran housing on left, workforce housing on right**



Perhaps most significantly, because of intensive, ongoing efforts to end veteran homelessness, these units will offer affordable and dignified living spaces for all remaining unhoused veterans in Marin, making our community one of the first in California to ensure every former service member has a place to call home.

The workforce housing units will provide critically needed affordable housing for both small families and single adults who are exiting homelessness and entering or reentering the labor force.

Tenants will receive onsite case management and connections to resources such as public benefits, employment, medical care, legal aid, childcare, or transit. In addition, residents will have access to all the amenities of Homeward Bound’s adjacent New Beginnings Center, including 24/7 staffing and daily meals. The project is conveniently located within a half mile to a SMART train station, multiple bus lines, a library, grocery store, and parks.

Building on the existing structural landscape of Marin, this project represents a unique opportunity to replace disused buildings with vibrant new homes and fulfill the decades-long intentions of a Novato reuse plan to develop the property for the purposes of serving people without housing.

With a 55-year renewable \$1.00 ground lease approved by the City in 2019, Homeward Bound has engaged with long-time local architectural partner, Fredric C. Divine Associates, to develop plans for the site. Key milestones reached thus far include holding public neighborhood meetings to gain community input, approval of exterior design and landscape plans for the site, and securing considerable funds towards completion of the project.

Having engaged, briefed, and worked with the County and City at each stage of the process, this project has been met with strong support and encouragement. We look forward to reaching our fundraising goals, achieving full approval of all site plans, receiving a building permit, and completing construction by 2024.

## **2. Background/ Applicant History**

**2.1 Property History. Please provide the property's history leading up to this request. Include when the sponsor acquired/will acquire the property, any previous requests for County funding, attempts to secure other financing, etc.**

As mentioned above, the site is part of the former Hamilton Army Airfield, which was closed by the military in 1975. Under the Hamilton Reuse Plan, the base was turned over to the City of Novato and is now a planned community with a broad array of residential, commercial, open space, and civic uses.

As a decommissioned military base, HUD approved the Hamilton Reuse Plan for this site under the McKinney Act, which included a Legally Binding Agreement that the HUD Parcel be designated for homeless service uses, including housing, services, supportive employment, and job training.

The HUD Parcel is now occupied by three dilapidated structures built prior to 1952 by the military for use as barracks. Currently, the City of Novato is using the buildings for auto impounding, police storage, and theatre costume and props storage. These old buildings will be demolished to make way for the new veterans housing, workforce housing, and job training facility.

While the vision for this project has long existed, work began in earnest in 2018, when Homeward Bound asked the City for a ground lease for the site and requested Fredric C. Divine Associates to develop architectural plans. Since then, key milestones that have been reached include:

- 2018 – 2020 – Homeward Bound held public neighborhood meetings to gain community input on the initial project design and made revisions according to the input
- 2019 – 2020 – Homeward Bound submitted an application for design review, participated in a design review process, and made revisions according to the input
- December 2019 – the Novato City Council approved a 55-year \$1 ground lease of the HUD parcel to Homeward Bound.
- January 2020 – the Novato Design Review Commission moved to forward to the Planning Commission a recommendation of approval of exterior design and landscape plans for the site
- June 2020 – the Novato City Council voted to grant the project in lieu housing funds of \$750,000 in to off-set development fees
- 2020 – 2021 – Homeward Bound has secured considerable funds toward completing the project,

including: \$4 million from the State of California 2021 Budget, \$3 million from the State Veteran Housing and Homelessness Prevention (VHHP) program, \$2 million from Marin Community Foundation (MCF) plus \$200,000 for predevelopment, \$750,000 from the City of Novato, \$526,526 in HOME funds, \$459,528 from last years Marin County Affordable Housing Trust award, \$300,000 from an anonymous foundation, \$100,000 from Tamalpais Pacific, and more.

Homeward Bound staff have engaged, briefed, and worked with County of Marin staff and Supervisors and City of Novato staff and City Council Members at each stage of the process, and we are very grateful for the help, support, and encouragement we have received all along. We look forward to completing fundraising, achieving full approval of our plans and a building permit, and building and operating the veteran housing.

**2.2 Applicant Profile. Please provide a profile of the applicant (and of the co-applicant, if applicable). Include a description of the organization, including its mission, how long it has been in existence, experience of staff, and characteristics of its Board of Directors. Describe any recent expansion or cutbacks in activities and/or budget, and the organization’s standing with licensing or other “accreditation” authorities, if applicable.**

Founded in 1974, Homeward Bound is the leading provider of shelter and supportive housing for people experiencing homelessness in Marin County, including veterans, families, seniors, and people who struggle with mental health issues or disabilities.

Our mission of “opening doors to safety, dignity, hope, and independence,” is coupled with a vision that “everyone deserves a place to call home.”

Serving 900 people annually, Homeward Bound offers 18 residential programs throughout Marin. Safe and dignified living accommodations are paired with individualized counseling and an array of social and employment services to help people secure housing, achieve self-sufficiency, regain their independence, and lead fulfilling lives. Last year, our programs and services ensured 89% of families and 69% of adults exited Homeward Bound for housing opportunities.

Homeward Bound has grown steadily over the years in response to the demand for housing and services, and our annual agency budget, now almost \$11 million, has kept pace. Our workforce has also expanded each year so that we now employ a highly diverse, experienced, and skilled staff of 75 full-time and 27 part-time individuals—including numerous persons with lived experience of homelessness—who are engaged in program activities, support services, housing assistance, job training, and social enterprises.

A key reason for Homeward Bound’s forward progress has been the sustained and consistent leadership of a highly committed and engaged Board of Directors, including persons with lived experience, varied passions, perspective, and skills. In addition, a four-person management team brings more than 70 years of relevant experience and a proven track record of collaboration and success. This team includes two Co-Chief Executive Officers, Director of Housing and Operations, and Director of Supportive Services.

Over the years, Homeward Bound has successfully launched several major developments comparable to this project. In 2018 we opened King Street Senior Housing in Larkspur with a \$1.3 million renovation budget and a construction timeline of less than one year, transforming a vacant former convent into a permanent group home for 12 seniors exiting homelessness. In 2016, we celebrated the opening of Oma Village following a multi-year construction schedule and \$6.6 million budget. Built with significant local

grant support, this Novato housing community now provides 14 affordable homes for families transitioning from homelessness. In 2008, we opened the doors to the Next Key Center, which took \$9.3 million to complete and is currently home to 25 adults and 4 small families living in 29 studio apartments; a 6-bed medical respite program; our culinary job training program and social enterprise hub, and Homeward Bound's administrative offices.

**2.3 Project Manager. Describe staff assigned to the proposed property, their experience with acquiring/owning/rehabilitating similar sites, their current availability, and what percentage of time they expect to work on the subject project. Indicate similar projects each staff member has successfully completed.**

Homeward Bound is self-developing this project. The agency has demonstrated its capacity for this role by having successfully developed the Oma Village, Next Key Center, and New Beginnings Center projects. Co-Chief Executive Officer Paul Fordham will be the lead project manager for veteran housing (and later project phases), a role he fulfilled for the Oma Village and Next Key Center efforts. As such, Paul will interface with all key players, including Novato planning officials and the design and construction teams. An estimated 20% of his time will be committed to the Veteran and Workforce Housing development process. Co-Chief Executive Officer Mary Kay Sweeney provides leadership, vision, design guidance, and public engagement and communications. An estimate 15% of her time will be committed to the project. Finance Director Bob Heinen will be the financial lead, responsible for the project budget, sources and uses, operating budget, and cash flow analysis. Around 5% of his time will be committed to the project.

As mentioned above, Fredric C. Divine Associates has been retained for architectural services, a role the firm very successfully carried out for most of the above-referenced development projects (with the exception of Oma Village). Homeward Bound's Board, leadership, and development team (including consultant Tony Gardner) are all working together on fundraising and have demonstrated past success with the Oma Village and Next Key Center capital campaigns.

**2.4 Property Manager. Please provide the name of the property management company that will be hired to manage the property (if applicable). Include the number of buildings and number of units the company currently manages that are affordable housing sites.**

Likewise, Homeward Bound will self-manage the property as we do all our shelter and housing, totaling 18 distinct programs, 397 units of supportive housing, and 553 combined beds of emergency shelter and supportive housing. There will be no outside property management firm. Homeward Bound is proud of the quality of our maintenance of the buildings and grounds we have managed throughout Marin County for the past 40-plus years. The overall responsibility for the maintenance required to both protect the investment in the project and assure continued attractiveness belongs to the Executive Director and Director of Housing and Operations. The Executive Director and Director of Housing and Operations directly supervise the Facilities Manager, and the Facilities Manager supervises a team of 5 maintenance staff that will support this facility's maintenance, repair and prevention efforts.

The Property Management Plan will be available upon request with further details on:

- Personnel policy and staffing
- Maintenance, repair, and safety
- Marketing and occupancy (including affirmative marketing)
- Resident relations and community relations.

### **3. Site**

**3.1 Site Control. Please describe the type of site control that the applicant has for the proposed property and submit documentation in accordance with the Application Checklist. If this request includes funds for acquisition, summarize the acquisition terms, price, contingencies, conditions and deadlines. When available, please submit a copy of an appraisal of the property and of a Board Resolution that authorizes your organization to acquire the site.**

As mentioned above, Homeward Bound has a 55-year, \$1 ground lease (attached) from the City of Novato, approved by the City Council on December 19, 2019 and entered into as of January 27, 2020.

**3.2 Unusual Characteristics. Please describe any unusual characteristics of the site (e.g. slope, rock formations, etc.) and any easements or encroachments granted to or caused by adjacent parcels and improvements.**

The property consists of an irregular triangle-shaped parcel of land. There is minimal sloping and no unusual formations. There are no current easements, although the ground lease allows the City to make easements to facilitate shared drainage among the neighboring parcels that include the HUD parcel, the parcels with Homeward Bound's existing campus to the north, and the parcels with the Novato Village Senior Apartment Homes and Ascend at Hamilton Field to the south. Homeward Bound is fully supportive of any steps that may be needed to ensure proper shared drainage for each of the sites.

**3.3 Existing developments. Building Inspection Report. Please describe any significant findings of building inspection reports and submit copies of any building inspection reports and surveys/analyses of any building systems, in accordance with the Application Checklist.**

N/A

**3.4 Adjacent Uses. Indicate land uses of other parcels within the immediate vicinity of the project.**

The property is located in an area of the former airfield consisting now predominantly of commercial and residential land uses. The immediate vicinity of the property can be described as: a parking area for Homeward Bound's housing-service-administrative campus to the north; SMART railroad tracks followed by a drainage canal and Hamilton Parkway to the east; Novato Village Senior Apartment Homes to the south, the in-development Ascend at Hamilton Field to the south; and undeveloped land followed by Nave Drive and Highway 101 to the west.

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

A key benefit of the project is that it is adjacent to Homeward Bound's main campus, where many services are already provided onsite. For example, a full-time Housing Case Manager works exclusively with veterans staying at the New Beginnings Center (NBC) and the HUD VASH program has a caseworker office in the NBC. Ritter Center, AA, and NA all provide substance abuse recovery services or groups on site. The Fresh Starts Culinary Academy and other training opportunities are located on campus, and the NBC cafeteria provides three free meals per day. As such, the project will be part of what is truly a center for homeless services, and tenants of the project will be able to timely and easily obtain needed services.

The site is served by the nearby Hamilton SMART station, as well as 3 different transit lines within .3 miles (the 49, 251, and 257). And Homeward Bound provides bus vouchers. In addition, there are:

- One grocery stores within .5 miles - Safeway and another within 1 mile - Nugget Market
- One shopping center within .5 miles – Hamilton Marketplace and another within 1 mile – Pacheco Plaza
- Three parks within 1 mile – Clark Blasdel Community Park, Bay Trail/Hamilton Wetland Preserve, and Loma Verde Preserve
- Two medical clinics within .5 miles – Sutter Health Walk-In and Action Health Clinic
- Four public recreation facilities within 1 mile – South Novato Library, Hamilton Community Pool, Hamilton Field History Museum, and Marin Museum of Contemporary Art.

**3.6 Environmental Issues/Site Suitability. Please explain the relevant environmental issues of the proposed project. Include any of the following items that are known.**

- Flood Zone **N/A**
- Phase I/II Site Assessment Results
- Potential Hazards **N/A**
- Environmentally sensitive area or species **N/A**
- Cultural resources **N/A**

**If applicable and when available, submit a copy of the Phase I and Phase II Environmental Site Assessments.**

Please see attached Phase 1 Environmental Assessment.

**3.7 State/Federal Environmental. Please describe how you plan to comply with state and federal requirements for environmental reviews, if any, including Section 106 review for historic preservation.**

City of Novato Community Development Director Vicki Parker has indicated that staff have reviewed the above-referenced Phase 1 Environmental Assessment and will recommend the project be exempt from CEQA, including section 106, pursuant to CEQA Guidelines Section 15332, In-Fill Development Projects. But if not exempted, Homeward Bound will carry out any mitigation steps required.

A federal NEPA review may be required because of HOME funds awarded to the project. Homeward Bound will work closely with the County of Marin (the responsible NEPA entity) carry out the required review and any mitigation steps needed.

**4. Development/ Rehabilitation Plan**

**4.1 Proposed New Construction - Entitlements. For new construction, please describe in detail the permits that will be required, for example Design Review, Master Plan, Zone Change, General Plan Change, Coastal Permits, etc.**

Currently, this project is well on its way towards achieving all needed approvals and entitlements. No zoning changes are needed as the project is an allowable use under the Planned District designation.

No general plan changes are required since on November 19, 2019, the Planning Commission determined that the ground lease and the proposed uses are fully consistent with the Novato General Plan under the existing Community Facilities general plan designation.



The project is subject to design review. As mentioned earlier, Homeward Bound submitted a complete application for design review and has successfully engaged with Novato Design Review Commission, Novato Planning Commission, City staff, and the public in the design review and approvals process. As a result, on January 15, 2020, Design Review Commission moved to forward to the Planning Commission a recommendation of approval of exterior design and landscape plans for the site.

The project is also subject to a Precise Development Plan as required for all projects in a Planned District zone. The project will move to this phase once the above environmental review process is complete. Thereafter, Homeward Bound will submit the Precise Development Plan application and engage in the detailed design review, Planning Commission, and City Council review and approval process.

Finally, the project will need a building permit as required for all construction projects. Once all needed approvals are secured, the project will submit a building permit application and work with County staff on all steps needed to pull the building permit.

**4.2 Proposed New Construction - Local Planning contact. Please describe any contact with the local planning staff and any specific feedback provided.**

Homeward Bound is grateful to have worked closely on the design review, entitlement, environmental review, and ground lease process with City Manager Adam McGill, Community and Economic Planning Director Vicki Parker, Planning Manager Steve Marshall, Senior Planner Hans Grunt, and Planner II Vivek Damodaran. City staff have been true partners on the project; have provided clear and comprehensive information, feedback, and explanations on the planning requirements that must be met and project information needed; and have coached and guided us through the ground lease, design review, and entitlement approval process at the Design Review Commission, Planning Commission and City Council levels. Without the support of planning staff, the project would not be as far along as it is.

Some of the key feedback to date has had to do with the ground lease terms and the exterior design and landscape features of the site. Based on this feedback, Homeward Bound agreed to include the shared drainage easement language in the lease, and twice revised the project plan documents to meet Design Review Commission and staff comments regarding exterior appearance and landscaping.

**4.3 Proposed New Construction Population to be served. Describe the type of housing, family, senior, individuals with disabilities, etc.**

This future housing community will provide 24 affordable one-bedroom units of permanent supportive housing for veterans in a two-story apartment building, and 26 one-bedroom rental units of workforce housing in an adjacent and similarly designed two-story structure. Site-based apartment housing with on-site case management and intensive services is a model that is currently lacking in Marin but is critically needed to meet the needs of the workforce and veterans experiencing homelessness.

All prospective tenants will be assessed and referred through the Marin Coordinated Entry System (CES). CES uses the VI-SPDAT to assess persons for housing priority based on vulnerability score. Homeward Bound will work closely with the CES Housing Case Conference Committee to ensure appropriate housing placements for both the veteran and workforce housing.

Eligibility criteria for the veteran housing are as follows:

- Veteran as defined by relevant federal and state program requirements
- Homeless, chronically homeless, or at risk of chronic homelessness, although in practice we expect that most if not all will have experience of chronic homelessness
- Very low income (not more than 50% of area median income [AMI]) and for some non-VASH units must be extremely low incomes (not more than 30% of AMI)
- 2-3 units will likely be set aside for veterans who do not qualify for VA provided health services due to their discharge status (a very hard population to house).

Eligibility criteria for the workforce housing are as follows:

- Individual or small (two-person) family entering or re-entering the labor force
- Homeless or chronically homeless
- Very low income (not more than 50% of AMI)

The project will follow Housing First principles. Services will be provided unconditionally and use of services will not be a condition of the program. Rather, supportive services will be encouraged, and will be responsive to individual needs. Homeward Bound leverages community resources to connect persons to veteran services, mental health services, substance abuse services, employment assistance, mainstream benefits, volunteer opportunities, and other support as needed to help them stabilize in their housing.

As with other Homeward Bound Housing First programs, there will be no rules or barriers relating to sobriety, good behavior, or justice system involvement; rather the approach will be to support the clients where they are at and support their progress within the framework of stable housing.

**4.4 Proposed Rehabilitation or Acquisition Scope. Describe the scope of the rehabilitation that is proposed for the property and how it will address specific conditions, i.e. replacement needs, deferred maintenance, existing building violations, required seismic upgrades, building or health codes problems. Please describe any other existing rehabilitation needs that are not included in the proposed scope of work and explain their exclusion.**

N/A

**Explain how the rehabilitation will be staged to minimize risk and inconvenience to the residents. If certain systems or parts of residents' units will be temporarily or unusable (e.g. kitchen or bathroom) during construction, state the estimated duration of such interruptions and what mitigations will be provided.**

N/A

**If applicable, submit a capital needs assessment and any corresponding architectural drawings, in accordance with the Application Checklist.**

N/A

**4.5 Proposed Rehabilitation or Acquisition Population to Be Served. Describe the demographics of the current tenants in the building.**

N/A

**4.6 Relocation.** If applicable, describe in detail any temporary relocation of existing tenants at the site that will be necessitated by the proposed rehab scope. Include an explanation of the need for relocation, estimated duration, number of tenants that will be impacted, and which laws (local, state, federal) must be followed in carrying out the relocation.

N/A

**4.7 Accessibility.** Please identify all applicable laws and the specific accessibility requirements that must be met in the design of the proposed project. If existing, please describe the accessibility of the building and the extent to which that accessibility will be upgraded.

Applicable accessibility laws include the federal Fair Housing Act, federal Americans with Disabilities Act and Section 504, California Accessibility Act, and California Building Code accessibility standards.

Accessibility features for the project include:

- Six new disabled access parking spots plus four already existing disabled access spots on site
- All walkways, entrances, doorways, doors/hardware, ramps, drinking fountains, rails, stairways/landings, and appropriate signage (including raised braille) will meet accessibility standards
- All ground-floor units will be fully accessible

In addition, all residents will be provided with a reasonable accommodation form when requesting further support for disability related matters. Homeward Bound has a Section 504 Officer who reviews all requests and responds to the resident within the allotted timeline. Applicants are made aware of Homeward Bound's Notice of Rights to a Reasonable Accommodation during the intake process and when signing their lease. The notice informs each client that at any stage in the housing process they may request a reasonable accommodation. The agency's 504 Coordinator conducts an interagency Reasonable Accommodation training once a year and requires all housing staff to attend Fair Housing Advocates of Northern California's Legal Obligations and Rights of Housing Providers Under Federal and State Fair Housing Law for Applicants and Tenants with Disabilities Training.

**4.8 Community Support.** Describe community engagement activities that have taken place and future plans that will take place.

As part of the homeless facilities component of the Hamilton Reuse Plan, Homeward Bound's facilities at Hamilton Airfield have undergone an extensive public process with many meetings (going back to the mid-1990s), during which neighbors and the public have had ample opportunity to comment on and influence building and program design. As a result, Homeward Bound has successfully engendered very broad community support for its activities at the former Hamilton Airfield, and the homeless services "campus," is fully aligned with the community, social, economic, and aesthetic goals set forth in the City's General Plan and Hamilton Reuse Plan.

With the design review process well underway, the community has already been fully engaged around the new veteran housing being added to the campus. Thus, on April 25, 2018, Homeward Bound held a community outreach kick-off meeting with our Hamilton neighbors, three City Council members, two staff from Senator McGuire's office, VA staff, and County staff. Then, on November 19, 2019, Homeward Bound held a neighborhood meeting at the Next Key Center to surface neighbors questions,

concerns, and comments. These meetings showed strong community and neighborhood support for the project, and all comments were considered in preparing and revising the project plans.

Adding veterans and workforce housing to the Hamilton campus is a great way to achieve more affordable housing, especially given the high cost of real estate in the county and the challenges faced in engendering community acceptance in many neighborhoods. The Novato Veterans and Workforce Housing project faces neither of these challenges because Homeward Bound already has a no-cost lease to the property, which eliminates the expense of purchasing or leasing a new site. Moreover, the agency has worked hard to develop excellent relationships with the Hamilton neighbors during the 30+ years we have been operating shelter and housing with supportive services at the former Hamilton Airfield.

Integration of the residents with the broader community will be a key goal of all project partners. Through its "good neighbor" policy, Homeward Bound will create opportunities for tenants and neighbors to meet and interact around common interests and concerns. Homeward Bound will address any neighbor complaints within 10 days. The site will be robustly staffed to handle issues whenever they arise and staff will work closely with neighbors to quickly resolve any issues.

Homeward Bound intends to have monthly tenant councils for each building that will be led by the tenants themselves. The goal will be to create a space for residents to connect, share resources and experiences, and encourage strong community. The tenant councils will select their own officers, will plan outings and activities, will hold "tenant circles" to discuss chores, neighbor relations, address conflicts, and build relations with staff; and will engage in volunteer and learning activities together. Veterans will also be invited to our veterans group currently held by our VA GPD program. We intend also to engage the County Veteran Services Officer (an Afghanistan War Veteran) and a VA peer specialist to hold activities and workshops as a further way to build Veteran spirit and involvement.

## **5. Financing Plan (Sources and Uses)**

**5.1 Existing Financing.** In the chart below, list any financing (loans and grants) previously received from all public and private sources for this building.

N/A

**5.2 Proposed Financing. Sources & Uses Table.** In the Excel file (Excel Application.xls) that was provided separately with this application, please enter the proposed sources and uses of funds for the project. Include both committed and anticipated sources. Please provide a complete Sources and Uses Table for acquisition and for permanent sources.

Please see the Sources and Uses Table attached. The total development cost for the project is \$30,100,000.

**5.3 Proposed Sources Narrative.** For the sources shown in item 5.2, Sources & Uses Table, please indicate the following:

- the status of all proposed funding sources as of the date of this application
- the timing and likelihood for obtaining commitments of anticipated funding sources
- the alternatives that will be pursued in the event that any funding sources are not obtained or are committed at lower levels than requested

More than \$11,150,000 has already been awarded as shown in the Sources and Uses budget and supporting commitment documentation.

We were very excited on February 10, 2020 to receive the County's preliminary funding commitment of \$2,000,000 to the project. An award of \$1,000,000 in Housing Trust Funds combined with the previous Trust Fund award of \$459,528 previous County-controlled HOME award of \$526,526 will basically fulfill this County preliminary commitment. We look forward to working with County staff toward identifying sources to fill the remaining gap. Here we have requested \$1,000,000, but clearly would be very grateful for any amount of funds that the County chooses to provide from the Trust Fund.

As for other uncommitted sources, we have also requested \$1 million in CDBG and additional HOME funds, are moving forward with our capital campaign and foundation and corporation requests, and intend to apply for substantial funding (\$15,500,000) through the upcoming Project Homekey Round 3.

If we do not receive all the funds we have requested, or if committed amounts are lower than expected, we will identify and apply in 2022 and 2023 for additional federal, State, foundation, and private sources. We would also consider using conventional financing for long-term gap filling but want to keep the project affordability level high by avoiding the need to carry mortgage payments into the future.

**5.4 Proposed Uses Narrative. For the uses shown in item 5.2, Sources & Uses Table, please explain how the budgeted amount was derived for each of the uses that are applicable to the proposed project. State whether costs are estimated or bid, and provide any other relevant information which justifies the budgeted expense, such as cost per square foot, percentage of other costs (e.g. contingency), estimated number of work hours.**

The project general contractor, McDevitt Construction, provided the construction costs as estimates. The overall costs for the housing are within area expectations considering the cost of labor, materials, and professional fees in the Bay Area, as well as considerable costs needed for demolition of the existing building and site work. The following applicable cost categories are within these industry standards:

- 6% Design
- 2% Supervision
- 1% Land survey
- 5% Hard cost contingency
- 10% Soft cost contingency
- 6% Project administration
- 6% Other developer costs, e.g., capital campaign

The general contractor's combined general requirements, overhead, and profit are below 14%, which meets California Department of Housing and Community Development feasibility guidelines.

## **6. Project Operations**

**6.1 Annual Operating Budget. Using the Excel file provided, produce an operating budget. Include notes that explain how the budgeted costs were determined and other relevant information that justifies the budgeted expenses.**

Please see the Annual Operating & 20-Year Cash Flow Budget attached. The operating expenses are inclusive of Homeward Bound's anticipated operating costs, supportive services costs, pro-rated share of agency admin and other expenses, and finance costs. The housing will be home to veterans who are

highly vulnerable, often disabled, and chronically homeless, and who if not housed will remain very high public cost users of emergency systems of care. Hence, the project builds in some costs that most affordable housing projects do not, such as more intensive supportive services and onsite staffing. In developing the operating budget, Homeward Bound carried out a careful line-by-line assessment and compared operating and service needs closely to other Homeward Bound projects serving a similar high needs adult population, including the Voyager Carmel Program and 4<sup>th</sup> Street Center. We are confident that the operating budget well reflects the actual operating costs the project will incur.

Operating income assumes rent income of \$2,631 in year 1, which is the Marin County 2022 Fair Market Rate payment standard for one-bedroom. The income section includes amounts that clients are expected to pay (likely to be only \$200-\$300 per month for many of the residents) plus HUD VASH and Section 8 vouchers paying the balance.

**6.2 20-Year Cash Flow. Using the Excel file provided, produce a 20-year cash flow budget. In the space below, provide a narrative of any notable occurrences during the 20-year period.**

Please see the Annual Operating & 20-Year Cash Flow Budget attached. The 20-year cash flow assumes a 2% annual increase as is typically expected of HUD- or State-funded affordable housing projects. We do not anticipate any significant or notable occurrences or changes during the 20-year period.

**6.3 Section 8 Voucher Compliance. Please confirm that the property will be registered with the Marin Housing Authority as a site that will accept Section 8 vouchers.**

We are pleased to confirm that the property will be registered with Marin Housing as accepting HUD VASH vouchers (for veterans who qualify) and Section 8 vouchers (for residents of the workforce housing and for veterans who do not qualify for the HUD VASH voucher program).

Thank you very much for your support and consideration of this application.

Homeward Bound of Marin, a California nonprofit public benefit corporation,

By: Mary Kay Sweeney  
Mary Kay Sweeney, Co-Chief Executive Officer

Date: 2-16-22

**Project Budget Template**

<b>Organization Name:</b> Homeward Bound of Marin
<b>Project Title:</b> Novato Veterans and Workforce Housing

Date: February 15, 2022

<b>INCOME:</b>	<b>Housing Trust Fund Request</b>	<b>Other Funding Sources</b>	<b>In Kind</b>
<b><i>Committed</i></b>			
<b>Foundations:</b>			
Marin Community Foundation - Pre-Development Funds		\$200,000.00	
Marin Community Foundation - Construction Funds		\$2,000,000.00	
Tamalpais Pacific		\$100,000.00	
Anonymous Private Foundation		\$300,000.00	
<i>(Add rows)</i>			
<b>Government:</b>			
State of CA 2021 Budget Allocation		\$4,000,000.00	
State VHHP		\$3,000,000.00	
HOME		\$526,526.00	
Marin County Affordable Housing Trust Fund 2021		\$459,528.00	
City of Novato		\$750,000.00	
<i>(Add rows)</i>			
<b>Corporations:</b>			
<i>(Add rows)</i>			
<b>Individual Contributions:</b> <b>(list total):</b>			
<b>Earned Income:</b>			
<i>(Add rows)</i>			
<b>Other (specify):</b>			
<i>(Add rows)</i>			
<b>Subtotal, Committed Income</b>		\$11,336,054.00	\$0.00
<b><i>Uncommitted</i></b>			
<b>Other (specify):</b>			
<b>Housing Trust Fund request</b>	\$1,000,000.00		
<b>Other Foundations:</b>		\$500,000.00	
<b>Misc. Foundations</b>			
<i>(Add rows to list other Foundations)</i>			
<b>Government:</b>			
<b>CDBG &amp; HOME</b>		\$1,000,000.00	
<b>Project Homekey, Rd. 3</b>		\$15,000,000.00	
<i>(Add rows to list other Government agencies)</i>			

<b>Corporations:</b>			
<b>Misc. Corporate Grants</b>		\$250,000.00	
<i>(Add rows to list other corporations)</i>			
<b>Individual Contributions:</b>		\$1,013,946.00	
<b>Subtotal, Uncommitted Income</b>		\$17,763,946.00	\$0.00
<b>Other</b>			
<b>Earned Income:</b>			
<i>(Add rows)</i>			
<b>Subtotal, Earned Income</b>		\$0.00	
<b>Grand Total Income</b>	<b>\$1,000,000.00</b>	<b>\$29,100,000.00</b>	<b>\$0.00</b>

<b>EXPENSES (Add rows to list other expenses)</b>	<b>Housing Trust Fund Request</b>	<b>Other Funding Sources</b>	<b>In Kind</b>
<b>Direct Project Related Expenses</b>			
<b>Acquisition</b>			
Purchase price			
Title/Recording/Escrow			
Demolition		\$450,000.00	
Removal of Easement			
Existing Improvements Cost			
<i>(Add rows to list other direct project expenses)</i>			
<b>Pre-development</b>			
Architecture - Design 6%		\$1,800,000.00	
Architecture - Supervision 2%		\$600,000.00	
Engineering 7%		\$1,800,000.00	
ALTA Land Survey 1%		\$280,000.00	
<i>(Add rows to list other direct project expenses)</i>			
<b>General Development</b>			
Off-Site Improvements			
Environmental Remediation			
Site Work (hard costs)			
Structures (hard costs)	\$1,000,000.00	\$19,062,892.00	
General Requirements			
Contractor Overhead			
Contractor Profit			
General Liability Insurance			
Appliances & Laundry Eqpt			
Bldg Commissioning			
Solar System			
Prevailing Wage			
<i>(Add rows to list other direct project expenses)</i>			
<b>Contingency Costs</b>			
Hard Cost Contingency 5%		\$1,000,000.00	
Soft Cost Contingency 10%		\$322,108.00	



<i>(Add rows to list other direct project expenses)</i>				
<b>Construction Period Expenses</b>				
Construction Loan Interest				
Insurance in Construction			\$200,000.00	
Title & Recording Fees			\$95,000.00	
<i>(Add rows to list other specific project expenses)</i>				
<b>Reserves and Other</b>				
Local Devel. Impact Fees			\$200,000.00	
Furnishings/Furnitures			\$500,000.00	
Developer Fee			\$100,000.00	
<i>(Add rows to list other specific project expenses)</i>				
<b>Subtotal, Direct Project</b>	\$1,000,000.00		\$26,410,000.00	\$0.00
<b>Related Expenses</b>				
<b>Developer Cost (specify % in column A below)</b>				
Project Administration 6%			<b>\$1,345,000.00</b>	
<b>Capital Campaign Costs (specify % in column A below)</b>				
Capital Campaign costs 6%			<b>\$1,345,000.00</b>	
<b>Grand Total All Expenses</b>	<b>\$1,000,000.00</b>		<b>\$29,100,000.00</b>	<b>\$0.00</b>

Homeward Bound of Marin

Novato Veterans and Workforce Housing

Veterans Rent Rolls

	Units	1 BR Standard	1 BR 100% Rate	Monthly Income	Annual Income
	24.00	2,631	2,631	63,144	757,728
Rent Discount or Vacancy rate			5.00%	(3,157)	(37,886)
Net Rental Income				59,987	719,842

Marin Housing Authority		
Unit Size	2022 FMR	Payment Standard
1 BR	\$2,631	\$2,631

2022 FMR

Workforce Housing Rent Rolls

	Units	1 BR Standard	1 BR 90% Rate	Monthly Income	Annual Income
	26.00	2,631	2,368	61,565	738,785
Rent Discount or Vacancy rate			5.00%	(3,078)	(36,939)
Net Rental Income				58,487	701,846

Marin Housing Authority		
Unit Size	2022 FMR	Payment Standard
1 BR	\$2,631	\$2,368

**Homeward Bound of Marin  
Veterans and Workforce Housing  
Performance Schedule**

<b><u>Date</u></b>	<b><u>Milestone</u></b>
<b>2018-2020</b>	<b>Initiated neighborhood meetings to gain community input on the project design</b>
<b>2019</b>	<b>Submitted an application for Design Review</b>
<b>December 2019</b>	<b>Received approval from the Novato City Council for a 55-year \$1.00 Ground Lease</b>
<b>January 2020</b>	<b>Design Review Commission Approval</b>
<b>June 2020</b>	<b>The Novato City Council approved in-lieu housing funds of \$750,000 to offset development fees</b>
<b>2020-2021</b>	<b>Secured over \$11 million towards completion of the project from public and private funding sources.</b>
<b>June 2022</b>	<b>Complete planning and environmental review</b>
<b>September 2022</b>	<b>Release Bid Package</b>
<b>October 2022</b>	<b>Select Contractor</b>
<b>November 2022</b>	<b>Finalize Contract and Obtain Building Permits</b>
<b>December 2022</b>	<b>Groundbreaking and demolition</b>
<b>2023</b>	<b>Construction phase</b>
<b>October 2024</b>	<b>Complete Construction</b>

**Homeward Bound of Marin  
Novato Veterans and Workforce Housing  
Sources & Uses**

<b>USES</b>	<b>AMOUNT</b>
<b>ACQUISITION</b>	
Demolition	\$450,000
<b>Total Acquisition</b>	<b>\$450,000</b>
<b>NEW CONSTRUCTION</b>	
Site Work (hard costs)	
Structures (hard costs)	\$20,062,892
General Requirements	
Contractor Overhead	
Contractor Profit	
<b>Total New Construction</b>	<b>\$20,062,892</b>
<b>ARCHITECTURAL</b>	
Design 6%	\$1,800,000
Supervision 2%	\$600,000
<b>Total Architectural Costs</b>	<b>\$2,400,000</b>
<b>SURVEY &amp; ENGINEERING</b>	
Engineering (M, E, P, Civil, Energy & Green Consulting) 7%	\$1,800,000
ALTA Land Survey 1%	\$280,000
<b>Total Survey &amp; Engineering</b>	<b>\$2,080,000</b>
<b>CONTINGENCY COSTS</b>	
Hard Cost Contingency 5%	\$1,000,000
Soft Cost Contingency 1%	\$322,108
<b>Total Contingency Costs</b>	<b>\$1,322,108</b>
<b>CONSTRUCTION PERIOD EXPENSES</b>	
Insurance During Construction	\$200,000
Title and Recording Fees	\$95,000
<b>Total Construction Expenses</b>	<b>\$295,000</b>
<b>OTHER</b>	
Local Development Impact Fees	\$200,000
Furnishings / Furniture	\$500,000
<b>Total Other Costs</b>	<b>\$700,000</b>
<b>SUBTOTAL</b>	<b>\$27,310,000</b>
<b>DEVELOPER COSTS</b>	
Developer Fee/Overhead/Profit	\$100,000
Project Administration (6%)	\$1,345,000
Other: Including Capital Campaign Costs (6%)	\$1,345,000
Total Developer Costs (12%)	\$2,790,000
<b>TOTAL USES</b>	<b>\$30,100,000</b>

<b>SOURCES</b>	<b>STATUS</b>	<b>AMOUNT</b>
Veterans Housing and Homelessness Prevention Program	Committed	\$3,000,000
Marin Community Foundation - Construction Funds	Committed	\$2,000,000
County of Marin Affordable Housing Trust	Committed	\$459,528
County of Marin Affordable Housing Trust	Applied	\$1,000,000
HOME	Committed	\$526,526
CDBG & HOME	Applied	\$1,000,000
City of Novato	Committed	\$750,000
Tamalpais Pacific	Committed	\$100,000
Marin Community Foundation - Pre-Development Funds	Committed	\$200,000
State of California 2021 Budget Allocation	Committed	\$4,000,000
Anonymous Private Foundation	Committed	\$300,000
Project HomeKey Round 3	Applying	\$15,000,000
Other Foundations	Campaign	\$500,000
Other Corporations	Campaign	\$250,000
Capital Campaign	Campaign	\$1,013,946
<b>TOTAL SOURCES</b>		<b>\$30,100,000</b>

**Homeward Bound of Marin  
Novato Veterans and Workforce Housing  
20-Year Operating Pro-Forma**

	23	22-23		23-24		24-25																			
		6-mo Year 1	If one year	2.0% Year 2	2.0% Year 3	2.0% Year 4	2.0% Year 5	2.0% Year 6	2.0% Year 7	2.0% Year 8	2.0% Year 9	2.0% Year 10	2.0% Year 11	2.0% Year 12	2.0% Year 13	2.0% Year 14	2.0% Year 15	2.0% Year 16	2.0% Year 17	2.0% Year 18	2.0% Year 19	2.0% Year 20			
<b>INCOME</b>																									
HUD-VASH Voucher Income for Veterans Units		342,864	685,728	699,443	713,431	727,700	742,254	757,099	772,241	787,686	803,440	819,508	835,899	852,617	869,669	887,062	904,804	922,900	941,358	960,185	979,388	998,976			
State Government Income		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Section 8 Voucher Income for Workforce Units		330,392	660,785	674,000	687,481	701,230	715,255	729,560	744,151	759,034	774,215	789,699	805,493	821,603	838,035	854,796	871,892	889,329	907,116	925,258	943,763	962,639			
Individual Income		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Foundation Income		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Corporation Income		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Client Rent Income		75,000	150,000	153,000	156,060	159,181	162,365	165,612	168,924	172,303	175,749	179,264	182,849	186,506	190,236	194,041	197,922	201,880	205,918	210,036	214,237	218,522			
Rent Discount or vacancy rate	5.00%	(20,893)	(41,786)	(42,622)	(43,475)	(44,344)	(45,231)	(46,136)	(47,059)	(47,999)	(48,959)	(49,939)	(50,937)	(51,956)	(52,995)	(54,055)	(55,136)	(56,239)	(57,364)	(58,511)	(59,681)	(60,875)			
Washer Dryer Income		1,000	2,000	2,040	2,081	2,122	2,165	2,208	2,252	2,297	2,343	2,390	2,438	2,487	2,536	2,587	2,639	2,692	2,746	2,800	2,856	2,914			
In-Kind Donations		4,500	9,000	9,180	9,364	9,551	9,742	9,937	10,135	10,338	10,545	10,756	10,971	11,190	11,414	11,642	11,875	12,113	12,355	12,602	12,854	13,111			
<b>Total Effective Gross Income</b>		<b>732,863</b>	<b>1,465,726</b>	<b>1,495,041</b>	<b>1,524,942</b>	<b>1,555,441</b>	<b>1,586,549</b>	<b>1,618,280</b>	<b>1,650,646</b>	<b>1,683,659</b>	<b>1,717,332</b>	<b>1,751,679</b>	<b>1,786,712</b>	<b>1,822,447</b>	<b>1,858,895</b>	<b>1,896,073</b>	<b>1,933,995</b>	<b>1,972,675</b>	<b>2,012,128</b>	<b>2,052,371</b>	<b>2,093,418</b>	<b>2,135,287</b>			
<b>EXPENSES</b>																									
<b>Payroll (includes taxes &amp; benefits)</b>	<b>25.00%</b>																								
<b>Supportive Services Labor &amp; Program Expenses</b>																									
Chief Program Officer	2.00%	10,703	21,406	21,834	22,271	22,716	23,171	23,634	24,107	24,589	25,081	25,582	26,094	26,616	27,148	27,691	28,245	28,810	29,386	29,974	30,573	31,185			
Program Directors	2.00%	76,480	152,960	156,019	159,140	162,322	165,569	168,880	172,258	175,703	179,217	182,801	186,457	190,187	193,990	197,870	201,827	205,864	209,981	214,181	218,465	222,834			
Program Manager	2.00%	19,240	38,480	39,250	40,035	40,836	41,652	42,485	43,335	44,202	45,086	45,987	46,907	47,845	48,802	49,778	50,774	51,789	52,825	53,882	54,959	56,058			
Housing Navigator	2.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Housing Focus Case Managers	2.00%	37,700	75,400	76,908	78,446	80,015	81,615	83,248	84,913	86,611	88,343	90,110	91,912	93,750	95,625	97,538	99,489	101,478	103,508	105,578	107,690	109,844			
Housing Stability/Geriatric Case Managers	2.00%	50,960	101,920	103,959	106,038	108,159	110,322	112,528	114,779	117,074	119,416	121,804	124,240	126,725	129,260	131,845	134,482	137,171	139,915	142,713	145,567	148,479			
Shelter Supervisor	2.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Housing Focus Case Manager	2.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Resource Counselor Hybrid	2.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Resource Counselors	2.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Relief Counselors (4-5)	2.00%	19,500	39,000	39,780	40,576	41,387	42,215	43,059	43,920	44,799	45,695	46,609	47,541	48,492	49,461	50,451	51,460	52,489	53,539	54,609	55,702	56,816			
Volunteer Coordinator	2.00%	9,275	18,550	18,921	19,299	19,685	20,079	20,481	20,890	21,308	21,734	22,169	22,612	23,065	23,526	23,996	24,476	24,966	25,465	25,974	26,494	27,024			
Catering Staff/Courier	2.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
<i>Subtotal Sup Serv Payroll</i>		223,858	447,717	456,671	465,805	475,121	484,623	494,315	504,202	514,286	524,572	535,063	545,764	556,680	567,813	579,169	590,753	602,568	614,619	626,912	639,450	652,239			
Program and Household Supplies	2.00%	3,200	6,400	6,528	6,659	6,792	6,928	7,066	7,207	7,352	7,499	7,649	7,802	7,958	8,117	8,279	8,445	8,614	8,786	8,962	9,141	9,324			
Laundry Expense	2.00%	2,100	4,200	4,284	4,370	4,457	4,546	4,637	4,730	4,824	4,921	5,019	5,120	5,222	5,327	5,433	5,542	5,653	5,766	5,881	5,999	6,119			
Groceries/ Brkfst	2.00%	1,000	2,000	2,040	2,081	2,122	2,165	2,208	2,252	2,297	2,343	2,390	2,438	2,487	2,536	2,587	2,639	2,692	2,746	2,800	2,856	2,914			
Non-Food Kitchen Expenses	2.00%	2,600	5,200	5,304	5,410	5,518	5,629	5,741	5,856	5,973	6,093	6,214	6,339	6,466	6,595	6,727	6,861	6,999	7,138	7,281	7,427	7,575			
Meal Expense	2.00%	91,250	182,500	186,150	189,873	193,670	197,544	201,495	205,525	209,635	213,828	218,104	222,466	226,916	231,454	236,083	240,805	245,621	250,533	255,544	260,655	265,868			
In-Kind Expense		4,500	9,000	9,180	9,364	9,551	9,742	9,937	10,135	10,338	10,545	10,756	10,971	11,190	11,414	11,642	11,875	12,113	12,355	12,602	12,854	13,111			
Resident stipend Expense	2.00%	2,750	5,500	5,610	5,722	5,837	5,953	6,072	6,194	6,318	6,444	6,573	6,704	6,839	6,975	7,115	7,257	7,402	7,550	7,701	7,855	8,012			
<i>Subtotal</i>		107,400	214,800	219,096	223,478	227,947	232,506	237,157	241,900	246,738	251,672	256,706	261,840	266,857	272,418	277,867	283,424	289,093	294,874	300,772	306,787	312,923			
<b>Admin Labor &amp; Office Expenses</b>																									
Co-CEO	2.00%	6,880	13,361	13,628	13,901	14,179	14,462	14,751	15,046	15,347	15,654	15,967	16,287	16,612	16,945	17,284	17,629	17,982	18,342	18,708	19,083	19,464			
Co-CEO	2.00%	6,211	12,422	12,670	12,923	13,182	13,445	13,714	13,989	14,268	14,554	14,845	15,142	15,445	15,753	16,069	16,390	16,718	17,052	17,393	17,741	18,096			
COO	2.00%	5,994	11,988	12,227	12,472	12,721	12,976	13,235	13,500	13,770	14,045	14,326	14,613	14,905	15,203	15,507	15,817	16,134	16,456	16,785	17,121	17,464			
Director of Finance	2.00%	4,281	8,563	8,734	8,908	9,087	9,268	9,454	9,643	9,836	10,032	10,233	10,438	10,646	10,859	11,077	11,298	11,524	11,754	11,990	12,229	12,474			
Accounting Manager	2.00%	8,598	17,195	17,539	17,890	18,247	18,612	18,985	19,364	19,752	20,147	20,550	20,961	21,380	21,807	22,244	22,688	23,142	23,605	24,077	24,559	25,050			
Accounting Associate AR	2.00%	6,394	12,788	13,043	13,304	13,570	13,842	14,118	14,401	14,689	14,983	15,282	15,588	15,900	16,218	16,542	16,873	17,210	17,555	17,906	18,264	18,629			
Accounting Associate AP & Payroll	2.00%	7,650	15,300	15,606	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	20,592	21,004	21,424	21,852	22,289			
Accounting Associate	2.00%	6,885	13,770	14,045	14,326	14,613	14,905	15,203	15,507	15,817	16,134	16,456	16,786	17,121	17,464	17,813	18,169	18,533	18,903	19,281	19,667	20,060			
Office Manager	2.00%	1,724	3,448	3,517	3,587	3,659	3,732	3,806	3,883	3,960	4,039	4,120	4,203	4,287	4,372	4,460	4,549	4,640	4,733	4,827	4,924	5,023			
Human Resources Manager	2.00%	5,597	11,193	11,417	11,645	11,878	12,116	12,358	12,605	12,857	13,114	13,377	13,644	13,917	14,195	14,479	14,769	15,064	15,366	15,673	15,986	16,306			
Facilities Manager	2.00%	5,604	11,209	11,433	11,662	11,895	12,133	12,375	12,623	12,875	13,133	13,395	13,663	13,937	14,215	14,500	14,790	15,086	15,387	15,695	16,009	16,329			
Maintenance Staff	2.00%	4,418	8,836	9,012	9,193	9,376	9,564	9,755	9,950	10,149	10,352	10,559	10,771	10,986	11,206	11,430	11,658	11,892	12,131	12,372	12,619	12,872			
<i>Subtotal Admin &amp; Office labor</i>		70,035	140,070	142,871	145,729	148,643	151,616	154,648	157,741	160,896	164,114	167,396	170,744	174,159	177,642	181,195	184,819	188,516							

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# Homeward Bound

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OF MARIN

## Annual Operating Budget: 2021-2022

### Revenue

Federal Government	1,902,648
State Government	337,409
County Government	3,347,185
City Government	16,000
Individual Contributions	1,500,000
Foundation Grants	926,001
Corporation Grants	295,382
Contracts	209,546
Rents	1,249,034
Client Contributions	115,582
Washer Dryer Income	14,500
Halo Products	10,000
The Key Room - Events Income	301,000
The Key Room - Kitchen Rental Income	12,000
Wagster Dog Treats	145,548
In-Kind Donations	76,000
Project Management Developer Income	515,000
Interest Income	15,000
<b>Total Revenue</b>	<b>10,987,835</b>

### Expenses

Admin Labor	1,949,259
Program Labor	2,487,512
Social Enterprise Labor	895,586
<b>Total Labor</b>	<b>5,332,356</b>
Taxes and Benefits	1,373,507
Office and Admin	508,929
Marketing Materials	44,500
Lease and Utilities	2,672,743
Occupancy and Operating	1,008,617
Reserves	45,400
<b>Total Expenses</b>	<b>10,986,052</b>
Gain or Loss	1,783



**AUDITED FINANCIAL STATEMENTS**  
**HOMEWARD BOUND OF MARIN, INC.**

**June 30, 2020 and 2019**

# HOMeward BOUND OF MARIN, INC.

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## **INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors,  
Homeward Bound of Marin, Inc.**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Homeward Bound of Marin, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Homeward Bound of Marin, Inc. as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Williams & Olds". The signature is written in a cursive, flowing style.

Sacramento, California  
December 2, 2020

# HOMeward BOUND OF MARIN, INC.

## STATEMENTS OF FINANCIAL POSITION

June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 6,258,860	\$ 1,331,936
Investments	1,281,311	-
Grants receivable	501,425	721,601
Accounts receivable	35,563	29,612
Prepaid rents	123,852	126,237
Prepaid expenses and deposits	212,484	211,175
Property and equipment, net	<u>16,830,478</u>	<u>16,757,493</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>25,243,973</u></b>	<b>\$ <u>19,178,054</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable	\$ 112,847	\$ 181,319
Accrued expenses	553,476	343,358
Deferred revenue	7,293	2,818
Notes payable	<u>4,064,358</u>	<u>3,056,750</u>
<b>TOTAL LIABILITIES</b>	<b>4,737,974</b>	<b>3,584,245</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	<b>-</b>	<b>-</b>
<b>NET ASSETS</b>		
Without donor restrictions	15,227,872	14,321,492
With donor restrictions	<u>5,278,127</u>	<u>1,272,317</u>
	<u>20,505,999</u>	<u>15,593,809</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>25,243,973</u></b>	<b>\$ <u>19,178,054</u></b>

See accompanying notes to the financial statements.

# HOMEWARD BOUND OF MARIN, INC.

## STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Government grants	\$ 4,596,536	\$ 368,755	\$ 4,965,291
Foundation grants	1,747,000	259,500	2,006,500
Contributions	2,174,569	3,576,475	5,751,044
Client fees	1,150,214	-	1,150,214
Social enterprises	634,422	-	634,422
In-kind contributions	77,563	-	77,563
Investment income, net	57,546	-	57,546
<i>Net assets released from restrictions</i>	198,920	(198,920)	-
<b>TOTAL SUPPORT AND REVENUE</b>	10,636,770	4,005,810	14,642,580
<b>EXPENSES</b>			
Program services			
Adult services	4,507,454	-	4,507,454
Mental health services	1,546,942	-	1,546,942
Family services	1,594,109	-	1,594,109
Workforce training and social enterprises	1,073,311	-	1,073,311
Permanent housing	172,205	-	172,205
Total program services	8,894,021	-	8,894,021
Supporting services			
General and administrative	551,578	-	551,578
Fundraising	284,791	-	284,791
Total supporting services	836,369	-	836,369
<b>TOTAL EXPENSES</b>	9,730,390	-	9,730,390
<b>CHANGE IN NET ASSETS</b>	906,380	4,005,810	4,912,190
<b>NET ASSETS AT BEGINNING OF YEAR</b>	14,321,492	1,272,317	15,593,809
<b>NET ASSETS AT END OF YEAR</b>	\$ 15,227,872	\$ 5,278,127	\$ 20,505,999

See accompanying notes to the financial statements.

# HOMEWARD BOUND OF MARIN, INC.

## STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Government grants	\$ 4,911,876	\$ 120,739	\$ 5,032,615
Foundation grants	629,000	340,000	969,000
Contributions	1,391,780	14,750	1,406,530
Client fees	1,144,253	-	1,144,253
Social enterprises	740,611	-	740,611
In-kind contributions	98,048	-	98,048
Investment income, net	6,927	-	6,927
<i>Net assets released from restrictions</i>	1,056,031	(1,056,031)	-
<b>TOTAL SUPPORT AND REVENUE</b>	9,978,526	(580,542)	9,397,984
<b>EXPENSES</b>			
Program services			
Adult services	3,963,831	-	3,963,831
Mental health services	1,413,674	-	1,413,674
Family services	1,456,780	-	1,456,780
Workforce training and social enterprises	857,687	-	857,687
Total program services	7,691,972	-	7,691,972
Supporting services			
General and administrative	393,233	-	393,233
Fundraising	208,825	-	208,825
Total supporting services	602,058	-	602,058
<b>TOTAL EXPENSES</b>	8,294,030	-	8,294,030
<b>CHANGE IN NET ASSETS</b>	1,684,496	(580,542)	1,103,954
<b>NET ASSETS AT BEGINNING OF YEAR</b>	12,636,996	1,852,859	14,489,855
<b>NET ASSETS AT END OF YEAR</b>	\$ 14,321,492	\$ 1,272,317	\$ 15,593,809

See accompanying notes to the financial statements.

# HOMEWARD BOUND OF MARIN, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2020

	Program Services					Supporting Services				Total
	Adult Services	Mental Health Services	Family Services	Workforce Training and Social Enterprises	Housing Projects	Total	General and Administrative	Fundraising	Total	
Salaries	\$ 1,893,465	\$ 607,712	\$ 589,840	\$ 536,429	160,805	\$ 3,788,251	\$ 110,278	\$ 116,239	\$ 226,517	\$ 4,014,768
Payroll taxes	138,097	45,038	43,105	40,311	11,400	277,951	8,376	16,724	25,100	303,051
Employee benefits	241,348	96,064	85,213	77,992	-	500,617	33,936	30,380	64,316	564,933
Salaries and related costs	2,272,910	748,814	718,158	654,732	172,205	4,566,819	152,590	163,343	315,933	4,882,752
HUD lease expenses	493,880	367,116	326,622	-	-	1,187,618	-	-	-	1,187,618
Food and household supplies	487,354	83,711	30,019	258,598	-	859,682	21,139	1,410	22,549	882,231
Occupancy	378,582	233,441	73,065	26,512	-	711,600	36,137	368	36,505	748,105
Depreciation	419,599	18,547	246,451	14,874	-	699,471	6,577	3,257	9,834	709,305
Office and operating expense	114,742	13,998	62,484	13,857	-	205,081	128,306	17,985	146,291	351,372
Program supplies and vouchers	108,027	26,912	44,113	73,830	-	252,882	3,657	1,609	5,266	258,148
Outside services	13,157	6,754	24,543	6,645	-	51,099	82,976	84,210	167,186	218,285
Interest expense	14,932	-	30,236	-	-	45,168	52,298	-	52,298	97,466
Staff related costs	18,224	4,921	6,764	6,218	-	36,127	44,268	2,797	47,065	83,192
Repairs and maintenance	186,047	42,728	31,654	18,026	-	278,455	23,630	70	23,700	302,155
Marketing and website	-	-	-	19	-	19	-	9,742	9,742	9,761
Miscellaneous expense	-	-	-	-	-	-	-	-	-	-
	<u>\$ 4,507,454</u>	<u>\$ 1,546,942</u>	<u>\$ 1,594,109</u>	<u>\$ 1,073,311</u>	<u>172,205</u>	<u>\$ 8,894,021</u>	<u>\$ 551,578</u>	<u>\$ 284,791</u>	<u>\$ 836,369</u>	<u>\$ 9,730,390</u>

See accompanying notes to the financial statements.

# HOMEWARD BOUND OF MARIN, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2019

	Program Services				Supporting Services				
	Adult Services	Mental Health Services	Family Services	Workforce Training and Social Enterprises	Total	General and Administrative	Fundraising	Total	Total
Salaries and related costs	1,984,758	651,219	606,992	482,862	3,725,831	58,629	116,998	175,627	3,901,458
HUD lease expenses	466,561	340,800	349,598	-	1,156,959	-	-	-	1,156,959
Food and household supplies	443,563	75,945	28,220	271,214	818,942	18,115	527	18,642	837,584
Occupancy	351,318	225,791	77,663	6,379	661,151	28,571	-	28,571	689,722
Depreciation	342,679	16,649	251,874	5,748	616,950	10,559	832	11,391	628,341
Office and operating expense	72,845	14,292	39,010	14,434	140,581	47,317	20,658	67,975	208,556
Program supplies and vouchers	113,713	24,658	33,948	55,335	227,654	-	609	609	228,263
Outside services	34,455	3,463	17,180	1,275	56,373	108,235	49,995	158,230	214,603
Interest expense	16,812	-	26,817	-	43,629	49,448	-	49,448	93,077
Staff related costs	21,720	5,684	5,884	6,709	39,997	43,065	3,735	46,800	86,797
Repairs and maintenance	115,407	55,173	19,594	12,692	202,866	19,934	257	20,191	223,057
Marketing and website	-	-	-	1,039	1,039	6,600	15,214	21,814	22,853
Miscellaneous	-	-	-	-	-	2,760	-	2,760	2,760
	<u>\$ 3,963,831</u>	<u>\$ 1,413,674</u>	<u>\$ 1,456,780</u>	<u>\$ 857,687</u>	<u>\$ 7,691,972</u>	<u>\$ 393,233</u>	<u>\$ 208,825</u>	<u>\$ 602,058</u>	<u>\$ 8,294,030</u>

See accompanying notes to the financial statements.

