BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF YUBA

RESOLUTION AUTHORIZING CDSA DIRECTOR TO SIGN THE FUNDING DISTRIBUTION AGREEMENT WITH HUMANITY YUBA/SUTTER (HFHYS) FOR THE HOMEKEY+ PROGRAM AWARDED BY THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (HCD)	)	**RESOLUTION NO.:** 2026-84

WHEREAS, the Department of Housing and Community Development ("HCD") issued a Notice of Funding Availability, dated November 26