# HOMEWARD BOUND OF MARIN, INC.

## STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2020 and 2019

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 4,912,190	\$ 1,103,954
<i>Adjustments to reconcile the change in net assets to net cash provided by operating activities:</i>		
Depreciation	709,305	628,341
Donated securities	(1,193,357)	-
Unrealized and realized gains on investment	(39,490)	(6,220)
Accretion of discount on notes payable	52,298	49,448
<i>Changes in operating assets and liabilities:</i>		
Grants receivable	220,177	(309,148)
Accounts receivable	(5,951)	45,697
Prepaid rents	2,385	(11,270)
Prepaid expenses and deposits	(1,309)	21,523
Accounts payable	(68,472)	98,962
Accrued expenses	210,118	(20,795)
Deferred revenue	4,475	(6,955)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>4,802,369</b>	<b>1,593,537</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales of investments	3,979,536	107,245
Purchases of investments	(4,028,000)	(99,612)
Purchases of property and equipment	(80,906)	(147,049)
Cash paid for construction in progress	(701,385)	(1,458,353)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(830,755)</b>	<b>(1,597,769)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on notes payable	(39,390)	(36,572)
Proceeds from notes payable	994,700	-
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>955,310</b>	<b>(36,572)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>4,926,924</b>	<b>(40,804)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>1,331,936</b>	<b>1,372,740</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 6,258,860</b>	<b>\$ 1,331,936</b>
<b><u>SUPPLEMENTAL INFORMATION:</u></b>		
Cash paid for income taxes	\$ -	\$ -
Cash paid for interest	\$ 45,168	\$ 43,629

See accompanying notes to the financial statements.



# HOMeward BOUND OF MARIN, INC.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE A - ORGANIZATION**

Homeward Bound of Marin, Inc. (HBM) is a non-profit corporation organized in 1974 to provide housing, housing counseling and referral, crisis management and related social services to persons in need, and to promote and develop both temporary and long-term supportive housing resources for such persons. HBM is Marin County's chief provider of shelter and residential services for homeless families and individuals, serving approximately 1,400 people per year in 14 inter-related residential programs.

HBM's mission is to open doors to safety, dignity, hope, and independence coupled with a vision that "everyone deserves a place to call home."

Major sources of funding include grants from Federal, State, and local governments; foundation grants; and contributions.

### **NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation:** The financial statements of HBM have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require HBM. to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of HBM's management and the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of HBM or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

**Measure of Operations:** The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to HBM's ongoing services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature. There were no nonoperating activities during the years ended June 30, 2020 and 2019.

**Cash and Cash Equivalents:** Cash and cash equivalents consist of cash instruments with maturities of three months or less at the time of purchase.

**Accounts Receivable:** Accounts receivable that represent unconditional promises to give are recognized as revenue when the promise is received. Receivables are stated at the amount management expects to collect from balances outstanding. Management closely monitors outstanding balances throughout the year and writes off to the change in net assets all balances that are considered uncollectible.

# HOMeward BOUND OF MARIN, INC.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Property and Equipment:** Property and equipment in excess of \$1,000 is stated at cost if purchased or at fair market value at the date of donation if donated. Depreciation is computed using the straight-line method over the estimated useful lives of 5-40 years for buildings, 5-25 years for leasehold improvements, 3-20 years for furniture and equipment, 20 years for artwork, and 7 years for vehicles. Expenditures for maintenance and repairs are charged to expense as incurred.

**Contributions and Foundation Grants:** Contributions and foundation grants are recognized when cash, securities, or other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Some contributions and foundation grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Assets received with donor-imposed conditions are reported as “Refundable Advances” in the Statement of Financial Position until the conditions have been substantially met.

Contributions and foundation grants received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the Statement of Activities as net assets released from restrictions.

**Grants and Contracts:** Grants receivable represent expenditures for which reimbursement has been requested but not yet received. Grant revenue is recognized when services are performed and related reimbursable expenses are incurred, in accordance with the terms of applicable grant awards. HBM considers grants and contracts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is considered necessary. If amounts become uncollectible, they will be charged to operations when that determination is made.

**Social Enterprises:** HBM provides a job-training program for low-income students from the community as well as HBM residents to prepare individuals for jobs in the culinary industry. Revenues are earned from contracts with local agencies for services provided by students and sales of dog biscuits, chocolate truffles, and jams and salsas produced by students.

**Client Fees:** Client fees include monthly rental amounts from residents in supportive housing as well as fees for supportive services not paid for by grant funds.

**In-kind Contributions:** In-kind contributions are recognized as public support and as a corresponding asset or expense at the estimated fair value on the date donated. Such donations are not recognized if there is an uncertainty about the existence of value or stipulations about ownership of assets. Donated services are not recognized in the financial statements unless the services either create or enhance a nonfinancial asset or are specialized skills that would be purchased if they were not donated. HBM received \$77,563 and \$98,048 of transit vouchers during the years ended June 30, 2020 and 2019, respectively.

**Income Taxes:** HBM is exempt from federal and state income taxes under Internal Revenue Code (IRC) Section 501(c)(3) and California Revenue and Tax Code 23701d.

# HOMeward BOUND OF MARIN, INC.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Uncertainty in Income Taxes:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires HBM to report information regarding its exposure to various tax positions taken by HBM. HBM has determined whether any tax positions have met the recognition threshold and have measured the exposure to those tax positions. Management believes that HBM has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to HBM are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

**Functional Expenses:** The costs of providing the various programs and activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries	Time and effort
Payroll taxes and benefits	Time and effort
Food and household supplies	Estimated average cost of a prepared meal

**Use of Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Fair Value:** HBM follows guidance with respect to accounting and reporting for the fair value of its financial assets and liabilities. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same; to estimate the price at which an orderly transaction to sell the asset or to transfer the liabilities would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability). In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, as follows:

Level 1 uses unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 uses inputs other than quoted prices in active markets that are observable either directly or indirectly.

Level 3 uses unobservable information with little or no market data.

# HOMEWARD BOUND OF MARIN, INC.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

HBM utilizes the active market approach (Level 1) to measure fair value for its financial assets, which consist of cash in checking and savings accounts. The carrying value of HBM's nonfinancial assets and liabilities approximates fair value.

Reclassifications: Certain prior year amounts have been reclassified for comparative purposes.

New Accounting Pronouncement: In June 2018, the FASB issued ASU 2018-08, Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. HBM has implemented the provisions of ASU 2018-08 effective July 1, 2019 applicable to both contributions received and contributions made in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with our implementation.

### **NOTE C - PROPERTY AND EQUIPMENT, NET**

Property and equipment consists of the following at June 30:

	<u>2020</u>		<u>2019</u>
Buildings	\$ 20,240,077	\$	19,547,808
Land	1,152,939		1,152,939
Leasehold improvements	1,540,140		1,534,950
Furniture and equipment	511,127		444,520
Artwork	122,025		122,025
Vehicles	64,265		64,265
	<u>23,630,573</u>		<u>22,866,507</u>
Less: accumulated depreciation	6,800,095		6,109,014
	<u>\$ 16,830,478</u>	<u>\$</u>	<u>16,757,493</u>

For the years ended June 30, 2020 and 2019, depreciation expense totaled \$ 709,305 and \$ 628,341, respectively.

### **NOTE D - NOTES PAYABLE**

Notes payable consist of the following at June 30:

	<u>2020</u>		<u>2019</u>
Note payable, Emergency Housing & Assistance Program (EHAP), secured by a deed of trust for property at N. Hamilton Parkway, Novato, California. Bears interest at 3% per annum. No payments are due unless the property ceases to be operated as an emergency shelter or transitional housing. Forgiveness of principal and deferred interest will be in 2020.		\$ 1,000,000	\$ 1,000,000

# HOMeward BOUND OF MARIN, INC.

## NOTES TO FINANCIAL STATEMENTS

### NOTE D – NOTES PAYABLE - Continued

	<u>2020</u>	<u>2019</u>
Note payable to First Republic Bank, for Oma Village, 84 monthly payments of \$3,698 including interest at 3.95% per annum through April 2024. 35 monthly payments of \$3,580 including interest at 3.55%, one final principal and interest payment of \$500,811 on April 12, 2027. Collateralized by buildings.	\$ 646,949	\$ 666,451
Note payable to First Republic Bank, for Next Key Center, monthly payment of \$3,040 including interest at 4% per annum. Collateralized by buildings, final maturity is November, 2034.	397,216	417,104
Note payable, Umpqua Bank, guaranteed by Federal Home Loan Bank (FHLB) Affordable Housing Program, secured by a deed of trust for Next Key Center. Forgiveness of loan amount on March 1, 2024, contingent upon compliance with certain laws and regulations.	1,000,000	1,000,000
Note payable, City of Novato, secured by a deed of trust for property at Nave Drive, Novato, California. For construction of affordable housing for extremely low income households which include a student under the age of 18. Zero interest, due March 9, 2071.	400,000	400,000
Note payable, Marin Workforce Housing Trust, secured by a deed of trust for property at Nave Drive, Novato, California. For construction of affordable housing for very low and low income households. Zero interest, due August 11, 2069.	405,000	405,000
Note payable, Marin Housing Authority, secured by a deed of trust for property at Mission Avenue, San Rafael, California. For property improvement through the Marin County Residential Rehabilitation Loan Program. Bears interest at 3% per annum. The note is payable upon sale or transfer of the property.	25,000	25,000

# HOMEWARD BOUND OF MARIN, INC.

## NOTES TO FINANCIAL STATEMENTS

### NOTE D – NOTES PAYABLE - Continued

	2020	2019
Note payable, City of Novato, part of a deferred fee agreement. Annual payments of \$3,825 commenced January, 2001 and will end July, 2020. The note is non-interest bearing.		
Total principal balance	15,300	15,300
Less: unamortized debt discount	3,889,645	3,928,855
	(819,807)	(872,105)
	\$ 3,069,658	\$ 3,056,750

### SBA Loan

On April 15, 2020, HBM received a U.S. Small Business Administration Loan (the “SBA Loan”) from CRF Small Business Loan Company, LLC, pursuant to the Paycheck Protection Program (the “PPP”) established under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), in the amount of \$994,700. The application for these funds required HBM in good faith to certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of HBM. This certification further required HBM to take into account current business activity and the ability to access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to the business.

Future annual principal maturities are as follows:

Year ending June 30		
2021	\$	1,483,862
2022		607,339
2023		43,100
2024		44,942
2025		1,047,535
Thereafter		837,580
	\$	4,064,358

# HOMEWARD BOUND OF MARIN, INC.

## NOTES TO FINANCIAL STATEMENTS

### NOTE E – NET ASSETS

Net assets with donor restrictions were as follows for the years ended June 30:

	2020	2019
<b>Subject to the Passage of Time or Expenditure for Specified Purpose:</b>		
Contingently forgivable non-interest bearing notes	\$ 819,807	\$ 872,105
King street project	-	111,690
Mill street project	4,237,436	138,207
HUD parcel triangle project	214,113	114,113
Miscellaneous program restricted grants	6,771	36,202
<b>Total Subject to the Passage of Time or Expenditure for Specified Purpose</b>	<b>5,278,127</b>	<b>1,272,317</b>
Total net assets with donor restrictions	\$ 5,278,127	\$ 1,272,317

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors:

	2020	2019
<b>Purpose Restrictions Accomplished:</b>		
Contingently forgivable non-interest bearing notes	\$ 52,298	\$ 49,448
King street project	111,690	512,351
Mill street project	-	99,032
HUD parcel triangle project	-	85,887
Miscellaneous program restricted grants	34,932	234,313
	<b>198,920</b>	<b>981,031</b>
<b>Time Restrictions Expired:</b>		
Pledges receivable – time restricted	-	75,000
	-	75,000
Total net assets with donor restrictions	\$ 198,920	\$ 1,056,031

# HOMEWARD BOUND OF MARIN, INC.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE E – NET ASSETS - Continued**

As noted in Note D to the financial statements, the Organization is obligated under the terms of three non-interest bearing notes, one with Umpqua Bank, guaranteed by Federal Home Loan Bank, one with City of Novato, and one with Marin Workforce Housing Trust. The difference between the present value of these notes and their face value was recorded by the Organization as donor restricted contributions in the year the notes were executed. The contributions are released from restrictions over the life of the notes with the accretion of the discounts as the notes mature.

**Umpqua Bank Non-Interest Bearing Note:** The non-interest bearing note payable to Umpqua Bank, guaranteed by Federal Home Loan Bank (FHLB) Affordable Housing Program, has a face value of \$1,000,000. The discount on the loan is an imputed interest rate of 6%. Principal payments have been deferred for 16 years and will be forgiven on March 1, 2024, provided the Organization complies with the Affordable Housing Program (AHP) agreement. At the time this debt is forgiven, the Organization will recognize the carrying value of the debt as a contribution. During the years ended June 30, 2020 and 2019, management believes it has complied with the terms and conditions of the AHP agreement.

**City of Novato Non-Interest Bearing Note:** The non-interest bearing note payable to City of Novato has a face value of \$400,000. The discount on the loan is an imputed interest rate of 3%. Principal payments have been deferred for 55 years, provided the Organization complies with the Affordable Housing agreement and restrict the rental on the units to extremely low income households which include a student under the age of 18. The note is payable in full upon maturity of the loan on March 9, 2071. During the years ended June 30, 2020 and 2019, management believes it has complied with the terms and conditions of the Affordable Housing agreement.

**Marin Workforce Housing Trust Non-Interest Bearing Note:** The non-interest bearing note payable to Marin Workforce Housing Trust has a face value of \$405,000. The discount on the loan is an imputed interest rate of 4%. Principal payments have been deferred for 55 years, provided the Organization complies with note agreement and restrict the rental on the units to very low and low income households. The note is payable in full upon maturity of the loan on August 11, 2069. During the years ended June 30, 2020 and 2019, management believes it has complied with the terms and conditions of the note agreement.

### **NOTE F - COMMITMENTS AND CONTINGENCIES**

**Operating Lease Commitments:** HBM leases space under the terms of operating leases to operate its programs. Certain leases are on a month-to-month basis while others are for longer periods. Future minimum lease payments under leases with initial terms of more than one year are as follows:

<u>Year ending June 30</u>	
2021	\$ 349,226
2022	353,313
2023	359,110
2024	365,397
2025	293,868
Thereafter	<u>492,488</u>
	\$ <u>2,213,402</u>



# HOMeward BOUND OF MARIN, INC.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE F - COMMITMENTS AND CONTINGENCIES**

Rent expense for the years ended June 30, 2020 and 2019 amounted to \$1,187,617 and \$1,156,959, respectively.

**Unemployment Reserve:** In accordance with provisions of the California Unemployment Insurance Code concerning non-profit organizations, HBM has elected to reimburse the cost of unemployment benefits paid by the State in lieu of making contributions normally required of tax rate employers. HBM participates in the Joint Agencies Trust to self-insure for unemployment insurance. The trust manages and administers the account; however, all funds kept on account belong to HBM. The balances in the account at June 30, 2020 and 2019 totaled \$68,163 and \$63,638, respectively.

**Contingencies:** HBM has received numerous Community Development Block Grants (CDBG) for the acquisition and improvement of land and buildings. Together with CDBG, the County of Marin may record a lien on properties which have been purchased or improved with the CDBG funds. The amount of each lien is the original percentage that corresponds to the percentage of value that CDBG contributed at the time the CDBG grant is entered into. In the event HBM should sell the property or change the use of the premises for non-eligible purposes, the County could enforce the liens and would be entitled to its percentage of the proceeds from any sale, conveyance, encumbrance, grant, or lease, less closing costs of the property at that time.

At June 30, 2020 and 2019, the following liens existed:

- 64 percent of the value of 430 Mission Avenue
- 3.3 percent of the value of 430 Mission Avenue
- 17.1 percent of the value of 190 Mill Street
- 31 percent of the value of 190 Mill Street
- 8.2 percent of the value of 1385 North Hamilton Parkway -The Next Key
- 4.5 percent of the value of 430 Mission Avenue
- 27.4 percent of 1399 North Hamilton Parkway – New Beginnings Center (consolidated)
- 2.0 percent of 5394 Nave Drive

### **NOTE G - CONCENTRATION OF CREDIT AND MARKET RISK**

**Concentration of Grants:** Approximately 33% and 44%, respectively, of the funding for HBM's programs for the years ended June 30, 2020 and 2019 was provided from grants through the U.S. Department of Housing and Urban Development and the County of Marin.

HBM receives a significant portion of its revenue from various government agencies for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, management believes that any required reimbursements will not be material. However, if a significant reduction in funding from these government agencies occurred, HBM's ability to maintain and operate its programs would be impaired.

**Concentration of Credit Risk:** HBM maintains its cash in bank accounts which, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) insured limits. Accounts at each financial institution are insured by the FDIC up to \$250,000. Uninsured deposits as of June 30, 2020 and 2019, totaled \$5,118,493 and \$840,209, respectively. HBM has not experienced losses in any of these accounts and management believes it is not exposed to any significant credit risk related to these accounts.

# HOMeward BOUND OF MARIN, INC.

## NOTES TO FINANCIAL STATEMENTS

### NOTE H – RETIREMENT PLAN

On May 1, 2015 HBM adopted a 403(b) retirement plan whereby participating employees can make tax-deferred contributions up to the maximum annual amounts allowed under the Internal Revenue Code. Matching contributions to the plan are made at the discretion of HBM's Board of Directors and are based on a percentage of salary subject to a maximum limit allowable per year under the Internal Revenue Code. HBM may also make a discretionary contribution to eligible employees. Employees become fully vested in any employer contributions after three years. Total contributions made by HBM for the years ended June 30, 2020 and 2019 amounted to \$59,746 and \$19,394, respectively.

### NOTE I – AVAILABILITY AND LIQUIDITY

The following represents HBM's financial assets at June 30, 2020 and 2019:

Financial assets at year end:	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 6,258,860	\$ 1,331,936
Investments	1,281,311	
Grants receivable	501,425	721,601
Accounts receivable	<u>35,563</u>	<u>29,612</u>
Total financial assets	8,077,159	2,083,149
Less amounts not available to be used within one year:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	5,278,128	1,272,317
Deferred revenue	<u>7,293</u>	<u>2,818</u>
	<u>5,285,421</u>	<u>1,275,135</u>
Financial assets available to meet general expenditures within one year	\$ <u>2,791,738</u>	\$ <u>808,014</u>

HBM's goal is generally to maintain financial assets to meet one and a half months of operating expenses.

### NOTE J – SUBSEQUENT EVENTS

In preparing the financial statements, HBM has evaluated subsequent events and transactions that occurred after the balance sheet date through December 2, 2020, the date that the financial statements were available to be issued. Management has evaluated the impact of the COVID-19 pandemic in the industry and has concluded that the virus could have a minimal negative effect on HBM's financial position and results of its operations. No adjustments have been made to these financial statements as a result of the analysis.



**AUDITED FINANCIAL STATEMENTS  
AND COMPLIANCE REPORTS**

**HOMEWARD BOUND OF MARIN, INC.**

**June 30, 2019 and 2018**

**HOMeward BOUND OF MARIN, INC.**

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## **INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors,  
Homeward Bound of Marin, Inc.**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Homeward Bound of Marin, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Homeward Bound of Marin, Inc. as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2018, on our consideration of Homeward Bound of Marin, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Homeward Bound of Marin, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Homeward Bound of Marin, Inc.'s internal control over financial reporting and compliance.

  
Sacramento, California  
December 30, 2019

# HOMeward BOUND OF MARIN, INC.

## STATEMENTS OF FINANCIAL POSITION

June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,331,936	\$ 1,372,740
Investments	-	1,413
Grants receivable	721,601	412,453
Accounts receivable	29,612	75,309
Prepaid rents	126,237	114,967
Prepaid expenses and deposits	211,175	232,698
Property and equipment, net	<u>16,757,493</u>	<u>15,780,432</u>
<b>TOTAL ASSETS</b>	<u>\$ 19,178,054</u>	<u>\$ 17,990,012</u>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable	\$ 181,319	\$ 82,357
Accrued expenses	343,358	364,153
Deferred revenue	2,818	9,773
Notes payable	<u>3,056,750</u>	<u>3,043,874</u>
<b>TOTAL LIABILITIES</b>	3,584,245	3,500,157
<b>COMMITMENTS AND CONTINGENCIES</b>	-	-
<b>NET ASSETS</b>		
Without donor restrictions	14,321,492	12,636,996
With donor restrictions	<u>1,272,317</u>	<u>1,852,859</u>
	<u>15,593,809</u>	<u>14,489,855</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 19,178,054</u>	<u>\$ 17,990,012</u>

See accompanying notes to the financial statements.

# HOMEWARD BOUND OF MARIN, INC.

## STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Government grants	\$ 4,911,876	\$ 120,739	\$ 5,032,615
Foundation grants	703,000	340,000	1,043,000
Contributions	1,466,780	14,750	1,481,530
Client fees	1,144,253	-	1,144,253
Social enterprises	740,611	-	740,611
In-kind contributions	98,048	-	98,048
Other income	241,000	-	241,000
Investment income	6,927	-	6,927
<i>Net assets released from restrictions</i>	1,056,031	(1,056,031)	-
<b>TOTAL SUPPORT AND REVENUE</b>	10,368,526	(580,542)	9,787,984
<b>EXPENSES</b>			
Program services			
Adult services	3,963,831	-	3,963,831
Mental health services	1,413,674	-	1,413,674
Family services	1,456,780	-	1,456,780
Workforce training and social enterprises	857,687	-	857,687
Total program services	7,691,972	-	7,691,972
Supporting services			
General and administrative	657,324	-	657,324
Fundraising	334,734	-	334,734
Total supporting services	992,058	-	992,058
<b>TOTAL EXPENSES</b>	8,684,030	-	8,684,030
<b>CHANGE IN NET ASSETS</b>	1,684,496	(580,542)	1,103,954
<b>NET ASSETS AT BEGINNING OF YEAR</b>	12,636,996	1,852,859	14,489,855
<b>NET ASSETS AT END OF YEAR</b>	\$ 14,321,492	\$ 1,272,317	\$ 15,593,809

See accompanying notes to the financial statements.



# HOMEWARD BOUND OF MARIN, INC.

## STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Government grants	\$ 3,614,793	\$ -	\$ 3,614,793
Foundation grants	576,500	859,000	1,435,500
Contributions	1,188,583	168,043	1,356,626
Client fees	1,059,199	-	1,059,199
Social enterprises	854,950	-	854,950
In-kind contributions	101,500	-	101,500
Other income	3,692	-	3,692
Investment income	3,459	-	3,459
<i>Net assets released from restrictions</i>	338,910	(338,910)	-
<b>TOTAL SUPPORT AND REVENUE</b>	7,741,586	688,133	8,429,719
<b>EXPENSES</b>			
Program services			
Adult services	3,464,981	-	3,464,981
Mental health services	1,301,298	-	1,301,298
Family services	1,353,027	-	1,353,027
Workforce training and social enterprises	939,489	-	939,489
Total program services	7,058,795	-	7,058,795
Supporting services			
General and administrative	609,094	-	609,094
Fundraising	296,611	-	296,611
Total supporting services	905,705	-	905,705
<b>TOTAL EXPENSES</b>	7,964,500	-	7,964,500
<b>CHANGE IN NET ASSETS</b>	(222,914)	688,133	465,219
<b>NET ASSETS AT BEGINNING OF YEAR</b>	12,859,910	1,164,726	14,024,636
<b>NET ASSETS AT END OF YEAR</b>	\$ 12,636,996	\$ 1,852,859	\$ 14,489,855

See accompanying notes to the financial statements.

# HOMEWARD BOUND OF MARIN, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2019

	Program Services					Supporting Services			
	Adult Services	Mental Health Services	Family Services	Workforce Training and Social Enterprises	Total	General and Administrative	Fundraising	Total	Total
Salaries	\$ 1,663,033	\$ 534,491	\$ 503,436	\$ 392,008	\$ 3,092,968	\$ 230,912	\$ 209,655	\$ 440,567	\$ 3,533,535
Payroll taxes	121,011	39,132	37,284	29,107	226,534	16,286	14,072	30,358	256,892
Employee benefits	200,714	77,596	66,272	61,747	406,329	75,522	19,180	94,702	501,031
<b>Total salaries and related costs</b>	<b>1,984,758</b>	<b>651,219</b>	<b>606,992</b>	<b>482,862</b>	<b>3,725,831</b>	<b>322,720</b>	<b>242,907</b>	<b>565,627</b>	<b>4,291,458</b>
HUD lease expenses	466,561	340,800	349,598	-	1,156,959	-	-	-	1,156,959
Food and household supplies	443,563	75,945	28,220	271,214	818,942	18,115	527	18,642	837,584
Occupancy	351,318	225,791	77,663	6,379	661,151	28,571	-	28,571	689,722
Depreciation	342,679	16,649	251,874	5,748	616,950	10,559	832	11,391	628,341
Office and operating expense	72,845	14,292	39,010	14,434	140,581	47,317	20,658	67,975	208,556
Program supplies and vouchers	113,713	24,658	33,948	55,335	227,654	-	609	609	228,263
Outside services	34,455	3,463	17,180	1,275	56,373	108,235	49,995	158,230	214,603
Interest expense	16,812	-	26,817	-	43,629	49,448	-	49,448	93,077
Staff related costs	21,720	5,684	5,884	6,709	39,997	43,065	3,735	46,800	86,797
Repairs and maintenance	115,407	55,173	19,594	12,692	202,866	19,934	257	20,191	223,057
Marketing and website	-	-	-	1,039	1,039	6,600	15,214	21,814	22,853
Miscellaneous expense	-	-	-	-	-	2,760	-	2,760	2,760
	<b>\$ 3,963,831</b>	<b>\$ 1,413,674</b>	<b>\$ 1,456,780</b>	<b>\$ 857,687</b>	<b>\$ 7,691,972</b>	<b>\$ 657,324</b>	<b>\$ 334,734</b>	<b>\$ 992,058</b>	<b>\$ 8,684,030</b>

See accompanying notes to the financial statements.

# HOMEWARD BOUND OF MARIN, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2018

	Program Services					Supporting Services			
	Adult Services	Mental Health Services	Family Services	Workforce Training and Social Enterprises	Total	General and Administrative	Fundraising	Total	Total
Salaries	\$ 1,383,424	\$ 517,601	\$ 501,730	\$ 561,091	\$ 2,963,846	\$ 166,781	\$ 162,683	\$ 329,464	\$ 3,293,310
Payroll taxes	100,504	37,833	37,103	51,286	226,726	11,325	10,396	21,721	248,447
Employee benefits	211,530	81,071	59,904	61,748	414,253	63,663	19,314	82,977	497,230
<b>Total salaries and related costs</b>	<b>1,695,458</b>	<b>636,505</b>	<b>598,737</b>	<b>674,125</b>	<b>3,604,825</b>	<b>241,769</b>	<b>192,393</b>	<b>434,162</b>	<b>4,038,987</b>
HUD lease expenses	422,838	287,320	329,640	-	1,039,798	-	-	-	1,039,798
Food and household supplies	424,239	69,152	8,058	127,000	628,449	18,113	354	18,467	646,916
Occupancy	301,454	215,138	72,951	8,240	597,783	19,575	-	19,575	617,358
Depreciation	354,141	15,652	205,705	4,729	580,227	10,948	592	11,540	591,767
Office and operating expense	106,151	25,806	37,929	52,938	222,824	104,331	36,694	141,025	363,849
Program supplies and vouchers	105,777	17,321	39,663	55,328	218,089	3,771	290	4,061	222,150
Outside services	3,732	3,691	14,523	1,587	23,533	91,707	48,352	140,059	163,592
Interest expense	18,124	-	30,378	-	48,502	90,969	-	90,969	139,471
Staff related costs	8,919	9,686	5,947	2,311	26,863	27,512	1,881	29,393	56,256
Repairs and maintenance	24,148	21,027	7,796	2,440	55,411	315	-	315	55,726
Marketing and website	-	-	1,700	10,791	12,491	84	16,055	16,139	28,630
	<b>\$ 3,464,981</b>	<b>\$ 1,301,298</b>	<b>\$ 1,353,027</b>	<b>\$ 939,489</b>	<b>\$ 7,058,795</b>	<b>\$ 609,094</b>	<b>\$ 296,611</b>	<b>\$ 905,705</b>	<b>\$ 7,964,500</b>

See accompanying notes to the financial statements.

# HOMEWARD BOUND OF MARIN, INC.

## STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2019 and 2018

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,103,954	\$ 465,219
<i>Adjustments to reconcile the change in net assets to net cash provided by operating activities:</i>		
Depreciation	628,341	591,767
Unrealized and realized gains on investment	(6,220)	(1,324)
Accretion of discount on notes payable	49,448	90,969
<i>Changes in operating assets and liabilities:</i>		
Grants receivable	(309,148)	125,598
Accounts receivable	45,697	(28,083)
Prepaid rents	(11,270)	(114,967)
Prepaid expenses and deposits	21,523	(77,564)
Accounts payable	98,962	2,248
Accrued expenses	(20,795)	55,615
Deferred revenue	(6,955)	(192,148)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>1,593,537</b>	<b>917,330</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales of investments	107,245	220,190
Purchases of investments	(99,612)	-
Purchases of property and equipment	(147,049)	(204,511)
Cash paid for construction in progress	(1,458,353)	-
<b>NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES</b>	<b>(1,597,769)</b>	<b>15,679</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on notes payable	(36,572)	(38,056)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(36,572)</b>	<b>(38,056)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(40,804)</b>	<b>894,953</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>1,372,740</b>	<b>477,787</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 1,331,936</b>	<b>\$ 1,372,740</b>
<b><u>SUPPLEMENTAL INFORMATION:</u></b>		
Cash paid for income taxes	\$ -	\$ -
Cash paid for interest	\$ 43,629	\$ 48,502

See accompanying notes to the financial statements.

# HOMeward BOUND OF MARIN, INC.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE A - ORGANIZATION**

Homeward Bound of Marin, Inc. (HBM) is a non-profit corporation organized in 1974 to provide housing, housing counseling and referral, crisis management and related social services to persons in need, and to promote and develop both temporary and long-term supportive housing resources for such persons. HBM is Marin County's chief provider of shelter and residential services for homeless families and individuals, serving approximately 1,400 people per year in 14 inter-related residential programs.

HBM's mission is to open doors to safety, dignity, hope, and independence coupled with a vision that "everyone deserves a place to call home."

Major sources of funding include grants from Federal, State, and local governments; foundation grants; and contributions.

### **NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation:** The financial statements of HBM have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require HBM. to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of HBM's management and the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of HBM or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

**Measure of Operations:** The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to HBM's ongoing services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature. There were no nonoperating activities during the years ended June 30, 2019 and 2018.

**Cash and Cash Equivalents:** Cash and cash equivalents consist of cash instruments with original maturities of three months or less at the time of purchase.

**Accounts Receivable:** Accounts receivable that represent unconditional promises to give are recognized as revenue when the promise is received. Receivables are stated at the amount management expects to collect from balances outstanding. Management closely monitors outstanding balances throughout the year and writes off to the change in net assets all balances that are considered uncollectible.

# HOMeward BOUND OF MARIN, INC.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Property and Equipment:** Property and equipment in excess of \$1,000 is stated at cost if purchased or at fair market value at the date of donation if donated. Depreciation is computed using the straight-line method over the estimated useful lives of 5-40 years for buildings, 5-25 years for leasehold improvements, 3-20 years for furniture and equipment, 20 years for artwork, and 7 years for vehicles. Expenditures for maintenance and repairs are charged to expense as incurred.

**Revenue Recognition:** Contributions received are recorded as with or without donor restrictions, depending on the existence or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in donor restricted net assets, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), donor restricted net assets are reclassified to without donor net assets and reported in the statement of activities as net assets released from restrictions.

**Grants and Contracts:** Grants receivable represent expenditures for which reimbursement has been requested but not yet received. Grant revenue is recognized when services are performed and related reimbursable expenses are incurred, in accordance with the terms of applicable grant awards. HBM considers grants and contracts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is considered necessary. If amounts become uncollectible, they will be charged to operations when that determination is made.

**Social Enterprises:** HBM provides a job-training program for low-income students from the community as well as HBM residents to prepare individuals for jobs in the culinary industry. Revenues are earned from contracts with local agencies for services provided by students and sales of dog biscuits, chocolate truffles, and jams and salsas produced by students.

**Client Fees:** Client fees include monthly rental amounts from residents in supportive housing as well as fees for supportive services not paid for by grant funds.

**In-kind Contributions:** In-kind contributions are recognized as public support and as a corresponding asset or expense at the estimated fair value on the date donated. Such donations are not recognized if there is an uncertainty about the existence of value or stipulations about ownership of assets. Donated services are not recognized in the financial statements unless the services either create or enhance a nonfinancial asset or are specialized skills that would be purchased if they were not donated. HBM received \$98,048 and \$101,500 of transit vouchers during the years ended June 30, 2019 and 2018, respectively.

**Income Taxes:** HBM is exempt from federal and state income taxes under Internal Revenue Code (IRC) Section 501(c)(3) and California Revenue and Tax Code 23701d.

# HOMeward BOUND OF MARIN, INC.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Uncertainty in Income Taxes:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires HBM to report information regarding its exposure to various tax positions taken by HBM. HBM has determined whether any tax positions have met the recognition threshold and have measured the exposure to those tax positions. Management believes that HBM has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to HBM are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

**Functional Expenses:** The costs of providing the various programs and activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries	Time and effort
Payroll taxes and benefits	Time and effort
Food and household supplies	Estimated average cost of a prepared meal

**Use of Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Fair Value:** HBM follows guidance with respect to accounting and reporting for the fair value of its financial assets and liabilities. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same; to estimate the price at which an orderly transaction to sell the asset or to transfer the liabilities would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability). In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, as follows:

Level 1 uses unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 uses inputs other than quoted prices in active markets that are observable either directly or indirectly.

Level 3 uses unobservable information with little or no market data.

# HOMEWARD BOUND OF MARIN, INC.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

HBM utilizes the active market approach (Level 1) to measure fair value for its financial assets, which consist of cash in checking and savings accounts. The carrying value of HBM's nonfinancial assets and liabilities approximates fair value.

Reclassifications: Certain prior year amounts have been reclassified for comparative purposes.

New Accounting Pronouncement: On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Association has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

### **NOTE C - PROPERTY AND EQUIPMENT, NET**

Property and equipment consists of the following at June 30:

	2019		2018
Buildings	\$ 19,547,808	\$	18,974,078
Land	1,152,939		1,152,939
Leasehold improvements	1,534,950		535,248
Furniture and equipment	444,520		452,599
Artwork	122,025		122,025
Vehicles	64,265		64,265
	22,866,507		21,301,154
Less: accumulated depreciation	6,109,014		5,520,722
	\$ 16,757,493	\$	15,780,432

For the years ended June 30, 2019 and 2018, depreciation expense totaled \$628,341 and \$591,767, respectively.

### **NOTE D – NOTES PAYABLE**

Notes payable consist of the following at June 30:

	2019		2018
Note payable, Emergency Housing & Assistance Program (EHAP), secured by a deed of trust for property at N. Hamilton Parkway, Novato, California. Bears interest at 3% per annum. No payments are due unless the property ceases to be operated as an emergency shelter or transitional housing. Forgiveness of principal and deferred interest will be in 2020.	\$ 1,000,000	\$	1,000,000



# HOMEWARD BOUND OF MARIN, INC.

## NOTES TO FINANCIAL STATEMENTS

### NOTE D – NOTES PAYABLE - Continued

	2019	2018
<p>Note payable to First Republic Bank, for Oma Village, 84 monthly payments of \$3,698 including interest at 3.95% per annum through April 2024. 35 monthly payments of \$3,580 including interest at 3.55%, one final principal and interest payment of \$500,811 on April 12, 2027. Collateralized by buildings.</p>	\$ 666,451	\$ 682,305
<p>Note payable to First Republic Bank, for Next Key Center, monthly payment of \$3,040 including interest at 4% per annum. Collateralized by buildings, final maturity is November, 2034.</p>	417,104	437,822
<p>Note payable, Umpqua Bank, guaranteed by Federal Home Loan Bank (FHLB) Affordable Housing Program, secured by a deed of trust for Next Key Center. Forgiveness of loan amount on March 1, 2024, contingent upon compliance with certain laws and regulations.</p>	1,000,000	1,000,000
<p>Note payable, City of Novato, secured by a deed of trust for property at Nave Drive, Novato, California. For construction of affordable housing for extremely low income households which include a student under the age of 18. Zero interest, due March 9, 2071.</p>	400,000	400,000
<p>Note payable, Marin Workforce Housing Trust, secured by a deed of trust for property at Nave Drive, Novato, California. For construction of affordable housing for very low and low income households. Zero interest, due August 11, 2069.</p>	405,000	405,000
<p>Note payable, Marin Housing Authority, secured by a deed of trust for property at Mission Avenue, San Rafael, California. For property improvement through the Marin County Residential Rehabilitation Loan Program. Bears interest at 3% per annum. The note is payable upon sale or transfer of the property.</p>	25,000	25,000

# HOMEWARD BOUND OF MARIN, INC.

## NOTES TO FINANCIAL STATEMENTS

### NOTE D – NOTES PAYABLE - Continued

	<b>2019</b>	<b>2018</b>
Note payable, City of Novato, part of a deferred fee agreement. Annual payments of \$3,825 commenced January, 2001 and will end July, 2020. The note is non-interest bearing.		
Total principal balance	15,300	15,300
Less: unamortized debt discount	3,928,855	3,965,427
	(872,105)	(921,553)
	\$ 3,056,750	\$ 3,043,874

Future annual principal maturities are as follows:

	<b>Year ending June 30</b>	
2020	\$ 1,041,987	
2021	51,264	
2022	41,412	
2023	43,100	
2024	1,044,939	
Thereafter	1,706,153	
	\$ 3,928,855	

### NOTE E – NET ASSETS

Net assets with donor restrictions were as follows for the years ended June 30:

	<b>2019</b>	<b>2018</b>
<b>Subject to the Passage of Time or Expenditure for Specified Purpose:</b>		
Contingently forgivable non-interest bearing notes	\$ 872,105	\$ 921,553
King street project	111,690	624,041
Mill street project	138,207	-
HUD parcel triangle project	114,113	-
Miscellaneous program restricted grants	36,202	232,265
Pledges receivable – time restricted	-	75,000
<b>Total Subject to the Passage of Time or Expenditure for Specified Purpose</b>	<b>1,272,317</b>	<b>1,852,859</b>
Total net assets with donor restrictions	\$ 1,272,317	\$ 1,852,859

# HOMeward BOUND OF MARIN, INC.

## NOTES TO FINANCIAL STATEMENTS

### NOTE E – NET ASSETS - Continued

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors:

	<u>June 30, 2019</u>
<b>Purpose Restrictions Accomplished:</b>	
Contingently forgivable non-interest bearing notes	\$ 49,448
King street project	512,351
Mill street project	99,032
HUD parcel triangle project	85,887
Miscellaneous program restricted grants	234,313
	<u>981,031</u>
<b>Time Restrictions Expired:</b>	
Passage of specified time	75,000
	<u>75,000</u>
Total restrictions released	<u>\$ 1,056,031</u>

As noted in Note D to the financial statements, the Organization is obligated under the terms of three non-interest bearing notes, one with Umpqua Bank, guaranteed by Federal Home Loan Bank, one with City of Novato, and one with Marin Workforce Housing Trust. The difference between the present value of these notes and their face value was recorded by the Organization as donor restricted contributions in the year the notes were executed. The contributions are released from restrictions over the life of the notes with the accretion of the discounts as the notes mature.

Umpqua Bank Non-Interest Bearing Note: The non-interest bearing note payable to Umpqua Bank, guaranteed by Federal Home Loan Bank (FHLB) Affordable Housing Program, has a face value of \$1,000,000. The discount on the loan is an imputed interest rate of 6%. Principal payments have been deferred for 16 years and will be forgiven on March 1, 2024, provided the Organization complies with the Affordable Housing Program (AHP) agreement. At the time this debt is forgiven, the Organization will recognize the carrying value of the debt as a contribution. During the years ended June 30, 2019 and 2018, management believes it has complied with the terms and conditions of the AHP agreement.

City of Novato Non-Interest Bearing Note: The non-interest bearing note payable to City of Novato has a face value of \$400,000. The discount on the loan is an imputed interest rate of 3%. Principal payments have been deferred for 55 years, provided the Organization complies with the Affordable Housing agreement and restrict the rental on the units to extremely low income households which include a student under the age of 18. The note is payable in full upon maturity of the loan on March 9, 2071. During the years ended June 30, 2019 and 2018, management believes it has complied with the terms and conditions of the Affordable Housing agreement.

# HOMeward BOUND OF MARIN, INC.

## NOTES TO FINANCIAL STATEMENTS

### NOTE E – NET ASSETS - Continued

Marin Workforce Housing Trust Non-Interest Bearing Note: The non-interest bearing note payable to Marin Workforce Housing Trust has a face value of \$405,000. The discount on the loan is an imputed interest rate of 4%. Principal payments have been deferred for 55 years, provided the Organization complies with note agreement and restrict the rental on the units to very low and low income households. The note is payable in full upon maturity of the loan on August 11, 2069. During the years ended June 30, 2019 and 2018, management believes it has complied with the terms and conditions of the note agreement.

### NOTE F - COMMITMENTS AND CONTINGENCIES

Operating Lease Commitments: HBM leases space under the terms of operating leases to operate its programs. Certain leases are on a month-to-month basis while others are for longer periods. Future minimum lease payments under leases with initial terms of more than one year are as follows:

<u>Year ending June 30</u>	
2020	\$ 343,224
2021	347,165
2022	351,427
2023	357,359
2024	363,647
Thereafter	<u>784,937</u>
	\$ <u>2,547,759</u>

Rent expense for the years ended June 30, 2019 and 2018 amounted to \$1,156,959 and \$1,039,798, respectively.

Unemployment Reserve: In accordance with provisions of the California Unemployment Insurance Code concerning non-profit organizations, HBM has elected to reimburse the cost of unemployment benefits paid by the State in lieu of making contributions normally required of tax rate employers. HBM participates in the Joint Agencies Trust to self-insure for unemployment insurance. The trust manages and administers the account; however, all funds kept on account belong to HBM. The balances in the account at June 30, 2019 and 2018 totaled \$ 63,638 and \$63,638, respectively.

Contingencies: HBM has received numerous Community Development Block Grants (CDBG) for the acquisition and improvement of land and buildings. Together with CDBG, the County of Marin may record a lien on properties which have been purchased or improved with the CDBG funds. The amount of each lien is the original percentage that corresponds to the percentage of value that CDBG contributed at the time the CDBG grant is entered into. In the event HBM should sell the property or change the use of the premises for non-eligible purposes, the County could enforce the liens and would be entitled to its percentage of the proceeds from any sale, conveyance, encumbrance, grant, or lease, less closing costs of the property at that time.

# HOMeward BOUND OF MARIN, INC.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE F - COMMITMENTS AND CONTINGENCIES – Continued**

At June 30, 2019 and 2018, the following liens existed:

- 64 percent of the value of 430 Mission Avenue
- 3.3 percent of the value of 430 Mission Avenue
- 17.1 percent of the value of 190 Mill Street
- 31 percent of the value of 190 Mill Street
- 8.2 percent of the value of 1385 North Hamilton Parkway -The Next Key
- 4.5 percent of the value of 430 Mission Avenue
- 27.4 percent of 1399 North Hamilton Parkway – New Beginnings Center (consolidated)
- 2.0 percent of 5394 Nave Drive

### **NOTE G - CONCENTRATION OF CREDIT AND MARKET RISK**

Concentration of Grants: Approximately 44% and 44%, respectively, of the funding for HBM's programs for the years ended June 30, 2019 and 2018 was provided from grants through the U.S. Department of Housing and Urban Development and the County of Marin.

HBM receives a significant portion of its revenue from various government agencies for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, management believes that any required reimbursements will not be material. However, if a significant reduction in funding from these government agencies occurred, HBM's ability to maintain and operate its programs would be impaired.

Concentration of Credit Risk: HBM maintains its cash in bank accounts which, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) insured limits. Accounts at each financial institution are insured by the FDIC up to \$250,000. Uninsured deposits as of June 30, 2019 and 2018, totaled \$840,209 and \$694,709, respectively. HBM has not experienced losses in any of these accounts and management believes it is not exposed to any significant credit risk related to these accounts.

### **NOTE H – RETIREMENT PLAN**

On May 1, 2015 HBM adopted a 403(b) retirement plan whereby participating employees can make tax-deferred contributions up to the maximum annual amounts allowed under the Internal Revenue Code. Matching contributions to the plan are made at the discretion of HBM's Board of Directors and are based on a percentage of salary subject to a maximum limit allowable per year under the Internal Revenue Code. HBM may also make a discretionary contribution to eligible employees. Employees become fully vested in any employer contributions after three years. Total contributions made by HBM for the years ended June 30, 2019 and 2018 amounted to \$ 19,394 and \$19,611, respectively.

# HOMeward BOUND OF MARIN, INC.

## NOTES TO FINANCIAL STATEMENTS

### NOTE I – AVAILABILITY AND LIQUIDITY

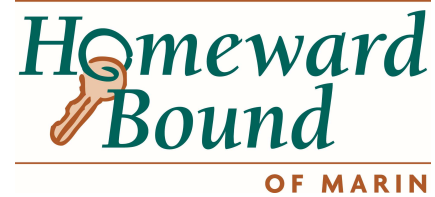
The following represents HBM's financial assets at June 30, 2019 and 2018:

Financial assets at year end:	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 1,331,936	\$ 1,372,740
Grants receivable	721,601	412,453
Accounts receivable	29,612	75,309
Total financial assets	<u>2,083,149</u>	<u>1,860,502</u>
Less amounts not available to be used within one year:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	1,272,317	1,852,859
Deferred revenue	2,818	9,773
	<u>1,275,135</u>	<u>1,862,632</u>
Financial assets available to meet general expenditures within one year	\$ <u>808,014</u>	\$ <u>(2,130)</u>

HBM's goal is generally to maintain financial assets to meet one and a half months of operating expenses.

### NOTE J – SUBSEQUENT EVENTS

In preparing the financial statements, management has evaluated events and transactions for potential recognition or disclosure through December 30, 2019 the date on which the financial statements were available to be issued.



**Board of Directors: 2022**

**President**

**Bob Puett**

12 Pizarro Avenue  
Novato, CA 94949

**Vice President**

**Dianne Snedaker**

21 Corte Del Bayo  
Larkspur, CA 94939

**Secretary**

**Sonia Seeman**

P.O. Box 1213  
Novato, CA 94948

**Treasurer**

**David Smith**

3513 Moraga Boulevard  
Lafayette, CA 94549

**Nancy Culhane**

112 Bothin Road  
Fairfax, CA 94930

**Sheri Joseph**

135 Porto Marino  
Tiburon, CA 94920

**Elvira Echevarria**

5 Yarrow Lane  
Novato, CA 94947

**Sister Carla Kovack**

1520 Grand Avenue  
San Rafael, CA 94901

**Lynes Downing**

1057 Bel Marin Keys Boulevard  
Novato, CA 94949

**Marion Weinreb 747**

Leghorn Lane Petaluma,  
CA 94952

**Tony Nethercutt**

525C Washington Street  
Santa Cruz, CA 95060

**Liz Saint John**

13 Pepper Creek Way  
Novato, CA 94947

**Anita Jones Roehrick**

14 Gold Miner Court  
Novato, CA 94947

**Nicole Bartolini**

5 West Brooke Drive  
Novato, CA 94947

OGDEN UT 84201-0029

In reply refer to: 4077391934  
Nov. 15, 2019 LTR 4168C 0  
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HOMEWARD BOUND OF MARIN  
1385 N HAMILTON PKWY  
NOVATO CA 94949-8276

015324

Employer ID number: 68-0011405  
Form 990 required: YES

Dear Taxpayer:

We're responding to your request dated Oct. 24, 2019, about your tax-exempt status.

We issued you a determination letter in JANUARY 1984, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c)(3).

We also show you're not a private foundation as defined under IRC Section 509(a) because you're described in IRC Sections 509(a)(1) and 170(b)(1)(A)(vi).

Donors can deduct contributions they make to you as provided in IRC Section 170. You're also qualified to receive tax deductible bequests, legacies, devises, transfers, or gifts under IRC Sections 2055, 2106, and 2522.

In the heading of this letter, we indicated whether you must file an annual information return. If you're required to file a return, you must file one of the following by the 15th day of the 5th month after the end of your annual accounting period:

- Form 990, Return of Organization Exempt From Income Tax
- Form 990EZ, Short Form Return of Organization Exempt From Income Tax
- Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or Form 990-EZ
- Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation

According to IRC Section 6033(j), if you don't file a required annual information return or notice for 3 consecutive years, we'll revoke your tax-exempt status on the due date of the 3rd required return or notice.

You can get IRS forms or publications you need from our website at [www.irs.gov/forms-pubs](http://www.irs.gov/forms-pubs) or by calling 800-TAX-FORM (800-829-3676).

If you have questions, call 877-829-5500 between 8 a.m. and 5 p.m.,



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HOMEWARD BOUND OF MARIN  
1385 N HAMILTON PKWY  
NOVATO CA 94949-8276

local time, Monday through Friday (Alaska and Hawaii follow Pacific  
time).

Thank you for your cooperation.

Sincerely yours,

*Stephen A. Martin*

Stephen A. Martin  
Director, EO Rulings & Agreements



**NO FEE RECORDING PURSUANT  
TO GOVERNMENT CODE §27383**

**RECORDING REQUESTED BY AND  
AFTER RECORDATION, MAIL TO:**

**City of Novato  
Attn: City Clerk  
922 Machin Avenue  
Novato, CA 94945**

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**APN 157-970-07**

**AGREEMENT #\_\_**

**GROUND LEASE**

**By and Between**

**THE CITY OF NOVATO**

**and**

**HOMEWARD BOUND OF MARIN**

**Homeless Veteran Housing Project  
APN 157-970-07**

**GROUND LEASE**  
**Homeless Veteran Housing Project**  
**APN 157-970-07**

THIS GROUND LEASE (the "Lease") is entered into as of January 27, 2020, 2019, by and between the City of Novato, a municipal corporation (the "Lessor"), and Homeward Bound of Marin, a California nonprofit public benefit corporation (the "Lessee"), with respect to the following facts:

**RECITALS**

A. Pursuant to the Homeless Facilities Agreement dated as of December 20, 1995, as amended by a First Amendment to Homeless Facilities Agreement dated as of April 9, 1996 and a Second Amendment to Homeless Facilities agreement dated as of October 1, 2005, between the Hamilton Reuse Planning Authority, acting through the City of Novato and the Marin Continuum of Housing and Services (collectively, the "Homeless Facilities Agreement"), the parties agreed that an employment and training center for persons transitioning from homelessness, and certain housing for homeless and transitioning individuals would be made available at Hamilton Army Airfield as part of the reuse process.

B. Consistent with the Homeless Facilities Agreement and pursuant to a Ground Lease entered into on July 5, 2005, a Homeless Facility was constructed by Lessee on property also owned by the City, APN 157-970-05 (the "Homeward Bound Lease"). Said Homeward Bound Lease has been amended from time to time. The initial term of the Homeward Bound Lease expires on July 5, 2040 and may be renewed for a renewal period of thirty (30) years and for a second renewal period of thirty-four (34) years.

C. Thereafter, pursuant to a Ground Lease entered into on July 12, 2005, the Next Key Employment and Training Center was constructed by Lessee on property also owned by the City, APN 157-970-06 (the "Next Key Lease"). Said Next Key Lease has been amended from time to time. The initial term of the Next Key Lease expires on July 12, 2075 and may be renewed for a renewal period of twenty-nine (29) additional years.

D. The Homeless Facilities Agreement provided the possibility for additional homeless-serving facilities to be developed on the property commonly referred to as the HUD Parcel, currently housing Buildings 821, 820 and 816, APN 157-970-07 (the "Subject Property").

E. Lessee desires to lease the Subject Property and to apply to the City to develop additional homeless serving facilities thereon. At the present time, Lessee desires to apply to construct and operate one building with twenty-six (26) one-bedroom apartment units restricted as affordable workforce housing, one building with twenty-four (24) one-bedroom apartments units restricted for housing homeless veterans and a third building with a manufacturing kitchen focused on production of baked goods for enterprise sale, a teaching kitchen space focused on job training for the production kitchen food industry and an event space with a dine-in capacity

of 200 and a complimentary outdoor space and staging area for caterers, which may be constructed in stages.

F. The Lessor and the Lessee desire to enter into this Lease pursuant to which the Subject Property will be leased to Lessee by Lessor for an initial term of fifty-five years (55) years. This Lease may be renewed, by the joint agreement of the parties for a renewal period of thirty (30) additional years pursuant to Section 2.2 of this Lease.

WITH REFERENCE TO THE FACTS RECITED ABOVE, the Lessor and the Lessee (collectively the "Parties") agree as follows:

## **ARTICLE 1.**

### **DEFINITIONS AND EXHIBITS**

#### Section 1.1 Definitions.

The following terms shall have the following meanings in this Lease:

(a) "Administrative Component" shall mean the office space that may be approved by the City and that, if approved, will comprise a portion of Veterans and Workforce Housing, Employment and Training Center.

(b) "Authorized Officers" shall mean, in the case of the Lessor, the City Manager, and in the case of the Lessee, the Executive Director or President of the Lessee.

(c) "Conditions of Approval" shall mean the City of Novato's conditions of approval, if any, of the Development which may hereafter be approved by the City of Novato pursuant to the normal City entitlement process applicable to the Subject Property (the "Development Entitlements").

(d) "Development" shall mean the Improvements on the Subject Property ultimately approved pursuant to the City's normal development review process and shall include the Lessee's leasehold interest in the Subject Property.

(e) "Development Financing" shall mean loans and/or grants obtained by the Lessee to develop the Improvements, any loan and/or grant refinancing an initial loan and/or grant, or any permanent loan secured by the Development.

(f) "Development Financing Documents" shall mean all documents executed by the Lessee evidencing or securing the Development Financing.

(g) "Dwelling Unit" shall mean any one of the residential housing units which may be ultimately approved as part of the Development.

(h) "Foreclosure Transferee" shall mean a transferee who acquires the Lessee's interest in this Lease and the Development through the exercise of remedies (such as foreclosure or a deed in lieu of foreclosure) pursuant to Development Financing Documents.

(i) "Homeless Facilities Agreement" shall mean the Homeless Facilities Agreement, as amended, discussed in Recital A.

(j) "Homeward Bound" shall mean Homeward Bound of Marin, a California nonprofit public benefit corporation, the Lessee hereunder.

(k) "Improvements" shall mean the buildings, structures, and other improvements, including building fixtures, constructed and owned by Lessee and which may be approved by Lessor and located on the Subject Property from time to time.

(l) "Lease" shall mean this Ground Lease.

(m) "Lease Term" shall mean an initial term of fifty-five (55) years together with any extension thereof in accordance with Section 2.2 below, during which period this Lease shall be in effect (unless earlier terminated in accordance with the provisions of this Lease). At the conclusion of the Lease Term, the Parties may agree to extend the Lease on such terms and conditions as the Parties may agree.

(n) "Lenders and/or Grantors" shall mean all of the lenders and/or grant providers providing the Development Financing to the Lessee.

(o) "Lessee" shall mean Homeward Bound of Marin, a California nonprofit public benefit corporation, and its permitted successors and assigns.

(p) "Lessor" shall mean the City of Novato and its successors and assigns.

(q) "Navy Covenants" shall mean the Quitclaim Deed and Environmental Restriction pursuant to California Civil Code Section 1471, dated September 26, 2001, by and between the United States of America, acting by and through the Department of the Navy, and the City of Novato, recorded on September 28, 2001, in the Official Records of Marin County as Document No. 2001-0063240, in connection with the acquisition of the Subject Property by the City of Novato from the Navy.

(r) "Parties" shall mean the Lessor and the Lessee.

(s) "Performance Standards" shall mean the performance standards for operation of the Improvements as may be approved by the City of Novato prior to or concurrent with the Development Entitlements, as the same may be amended from time to time.

(t) "Residential Component" shall mean the units of housing and appurtenant residential common area that may be approved by the City and which, if approved, will comprise a portion of the Veterans and Workforce Housing, Employment and Training Center.

(u) "Residents" shall mean the residents who are authorized by the Lessee to reside in the Residential Component of the Veterans and Workforce Housing, Employment and Training Center.

(v) "Subject Property" shall mean the land described in the attached Exhibit A, subject to the granting of easements by Lessor to the adjacent real property(ies) for drainage and access purposes as set forth in Section 3.1(a)(2) hereof.

(w) "Training and Event Component" shall mean site improvements that may be approved by the City and, which if approved, will comprise a portion of the Veterans and Workforce Housing, Employment and Training Center, not including the fifty (50) one-bedroom apartment units.

(x) "Veterans and Workforce Housing, Employment and Training Center" shall, if approved by the City, consist of the Training and Event Component, the Administrative Component and the Residential Component to be constructed, owned, and operated by Lessee on the Subject Property.

Section 1.2 Exhibits.

The following exhibits are attached to and made part of this Lease:

EXHIBIT A Description of the Subject Property

EXHIBIT B Title Exceptions

EXHIBIT C Contracts and Assessments Affecting the Subject Property

**ARTICLE 2.**

**LEASE OF THE SUBJECT PROPERTY; PAYMENT OF RENT;**  
**[OWNERSHIP OF IMPROVEMENTS]**

Section 2.1 Lease of the Subject Property.

(a) The Lessor leases the Subject Property to the Lessee, and the Lessee leases the Subject Property from the Lessor, pursuant to the terms of this Lease.

(b) The Parties shall cause a memorandum of this Lease to be recorded against the Subject Property in the Official Records of the County of Marin.

(c) As a condition of releasing its signature on this Lease from escrow, the Lessee has obtained title insurance insuring the Lessee's interest in the Subject Property subject only to the exceptions set forth in the attached Exhibit B.

(d) The closing costs associated with execution of this Lease and recordation of a memorandum of this Lease, including recording charges, transfer tax, and the Lessee's title insurance policy, shall be borne by the Lessee. Each Party shall bear its own attorneys' fees and costs.

(e) The Lessee accepts the Subject Property in its "as is" physical condition, and except to the extent of the Lessor's representations in Section 8.2, Lessee acknowledges and agrees that Lessor has not made any express or implied representations, warranties, guaranties, promises, statements of assurances whatsoever as to the condition of the Subject Property, any matter that may concern or affect the Subject Property now, in the past or in the future, or the approval of the Development. Nothing in this Section 2.1(e), however, shall be construed to limit the Lessee's rights with respect to the condition of the Subject Property against any person or party other than Lessor or any other public agency or body created by or affiliated with the City of Novato, and Lessee's acceptance of the Subject Property in "as is" condition shall in no way release the United States government or the United States Navy from its statutory and contractual obligations, if any, to remedy any hazardous materials conditions on the Subject Property.

#### Section 2.2 Term.

The Lease Term shall commence on the date of this Lease and shall continue for fifty-five (55) years. This Lease shall be renewable for a renewal term of an additional thirty (30) years upon the mutual agreement of the Parties. In the event that Lessee desires to renew this Lease for said additional thirty (30) year period, Lessee shall send a written request to Lessor which must be received by Lessor no earlier than one (1) year prior to the expiration of the current lease term and no later than six (6) months before the expiration of the then current lease term. After the expiration of the Lease Term and any extension thereof, this Lease may be renewed for subsequent terms at the mutual agreement of the Lessor and Lessee.

#### Section 2.3 Payment of Rent.

The rent for the lease of the Subject Property shall be One Dollar (\$1) per year. At the close of escrow on this Lease, the Lessee shall pay to the Lessor, at 922 Machin Ave, Novato, California 94945, prepaid rent for the entire Term of this Lease in the amount of fifty-five Dollars (\$55). If this lease is terminated prior to the end of the Lease Term, the Lessor shall rebate to Lessee rent paid by Lessee for the period between the date Lessee ceases occupancy of the Subject Property and the remaining Lease Term of the lease.

#### Section 2.4 Title to Improvements; Modifications.

The Parties intend that the Lessee shall own fee title to any Improvements as and when they are constructed on the Subject Property. Improvements on the Subject Property during the Lease Term shall be and remain the real property of the Lessee; however, the Lessee shall have no right to destroy, demolish or remove the Improvements except as specifically provided for in this Lease or as approved in writing by the Lessor. When the Lease Term expires or when the Lease is otherwise terminated under the terms of this Lease, title to the Improvements shall revert to and vest in the Lessor at no cost to Lessor. It is the intent of the Parties that this Lease shall

create a constructive notice of severance of the Improvements from the Subject Property without the necessity of a deed from the Lessor to the Lessee. The Improvements shall be and remain real property and shall be owned in fee by the Lessee. The Lessee shall execute, at the end of the Lease Term, within ten (10) days of the Lessor's written request, a confirmatory quitclaim deed of the Improvements to be recorded at the Lessor's option and expense, and any other documents that may be reasonably required by the Lessor or the Lessor's title company to provide the Lessor title to the Subject Property and the Improvements free and clear of all monetary liens and monetary encumbrances not caused or agreed to by the Lessor.

Section 2.5 Assignment of Lessee's Leasehold Interest; Transfer of the Development.

(a) The Lessee may assign its interest in this Lease and sell or transfer the Development only with the prior written consent of the Lessor, which consent shall not be unreasonably withheld. However, the following transfers shall not require the consent of the Lessor: (i) leases or subleases of individual rooms, units or spaces in the Residential Component to Residents and to entities providing services to Residents or to Lessee; (ii) leases of space in the Administrative Component to any entity providing employment, administrative or training services in the Training and Event Component provided Lessee provides the City with written notice of such leasing; ; (iii) individual event rentals to third parties of the Training and Event Component; or (iv) any transfer of the Lease or Development to a Foreclosure Transferee provided that the Foreclosure Transferee does not intend to operate the Development on other than an interim basis not to exceed a period of six (6) months and provided that the Foreclosure Transferee agrees in writing to be bound by the terms and conditions of the Lease and all other agreements applicable to the Development or (v) assignment of a security interest in Lessee's interest in the Lease and the Development for financing purposes. Any transfer of a security interest in the Lessee's interest in this Lease and the Development other than those transfers specified above for which Lessor consent is not required shall be subject to Lessor approval. Lessor shall act expeditiously in performing its review of the transfer documents and its approval shall not to be unreasonably withheld. Any transfer of the Lessee's interest in the Lease and the Development from a Foreclosure Transferee shall be subject to Lessor's approval. Lessor shall act expeditiously in performing its review of the transfer documents and its approval shall not be unreasonably withheld provided that such transfer by the Foreclosure Transferee is to an entity which satisfies the criteria specified in Section 9.1(c)(i) and (ii) of this Agreement and such entity agrees in writing to be bound by the terms and conditions of this Lease and all other Agreements affecting the Development. The Lessee may transfer the Development to a nonprofit affiliate of the Lessee or a 501(c)(3) tax exempt nonprofit corporation not affiliated with Lessee and designated by one or more Lenders and/or Grantors, provided that such transfer is approved by Lessor, such approval not to be unreasonably withheld. No one who has not received the consent or approval of the Lessor may operate the Development nor receive the rights of the Lessee hereunder.

(b) The Lessee shall notify the Lessor of the occurrence of a transfer permitted by this Section 2.5 at least thirty (30) days prior to its occurrence, and shall promptly deliver to the Lessor all related documentation reasonably requested by the Lessor, except that



Lessee shall not be required to provide Lessor with notice of the transfers described in subsections 2.5 (a)(i) through 2.5 (a)(v) above.

### **ARTICLE 3.**

#### **CONSTRUCTION OF IMPROVEMENTS**

Section 3.1 Development Approval, Preconstruction and Construction Requirements.

(a) **Development Approval and Alteration to the Subject Property.**

(1) After initial approval, Lessee shall not make or suffer to be made any alterations, additions or improvements with respect to the Subject Property without the prior written consent of Lessor. Prior to submitting a complete application for any land use entitlement on the Subject Property, Lessee shall obtain the consent of the Lessor to submit said application. Any alteration to the Subject Property without the prior written consent of Lessor, shall be a breach of this Lease and, at the option of Lessor, shall cause a termination of this Lease.

(2) Any and all improvements proposed to be constructed on the Subject Property shall be subject to all land use, environmental, planning, engineering and other requirements of all applicable federal, state and City of Novato laws, rules and regulations as well as all requirements of any other public agency having jurisdiction over any entitlement or permit requested by the Lessee, including, but not limited to the provisions of the California Environmental Quality Act ("CEQA"). Lessee understands and agrees that nothing in this Lease guarantees the approval of CEQA decision or compliance document, any project or improvement proposed to be constructed on the Subject Property and that Lessor retains full and absolute discretion and all of its police powers to approve, approve with conditions or deny any CEQA compliance document, project or improvement proposed to be constructed on the Subject Property. In the event of a denial, Lessee shall have the right to terminate this Lease. Lessee shall have no recourse whatsoever against Lessor and Lessee shall indemnify, defend and hold harmless Lessor for any claim, damage, action or proceeding relating to the rightful grant or denial of any entitlement or permit requested by the Lessee, including, but not limited to any CEQA decision in accordance with Section 6.4 hereof. Lessee further understands and agrees that the lease of the Subject Property is conditioned upon and subject to, grants of certain easements for drainage and access to adjacent property(ies) in the Lessor's sole discretion. The location and extent of said easements shall be determined by Lessor in Lessor's sole and absolute discretion prior to or concurrent with Development Entitlements, if any, granted for the Development. Lessee understands and agrees that the grant of such easements will affect the development and developability of the Subject Property and may result in changes to the development proposals of Lessee which could increase costs, decrease development potential and/or otherwise affect the feasibility of and any potential development of the Subject Property. Lessee shall have no recourse whatsoever against Lessor and Lessee shall indemnify, defend and hold harmless Lessor for any claim, damage, action or proceeding relating to the grant of such easements or the affect thereof on the development of the Subject Property or the costs thereof in accordance with Section 6.4 hereof. In the event that the City has not granted all required land

use entitlements, including all required compliance with CEQA within eighteen (18) months of the date of this Lease, this lease shall automatically terminate and be of no further force and effect.

(b) **Contractor.** When Lessee has selected a general contractor to construct the Development or phase thereof, Lessee shall execute a construction contract with the selected general contractor (the "Construction Contract"), and deliver a copy to the City, no later than thirty (30) days prior to the application to the City of Novato of a building permit for the Improvements or portion thereof. City shall be named a third party beneficiary to the construction contract, and shall name the City of Novato as an additional insured on all insurance as set forth in section 6.1 hereof. Lessee may change the Contractor at any time, provided the requirements for beneficiary and insurance set forth above are met.

(c) **Financing.** Lessee shall obtain funding and other commitments sufficient to construct the entire Development, or each phase if the Development is to be constructed in phases, prior to commencement of construction of the Development (or applicable phase). Prior to the date Lessee pulls a building permit from the City of Novato, copies of all such commitments shall be submitted to the Lessor, and confirmation by the Lessor that Lessee has commitments for sufficient funding or in-kind assistance to construct the Development or phase thereof pursuant to the Construction Contract.

(d) **Building Permit.** The Lessee shall obtain a building permit from the City of Novato, covering at least the initial phase of the Development, no later than thirty-six (36) months from the date of this Lease. This time shall be extended by the time of any delay by the City of Novato in issuing such building permit.

(e) **Construction.** Lessee shall commence construction of the Improvements (or first phase thereof if the Improvements are phased) no later than one hundred and eighty (180) days following issuance by the City of Novato of a building permit and shall complete construction of the Improvements or first phase thereof and obtain a certificate of occupancy from the City of Novato within eighteen (18) months of the date of commencement of construction. The Improvements shall be constructed in accordance with the terms and conditions of the Development Entitlements, and any and all applicable codes, rules, regulations, permits, approvals and building permits at the time of occupancy. Lessee may, from time to time during the term of the Lease, rehabilitate or modify the Improvements, provided the Lessee has first obtained all permits and approvals required by law. The time for construction shall be extended by the duration of any force majeure conditions such as fires, delays by utilities, etc.

(f) **Extension of Time Periods.** provided, however, that the time requirement for completion of construction may be extended by the Lessor for a reasonable time, up to twelve (12) additional months, upon request of the Lessee for good cause shown.

(g) **Failure to Comply with Time Periods.** The failure of the Lessee to comply with the time limits contained in Sections 3.1(a) through 3.1(e), unless extended in accordance with Section 3.1(f), shall constitute a material breach of this Lease and shall be grounds for termination of this Lease by Lessor, in the sole and absolute judgment of Lessor.

Section 3.2 Equal Opportunity.

During the construction, rehabilitation and/or modification of the Improvements on the Subject Property there shall be no discrimination on the basis of race, color, creed, religion, sex, sexual orientation, age, disability, marital status, national origin, or ancestry in the hiring, firing, promoting, or demoting of any person engaged in the construction work.

Section 3.3 Liens.

Subject to subsection 4.4(d), the Lessee shall promptly pay all sums legally due and payable by the Lessee on account of any labor performed or materials supplied for the Development for which any lien is legally asserted against the Development. In the event any mechanics' or materialmen's lien is filed against the Development, subject to subsection 4.4(d), the Lessee at its expense shall promptly cause such lien to be removed by bonding or otherwise, and the Lessee shall hold the Lessor harmless from any and all such asserted claims or liens

Section 3.4 Permits, Licenses and Easements.

Within ten (10) days after receipt of written request from the Lessee, the Lessor shall (at no expense to it) consent to any and all applications for permits, licenses or other authorizations required by any governmental or other body (other than the City of Novato) claiming jurisdiction in connection with any work that the Lessee may do pursuant to this Lease or the operation of the Development. Lessor shall consider all requests of the Lessee to grants easements for public utilities useful or necessary to the proper construction of the Improvements or the operation of the Development as part of the City's entitlement process.

**ARTICLE 4.**

**USE AND MAINTENANCE OF THE DEVELOPMENT**

Section 4.1 Use of Development.

In the event that the Development is ultimately approved by the City of Novato, throughout the Lease Term, the Development shall be used only for the following purposes:

(a) The Lessee shall use or cause the Training and Event Component to be used for employment and vocational training (including culinary and catering training), education, provision of social services, and conference and community space serving homeless people, formerly homeless people, people at immediate risk of becoming homeless, and other community members, in compliance with any and all Conditions of Approval and any and all the Performance Standards.

(b) Lessee shall enter into the City of Novato Affordable Housing Agreement for the Development which shall require, at a minimum, that Lessee shall, with regard to the Residential Component:

(1) Provide to Lessor for Lessor's review and approval a management plan for the Residential Component. The management of the Residential Component shall be provided by a professional housing management company to be approved by the Lessor. In the alternative, Lessee may self-manage the Residential Component. Any material changes to the management plan or to the entity managing the Residential Component shall be subject to Lessor's approval. In the event of a default by Lessee pursuant to Section 9.1(a) of this Lease, which default is related to a failure to properly maintain the Development or to a violation of the Performance Standards, and subject to notice and cure periods contained in Section 9.1(a), the Lessor may require the Lessee to change management companies or to cease self-management of the Development and to enter into a contract with a professional housing management company approved by Lessor upon 60 days written notice from Lessor.

(2) Rental of at least forty-five percent (45%) of the units in the Residential Component shall be restricted to Very Low Income Veterans, earning no more than fifty percent (50%) of Area Median Income (AMI), with rents not exceeding thirty percent (30%) of fifty percent (50%) of AMI or as required by written agreement between Lessee and any funding entity providing funding for the Development, whichever is lowest. Rental of at least fifty-five percent (55%) of the units in the Residential Component shall be restricted to Very Low Income households, earning no more than fifty percent (50%) of AMI with rents not exceeding thirty percent (30%) of fifty percent (50%) of AMI or as required by written agreement between Lessee and any funding entity providing funding for the Development, whichever is lowest.

(3) Lessee shall be required to enter into written leases with the tenants of the Residential Component which incorporate the Performance Standards and any requirements of the Affordable Housing Agreement.

(c) The Administrative Component shall only be used for administrative and office space for Lessee and any other entity under contract with Lessee to provide employment training or other services in the Development.

(d) The Development shall not be used for any other use, program or purpose not set forth above without the written consent of the Lessor. However, without obtaining Lessor's written consent, Lessee may provide for non-profit groups serving the Marin County community, meeting spaces on an occasional basis and classes on an occasional basis.

(e) The Lessee shall comply with all applicable and lawful statutes, rules, orders, ordinances, requirements, and regulations of the United States, the State of California, and any other governmental authority having jurisdiction over the Development, including the Navy Covenants; however, the Lessee may, in good faith and on reasonable grounds, dispute the applicability or the validity of any charge, complaint, or action taken pursuant to or under color of any statute, rule, order, ordinance, requirement, or regulation, defend against the same, and in

good faith diligently conduct any necessary proceedings to prevent and avoid any adverse consequence of the same. The Lessee agrees that any such contest shall be prosecuted to a final conclusion as speedily as reasonably possible. The Lessee shall defend and hold the Lessor, and Lessor's elective and appointive officers, employees, agents, volunteers, agents and contractors, free and harmless from any violation by Lessee of applicable law or from any proceeding through which the Lessee may contest or dispute the applicability of such law, including the outcome thereof. This indemnification shall not apply to any proceeding through which the Lessee contests or disputes a law enacted by the Lessor provided that Lessee prevails in such proceeding and such law is either found invalid or Lessee is found not to have violated such law. In the case of proceedings involving a law enacted by Lessor, the Lessor shall not be obligated to indemnify or hold Lessee harmless, or to reimburse Lessee's costs, expenses and attorney fees even if Lessee prevails in the proceeding, such law is found invalid and/or Lessee is found not to have violated such law.

(f) The Lessor will, jointly with Lessee and prior to or concurrent with any approval for the Development, adopt Performance Standards for the operation of the Improvements. All proposed modifications thereafter are to be reviewed by the City Council. The City Council shall consider proposed modifications at a public hearing, notice of which shall be provided to Lessee, to the community and to all interested parties in the manner determined by the City Council. At the public hearing, the City Council shall hear testimony from the Lessee, the public and all interested parties concerning the proposed modifications. At the close of the public hearing, the City Council shall determine whether or not to modify the Performance Standards. The decision of the City Council shall be final.

If Lessee reasonably believes that a City Council modification to the Performance Standards violates State or Federal Fair Housing Laws, Lessee shall notify Lessor of the legal standards which support Lessee's contention and any citations and authorities in support thereof. If Lessor disputes Lessee's contentions, the Lessor and Lessee agree that the question of whether the modification at issue violates Fair Housing laws shall be submitted to arbitration before an arbitrator agreed to by the parties. The arbitration costs shall be shared equally by Lessor and Lessee. The City Council shall receive a copy of the arbitrator decision at the conclusion of the arbitration process. If the arbitrator agrees with Lessee that the modification at issue violates Fair Housing laws, the City Council shall then consider whether to revise the Performance Standards based on the arbitrator's decision.

#### Section 4.2 Maintenance of the Development.

During the term of this Lease, the Lessee shall perform, or cause to be performed, all maintenance and repairs necessary to maintain the Development in good repair and tenantable condition, and Lessee's annual budget for the Development shall include line items for reasonable maintenance and repair costs. In determining what constitutes good repair and tenantable condition, Section 19.31.030 of the Novato Municipal Code, as amended, is hereby incorporated by reference. Pursuant to the Affordable Housing Agreement and any and all Conditions of Approval for the Development, Lessee shall provide the City with a written plan providing for ongoing maintenance of the facility in compliance with Section 19.31.30 of the Novato Municipal Code. Lessee shall be in violation of this Lease if the Property is maintained

by Lessee in such a manner as to result in any of the conditions presently identified in Section 19.31.030 or as such section may later be amended by action of the Novato City Council

Section 4.3      Utilities.

The Lessee shall be responsible for the cost of all utilities, including water, heat, gas, electricity, waste removal, sewers, and other utilities or services supplied to the Development, and (subject to Section 4.4(d)) the Lessee shall pay or cause utility costs to be paid currently and as due.

Section 4.4      Taxes and Assessments.

(a)      Payment of Taxes and Assessments. The Lessee shall, during the entire Lease Term, at its own cost and expense, and except as to exemptions granted pursuant to State law as of the date this Agreement is executed, unless such exemptions are later repealed, pay the public officers charged with their collection, as the same become due and payable and before any fine, penalty, interest, or other charge may be added to them for nonpayment, all taxes and assessments of any nature, including all real estate taxes, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of any kind and nature, made, assessed, levied, or imposed upon, or due and payable in connection with, or which become an lien upon, the Subject Property, the Improvements, or any part of the Subject Property or Improvements, or upon the Lessee's leasehold interest in the Subject Property pursuant to this Lease, as well as assessments or Mello-Roos special taxes for which Lessee is responsible pursuant to Government Code Section 53340.1 or otherwise, for sidewalks, streets, sewers, water, or any other public improvements and any other improvements or benefits which shall, during the Lease Term, be made, assessed, levied, or imposed upon or become due and payable in connection with, or a lien upon, the Subject Property, the Improvements, or any part of the Subject Property or Improvements, or upon the Lessee's leasehold interest in the Subject Property pursuant to this Lease.

(b)      Payment of Fees. During the entire Lease Term, the Lessee shall pay, at its own cost and expense, before any fine, penalty, interest, or other charge may be added for nonpayment, all license and permit fees, charges for public utilities, and governmental charges relating to the use or occupancy of the Improvements. Pursuant to California Revenue and Taxation Code Section 107.6, Lessee is advised that Lessee's interest in this Lease and the Development may constitute a possessory property interest subject to property taxation and Lessee may be subject to the payment of property taxes levied on that interest. Furthermore, any such possessory property interest tax shall be paid by Lessee pursuant to the terms of this Lease.

(c)      Copies of Notices to Lessee. The Lessor shall promptly send to the Lessee copies of any and all notices received by it in respect to any taxes, assessments, charges, or fees for which the Lessee is liable pursuant to this Section 4.4.

(d)      Lessee's Right to Contest. If the Lessee disputes any amount or validity of any liens, taxes, assessments, charges, penalties, or claims, including liens or claims of materialmen, mechanics, or laborers, upon the Subject Property or the Improvements, the Lessee

may contest and defend against the same at its cost, and in good faith diligently conduct any necessary proceedings in connection therewith to prevent and avoid the same; however, such contest shall be prosecuted to a final conclusion as speedily as possible. During any such contest, the Lessee shall (by the payment of such disputed taxes, assessments, or charges, if necessary) prevent any advertisement of tax sale, foreclosure, or divesting of the title to the Subject Property and Improvements. The Lessee shall hold the Lessor, the City of Novato, the Redevelopment Agency of the City of Novato, their respective elective and appointive officers, employees, agents and contractors, free and harmless in any such contest or proceeding, including the outcome thereof.

Section 4.5      Hazardous Materials.

(a)      Definitions. The following special definitions shall apply for the purposes of this Section 4.5 and Section 6.4:

(1) "Hazardous Materials" shall mean:

(A)                      any "hazardous substance" as defined in Section 101(14) of CERCLA (42 U.S.C. Section 9601(14)) or Section 25281(d) or 25316 of the California Health and Safety Code, as amended from time to time;

(B)                      any "hazardous waste," "infectious waste" or "hazardous material" as defined in Section 25117, 25117.5 or 25501(j) of the California Health and Safety Code, as amended from time to time;

(C)                      any other waste, substance or material designated or regulated in any way as "toxic" or "hazardous" in the RCRA (42 U.S.C. Section 6901 et seq.), CERCLA Federal Water Pollution Control Act (33 U.S.C. Section 1521 et seq.), Safe Drinking Water Act (42 U.S.C. Section 3000 (f) et seq.), Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), Clean Air Act (42 U.S.C. Section 7401 et seq.), California Health and Safety Code (Section 25100 et seq., Section 3900 et seq.), or California Water Code (Section 1300 et seq.), as amended from time to time; and

(D)                      any additional wastes, substances or material which at such time are classified, considered or regulated as hazardous or toxic under any other present or future environmental or other similar laws relating to the Development.

(E)                      Notwithstanding the foregoing, the term "Hazardous Materials" shall not include the following: construction materials in reasonable quantities for lawful use in the construction or rehabilitation of the Improvements; reasonable quantities of gardening materials, household products, office supply products or janitorial supply products of the type customarily used in the construction, maintenance, rehabilitation, or associated with buildings and grounds, or typically used in household activities, in a manner typical of other residential housing developments which are comparable to the Improvements; and certain substances which may contain chemicals listed by the State of California pursuant to Health and Safety Code Sections 25249.8 et seq., which substances are commonly used in

reasonable quantities and in a lawful manner by a significant portion of the population living within the region of the Development, including (but not limited to) alcoholic beverages, aspirin, tobacco products, nutrasweet, prescription medications, and saccharine.

(2) "Hazardous Materials Laws" means all federal, state, and local laws, ordinances, regulations, orders and directives pertaining to Hazardous Materials in, on or under the Development or any portion thereof.

(b) Certain Covenants and Agreements.

(1) The Lessee shall not knowingly permit the Development or any portion thereof to be a site for the use, generation, treatment, manufacture, storage, disposal or transportation of Hazardous Materials or otherwise knowingly permit the presence of Hazardous Materials in, on or under the Project.

(2) The Lessee shall keep and maintain the Development and each portion thereof in compliance with, and shall not cause or permit the Development or any portion thereof to be in violation of, any Hazardous Materials Laws.

(3) Upon receiving actual knowledge of the following, the Lessee shall immediately advise the Lessor in writing of: (A) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against the Lessee or the Development pursuant to any applicable Hazardous Materials Laws; (B) any and all claims made or threatened by any third party against the Lessee or the Development relating to damage, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in the foregoing clause (A) and this clause (B) are hereinafter referred to as "Hazardous Materials Claims"); (C) the presence of any Hazardous Materials in, on or under the Development; or (D) the Lessee's discovery of any Hazardous Materials on any real property adjoining or in the vicinity of the Development, which Lessee reasonably believes may impact the Development. If the Lessor reasonably believes that the Lessee is not acting prudently and with diligence, or if the Lessor otherwise reasonably believes that its interests are not adequately protected, then the Lessor shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims.

(4) Without the Lessor's prior written consent, which shall not be unreasonably withheld, the Lessee shall not take any remedial action in response to the presence of any Hazardous Materials on, under, or about the Development (other than in emergency situations or as required by governmental agencies having jurisdiction), nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Materials Claims.

Section 4.6 Non-Discrimination.

The Lessee shall not, in the selection or approval of Residents for the Residential Component, nor in the operations of the Veterans and Workforce Housing, Employment and



Training Center or provision of services at or from the Development, or in any other manner or matter, unlawfully discriminate against any person or group of persons on the grounds of sex, race, color, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, sexual orientation, citizenship, primary language, or immigration status or any other basis prohibited by Section 51 of the California Civil Code or any subsequent, Federal, State, or local law, rule or regulation.

Section 4.7      Reporting.

The Lessee shall submit to the Lessor not later than one hundred twenty (120) days after the close of each fiscal year a copy of the Lessee's most recent annual report. The Lessee may seek an extension of this requirement if the most recent annual report has not been completed within this one hundred twenty (120) - day period. The Lessee shall also submit to Lessor not later than said one hundred twenty (120) days, a statistical report on the operation of the Development over the past fiscal year, including the following information: (a) the number of employment training participants utilizing the Development during the year; (b) the number of individuals and veterans residing in the Residential Component during the year, the income levels of all Residents, the length of stay for each Resident, and the apprenticeship or job training program in which the Resident is presently enrolled, if any; (c) the services and programs provided at the Development (d) a copy of the annual financial report for the Lessee; (e) the number of Residents who have moved out of the Development, (f) the number of Residents working full and part time and not working, the number of Residents engaged in employment training and the number of persons placed in full or part-time employment; (g) the amount of space, if any, in the Administrative Component leased to persons or entities providing employment training in the Training and Event Component; (h) copies of complaints filed by any person not a resident of the Development regarding the operation of the Development or alleging a violation of the Performance Standards; (i) copies of correspondence between the Lessee and those persons filing such complaints and the manner in which each such complaint was resolved; (j) the number of community meetings hosted during the past year as well as the number of veterans and senior citizens served at the Development; (k) the number of Resident complaints received; and (l) as the information is available, the number and percentage of Residents and Training and Event Component trainees who are employed.

**ARTICLE 5.**

**CONSTRUCTION LOANS AND GRANTS**

Section 5.1      Liens and Encumbrances Against Lessee's Interest in the Leasehold Estate.

(a) Lessee shall have the right to encumber, with the consent of Lessor, the leasehold estate created by this Lease and Lessee's fee interest in the Improvements with deeds of trust or comparable documents securing the Development Financing and by regulatory agreements or other restrictive covenants associated with such financing. Lessee shall provide

Lessor with written notice of all such encumbrances at least thirty (30) days prior to the execution of any encumbrance documents.

(b) The Lessee shall not have the right under any circumstances without the advance written consent of Lessor, in the Lessor's sole and absolute discretion, to encumber the Lessor's interest in the Subject Property or the Improvements. If the Lessor so consents, then the encumbrance documents must state that the Lessor's liability is limited to the real property security for the loan or grant, and that the Lessor is not liable for repayment of such loan or grant or any other borrower obligation, and that the Lessor shall have the notice and cure rights described in Section 5.5.

(c) For as long as there is any lien securing any Development Financing:

(1) Any Lender or Grantor which has an outstanding Development financing loan or grant shall have the right, but not the obligation, at any time to pay any or all of the rent due pursuant to the terms of this Lease, and do any other act or thing required of the Lessee by the terms of this Lease, to prevent termination of this Lease. However, this right shall not extend the time to cure the default beyond that time provided for in the written notices to Lessee as specified in Section 9.1(a) of this Lease. All payments so made and all things so done shall be as effective to prevent a termination of this Lease as the same would have been if made and performed by the Lessee instead of by the Lender(s) and Grantor(s).

(2) Any default under this Lease which by its nature cannot be remedied by any Lender or Grantor within the notice period provided to Lessee pursuant to Section 9.1(a) of this Lease, shall be deemed to be remedied if, (A) within this notice period, any Lender or Grantor has acquired the Lessee's leasehold estate or commenced foreclosure or other appropriate proceedings, (B) the Lender or Grantor diligently prosecutes any such proceedings to completion, (C) the Lender or Grantor has fully cured any default in the payment of any monetary obligations of Lessee, and (D) after gaining possession of the Development, the Lender or Grantor performs all other obligations of Lessee hereunder when the obligations are due.

(3) The Lessor shall mail or deliver to any Lenders and/or Grantors which have outstanding Development Financing loans or grants a duplicate copy of all notices which the Lessor may from time to time give to the Lessee pursuant to this Lease provided that Lessee has provided Lessor with the names and addresses of such Lenders and/or Grantors. Failure of the Lessor to provide such notices shall in no way invalidate or constitute a defense to any action taken by Lessor in connection with such notice.

(4) In the event any Foreclosure Transferee becomes the Lessee under this Lease by means of foreclosure or deed in lieu of foreclosure or pursuant to any new lease as set forth below, that Foreclosure Transferee shall be personally liable under this Lease or such new lease only for the period of time that the Foreclosure Transferee remains the lessee.

(5) If a Foreclosure Transferee becomes the legal owner of the leasehold estate, and upon written request by the Foreclosure Transferee within sixty (60) days after becoming the legal owner of the leasehold estate, the Lessor shall enter into a new lease of the

Subject Property with the Foreclosure Transferee for the remainder of the Lease Term with the same agreements, covenants, reversionary interests, and conditions (except for any requirements which have been fulfilled by the Lessee prior to termination) as are contained in this Lease and with priority equal to this Lease, so long as the Foreclosure Transferee promptly cures any and all defaults by the Lessee.

(6) If the Lease is terminated by a bankruptcy proceeding, foreclosure, or by other operation of law, then the Lessor shall, upon request by a Lender or Grantor, execute a new lease of the Subject Property to the Lender or Grantor, on the same terms and conditions as this Lease, except that the term will commence on the date of the new lease and will continue for the remaining unexpired term of this Lease. If the Lessor receives conflicting requests for a new lease of the Subject Property, then the Lessor shall execute a new lease of the Subject Property with the requesting Lender or Grantor having the most senior deed of trust. Any transfer of the lease to a transferee of the Lender or Grantor shall be subject to the Lessor's consent requirement contained in Section 2.5(a) of this lease and the indemnification and hold harmless provisions in Section 6.4.

(7) The Lessor shall reasonably cooperate in including in this Lease by suitable amendment from time to time any provision which may reasonably be requested by any proposed Lender or Grantor for the sole purpose of implementing the mortgagee-protection provisions contained in this Lease and allowing such Lender or Grantor reasonable means to protect or preserve the lien of its leasehold mortgage or lien and the value of its security at no expense or risk to Lessor. The Lessor shall execute and deliver (and to acknowledge, if necessary, for recording purposes) any agreement necessary to effect any such amendment, so long as such amendment does not in any way affect the Lease Term or rent under this Lease or otherwise in any material respect adversely affect any rights of the Lessor under this Lease.

Section 5.2      Cost of Development Financing to be Paid by Lessee.

The Lessee shall bear all of the costs and expenses in connection with (a) the preparation and securing of the Development Financing, (b) the preparation, execution, and delivery of any instruments and documents and their filing and recording, if required, and (c) preparation, execution, and all taxes and charges payable in connection with the Development Financing.

Section 5.3      Proceeds of Development Financing.

All Loan and Grant proceeds shall be paid to and become the property of the Lessee, and the Lessor shall have no right to receive any such Loan and Grant proceeds, unless the parties to the Loan or Grant agree to the contrary.

Section 5.4      Notice and Right to Cure Defaults Under Development Financing.

In the event of default by the Lessee under a Loan or Grant, notice shall be given to the Lessor at the same time given to the Lessee, and the Lessor shall have the right, but not the obligation, to cure the default with the same cure period provided to the Lessee under the applicable Loan or Grant Document. Any payments made by the Lessor to cure a default shall

be treated as rent due from the Lessee, which shall be paid within sixty (60) days of the date on which the payment was made by the Lessor. Failure by the Lessee to pay such amount in full within this 60-day period, shall constitute an event of default pursuant to Section 9.1 of this lease and entitle the Lessor to recover possession of the Subject Property. Any monies not paid in full to Lessor within this 60-day period shall accrue interest at the rate of 5 percent per annum from the date the default occurred until paid.

## **ARTICLE 6.**

### **INSURANCE**

#### Section 6.1 Required Insurance Coverage.

(a) Commercial Property Coverage. The Lessee shall keep the Subject Property and Development insured against loss or damage by a standard commercial property special form policy in amounts not less than the replacement value of the Development, or should insurance in such amount not be reasonably and commercially available, such lesser amount as may be acceptable to both the Lessor and Lenders and/or Grantors. The amount of such insurance shall be adjusted by reappraisal of the Improvements by the insurer or its designee at least once every five (5) years during the Lease Term, if requested by the Lessor. If a special form policy insuring the full replacement value of the Development is not reasonably and commercially available, then the Lessee shall obtain and maintain an extended coverage endorsement that ensures the full replacement value of the Development as soon as such coverage becomes commercially and reasonably available. The property policy shall provide for losses to be payable to the Lessor and Lessee (and Lenders and/or Grantors) as their interests may occur and that the insurer shall not have rights of recovery against the Lessor and Lessee.

(b) Liability and Property Damage Insurance. The Lessee shall at all times during the terms of this Lease keep in full force and effect a policy or policies of commercial general liability insurance against liability for bodily injury to or death of any person or property damage arising out of or in any way related to the operation, use, occupancy, or development or construction upon the Subject Property and on any occurrence on or about the Development. The insurance shall be written on an occurrence basis and the limits of such insurance shall be not less than Four Million Dollars (\$4,000,000) combined single limit for bodily injury and property damage. The limits of the insurance shall be adjusted once every five (5) years if and as reasonably required by the Lessor.

(c) Workers' Compensation Insurance. The Lessee shall carry or cause to be carried workers' compensation insurance, with statutory limits as required by the California Labor Code, covering all persons employed by the Lessee in connection with the Subject Property/and or Development which shall provide for a waiver of subrogation in favor of the Lessor. Such coverage shall include a waiver of subrogation endorsement in favor of Lessor

(d) Builders' Risk Insurance. During the course of any alteration, construction or reconstruction, the cost of which exceeds Fifty Thousand Dollars (\$50,000), the Lessee shall

require any contractor to provide builders' risk insurance for one hundred percent (100%) completed value on the insurable part of the Subject Property and Development. The builder's risk policy shall provide for losses to be payable to the Lessor and Lessee as their interests may occur and that the insurer shall not have rights of recovery against the Lessor and Lessee.

(e) Contractor Insurance. All contractors employed by Lessee to perform construction work on the Development, regardless of the value of such construction, shall carry commercial general liability insurance, worker's compensation insurance and automobile insurance as required pursuant to this Section 6.1 and 6.2 and shall name Lessor and Lessee as additional insureds with endorsements in a form acceptable to Lessor.

(f) Automobile Insurance. If the Lessee and its contractors and agents own, use, or lease vehicles, then the Lessee shall carry or caused to be carried comprehensive automobile liability insurance with limits not less than One Hundred Thousand Dollars (\$100,000) per occurrence/Three Hundred Thousand Dollars (\$300,000) aggregate for bodily injury and property damage, including coverages for owned, non-owned and hired vehicles, as applicable.

#### Section 6.2 Insurance Policies and Premiums.

(a) All liability policies required by this Lease or any Development Financing Document, including without limitation all policies obtained by Lessee's contractors pursuant to Section 6.1(e) above, shall name the Lessor and Lessor's elected and appointed officials, officers, employees, agents, volunteers, guests, invitees and contractors as additional insureds, and shall provide cross liability among insureds, and state that as to claims related to the work performed, the insurance shall be primary as to the additional insureds under this Lease, so that any other policies held by the Lessor, if any, shall not contribute to any loss under the insurance. Coverage shall be at least as broad as coverage set forth in ISO 20 10 11 85 endorsement.

(b) Insurance shall be placed with insurers with a current Best Rating of no less than A:VII. If at any time the Best Rating of Lessee's insurer falls below A:VII, the Lessee shall have 30 days to secure a new insurer who satisfies a Best Rating of A:VII. Any deductible or self-insured retention shall be disclosed to and approved, in writing, by the Lessor.

(c) Upon execution of this Lease, the Lessee shall furnish the Lessor with certificates and original endorsements effecting the required coverage in a form acceptable to Lessor. Thereafter, such evidence shall be provided annually, or if and when there are changes of insurance, and, in any event, promptly upon request. The endorsements shall be signed by persons authorized by the insurer to bind coverage on its behalf. The endorsements shall be on forms provided by the Lessor or as approved by the Lessor. If the Lessee does not keep all required insurance policies in full force and effect, or such insurance does not satisfy the terms and conditions of this Lease, then the Lessor may, in addition to other remedies under this Lease, take out the necessary insurance, and the Lessee shall pay the cost of such insurance within ten (10) days of invoice from Lessor. All insurance required by this section shall provide for severability of interests and shall provide that an act or omission of one of the named insureds shall not reduce or avoid coverage to the other named insureds.

(d) Each policy of insurance required pursuant to this Lease shall provide that it may not be cancelled, reduced in amount of coverage or otherwise materially modified without notice, in writing, delivered to Lessee and the Lessor at their respective principal offices at least thirty (30) days before the effective date of change or cancellation.

Section 6.3 Proceeds of Insurance.

(a) In the event of damage or destruction to the Development, all commercial property insurance (including builder's risk) proceeds shall be applied to the payment of the costs of repairing or rebuilding that part of the Subject Property and Development damaged or destroyed if (i) the Lessee agrees in writing within ninety (90) days after payment of the proceeds of insurance that such repair or rebuilding is economically feasible, and (ii) each Lender or Grantor with outstanding Development Financing permits such repairing or rebuilding, provided that the extent of Lessee's obligation to restore the Development shall be limited to the amount of the insurance proceeds. Lessee agrees to utilize best efforts to obtain the agreement of Lenders and/or Grantors to the utilization of insurance proceeds for rebuilding of the Development. If the Development is not repaired or rebuilt, all such proceeds shall be applied in a manner consistent with the terms of the Development Financing, with any conflicts resolved in accordance with the relative priority of their respective deeds of trust.

(b) If no Development Financing is outstanding, then all insurance proceeds received under the policies set forth in this Article 6 shall be paid to the parties hereto in proportion to their interests, provided that the Lessee shall apply such proceeds, to the extent possible, to reconstruction or repair in a manner consistent with the provisions of Section 7.2.

(c) If the Development is damaged or destroyed and is not rebuilt or repaired within three (3) years of the date of damage or destruction, the Lessor may terminate this Lease with respect to the portion of the Subject Property on which the unrepaired portion of the Development is located. This three-year period may be extended for up to three additional six month periods if Lessee demonstrates to Lessor's satisfaction that the additional time is necessary to rebuild the Development, the reasons why the Development cannot be rebuilt without the extension, and that Lessee will be able to rebuild the Development upon the granting of the additional extension. The Lessee may further seek to extend this period for an additional six-month period but the decision of whether or not to provide for this additional six-month period shall rest with the sole and absolute discretion of the Lessor.

Section 6.4 Indemnification.

(a) The Lessee shall indemnify, defend and hold harmless the Lessor and Lessor's elective and appointive officials, officers, employees, agents, volunteers, guests, invitees and contractors ("Lessor Indemnitees") from and against any and all third party claims, actions, demands, judgments, settlements, costs, expenses and attorney's fees arising out of, attributable to, or otherwise occasioned, in whole or in part, by (i) any act or omission of the Lessee, any officer, partner, agent, employee, contractor, tenant, guest, or invitee of the Lessee; (ii) the Lessee's design, construction, use or operation of the Development or any part thereof and any approval or denial of any application, permit or entitlement relating to the Development

by Lessor; (iii) any activity, work, or other thing done, permitted or suffered by the Lessee in or about the Subject Property, adjacent property and/or the Development; (iv) any claim arising after the date of execution of this Lease from the prevailing wage laws of the State of California and/or the federal government; and (v) any breach or default in the performance of any obligation on the Lessee's part to be performed under the terms of this Lease, and in any case, any action or proceeding brought against the Lessor Indemnitees by reason of any such claim, the Lessee upon notice from the Lessor shall defend any and all Lessor Indemnitees at the Lessee's expense by counsel reasonably satisfactory to the Lessor. The Lessor or Lessor Indemnitees shall not be liable for any damage to property entrusted to the Lessee's employees, nor for loss or damage to any property by theft or otherwise, not for any injury to or damage to persons or property resulting from the Lessee's operation or occupancy of the Subject Property or the Development.

(b) Any contractor retained by Lessee to perform construction work on or relating to, the Subject Property and/or Development, and any other entity under contract with Lessee to provide employment training or other services in the Development, shall agree in writing to release and hold harmless the Lessor Indemnitees in the same manner as set forth above for Lessee in connection with the work or services performed by the contractor or the entity.

(c) The Lessee agrees that it has not, and will not, use, generate, store or dispose of any Hazardous Material (as defined in Section 4.5(a) above) on, under, about or within the Property in violation of any law or regulation and the Lessee shall indemnify and hold harmless Lessor Indemnitees from and against any and all losses, liabilities, claims and/or costs and expenses (including, without limitation, any fines, penalties, judgments, litigation costs, attorney's fees, remediation costs, and consulting, engineering and construction costs) arising from or as a result of a breach of this warranty and representation or as a result of the disposal, storage, generation or release on the Development at any time during the term of this Lease of any Hazardous Materials, except to the extent caused by the gross negligence or willful misconduct of any Lessor Indemnitee regardless of whether such liability, cost or expense arises during or after the Lease Term. Should any discharge, leakage, spillage, emission, or pollution or any type occur upon or from the Development due to the Lessee's operation, use and/or occupancy thereof, the Lessee, at the Lessee's expense, shall clean all property affected thereby to the satisfaction of the Lessor and any governmental body having jurisdiction thereover.

(d) The Lessee acknowledges that the Lessee is not looking to or relying upon the Lessor to disclose any matters which the Lessor might be required to disclose under California Health and Safety Code Section 25359.7 and that all such matters have been investigated by the Lessee to the Lessee's satisfaction. In this regard, the Lessee specifically waives any and all rights it may have pursuant to the provisions of California Health and Safety Code Section 25359.7.

(e) The indemnifications provided pursuant to this Section 6.4 shall survive the termination of this Lease.

## ARTICLE 7.

### CONDEMNATION, DAMAGE OR DESTRUCTION OF THE DEVELOPMENT

#### Section 7.1 Condemnation.

If the Development or the Subject Property or any part thereof is taken or condemned, for any public or quasi-public purpose or use by any competent entity in appropriate proceedings, or by any right of eminent domain, then the Lessor and Lessee shall utilize best efforts to continue to operate the Development in compliance with this Lease. The Lessor and Lessee shall request that awards and other payments on account of a taking of the Development and the Subject Property (less costs, fees and expenses incurred by the Lessor and Lessee in connection with the collection thereof) be divided by the presiding court between loss of value of the fee interest in the Subject Property and loss of value of the Development. In any case, subject to the rights of Lenders and/or Grantors under the Development Financing Documents (with any conflicts resolved in accordance with the relative priority of their respective deeds of trust), such awards and payments shall be applied as follows:

(a) Net awards and payments received on account of a partial taking of the Development, other than a taking for a temporary use not exceeding one (1) year, shall be allocated and paid in the following order of priority:

(i) If the Lessee reasonably believes restoration on the remainder of the site is economically feasible, and will result in a viable and safe operation, and unless the Lessee is then in default and the opportunity to cure has expired under the Development Financing Documents, first, to pay the cost of restoration of the Development, provided that the extent of the Lessee's obligations to restore the Development shall be limited to the amount of the net award and payment received on account of the taking. The Lessee shall furnish to the Lessor evidence reasonably satisfactory to the Lessor of the total cost of the restoration of the Development and the cost to ensure a viable and safe operation. In such event, the condemnation proceeds shall be paid into the Construction Fund described in Section 7.2 below, subject to the rights of Lenders and/or Grantors to collect and disburse such funds.

(ii) Second, or first if (i) the Lessee does not reasonably believe that restoration is economically feasible or that restoration will not result in a viable and safe operation, or (ii) the Lessee is in default and the opportunity to cure has expired under the Development Financing Documents, to any Lenders and/or Grantors (in the order of their respective lien priority, if there is more than one Lender or Grantor) in an amount equal to the decrease (if any) in the value of the security for their respective Development Financing as a result of the partial taking (calculated as set forth below in this subsection 7.1(a)(ii)), less amounts



payable to or recovered by the Lender or Grantor pursuant to such taking, but not to exceed the unpaid balance of their Development Financing. For purposes of this subsection 7.1(a)(ii), the amount of decrease in the value of the security for a loan or grant shall be the amount, if any, necessary to reduce the outstanding principal of the loan or grant such that the Loan to Value Ratio (as defined below) of the loan or grant immediately following the taking is equal to the Loan to Value Ratio of the loan or grant immediately preceding the taking. Loan to Value Ratio shall mean that fraction the numerator of which is the sum of the principal amount of the loan or grant plus the principal amounts of all Development Financing higher in lien priority to the loan or grant either immediately following the taking (after taking into account any paydown pursuant to this subsection of any loans of higher priority) or immediately preceding the taking, as applicable, and the denominator of which is the appraised value of the Development immediately following the taking or immediately preceding the taking, as applicable. The values of the Development immediately preceding the taking and immediately following the taking shall be determined by an MAI or SRI appraiser selected by the Lessee and who is reasonably satisfactory to the Lessor.

(iii) The balance, if any, shall be divided between the Lessor and the Lessee in the manner specified in subparagraph (e) below; however, if the taking has no effect on the value of the Lessor's fee interest in the Subject Property and to the reversionary interest in the Improvements, then the balance shall be paid exclusively to the Lessee.

(b) Net awards and payments received on account of a partial or total taking of only the Lessor's fee interest in the Subject Property or the reversionary interest in the Improvements (that is, a taking of the Lessor's fee interest in the Subject Property or the Lessor's reversionary interest in the Improvements that has no effect on the value of the Lessee's leasehold interest in the Subject Property or the Lessee's fee interest in the Improvements), including severance damages, shall be paid to the Lessor, subject to the rights of any Lenders and/or Grantors to which the Lessor has encumbered its fee interest in the Subject Property (in the order of their respective lien priority, if there is more than one such Lender or Grantor), which amount shall be free and clear of any claims of the Lessee, or any other persons claiming rights to the Subject Property through or under the Lessee, other than Lenders and/or Grantors to which the Lessor has encumbered its interest in the Subject Property.

(c) Net awards and payments received on account of a taking for temporary use not exceeding one (1) year and relating to a period during the Lease Term shall be paid to the Lessee; however, if such taking for temporary use has resulted in any damage to or destruction of the Development, then such net awards and payments shall be first applied to pay the cost of restoration if the Lessee determines that restoration is economically feasible, viable, and safe. Net awards and payments received on account of a taking for temporary use not exceeding one (1) year and relating to a period beyond the Lease Term shall be paid to the Lessor.

(d) Net awards and payments received on account of a total taking of the Development shall be allocated and paid in the following order of priority:

(i) First, to any Lenders and/or Grantors with then-outstanding Development Financing secured by the Development (in the order of their respective lien priority, if there is more than one Lender or Grantor), an amount equal to the unpaid balance secured by their respective Development Financing to the extent there are sufficient funds to make such payments;

(ii) Second to the Lessor up to the total value of the fee interest of the Subject Property.

(iii) the balance, if any, shall be divided between the Lessor and the Lessee in the manner specified in subparagraph (e) below; however, if the taking has no effect on the value of the Lessor's fee interest in the Subject Property and to its reversionary interest in the Improvements, then the balance shall be paid exclusively to the Lessee.

(e) For purposes of subsections (a)(iii) and (d)(iii) above, first the Lessee shall receive reimbursement for any funds it has reasonably expended for repair and/or reconstruction of the Development (other than funds received from Lenders and/or Grantors). Second, the Lessor shall receive that portion of the remaining sum equal to such remaining sum, multiplied by a fraction the numerator of which is the number of years elapsed from the date of the Lease to the date of the taking, and the denominator of which is fifty-five (55). Third, the Lessee shall receive all remaining sums.

(f) The Lessee shall receive any award granted for or allocated to trade fixtures, moving expenses or loss of business.

(g) If the Development is taken or condemned during the last five (5) years of the Lease Term under circumstances described in subparagraph (a) above, then the Lessee may elect to terminate the Lease and proceeds of any payment or award shall be distributed in accordance with the provisions of subparagraphs (d) and (e) above.

Section 7.2 Administration of Construction Fund in the Event of Condemnation, or Damage or Destruction of Development.

If the Development or any part of it is to be repaired or reconstructed after damage or destruction or condemnation, then all proceeds collected under any and all policies of insurance referred to in Article 6 supra, covering such damage or destruction, or all compensation received for such taking by the exercise of the power of eminent domain, shall be paid into a special trust fund to be created and held by the Lessee and to be designated as the Construction Fund, during such repairing or reconstructing. Any surplus of such insurance or condemnation proceeds

remaining after the completion of all payments for such repairing or reconstructing shall be held or applied by the Lessee in a manner consistent with the applicable provision of this Article 7.

Section 7.3 Lessee, Lessor, Lenders and/or Grantors to be Made Parties in Legal Proceedings.

(a) In the event proceedings shall be instituted (i) for the exercise of the power of eminent domain, or (ii) as a result of any damage to or destruction of the Development, the resulting proceeds shall be paid to the Lenders and/or Grantors for application or disbursement in accordance with the Development Financing Documents (in the order of their respective lien priority, if there is more than one such Lender or Grantor). The Lessee, Lessor, and, as necessary, any Lender or Grantor with then-outstanding Development Financing shall be made parties to those proceedings, and if not made parties by the petitioning party, shall be brought into the proceedings by appropriate proceedings of other parties so that adjudication may be made of the damages, if any, to be paid to the Lessee, Lessor and Lenders and/or Grantors as compensation for loss of their rights in the Improvements or the Subject Property, or for damage to or destruction of the Development. Should the Lessor or Lessee receive notice of institution of any proceedings subject to Section 7.1, the Party receiving such notice shall notify the other Party not later than thirty (30) days after receiving such notice.

(b) The Lessor and the Lessee shall cooperate and consult with each other in all matters pertaining to the settlement, compromise, arbitration, or adjustment of any and all claims and demands for damages on account of damage to or destruction of the Development, or for damages on account of the taking or condemnation of the Improvements or the Subject Property.

Section 7.4 Termination.

In the event of a total taking or in the event of damage, destruction, or a partial taking, other than a temporary taking of the Development, which the Lessee reasonably determines renders continued operation of the Development infeasible both as a whole and in substantial part, and if the Lessee does not elect to rebuild the Development in accordance with the terms of this Lease, the Lessee shall terminate this Lease, and in such event any proceeds shall be allocated pursuant to Section 6.3 or Article 7, as appropriate. In the event of a partial taking that does not result in termination pursuant to this Section 7.4, this Lease shall remain in full force and effect as to the portion of the Development remaining.

**ARTICLE 8.**

**REPRESENTATIONS AND ASSURANCES**

Section 8.1 Lessor to Give Peaceful Possession.

Subject to the terms and conditions of this Lease, Lessee shall have, hold, and enjoy, during the Lease Term, peaceful, quiet, and undisputed possession of the Subject Property

without hindrance or molestation by or from Lessor so long as the Lessee is not in default under this Lease following the expiration of all applicable notice and cure periods.

Section 8.2 Lessor Representations.

The Lessor represents, as of the date of this Lease, as follows:

(a) it is unaware of any exceptions to title to the Subject Property except as set forth in the attached *Exhibit B* and as set forth herein;

(b) it has not received any notice of any special assessments or public improvements being contemplated, except as described in *Exhibit C*;

(c) there is no pending, or, to the best of its knowledge, threatened condemnation or similar proceeding affecting the Subject Property, nor does the Lessor have any knowledge that any such action is contemplated;

(d) to the best of Lessor's knowledge, there are no legal actions or other legal proceedings pending or, to the best of the Lessor's knowledge, threatened against or affecting the Subject Property, or the Lessor's title to the Subject Property, including any zoning, land use or environmental matters, and there is no action, proceeding or investigation pending or, to the best of the Lessor's knowledge, threatened which questions, directly or indirectly, the validity or enforceability of this Lease or which individually, or in the aggregate, might adversely affect the construction, use, or occupancy of the Subject Property;

(e) there are no contracts to which the Lessor is a party or may be bound affecting the Subject Property, except those contracts listed on *Exhibit C*, and to the best of the Lessor's knowledge, neither the Lessor nor any other party to such contracts is in default in the performance or observance of any of their provisions;

(f) all requisite action has been taken by the Lessor in connection with entering into this Lease and the consummation of the transactions contemplated by this Lease, and this Lease has been duly executed and delivered by the Lessor and constitutes the legally valid and binding obligation of the Lessor, enforceable against the Lessor in accordance with its terms except as the same may be affected by bankruptcy, insolvency, moratorium or similar laws, or by legal or equitable principles relating to or limiting the rights of contracting parties generally; and

(g) to the best of Lessor's knowledge, the execution of this Lease, the incurrence of the obligations set forth in this Lease, and the consummation of the transactions contemplated by this Lease do not violate any order or ruling of any court binding on the Lessor or any provision of any indenture, agreement, or other instrument to which the Lessor is a party or may be bound and to the best of the Lessor's knowledge, neither the entry into nor the performance of this Lease or the other documents contemplated in this Lease, has resulted or will result in any violation of, or conflict with, or invalidate, cancel or make inoperative, or result in the creation of any lien, encumbrance or any other charge upon the Subject Property pursuant to,

or constitute a default under, any charter, bylaw, partnership agreement, trust agreement, mortgage, deed of trust, indenture, contract, credit agreement, franchise, permit, judgment, decree, order, easement, restriction or other charge, right or interest applicable to the Lessor or the Development.

(h) where Lessor's representations are made based on Lessor's knowledge or to the best of Lessor's knowledge, or words of similar effect, said representations are based solely on the actual knowledge of Adam McGill, City Manager of the Lessor, without his having conducted any investigation or inquiry whatsoever. And the fact that such representations and warranties are made here by the Lessor shall not imply or indicate that any investigation or inquiry was performed by the Lessor in making same, and further, the fact that Lessor may not have conducted any such inquiry or investigation may not be relied upon by the Lessee as implying that no such investigation or inquiry should be made by the Lessee.

### Section 8.3 Lessee Representations.

The Lessee represents, as of the date of this Lease, as follows:

(a) it is a nonprofit public benefit corporation duly organized, validly existing, and in good standing under the laws of the State of California;

(b) all requisite action has been taken by it in connection with entering into this Lease and the consummation of the transactions contemplated by this Lease, and this Lease has been duly executed and delivered by the Lessee and constitutes the legally valid and binding obligation of the Lessee, enforceable against the Lessee in accordance with its terms except as the same may be affected by bankruptcy, insolvency, moratorium or similar laws, or by legal or equitable principles relating to or limiting the rights of contracting parties generally;

(c) the execution of this Lease, the incurrence of the obligations set forth in this Lease, and the consummation of the transactions contemplated by this Lease do not violate any order or ruling of any court binding on the Lessee or any provision of any indenture, agreement or other instrument to which the Lessee is a party or may be bound, and neither the entry into nor the performance of this Lease or the other documents contemplated in this Lease has resulted or will result in the violation of, or conflict with, or invalidate, cancel or make inoperative, or constitute a default under, any charter, bylaw, partnership agreement, trust agreement, mortgage, deed of trust, indenture, contract, credit agreement, franchise, permit, judgment, decree, order, easement, restriction or other charge, right or interest applicable to the Lessee; and

(d) it has not employed or retained any real estate broker to solicit or secure this Lease, and it has not paid or agreed to pay any real estate broker any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making this Lease.

(e) The Lessee acknowledges that the Lessee is not looking to or relying upon the Lessor to disclose any matters which the Lessor might be required to disclose under

California Health and Safety Code Section 25359.7 and that all such matters have been investigated by the Lessee to the Lessee's satisfaction. In this regard, the Lessee specifically waives any and all rights it may have pursuant to the provisions of California Health and Safety Code Section 25359.7.

Section 8.4 Release of Lessor.

The Lessor may sell, assign, transfer or convey all or any part of Lessor's interest in the Subject Property, reversionary interest in the Improvements, or this Lease without obtaining the Lessee's consent, as long as the purchaser, assignee, or transferee: (i) expressly assumes all of the obligations of the Lessor under this Lease by a written instrument in a form reasonably satisfactory to Lessee and recordable in the Official Records of the County of Marin; and (ii) executes necessary documentation to effect continued encumbrance of the fee interest in the Subject Property to Lenders and/or Grantors who have required encumbrance pursuant to Section 5.2 (b) above (to which encumbrance the Lessee has consented). In the event the Lessor intends to sell all or any part of the Subject Property, the Lessor shall notify the Lessee of such intention in writing not later than thirty (30) days before close of escrow. In the event of a sale, assignment, transfer or conveyance by the Lessor of the Subject Property or its rights under this Lease, the same shall operate to release the Lessor from any future liability upon any of the covenants or conditions of this Lease, expressed or implied, in favor of the Lessee, and in such event the Lessee shall look solely to the successor in interest of the Lessor in and to the Subject Property or this Lease. This Lease shall not be affected by any such sale or transfer, and the Lessee agrees to attorn to any such purchaser or assignee.

Section 8.5 Encumbrance by Lessor.

The Lessor shall not encumber or hypothecate its interest in the Subject Property or any part thereof with any mortgage, deed of trust, or other form of security interest, except as provided in Section 5.1(b) above with respect to Development Financing.

**ARTICLE 9.**

**DEFAULTS AND REMEDIES**

Section 9.1 Events of Default; Remedy for Default by Lessee.

- Default":
- (a) Any one or more of the following events shall constitute an "Event of Default":
    - (i) Failure to make any payment required hereunder, and continuance of such failure for a period of sixty (60) days after receipt by the Lessee of written notice specifying the nonpayment; or
    - (ii) Failure of the Lessee to observe and perform any other covenant, condition or agreement hereunder on its part to be performed (including, without limitation, the Performance Standards and compliance with

Section 4.1(a)), and continuance of such failure for a period of sixty (60) days after receipt by the Lessee of written notice specifying the nature of such default. If Lessee reasonably believes that more than sixty (60) days are required to remedy the violation, Lessee shall provide Lessor with a written notice stating the action proposed to remedy the violation and the reason why such remedy will require more than sixty (60) days. The Lessee shall also include in this written notice the soonest reasonable date by which the violation will be remedied. The Lessor shall not unreasonably withhold an additional period of up to sixty (60) additional days for Lessee to remedy the violation at issue. The Lessee may further seek to extend this period for an additional sixty (60) days, but the decision of whether or not to provide this additional sixty (60) days shall rest with the sole and absolute discretion of Lessor; or

(iii) The Lessee or its designee ceases to operate the Residential Component, the Training and Event Component or the Administrative Component for a continuous period of one hundred and eighty (180) days, subject to extension pursuant to the force majeure provisions of Section 10.4 below. For purposes of this section, Lessee shall be deemed to have ceased operating the Residential Component if the Lessee has less than 90% occupancy of the Residential Component of the Development for a one hundred eighty (180) day period subject to extensions of time for force majeure conditions. For purposes of this section, Lessee shall be deemed to have ceased operating the Training and Event Component if it is providing employment and job training services to an average of less than fifty (50) percent of the number of job training participants who received such services during an average month during the third year after a certificate of occupancy was issued by the City of Novato for the Development. For purposes of this section, Lessee shall be deemed to have ceased operating the Administrative Component if Lessee or its permitted subtenants are utilizing less than 50 percent of the square footage of the Administrative Component for administrative and office space for Lessee's operations. If the Lessee ceases to operate the Residential Component, the Training and Event Component or the Administrative Component as stated herein, the Lessor may terminate the Lease only as to the component of the Development that Lessee is deemed to have ceased operations. The Lessor and the Lessee shall then enter into a revised Lease for only those components still operated by Lessee. The Lessor may seek a new tenant for the component which Lessee has ceased to operate and/or operate the component on its own and/or take other actions regarding the component as the Lessor deems appropriate, consistent with the obligations included in Section 9.1 (e)below; or

(iv) A general assignment by the Lessee for the benefit of creditors; or

(v) The filing of a voluntary petition by the Lessee, or the filing of an involuntary petition by any of the Lessee's creditors, seeking the rehabilitation, liquidation or reorganization of the Lessee under any law relating to bankruptcy, insolvency or other relief of debtors, provided that in the case of an involuntary petition Lessee shall have sixty (60) days to cause such petition to be withdrawn or dismissed; or

(vi) The appointment of a receiver or other custodian to take possession of substantially all of the Lessee's assets or of this leasehold, which appointment is not withdrawn or dismissed within sixty (60) days, excluding any receivership initiated by a Lender or Grantor which shall not constitute an Event of Default; or

(vii) The Lessee becomes insolvent or declares in writing it is unwilling to pay its debts as they become due; or any court enters a decree or order directing the winding up or liquidation of the Lessee or of substantially all of its assets; or the Lessee takes any action toward the dissolution or winding up of its affairs or the cessation or suspension of its use of the Development; or

(viii) Attachment, execution or other judicial seizure of substantially all of the Lessee's assets or this leasehold, which is not dismissed, bonded, or stayed within sixty (60) days; or

(ix) Lessee's failure to comply with and/or violations of the City Conditions of Approval and continuance of such failure for a period of sixty (60) days after receipt by the Lessee of a written notice specifying the nature of such default; or

(x) Lessee's provision of written notice to Lessor that it has, or will, abandon the Property and cease to utilize the Property as veterans and workforce housing, employment and training.

(b) Whenever any default has occurred and is continuing following expiration of any applicable cure periods, and subject to the cure rights of Lenders and/or Grantors, an Event of Default shall exist, and the Lessor may take whatever action at law or equity as may appear reasonably necessary to enforce performance or observance of this Lease, including without limitation, termination of this Lease. In the event of an Event of Default, Lessor's remedies shall be cumulative, and no remedy expressly provided for in this section shall be deemed to exclude any other remedy allowed by law. Prior to any termination of this Lease due to an uncured Event of Default, Lessor shall consider consenting to an assignment of this Lease to a successor to the Lessee's interest in this Lease and to the rights and obligations conferred hereby selected in accordance with the terms of subsection 9.1(c) below, which consent shall not be unreasonably withheld. If a successor entity is selected pursuant to subsection 9.1(c) below, the Lessor shall not terminate the Lease, and shall instead consent to assignment of the Lease to the approved successor Lessee, and shall afford such successor Lessee a reasonable opportunity



to cure all curable Events of Default under the Lease. At Lessor's sole option and discretion, in the event a successor entity for the Residential Component and the Training and Event Component which meets the criteria contained in subsection 9.1(c) cannot be secured, Lessor may enter into a lease with one entity to operate the Residential Component and a separate lease with another entity to operate the Training and Event Component. The lease with each entity may contain such portion of the Administrative Component as the Lessor deems necessary for each entity to administer its component. Any portion of the Administrative Component not leased by Lessor to a successor entity shall be utilized by Lessor in any manner the Lessor deems appropriate.

(c) In evaluating any successor entity, nonprofit agencies meeting the following criteria shall be deemed eligible for priority consideration as a candidate for succession, provided that the nonprofit agency:

(i) Has substantial experience (preferably at least three (3) years) in operating and managing an affordable housing project, service enriched housing, or employment and training programs in the Bay Area. Alternatively, a nonprofit agency may provide a professional property management company to satisfy requirements for experience in operation of affordable housing and services pursuant to this section.

(ii) Is deemed to be fiscally sound (i.e. having sufficient committed financial resources to meet its current and projected obligations and having such financial reserves as deemed customary for nonprofit agencies with similar operations in Marin County), following a review of the nonprofit agency's audited financial statements for the last two (2) years, its financial statements for the then current fiscal year.

(d) In the event Lessor evicts Lessee for any of the reasons specified herein, upon obtaining possession of the Property, Lessor shall take appropriate action and utilize best efforts to select another operator, or operators, of the Development, to succeed to the rights and obligations contained in this Lease, in order to ensure the continued use of the Property as a veterans and workforce housing, employment and training center for the remainder of the Lease Term. If the Lessor is unable to secure another operator or operators to use the Property as a veterans and workforce housing, employment and training center, Lessor shall utilize the Property to provide other homeless services until such time as the need no longer exists or funding is no longer available.

#### Section 9.2 Remedy for Default by Lessor.

If the Lessor defaults under this Lease, then the Lessee shall give the Lessor and the Lenders and/or Grantors written notice requiring that the default be remedied by the Lessor. If the default is not cured within the time set forth by the Lessee (which shall be a reasonable time for curing the default and shall in any event be at least sixty (60) days), then the Lessee and Lenders and/or Grantors may take any action as may be necessary to protect their respective interests.

Section 9.3 Informal Mediation of Disputes.

(a) With respect to any alleged violation of the Performance Standards or any alleged violation of the requirements of this Lease by the Lessee or Lessor, either the Lessee or the Lessor may request that the matter be submitted to informal mediation with the Marin County Mediation Service (or, if either party objects, then to the mediation service of Sonoma County or another agreed county). At the request of either party, any third party complainant shall be asked to join the informal mediation and all parties shall use best efforts to cause the third party complainant to participate in the informal mediation. The informal mediation shall be conducted pursuant to the standard procedures of the mediation service and as directed by the mediator. The specific mediator shall be selected in the manner described in Section 9.4(b) below, with the administrator of the informal mediation service serving as the Administrator. The fees and cost of the informal mediation shall conform to the then-current fee schedule of the mediation service and, in the absence of an agreement to the contrary, will be borne equally by the parties.

(b) The informal mediation shall be completed within ninety (90) days of the request therefor unless the time is extended by written agreement of the Lessee and Lessor. If informal mediation has not been concluded within this ninety (90) day period, or such extended period agreed to by Lessor and Lessee, the informal mediation shall be deemed terminated and either the Lessor or the Lessee may seek the rights and remedies it believes itself entitled to pursuant to Section 9.1 of this Lease.

Section 9.4 Formal Mediation of Disputes.

(a) If informal mediation pursuant to Section 9.3 above does not resolve the dispute between Lessor and Lessee, either party, by providing written notice to the other within five (5) business days of the unsuccessful conclusion of the informal mediation, may initiate formal mediation before a retired judge or justice or through any other formal mediation process or service the parties may desire.

(b) Upon the initiation of formal mediation, the parties shall have ten (10) business days to select a mediator. If they are unable to do so, they shall mutually select a mediation service and the Administrator of such service will submit a list of three mediators and their resumes. Each party may then strike one name and the Administrator will designate the mediator from the list of remaining names. The fees and costs of the mediation will be borne equally by the parties.

(c) Mediation shall commence as expeditiously as possible and shall be completed within fifty (50) days of the date mediation, or thirty (30) days of the date a mediator is selected by the Parties pursuant to paragraph (b) above, whichever comes first. If mediation is not completed within the time specified herein, either party may terminate the mediation process upon written notice to the other and either the Lessor or the Lessee may then seek the rights and remedies it believes itself entitled to pursuant to Section 9.1 of this Lease.

(d) The mediation process is to be considered settlement negotiation for the purpose of all state and federal rules protecting disclosures made during such conferences from the later discovery or use in evidence. The parties hereto agree that the provisions of California Evidence Code Section 1152.5 shall apply to any mediation conducted hereunder.

**ARTICLE 10.**

**MISCELLANEOUS**

Section 10.1 Instrument Is Entire Agreement.

This Lease constitutes the entire agreement between the Parties with respect to the lease of the Subject Property. This Lease completely supersedes all prior understandings or agreements, both written and oral, between the Parties relating to the lease of the Subject Property.

Section 10.2 Notices.

(a) All notices hereunder shall be in writing signed by the Authorized Officer(s) and shall be sufficient if sent by United States first class, certified mail, postage prepaid, or express delivery service with a receipt showing the date of delivery, addressed

if to the Lessor:                      City of Novato  
    922 Machin Ave  
    Novato, CA 94945  
    Attention: City Manager

with a copy to:                         City Attorney of the City of Novato  
    670 W. Napa Street  
    Suite F  
    Sonoma, CA 95476

if to the Lessee:                         Homeward Bound of Marin  
    1385 N. Hamilton Parkway  
    Novato, CA 94949  
    Attention: Executive Director

or any other address as either Party may have furnished to the other in writing pursuant to the requirements of this Section 10.2 as a place for service of notice. Any notice so mailed shall be deemed to have been given on the delivery date or the date that delivery is refused by the addressee, as shown on the return receipt, or within three business days of the date the notice was mailed, whichever is earlier. If notice is given by personal service, it shall be deemed to have been given on the date served on the person or entity identified in Section 10.2(a) of this lease.

(b) A copy of each notice of default sent under Section 10.2(a) shall also be sent, in the manner described in Section 10.2(a), to the Lenders and/or Grantors with an outstanding Loan which have been identified in writing to Lessor by Lessee.

Section 10.3 Non-Liability of Officials, Employees and Agents.

No member, official, officer, employee, agent, contractor, or volunteer of any party shall be personally liable to the other, or any successor in interest.

Section 10.4 Force Majeure.

Performance by either Party shall not be deemed to be in default where defaults are due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; power outages; quarantine restrictions; freight embargoes; governmental restrictions or priority; weather or soils conditions which, in the reasonable opinion of the Lessee's contractor, will necessitate delays; reasonable inability to secure necessary labor, reasonable materials or tools; or any other causes (other than the Lessee's inability to obtain financing for the Development) beyond the control or without the fault of the Party claiming an extension of time to perform. Times of performance under this Lease may also be extended in writing by the Lessor and the Lessee.

Section 10.5 Non-Waiver of Breach.

Neither the failure of a Party to insist upon strict performance of any of the covenants and agreements of this Lease nor the failure by the Party to exercise any rights or remedies granted to such Party under the terms of this Lease shall be deemed a waiver or relinquishment (a) of any covenant herein contained or of any of the rights or remedies of the applicable Party, (b) of the right in the future of the applicable Party to insist upon and to enforce by any appropriate legal remedy a strict compliance with all of the covenants and conditions thereof, or (c) the right of the Lessor to recover possession of the Subject Property upon occurrence of a default and the expiration of applicable notice and cure periods or the expiration of the Lease Term.

Section 10.6 Counterparts.

This Lease may be executed in counterparts and multiple originals, each of which shall be an original and all of which shall constitute the same instrument.

Section 10.7 Lease Binding on Successors.

This Lease shall inure to the benefit of, and shall be binding upon, the Lessor, the Lessee, and their respective permitted successors and assigns.

Section 10.8 Relationship of Parties.

Nothing contained in this Lease shall be deemed or construed by the Parties or by any third party to create the relationship of principal or agent; partnership; joint venture; association;

or buyer and seller. Neither the computation of any payments and other charges under the terms of this Lease nor any other provisions contained in this Lease, nor any act of the Parties, shall be deemed to create any relationship between the Parties other than the relationship of landlord and tenant.

Section 10.9 No Merger.

There shall be no merger of this Lease, or any interest in this Lease or of the leasehold estate created hereby, with the fee estate in the Subject Property by reason of the fact that this Lease or such interest may be directly or indirectly held by or for the account of any person who shall hold the fee estate in the Subject Property, or any interest in such fee estate; nor shall there be such a merger by reason of the fact that all or any part of the leasehold estate created hereby may be conveyed or mortgaged in a leasehold mortgage to a leasehold mortgagee who holds the fee estate in the Subject Property or any interest of the Lessor under this Lease.

Section 10.10 Titles.

Any titles of the sections or subsections of this Lease are inserted for convenience of reference only and shall be disregarded in interpreting any of its provisions.

Section 10.11 Severability.

If any provision of this Lease or the application of any provision to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Lease, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected, and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

Section 10.12 Applicable Law.

This Lease shall be governed by and construed in accordance with the laws of the State of California.

Section 10.13 Approvals.

(a) Unless expressly stated otherwise, whenever this Lease calls for a Party's approval, consent, or waiver, the written approval, consent, or waiver of the Party's Authorized Officer(s) shall constitute the approval, consent, or waiver of the Party, without further authorization required from the Party's board. The Parties hereby authorize their Authorized Officers to deliver such approvals or consents as are required by this Lease, or to waive requirements under this Lease, on behalf of them (including, in the case of the Lessor, to encumber the fee in the Subject Property pursuant to Section 5.2(b)).

(b) All approvals under this Lease shall be subject to a reasonableness standard, except where a sole discretion standard is specifically provided.

Section 10.14 Inspection of Books and Records.


The Lessor has the right at all reasonable times to inspect and copy the non-confidential books, records and all other documentation of the Lessee pertaining to its obligations under this Lease. The Lessee also has the right at all reasonable times to inspect and copy the books, records and all other documentation of the Lessor pertaining to its obligations under this Lease. Each Party shall maintain adequate records for a period of at least three (3) years after the end of the operating year in which the records were created.

Section 10.15 Recitals.

The recitals set forth above are hereby incorporated by this reference as though fully set forth herein.

BY SIGNING BELOW, the Parties confirm their agreement to the terms of this Lease as of the date first written above.

ATTEST:

  
\_\_\_\_\_  
City Clerk

LESSOR:

City of Novato

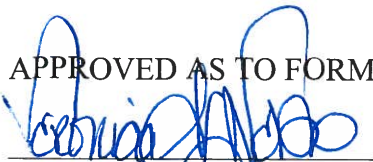
By:



Its:

City MANAGER

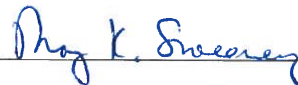
APPROVED AS TO FORM:

  
\_\_\_\_\_  
City Attorney

LESSEE:

Homeward Bound of Marin, a California nonprofit public benefit corporation


By:



Its:

Executive Director

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Lessee's Attorney

*See loose Acknowledgment certificate attached*

NOTE: ALL SIGNATURES MUST BE NOTARIZED FOR RECORATION PURPOSES

**CALIFORNIA ACKNOWLEDGMENT FORM**

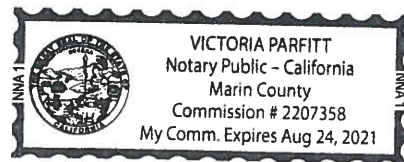
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

State of California)  
County of Marin ) SS.

On January 27, 2020 before me, Victoria Parfitt, Notary Public, personally appeared Adam McGill, who proved to me on the basis of satisfactory evidence to be the person whose name/s subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature 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.



[ SEAL ]

SIGNATURE Victoria Parfitt

## 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 Marin)

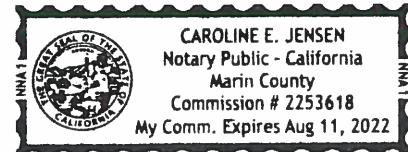
On January 10, 2020 before me, Caroline E. Jensen, notary public,  
(insert name and title of the officer)

personally appeared Mary K. Sweeney,  
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  (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.

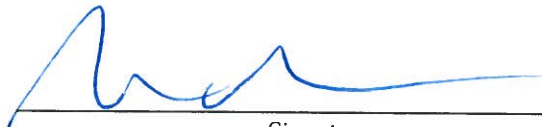
STATE OF CALIFORNIA

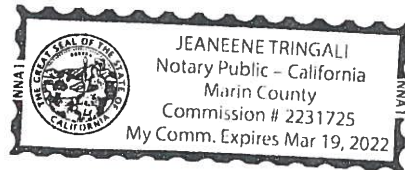
COUNTY OF MARIN

On Jan. 16, 2020, before me, Jeaneene Tringali,  
notary public, personally appeared Gary T. Ragghanti,  
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



(Seal)

CALIFORNIA ACKNOWLEDGMENT FORM

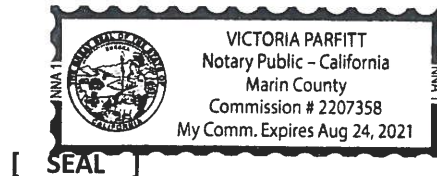
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

State of California)  
County of Marin ) SS.

On January 27, 2020 before me, Victoria Parfitt, Notary Public, personally appeared Veronica Nebb, who proved to me on the basis of satisfactory evidence to be the person whose name/s subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature 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 Victoria Parfitt

## EXHIBIT A

### DESCRIPTION OF THE SUBJECT PROPERTY

The land referred to is situated in the County of Marin, City of Novato, State of California, and is described as follows:

#### PARCEL ONE:

Beginning at the most Northerly corner of Lot 4 as shown on the Parcel Map of Hamilton Field - Phase Two, Stage 1, recorded November 3, 1997 in Book 26 of Parcel Maps at Page 39, Marin County Records; thence along the Easterly line of said Lot 4, South 05° 08' 16" West, 377.65 feet; thence leaving said Easterly line of said Lot 4, South 67° 31' 12" East, 81.00 feet; thence in a curve to the right, tangent to the preceding course, having a radius of 15.00 feet, through a central angle of 70° 47' 32", an arc length of 18.53 feet; thence South 03° 16' 20" West, 184.69 feet; thence South 84° 52' 00" East, 526.68 feet; thence South 05° 08' 00" West, 24.60 feet; thence South 84° 52' 00" East, 38.15 feet, thence South 05° 08' 00" West, 69.61 feet; thence South 84° 52' East, 245.46 feet; thence North 42° 01' 16" East, 47.80 feet to the Southwesterly line of the Parcel conveyed to Golden Gate Bridge, Highway and Transportation District described in the Deed recorded June 29, 1990 in Document No. 90-38197, Marin County Records; thence along said Southwesterly line of Golden Gate Bridge, Highway and Transportation District Parcel, North 47° 58' 44" West, 1166.25 feet to the Easterly line of North Hamilton Parkway, as shown on said Parcel Map of Hamilton Field - Phase Two, Stage 1 (26 P.M. 39); thence leaving said Southwesterly line of Golden Gate Bridge Highway and Transportation District Parcel, and along said Easterly line of North Hamilton Parkway, South 05° 08' 16" West, 43.85 feet to the point of beginning.

EXCEPTING THEREFROM that portion described as follows:

Beginning at the most Northerly corner of Lot 4 as shown on that certain Map entitled, "Parcel Map of Hamilton Field - Phase Two, Stage One", recorded November 3, 1997 in Book 26 of Parcel Maps at Page 39, Marin County Records; thence along the Easterly line of said Lot 4, South 05° 08' 16" West, 377.64 feet; thence leaving said Easterly line of said Lot 4, South 67° 31' 12" East, a distance of 81.00 feet; thence North 22° 28' 48" East, a distance of 34.33 feet; thence South 88° 25' 05" East, a distance of 74.65 feet; thence South 01° 34' 55" West, a distance of 14.50 feet; thence South 88° 25' 05" East, a distance of 102.19 feet; thence North 05° 08' 16" East, a distance of 113.56 feet; thence North 42° 01' 16" East, a distance of 83.20 feet to the Westerly line of the Lands of the Golden Gate Bridge, Highway and Transportation District (GGBH&TD), as described in Instrument No. 90 38197, Marin County Records; thence along said Westerly line of the Lands of GGBH&TD, North 47° 58' 44" West, a distance of 354.69 feet; thence leaving said Westerly line of the Lands of GGBH&TD from a tangent that bears South 65° 59' 11" West, along a non-tangent curve to the left, said curve having a radius of 261.00 feet, through a central angle of 08° 11' 38", for an arc length of 37.33 feet to the point of beginning.

ALSO EXCEPTING THEREFROM that portion described as follows:

Beginning at the most Northerly corner of Lot 4 as shown on that certain Map entitled, "Parcel Map of Hamilton Field - Phase Two, Stage One", filed for Record November 3, 1997 in Book 26

of Parcel Maps at Page 39, Marin County Records; thence along the Easterly line of said Lot 4, South 05° 08' 16" West, 377.64 feet; thence leaving said Easterly line of said Lot 4, South 67° 31' 12" East, a distance of 81.00 feet to the true point of beginning; thence from the true point of beginning along a tangent curve to the right; said curve having a radius of 15.00 feet; through a central angle of 70° 47' 32", for an arc length of 18.53 feet; thence South 03° 16' 20" West, a distance of 75.57 feet; thence South 84° 51' 44" East, a distance of 381.60 feet; thence North 42° 01' 16" East, a distance of 144.70 feet to the Westerly line of the Lands of the Golden Gate Bridge, Highway and Transportation District (GGBH&TD), as described in Instrument No. 90-38197, Marin County Records; thence along said Westerly line of the GGBH&TD, North 47° 58' 44" West, a distance of 304.88 feet; thence leaving said Westerly line of GGBH&TD, South 42° 01' 16" West, a distance of 83.20 feet; thence South 05° 08' 16" West, a distance of 113.56 feet; thence North 88° 25' 05" West, a distance of 102.19 feet; thence North 01° 34' 55" East, a distance of 14.50 feet; thence North 88° 25' 05" West, a distance of 74.65 feet; thence South 22° 28' 48" West, a distance of 34.33 feet to the point of beginning.

#### PARCEL TWO:

A Non-Exclusive Easement for the purpose of Vehicular access lying 12.50 feet on each side of the following described centerline:

Beginning at the most Northerly corner of Lot 4 as shown on that certain Map entitled, "Parcel Map of Hamilton Field - Phase Two, Stage One", recorded November 3, 1997 in Book 26 of Parcel Maps at Page 39, Marin County Records; thence along the Easterly line of said Lot 4, South 05° 08' 16" West, a distance of 6.87 feet, to the true point of beginning; thence from said true point of beginning leaving said Easterly line of said Lot 4 from a tangent that bears South 47° 39' 26" East, along a non-tangent curve to the right, said curve having a radius of 60.00 feet; through a central angle of 52° 47' 42", for an arc length of 55.29 feet; thence South 05° 08' 16" West, a distance of 255.99 feet; thence along a curve to the left; said curve having a radius of 60.00 feet, through a central angle of 64° 51' 05", for an arc length of 67.91 feet; thence South 59° 42' 49" East, a distance of 29.48 feet to a point on the Southerly line of Parcel One herein described; said point lies North 22° 28' 48" East, a distance of 24.45 feet from the most Southerly corner of said Parcel One and the terminus of the Easement herein being described.

#### PARCEL THREE:

A 25.00 foot Non-Exclusive Easement for the purpose of Vehicle access lying 12.50 feet on each side of the following described centerline:

Beginning at a point which bears North 22° 28' 48" West, a distance of 24.45 feet from the true point of beginning of the parcel herein described; thence from a tangent that bears South 59° 42' 49" East, along a non-tangent curve to the right, said curve having a radius of 40.00 feet; through a central angle of 18° 48' 22", for an arc length of 131.3 feet; thence South 40° 54' 27" East, a distance of 40.98 feet; thence along a curve to the left; said curve having a radius of 40.00 feet, through a central angle of 44° 13' 15", for an arc length of 30.87 feet; thence South 85° 07' 42" East, a distance of 262.04 feet; thence along a curve to the right; said curve having a radius of 40.00 feet, through a central angle of 41° 09' 19", for an arc length of 28.73 feet; thence South 43° 58' 23" East, a distance of 59.27 feet to a point on the Southeasterly line of Parcel One herein described; said point lying North 42° 01' 16" East, a

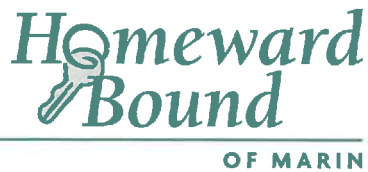
distance of 24.05 feet from the most Southerly corner of said Parcel One and the terminus of the Easement herein being described.

APN: 157-970-07

## **EXHIBIT C**

### **CONTRACTS AND ASSESSMENTS AFFECTING THE SUBJECT PROPERTY**

1. Contracts
  - a. City Ventures Purchase and Sale Agreement executed June 30, 2019.
  - b. Downtown Streets Team License Agreement for Use of City Property Between the City of Novato and the Downtown Streets Team Hamilton HUD Parcel APN 157-970-07 executed on November 26, 2019.
2. Existing Uses
  - a. Storage use of Buildings 820, 821 and/or 816 by the Lessor.
  - b. Storage use of Buildings 820, 821 and/or 816 by Novato Theatre Company.
3. Current and Anticipated Assessments Affecting the Subject Property



**BEFORE THE BOARD OF DIRECTORS OF HOMEWARD BOUND OF MARIN**

**IN THE MATTER OF: NOVATO VETERANS & WORKFORCE HOUSING, HUD PARCEL, FORMER HAMILTON ARMY AIRFIELD, NOVATO, CA  
RESOLUTION NO. 2022-01**

**AUTHORIZATION TO APPLY FOR MARIN COUNTY IN-LIEU HOUSING TRUST FUNDS & PERMANENT LOCAL HOUSING ALLOCATION FUNDS AND TO ENTER INTO A FUNDING AGREEMENT WITH THE COUNTY OF MARIN FOR DEVELOPMENT OF AFFORDABLE HOUSING FOR LOW AND VERY-LOW INCOME HOUSEHOLDS IN MARIN COUNTY**

All of the directors of Homeward Bound of Marin, a California nonprofit corporation (the "Homeward Bound"), hereby consent to, adopt and ratify the following Resolution:

WHEREAS, the County of Marin ("County") has established the Marin County In-Lieu Housing Trust Fund ("Trust Fund"), which includes Permanent Local Housing Allocation ("PLHA") funds, and accepts applications for funding on an ongoing basis; and

WHEREAS, Homeward Bound is authorized to do business in the State of California and is empowered to apply for and enter into a funding agreement to receive Trust Funds for the development affordable housing for low and very-low income households in Marin County; and

WHEREAS, Homeward Bound wishes to obtain a funding award of Trust Funds from the County for the development of the Novato Veterans & Workforce Housing ("Project"), located on the HUD Parcel in the former Hamilton Army Airfield in the Novato, California; and

WHEREAS, Homeward Bound is an eligible applicant pursuant to the criteria set forth in the Trust Fund Application for Funding, and related materials.

NOW, THEREFORE, IT IS RESOLVED: That Homeward Bound is hereby authorized to submit an application for a funding award in an amount not to exceed **\$1,000,000** for the Project pursuant to the Trust Fund Application for Funding, and related materials.

RESOLVED FURTHER: If the application is approved, Homeward Bound is hereby authorized to enter into, execute, and deliver an appropriate funding agreement with the County, and to provide any and all other documents required or deemed necessary or to carry into effect the full intent and purpose of this Resolution.

RESOLVED FURTHER: Homeward Bound is further authorized to request amendments, including increases in amounts up to amounts approved by the County, and to execute any and all documents required by the County relating to these amendments.

RESOLVED FURTHER: That Mary Kay Sweeney as the Executive Director of Homeward Bound, or her written designee, are each separate, individually, and independently hereby authorized to execute an application for a County funding award pursuant to the Trust Fund requirements, an appropriate funding agreement and, and any amendment or modifications thereto, on behalf of Homeward Bound.

RESOLVED FURTHER: That this Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED: this 9th day of February, 2022, by the following vote:

AYES: 14    NAYS: 0    ABSTAIN: 0    ABSENT: 0

Signature of Attesting Officer: Robert D Puett

Printed Name and Title of Attesting Officer: **Robert D. Puett, President**

CERTIFICATE OF THE SECRETARY

The undersigned, Secretary of Homeward Bound does hereby attest and certify that the foregoing Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of said corporation which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

DATE: 2-11-2022    SIGNATURE: Sonia Seeman

Printed Name and Title of Secretary: **Sonia Seeman, Secretary**



# Affirmative Fair Housing Marketing (AFHM) Plan-Multifamily Housing



1a. Applicant's Name, Address (Including City, State & Zip Code) & Phone Number

1b. Number of Units

1c. Census Tract

can be found here: <https://geo.map.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx>

1d. Managing Agent Name, Address (Including City, County, State & Zip Code), Telephone Number & Email Address

1e. Application/Owner/Developer Name, Address (Including City, County, State & Zip Code), Telephone Number & Email Address

1f. Entity Responsible for Marketing (check all that apply)

Owner     Agent     Other (specify)

Position Name, Address (Including City, County, State & Zip Code), Telephone Number & Email Address

1g. To whom should approval and other correspondence concerning this AFHMP be sent? Indicate Name, Address (Including City, State & Zip Code), Telephone Number & Email Address

2a. Affirmative Fair Housing Marketing Plan

Plan Type:

Date of the First Approved AFHMP:

Reasons for Current Update:

**2b. Occupancy of the Project (check all that apply)**

Elderly     Family     Mixed (Elderly/Disabled)     Disabled

**2c. Date of Initial Occupancy:**

**2d. Advertising Start Date**

Advertising must begin at least 90 days prior to initial or renewed occupancy for new construction and substantial rehabilitation projects.

Date advertising began or will begin:

**For existing projects, select below the reason advertising will be used:**

To fill existing unit vacancies   
To place applicants on a waiting list  which currently has  individuals  
To reopen a closed waiting list  which currently has  individuals

**3a. Demographics of Project and Housing Market Area**  
Complete and submit Worksheet 1.

**3b. Targeted Marketing Activity Based on your completed Worksheet 1, indicate which demographic group(s) in the housing market area is/are least likely to apply for the housing without special outreach efforts. (check all that apply)**

- White
- Black or African American
- Hispanic or Latino
- Other \_\_\_\_\_  
(e.g. specific ethnic group, religion, etc. )
- American Indian or Alaskan Native
- Asian
- Native Hawaiian or Other Pacific Islander
- Persons With Disabilities
- Families with Children

**4a. Proposed Marketing Activities: Community Contacts** Complete and submit Worksheet 2 to describe your use of community contacts to market the project to those least likely to apply.

**4b. Proposed Marketing Activities: Methods of Advertising** Complete and submit Worksheet 3 to describe your proposed methods of advertising that will be used to market to those least likely to apply. Attach copies of advertisements, radio and television scripts, Internet advertisements, websites, and brochures, etc.

**4c. Marketing Program: Brochures, Signs, and HUD’s Fair Housing Poster**

(1) Will brochures, letters, or handouts be used to advertise?  Yes  No If “Yes”, attach a copy or submit when available.

(2) For development site sign, indicate sign size \_\_\_\_\_ x \_\_\_\_\_ ; Logo type size \_\_\_\_\_ x \_\_\_\_\_. Attach a photograph of sign or submit when available.

(3) HUD’s Fair Housing Poster must be conspicuously displayed wherever sales/rentals and showings take place. Fair Housing Posters will be displayed in the:

- Sales Office
- Real Estate Office
- Model Unit
- Other (specify)

## 5. Evaluation of Marketing Activities

Explain the evaluation process you will use to determine whether your marketing activities have been successful in attracting individuals least likely to apply, how often you will make this determination, and how you will make decisions about future marketing based on the evaluation process.

---

### 6a. Marketing Staff

What staff positions are/will be responsible for affirmative marketing?

---

### 6b. Staff Training and Assessment: AFHMP

(1) Has staff been trained on the AFHMP?  Yes  No

(2) Has staff been instructed in writing and orally on nondiscrimination and fair housing policies as required by 24 CFR 200.620(c)?  Yes  No

(3) If yes, who provides instruction on the AFHMP and Fair Housing Act, and how frequently?

(4) Do you periodically assess staff skills on the use of the AFHMP and the application of the Fair Housing Act?  
 Yes  No

(5) If yes, how and how often?

---

### 6c. Tenant Selection Training/Staff

(1) Has staff been trained on tenant selection in accordance with the project's occupancy policy?  
 Yes  No

(2) What staff positions are/will be responsible for tenant selection?

**7. Additional Considerations:**

Is there anything else you would like to tell us about your AFHMP to help ensure that your program is marketed to those least likely to apply for housing in your project? Please attach additional sheets, as needed.

---

**8. Review and Update**

By signing this form, the applicant/respondent agrees to implement its AFHMP, and to review and update its AFHMP in accordance with the instructions to item 9 of this form in order to ensure continued compliance with HUD's Affirmative Fair Housing Marketing Regulations (see 24 CFR Part 200, Subpart M). I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (See 18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

*LaSaunda Tate*

02/16/2022

---

Signature of person submitting this Plan & Date of Submission (mm/dd/yyyy)

---

Name (type or print)

---

Title & Name of Company

---

**For Housing and Federal Grants Use Only**

Reviewing Official:

---

Signature & Date (mm/dd/yyyy)

---

Name (type or print)

---

Title

## **INSTRUCTIONS:**

**Send completed form and worksheets to Leelee Thomas, Planning Manager: [lthomas@marincounty.org](mailto:lthomas@marincounty.org)**

**Part 1: Applicant/Respondent and Project Identification. Blocks 1a, 1b, 1e, 1f, and 1g are self-explanatory.**

Block 1c- Respondents may obtain the Census tract number from the U.S. Census Bureau when completing Worksheet One. The Census tract number can be found here: [https://geo\\_map.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx](https://geo_map.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx)

Block 1d- The applicant should complete this block only if a Managing Agent (the agent cannot be the applicant) is implementing the AFHMP.

## **Part 2: Type of AFHMP**

Block 2a- Respondents should indicate the status of the AFHMP, i.e., initial or updated, as well as the date of the first approved AFHMP. Respondents should also provide the reason (s) for the current update, whether the update is based on the five-year review or due to significant changes in project or local demographics (See instructions for Part 9).

Block 2b- Respondents should identify all groups HUD has approved for occupancy in the subject project, in accordance with the contract, grant, etc.

Block 2c- Respondents should specify the date the project was/will be first occupied.

Block 2d- For new construction and substantial rehabilitation projects, advertising must begin at least 90 days prior to initial occupancy. In the case of existing projects, respondents should indicate whether the advertising will be used to fill existing vacancies, to place individuals on the project's waiting list, or to re-open a closed waiting list. Please indicate how many people are on the waiting list when advertising begins.

## **Part 3 Demographics and Marketing Area.**

"Least likely to apply" means that there is an identifiable presence of a specific demographic group in the housing market area, but members of that group are not likely to apply for the housing without targeted outreach, including marketing materials in other languages for limited English proficient individuals, and alternative formats for persons with disabilities. Reasons for not applying may include, but are not limited to, insufficient information about housing opportunities, language barriers, or transportation impediments.

Block 3a - Using Worksheet 1, the respondent should indicate the demographic composition of the project's residents, current project applicant data, census tract, housing market area, and expanded housing market area. The applicable housing market area and expanded housing market area should be indicated in Block 1e. Compare groups within rows/across columns on Worksheet 1 to identify any under-represented group(s) relative to the surrounding housing market area and expanded housing market area, i.e., those group(s) "least likely to apply" for the housing without targeted outreach and marketing. If there is a particular group or subgroup with members of a protected class that has an identifiable presence in the housing market area, but is not included in Worksheet 1, please specify under "Other."

Respondents should use the most current demographic data from the U.S. Census or another official source such as a local government planning office.

Block 3b - Using the information from the completed Worksheet 1, respondents should identify the demographic group(s) least likely to apply for the housing without special outreach efforts by checking all that

apply.

#### **Part 4 - Marketing Program and Residency Preference (if any).**

Block 4a - Using Worksheet 2, respondents should describe their use of community contacts to help market the project to those least likely to apply. This table should include the name of a contact person, his/her address, telephone number, previous experience working with the target population(s), the approximate date contact was/will be initiated, and the specific role the community contact will play in assisting with affirmative fair housing marketing or outreach.

Block 4b - Using Worksheet 3, respondents should describe their proposed method(s) of advertising to market to those least likely to apply. This table should identify each media option, the reason for choosing this media, and the language of the advertisement. Alternative format(s) that will be used to reach persons with disabilities, and logo(s) that will appear on the various materials (as well as their size) should be described.

**Please attach a copy of the advertising or marketing material.**

#### **Part 5 – Availability of the Fair Housing Poster, AFHMP, and Project Site Sign.**

Block 5a - The Fair Housing Poster must be prominently displayed in all offices in which sale or rental activity takes place (24 CFR 200.620(e)). Respondents should indicate all locations where the Fair Housing Poster will be displayed.

Block 5a continued -The AFHMP must be available for public inspection at the sales or rental office (24 CFR 200.625). Check all of the locations where the AFHMP will be available.

Project Site Sign must display in a conspicuous position the HUD-approved Equal Housing Opportunity logo, slogan, or statement (24 CFR 200.620(f)). Respondents should indicate where the Project Site Sign will be displayed, as well as the size of the Sign and the size of the logo, slogan, or statement. **Please submit photographs of project site signs.**

#### **Part 6 - Evaluation of Marketing Activities.**

Respondents should explain the evaluation process to be used to determine if they have been successful in attracting those individuals identified as least likely to apply. Respondents should also explain how they will make decisions about future marketing activities based on the evaluations.

#### **Part 7- Marketing Staff and Training.**

Block 7a -Respondents should identify staff positions that are/will be responsible for affirmative marketing.

Block 7b - Respondents should indicate whether staff has been trained on the AFHMP and Fair Housing Act. Please indicate who provides the training and how frequently.

In addition, respondents should specify whether they periodically assess staff members' skills in using the AFHMP and in applying the Fair Housing Act. They should state how often they assess employee skills and how they conduct the assessment.

Block 7c - Respondents should indicate whether staff has been trained on tenant selection in accordance with the project's occupancy policy, including residency preferences (if any). Respondents should also identify those staff positions that are/will be responsible for tenant selection.

#### **Part 8 - Additional Considerations.**

Respondents should describe their efforts not previously mentioned that were/are planned to attract those

individuals least likely to apply for the subject housing.

### **Part 9 - Review and Update.**

By signing the respondent assumes responsibility for implementing the AFHMP. Respondents must review their AFHMP every five years or when the local Community Development jurisdiction's Consolidated Plan is updated, or when there are significant changes in the demographics of the project or the local housing market area. When reviewing the plan, the respondent should consider the current demographics of the housing market area to determine if there have been demographic changes in the population in terms of race, color, national origin, religion, sex, familial status, or disability. The respondent will then determine if the population least likely to apply for the housing is still the population identified in the AFHMP, whether the advertising and publicity cited in the current AFHMP are still appropriate, or whether advertising sources should be modified or expanded. Even if the demographics of the housing market area have not changed, the respondent should determine if the outreach currently being performed is reaching those it is intended to reach as measured by project occupancy and applicant data. If not, the AFHMP should be updated. The revised AFHMP must be submitted to HUD for approval. Staff may review whether the affirmative marketing is actually being performed in accordance with the AFHMP. If based on their review, respondents determine the AFHMP does not need to be revised, they should maintain a file documenting what was reviewed, what was found as a result of the review, and why no changes were required. Staff may review this documentation.

---

**Worksheet 1: Determining Demographic Groups Least Likely to Apply for Housing Opportunities (See AFHMP, Block 3b)**

In the respective columns below, indicate the percentage of demographic groups among the project's residents, current project applicant data, census tract, housing market area, and expanded housing market area. If you are a new construction or substantial rehabilitation project and do not have residents or project applicant data, only report information for census tract, housing market area, and expanded market area. The purpose of this information is to identify any under-representation of certain demographic groups in terms of race, color, national origin, religion, sex, familial status, or disability. If there is significant under-representation of any demographic group among project residents or current applicants in relation to the housing/expanded housing market area, then targeted outreach and marketing should be directed towards these individuals least likely to apply. Please indicate under-represented groups in Block 3b of the AFHMP. **Please attach maps showing both the housing market area and the expanded housing market area.**

<b>Demographic Characteristics</b>	<b>Project's Residents</b>	<b>Project's Applicant Data</b>	<b>Census Tract</b>
<b>% White</b>			
<b>% Black or African American</b>			
<b>%Hispanic or Latino</b>			
<b>% Asian</b>			
<b>% American Indian or Alaskan Native</b>			
<b>% Native Hawaiian or Pacific Islander</b>			
<b>% Persons with Disabilities</b>			
<b>% Families with Children under the age of 18</b>			
<b>Other (specify)</b>			



**Worksheet 2: Proposed Marketing Activities –Community Contacts (See AFHMP, Block 4a)**

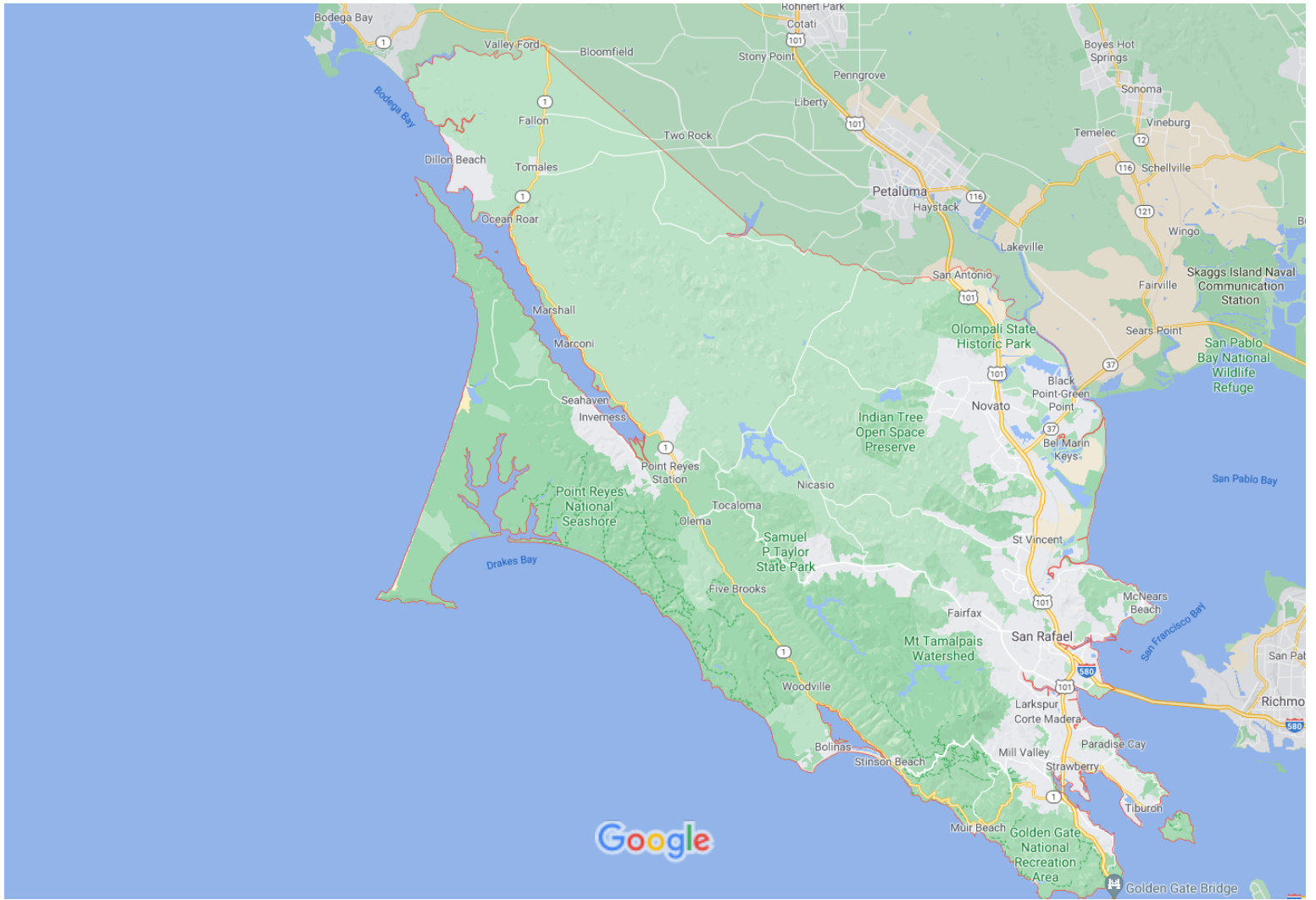
For each targeted marketing population designated as least likely to apply in Block 3b, identify at least one community contact organization you will use to facilitate outreach to the particular population group. This could be a social service agency, religious body, advocacy group, community center, etc. State the names of contact persons, their addresses, their telephone numbers, their previous experience working with the target population, the approximate date contact was/will be initiated, and the specific role they will play in assisting with the affirmative fair housing marketing. Please attach additional pages if necessary.

<b>Targeted Population(s)</b>	<b>Community Contact(s), including required information noted above.</b>

**Worksheet 3: Proposed Marketing Activities – Methods of Advertising (See AFHMP, Block 4b)**

Complete the following table by identifying your targeted marketing population(s), as indicated in Block 3b, as well as the methods of advertising that will be used to market to that population. For each targeted population, state the means of advertising that you will use as applicable to that group and the reason for choosing this media. In each block, in addition to specifying the media that will be used (e.g., name of newspaper, television station, website, location of bulletin board, etc.) state any language(s) in which the material will be provided, identify any alternative format(s) to be used (e.g. Braille, large print, etc.), and specify the logo(s) (as well as size) that will appear on the various materials. Attach additional pages, if necessary, for further explanation. Please attach a copy of the advertising or marketing material.

Targeted Population(s) → Methods of Advertising ↓	Targeted Population:	Targeted Population:	Targeted Population:
<b>Newspaper(s)</b>			
<b>Radio Station(s)</b>			
<b>TV Station(s)</b>			
<b>Electronic Media</b>			
<b>Bulletin Boards</b>			
<b>Brochures, Notices, Flyers</b>			
<b>Others (Specify)</b>			

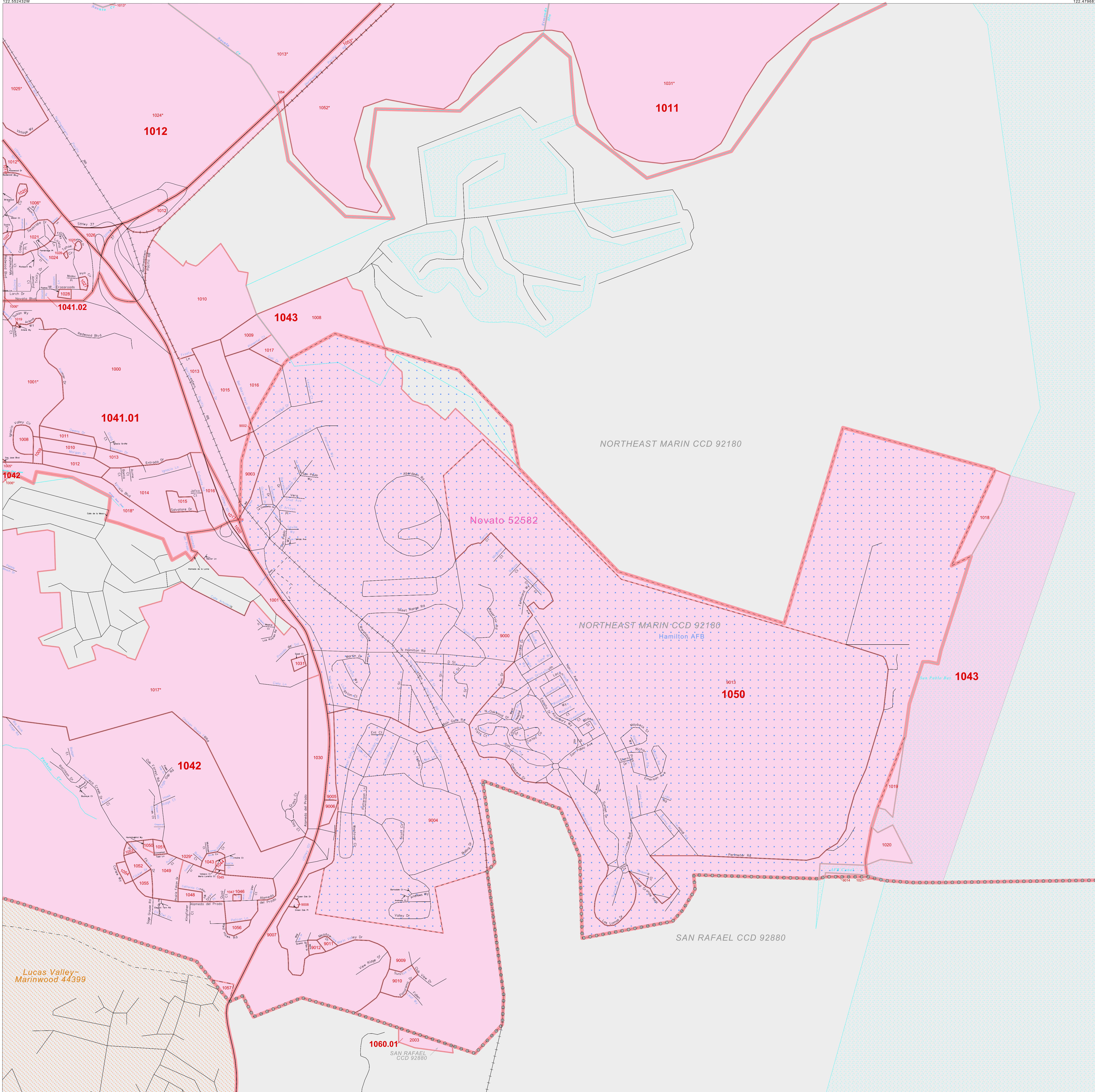


Map data ©2021 Google 2 mi

CENSUS 2000 BLOCK MAP: NOVATO City

38 093120N  
122 552432W

38 093120N  
122 479667W



**LEGEND**

SYMBOL	NAME/STYLE
*****	INTERNATIONAL
*****	AIR (FEDERAL)
*****	Trust Land / Home Land
*****	OTSA / TDSA / ANVSA
*****	AMERICAN INDIAN TRIBAL SUBDIVISION
*****	AIR (State)
*****	SDA/SA
*****	ANRC
*****	STATE (or statistically equivalent entity)
*****	COUNTY (or statistically equivalent entity)
*****	MINOR CIVIL DIV. / CCD <sup>1</sup>
*****	Consolidated City
*****	Place within Subject Entity
*****	Incorporated Place / CDP <sup>1</sup>
*****	Place outside of Subject Entity
*****	Incorporated Place / CDP <sup>1</sup>
*****	Corporate Offset Boundary
*****	<b>Census Tract</b>
*****	<b>Block<sup>2</sup></b>

**ABBREVIATION REFERENCE:** AIR = American Indian Reservation; Trust Land = Off-Reservation Trust Land; Home Land = Hawaiian Home Land; OTSA = Oklahoma Tribal Statistical Area; TDSA = Tribal Designated Statistical Area; ANVSA = Alaska Native Village Statistical Area; SDA/SA = State Designated American Indian Statistical Area; ANRC = Alaska Native Regional Corporation; CDP = Census Designated Place; Minor Civil Div. (MCD) = Minor Civil Division; CCD = Census County Division

**FEATURES**

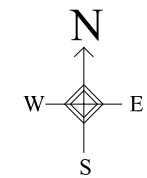
Highway	Pipe/Power Line	Stream/Shoreline
Secondary Road	Ridge/Physical Feature	Intermittent Stream
Deep Trail/Highway/Ferry	Property/Fence Line	River/Lake
Railroad	Nonvisible Boundary	Glacier

Where international, state, and/or county boundaries coincide, the map shows the boundary symbol for only the highest-ranking of these boundaries.  
<sup>1</sup> A " " following a place name indicates that the place is coterminous with a MCD. A " " indicates that the place is also a false MCD; the false MCD name is not shown.  
<sup>2</sup> A " " following a block number indicates that the block number is repeated elsewhere in the block.

**Inset**   **Out Area**

38 093120N  
122 552432W

38 093120N  
122 479667W



ENTITY TYPE: Incorporated Place  
 NAME: Novato city (52582)  
 ST: California (08)  
 CO: Marin Co (041)

Key to Adjacent Sheets

1	2
3	4

Sheet Location within Entity

SHEET 4 OF 4 PARENT SHEETS  
 TOTAL SHEETS: 5 (Index 1; Parent 4; Inset 0)

**PLHA Attachment: Homeward Bound of Marin, Demographics 2021-2022**

**1. Persons/Households in Programs**

<b>Demographic Category</b>	<b>Total Served</b>	<b>Percentage Served</b>
<b><i>Race/Ethnicity</i></b>		
African-American/Black	180	20%
Asian-American/Pacific Islander	36	4%
Caucasian/White	441	49%
Latino/Hispanic	207	23%
Native American	9	1%
Other/Mixed	27	3%
<b><i>Disabled</i></b>	405	45%
<b><i>Households/Families</i></b>		
Persons in Families With Children	248	28%
Single Individuals	652	72%
<b><i>Total</i></b>	900	100%

**2. Staff & Board**

<b>Demographic Category</b>	<b>Total Staff</b>	<b>Percentage Staff</b>	<b>Total Board</b>	<b>Percentage Board</b>
<b><i>Race/Ethnicity</i></b>				
African-American/Black	21	21%	1	7%
Asian-American/Pacific Islander	4	4%	0	0%
Caucasian/White	51	52%	12	86%
Latino/Hispanic	13	14%	1	7%
Native American	5	5%	0	0%
Other/Mixed	4	4%	0	0%
<b><i>Total</i></b>	98	100%	14	100%

## EXHIBIT A

The land referred to is situated in the County of Marin, City of Novato, State of California, and is described as follows:

### PARCEL ONE:

Beginning at the most Northerly corner of Lot 4 as shown on the Parcel Map of Hamilton Field - Phase Two, Stage 1, recorded November 3, 1997 in [Book 26 of Parcel Maps at Page 39, Marin County Records](#); thence along the Easterly line of said Lot 4, South 05° 08' 16" West, 377.65 feet; thence leaving said Easterly line of said Lot 4, South 67° 31' 12" East, 81.00 feet; thence in a curve to the right, tangent to the preceding course, having a radius of 15.00 feet, through a central angle of 70° 47' 32", an arc length of 18.53 feet; thence South 03° 16' 20" West, 184.69 feet; thence South 84° 52' 00" East, 526.68 feet; thence South 05° 08' 00" West, 24.60 feet; thence South 84° 52' 00" East, 38.15 feet, thence South 05° 08' 00" West, 69.61 feet; thence South 84° 52' East, 245.46 feet; thence North 42° 01' 16" East, 47.80 feet to the Southwesterly line of the Parcel conveyed to Golden Gate Bridge, Highway and Transportation District described in the Deed recorded June 29, 1990 in [Document No. 90-38197, Marin County Records](#); thence along said Southwesterly line of Golden Gate Bridge, Highway and Transportation District Parcel, North 47° 58' 44" West, 1166.25 feet to the Easterly line of North Hamilton Parkway, as shown on said Parcel Map of Hamilton Field - Phase Two, Stage 1 (26 P.M. 39); thence leaving said Southwesterly line of Golden Gate Bridge Highway and Transportation District Parcel, and along said Easterly line of North Hamilton Parkway, South 05° 08' 16" West, 43.85 feet to the point of beginning.

EXCEPTING THEREFROM that portion described as follows:

Beginning at the most Northerly corner of Lot 4 as shown on that certain Map entitled, "Parcel Map of Hamilton Field - Phase Two, Stage One", recorded November 3, 1997 in [Book 26 of Parcel Maps at Page 39, Marin County Records](#); thence along the Easterly line of said Lot 4, South 05° 08' 16" West, 377.64 feet; thence leaving said Easterly line of said Lot 4, South 67° 31' 12" East, a distance of 81.00 feet; thence North 22° 28' 48" East, a distance of 34.33 feet; thence South 88° 25' 05" East, a distance of 74.65 feet; thence South 01° 34' 55" West, a distance of 14.50 feet; thence South 88° 25' 05" East, a distance of 102.19 feet; thence North 05° 08' 16" East, a distance of 113.56 feet; thence North 42° 01' 16" East, a distance of 83.20 feet to the Westerly line of the Lands of the Golden Gate Bridge, Highway and Transportation District (GGBH&TD), as described in [Instrument No. 90 38197, Marin County Records](#); thence along said Westerly line of the Lands of GGBH&TD, North 47° 58' 44" West, a distance of 354.69 feet; thence leaving said Westerly line of the Lands of GGBH&TD from a tangent that bears South 65° 59' 11" West, along a non-tangent curve to the left, said curve having a radius of 261.00 feet, through a central angle of 08° 11' 38", for an arc length of 37.33 feet to the point of beginning.

ALSO EXCEPTING THEREFROM that portion described as follows:

Beginning at the most Northerly corner of Lot 4 as shown on that certain Map entitled, "Parcel Map of Hamilton Field - Phase Two, Stage One", filed for Record November 3, 1997 in [Book 26](#)

of [Parcel Maps at Page 39, Marin County Records](#); thence along the Easterly line of said Lot 4, South 05° 08' 16" West, 377.64 feet; thence leaving said Easterly line of said Lot 4, South 67° 31' 12" East, a distance of 81.00 feet to the true point of beginning; thence from the true point of beginning along a tangent curve to the right; said curve having a radius of 15.00 feet; through a central angle of 70° 47' 32", for an arc length of 18.53 feet; thence South 03° 16' 20" West, a distance of 75.57 feet; thence South 84° 51' 44" East, a distance of 381.60 feet; thence North 42° 01' 16" East, a distance of 144.70 feet to the Westerly line of the Lands of the Golden Gate Bridge, Highway and Transportation District (GGBH&TD), as described in [Instrument No. 90-38197, Marin County Records](#); thence along said Westerly line of the GGBH&TD, North 47° 58' 44" West, a distance of 304.88 feet; thence leaving said Westerly line of GGBH&TD, South 42° 01' 16" West, a distance of 83.20 feet; thence South 05° 08' 16" West, a distance of 113.56 feet; thence North 88° 25' 05" West, a distance of 102.19 feet; thence North 01° 34' 55" East, a distance of 14.50 feet; thence North 88° 25' 05" West, a distance of 74.65 feet; thence South 22° 28' 48" West, a distance of 34.33 feet to the point of beginning.

PARCEL TWO:

A Non-Exclusive Easement for the purpose of Vehicular access lying 12.50 feet on each side of the following described centerline:

Beginning at the most Northerly corner of Lot 4 as shown on that certain Map entitled, "Parcel Map of Hamilton Field - Phase Two, Stage One", recorded November 3, 1997 in [Book 26 of Parcel Maps at Page 39, Marin County Records](#); thence along the Easterly line of said Lot 4, South 05° 08' 16" West, a distance of 6.87 feet, to the true point of beginning; thence from said true point of beginning leaving said Easterly line of said Lot 4 from a tangent that bears South 47° 39' 26" East, along a non-tangent curve to the right, said curve having a radius of 60.00 feet; through a central angle of 52° 47' 42", for an arc length of 55.29 feet; thence South 05° 08' 16" West, a distance of 255.99 feet; thence along a curve to the left; said curve having a radius of 60.00 feet, through a central angle of 64° 51' 05", for an arc length of 67.91 feet; thence South 59° 42' 49" East, a distance of 29.48 feet to a point on the Southerly line of Parcel One herein described; said point lies North 22° 28' 48" East, a distance of 24.45 feet from the most Southerly corner of said Parcel One and the terminus of the Easement herein being described.

PARCEL THREE:

A 25.00 foot Non-Exclusive Easement for the purpose of Vehicle access lying 12.50 feet on each side of the following described centerline:

Beginning at a point which bears North 22° 28' 48" West, a distance of 24.45 feet from the true point of beginning of the parcel herein described; thence from a tangent that bears South 59° 42' 49" East, along a non-tangent curve to the right, said curve having a radius of 40.00 feet; through a central angle of 18° 48' 22", for an arc length of 131.3 feet; thence South 40° 54' 27" East, a distance of 40.98 feet; thence along a curve to the left; said curve having a radius of 40.00 feet, through a central angle of 44° 13' 15", for an arc length of 30.87 feet; thence South 85° 07' 42" East, a distance of 262.04 feet; thence along a curve to the right; said curve having a radius of 40.00 feet, through a central angle of 41° 09' 19", for an arc length of 28.73 feet; thence South 43° 58' 23" East, a distance of 59.27 feet to a point on the Southeasterly line of Parcel One herein described; said point lying North 42° 01' 16" East, a

distance of 24.05 feet from the most Southerly corner of said Parcel One and the terminus of the Easement herein being described.

APN: 157-970-07





**OLD REPUBLIC**  
TITLE COMPANY

1400A Grant Avenue  
Novato, CA 94945  
(415) 897-9632 Fax: (415) 892-1137

## PRELIMINARY REPORT

Our Order Number 0436022051-DM

CITY OF NOVATO

When Replying Please Contact:

Diana McInnis  
dmcinnis@ortc.com  
(415) 897-9632

Property Address:

APN: 157-970-07, Novato, CA 94945

In response to the above referenced application for a policy of title insurance, OLD REPUBLIC TITLE COMPANY, as issuing Agent of Old Republic National Title Insurance Company, hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said Policy or Policies are set forth in Exhibit I attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the Homeowner's Policy of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit I. Copies of the Policy forms should be read. They are available from the office which issued this report.

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

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

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

Dated as of August 17, 2018, at 7:30 AM

**OLD REPUBLIC TITLE COMPANY**  
For Exceptions Shown or Referred to, See Attached

Page 1 of 7 Pages

OLD REPUBLIC TITLE COMPANY  
ORDER NO. 0436022051-DM

The form of policy of title insurance contemplated by this report is:

CLTA Standard Coverage Policy - 1990. A specific request should be made if another form or additional coverage is desired.

The estate or interest in the land hereinafter described or referred to by this Report is:

Fee as to Parcel(s) One and an Easement as to Parcel(s) Two and Three

Title to said estate or interest at the date hereof is vested in:

City of Novato, a municipal corporation

The land referred to in this Report is situated in the County of Marin, City of Novato, State of California, and is described as follows:

PARCEL ONE:

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OLD REPUBLIC TITLE COMPANY  
ORDER NO. 0436022051-DM

ALSO EXCEPTING THEREFROM that portion described as follows:

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OLD REPUBLIC TITLE COMPANY  
ORDER NO. 0436022051-DM

APN: 157-970-07

At the date hereof exceptions to coverage in addition to the Exceptions and Exclusions in said policy form would be as follows:

1. Taxes and assessments, general and special, for the fiscal year 2018 - 2019, a lien, but not yet due or payable.
2. NOTE: Said land was not assessed for Fiscal Year 2017-2018 Taxes (City Owned)
3. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Section 75, et seq., of the Revenue and Taxation Code of the State of California.
4. Rights of the public, County and/or City, in and to that portion of said land lying within the lines of any Public Road.
5. Rights or claims of easements not recorded in the public records.
6. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following  
  
Granted To : Sanitary District No. 6 of Marin County  
For : Sanitary Sewer purposes  
Recorded : [March 10, 1959 in Book 1261 of Official Records, Page 264](#)  
Affects : Along Northeasterly line, 10 feet in width

7. Amended Redevelopment Plan, as follows:

Entitled : Notice of Amendment to the Redevelopment Plan for Hamilton Field Redevelopment Project and Description of Land Within Added Area for Hamilton Field Redevelopment Project  
Recorded : [November 30, 1998 in Official Records under Recorder's Serial Number 1998-087749](#)

And as modified by an instrument, executed by City of Novato, recorded [January 25, 2002 in Official Records under Recorder's Serial Number 2002-006383](#).

"Notice of Adoption of First Amendment to the Redevelopment Plan for the Novato Redevelopment Project; First Amendment to Redevelopment Plan for the Downtown Novato Redevelopment Project; and Third Amendment to the Redevelopment Plan for the Hamilton Field Redevelopment Project", recorded June 10, 2003, as [Instrument No. 2003-0068821, Marin County Records](#).

Revised Statement of Institution of Proceedings of Redevelopment dated November 13, 2007 and recorded December 3, 2007, as [Instrument 2007-0067987](#) of Official Records.

8. Covenants, Conditions and Restrictions which do not contain express provision for forfeiture or reversion of title in the event of violation, but omitting any covenants or restriction if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Title 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons, as provided in an instrument.

Recorded : [September 28, 2001 in Official Records under Recorder's Serial Number 2001 0063240](#)

Matters as contained or referred to in an instrument,

Entitled : Memorandum of Second Amendment to Homeless Facilities Agreement  
Executed By : Marin Continuum of Housing, a California nonprofit public benefit corporation, the City of Novato, a municipal corporation, the Novato Public Finance Authority, a public body, corporate and politic, and Hamilton Reuse Planning Authority  
Recorded : [November 9, 2005 in Official Records under Recorder's Serial Number 2005-0085909](#)

OLD REPUBLIC TITLE COMPANY  
ORDER NO. 0436022051-DM

NOTE: "If this document contains any restriction based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, national origin, source of income as defined in subdivision (p) of section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status."

9. Matters as contained or referred to in an instrument,

Entitled : Binding Agreement  
Executed By : The City of Novato, a non-profit homeless assistance provider  
Recorded : [September 28, 2001 in Official Records under Recorder's Serial Number 2001 0063240](#)

10. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Granted To : North Marin Water District, a public corporation  
For : Laying down, constructing, reconstructing, removing, replacing, repairing, maintaining, operating, and using Pipe or Pipes together with Right of Ingress and Egress  
Recorded : [December 19, 2003 in Official Records under Recorder's Serial Number 2003-0153200](#)  
Affects : Westerly portion

Terms and conditions contained in the Grant above referred to.

11. Any unrecorded and subsisting leases.

12. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.

13. The requirement that satisfactory evidence be furnished to this Company of compliance with applicable statutes, ordinances and charters governing the ownership and disposition of the herein described land.

----- Informational Notes -----

A. The applicable rate(s) for the policy(s) being offered by this report or commitment appears to be section(s) 1.1.

B. NOTE: The last recorded transfer or agreement to transfer the land described herein is as follows:

Instrument

Entitled : Quitclaim Deed  
By/From : City of Novato Public Finance Authority, a joint powers authority  
To : City of Novato, a municipal corporation  
Dated : March 8, 2011  
Recorded : [March 10, 2011 in Official Records under Recorder's Serial Number 2011-0013868](#)

O.N.

MV/mt

**CALIFORNIA LAND TITLE ASSOCIATION  
STANDARD COVERAGE POLICY - 1990  
EXCLUSIONS FROM COVERAGE**

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

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

**EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I**

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

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



**FACTS**
**WHAT DOES OLD REPUBLIC TITLE  
DO WITH YOUR PERSONAL INFORMATION?**

<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
<b>What?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>• Social Security number and employment information</li> <li>• Mortgage rates and payments and account balances</li> <li>• Checking account information and wire transfer instructions</li> </ul> <p>When you are no longer our customer, we continue to share your information as described in this notice.</p>
<b>How?</b>	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Old Republic Title chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Old Republic Title share?	Can you limit this sharing?
<b>For our everyday business purposes</b> — such as to process your transactions, maintain your account(s), or respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes</b> — to offer our products and services to you	No	We don't share
<b>For joint marketing with other financial companies</b>	No	We don't share
<b>For our affiliates' everyday business purposes</b> — information about your transactions and experiences	Yes	No
<b>For our affiliates' everyday business purposes</b> — information about your creditworthiness	No	We don't share
<b>For our affiliates to market to you</b>	No	We don't share
<b>For non-affiliates to market to you</b>	No	We don't share

Questions

 Go to [www.oldrepublictitle.com](http://www.oldrepublictitle.com) (Contact Us)

Who we are	
Who is providing this notice?	Companies with an Old Republic Title name and other affiliates. Please see below for a list of affiliates.

What we do	
How does Old Republic Title protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. For more information, visit <a href="http://www.OldRepublicTitle.com/newnational/Contact/privacy">http://www.OldRepublicTitle.com/newnational/Contact/privacy</a> .
How does Old Republic Title collect my personal information?	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> <li>• Give us your contact information or show your driver's license</li> <li>• Show your government-issued ID or provide your mortgage information</li> <li>• Make a wire transfer</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> <li>• Sharing for affiliates' everyday business purposes - information about your creditworthiness</li> <li>• Affiliates from using your information to market to you</li> <li>• Sharing for non-affiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing. See the "Other important information" section below for your rights under state law.</p>

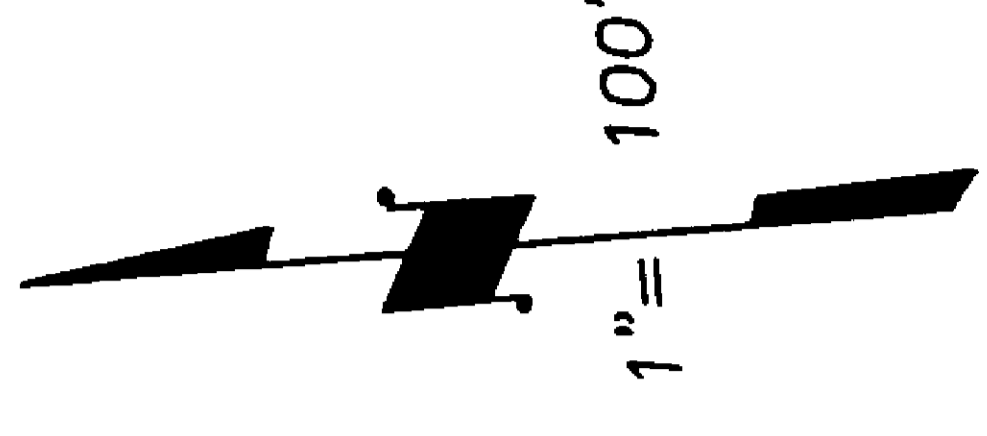
Definitions	
<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>• Our affiliates include companies with an Old Republic Title name, and financial companies such as Attorneys' Title Fund Services, LLC, Lex Terrae National Title Services, Inc., Mississippi Valley Title Services Company, and The Title Company of North Carolina.</li> </ul>
<b>Non-affiliates</b>	<p>Companies not related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none"> <li>• Old Republic Title does not share with non-affiliates so they can market to you</li> </ul>
<b>Joint marketing</b>	<p>A formal agreement between non-affiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>• Old Republic Title doesn't jointly market.</li> </ul>

## Other Important Information

Oregon residents only: We are providing you this notice under state law. We may share your personal information (described on page one) obtained from you or others with non-affiliate service providers with whom we contract, such as notaries and delivery services, in order to process your transactions. You may see what personal information we have collected about you in connection with your transaction (other than personal information related to a claim or legal proceeding). To see your information, please click on "Contact Us" at [www.oldrepublictitle.com](http://www.oldrepublictitle.com) and submit your written request to the Legal Department. You may see and copy the information at our office or ask us to mail you a copy for a reasonable fee. If you think any information is wrong, you may submit a written request online to correct or delete it. We will let you know what actions we take. If you do not agree with our actions, you may send us a statement.

## Affiliates Who May be Delivering This Notice

American First Abstract, LLC	American First Title & Trust Company	American Guaranty Title Insurance Company	Attorneys' Title Fund Services, LLC	Compass Abstract, Inc.
eRecording Partners Network, LLC	Genesis Abstract, LLC	Kansas City Management Group, LLC	L.T. Service Corp.	Lenders Inspection Company
Lex Terrae National Title Services, Inc.	Lex Terrae, Ltd.	Mara Escrow Company	Mississippi Valley Title Services Company	National Title Agent's Services Company
Old Republic Branch Information Services, Inc.	Old Republic Diversified Services, Inc.	Old Republic Exchange Company	Old Republic National Title Insurance Company	Old Republic Title and Escrow of Hawaii, Ltd.
Old Republic Title Co.	Old Republic Title Company of Conroe	Old Republic Title Company of Indiana	Old Republic Title Company of Nevada	Old Republic Title Company of Oklahoma
Old Republic Title Company of Oregon	Old Republic Title Company of St. Louis	Old Republic Title Company of Tennessee	Old Republic Title Information Concepts	Old Republic Title Insurance Agency, Inc.
Old Republic Title, Ltd.	Republic Abstract & Settlement, LLC	Sentry Abstract Company	The Title Company of North Carolina	Title Services, LLC
Trident Land Transfer Company, LLC				

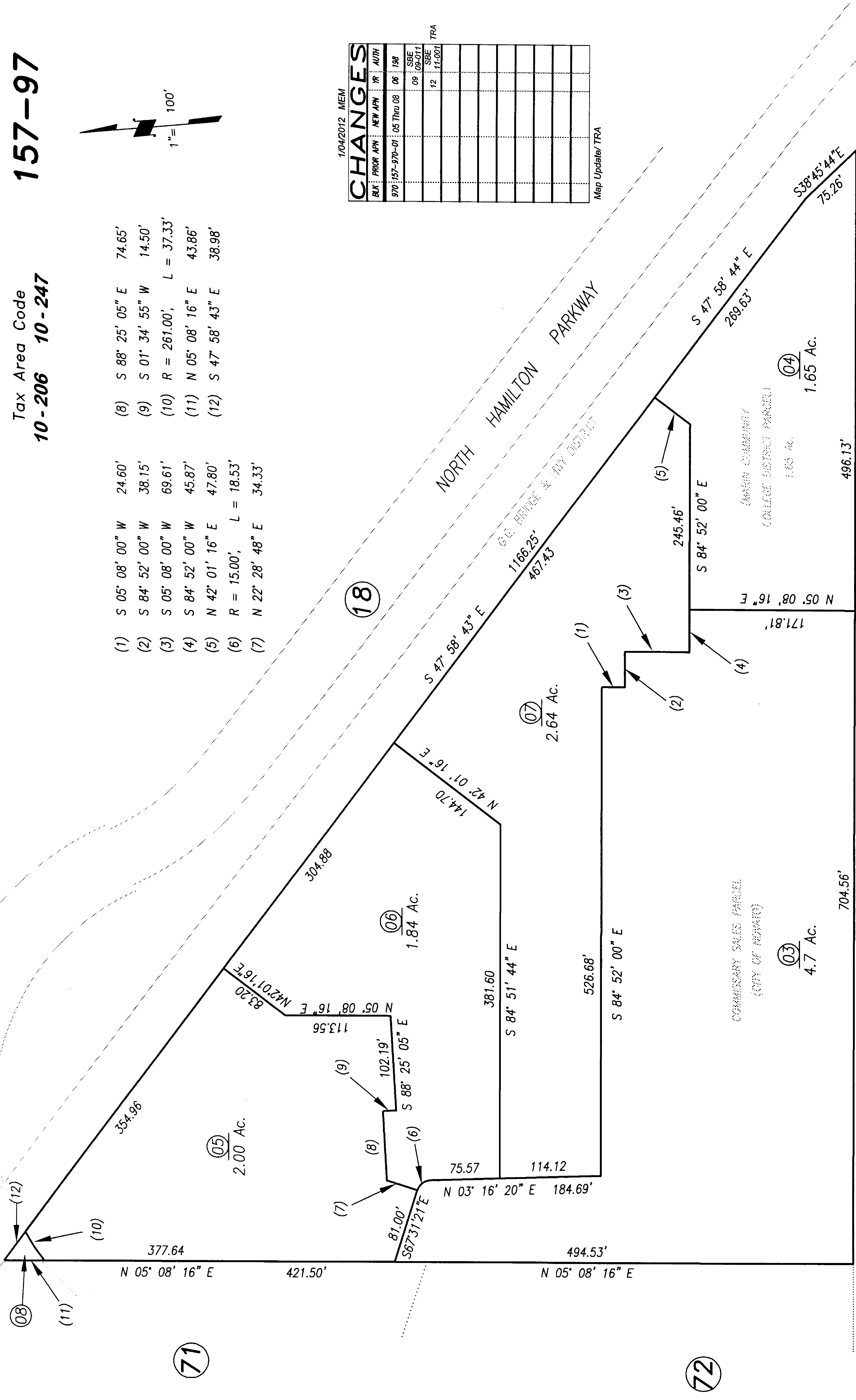


- (1) S 05° 08' 00" W 24.60'
- (2) S 84° 52' 00" W 38.15'
- (3) S 05° 08' 00" W 69.61'
- (4) S 84° 52' 00" W 45.87'
- (5) N 42° 01' 16" E 47.80'
- (6) R = 15.00', L = 18.53'
- (7) N 22° 28' 48" E 34.33'
- (8) S 88° 25' 05" E 74.65'
- (9) S 01° 34' 55" W 14.50'
- (10) R = 261.00', L = 37.33'
- (11) N 05° 08' 16" E 43.86'
- (12) S 47° 58' 43" E 38.98'

1/04/2012 MEM

BLK	PRIOR APN	NEW APN	YR	AUTH
	970-157-970-01	05 Ttrm 08	06	198
			09	SBE 08-011
			12	SBE 11-001
				TRA

Map Update/ TRA



City of NOVATO  
Assessor's Map Bk.157 Pg.97  
County of Marin, Calif.

NOTE: Assessor's Parcel Numbers Shown in Circles

STATE ACCESS ROAD

71

72

59

60

Submittals	11-21-2019
DRG WORKSHOP	12-16-2019
DESIGN REVIEW	
Revisions	
1	
2	
3	
4	

Date:	12-16-2019
Scale:	As Noted
Drawn:	JMK
Job #:	18049.00
Prototype:	DIVINE

PARKING CALCULATIONS:

		PARKING REQ'D
<b>KITCHEN/EVENTS:</b>		
EVENTS (3,479 SF)	50 SF/SPACE	70 SPACES
COMM. KITCHEN (5,449 SF):	1000 SF/SPACE	6 SPACES
		76 SPACES
<b>HOUSING:</b>		
VETERANS: 24 UNITS	1.5 SPACES/UNIT	36 SPACES
HOUSING: 26 UNITS	1.5 SPACES/UNIT	39 SPACES
		(75 SPACES)
APPLY 20% AUTO OWNERSHIP:		15 SPACES
GUEST PARKING: 1 SPACE PER 8 UNITS		7 SPACES

TOTAL REQUIRED:	98 SPACES
TOTAL PROVIDED:	101 SPACES

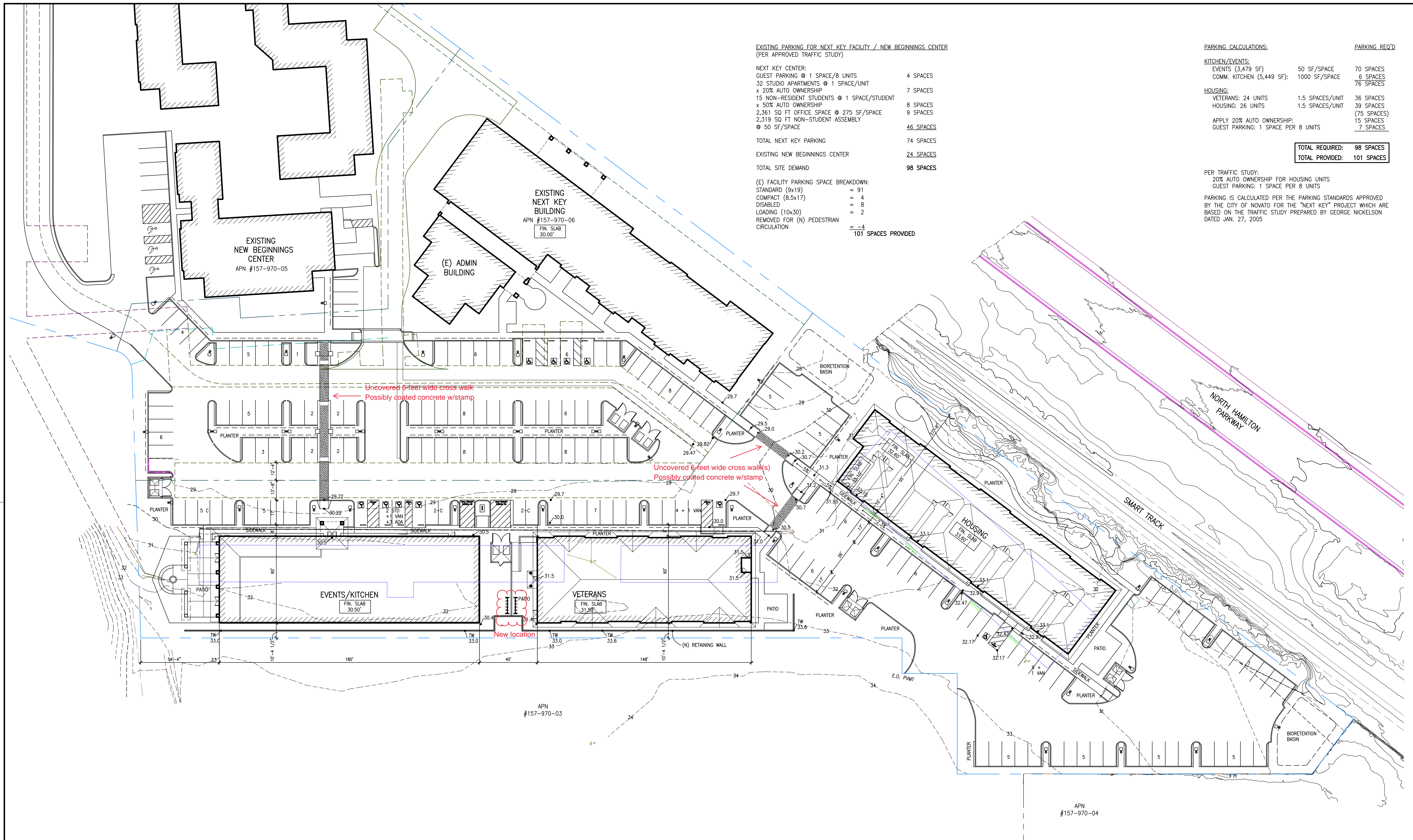
PER TRAFFIC STUDY:  
 20% AUTO OWNERSHIP FOR HOUSING UNITS  
 GUEST PARKING: 1 SPACE PER 8 UNITS  
 PARKING IS CALCULATED PER THE PARKING STANDARDS APPROVED BY THE CITY OF NOVATO FOR THE "NEXT KEY" PROJECT WHICH ARE BASED ON THE TRAFFIC STUDY PREPARED BY GEORGE NICKELSON DATED JAN. 27, 2005

EXISTING PARKING FOR NEXT KEY FACILITY / NEW BEGINNINGS CENTER (PER APPROVED TRAFFIC STUDY)

NEXT KEY CENTER:		
GUEST PARKING @ 1 SPACE/8 UNITS		4 SPACES
32 STUDIO APARTMENTS @ 1 SPACE/UNIT x 20% AUTO OWNERSHIP		7 SPACES
15 NON-RESIDENT STUDENTS @ 1 SPACE/STUDENT x 50% AUTO OWNERSHIP		8 SPACES
2,361 SQ FT OFFICE SPACE @ 275 SF/SPACE		9 SPACES
2,319 SQ FT NON-STUDENT ASSEMBLY @ 50 SF/SPACE		46 SPACES
TOTAL NEXT KEY PARKING		74 SPACES
EXISTING NEW BEGINNINGS CENTER		24 SPACES
TOTAL SITE DEMAND		98 SPACES

(E) FACILITY PARKING SPACE BREAKDOWN:

STANDARD (9x19)	=	91
COMPACT (8.5x17)	=	4
DISABLED	=	8
LOADING (10x30)	=	2
REMOVED FOR (N) PEDESTRIAN CIRCULATION	=	-4
		101 SPACES PROVIDED



1 SITE PLAN  
 A1

APN #: 157-190-07  
 AREA OF PARCEL: 113,697 SF  
 40% FAR: 45,479 SF  
 AREA OF EVENTS/KITCHEN BLDG: 10,800 SF  
 AREA OF VETERANS HOUSING BLDG: 17,428 SF  
 AREA OF HOUSING BLDG: 17,226 SF  
 TOTAL BLDG AREA: 45,454 SF  
 FAR: <40%

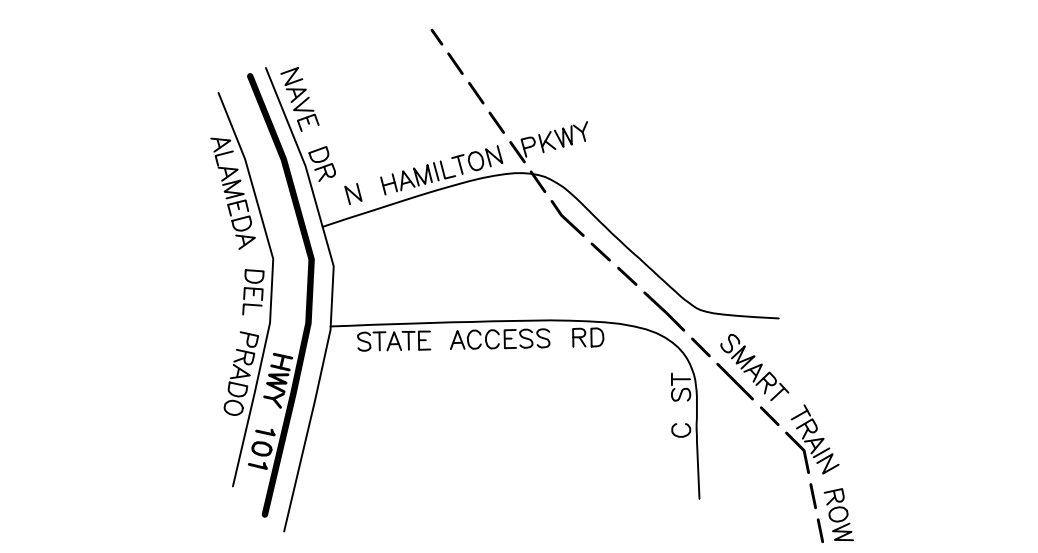
NORTH  
 SCALE: 1" = 30'-0"



1 CONTEXT MAP  
A1.1

NORTH  
SCALE: NTS

ADJACENT PROPERTIES	
	OWNER OR DESCRIPTION OF PROPERTY
1	HOMEWARD BOUND OF MARIN NEW BEGINNINGS CENTER
2	HOMEWARD BOUND OF MARIN
3	MARIN AIRPORTER HAMILTON MEADOWS
4	COURTYARD BY MARRIOTT
5	SAFEWAY
6	McDONALD'S
7	NOVATO SKATEPARK
8	VACANT LOT
9	SMART TRAIN R.O.W.
10	RESIDENTIAL DEVELOPMENT
11	RESIDENTIAL DEVELOPMENT



2 VICINITY MAP  
A1.1

REF NORTH

**A R C H I T E C T S**  
 FREDRIC C. DIVINE ASSOCIATES  
 1924 FOURTH ST., SAN RAFAEL, CA 94901  
 Phone: (415) 457 - 0220 Fax: (415) 454 - 9581

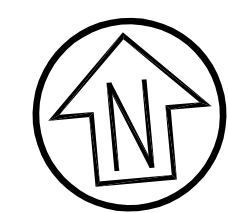
HAMILTON HUD PARCEL  
 826 STATE ACCESS ROAD  
 NOVATO, CA 94949  
 APN: 1578970-07  
 FOR: HOMEWARD BOUND OF MARIN

**CONTEXT MAP**

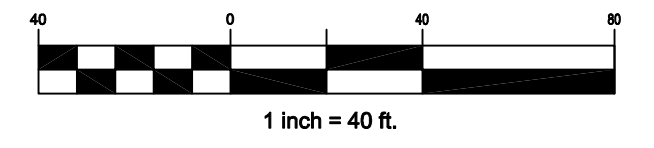
Submittals	11-21-2019
DRG WORKSHOP	12-16-2019
DESIGN REVIEW	
Revisions	

Date: 12-16-2019  
 Scale: As Noted  
 Drawn: JMK  
 Job #: 18049.00  
 Prototype: DIVINE

A1.1

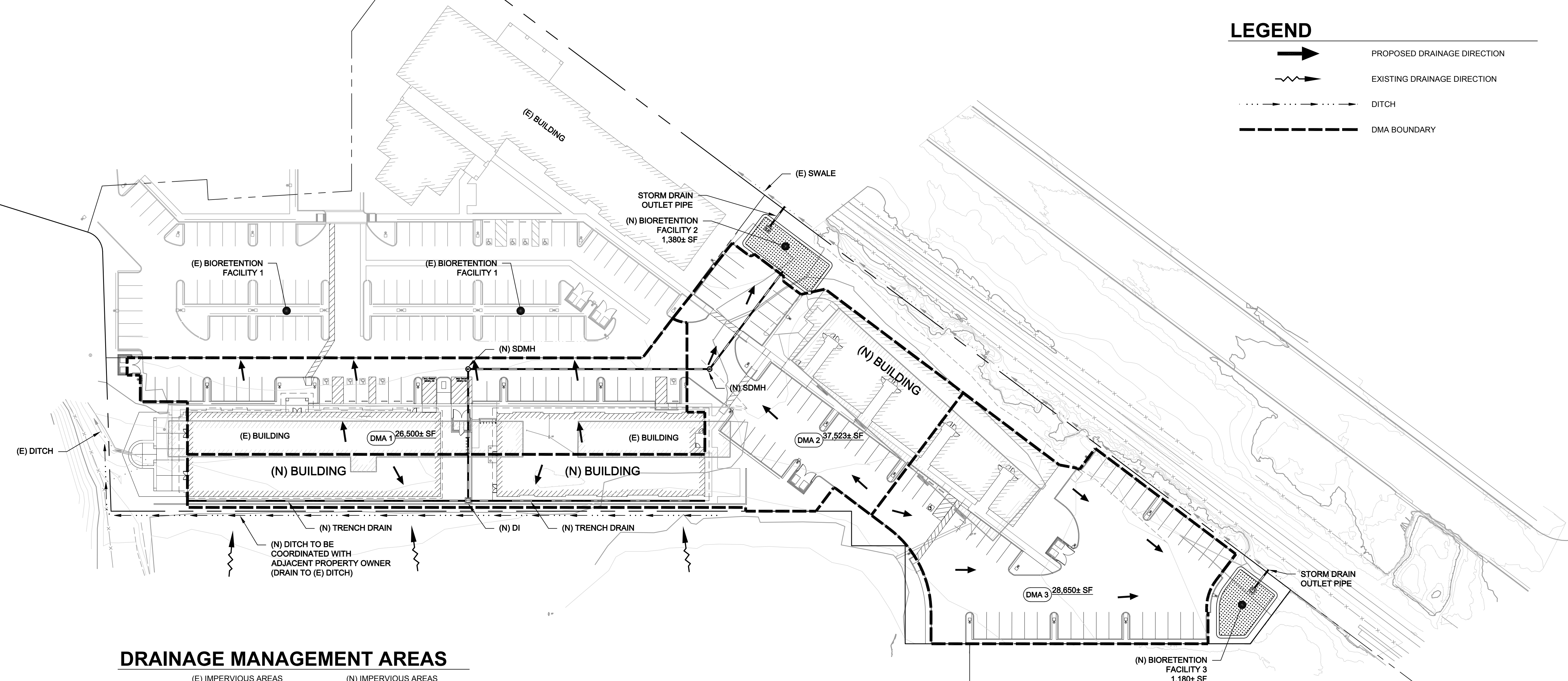


Graphic Scale (in feet)



**LEGEND**

- PROPOSED DRAINAGE DIRECTION
- EXISTING DRAINAGE DIRECTION
- DITCH
- DMA BOUNDARY



**DRAINAGE MANAGEMENT AREAS**

	(E) IMPERVIOUS AREAS	(N) IMPERVIOUS AREAS
DMA 1	25,578 SF	26,500SF
DMA 2	26,934 SF	33,508 SF
DMA 3	28,650 SF	28,650 SF

Rev	Date	Description	Designed	Drawn	Checked
-	XX/XX/XX	XXX			

**CSW | ST 2**  
**CSW/Stuber-Stroeh Engineering Group, Inc.**  
 Civil & Structural Engineers | Surveying & Mapping | Environmental Planning  
 Land Planning | Construction Management  
 45 Leveroni Court      tel: 415.883.9850  
 Novato, CA 94949      fax: 415.883.9835  
 http://www.cswst2.com      © 2019

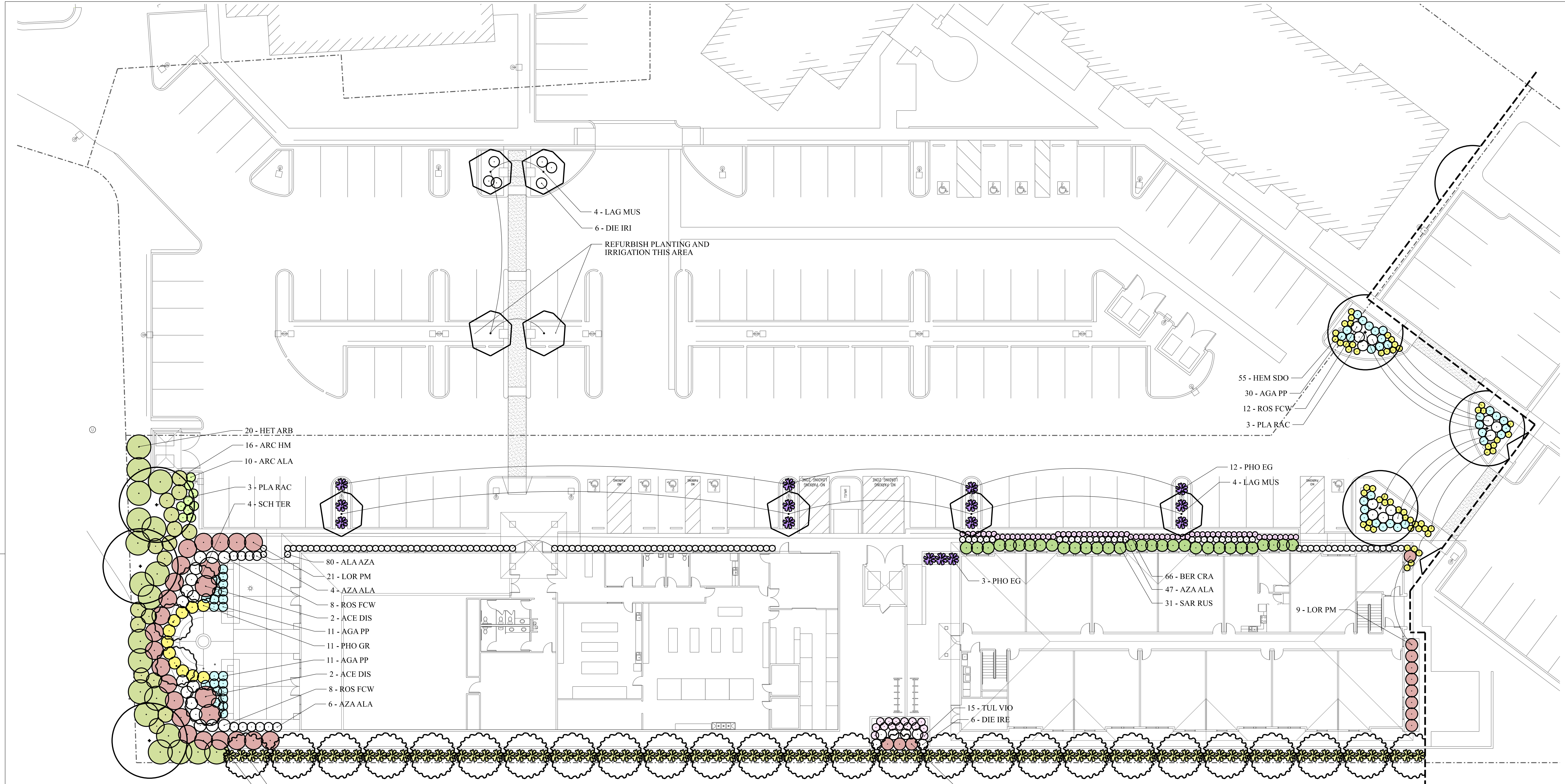
City	Novato
County	Marin
State	California

HOMeward BOUND OF MARIN  
 PRELIMINARY STORMWATER CONTROL PLAN  
 PUETTS WAY (APN 157-970-07)

Prepared Under the Direction of:

Sheet	<b>C1.0</b>
Scale:	1" = 40'
Date:	04/15/19
Project Number:	2019-10-34
Plan File:	D-XXXX-XX

P:\Projects\2019-10-34\Homeward Bound of Marin\DWG\Sheet\C1.0 Stormwater Control Plan.dwg 08/12/2019 - 03:43 PM gbm 13.562



**Maximum Applied Water Allowance (MAWA)**  
 $(Eto)(0.62)[(0.45 \times LA(Landscape\ Area)) + (0.55 \times SLA(Special\ Landscape\ Area))] = 297,204$

Eto = 39.0  
 Factor = 0.62  
 LA = 27,314  
 SLA = 0

**Water Use Percentage of Area**

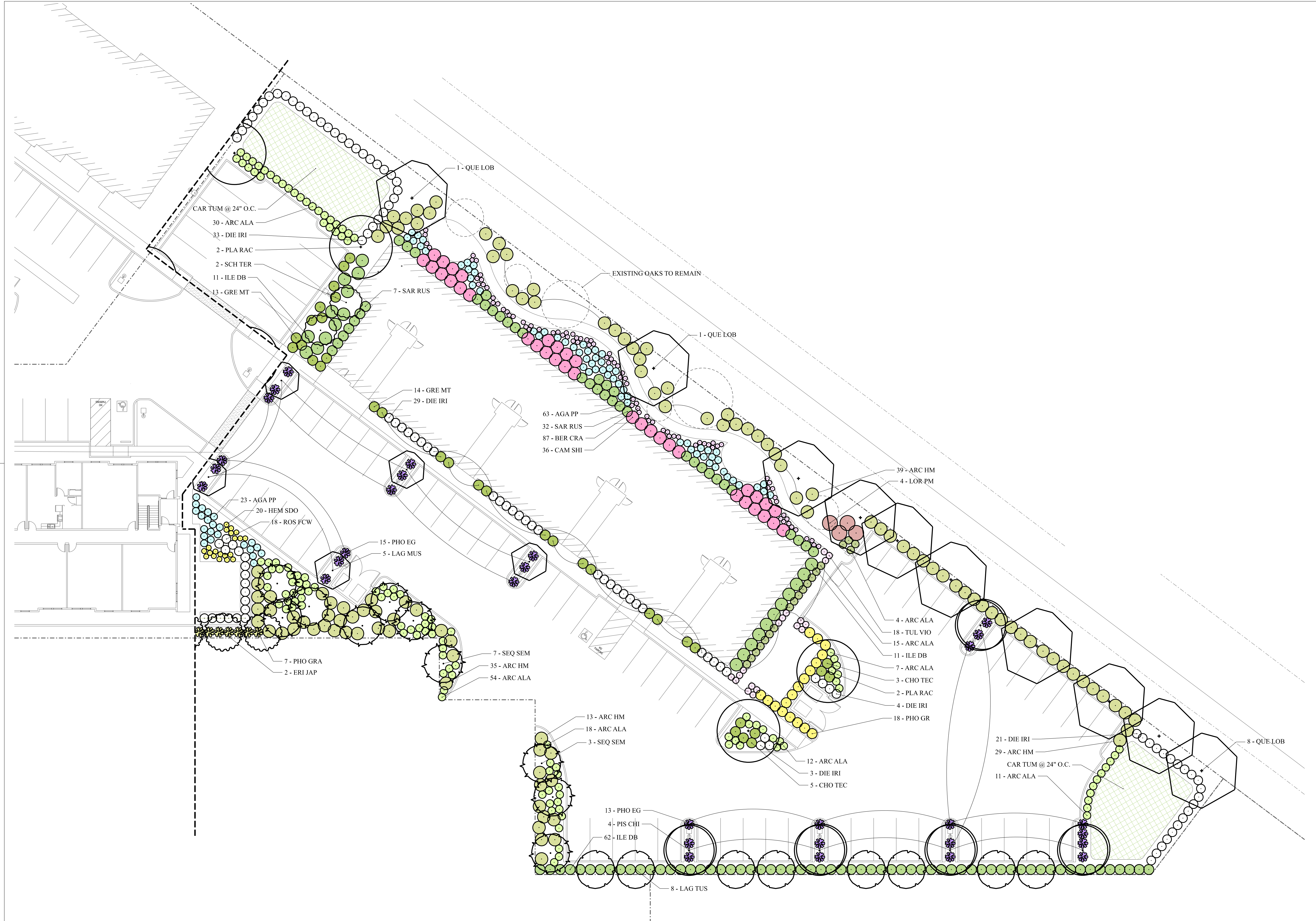
No Water Area	0	0.0%
Low Water Area	21,922	80.3%
Mod. Water Area	5,232	19.2%
High Water Area	160	0.6%
<b>Total Area</b>	<b>27,314</b>	

**Estimated Total Water Use (ETWU)**  
 $(Eto)(0.62)[(PFxHA/IE)+SLA] = 296,491$

Hydrozone Type	Valve Number	Irrigation Method	Plant Use Type	Hydrozone Area (HA)	Percent of Landscape	Plant Factor (PF)	Special Landscape Area (SLA)	Irrigation Efficiency (IE)	PF x HA	ETWU	MAWA	Over/Under MAWA
Low Water Shrubs	1	spray	Low	20,914	76.6%	0.3	0	0.80	6274	189,638	227,565	37,928
Low Water Trees	2	Bubbler	Low	1,008	3.7%	0.3	0	0.85	302	8,602	10,968	2,366
Mod. Water Shrubs	3	spray	Mod	4,976	18.2%	0.6	0	0.80	2986	90,240	54,144	36,096
Mod. Water Trees	4	Bubbler	Mod	256	0.9%	0.6	0	0.85	154	4,369	2,786	1,584
High Water Trees	5	Bubbler	High	160	0.6%	0.8	0	0.85	128	3,641	1,741	1,900
				27,314			0			296,491	297,204	713

Abbrev.	Botanical Name	Common Name	Size	Comments	Height	Spread	Water
ARC ALA	ARCTOSTAPHYLOS uva-ursi 'Alaska'	Alaska Bearberry	1 gal		0.00	3.00	L
BER CRA	BERGENIA crassifolia	Heartleaf Bergenia	1 gal		1.25	1.25	L
AGA PP	AGAPANTHUS 'Peter Pan'	Peter Pan Agapanthus	5 gal		1.50	2.25	M
CAR TUM	CAREX tumulicola	European gray sedge	1 gal	24" oc.	1.50	2.00	L
TUL VIO	TULBAGHIA violacea	Society Garlic	1 gal		1.50	2.50	L
GRE MT	GREVILLEA lanigera 'Mt. Tamboritha'	Mt. Tambor Grevillea	5 gal		2.00	4.00	L
HEM SDO	HEMEROCALLIS 'Siella De Oro'	Siella De Oro Daylily	1 gal		2.00	2.00	M
JUN EB	JUNCUS patens 'Elk Blue'	Elk Blue California Gray Rush	1 gal		2.00	2.00	L
ROS FCW	ROSA 'Flower Carpet White'	Flower Carpet White Rose	5 gal		2.00		M
AZA ALA	AZALEA 'Alaska'	Alaska Azalea	5 gal		2.50	3.00	M
DIE IRI	DIETES iridioides	Fortnight Lily	5 gal		2.75	3.50	L
CAM SHI	CAMELLIA h. 'Shishi-Gashira'	Shishi-Gashira Camellia	5 gal		3.00	6.00	M
CHO TEC	CHONDROPETALUM tectorum	Small Cape Rush	5 gal		3.00	4.00	L
PHO EG	PHORMIUM 'Evening Glow'	Evening Glow Flax	5 gal		3.50	3.50	L
PHO GR	PHORMIUM 'Golden Ray'	Golden Ray Flax	5 gal		4.00	4.00	L
SAR RUS	SARCOCOCCA rusifolia	Fragrant Sarcococca	5 gal		4.00	3.00	L
ARC HM	ARCTOSTAPHYLOS densiflora 'Howard McMinn'	Howard McMinn Manzanita	5 gal		5.00	5.00	L
ACE DIS	ACER palmatum 'Dissectum'	Lacelaf Japanese Maple	24" box		6.00	8.00	M
ILE DB	ILEX cornuta 'Dwarf Burford'	Dwarf Burford Holly	5 gal		6.00	6.00	L
LOR PM	LOROPETALUM chinense 'Purple Majesty'	Purple Majesty Loropetalum	5 gal		6.00	6.00	L
HET ARB	HETEROMELES arbutifolia	Toyon	5 gal		7.00	7.00	L
ERI JAP	ERIOBOTRYA japonica	Loquat	24" box		tree		L
LAG MUS	LAGERSTROEMIA i. 'Muskogee'	Muskogee Crapeyrtle	24" box		tree		L
LAG TUS	LAGERSTROEMIA i. 'Tuscarora'	Tuscarora Crapeyrtle	24" box		tree		L
PIS CHI	PISTACIA chinensis	Chinese Pistache	24" box		tree		L
PLA RAC	PLATANUS racemosa	California Sycamore	24" box		tree		M
SCH TER	SCHINUS terebinthifolius	Brazilian Pepper Tree	24" box	Multi Trunk	tree		M
SEQ SEM	SEQUOIA sempervirens	Redwood	24" box		tree		H

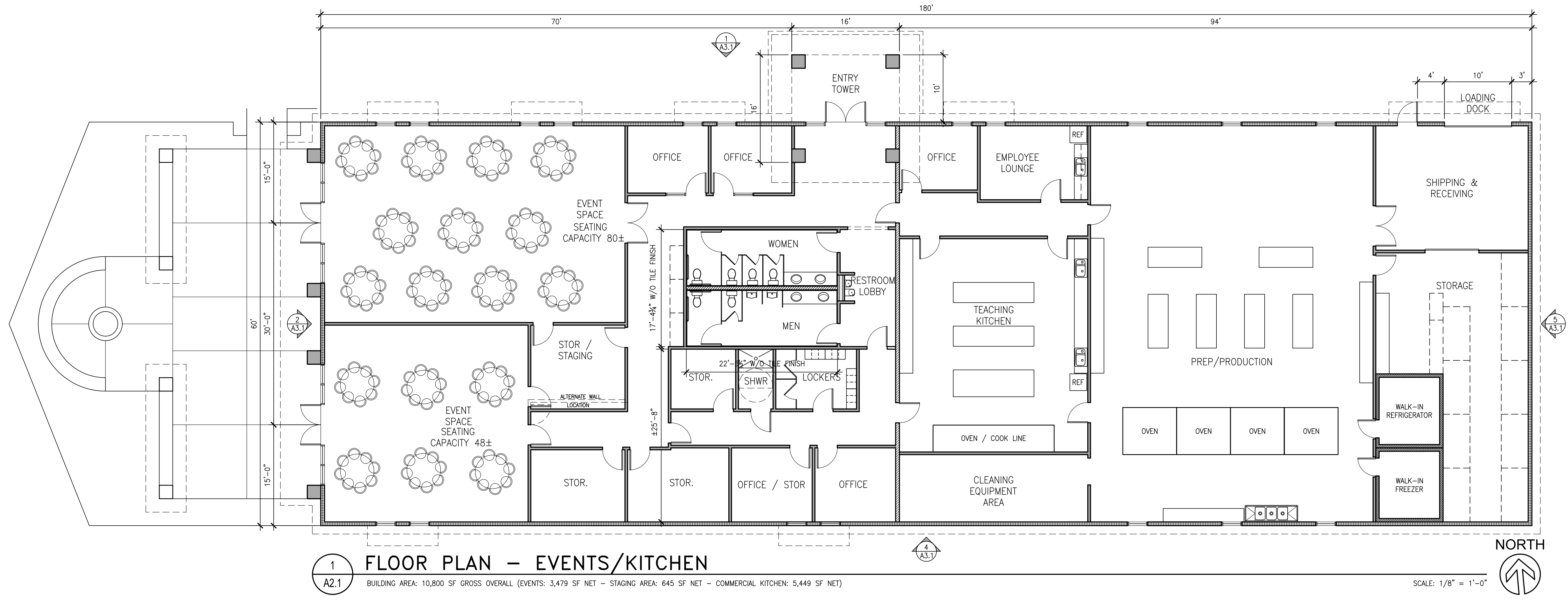




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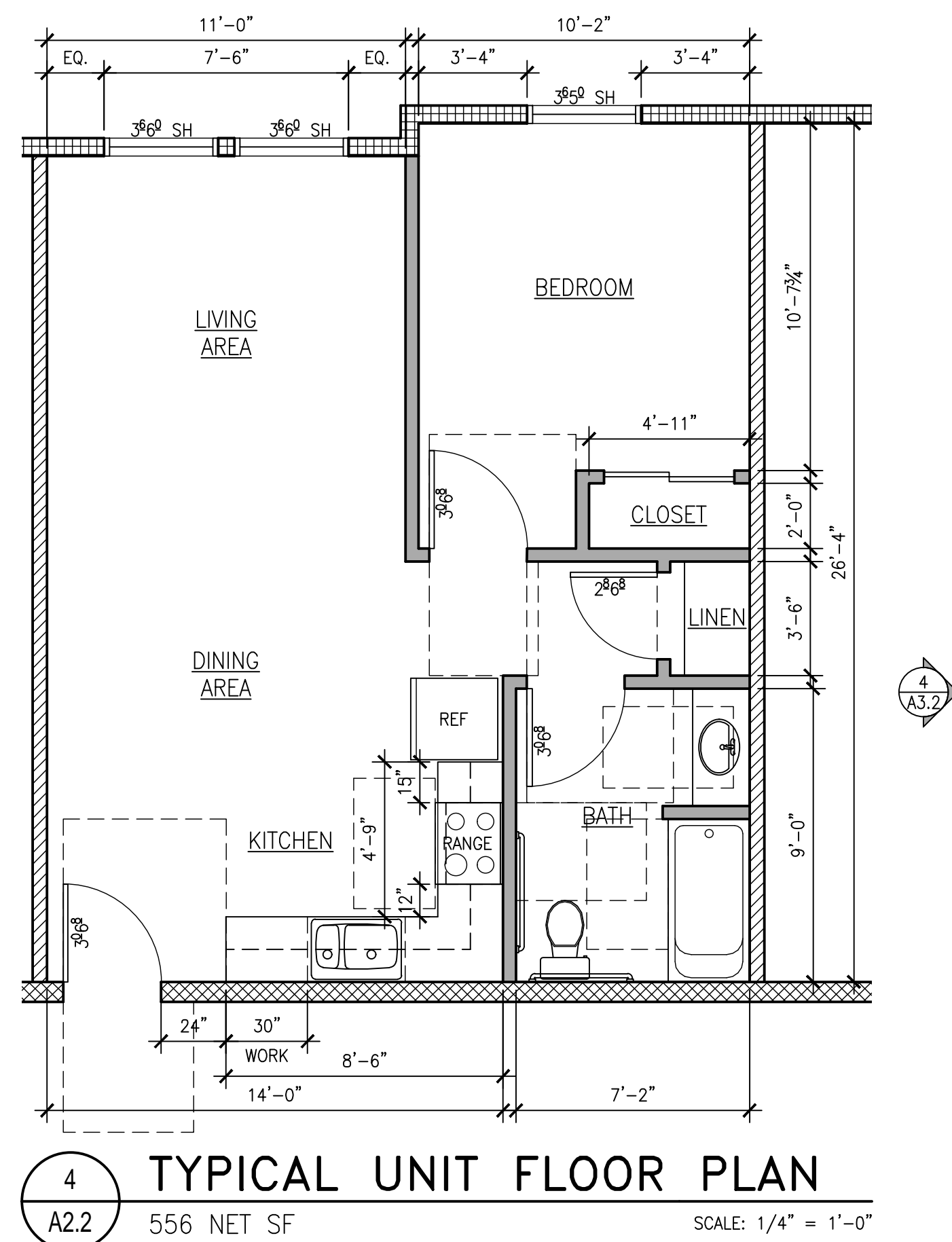
WALL LEGEND	
	2x4 @ 16" O.C. W/ 5/8" TYPE-'X' GYP. BD. BOTH SIDES
	2x6 @ 16" O.C. W/ 5/8" TYPE-'X' GYP. BD. BOTH SIDES
	2x6 @ 16" O.C. W/ 5/8" TYPE-'X' GYP. BD. INTERIOR, 1/2" EXT. PLY AT EXTERIOR WITH FINISH PER EXTERIOR ELEVATIONS
	1" ALLOWANCE FOR TILE FINISH O/WALL AS NOTED, PROVIDE 1/2" BACKER BOARD AT TILE, W.O.
	PREFABRICATED WALK-IN FREEZER/ REFRIGERATOR WALLS BY OTHER



**1 FLOOR PLAN - EVENTS/KITCHEN**  
 BUILDING AREA: 10,800 SF GROSS OVERALL (EVENTS: 3,479 SF NET - STAGING AREA: 645 SF NET - COMMERCIAL KITCHEN: 5,449 SF NET)

SCALE: 1/8" = 1'-0"

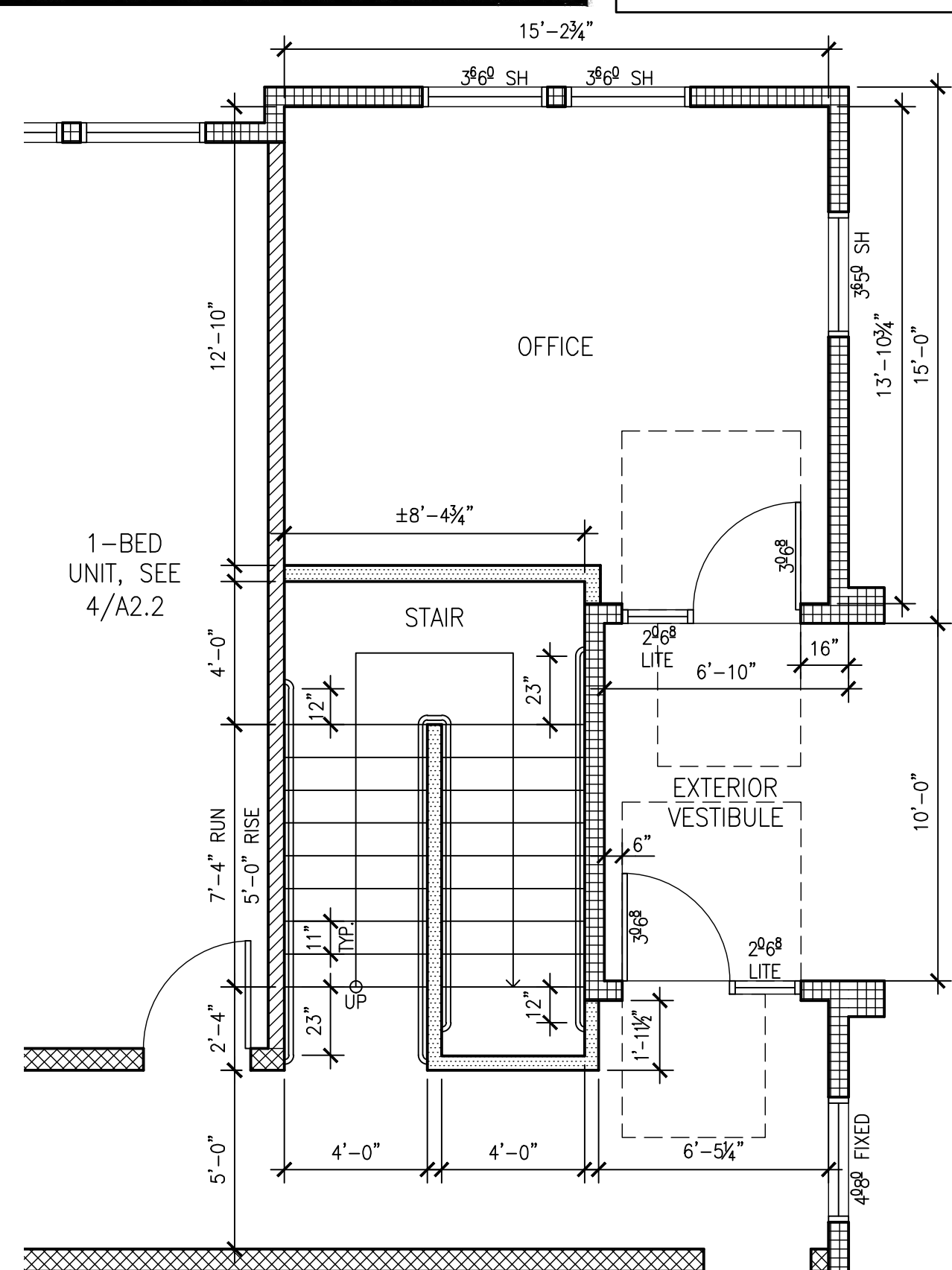
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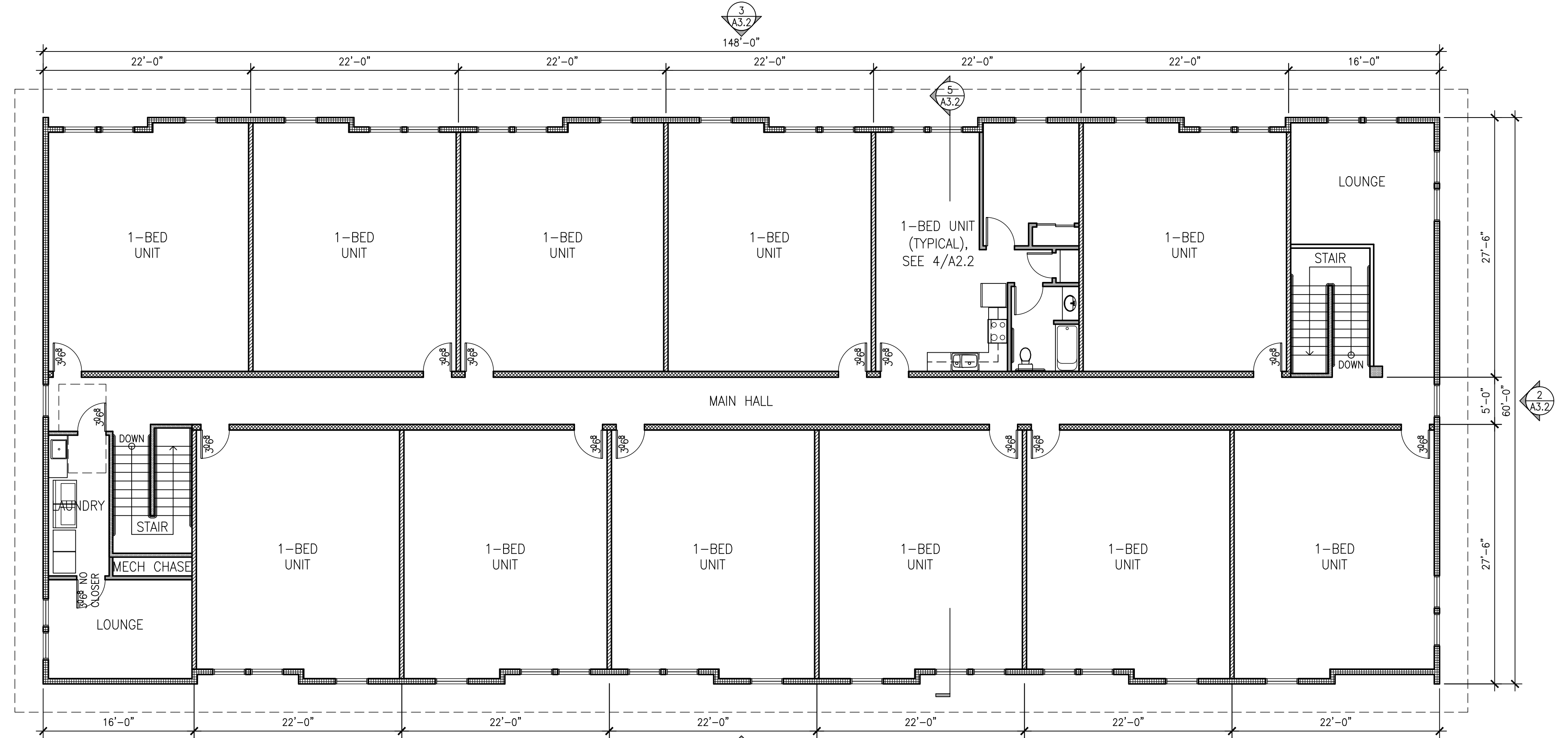
**4 TYPICAL UNIT FLOOR PLAN**  
A2.2 556 NET SF SCALE: 1/4" = 1'-0"

GA FILE NO. WP 3242	GENERIC	1 HOUR FIRE	50 to 54 STC SOUND
GYPHUM WALLBOARD, RESILIENT CHANNELS, MINERAL OR GLASS FIBER INSULATION, WOOD STUDS			
<b>Fire Design:</b> Resilient channels 16" o.c. attached at right angles to ONE SIDE of 2 x 4 wood studs 24" o.c. with 1-1/4" Type S screws. One layer 5/8" type X gypsum wallboard or gypsum venter base applied at right angles to channels with 1" Type S screws 8" o.c. with vertical joints located midway between studs. 3" mineral or glass fiber insulation in stud spaces. <b>OPPOSITE SIDE:</b> One layer 5/8" type X gypsum wallboard or gypsum venter base applied parallel or at right angles to studs with 6d cement coated nails, 1-7/8" long, 0.0915" shank, 15/64" heads, 7" o.c. Vertical joints staggered 24" on OPPOSITE SIDES. (LOAD-BEARING)			
<b>Sound Design:</b> Sound tested as constructed for fire.			

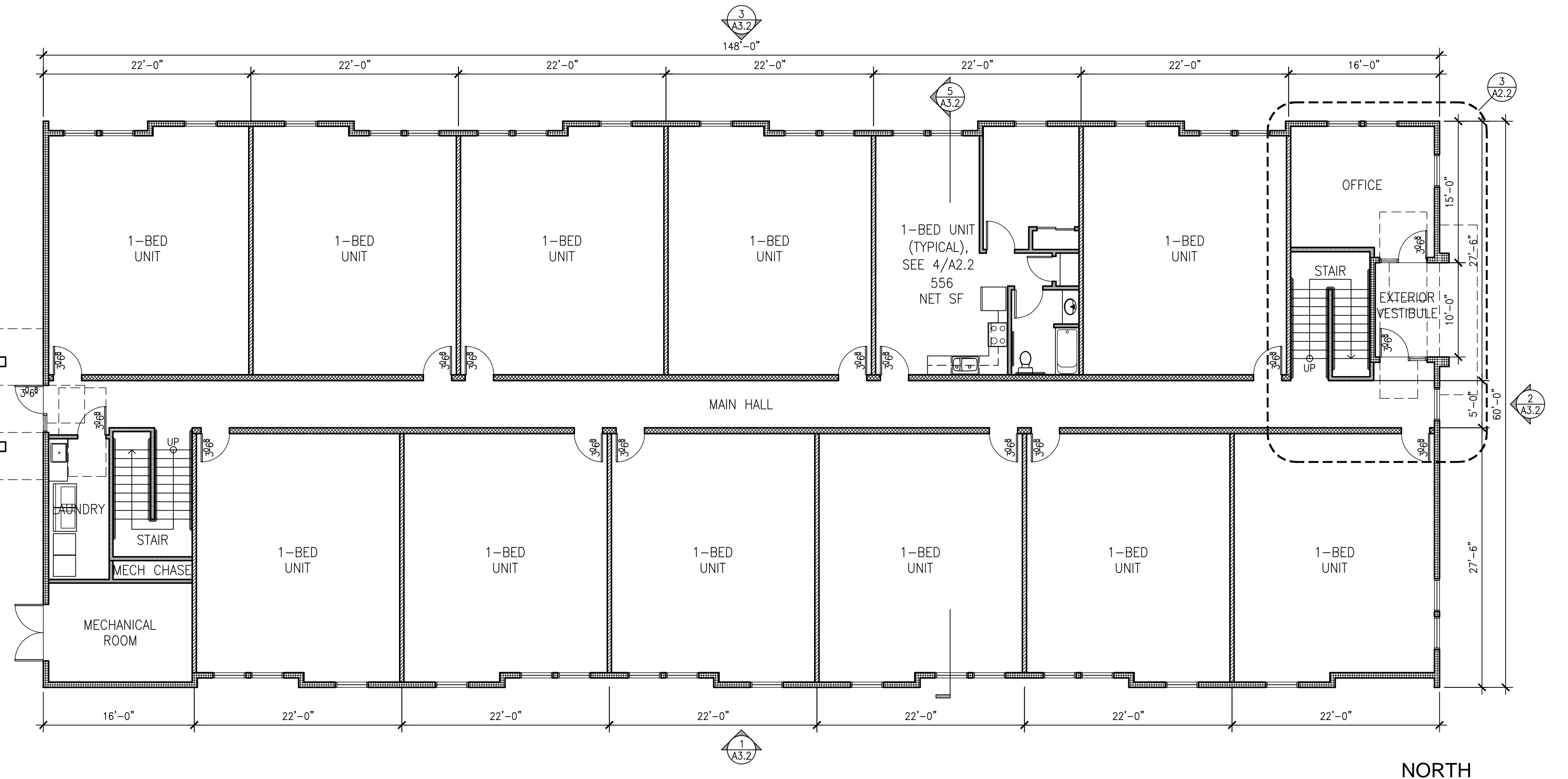
WALL LEGEND	
	NEW 2x4 @ 24" O.C. W/ 1/2" TYPE-X GYP BD. BOTH SIDES
	NEW 2x4 @ 16" O.C. W/ 1/2" TYPE-X GYP BD. BOTH SIDES
	NEW 2x4 @ 16" O.C. W/ 3/8" TYPE-X GYP BD. BOTH SIDES, RC CHANNEL ONE SIDE PER GA FILE NO. WP 3242
	NEW 2x6 @ 16" O.C. W/ 3/8" TYPE-X GYP BD. BOTH SIDES, RC CHANNEL ONE SIDE PER GA FILE NO. WP 3242
	NEW 2x6 @ 16" O.C. W/ 1/2" TYPE-X GYP BD. INTERIOR, 1/2" EXT. PLY AT EXTERIOR



**3 MAIN ENTRY, OFFICE, STAIR (TYP.)**  
A2.2 SCALE: 1/4" = 1'-0"



**2 FLOOR PLAN - VETERANS - SECOND FLOOR**  
A2.2 FLOOR AREA: 8,748 SF SECOND FLOOR SCALE: 1/8" = 1'-0"



**1 FLOOR PLAN - VETERANS - FIRST FLOOR**  
A2.2 FLOOR AREA: 8,680 SF FIRST FLOOR SCALE: 1/8" = 1'-0"

**ARCHITECTS**  
FREDRIC C. DIVINE ASSOCIATES  
1924 FOURTH ST., SAN RAFAEL, CA 94901  
Phone: (415) 457-0220 Fax: (415) 454-9581

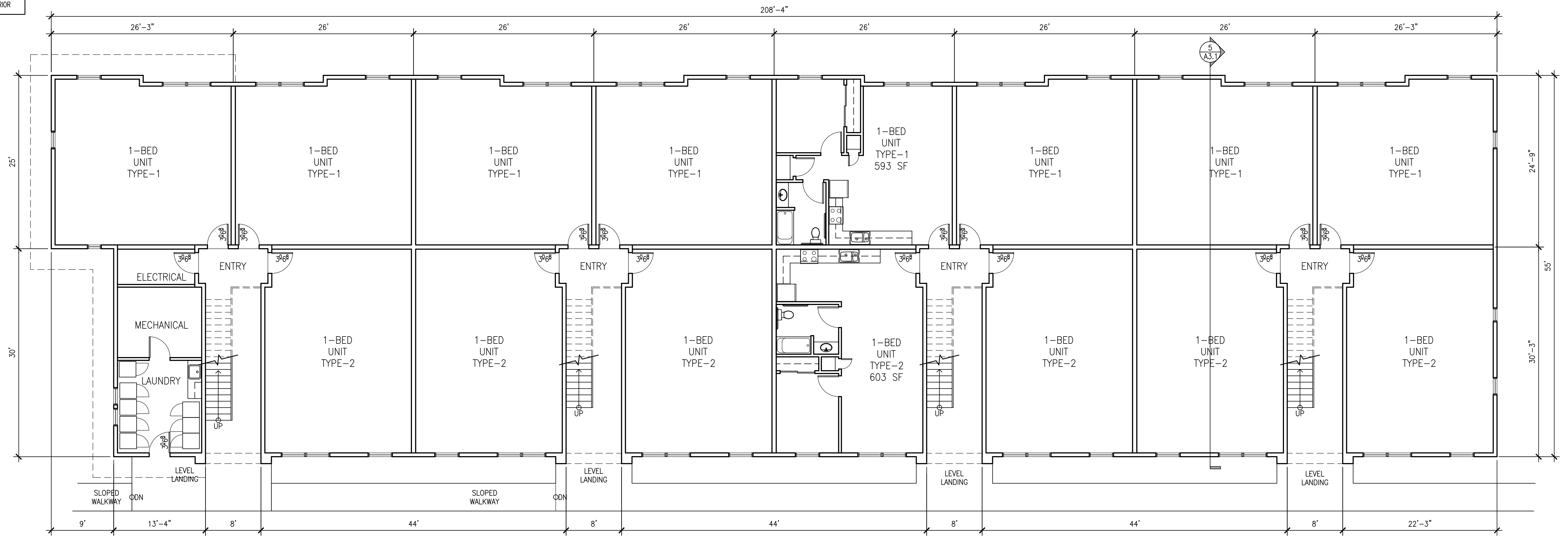
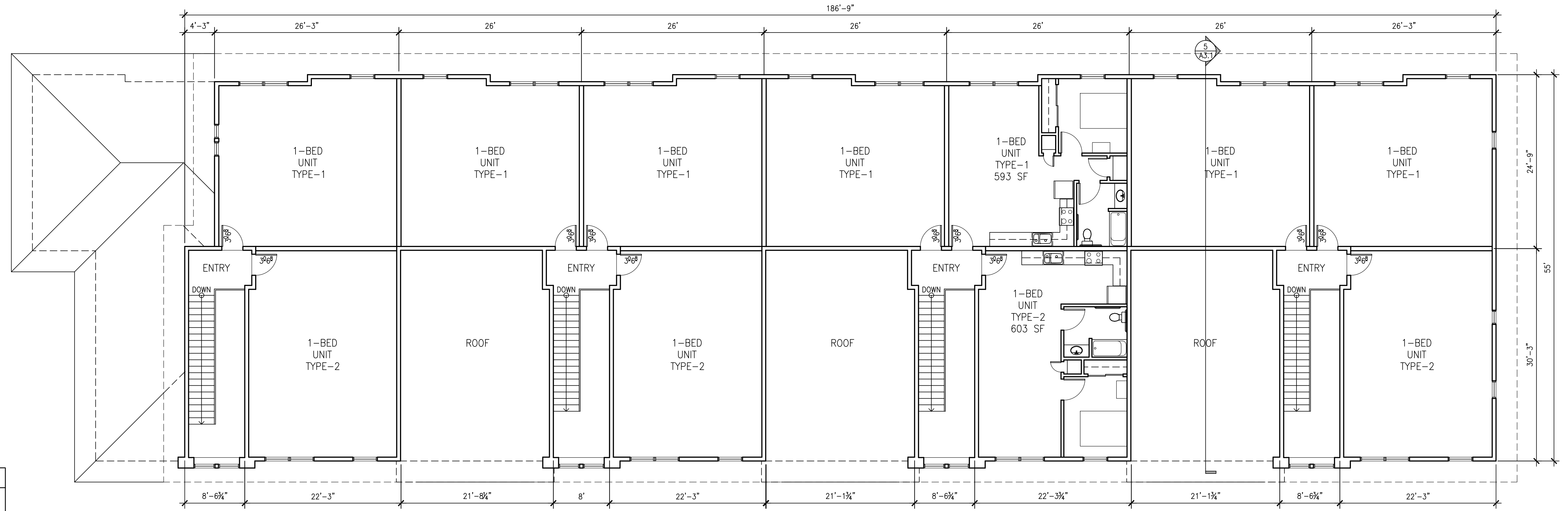
HAMILTON HUD PARCEL  
826 STATE ACCESS ROAD  
NOVATO, CA 94949  
APN: 157-070-07  
FOR: HOMEWARD BOUND OF MARIN

**FLOOR PLANS - VETERANS**

Submittals	11-21-2019
DRG WORKSHOP	12-16-2019
DESIGN REVIEW	
Revisions	
Date:	12-16-2019
Scale:	As Noted
Drawn:	JMK
Job #:	18049.00
Prototype:	DIVINE

**A2.2**

WALL LEGEND	
	NEW 2x4 @ 24" O.C. W/ 5/8" TYPE-'X' GYP BD. BOTH SIDES
	NEW 2x4 @ 16" O.C. W/ 5/8" TYPE-'X' GYP BD. BOTH SIDES, RC CHANNEL ONE SIDE PER GA FILE NO. WP 3242
	NEW 2x6 @ 16" O.C. W/ 5/8" TYPE-'X' GYP BD. BOTH SIDES, RC CHANNEL ONE SIDE PER GA FILE NO. WP 3242
	NEW 2x6 @ 16" O.C. W/ 5/8" TYPE-'X' GYP BD. INTERIOR, 1/2" EXT. PLY AT EXTERIOR







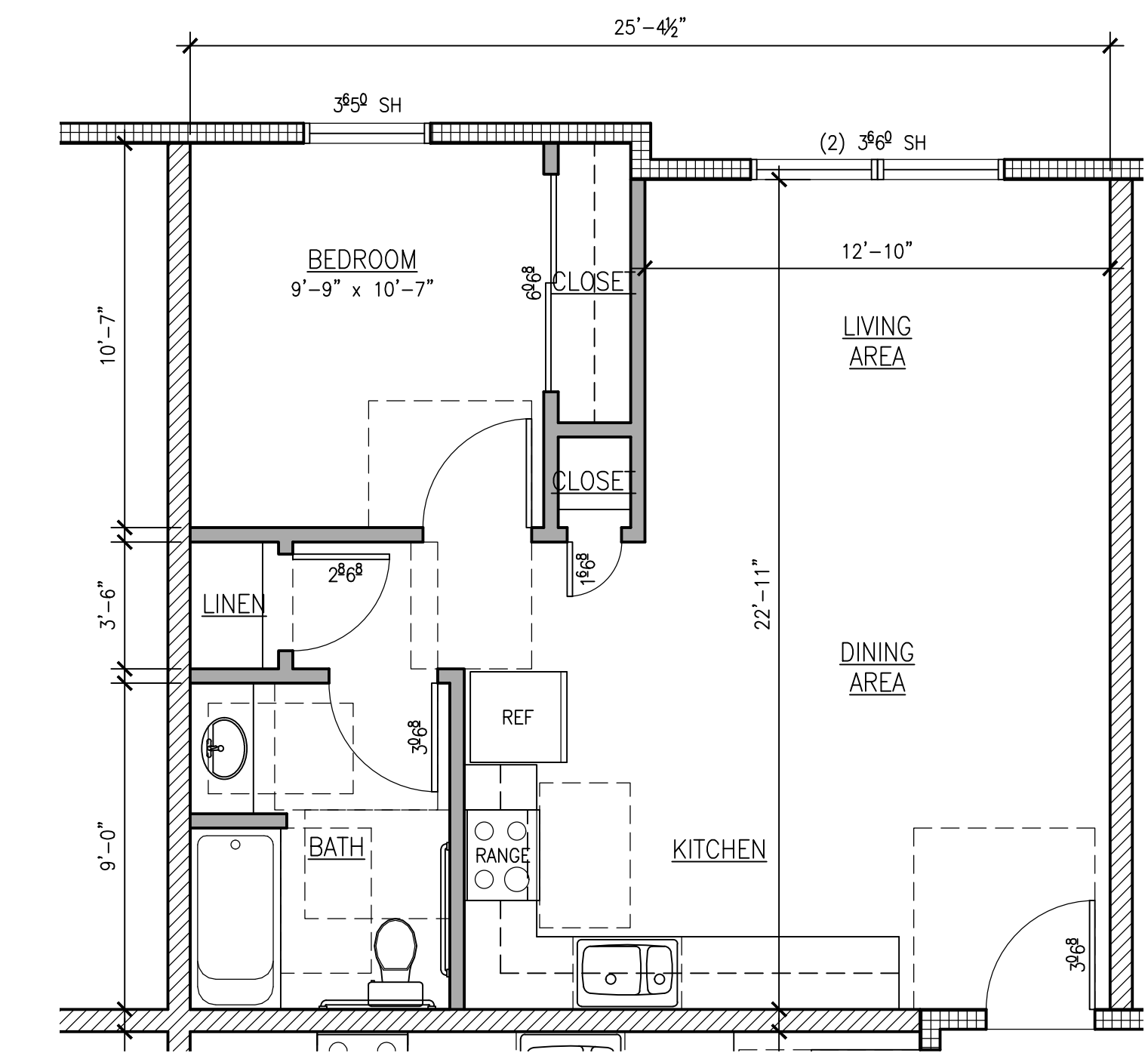
Submitter	11-21-2019
DRG WORKSHOP	12-16-2019
DESIGN REVIEW	
Revisions	

Date:	12-16-2019
Scale:	As Noted
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Job #:	18049.00
Prototype:	DIVINE

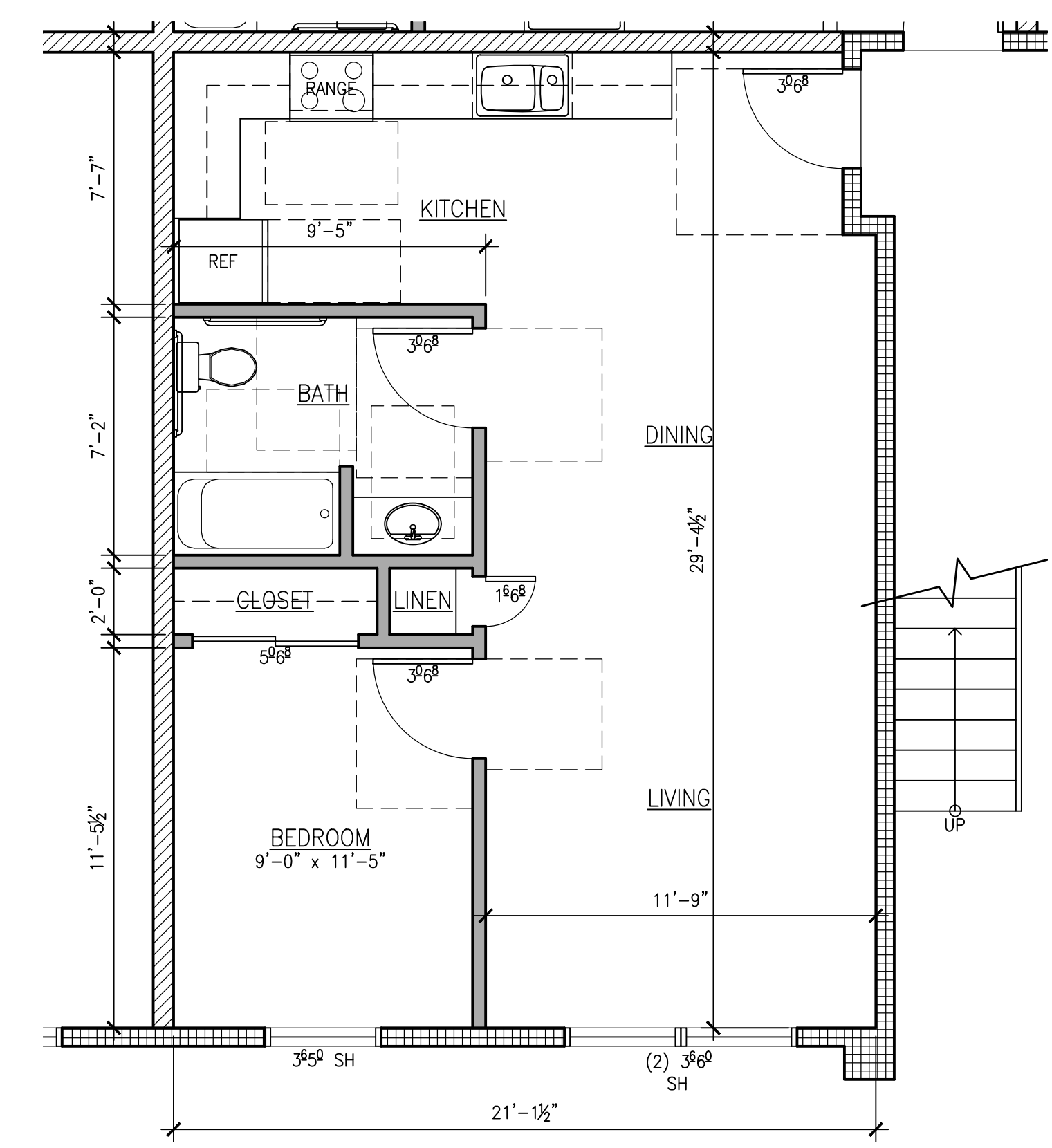
Submittals	11-21-2019
DRG WORKSHOP	12-16-2019
DESIGN REVIEW	
Revisions	

Date:	12-16-2019
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Job #:	18049.00
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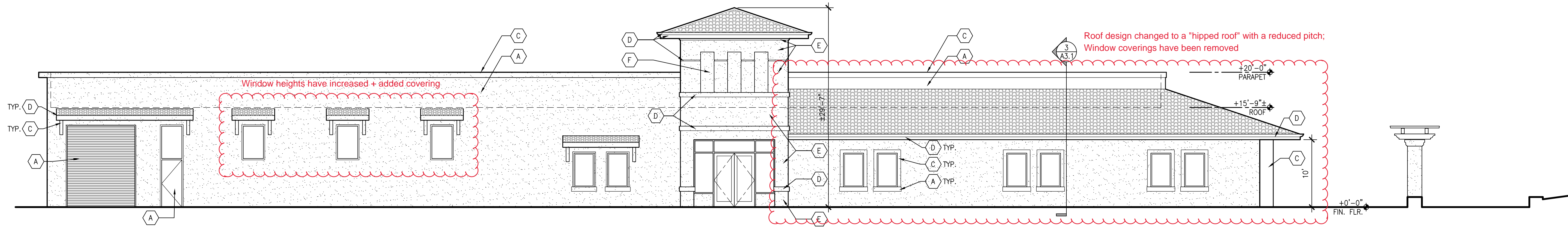
WALL LEGEND	
	NEW 2x4 @ 24" O.C. W/ 3/8" TYPE-'X' GYP BD. BOTH SIDES
	NEW 2x4 @ 16" O.C. W/ 3/8" TYPE-'X' GYP BD. BOTH SIDES, RC CHANNEL ONE SIDE PER GA FILE NO. WP 3242
	NEW 2x6 @ 16" O.C. W/ 3/8" TYPE-'X' GYP BD. BOTH SIDES, RC CHANNEL ONE SIDE PER GA FILE NO. WP 3242
	NEW 2x6 @ 16" O.C. W/ 3/8" TYPE-'X' GYP BD. INTERIOR, 1/2" EXT. PLY AT EXTERIOR



**2 FLOOR PLAN - UNIT TYPE 1**  
 A2.3 593 NET SF SCALE: 1/4" = 1'-0"

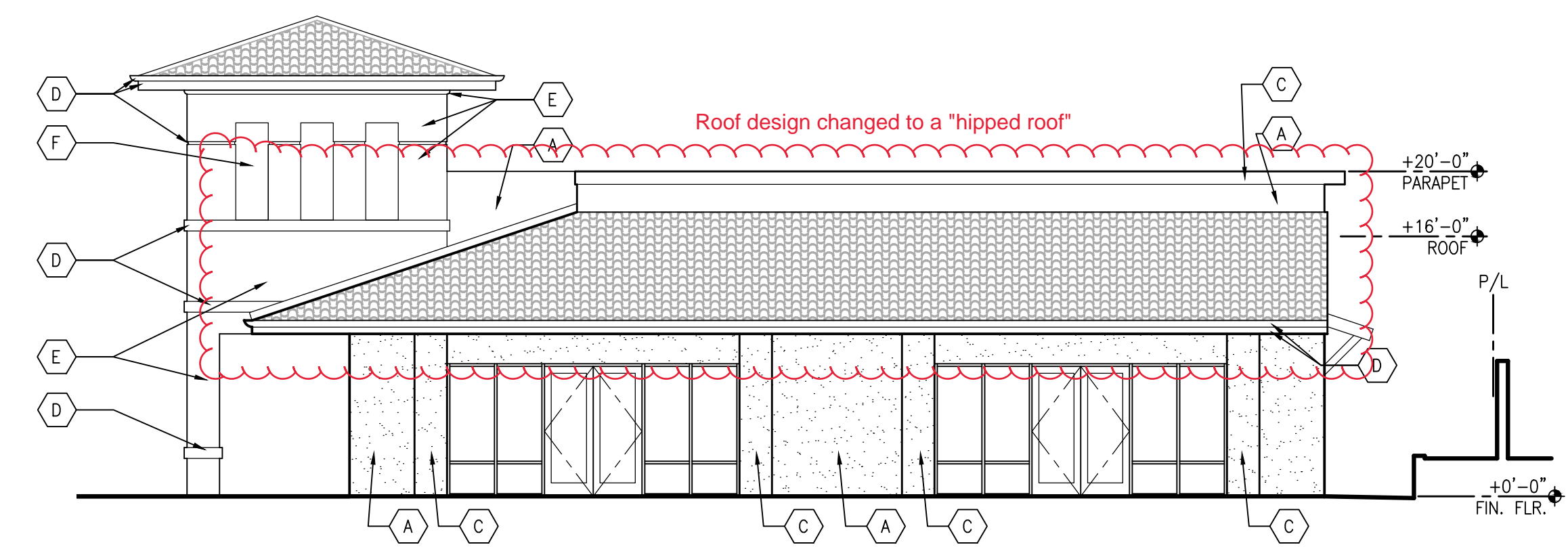


**4 FLOOR PLAN - UNIT TYPE 2**  
 A2.3 603 NET SF SCALE: 1/4" = 1'-0"



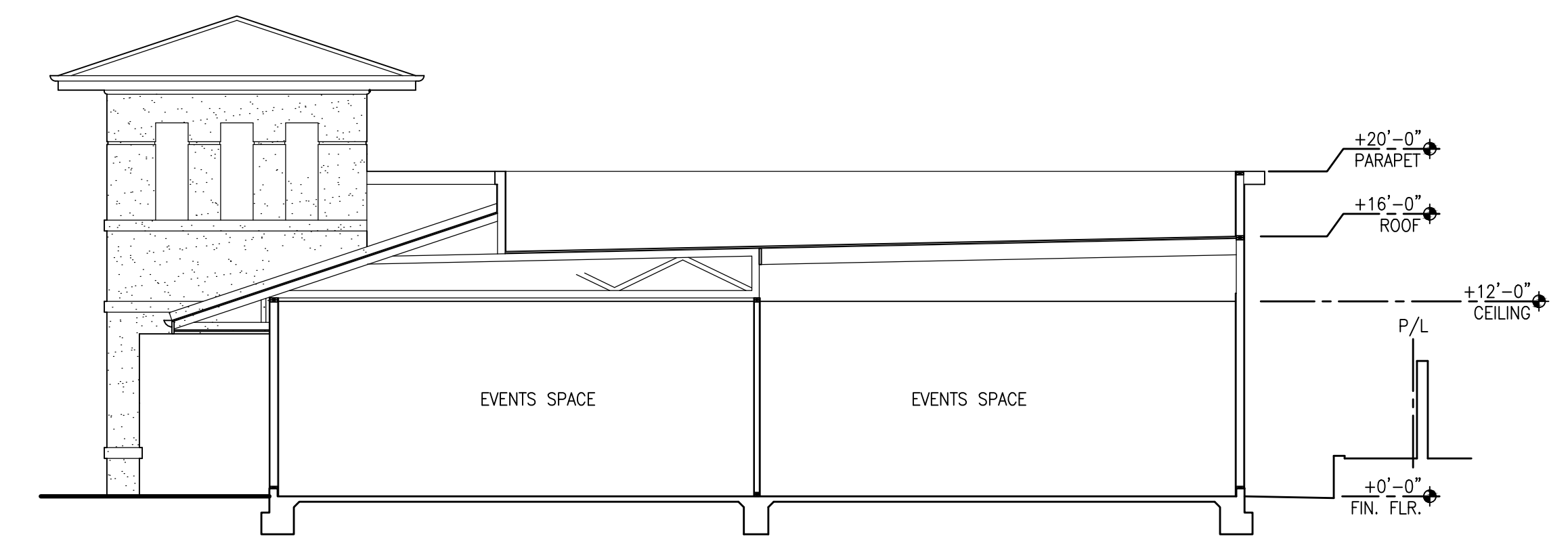
2 EXTERIOR ELEVATION - NORTH  
A3.1

SCALE: 1/8" = 1'-0"



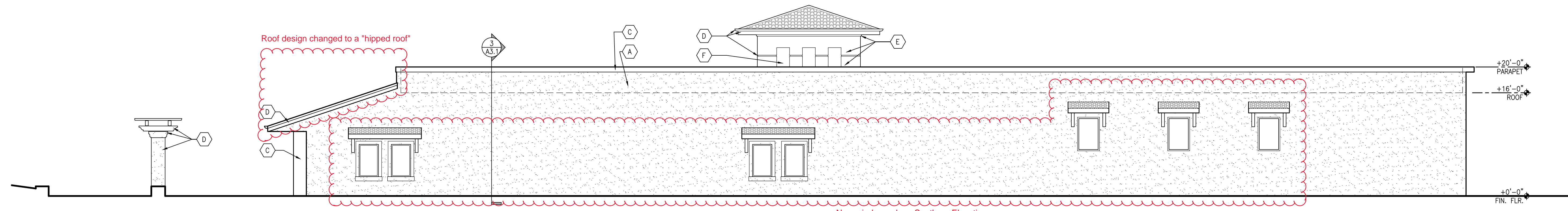
1 EXTERIOR ELEVATION - WEST  
A3.1

SCALE: 1/8" = 1'-0"



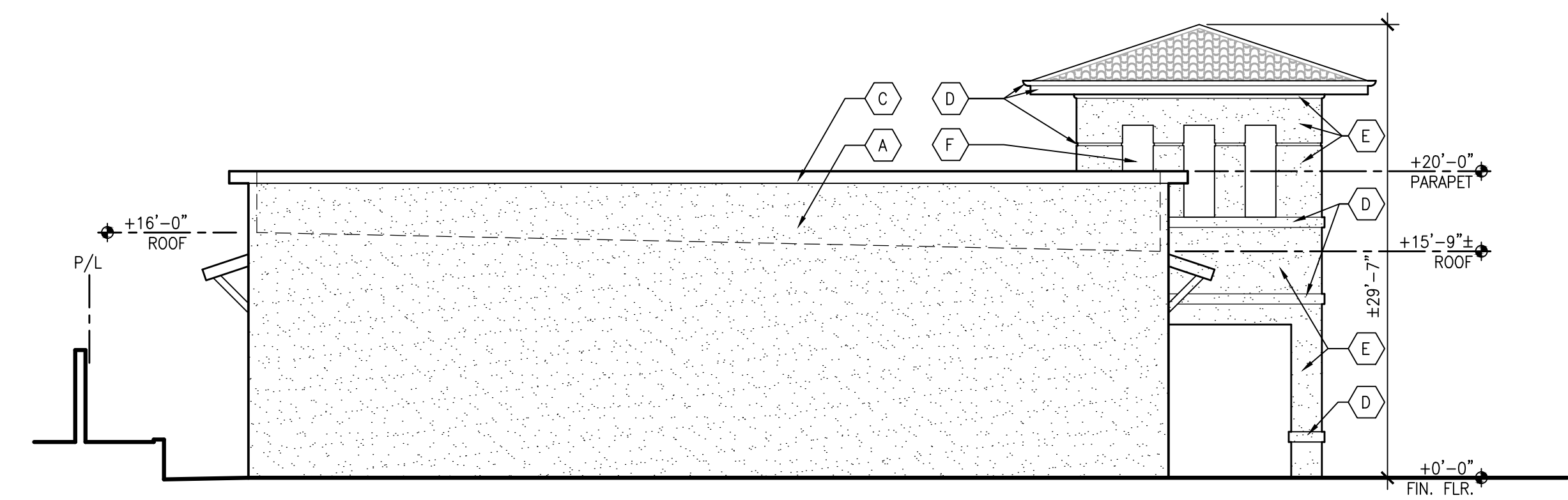
3 BUILDING SECTION  
A3.1

SCALE: 1/8" = 1'-0"



4 EXTERIOR ELEVATION - SOUTH  
A3.1

SCALE: 1/8" = 1'-0"



5 EXTERIOR ELEVATION - EAST  
A3.1

SCALE: 1/8" = 1'-0"

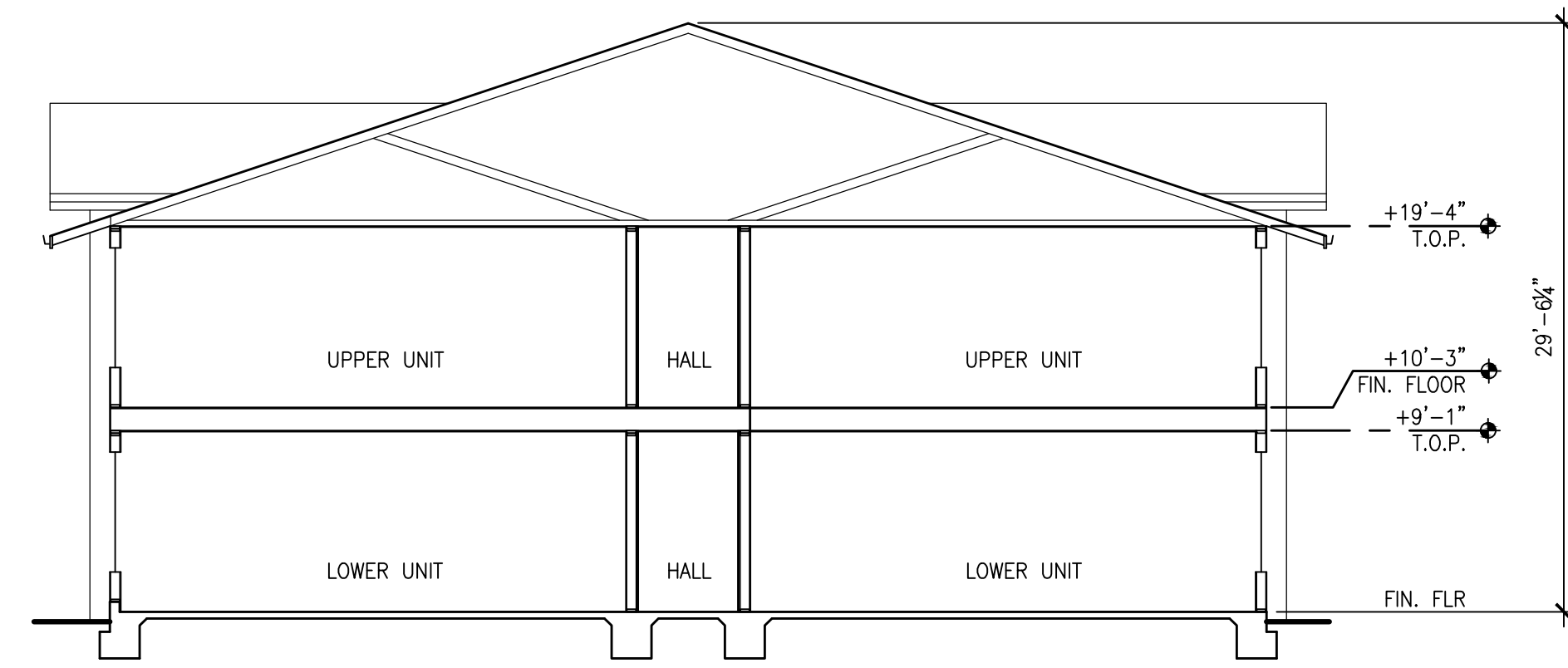
EXTERIOR COLORS LEGEND	
◯	COLOR
A	BENJAMIN MOORE #1032 BAR HARBOR BEIGE (MAIN BODY COLOR)
B	BENJAMIN MOORE #1524 NATURE'S SCENERY (MAIN BODY COLOR)
C	BENJAMIN MOORE #HC-77 ALEXANDRIA BEIGE (MAIN BODY COLOR)
D	BENJAMIN MOORE #965 TEMPORAL SPIRIT (TRIM)
E	BENJAMIN MOORE #HC-49 MAYFLOWER RED (TOWER)
F	BENJAMIN MOORE #1489 DEVONSHIRE GREEN (ACCENT)

TYPICAL MATERIALS

ROOFING: MISSION 'S' TILE. ALUMINUM FASCIA GUTTER, ENGINEERED WOOD FASCIA.  
 WALLS: STUCCO WITH FOAM TRIMS.  
 WINDOWS: VINYL  
 DOORS: STEEL

Submittals	11-21-2019	12-16-2019
DRG WORKSHOP		
DESIGN REVIEW		
Revisions		

Date: 12-16-2019  
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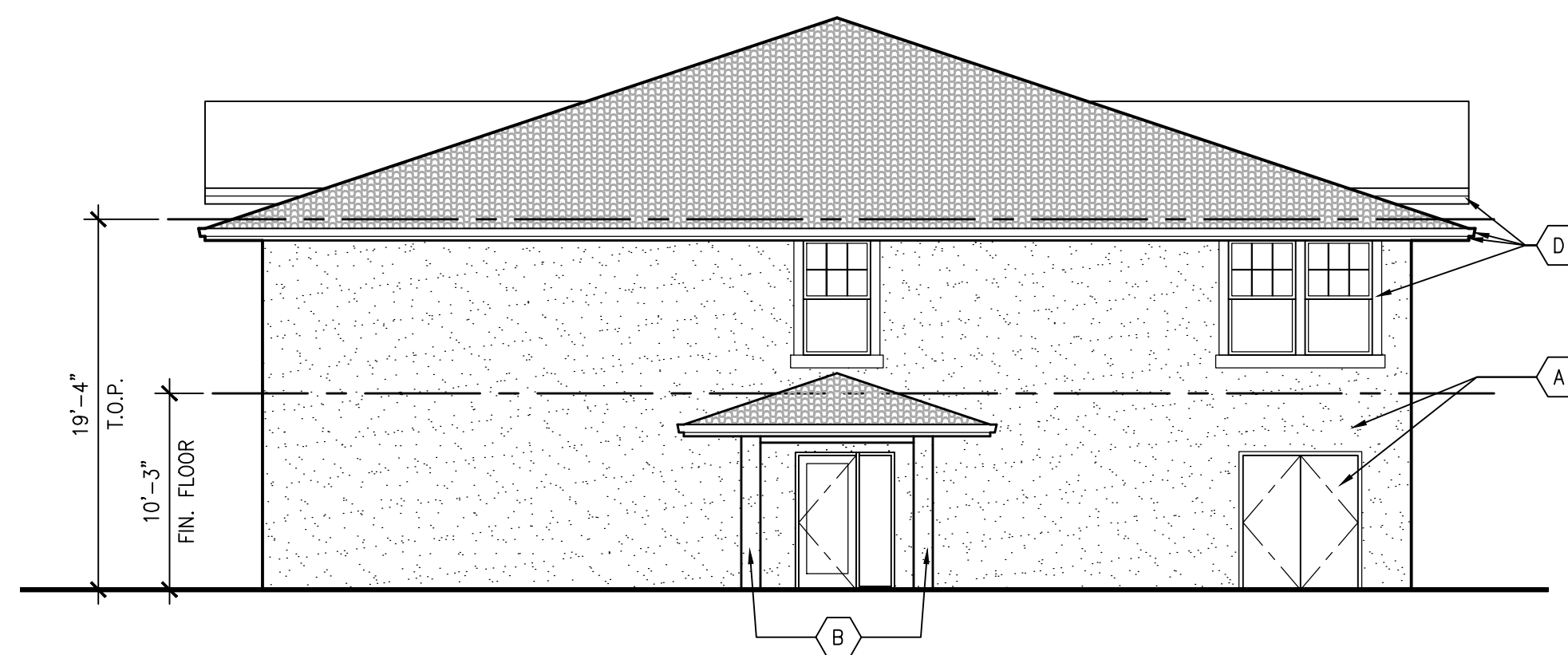
5 SECTION  
A3.2

SCALE: 1/8" = 1'-0"

EXTERIOR COLORS LEGEND	
COLOR	
A	BENJAMIN MOORE #1032 BAR HARBOR BEIGE (MAIN BODY COLOR)
B	BENJAMIN MOORE #1524 NATURE'S SCENERY (MAIN BODY COLOR)
C	BENJAMIN MOORE #HC-77 ALEXANDRIA BEIGE (MAIN BODY COLOR)
D	BENJAMIN MOORE #965 TEMPORAL SPIRIT (TRIM)
E	BENJAMIN MOORE #HC-49 MAYFLOWER RED (TOWER)
F	BENJAMIN MOORE #1489 DEVONSHIRE GREEN (ACCENT)

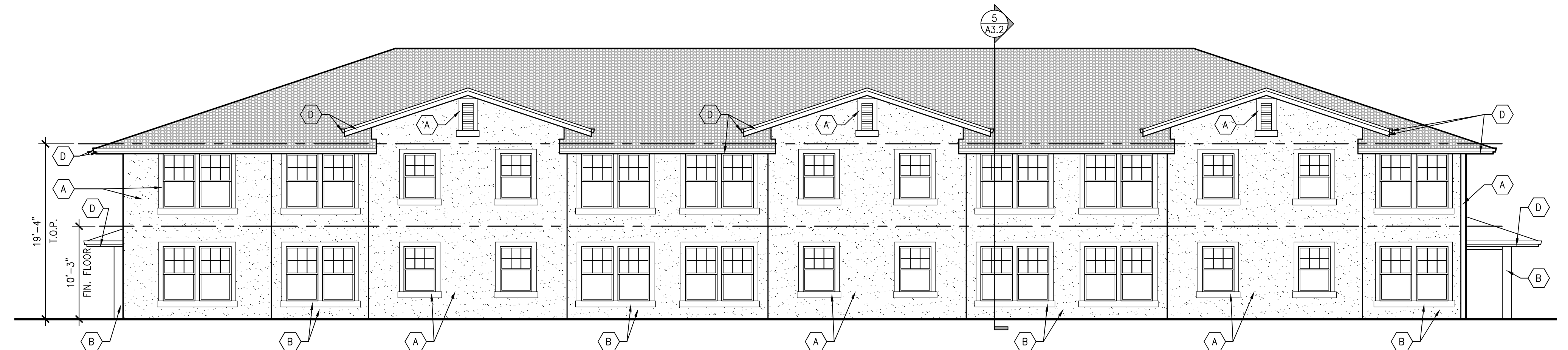
TYPICAL MATERIALS

ROOFING: MISSION 'S' TILE, ALUMINUM FASCIA GUTTER, ENGINEERED WOOD FASCIA.  
 WALLS: STUCCO WITH FOAM TRIMS.  
 WINDOWS: VINYL  
 DOORS: STEEL



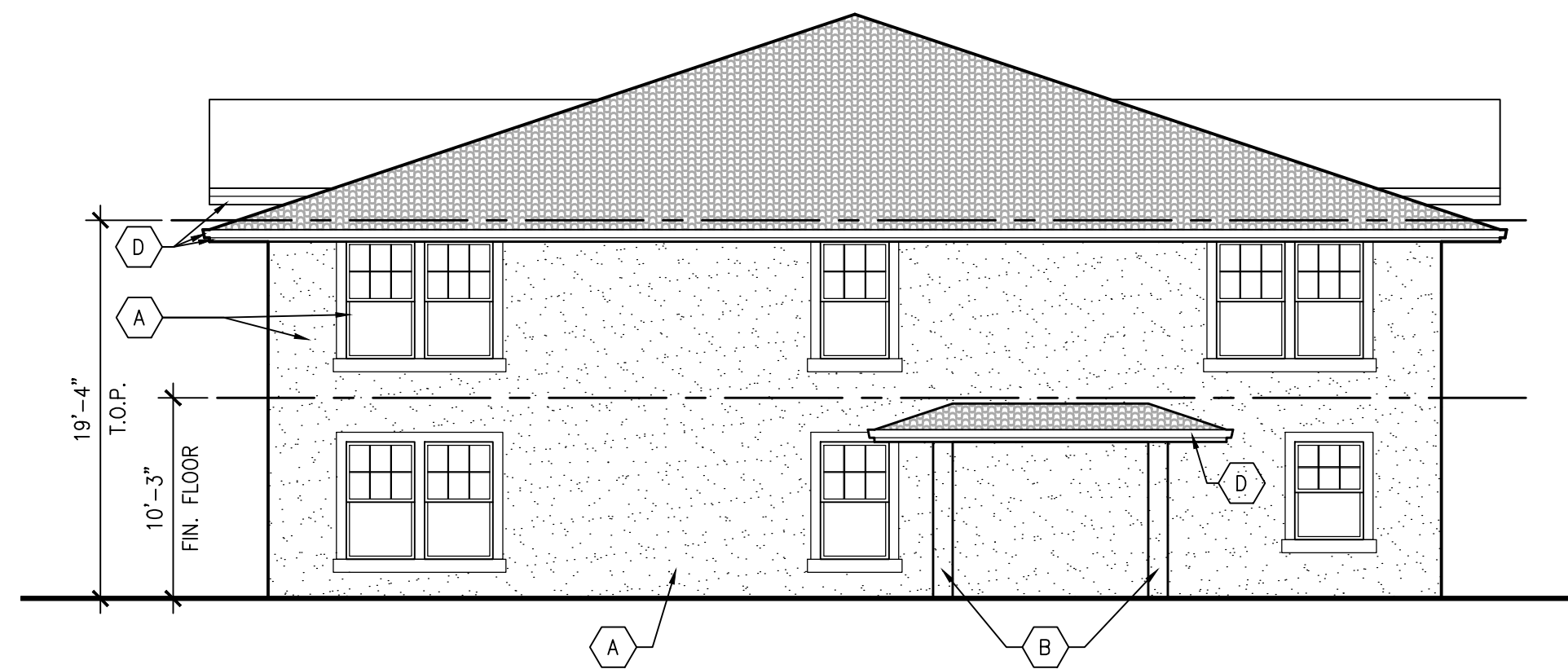
4 EXTERIOR ELEVATION - WEST  
A3.2

SCALE: 1/8" = 1'-0"



3 EXTERIOR ELEVATION - NORTH  
A3.2

SCALE: 1/8" = 1'-0"



2 EXTERIOR ELEVATION - EAST  
A3.2

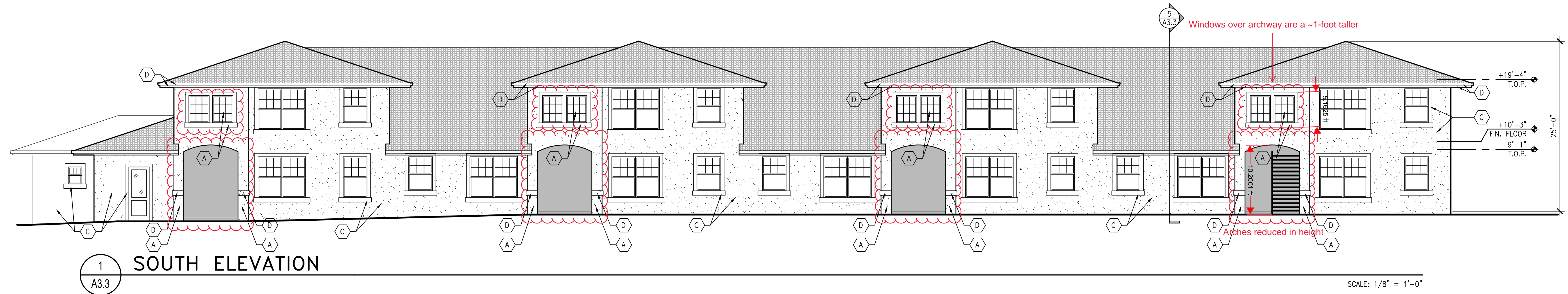
SCALE: 1/8" = 1'-0"



1 EXTERIOR ELEVATION - SOUTH  
A3.2

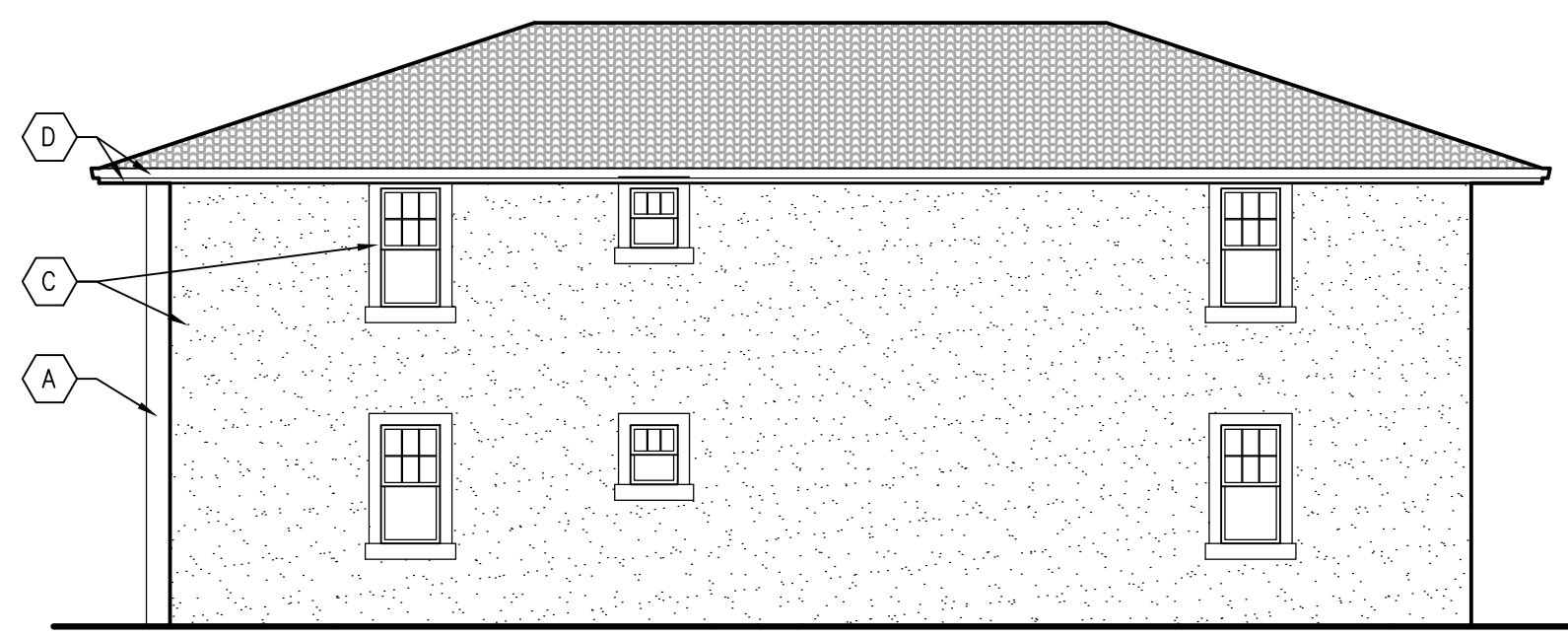
SCALE: 1/8" = 1'-0"

Submittals	11-21-2019
DRG WORKSHOP	12-16-2019
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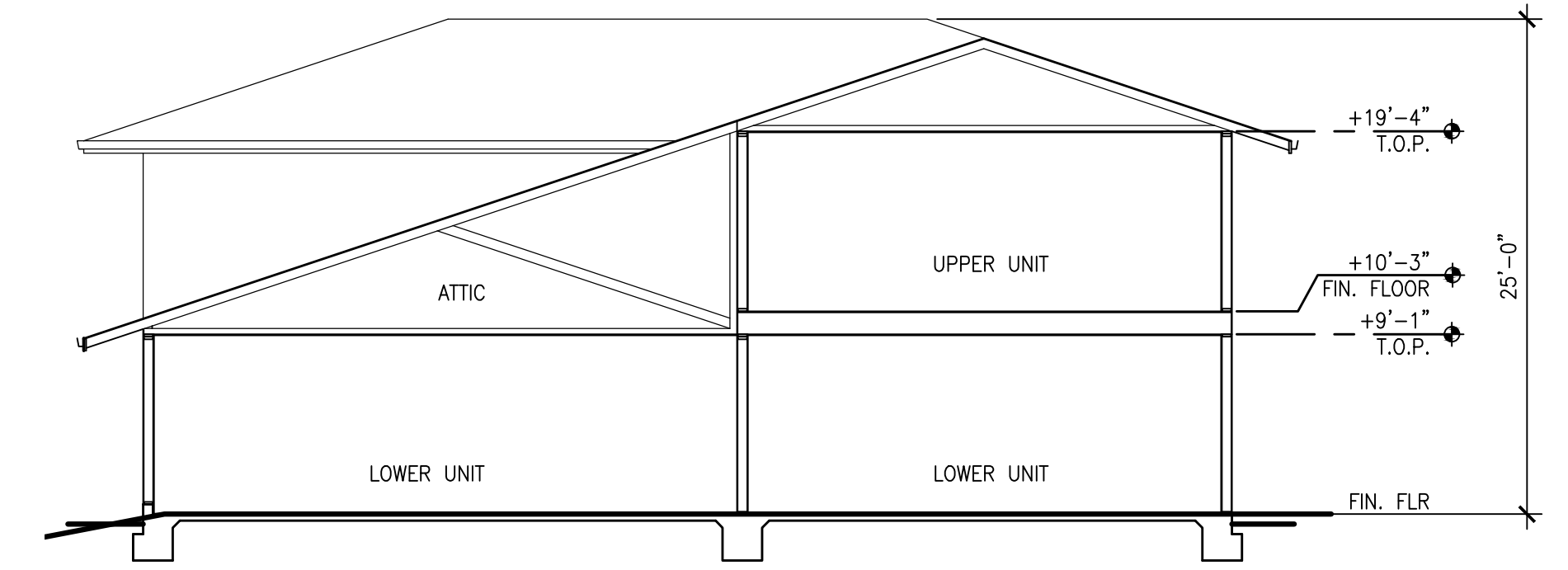
1 SOUTH ELEVATION  
A3.3

SCALE: 1/8" = 1'-0"



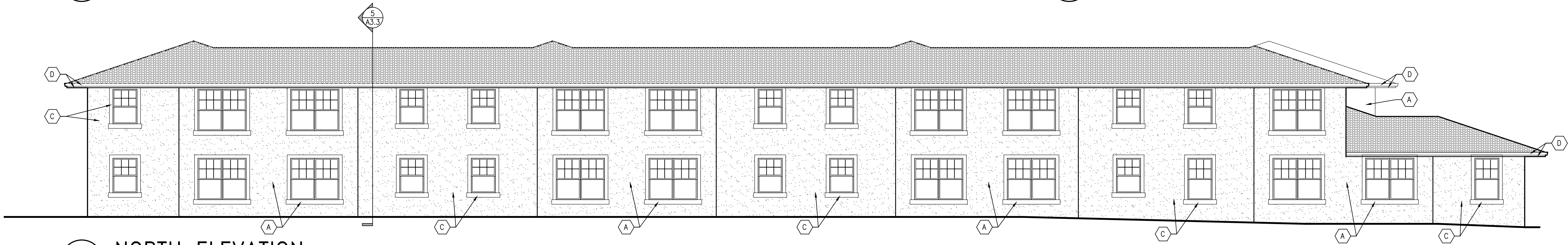
2 EAST ELEVATION  
A3.3

SCALE: 1/8" = 1'-0"



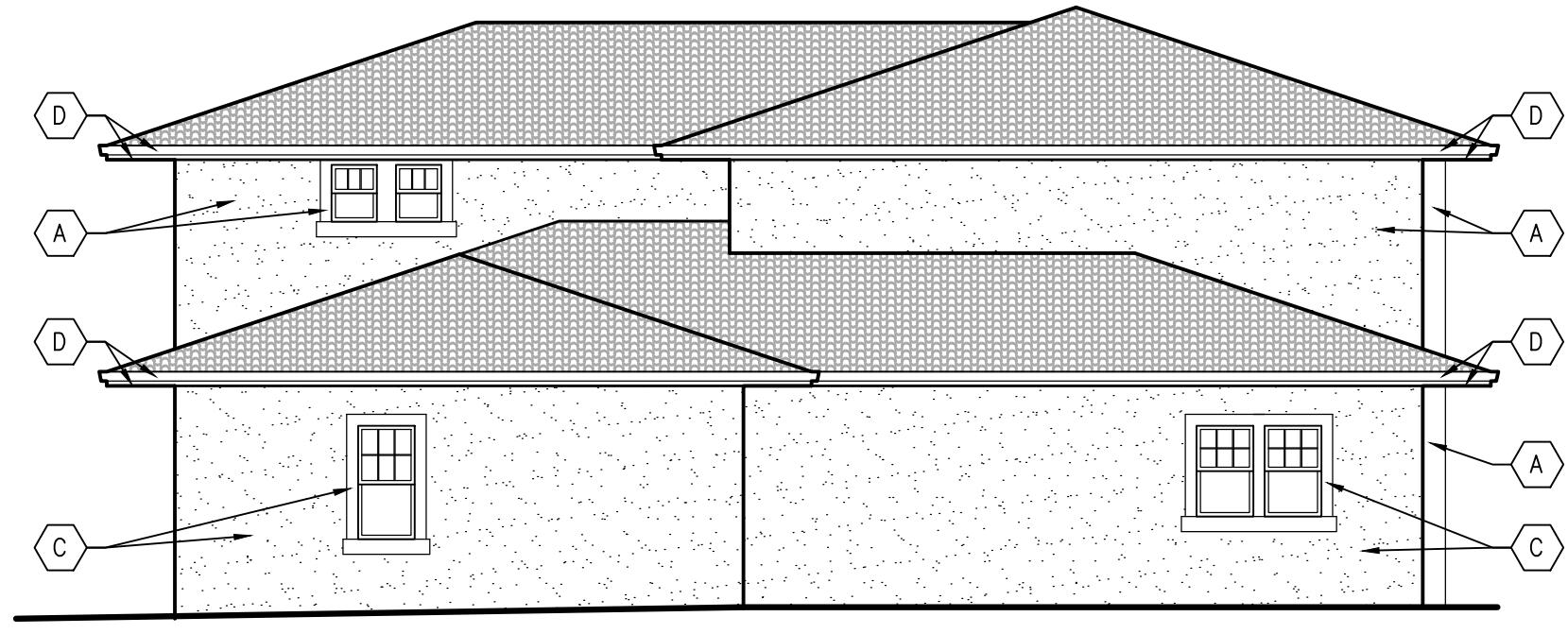
5 SECTION  
A3.3

SCALE: 1/8" = 1'-0"



3 NORTH ELEVATION  
A3.3

SCALE: 1/8" = 1'-0"



4 WEST ELEVATION  
A3.3

SCALE: 1/8" = 1'-0"

TYPICAL MATERIALS

- ROOFING: MISSION "S" TILE, ALUMINUM FASCIA GUTTER, ENGINEERED WOOD FASCIA.
- WALLS: STUCCO WITH FOAM TRIMS.
- WINDOWS: VINYL
- DOORS: STEEL

EXTERIOR COLORS LEGEND

COLOR	
A	BENJAMIN MOORE #1032 BAR HARBOR BEIGE (MAIN BODY COLOR)
B	BENJAMIN MOORE #1524 NATURE'S SCENERY (MAIN BODY COLOR)
C	BENJAMIN MOORE #HC-77 ALEXANDRIA BEIGE (MAIN BODY COLOR)
D	BENJAMIN MOORE #965 TEMPORAL SPIRIT (TRIM)
E	BENJAMIN MOORE #HC-49 MAYFLOWER RED (TOWERS)
F	BENJAMIN MOORE #1489 DEVONSHIRE GREEN (ACCENT)

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Prototype: DIVINE



February 28, 2019

Mr. Paul Fordham  
Deputy Executive Director  
Homeward Bound of Marin  
1385 North Hamilton Parkway  
Novato, California 94949

**Subject: Phase I Environmental Site Assessment  
Homeward Bound of Marin  
826 State Access Road  
Novato, California 94949  
TMC Project No. 19-14057.00**

Dear Mr. Fordham:

Please find enclosed one copy of the Phase I Environmental Site Assessment (ESA) report prepared by Transaction Management Corporation (TMC) for the referenced property. The following summarizes TMC's findings:

## **I. Project Identification**

The Property is identified as “Homeward Bound of Marin” and is located at 826 State Access Road, in the City of Novato, Marin County, California. The Property is located in an area consisting predominantly of commercial and residential land uses. The Property is identified by the Marin County Assessor as Parcel Number (APNs) 157-970-07.

## **II. Property Use**

The Property consists of an irregular-shaped parcel of land. A Property survey was not provided and as such, the exact lot dimensions and acreage is unknown. According to the Marin County Assessor’s Office, it is believed to be approximately 2.3 acres in size. The Property is developed with three structures. The Property was developed with the current structures prior to 1952 and possibly was part of the Department of Defense (DoD) Housing Facility, former Hamilton Air Force Base (HAFB). Reportedly, the on-site operations include, automobile impounds and storage by the City of Novato Police Department (NPD) and costume and theater props storage by the City of Novato.

The historical use of the Property is summarized below:

**1952** The 1952 aerial photograph shows the Property as developed with the current structures. In addition, a small structure appears to be located at the west corner of the Property. The adjacent parcels to the north, east and south appear to include structures resembling the on-site buildings (possibly military facility). The adjacent parcels to the west appear as undeveloped.

**1963** The 1963 photo shows the Property as developed with the current structures (the small structure on the west corner is removed from the Property). The adjacent

- parcels appear to remain essentially the same as they did in the 1952 aerial photograph.
- 1968** The 1968 photo shows the Property and adjacent parcels remain essentially the same as they appeared in the 1963 aerial photograph.
- 1970** The 1970 photo shows the Property and adjacent parcels remain essentially the same as they appeared in the 1968 aerial photograph.
- 1973** The 1973 photo shows the Property and adjacent parcels remain essentially the same as they appeared in the 1970 aerial photograph.
- 1982** The 1982 photo shows the Property and adjacent parcels remain essentially the same as they appeared in the 1973 aerial photograph.
- 1993** The 1993 photo shows the Property and adjacent parcels remain essentially the same as they appeared in the 1982 aerial photograph.
- 2006** The 2006 photo shows the Property and adjacent parcels remain essentially the same as they appeared in the 1993 aerial photograph.
- 2009** The 2009 photo shows the Property and adjacent parcels remain essentially the same as they appeared in the 2006 aerial photograph.
- 2012** The 2012 photo shows the Property and adjacent parcels remain essentially the same as they appeared in the 2009 aerial photograph. One of the structures on the adjacent parcels to the south appears to have been removed.
- 2016** The 2016 photo shows the Property and adjacent parcels remain essentially the same as they appeared in the 2012 aerial photograph.

### **III. Investigations**

The scope of work for this ESA is in general accordance with the requirements of ASTM Standard E 1527-13. TMC warrants that the findings and conclusions contained herein were accomplished in accordance with the methodologies set forth in the Scope of Work. These methodologies are described as representing good commercial and customary practice for conducting an Environmental Site Assessment of a property for the purpose of identifying recognized environmental conditions.

No specific limitations and exceptions to this ESA were encountered.

### **IV. Environmental Issues**

#### **On-site:**

Based on the current and historical information available, there is a low potential that the Property has been impacted by the on-site operations. However, it is possible that the Property was affected by the off-site operations.

The suspect asbestos containing materials (ACM) were found to be in good condition at the time of the assessment with a low potential for disturbance. The suspect materials observed at the Property may be maintained through the provisions of an Operations and Maintenance (O&M) plan.

#### **Off-site:**

The Property was part of the Department of Defense (DoD) Housing Facility, former Hamilton Air

Force Base (HAFB). The DoD Housing Facility-Hamilton Square at 970 C Street was listed in the database. The DoD Housing Facility-Hamilton Square was reportedly, located approximately 1200 feet south-southeast of the Property. However, according to the case closure report the site was actually located northeast of the Property. Based on the Final Site Closure Report for No Further Action, prepared for the Former Department of Defense Housing Facility Novato by Battelle and dated September 9, 2016 methyl-tert-butyl-ether (MTBE) was detected in the groundwater samples collected from the Property between August 2003 and November 2005. However, MTBE was not detected in the groundwater samples collected between February 2006 and November 2011. The regulatory status for this facility is listed as "Open-Eligible for Closure as of 6/5/2018."

## **V. Recommendations/Additional Investigations**

Based on the findings and conclusions of this assessment, TMC recommends no further investigations at the Property, at this time. However, TMC recommends the potential liabilities associated with the soil and groundwater contaminations to be evaluated by a legal attorney.

In addition, based on the age of the development and the limited scope of our asbestos survey TMC recommends that an O&M plan be prepared and implemented at the Property.

## **VI. Estimated Abatement and Remediation Costs**

As no abatement or remediation measures have been recommended for the Property, no abatement or remediation costs are provided at this time.

The environmental assessment described herein was conducted by Dariush Dastmalchi under the direction of the undersigned. TMC's assessment was conducted in accordance with the Homeward Bound of Marin requirements and is subject to the Limitations and Service Constraints provided in the limitations section of this report and the Terms and Conditions of the Standard Consulting Services Agreement signed prior to initiation of the assessment.

Sincerely,

**TRANSACTION MANAGEMENT CORPORATION**



Managing Partner  
Dariush Dastmalchi, R.E.P.A.



**Thomas Peters, Ph.D.**  
President & Chief Executive Officer

February 10, 2020

To whom it may concern:

The Marin Community Foundation (MCF) is deeply committed to funding critically-needed affordable housing, including a focus on ending homelessness for veterans.

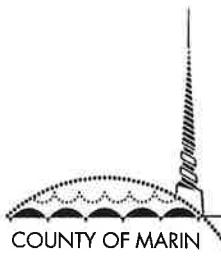
Specifically, this letter is to confirm our commitment of \$2,000,000 in grant funding from MCF to Homeward Bound of Marin for construction of 24 units of Permanent Supportive Housing for homeless veterans on the HUD Parcel, 826 State Access Road, Novato, CA 94949 – Assessor’s Parcel Number (APNs) 157-970-07.

This is a preliminary funding commitment subject to processes and approvals within the Foundation that we will undertake later this year.

I would be most happy to answer any questions you may have. You’re welcome to reach me by email at [tpeters@marincf.org](mailto:tpeters@marincf.org) or by phone at 415.464.2508.

Sincerely,

Thomas Peters, Ph.D.  
President and CEO



OFFICE OF THE  
**COUNTY ADMINISTRATOR**

Matthew H. Hymel  
COUNTY ADMINISTRATOR

February 10, 2020

Marin County Civic Center  
3501 Civic Center Drive  
Suite 325  
San Rafael, CA 94903  
415 473 6358 T  
415 473 4104 F  
CRS Dial 711  
[www.marincounty.org/cao](http://www.marincounty.org/cao)

To whom it may concern:

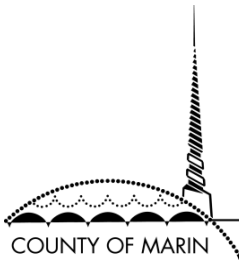
The County of Marin is committed to funding affordable housing and ending veteran homelessness. This letter is to confirm our commitment of \$2,000,000 in grant funding from the County of Marin to Homeward Bound of Marin for construction of 24 units of Permanent Supportive Housing for homeless veterans on the property located at 826 State Access Road, Novato, CA 94949 – Assessor's Parcel Number (APNs) 157-970-07.

This is a preliminary funding commitment subject to approval by the Marin County Board of Supervisors, later this year. Sources of these funds could include, but are not limited to, County Affordable Housing Trust Funds, Homeless Housing Assistance and Prevention Program funds, and locally controlled HOME and CDBG funds.

If you have questions, please contact Leelee Thomas, Planning Manager at [lthomas@marincounty.org](mailto:lthomas@marincounty.org) or (415) 473.6697.

Sincerely,

  
Matthew Hymel  
County Administrator



COMMUNITY DEVELOPMENT AGENCY  
**HOUSING AND FEDERAL GRANTS DIVISION**

Thomas K. Lai

DIRECTOR

Marin County Civic Center

3501 Civic Center Drive

Suite 308

San Rafael, CA 94903

415 473 6269 T

415 473 7880 F

415 473 2255 TTY

[www.marincounty.org/plan](http://www.marincounty.org/plan)

July 30, 2021

Corry Kanzenberg  
Development Specialist  
Homeward Bound of Marin  
1385 North Hamilton Parkway  
Novato, CA 94949

RE: Conditional Approval of 2021-22 HOME Funding

Project:	Predevelopment and Construction of Veterans and Workforce Housing in Novato
Amount:	\$526,526
Purpose:	Support the planning and construction of 50 permanent supportive affordable housing units in Novato.

Dear Corry:

Congratulations! This letter is to confirm your project has received conditional approval of Home Investment Partnerships Program (HOME) funds by the Marin County Board of Supervisors for the 2021-22 program year. Final approval by the U.S. Department of Housing and Urban Development (HUD) is expected in late August/beginning of September. Projects cannot go under contract until HUD has issued its formal approval. In order to be placed under contract a number of steps must be completed and are detailed below.

**Prerequisites to be placed under contract:**

- Submit a Certificate of Liability Insurance for your agency for at least \$1,000,000, including an “additional insured” endorsement naming the County of Marin.
- Submit documents necessary for the County to complete a NEPA review (environmental review). These forms along with additional information regarding the environmental review is included as a separate attachment.
  - Updated project scope, cost allocation, and expected outcomes based on the approved funding amount
  - Site Specific Contamination Checklist
  - Tribal Consultation Checklist
  - Photos of the property and project site

- Documentation from local jurisdiction indicating required permits and expected timeline for receiving them.
- County completion of a NEPA review. **You CANNOT begin work or incur costs on the project until the environmental review is complete.** The cost to complete the NEPA review will be deducted from your funding award.
- Submit documents necessary for the County to underwrite the project, including:
  - Sources and Uses
  - Updated Developer experience packet
  - Updated Organizational financials
  - Market Study
  - Proforma for the 20 years of affordability required by HOME
  - Description of HOME specific expenses
  - Commitment Letters for all funding sources
  - Relocation plan
  - Capital Needs Assessment
  - Lease-up materials
  - Section 3 plan for compliance
  - Contact information for other jurisdictions where you have completed similar developments
- County completion of Underwriting.

**Ongoing Compliance:**

Once the County contract is executed additional items to keep in mind include:

***Procurement –***

All projects have a requirement to seek bids from Minority and Women Owned Businesses (Minority Business Enterprises/Women's Business Enterprises (MBE/WBE)).

If your organization has a procurement policy, submit it to staff to determine whether to use the County policy or your organization's.

**County Procurement Policy:** The County of Marin has different bidding requirements depending on the cost of the project, as follows:

**≤ \$60,000 – 1 to 7 Quotes** (Quotes may be provided in paper, email, or verbal with documentation.)

**> \$60,000 to \$200,000 – Informal Sealed Bids**

**> \$200,000 – Formal Sealed Bids**

**Bid(s) MUST be submitted to County staff along with documentation of the bidding process, justification for contractor selection, and documentation of a valid construction license and debarment prior to the commencement of work.**

Process documentation may include:

- Dates and locations of Request for Proposals (RFP)/Invitation for Bids (IFB) postings.
- Documentation of those you reached out to with the dates of those communications, mode of communication (phone or email), responses to inquiries for bids, or documentation of no response.
- Timeline for the outreach efforts.

### **Prevailing Wage – Davis Bacon**

Due to the nature of your project, it is likely subject to Davis Bacon, federally mandated prevailing wage regulations. Additional information regarding Davis Bacon compliance is included in the attachment and can be found on the Federal Grants website at: [www.marincounty.org/federalgrants](http://www.marincounty.org/federalgrants) under the Reporting Forms and Grant Compliance dropdown.

### **Affirmative Marketing**

Reimbursement for expenditures will be dependent upon the completion and approval of OR implementation of an approved Affirmative Marketing Plan (AMP). For more information about the AMP and to download a template, visit the Federal Grants website at: [www.marincounty.org/federalgrants](http://www.marincounty.org/federalgrants) and click the Affirmative Marketing dropdown.

### **Section 3**

Your project is subject to Section 3 rules and regulations set forth under the Housing and Urban Development Act of 1968, (12 USC 1701u), as amended, and the HUD regulations issued pursuant thereto at 24 CFR Part 75. This Act requires that, to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the project area, and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by, persons residing in the area of the project.

### **Reporting**

Project reports including demographic information about your clients will be required semi-annually. The demographic reports are mandatory for all agencies and are due by January 31st, covering July 1st through December 31st, and by July 31st, covering the entire grant period. In addition, you are required to annually submit HUD Form 2516 regarding Minority Business Enterprise/Women's Business Enterprises (MBE/WBE) for the 12-month period of July 1- June 30. If



you do not fully expend your funding in the 12-month period of July 1- June 30 you will be required to provide additional semi-annual reports and HUD Form 2516.

Following the completion of the project annual Rent Roll documentation will be required for the duration of the HUD affordability period and for three (3) years an annual report is to be submitted containing demographic information about the current tenants of the affordable units created, including at a minimum the head-of-household member’s race, ethnicity, sex, presence of minor children, presence of any household member with a disability, and if the household resides in an accessible unit.

**Request for Reimbursement**

Billing procedures: Please submit invoices for eligible expenses bi-annually, if possible.

- Invoices should be submitted as a letter/memo requesting reimbursement of eligible expenses. The document should include the following components:
  - Be on letterhead with the remittance address, contact information, and signature
  - Include the name of the project, funding type, and a description of work completed
- If you are billing for contracted services or materials, you must provide a copy of the itemized invoice and proof of payment.
- If billing for staff hours, include the number of hours being billed for each position, the rate per hour for each, and the billing period.\* Here is an example:

Billing Period	Staff Position	Total	Hourly Rate for salaried position	Hours Billed
9/1/2020-9/30/2020	Property Manager	\$2,678.00	\$30.77	87.033

\* Please note, if billing for salaries, HUD requires your organization to maintain timesheets indicating the number of hours worked fulfilling CDBG programming.

- If billing for contracted services, provide a copy of the invoice and proof of payment.
- For indirect expenses, provide a detailed description and how they directly relate to the work.

**Audits**

If your agency expends \$750,000 or more in combined federal assistance during its fiscal year, it agrees to obtain either a single audit or a program-specific financial audit conducted in accordance with OMB SuperCircular 2 CFR §200. You may elect to have a program-specific audit conducted in accordance with §200.507 if your agency expends funds under only one Federal program, and the Federal

program's statutes, regulations, or the terms and conditions of the Federal award do not require a single or program-specific audit of the auditee.

Finally, your help is *essential* to making the process run smoothly. You are always required to get approval before you authorize work to be performed for which you intend to use HOME funds. In many cases, we need three months' notice to complete necessary paperwork that is required before you may begin your project. Please keep us informed about the status of your project and do not hesitate to reach out and ask questions.

Sincerely,

A handwritten signature in blue ink that reads "Molly Kron". The signature is written in a cursive, flowing style.

Molly Kron  
Planner



The Buck Family  
Fund of MCF

September 10, 2018

Mary Kay Sweeney Ph.D.  
Executive Director  
Homeward Bound of Marin  
1385 North Hamilton Parkway  
Novato, CA

Re: Grant # 2019-00350 (Buck Family Fund of MCF)

Dear Mary Kay:

I am pleased to inform you that a grant in the amount of \$200,000 to Homeward Bound of Marin has been approved to support the predevelopment phase of a veteran and workforce housing project in Novato. The period of this grant is 12 months, from September 1, 2018 through August 31, 2019.

The initiation of payment under this grant's schedule will be processed when we receive notification that the grant agreement has been electronically accepted. The payment schedule for this grant can be found at the end of this document.

To confirm your formal acceptance, please accept the terms and requirements listed below by checking the box at the base of this page and clicking the Submit button.

If you have any questions about the implementation of this grant or about MCF procedures, please feel free to contact Alan Burr, the Director, Housing and Community Lending responsible for overseeing this grant.

We greatly value your partnership in helping to create equity of opportunity for every resident of Marin.

Sincerely,

Thomas Peters, Ph.D.  
President & Chief Executive Officer

## Terms



The Buck Family  
Fund of MCF

1. Condition(s) associated with disbursement of a payment must be satisfied prior to release. If not satisfied, MCF has the discretion to extend the grant performance period, reduce the total grant amount, and/or cancel the grant agreement. For details, refer to the Condition(s) section of the grant agreement.
2. As a condition of the grant, you are committing to report on the specified dates regarding your organization's progress relative to the metrics listed in this agreement. (Please note that any payments scheduled for release after the due date of a progress report will be held by the Foundation until the report has been submitted.)
3. It is important to note that funding from this grant and any accrued interest may be used only to carry out activities in and/or for the benefit of Marin County residents, and only for the charitable purposes and activities set forth in this document.
4. Funds not used for the charitable purposes of the grant, including any unspent balance of greater than \$5,000 at the conclusion of the grant period, must be returned to the Foundation. (If any equipment or real estate purchased with grant funds is diverted from the charitable purposes for which this grant is made, or if your organization ceases operations, you agree to convey such equipment or real estate back to the Foundation or to such other charitable organization as the Foundation may direct.)
5. If you would like assistance when referencing this grant from the Foundation in any of your publications or releases, please feel free to call upon our Chief Communications Officer.
6. In accepting this grant, you are agreeing that your organization will maintain accurate financial and operational records regarding your use of grant funds and that you will make those records available to the Foundation promptly upon request for the Foundation's review, except to the extent prohibited by applicable law.
7. Finally, you are agreeing to make any publications, media presentations, studies, or research funded by this grant available to the public in a manner acceptable to the Foundation. Any tangible or intangible property, including copyrights obtained or created by your organization with funding from this grant, shall remain the property of your organization, but your organization agrees to grant the Foundation a royalty-free license to use, reprint, or distribute any such copyrighted materials for informational or promotional purposes that do not conflict with your organization's charitable purposes.
8. The terms of this Agreement may be revised or modified only with the prior written consent of both the Foundation and your organization.

## **Reporting Requirements & Due Dates**

**Economic Opportunity > Affordable housing - \$200,000**



The Buck Family  
Fund of MCF

## Report Due Date(s)

***1st Report: 4/30/2019 covering 9/1/2018 - 3/30/2019***

Question(s):

1. Please provide an update on the project budget, timeline, and fundraising efforts.
2. What else would you like us to know?

***Final Report: 9/30/2019 covering 9/1/2018 - 8/31/2019***

Question(s):

1. Please provide an update on the project budget, timeline, and fundraising efforts.
2. What else would you like us to know?

## Payment Schedule

September 1, 2018: \$200,000



August 28, 2019  
Mary Kay Sweeney  
Homeward Bound of Marin  
1385 N. Hamilton Parkway  
Novato, CA

Re: Grant Award: #67-2018 HomeWBd Comm

**Grantee:** Homeward Bound of Marin  
**Development:** Ending Veteran Homelessness in Marin and Creating Workforce Pathways for Homeless Adults, Pre-Development for the 'HUD Parcel' at the Commissary Triangle, Novato, California

**Amount:** \$100,000

Dear Mary Kay:

The Trustees of Tamalpais Pacific have considered your Grant Application of August 7, 2018 and are pleased to inform you of a Grant Award in the amount of \$100,000 to Homeward Bound for predevelopment costs including Architectural Design Review for the 'HUD Parcel' at the Commissary Triangle, Novato, California. The Award is payable upon request after June 1, 2019, and will expire June 1, 2020 without further written agreement from Tamalpais Pacific.

To confirm acceptance of the following terms, please email a copy of this Agreement letter to me at [fivejosephs@gmail.com](mailto:fivejosephs@gmail.com), signed by the authorized representative of your organization.

#### **TERMS AND CONDITIONS OF GRANT:**

##### **1. Grant Purpose**

The purpose of the Award is for pre-development and Architectural Design Review for veteran and workforce housing construction at the Novato site known as the 'HUD Parcel.' This 2.8-acre site on the former Hamilton Army Airfield will be constructed to include 50 units of supportive housing for homeless veterans and people exiting homelessness who are entering the local workforce.

##### **2. General Terms**

**Name of Development:** 'The Commissary Triangle,' North Hamilton Parkway, Novato, CA 94949

**Date Grant Approved:** September 11, 2018

**Payment Schedule and Contingencies:** \$100,000 to Homeward Bound following execution of this Agreement, payable upon request after June 1, 2019. This Award will expire June 1, 2020 without further written agreement from Tamalpais Pacific.

Disbursement shall be within a reasonable time from Grantee's request for disbursement, including copies of invoices for work completed, and Tam Pacific's verification of any conditions.

**Quarterly Progress Report due:** Two weeks prior to each of Tam Pacific's regular Quarterly Meetings (Second Wednesday of February, May, August, and November) and ending with the final report. Reports will update the status of the development, completion or occupancy, including a Final Report upon completion and occupancy of Development. Grantee may submit reports prepared for Marin Community Foundation or other similar funders.

### **3. Incorporation and Attachments**

The Application, including development objectives and budget, ("Application") presented to Tam Pacific and awarded on September 11, 2018 is incorporated herein. Grantee shall comply with this Agreement, including Grantee's Application, in order to receive the funding that has been awarded. In the event Grantee fails to comply with this Agreement, Tam Pacific may withdraw its Award and terminate this Agreement, and have no further obligation to disburse to Grantee any remaining unpaid grant funds, and may further require repayment of any grant funds previously disbursed which were not used in accordance with the terms of the Agreement except as amended by Tam Pacific.

### **4. Special Conditions**

The Development is assured of financial sustainability for affordable housing.

### **5. Hold Harmless Agreement**

The Grantee irrevocably and unconditionally agrees, to the fullest extent permitted by law, to release, defend, indemnify, and hold harmless Tam Pacific, its officers, directors, trustees, employees, consultants, contractors, sponsors, and/or any of them, from and against any and all claims, liabilities, losses, and expenses (including reasonable court and attorneys' fees) directly, indirectly, wholly or partially arising from or in connection with such Grant, the Application of the funds furnished to such grant, the program or development funded or financed by such grant, or in any way relating to the subject matter of this Agreement. This paragraph shall survive the termination of this Agreement.

### **6. Public Acknowledgment**

The Grantee agrees to credit Tam Pacific in publications and other publicity or public relations materials and presentations resulting from the use of these funds. Prior to the use of Tam Pacific's name, Tam Pacific's Executive Director shall have an opportunity to review and approve the wording of the Grantee's public information activities.

## **7. Project Review and Evaluation**

The Grantee agrees that Tam Pacific may review and/or evaluate the development funded by this grant. This may include visits by representatives of Tam Pacific to observe the Grantee's development operations; to review development data, financial records, or corporate records; and to discuss the development with the Grantee's staff, governing board, and/or contractors.

## **8. Payment**

Grant payments will be made by Tam Pacific according to the payment schedule in Paragraph 2 above, provided that that if the development is not making reasonable progress toward meeting its stated objectives in the Application, or the Grantee is not otherwise in compliance with this Agreement, then Tam Pacific may at its discretion require repayment of the grant payments already made by Tam Pacific which may or may not yet have been expended, and/or defer, reschedule, or cancel future payments.

## **9. Reversion**

Any funds not expended for the purposes agreed to by Tam Pacific, including any unspent balance at the conclusion of the grant period and/or at the completion of the development, must be returned to Tam Pacific. Grantee agrees that it shall convey back to Tam Pacific any equipment or real estate purchased with grant funds if the nature of its use is diverted from the purposes for which the grant was made, or if the Grantee organization ceases operations.

## **10. Modifications and Limit of Commitment**

The terms and provisions of this Agreement may be revised or modified only with the prior written consent of both parties. This Award is made with the understanding that Tam Pacific has no obligation to provide other or additional support for this development; nor does this Award represent any commitment to or expectation of future support from Tam Pacific for this or any other development of Grantee.

## **11. Non-waiver**

The waiver by either Party of any breach or default of any term, covenant or condition contained in this Agreement, shall not be deemed to be a waiver, or constitute a continuing waiver, of any other breach or default of any other terms and provisions of this Agreement.

## **12. Enforceability**

In the event that any of the provisions of this Agreement are held to be illegal or invalid by a court of competent jurisdiction or arbitrator/mediator, Tam Pacific and Grantee shall negotiate an equitable adjustment in the provisions of this Agreement with a view toward effectuating its purpose. The illegality or invalidity of any of the provisions of this Agreement will not affect the legality or enforceability of those remaining, or application of any remaining provisions of the Agreement.

## **13. Survival and Entire Agreement**



The provisions of this Agreement, including but not limited to provisions regarding hold harmless and availability of information, shall survive such expiration or other termination. The parties may sign this Agreement in counterparts. This Agreement constitutes the entire agreement between the parties.

Tamalpais Pacific is glad to support your work on behalf of the community. Let me know if you have any questions about the Grant or implementation.

Yours,

Sheri Joseph  
Executive Director and Trustee

**(SIGNATURE PAGE FOLLOWS)**

**Please sign this Grant Agreement and email to fivejosephs@gmail.com.**

**Please also mail a signed original hardcopy to Sheri Joseph, 135 Porto Marino Dr. Tiburon, Ca. 94920.**

**ACCEPTANCE: On behalf of Homeward Bound of Marin, I accept and agree to the terms of Award #67-2018 HomeWBd Comm**

**GRANTEE: Homeward Bound of Marin**

PAUL FORDHAM  
Print Name

  
Signature

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

**STANDARD AGREEMENT**

STD 213 (Rev. 03/2019)

AGREEMENT NUMBER 20-VHHP-14308
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PURCHASING AUTHORITY NUMBER (if applicable)
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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**

Homeward Bound of Marin

2. The term of this Agreement is:

**START DATE**

Upon HCD Approval

**THROUGH END DATE**

06/30/2027

3. The maximum amount of this Agreement is:

\$3,000,000.00

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	5
Exhibit B	Budget Detail and Payment Provisions	1
Exhibit C*	State of California General Terms and Conditions	GTC - 04/2017
Exhibit D	VHHP Program General Terms and Conditions	21
Exhibit E	Special Conditions	2
<b>TOTAL NUMBER OF PAGES ATTACHED</b>		<b>29</b>

*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.)

Homeward Bound of Marin

CONTRACTOR BUSINESS ADDRESS See Attached	CITY See Attached	STATE See Attached	ZIP See Attached
PRINTED NAME OF PERSON SIGNING See Attached	TITLE		
CONTRACTOR AUTHORIZED SIGNATURE See Attached	DATE SIGNED See Attached		

**STATE OF CALIFORNIA**

CONTRACTING AGENCY NAME

Department of Housing and Community Development

CONTRACTING AGENCY ADDRESS 2020 W. El Camino Ave., Suite 130	CITY Sacramento	STATE CA	ZIP 95833
PRINTED NAME OF PERSON SIGNING Shaun Singh	TITLE Contracts Manager, Business & Contract Services Branch		
CONTRACTING AGENCY AUTHORIZED SIGNATURE 	DATE SIGNED 4/5/2021		

California Department of General Services Approval (or exemption, if applicable)

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

**CONTRACTOR**

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**Homeward Bound of Marin**

a California nonprofit Corporation

By: Mary Kay Sweeney

Date: 3-22-21

Mary Kay Sweeney

Executive Director, Homeward Bound of Marin

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Address:

1385 North Hamilton Parkway

Novato, CA 94949

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## EXHIBIT A

### **AUTHORITY, PURPOSE AND SCOPE OF WORK**

#### **1. Authority**

The State of California has established the Veterans Housing and Homelessness Prevention Program (the “Program”) pursuant to the Veterans Housing and Homeless Prevention Act of 2014 (the “Act”), which is set forth in Article 3.2 (commencing with Section 987.001) of Chapter 6 of Division 4 of the Military and Veterans Code, all as amended and in effect from time to time. The Act relies on and references provisions of the Veterans Housing and Homeless Prevention Bond Act of 2014 (the “VHHP Bond Act”), which is set forth in Article 5y (commencing with Section 998.540) of Chapter 6 of Division 4 of the Military and Veterans Code. Both the Act and the VHHP Bond Act were enacted pursuant to Statutes 2013, chapter 727, sections 1 and 3 (A.B. 639).

Pursuant to Military and Veterans Code section 987.005, the Department has adopted the Veterans Housing and Homelessness Prevention Program Round 5 Final Guidelines (the “Guidelines”). This STD 213, Standard Agreement (the “Agreement”) is entered under the authority and in furtherance of the Program.

This Agreement is the result of the Sponsor’s application (the “Application”) for funding under the Program (the “Loan”). This Agreement hereby incorporates by reference the Application and the Project Report in their entirety. This Agreement is governed by the following requirements (collectively, the “Program Requirements”):

- A. The statutory schemes outlined above;
- B. The Guidelines, dated November 8, 2019, and as may be subsequently amended;
- C. Any provisions of the Uniform Multifamily Regulations (Cal. Code Regs., tit. 25, § 8300 et seq.) (the “UMRs”), which the Guidelines incorporate by reference;
- D. Any Multifamily Housing Program (“MHP”) regulations (Cal. Code Regs., tit. 25, § 7300 et seq.), which the Guidelines incorporate by reference;
- E. The Notice of Funding Availability (the “NOFA”), dated November 8, 2019;
- F. The Award Letter issued by the Department to the Sponsor; and
- G. Any and all other applicable law.

#### **2. Purpose**

Veterans Housing and Homelessness Prevention (VHHP) Program  
Round 5  
NOFA Date: 11/08/2019  
Approved Date: 02/13/2020  
Prep. Date: 07/01/2020

## EXHIBIT A

Sponsor applied to the State of California for the Loan in order to acquire, construct, rehabilitate, and/or preserve an Affordable Housing Development, as defined in paragraph 3.A. below, for veterans and their families. The Affordable Housing Development will be developed on certain real property (the "Property"), as described in the Application and the Project Report. The Department will make the Loan to the Sponsor, or to the Sponsor's Department-approved affiliate (the "Borrower," as further defined below), as owner of the Affordable Housing Development. The Department will require that the Affordable Housing Development be developed, owned, rented, managed, maintained, and operated in accordance with the Program Requirements for the full term of the Loan, regardless of sale or transfer of the Property or prepayment of the Loan. Accordingly, if the Borrower is a different legal entity than the Sponsor identified in the Application and approved by the Department, then the Department will require the Sponsor to execute a Sponsor Operating Agreement as a condition of closing the Loan.

By entering into this Agreement and thereby accepting the award of Program Loan funds, the Sponsor agrees to comply with the Program Requirements and the terms and conditions of this Agreement.

### 3. **Definitions**

Capitalized terms herein shall have the definitions set forth in the Guidelines. In addition:

- A. "Affordable Housing Development" or "Development" refers to the rental housing development which is described in the Application and the Project Report, which is identified in the Award Letter, and which meets the definition of "affordable rental housing," "supportive housing," and/or "transitional housing" in Military and Veterans Code section 987.003. The Affordable Housing Development shall meet all Program Requirements and is subject to this Agreement.
- B. "Agreement" refers to this Standard Agreement
- C. "Borrower," or "Ultimate Borrower," refers to the borrowing entity and owner of the Development, as identified in Exhibit E under provision Ex. A-E.1. The Sponsor, or its wholly controlled affiliate, shall have continuing control of the Borrower. The Borrower's organizational structure shall comply with paragraph 15.C. of Exhibit D of this Agreement.
- D. "Sponsor" or "Development Sponsor" shall mean the legal entity or combination of legal entities that meets the definition of "Housing sponsor" set forth in Health and Safety Code section 50074 and the definition of "Sponsor" set forth in UMR Section 8301(s). "Sponsor" also includes any affiliate or assignee of the Sponsor approved by the Department and undertaking all the obligations of the Sponsor hereunder (e.g., the Borrower). In the case of joint applicants, "Sponsor" shall refer to each applicant or the approved assignee of such applicant. Each joint applicant shall be jointly and severally liable for all obligations of a Sponsor as set forth herein.

## EXHIBIT A

- E. “Department” or “HCD” refers to the Department of Housing and Community Development.
- F. “Guidelines” refers to the Veterans Housing and Homelessness Prevention Program Round 5 Final Guidelines, dated November 8, 2019, and as may be subsequently amended.
- G. “Project Report” refers to the HCD staff report presented to and approved by the Department’s Internal Loan Committee. The Project Report memorializes the project specifications that were approved by the Department at the time of the award of Program Loan funds. Those project specifications may be amended only with and upon the Department’s prior written approval.
- H. “Performance Milestones” refers to the development schedule and/or milestones proposed by the Sponsor in its Application.
- I. “Program” refers to the Veterans Housing and Homelessness Prevention (VHHP) Program.
- J. “TCAC” refers to the California Tax Credit Allocation Committee.

Any reference to a specific “Section” or “section” of the Guidelines shall initially refer to that specific numbered section of the Guidelines dated November 8, 2019. If the Department amends any portion of the Guidelines, all references herein to any such portion of the Guidelines shall be deemed to refer to the updated version of the Guidelines, either in whole or in part, as may be applicable. To the extent that any Guidelines provision is amended, and thereafter receives a new Guidelines section number, any reference herein to the old Guidelines section number shall be interpreted to refer instead to the Guidelines section, as amended.

#### **4. Scope of Work**

The “Scope of Work” or “Work” for this Agreement shall consist of the development and construction of the Affordable Housing Development which is described in the Application and the Project Report, and which is identified in the Award Letter. Sponsor shall cause the Affordable Housing Development to be developed and constructed in full accordance with this Agreement and the Program Requirements.

All written materials that are submitted as addenda to the original Application and the Project Report, and that are approved in writing by a Division of Financial Assistance Manager or higher-ranking Departmental official, as appropriate, are hereby incorporated into and deemed to be part of the Application and Project Report for purposes of this Agreement.

The Scope of Work may in no event be revised or altered without the Department’s prior written consent and approval, and such consent and approval is within the Department’s sole and

## EXHIBIT A

absolute discretion. The Department reserves the right, but assumes no obligation, to review and approve any and all the Work.

### 5. **Evidence of Point Generating Activities**

Sponsor assures the Department that the completed Affordable Housing Development will include all the features, components, and activities that were proposed in the Application, awarded points during the Application scoring process, and memorialized in the Project Report.

At the request of the Department, Sponsor shall demonstrate, to the Department's satisfaction in its sole and absolute discretion, that the Affordable Housing Development will or does include all of the features, components, and activities, as referenced above, that provided the basis for the Program Loan award. Failure to provide such evidence and otherwise make such a demonstration to the Department may result in a reevaluation of the Application and the reduction or cancellation of the award, the repayment of any disbursed Program funds, and/or the disencumbrance of Program funds awarded.

### 6. **Performance Milestones**

Sponsor shall complete each of the Performance Milestones set forth in the Project Report by the date designated for such completion therein (each a "Milestone Completion Date"). Sponsor may apply to the Department for an extension of any such Milestone Completion Date. Approval of any such extension request shall be in the Department's sole and absolute discretion. In no event will the Department approve an extension request in the absence of Sponsor's demonstration of good cause for said extension, along with Sponsor's reasonable assurances that the extension will not result in the Sponsor's failure to meet other Performance Milestones.

### 7. **Reporting Requirements**

Sponsor shall comply with all reporting requirements set forth in the Guidelines or applicable law, including, without limitation, each and all of those reporting requirements set forth in Section 117 of the Guidelines, all if, as, and to the fullest extent applicable to the Development.

### 8. **State Coordinator**

The coordinator of this Agreement for the state is the Program Manager for the VHHP Program, Department of Housing and Community Development, Division of Financial Assistance. Any notice, report, or other communication required by this Agreement shall be mailed by First-Class Mail to the State Program Manager at the address specified in Exhibit E under provision Ex.A. – E.2.



**EXHIBIT A**

**9. Sponsor Contract Coordinator**

The Sponsor Contract Coordinator for this Agreement may coordinate with the Program Section Chief (or the Chief's designee) for the VHHP Program, Department of Housing and Community Development, Division of Financial Assistance. Unless otherwise informed, any notice, report, or other communication required by this Agreement shall be mailed by First-Class Mail to the Sponsor Contract Coordinator at the address specified in Exhibit E under provision Ex.A- E.3.

## EXHIBIT B

### **BUDGET DETAIL AND PAYMENT PROVISIONS**

#### **1. Terms of Loan**

- A. Principal Amount. The principal amount of the Loan shall be the lesser of:
- 1) the principal amount as stated in the Application; or
  - 2) the amount later approved by the Department as consistent with the requirements of the Guidelines.
- B. Interest and Payment. The initial term of the Loan shall be at least 55 years, and it shall commence on the date of recordation of the VHHP Program Loan documents. Principal and accumulated interest is due and payable upon completion of the term of the Loan. The Loan shall bear simple interest at the rate of 3 percent per annum on the unpaid principal balance, or at the rate that is in compliance with Section 103(e)(1)(B) of the Guidelines. Interest shall accrue from the date that funds are disbursed by the Department to or on behalf of the Sponsor. The Department shall require annual Loan payments in the minimum amount necessary to cover the costs of project monitoring. For the first 30 years of the Loan term, the amount of the required Loan payments shall not exceed 0.42 percent per annum. The Loan may not be prepaid without the prior written consent of the Department. The amount of any funds expended by the Department for the purposes of curing or averting a default shall be added to the Loan amount secured by the Affordable Housing Development and shall be payable to the Department upon demand.

#### **2. Invoicing and Payment**

- A. All Loan proceeds shall be disbursed through an independent escrow/title company approved by or otherwise acceptable to the Department. The Department shall prepare and submit instructions to the escrow holder, further detailing the requirements for, and conditions to, the release of Loan proceeds to the Borrower.
- B. The Loan proceeds shall be released through escrow upon the Sponsor's, or its assignee's, submittal of the STD 204, Payee Data Record, and the HCD 846, Request for Funds, and, in all events, upon the Sponsor's satisfaction of the terms and conditions of this Agreement and all applicable Program Requirements.

## EXHIBIT D

### VHHP GENERAL TERMS AND CONDITIONS

#### 1. Effective Date, Commencement of Work and Completion Dates

This Agreement is effective upon the date of the Department representative's signature on page one of the fully executed Standard Agreement, STD 213. The Sponsor agrees that development of the Affordable Housing Development has not commenced as of the submission deadline for applications set forth in the NOFA. The Sponsor agrees that the Work shall be completed as and when specified in this Agreement, unless a written request for an extension and/or amendment is submitted and approved by the Department in writing at least 90 days prior to the expiration date of this Agreement. Any extension of the expiration date of this Agreement shall require an amendment to this Agreement; such amendment must be executed and delivered by and between all parties prior to the currently operative expiration date of this Agreement.

#### 2. Termination

The Department may terminate this Agreement for cause at any time by giving at least 14 days' notice in writing to the Sponsor. 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 Sponsor's breach of, or failure to satisfy, any of the terms or conditions of this Agreement, including but not limited to:

- A. Failure of the Loan to close on or before the Loan closing deadline as stated in paragraph 3 of these VHHP General Terms and Conditions.
- B. Failure of the Sponsor to satisfy in a timely manner each of the conditions set forth in these VHHP General Terms and Conditions, the Special Conditions set forth in Exhibit E of this Agreement, the Project Report, and the Award Letter.
- C. Determination by the Department that:
  - 1) any material fact or representation, made or furnished to the Department by the Sponsor 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) the Sponsor has concealed any material fact from the Department related to the Application or the Development.
- D. Filing of a petition by Sponsor, or any affiliate or general partner of Sponsor, for relief under the Bankruptcy Code; the filing of any pleading or answer by Sponsor, or any affiliate or general partner of Sponsor, in any involuntary proceeding under the Bankruptcy Code;

## EXHIBIT D

a general assignment by Sponsor, or any affiliate or general partner of Sponsor, for the benefit of creditors; or the filing of an application for the appointment of a receiver, trustee, custodian or liquidator of Sponsor or any of its property, or of any affiliate or general partner of Sponsor or any of its property.

- E. Failure of Sponsor, or of any affiliate or general partner of Sponsor, to effect a full dismissal of any involuntary petition under the Bankruptcy Code that is filed against Sponsor, or any affiliate or general partner of Sponsor, or that in any way restrains or limits Sponsor, any affiliate or general partner of Sponsor, or the Department regarding the VHHP Program Loan or the Development, prior to the earlier of the entry of any court order granting relief sought in such involuntary petition, or 30 days after the date of filing of such involuntary petition.
- F. Attachment, levy, execution, or other judicial seizure of any portion of the Development, or any substantial portion of the other assets of Sponsor, or of any affiliate or general partner of Sponsor, that is not released, expunged, bonded, discharged, or dismissed within 30 days after the attachment, levy, execution, or seizure.
- G. Pendency of any proceeding challenging the legal existence or authority of Sponsor, or of any affiliate or general partner of Sponsor, or the pendency of any proceeding challenging the legality of the Development.
- H. Failure of Sponsor to close the Department-approved construction financing on or before the date indicated in paragraph 3 of these VHHP General Terms and Conditions. Any reference in this Agreement to "construction" shall include rehabilitation construction, if applicable.

### 3. Timing

- A. The Sponsor shall close the construction financing approved by the Department and commence construction of the Development in accordance with the development schedule or Performance Milestones approved by the Department. Upon the Department's request, the Sponsor shall promptly provide evidence of recorded deeds of trust for all construction financing, payment of all construction lender fees, issuance of building permits (a grading permit does not suffice to meet this requirement), and the notice to proceed delivered to the contractor. If no construction lender is involved, and the Development is receiving low-income housing tax credits, evidence must be submitted that the equity partner has been admitted to the ownership entity, and that an initial disbursement of funds has occurred. The Borrower shall satisfy all conditions required to close the VHHP Program Loan on or before **03/30/2025**.
- B. All Program funds shall be disbursed by **06/30/2025**.

## EXHIBIT D

C. This Agreement shall expire on the date specified in this Agreement.

### 4. **Disputes**

In the event of any conflict between this Agreement and any Sponsor- or Borrower-controlled documents, this Agreement and the Program Requirements shall prevail, are applicable, and shall be enforceable by the Department, notwithstanding, without limitation, any prior or preliminary review or approval of any such documents by the Department at the time of construction loan closing or otherwise.

### 5. **Consent**

The parties agree that wherever the consent or approval of the Department or the Sponsor 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.

## **PRE-CONSTRUCTION LOAN REQUIREMENTS**

Unless otherwise expressly approved in writing by the Department, the following conditions require compliance prior to the close of the construction loan(s) for the Development (construction loan includes a rehabilitation loan):

### 6. **Site Control**

The Sponsor shall have control of the Property, and such control shall not be contingent on the approval of any other party. The status and nature of the Sponsor's title and interest in the Property shall be subject to the Department's approval. 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, prior to loan closing, with all Program Requirements;
- C. An executed disposition and development agreement, or irrevocable offer of dedication to a public agency;
- D. Other forms of site control that give the Department assurance (equivalent to A-C above) that the applicant or developer will be able to complete the Development in a timely manner and in accordance with all the Program Requirements.

## EXHIBIT D

If the Sponsor's interest in the property is a leasehold, the lease must provide adequate security for the Program Loan and must comply with UMR Section 8316. The Sponsor shall provide a copy of the ground lease for the Department's legal review and approval. The lessor and lessee will be required to sign the Department's standard lease rider, unless the lessor agrees to sign the Program Loan documents as required by the Department and encumber all its interest in the Property. Where the lessee and the lessor are affiliated or related parties, both the lessee and the lessor must execute the Program Loan documents in order to encumber both the leasehold and fee interests in the Property.

### 7. **Title Report**

The Sponsor shall provide a current title report for the Property on which the Development is located. If the Sponsor's interest in the property is leasehold, then the Sponsor shall provide a current title report for the leasehold interest and the fee interest.

### 8. **Site Inspection**

The Department reserves the right, upon reasonable notice and without obligation, to inspect the Development site and any structures or other improvements thereon to determine, investigate, or assess whether the Development site complies with this Agreement and the Program Requirements. If the Department reasonably determines that the site does not comply with this Agreement or the Program Requirements, the Department reserves the right to rescind the award and the Loan.

### 9. **Adaptability and Accessibility**

The Sponsor and the Development shall comply with all applicable federal, state and local laws regarding adaptability and accessibility in the design, construction and rehabilitation of residential projects for persons with disabilities.

### 10. **Physical Needs Assessment**

If the Development involves rehabilitation of existing units, the Sponsor shall provide a post-rehabilitation physical needs assessment acceptable to the Department, in accordance with instructions provided by the Department.

### 11. **Reserve Study**

Upon request by the Department, Sponsor shall provide an independent, third-party replacement reserve study acceptable to the Department.

## EXHIBIT D

### 12. **Development Budget**

Unless otherwise approved in writing by the Department, prior to the close of any construction financing, the Sponsor shall provide to the Department, for its review and approval, a copy of the approved development budget of the construction lender(s).

### 13. **Reasonable Development Costs**

Sponsor shall provide to the Department evidence that total development costs are reasonable and necessary for the proposed improvements. To verify cost reasonableness, the Department may require qualified third-party verification of costs, evidence of the competitive bidding of major trades and real estate appraisals. Where the Development is a component of a larger development, the Sponsor shall submit to the Department, for its approval, a development cost sharing breakdown for the entire Development which covers all development costs for each of the individual components of the entire development and includes a discrete development budget for the Development consistent with the budget in the Application and Project Report. Eligible costs for Developments are limited to costs as specified in the Guidelines. Notwithstanding the foregoing, Program funds shall only be used for capital asset related expenses as required by Section 16727 of the Government Code.

### 14. **Cost Savings**

If, upon completion of the Development, the total development funding sources exceed the total development costs, the Department shall address the resulting funding surplus as follows:

- A. If there are local public agency lenders providing construction-period financing, and the Department is providing only permanent financing, then the local public agency lenders may reduce their loans by an amount not exceeding the contingency shown in the loan documents approved by the Department at construction loan closing.
- B. In other cases, or to the extent that the surplus exceeds the budgeted contingency, the Department's Loan amount shall be reduced by an amount not less than the surplus multiplied by the ratio of the Department's Loan amount to the "total local government assistance," as defined at UMR Section 8315(c)(3).
- C. As an alternative to (A) or (B) above, the Department may approve use of the surplus funds to reduce tenant rents or for other direct tenant benefits.

### 15. **Sponsor Control of Development**

Sponsor shall provide evidence satisfactory to the Department that the Sponsor which was identified in the Application, and which met the application threshold requirements set forth at Section 102(i) of the Guidelines, has and will retain full control over the development, construction, ownership and management of the Affordable Housing Development either directly or through its control of the

## EXHIBIT D

Ultimate Borrower. The Department may permit the Ultimate Borrower or recipient of Department funds to be a special purpose entity formed and controlled by the Sponsor only if the Sponsor can demonstrate, to the satisfaction of the Department, that it meets all the following criteria:

- A. The Sponsor will remain as equally liable to the Department as the special purpose entity with respect to the specific performance of the obligations of the Loan documents. The Sponsor may be as equally liable to the Department as the special purpose entity with respect to the financial obligations of the Loan documents;
- B. The Sponsor shall not intentionally or in effect limit or abrogate its legal liability to the Department by utilizing the special purpose entity; and
- C. There shall be no more than two corporate entities between the Sponsor and the special purpose entity in the corporate control and organizational structure(s). For the purposes of this subsection, "corporate entity" may include a corporation, limited liability company, business trust, limited partnership, or general partnership. For the purposes of determining "control," the Sponsor must provide, at the very minimum, evidence satisfactory to the Department that the Sponsor (or Sponsors), through direct control of the corporate entities between the Sponsor and the special purpose entity, performs the following substantial management duties on behalf of the special purpose entity:
  - 1) renting, maintaining and repairing the low-income housing property (or if these duties are delegated to an agent, hiring and overseeing the agent's duties);
  - 2) acquiring, holding, assigning or disposing of property or any interest in property;
  - 3) borrowing money on behalf of the special purpose entity, encumbering the special purpose entity's assets, placing title in the name of a nominee to obtain financing, preparing items in whole or in part, in connection to refinancing, increasing, modifying or extending any obligation; and
  - 4) determining the amount and timing of distributions to partners and establishing and maintaining all required reserves.



## EXHIBIT D

### 16. **Limited Partnership Agreement**

If the Ultimate Borrower is a limited partnership, the Department neither approves nor disapproves the Limited Partnership Agreement (the "LPA"), but may require changes thereto to ensure that the Sponsor has sufficient control of the limited partnership entity, and that the term of the LPA is equal to or greater than the term of the Department's Loan. In the event of any conflict between the LPA and the Department's Loan documents or the Program Requirements, the Department's Loan documents, and the Program Requirements shall control and prevail.

### 17. **Relocation Plan**

If there is or will be any residential or commercial displacement directly or indirectly caused by the Development, the Sponsor shall provide a relocation plan to the Department for review. The relocation plan must comply with the requirements of state law (Gov. Code, § 7260 et seq.) and the regulations adopted by the Department (Cal. Code Regs., tit. 25, § 6000 et seq.). The Development budget shall include enough funds to pay all costs of relocation benefits and assistance as set forth in the relocation plan accepted by the Department. If the Development will not cause any displacement, the Sponsor must provide corroborating documentation to the Department for approval. If there is federal funding of the Development, the Sponsor shall comply with federal Uniform Relocation Act requirements to the extent applicable.

### 18. **Architect Contract**

The Sponsor shall enter into a contract with an architect to provide professional services for the Development. The contract shall require an architect to supervise the construction work, conduct periodic site visits, prepare periodic inspection reports, verify the validity of the construction contractor's payment requests, prepare or review change orders, and, upon completion of construction, provide the certification described in paragraph 36 of these VHHP General Terms and Conditions.

### 19. **Appraisals**

If the property for the Development is being purchased, the Sponsor shall provide an appraisal acceptable to the Department of the as-is value of the Property, prepared by a qualified, licensed appraiser.

### 20. **Non-Department Financing**

The Sponsor shall qualify for and obtain the financial assistance, loans and grants described in the Application for both the construction and permanent periods. Final terms and conditions of the non-Department financing must substantially conform to the terms and conditions that were represented in the Sponsor's Program Loan Application. The terms and conditions of all financing shall be subject to the Department's review and approval.

## EXHIBIT D

### 21. **Senior Loan Terms and Disclosures**

The terms of loans in a lien position senior to the Program Loan must comply with all the underwriting standards of UMR Sections 8310 and 8315.

No subordination may limit the Department's remedies and must comply with UMR Section 8315.

Balloon payments are not allowed on senior debt, except as provided pursuant to UMR Section 8310. Senior loans are prohibited from including call option language in the terms of the loan other than is reasonable in case of default, nor may Sponsor be required to remarket bonds prior to expiration of the senior loan. Financial instruments on senior loans (including but not limited to swaps, collars, and interest rate hedges) must extend for the full term of the senior loan and cannot be required to be renewed or extended prior to the end of the full term.

Sponsors must obtain an interest rate cap on any interest rate that is not fixed for the full term of the senior loan. The interest rate at the cap must not jeopardize project feasibility. Interest rate resets, renewals, extensions of letters of credit, or other senior loan provisions must not require the Sponsor to re-qualify.

All payments, lender fees, bond fees, issuer fees, trustee fees, letter of credit fees, swaps fees, hedge fees, enhancement fees, credit facility and liquidity fees, and other fees, charges and costs, in addition to principal and interest payments, must be fully disclosed to the Department in the loan closing transaction summary and in the operating budget

The Department's lien shall not be subordinated to the liens of a lender affiliated with an entity that has an ownership interest in the Project unless a covenant, regulatory agreement, or similar instrument is recorded senior to the lender's documents that includes the provisions of UMR Section 8310(f).

### 22. **Environmental Conditions**

The Sponsor shall provide a Phase I Environmental Site Assessment ("ESA") for the Development, in conformance with ASTM Standard Practice E 1527, evaluating whether the Development is affected by any recognized environmental conditions. In the event the Phase I ESA indicates evidence of recognized environmental conditions and the Sponsor desires to proceed with the Development, the Sponsor shall provide the Department with a Phase II report and such further reports as required by the Department in form acceptable to the Department. Any remediation work to be performed shall be subject to Department approval. The Sponsor shall also provide an asbestos assessment and a lead-based paint report for the Department's approval if the Development involves rehabilitation or demolition of existing improvements.

## EXHIBIT D

### 23. **Article XXXIV**

All Developments shall comply with article XXXIV, section 1 of the California Constitution (“Article XXXIV”), as clarified by the Public Housing Election Implementation Law (Health & Saf. Code, §§ 37000 – 37002). Prior to construction loan closing, the Sponsor shall submit documentation which shows, to the Department’s satisfaction, that the Development complies with or is exempt from Article XXXIV. The Article XXXIV documentation must take all “state public body” sources of permanent financing into account, including the VHHP Loan.

### 24. **Supportive Services Plan**

For Developments containing Supportive Housing or Transitional Housing units, the Borrower shall provide the Department with an acceptable supportive services plan for review and approval by the Department and the California Department of Veterans Affairs (“CalVet”). Such plan shall meet the Program Requirements.

### 25. **Resident Services Plan**

For Developments not containing VHHP-assisted Supportive Housing or Transitional Housing units, the Borrower shall provide the Department with an updated resident services plan for the Department’s review and approval. Such plan shall meet the requirements of the Program NOFA and Application.

### 26. **Disabled Veterans Business Enterprises (DVBES) Utilization Plan**

Borrower shall continue to furnish the Department with a compliant utilization plan detailing how the Development shall comply with Section 109 of the Guidelines, which requires that entities certified by the California Department of General Services as DVBES shall receive an amount at least equal to 5 percent of total construction costs for work performed or supplies provided to the Development. The utilization plan shall:

- A. identify a plan administrator responsible for implementing the plan and ensuring achievement of the five percent requirement; and
- B. include a description of outreach methods to be used to recruit DVBES.

### 27. **Market Study**

As a condition of funding, the Department may require a market study to assess the Development’s fiscal feasibility. If required, such market study must comply with Section 102(l)(2) of the Guidelines.

## EXHIBIT D

### **CONSTRUCTION PHASE REQUIREMENTS**

#### **28. Construction Phase Information**

If requested by the Department, the Sponsor shall provide the Department information during the construction period including but not limited to all change orders and modifications to the construction documents, all inspection reports prepared by the Development architect and other consultants, and information relative to Development income, expenses, occupancy, relocation benefits and expenses, contracts, operations and conditions of the Development. Upon written notice to Sponsor, Department may require its advance written approval of all future change orders and modifications. Deviations from the plans and specifications which have the effect of reducing the quality, life or utility of a specified item or system must receive the prior written approval of the Department. Should change orders be submitted to the Department for its approval, they shall be deemed accepted if not rejected in writing within 10 business days of receipt by the Department. Sponsor shall not authorize or approve any change orders rejected by the Department.

#### **29. Inspection**

The Department and any authorized representative of the Department shall have the right, during construction and thereafter, to enter upon and inspect the construction of the Development. Such right to inspect shall include, but shall not be limited to, the right to inspect all work done, all materials and equipment used or to be used, and all books and records, including payroll records, maintained in connection with the construction work. Such right of inspection shall be exercised in a reasonable manner. The Department shall have no affirmative duty to inspect the Development and shall incur no liability for failing to do so. Once having undertaken any inspection, neither the Department, nor any representative of the Department shall incur any liability for failing to make any such inspection properly, or for failing to complete any such inspection. The fact that such inspection may or may not have occurred shall not relieve the Sponsor, the contractor, the construction lender, the architect, the structural engineer, the locality or anyone else of any obligation to inspect the Development.

#### **30. Updated Information**

Sponsor shall provide the Department updated documentation for any change in the information previously provided relating to the Program Loan, including updated sources and uses and income information. All changes shall be subject to Department approval. However, if the Development is changed in any way as to make it ineligible under Section 102 of the Guidelines, then the Program Loan commitment will be cancelled, and all Program Loan funds awarded to the Sponsor shall be disencumbered.

## EXHIBIT D

### 31. **Evidence of Existence of Application Selection Criteria**

Upon request, Sponsor shall provide the Department with documentary evidence of the Development amenities, services, improvements, features and characteristics which were proposed in the Application, awarded points during the Department's application rating process, and identified in the Project Report.

### 32. **Signage**

Sponsor shall place one or more signs on the construction site for the Work stating that the Department is providing financing through the VHHP Program. The signs must be placed at appropriate locations, and they must exhibit the message set forth in Exhibit E under provision Ex. D – E.1 in an appropriate typeface and size.

Each sign shall be maintained in a prominent location visible and legible to the public through construction completion. If the job sign includes the acknowledgment and/or logo of one or more other public lenders, the Department's acknowledgment and logo shall also be displayed in a similar size and layout. Copies of the Department logo can be obtained by contacting the Department Contract Manager.

Upon installation of each sign, the Sponsor shall submit a digital photograph thereof to the Department to verify compliance with these signage requirements.

### 33. **Photographs**

The Sponsor will provide the Department, upon request, with copies of any photographs that may be taken of the Development by or on behalf of the Sponsor or the Development's architect. The Sponsor will provide an acceptable written consent and release agreement authorizing use of said photographs, all at no expense to the Department.

### 34. **DVBEs Plan Implementation**

Prior to the commencement of construction, Borrower shall submit a report to the Department and to CalVet on DVBE plan implementation. This report must include:

- A. the total amount budgeted for construction costs;
- B. the names and addresses of DVBE contractors, subcontractors and suppliers that have received or are scheduled to receive payment, together with the amount paid or scheduled to be paid to each; and

## EXHIBIT D

- C. if the report does not show achievement of the 5 percent minimum requirement, documentation that the Sponsor has requested DVBE recruitment assistance from CalVet, and documentation of its efforts and methods to ensure DVBE participation.

### **COMPLETION OF CONSTRUCTION**

#### **35. Relocation Plan Implementation Report**

The Sponsor shall provide a report, in a form acceptable to the Department, detailing its actions in implementing its relocation plan.

#### **36. Architect Certification**

Where required by the Department, the Sponsor shall cause the Development architect(s) or other appropriate professional to certify to the Department, in a form acceptable to the Department, that all construction is completed in accordance with the “as-built” plans and specifications and in compliance with all applicable federal, state and local laws relating to disabled accessibility.

#### **37. Cost Certification**

At the request of the Department, the Sponsor shall submit a Development cost certification audited by an independent certified public accountant in accordance with the requirements of the Department and TCAC, if applicable. The Sponsor (and the developer or builder if there is an identity of interest with the Sponsor) shall keep and maintain records of all construction costs in connection with the Development and shall make such records available for review by the Department.

#### **38. Recorded Notice of Completion**

The Sponsor shall provide to the Department a certified copy of any Notice of Completion for the Development recorded in the county in which the Development is located.

### **PROGRAM LOAN CLOSING REQUIREMENTS**

The Department shall not be obligated to close or fund the Program Loan unless the Sponsor has complied with and satisfied the Program Requirements and all the terms and conditions of this Agreement, all in a manner satisfactory to the Department in its sole and absolute discretion, on or before the earlier of the Program Loan closing, the Program Loan closing deadline, or such earlier time, all as indicated herein.

## EXHIBIT D

### 39. **Development Construction**

The Development shall be constructed in compliance with the plans and specifications, subject to any change order(s) accepted by the Department where such acceptance is required.

### 40. **Title Insurance**

The Sponsor shall provide an updated title report and an ALTA As-Built Survey acceptable to the Department. The Sponsor shall provide a pro forma ALTA lender's policy of title insurance if requested by Department. The Sponsor shall ensure the issuance to the Department of an ALTA lender's policy of title insurance. The condition of title, insurer, liability amount, form of policy and endorsements shall be subject to the approval of the Department. Such endorsements shall include, but not be limited to, a CLTA endorsement 100, and may include, but shall not be limited to, CLTA endorsements 105, 110.9 and 116 (modified for apartments). The policy shall insure that the Sponsor holds good and marketable fee simple title (or leasehold, if approved by Department) and that the Department holds a fee mortgage (or leasehold) lien on the Development, free and clear of all encumbrances, encroachments, other interests and exceptions to title other than as shall have been previously approved in writing by the Department. The Department's deed of trust and regulatory agreement and the other loans indicated under "Permanent Funding" in the Application shall have the lien priority as indicated in the Application.

### 41. **Sponsor's Status**

The Sponsor shall provide the Department with copies of all organizational documents, including, but not limited to, partnership agreements, operating agreements, corporate documents, and related documents and agreements, as required by the Department. As of the date of the Program Loan closing, the Borrower shall be a duly organized and validly existing limited or general partnership, corporation, limited liability company, nonprofit public benefit corporation, or other valid legal entity under California law. The Sponsor or Sponsor-controlled Borrower has and shall have the authority to enter into the Program Loan and related Loan documents.

### 42. **Compliance with California's Prevailing Wage Law**

This Development may be subject to California's prevailing wage law (Lab. Code, § 1720 et seq.). The Sponsor is urged to seek professional legal advice about the law's requirements. Prior to closing the Program Loan, the Department will require a certification of compliance with California's prevailing wage law. The certification must verify that prevailing wages have been or will be paid (if such payment is required by law), and that labor records will be maintained and made available to any enforcement agency upon request. The certification must be signed by the general contractor(s) and the Sponsor.

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### 43. **Insurance**

The Sponsor shall obtain and maintain for the term of the Program Loan hazard and liability insurance for the Development in accordance with the Department's requirements, including flood insurance, if applicable. The Department shall be named as a loss payee or an additional insured on all such policies. Such policies also shall provide for notice to the Department in the event of any lapse of coverage and in the event of any claim thereunder. The Sponsor shall provide evidence satisfactory to the Department of compliance with these insurance requirements.

### 44. **Program Loan Documents**

The Sponsor shall enter into this Agreement with the Department, which shall govern the encumbrance of the Program Loan funds. In addition, the Sponsor shall enter into a regulatory agreement with the Department, governing the use, operation and occupancy of the Development, including, but not limited to, the imposition of certain low income occupancy requirements, regulation of rents on the low income units, audits and other financial controls and reserve requirements, management oversight by the Department, compliance with federal and state laws, and other Department requirements.

In addition to the regulatory agreement, the Loan shall be evidenced by a promissory note and secured by a deed of trust. The regulatory agreement shall be recorded prior to the Department's deed of trust.

The Sponsor shall execute and enter into additional agreements and documents, as the Department may deem reasonable and necessary to meet the Program Requirements and terms and conditions of this Agreement. The Sponsor, and any affiliate of the Sponsor which met the application threshold requirements of experience and capacity, must execute the Department's Sponsor Operating Guaranty to provide assurance that the Sponsor has the resources and experience to develop, own and manage the Development.

### 45. **Restrictions on Transfer and Change of Ownership**

The Sponsor shall not, without the prior written approval of the Department:

- A. sell, transfer, convey, encumber, hypothecate or pledge any of the Development or the Development property, or any portion or interest in either of them;
- B. discharge or replace any general or managing partner if Sponsor is a partnership, or amend, modify or add to its partnership agreement except that the Sponsor may sell or transfer limited partnership interests without the Department's approval;
- C. if Sponsor is a limited liability company: change the manager(s), amend, modify or add to its operating agreement or management structure;



## EXHIBIT D

- D. wind up, liquidate or dissolve its affairs or enter into any transaction of merger or consolidation; or
- E. change the organizational structure of the Sponsor.

### 46. **Rental Subsidy Contract**

The Sponsor shall provide the Department with full and complete copies of all contracts regarding rental subsidies to be provided to tenants in the Development.

### 47. **Substitution of Rent or Social Service Subsidy**

Sponsor may substitute a source of funding for a rent or social service subsidy so long as it is acceptable to the Department. The amount, terms and conditions of the new source of funding must provide an equivalent or greater level of rent or social service subsidy to the Development.

### 48. **Final Certificate of Occupancy**

The Sponsor 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.

### 49. **Environmental Conditions Remedial Work**

All remedial work on recognized environmental conditions shall be completed prior to loan closing. The Sponsor shall provide the Department with an environmental update/operations and maintenance plan if remedial work was required with evidence of lead-based paint and/or asbestos-containing materials remediation if applicable.

### 50. **Reserve Accounts**

The Sponsor shall establish and maintain reserve accounts as required by the Department and as further described in the regulatory agreement. All withdrawals shall require prior written approval from the Department, as provided in the regulatory agreement.

### 51. **Operating Reserve Account**

The Sponsor shall fund an operating reserve account in accordance with UMR Section 8308. The specific amount of the Operating Reserve Account shall be set forth in the regulatory agreement.

## EXHIBIT D

### 52. **Replacement Reserve Account**

The Sponsor shall establish a replacement reserve account in accordance with UMR Section 8309. The replacement reserve account shall be funded by monthly deposits from operating income, or a combination of operating income and development sources, as indicated in the regulatory agreement. The amount of the monthly deposits may be adjusted, as determined by the Department, in its sole and absolute discretion, based on reserve studies performed by an independent third party at the Sponsor's expense as requested by the Department or as based on other reliable indicators of future reserve needs.

### 53. **Capitalized Reserve Accounts**

If Program funds are used to fund a reserve account, the Department shall disburse such funds in a manner to ensure the proper funding of the reserve. The proceeds of the Program Loan may be used to capitalize only operating and replacement reserve accounts and amounts required by UMR Sections 8308 and 8309. Proceeds of the Program Loan may not be used to capitalize rental subsidy reserves, except as authorized by the Guidelines, or any reserves established to pay recurring operating costs, including, but not limited to, the required 0.42 percent annual payment on the Program Loan.

### 54. **CalHFA and HUD Funded Projects**

Developments subject to the HUD Section 811 and 202 programs or receiving a permanent loan from CalHFA shall not be subject to Program reserve requirements during the time such projects are regulated by HUD or CalHFA and the Sponsor complies with the applicable CalHFA or HUD reserve requirements.

### 55. **Asset Management and Compliance Requirements**

The Sponsor shall obtain a loan closing checklist in the course of closing the VHHP Loan, and must submit all documents required, for the Department's approval, including but not limited to the following (in a format provided or approved by the Department):

- A. a proposal for management agent with management agent's qualifications attached;
- B. a management contract;
- C. a management plan;
- D. a template residential tenant lease;
- E. an initial-year operating budget and Schedule of Rental Income (SRI); and

## EXHIBIT D

- F. property hazard and liability insurance in accordance with the then-current HCD Insurance Guidelines. Prior to close of the Program Loan, the Sponsor shall obtain the Department's review and approval of the items identified in this paragraph and any additional documents required by the Department.

Furthermore, the Sponsor shall be provided links to HCD's Asset Management and Compliance webpage, which, in conjunction with the regulatory agreement, sets forth the obligations and requirements for the use, operation and occupancy of the Development, including but not limited to: annual reporting requirements which include but are not limited to budgets, SRIs, and supportive housing services plans; audit requirements; and other obligations as determined (and may be amended from time to time) by the Department and noted on the webpage.

### **56. Affirmative Fair Housing Marketing Plan and Fair Housing Compliance**

Sponsor shall develop and implement an affirmative fair housing marketing plan 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 assisted units in the Development. Sponsor is encouraged to refer to HUD's guidelines for Affirmative Fair Housing Marketing Plans. Sponsor shall comply with all state and federal fair housing laws. At the Department's election, Sponsor must submit an attorney's opinion acceptable to the Department describing the intended occupancy restrictions and how they comply with the Unruh Civil Rights Act (Civ. Code, § 51) and the California Fair Employment and Housing Act (Gov. Code, § 12900 et seq.). Occupancy restrictions must be carried out in a manner which does not violate state or federal fair housing laws.

### **57. Identification of Elderly and Veteran Units**

If applicable, Sponsor must submit a report that specifically identifies the number of units rented to the elderly. The report must also specifically identify the number of units rented to military veterans.

### **58. TCAC and Other Regulatory Agreements**

The Sponsor shall provide the Department with a copy of the TCAC regulatory agreement if the Development budget includes tax credits and any other regulatory agreements pertaining to the Development.

### **59. Property Tax Exemption**

Unless expressly waived in writing by the Department, Sponsor shall provide evidence of eligibility for property tax exemption for the Development and a copy of the tax exemption application to the local tax assessor(s).

## EXHIBIT D

### 60. **Compliance with State and Federal Laws, Rules, Guidelines and Regulations**

The Sponsor agrees to comply with all state and federal laws, rules and regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity, and all other matters applicable to the Development, the Sponsor, its contractors or subcontractors, and any Loan activity.

### 61. **Change of Conditions**

The Department reserves the right to re-underwrite the Development based on new information or funding sources. Particular attention will be paid to the continued feasibility of the Development and the maintenance of the security position of the Program Loan. If the new information demonstrates a reduction or elimination of financing gap being addressed by the Program Loan, the Department will reduce the amount of the Loan Request stated in the Application and the amount of the Award accordingly. If the Department has underwritten the Program Loan using CalHFA or HUD requirements and the Development subsequently does not utilize the CalHFA or HUD financing, the Program Loan will be re-underwritten by the Department using Program Requirements. In the event the Department determines the Development is no longer financially feasible, the Award and any loan commitment issued by the Department may be revoked.

### 62. **Investor Commitments**

If the Development will be receiving an allocation of tax credits from TCAC, the Sponsor shall provide the Department with a copy of all tax credit investor commitments, including referenced financial projections and any amendments.

### 63. **Restricted Units**

All units designated in the Application approved by the Department as restricted units that are not also assisted units, shall be restricted on a long-term basis by a public agency at the income and rent levels shown in the Application. Similarly, all units designated in the Application as restricted units and that are not also assisted units, shall be restricted on a long-term basis by a public agency to the designated target population.

### 64. **Asset Management Fees**

Asset management, partnership management, and similar fees shall be in compliance with UMR Section 8314(a)(1)(B).

### 65. **Sponsor Representations**

A. Sponsor represents and warrants that as of the date of this Agreement, the Sponsor is a duly organized and validly existing entity under California law and the person signing this

## EXHIBIT D

Agreement on behalf of Sponsor has the authority to act on behalf of and to bind the Sponsor in accordance with the terms of this Agreement.

- B. Sponsor represents and warrants that as of the date of the Program Loan closing, the Borrower may be a duly organized and validly existing limited partnership under California law and that such limited partnership will have the authority to enter into the Program Loan and related Loan documents.
- C. Sponsor further represents and warrants that as of the date of the Program Loan closing, the person(s) executing the Program Loan documents will have full authority to act on behalf of and to bind the Sponsor in accordance with the terms of those documents.

### **66. Survival of Obligations**

The obligations of the Sponsor as set forth in this Agreement shall survive the Program Loan closing, and the Sponsor shall continue to cooperate with the Department and perform acts and provide documents as provided herein.

### **67. Litigation**

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

### **68. Obligations of Sponsor with Respect to Certain Third-Party Relationships**

The Sponsor shall remain fully obligated under the provisions of this Agreement notwithstanding its designation of any third party or parties for the undertaking of all or any part of the Development with respect to which assistance is being provided under this Agreement. The Sponsor shall comply with all lawful requirements of the Department necessary to ensure the completion, occupancy and use of the Development in accordance with this Agreement.

### **69. Waivers**

No waiver of any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. The failure of the Department to enforce at any time the provisions of this Agreement or to require at any time performance by the Sponsor of these provisions shall in no way be

## EXHIBIT D

construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of the Department to enforce these provisions.

### 70. **Audit/Retention and Inspection**

- A. The Department, its representatives or employees, or its delegatee shall have the right to review, obtain, and copy all records pertaining to performance of the Agreement. Sponsor shall provide the Department or its delegatee with any relevant information requested and shall permit the Department or its delegatee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material. Sponsor further agrees to maintain such records for a minimum period of four years after final payment under the Agreement, unless a longer period of records retention is stipulated.
- B. 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 Development. At the Department's request, the Sponsor shall provide, at its own expense, a financial audit prepared by a certified public accountant.
- C. The audit shall be performed by a qualified State, Department, local or independent auditor. The Agreement for audit shall include a clause which permits access by the Department to the independent auditor's working papers.
- D. If there are audit findings, the Sponsor shall submit a detailed response to the Department for each audit finding. The Department will review the response and, if it agrees with the response, will conclude the audit process and notify the Sponsor in writing. If the Department is not in agreement, the Sponsor will be contacted in writing and will be informed as to the corrective actions required to cure any audit deficiencies. This action could include the repayment of disallowed costs or other remediation.
- E. If so, directed by the Department upon termination of this Agreement, the Sponsor shall cause all records, accounts, documentation and all other materials relevant to this Agreement to be delivered to the Department as depository.

### 71. **Reporting Requirements**

Sponsor shall comply with all reporting requirements set forth in the Guidelines or applicable law, including, without limitation, each and all of those reporting requirements set forth in Section 117 of the Guidelines, all if, as, and to the fullest extent applicable to the Development.

**EXHIBIT D**

**72. Sponsor Acknowledgment of the Pet Friendly Housing Act of 2017**

By executing this Agreement, Sponsor acknowledges that the Pet Friendly Housing Act of 2017 (Health and Saf. Code, div. 31, pt. 2, ch. 2, § 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 government ordinances related to public health, animal control, and animal anticruelty.

**EXHIBIT E**

**PROJECT-SPECIFIC PROVISIONS AND SPECIAL TERMS AND CONDITIONS**

**1. PROJECT-SPECIFIC PROVISIONS**

The following are project-specific terms and conditions (referred to as enumerated provision(s) for ease of reference in prior exhibits) and shall inform the references made to project-specific information not contained in those prior exhibits.

**Provision Ex.A.- E.1** (As referenced in Exhibit A, Paragraph 3.C)

Homeward Bound of Marin is the ("Corp"). Corp was awarded the VHHP Program Loan funds pursuant to the Award Letter, dated June 11, 2020. The Department acknowledges that the Corp will be considered the Ultimate Borrower of the VHHP Program Loan funds and, as such, the Corp will execute the VHHP Program Loan documents. For the purposes of this Standard Agreement, Corp will be collectively referred to herein as "Sponsor." As such, the Corp shall be severally liable for all the obligations of a Sponsor as set forth herein. Performance satisfactory to the Department by the Corp of any duties and obligations under this Standard Agreement, or under any other agreements as required by the Department, will be deemed as performance by the Sponsor.

**2. Payees**

The authorized Payee(s) is/are as specified below:

Homeward Bound of Marin	\$3,000,000
-------------------------	-------------

**Provision Ex.A – E.2** (As referenced in Exhibit A, Paragraph 8)

VHHP Program Manager  
Department of Housing and Community Development  
Division of Financial Assistance – PDI Unit  
P.O. Box 952054  
Sacramento, California 94252-2054



**Provision Ex.A – E.3** (As referenced in Exhibit A, Paragraph 9)

Sponsor:	Homeward Bound of Marin
Name:	Mary Kay Sweeney, Executive Director
Address:	1385 North Hamilton Parkway, Navato, CA 94949
Phone No.:	415-382-3363 x201
Email Address:	msweeney@hbofm.org

**Provision Ex. D – E.1** (As referenced in Exhibit D, Paragraph 32)

**PERMANENT SUPPORTIVE HOUSING FOR HOMELESS VETERANS**  
**THIS PROJECT HAS BEEN MADE POSSIBLE**  
**BY FINANCING FROM THE**  
**VETERANS HOUSING AND HOMELESSNESS PREVENTION PROGRAM**  
**THROUGH THE**  
**CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**

**3. SPECIAL TERMS AND CONDITIONS**

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

## Attachment 1

## CITY COUNCIL OF THE CITY OF NOVATO

## RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NOVATO APPROVING A REQUEST FROM HOMEWARD BOUND OF MARIN TO PROVIDE GRANT FUNDING NOT TO EXCEED \$750,000, FROM THE CITY'S AFFORDABLE HOUSING PROGRAMS FUND (210) TO BE USED FOR PAYMENT OF DEVELOPMENT IMPACT FEES REQUIRED FOR A 50-UNIT, AFFORDABLE MIXED USE RESIDENTIAL PROJECT, SUBJECT TO AND CONDITIONED UPON APPROVAL OF PROJECT ENTITLEMENTS, INCLUDING ENVIRONMENTAL REVIEW AND EXECUTION OF REGULATORY AGREEMENTS ENSURING AFFORDABILITY LEVELS AS REQUIRED IN THOSE ENTITLEMENTS AND AUTHORIZING THE CITY MANAGER TO ENTER INTO A FUNDING AGREEMENT RELATING THERETO (APN: 157-970-07)**

**WHEREAS**, on January 27, 2020, Homeward Bound of Marin ("HBM") entered into a Ground Lease with the City to lease certain real property within the Hamilton Master Plan located south of 1385 Hamilton Parkway and adjacent to the existing Next Key and New Beginnings projects, commonly referred to as the HUD Parcel ("Subject Property"). HBM is proposing on the Subject Property, the approval of an affordable mixed use project composed of fifty (50) residential units (24 one bedroom units restricted for occupancy to formerly homeless veterans and 26 one bedroom affordable units). Additionally, the project is proposed to include commercial kitchen facilities which will be used for food industry jobs training and food production for enterprise sales as well as flexible space that could be used for events and as a dining facility with seating capacity for up to 200 people ("Proposed Project"); and

**WHEREAS**, the City will, in the future, be considering applications for land use entitlements for the Proposed Project, including documents relating to compliance with the California Environmental Quality Act, ("CEQA"); and

**WHEREAS**, the Proposed Project will supply a demonstrated need for affordable housing and especially housing for homeless veterans; and

**WHEREAS**, HBM has requested funding from a variety of federal, state and local public agencies, as well local non-profit organizations and is currently in application with State Housing and Community Development (HCD) for a Veterans Housing and Homelessness Prevention grant ("Veterans Grant"). The Veterans Grant is awarded on a competitive point-based system and higher points are awarded for projects that have other funding already committed and the purpose of the request for a funding commitment from the City is to increase the percentage of total funding in place and thereby increase the number of points available to the project; and

**WHEREAS**, the City Council desires to further support the creation of affordable housing in the City by providing additional monies needed to complete the Proposed Project, if the Proposed Project is ultimately approved; and

**WHEREAS**, Staff has estimated development impact fees for the Proposed Project at approximately \$847,000; and

**WHEREAS**, Staff has proposed that the City conditionally grant to the Proposed Project \$750,000 from Fund 210 Affordable Housing Programs to pay the majority portion of the estimated development impact fees; and

**WHEREAS**, if the project applicants have not successfully obtained entitlements, including CEQA compliance and executed regulatory agreements on or before June 9, 2022, the City Council shall have the option to re-evaluate this funding commitment; and

**WHEREAS**, this funding commitment is necessary at this time to secure other monies necessary to complete the Proposed Project, but does not, in and of itself, constitute an approval of the project and a determination of potential environmental impacts of the Proposed Project, including the grant contemplated herein, will be evaluated through the entitlement process. As such, this action does not constitute a project under CEQA Guidelines section 15061 as it can be seen with certainty that this resolution to commit funding upon successful completion of a later entitlement process and environmental review, is not at this time a decision to proceed with the Proposed Project or any physical changes to the environment until such time as CEQA requirements have been complied with and entitlements, if any granted. Therefore, the conditional grant funding herein will have no significant effect upon the environment.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City Novato finds that the recitals set forth above are true and correct and constitute findings of the City Council; and

**BE IT FURTHER RESOLVED that the City Council hereby further finds that** the Proposed Project will consist of approximately 50 residential units restricted for occupancy by lower income households, will help to serve the area's under-housed individuals, including specifically homeless veterans. Financial support of a project which creates additional affordable housing in the City clearly serves a legitimate public purpose; and

**BE IT FURTHER RESOLVED** that the City Council hereby approves grant funding to Homeward Bound of Marin in an amount not to exceed \$750,000, from the City's Affordable Housing Programs Fund (210) to be used for payment of development impact fees required for a 50-unit, affordable mixed use residential project, subject to and conditioned upon approval of project entitlements, including environmental review and execution of regulatory agreements ensuring affordability levels as required in those entitlements and authorizes the City Manager to enter into a funding agreement relating thereto.

\* \* \* \* \*

**I HEREBY CERTIFY** that the foregoing resolution was duly and regularly adopted by the City Council of the City of Novato, Marin County, California, at a meeting thereof, held on the 9<sup>th</sup> day of June, 2020, by the following vote, to wit:

AYES: Councilmembers  
NOES: Councilmembers  
ABSTAIN: Councilmembers  
ABSENT: Councilmembers

---

City Clerk for the City of Novato

Approved as to form:

---

City Attorney of the City of Novato

DRAFT

Joint City Council/ City Council as Successor Agency to Dissolved  
Redevelopment Agency

**MEETING MINUTES**

Tuesday, June 9, 2020  
6:00 PM

Teleconference via Webex

**A. CONVENE, PLEDGE OF ALLEGIANCE, AND ROLL CALL**

The City Council meeting began at 6:00 p.m., with Mayor Athas addressing the country's current affairs concerning the demonstrations and protests driven by the death of George Floyd. A moment of silence was observed. Councilmember Lucan lead the Pledge of Allegiance.

**COUNCIL PRESENT:** Mayor Denise Athas, Mayor Pro Tempore Pat Eklund, Councilmember Eric Lucan, Councilmember Amy Peele, and Councilmember Susan Wernick.

**STAFF PRESENT:** City Manager Adam McGill, City Attorney Jeff Walter, Assistant City Manager Jessica Deakyne, Information Technology Manager Shamin Miller, Finance Director Amy Cunningham, Public Works Director Chris Blunk, Community Development Director Vicki Parker, Police Chief Matt McCaffrey, Human Resources Manager Naomi Kamunyu, and City Clerk Terrie Gillen.

After roll call, the Mayor explained to the public how to participate through Webex during the meeting.

**B. CLOSED SESSION ANNOUNCEMENT - NONE**

**C. CEREMONIAL MATTERS/PRESENTATIONS - NONE**

**D. APPROVAL OF THE FINAL AGENDA**

***COUNCIL ACTION:*** Upon motion by Mayor Pro Tem Eklund and seconded by Councilmember Amy Peele, the City Council voted 5-0 via roll call to move the Final Agenda.

***AYES:*** EKLUND, PEELE, LUCAN, WERNICK, ATHAS  
***NOES:*** None

Motion carried.

**E. REPORTS FROM THE CITY COUNCIL & CITY MANAGER**

## **E.1. Reports from City Manager and City Council**

City Manager McGill updated the City Council on Covid-19 related activities and the Hill Recreation Project; commented about the police department's community outreach efforts; sent his condolence to the Santa Cruz Sheriff's Department for the loss of one of their officers; and announced that both he and the City Council would reduce their salaries.

The City Council commented on the peaceful protests, and a couple of the Members participated in them. They also reported on various state, regional, and local meetings they attended via teleconference and/or took part in. A couple of Members also mentioned that they met with constituents on various issues.

## **E.2. Proposed Agenda item by Mayor Denise Athas: Discuss and agendaize for a future Council Meeting a rescission or deferment of the City's Accelerated Minimum Wage ordinance and realignment of City's minimum wage requirements with the State**

The Mayor introduced her item and answered any questions her colleagues had. In addition, the Council provided comments as to why they would or would not like to see this item move forward.

There were 13 public speakers. All, but one of the speakers, were opposed to this item.

***COUNCIL ACTION: Upon motion by Mayor Athas and seconded by Councilmember Wernick, the City Council voted 2-3 via roll call to move this item forward to the meeting of June 23.***

***AYES: ATHAS, WERNICK,  
NOES: LUCAN, PEELE, EKLUND,***

**Motion failed.**

The Council then took a quick recess.

## **F. PUBLIC COMMENT**

There was one public comment in which the person speaking sought more banner displays showing veterans of color.

## **G. CONSENT CALENDAR**

***COUNCIL ACTION: Upon motion by Councilmember Lucan and seconded by Mayor Pro Tem Eklund, the City Council voted 5-0 via roll call to move the Consent Calendar.***

***AYES: LUCAN, EKLUND, PEELE, WERNICK, ATHAS  
NOES: None***

**Motion carried.**

**G.1. Waive reading and authorize introductions and/or adoption of ordinances by title only**

(This is a standard procedural action to waive any readings of an ordinance on this agenda, so that the City Council does not have to read the ordinance in its entirety.)

**G.2. Adopt a resolution authorizing execution of a three-year Cooperation Agreement with the County of Marin for the Community Development Block Grant (CDBG) and Home Investment Partnerships Program (i.e. HOME) programs**

The City Council adopted Resolution No. 2020-029

**G.3. Receive and file a letter of support from the mayor to the California Transportation Commission in support of a grant funding application from the SB 1 Solutions for Congested Corridors Program for the Marin-Sonoma Narrows Segment B7 High-Occupancy Vehicle (HOV) project**

**G.4. Receive and file a letter of support from the mayor to Novato's state representatives (Assemblymember Marc Levine and Senator Mike McGuire) requesting an increase to the CARES Act Budget**

**G.5. Adopt a resolution authorizing the execution of contracts of acquisition and accepting grants of permanent and temporary easements for the Grant Avenue Bridge Rehabilitation project (CIP 09-003, Federal-Aid Project No. BHLS5361-023). A Mitigated Negative Declaration pursuant to CEQA and Finding of No Significant Impact pursuant to NEPA have previously been approved for this project.**

The City Council adopted Resolution No. 2020-030

**G.6. Receive and accept the 2019 Annual Report from the Novato Bicycle / Pedestrian Advisory Committee (B/PAC)**

**G.7. Approve the minutes of the City Council Closed Session Meeting of May 12, 2020**

**G.8. Approve the minutes of the Joint City Council / City Council as Successor Agency to the Dissolved Redevelopment Agency of May 12, 2020**

**G.9. Approve the minutes of the Joint City Council / City Council as Successor Agency to the Dissolved Redevelopment Agency Meeting of May 19, 2020**

## H. UNFINISHED AND OTHER BUSINESS - NONE

## I. PUBLIC HEARINGS

- I.1. **Hold a hearing and possibly take action to adopt a Resolution of Intent and introduce an ordinance to Amend the Contract Between the Board of Administration of the California Public Employees' Retirement System (CalPERS) and the City of Novato, to implement cost sharing in accordance with Section 20516 of the California Government Code**

Assistant City Manager Deakyne introduced the item and Human Resources (HR) Manager Kamunyu provided a summary on the importance of this item. There was no discussion with the Council nor was their public comment.

***COUNCIL ACTION: Upon motion by Mayor Pro Tem Eklund and seconded by Councilmember Peele, the City Council voted unanimously 5-0 via roll call to adopt the resolution of intent and introduce the ordinance.***

***AYES: EKLUND, PEELE, LUCAN, WERNICK, ATHAS  
NOES: None***

**Motion carried. The City Council adopted Resolution No. 2020-032.**

- I.2. **Hold a budget hearing, receive public comment on the Fiscal Year (FY) 2020/21 Preliminary Operating and Capital Improvement Budgets, and provide any additional direction to Staff. A recommendation for approval of the Operating and Capital Budget will be presented to Council on June 23, 2020.**

Finance Director Cunningham presented to and led the discussion with the City Council members about the proposed FY 20/21 Budget. Her presentation included the proposed carry-over budget, the decline of general fund revenue, expenses (e.g. personnel and unfunded accrual liability), reserved funds, potential options, and the September 23 budget revisions. The discussion she had with the Council included talks about personnel, an update on the Comprehensive Annual Financial Report (CAFR), Hamilton Trust, reserves, and Funds 115 and 116.

There were two public comments. One asked that the Council to redistribute some of the funds from the Police Department to other departments. The other speaker provided multiple budget recommendations.

There was no formal action taken by the Council.



## J. GENERAL BUSINESS

- J.1. Consider and possibly take action to adopt a resolution approving a request from Homeward Bound of Marin to provide grant funding not to exceed \$750,000, from the City's affordable housing programs fund (210) to be used for payment of development impact fees required for a 50-unit, affordable mixed use residential project, subject to and conditioned upon approval of project entitlements, including environmental review and execution of regulatory agreements ensuring affordability levels as required in those entitlements and authorizing the City Manager to enter into a funding agreement relating thereto**

Community Development Director Parker provided a verbal presentation on this item and replied to Council questions afterwards. Additionally, Paul Fordham, Deputy Executive Director with Homeward Bound of Marin, and City Attorney Walter were present to provide additional input.

There was no public comment.

***COUNCIL ACTION: Upon motion by Mayor Athas and seconded by Mayor Pro Tem Eklund, the City Council voted unanimously 5-0 via roll call to adopt the resolution.***

***AYES: ATHAS, EKLUND, LUCAN, PEELE, WERNICK,  
NOES: None***

**Motion carried. The City Council adopted Resolution No. 2020-031.**

- J.2. Consider, review, accept input, and possibly take action to approve the Fiscal Year 20/21 Operating and Capital Improvement Budget for the Marin Valley Mobile Country Club (MVMCC)**

Public Works Director verbally presented this item before the Council. Joining him was Matt Greenberg, who provided additional input. Council conversed with staff on the item.

There was one public comment, who expressed thanks that there was no proposal to raise the residents' rent.

***COUNCIL ACTION: Upon motion by Mayor Pro Tem Eklund and seconded by Councilmember Peele, the City Council voted 5-0 via roll call to move the budget.***

***AYES: ATHAS, EKLUND, LUCAN, PEELE, WERNICK,  
NOES: None***

**Motion carried.**

## K. COMMISSIONS, COMMITTEES AND BOARDS (CCB'S) APPOINTMENTS - NONE

**L. WORK STUDY SESSION - NONE**

**M. ADJOURNMENT**

The City Council adjourned the meeting at approximately 9:50 p.m. in memory of George Floyd and recognized that all Black Lives Matter and All Lives Matter.

**I HEREBY CERTIFY that the foregoing minutes were duly and adopted at the Novato Joint City Council / City Council as Successor Agency to Dissolved Redevelopment Agency regular meeting of June 23, 2020.**

**/Terrie Gillen/**

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**Terrie Gillen, CMC  
City Clerk**



Published on *Senator Mike McGuire* (<https://sd02.senate.ca.gov>)

[Home](#) > McGuire Moves on Filling Funding Gap for Veteran Homeless Housing Project

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[1] [1] [1]

## **Homeward Bound project will help end veteran homelessness in Marin County**

Tuesday, June 29, 2021

**Sacramento, CA** – Marin County’s Senator Mike McGuire successfully secured an additional \$4 million in this year’s state budget to fill the vast majority of the funding gap needed to kick off the groundbreaking of the transformational veteran homeless housing community in Novato.

Prior to this announcement, a total of \$8 million had been raised for this life changing housing development by Homeward Bound: \$3 million in earlier funding secured from the State by McGuire, \$2 million from the County of Marin, \$2 million from the Marin Community Foundation, \$750,000 from the City of Novato, and \$250,000 from local foundations. Now, with the \$4 million, a total of \$12 million has been raised for the development.

**“Nearly a quarter of all homeless residents in California are veterans. This is a scourge on our society. That’s why it’s been so critical to get this funding secured, so we can start moving dirt and then roll out the welcome mat and honor Marin’s veterans,” Senator McGuire said.**

The Homeward Bound project will be situated on a 2.8 acre parcel in Hamilton directly adjacent to their New Beginnings Center and will complete the homeless services campus on that site with 24 units of Permanent Supportive Housing (PSH) for homeless veterans, 26 units of PSH for individuals and families transitioning out of homelessness and re-entering the local workforce, and an expanded workforce development and social enterprise training hub.

**“This has been a 100% team approach and we couldn’t be more grateful to the Novato City Council, Supervisor Arnold and the Board of Supervisors along with the Marin Community Foundation for their incredible partnership. We have all teamed up to advance something no other county in Northern California has been able to accomplish - ending veteran homelessness,” Senator Mike McGuire said.**

The project would create the first permanent supportive housing in Marin County dedicated to homeless veterans.

**“Senator McGuire has been with us every step of the way. This \$4 million will allow us to break ground on these units that will end veteran homelessness in Marin County. We are so incredibly grateful for Senator McGuire’s leadership, and our partners at the City of Novato, the County of Marin, the Marin Community Foundation, and the Department of Veterans Affairs for their support. We can’t wait to turn over the keys and welcome Marin veterans into their new home,” said Paul Fordham and Mary Kay Sweeney of Homeward Bound of Marin.”**

Community partners, working with Homeward Bound, have identified a by-name-list of homeless veterans. The team, including the department of Veterans Affairs, is making great progress housing homeless veterans one person at a time. These additional new units of supportive housing will actually end veteran homelessness for the remaining individuals. Any veterans who fall into homelessness after that will be prioritized for the next available local housing opportunity.

Construction of the project is expected to break ground in late 2022.

###

## **ABOUT HOMEWARD BOUND OF MARIN:**

Founded in 1974, Homeward Bound provides shelter and supportive housing to families and adults experiencing homelessness through 16 inter-related programs serving an average of 1,000 people yearly. Its programs include emergency shelter, transitional and permanent supportive housing, and job training at Fresh Starts Culinary Academy. For more information, visit [www.hbofm.org](http://www.hbofm.org) <sup>[2]</sup>.

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**Source URL:** <https://sd02.senate.ca.gov/news/2021-06-29-mcguire-moves-filling-funding-gap-veteran-homeless-housing-project>

### **Links**

[1] <https://www.addthis.com/bookmark.php?v=300>

[2] <http://www.hbofm.org>



**SB-129 Budget Act of 2021.** (2021-2022)

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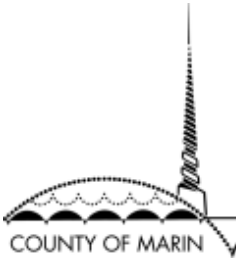
Date Published: 07/13/2021 09:00 PM

**Senate Bill No. 129**

**CHAPTER 69**

An act to amend the Budget Act of 2021 by amending Items 0110-001-0001, 0120-011-0001, 0250-001-0001, 0250-101-0001, 0250-101-0932, 0250-102-0932, 0250-103-0001, 0250-111-0001, 0250-114-0001, 0250-162-8506, 0509-001-0001, 0509-062-8506, 0511-001-0001, 0515-002-0001, 0515-104-0001, 0521-001-0046, 0521-031-0001, 0521-131-0001, 0530-001-0001, 0540-001-0001, 0540-101-0001, 0540-101-6088, 0540-491, 0552-002-0001, 0559-001-0001, 0690-001-0001, 0690-006-0890, 0690-101-0001, 0690-101-0890, 0690-112-0001, 0820-001-0001, 0820-001-0460, 0820-001-3053, 0820-101-0001, 0840-001-0001, 0954-001-0001, 0954-162-8506, 0985-220-0001, 1115-101-0001, 2240-001-0001, 2240-101-0001, 2240-102-0001, 2240-106-0001, 2240-111-0001, 2660-002-0001, 2660-030-0001, 2660-102-0001, 2660-108-0001, 2660-130-0001, 2660-302-0001, 2660-308-0001, 2720-001-0001, 2740-001-0044, 3125-301-0005, 3125-301-6029, 3340-001-0001, 3355-001-0462, 3360-006-0001, 3540-006-0001, 3540-301-0001, 3540-494, 3560-162-8506, 3600-001-0001, 3600-001-0005, 3600-002-0140, 3600-006-0001, 3600-007-0001, 3640-103-6088 3720-001-0001, 3720-101-0001, 3780-001-0140, 3790-001-0140, 3790-002-0005, 3790-004-0001, 3790-101-0001, 3790-490, 3790-491, 3790-492, 3790-493, 3790-498, 3810-490, 3840-001-0140, 3845-001-0140, 3860-001-0001, 3860-001-6083, 3860-495, 3900-001-0115, 3900-101-0115, 3900-492, 3930-001-0001, 3930-002-0001, 3930-101-0001, 3940-001-0306, 3960-001-0001, 3960-001-0557, 3960-011-0001, 3980-001-0001, 4120-001-0001, 4140-001-0001, 4140-001-0143, 4140-101-0001, 4170-101-0001, 4170-102-0001, 4260-001-0001, 4260-001-0890, 4260-062-8506, 4260-101-0001, 4260-101-0890, 4260-113-0001, 4260-113-0890, 4260-162-8506, 4265-001-0001, 4265-111-0001, 4300-001-0001, 4300-101-0001, 4440-011-0001, 4560-001-3085, 4560-062-8506, 4560-101-3085, 4560-162-8506, 4700-101-0001, 4700-101-0890, 4700-162-8506, 5175-001-0001, 5175-001-0890, 5175-101-0001, 5175-101-0890, 5180-001-0001, 5180-101-0001, 5180-101-0890, 5180-104-0001, 5180-111-0001, 5180-141-0001, 5180-141-0890, 5180-151-0001, 5225-001-0001, 5225-002-0001, 5225-005-0001, 5225-008-0001, 5225-013-0001, 5225-014-0001, 5225-015-0001, 5225-301-0001, 5225-491, 5227-001-0001, 5227-108-0001, 5227-116-0001, 6100-001-0001, 6100-001-0890, 6100-004-0001, 6100-102-0231, 6100-110-0001, 6100-119-0001, 6100-150-0001, 6100-151-0001, 6100-156-0001, 6100-161-0001, 6100-161-0890, 6100-163-0890, 6100-166-0890, 6100-190-0001, 6100-194-0001, 6100-196-0001, 6100-197-0890, 6100-203-0001, 6100-295-0001, 6100-296-0001, 6100-488, 6120-011-0001, 6120-161-0001, 6440-001-0001, 6440-005-0001, 6600-001-0001, 6610-001-0001, 6870-101-0001, 6870-201-0001, 6870-301-6041, 6870-301-6087, 6870-492, 6980-402, 6980-101-0001,

- (184) \$500,000 for to the City of Fullerton for the Museum of Teaching and Learning (MOTAL).
- (185) \$1,000,000 for Capital Public Radio for equipment and seating for public performance space at 1010 8th Street in downtown Sacramento.
- (186) \$3,000,000 to the City of Covina for preservation of the Covina Center for the Performing Arts.
- (187) \$3,250,000 to the City of Los Angeles to revitalize the Canoga Park Arts District.
- (188) \$2,500,000 to the City of San Bernardino for California Theater repairs and upgrades.
- (189) \$1,500,000 to the City of San Francisco for Harvey Milk Plaza.
- (190) \$8,000,000 to the Debbie Allen Dance Academy to support a new facility.
- (191) \$5,500,000 to the Shakespeare Center Los Angeles for Project Restore.
- (192) \$4,000,000 to Crop Sway LA for the Urban Farming Initiative.
- (193) \$1,190,000 to the Boys and Girls Club of the Los Angeles Harbor for restoration of the Cheryl Green Center.
- (194) \$5,000,000 to the City of Gonzalez for Teen Innovation Center.
- (195) \$1,000,000 to the City of Los Angeles for Conga Kids.
- (196) \$6,500,000 to the City of Los Angeles for Destination Crenshaw.
- (197) \$3,000,000 to Sonoma County Transportation Authority for Highway 37 final design.
- (198) \$150,000 to Stiles Hall for Experience Berkeley.
- (199) \$3,000,000 for capital improvements for the San Diego Symphony.
- Housing and Homelessness
- (200) \$5,500,000 to the City of Anaheim for the Kona Motel acquisition.
- (201) \$3,410,000 to Culver City for an emergency shelter and transitional housing project.
- (202) \$8,000,000 to the City of Mountain View for an affordable housing project.
- (203) \$2,000,000 to the City of Riverbank for a transitional housing project.
- (204) \$14,000,000 to the City of Santa Cruz for the Homeless Response Program.
- (205) \$750,000 to Habitat for Humanity of Greater Sacramento for the Mandolin Estates housing development in South Sacramento.
- (206) \$662,000 to the City of Hayward Navigation Center.
- (207) \$3,000,000 to the City of Norwalk for homelessness and affordable housing.
- (208) \$4,000,000 to the City of Fullerton for the Homelessness Recuperative Center.
- (209) \$5,600,000 to the City and County of San Francisco for the Candlestick Point Safe Parking Program.
- (210) \$8,000,000 to the City of Corona to renovate Las Coronas Affordable Housing Community.
- (211) \$10,000,000 to the City of Riverside for TruEvolution's Project Legacy Housing Project.
- (212) \$20,000,000 to the San Gabriel Valley Regional Housing Trust to address the affordable housing shortage and homeless crisis in the San Gabriel Valley.
- (213) \$20,000,000 to the Metropolitan Transportation Commission for the Bay Area Housing Finance Authority.
- (214) \$4,000,000 to Homeward Bound of Marin to end Marin veteran homelessness.



# NEWS RELEASE

[www.marincounty.org/news](http://www.marincounty.org/news)

For Immediate Release  
December 10, 2021

## Contact:

Aline Tanielian  
Assistant Planner  
Community Development  
Agency

3501 Civic Center Drive  
Suite 303  
San Rafael, CA 94903  
(415) 473-3547

[Email: Aline Tanielian  
Planning](mailto:aline.tanielian@marincounty.org)

## **Affordable Housing Projects Receive Funding** ***Board allots loans to projects in Point Reyes Station, San Rafael, Novato***

**San Rafael, CA** – With new funding approved December 7, housing proposals at three Marin County properties will move forward and lead to dozens of new homes in a county experiencing a shortage of units for lower-income households.

Planned projects in San Rafael, Novato, and Point Reyes Station each will receive loans of \$459,528 with the [grant awards authorized](#) by the Marin County Board of Supervisors on December 7. Half the funds for each allotment (\$229,764) will come from the County's Affordable Housing Fund and match the amount coming from the State's Permanent Local Housing Allocation (PLHA). The funding is coordinated by the [Marin County Community Development Agency's](#) Housing and Federal Grants Division.

The three projects are:

- Affordable housing development at the [former U.S. Coast Guard facility](#) at 100 Commodore Webster Drive in Point Reyes Station, being developed by the Community Land Trust Association of West Marin (CLAM) and Eden Housing;
- Homeward Bound of Marin's construction of new veteran and workforce housing at 826 State Access Road in the Hamilton area of southern Novato, and;
- Homeward Bound's expansion of additional emergency shelter beds and permanent supportive housing at 190 Mill Street in the Canal neighborhood of San Rafael.



An architectural rendering of the renovated building at 190 Mill Street in San Rafael's Canal neighborhood.

The Affordable Housing Fund is designed to support projects in all jurisdictions in Marin, including towns and cities, but with a priority for multifamily projects in unincorporated areas that house those earning at or below 60% of the area median income, or about \$109,000 for a household of four.

PLHA funds are the result of California Senate Bill 2, passed in 2017 to address the state's housing shortage and high housing costs. In 2020, the Board of Supervisors approved a five-year expenditure plan for PLHA funds to match the County's Affordable Housing Fund. The County anticipates receiving a total of \$4,353,426 over the five-year period.

A countywide Priority Setting Committee, coordinated by CDA staff, must approve PLHA program goals. Committee members include elected officials from Marin cities and towns, in addition to members representing the interests of protected classes from all over Marin.

“Award of these funds will allow CLAM/Eden Housing and Homeward Bound of Marin to develop important housing projects that are much-needed in the community,” said Leelee Thomas, CDA Deputy Director of Housing and Federal Grants. “Matching PLHA funds doubles the impact of our Marin County Affordable Housing Fund, which will help the County leverage additional state, federal and philanthropic dollars to increase the supply of affordable homes in Marin.”

In West Marin, the County has pursued conversion of the long-vacant Coast Guard buildings into affordable housing to accommodate lower-income laborers – many of whom work on farms and ranches – and their families. No one has lived on the 32-acre site since the Coast Guard designated it as surplus in 2014. It was [acquired by the County of Marin](#) from the federal government in December 2019 for \$4.3 million, and the purchase agreement includes language that restricts the property’s use to public benefit. There are 36 townhomes, a 24-room barracks, a dining hall, a kitchen, and several ancillary buildings at the property, which is a half mile east of downtown Point Reyes Station. CLAM and Eden Housing, the chosen developers, are collaborating with CDA staff on a project design and site layout for the rehabilitation of the existing facilities.

In the Canal neighborhood, Homeward Bound has operated the Mill Street facility as a center for people experiencing homelessness since 1986. The revamping of the facility would expand it to four floors with a parking structure, an emergency shelter with more than 40 beds, and 32 studio units. Homeward Bound is the primary provider of homeless shelters and services for homeless families and individuals in Marin.

In Hamilton, Homeward Bound plans to develop military veteran and workforce housing on a 2.8-acre site adjacent to the nonprofit’s main facility. Plans are for 24 one-bedroom units for veterans and 26 one-bedroom units of affordable workforce units plus a job training facility.

Learn more about [CDA housing’s program](#) or the [federal grants program](#) on the County website.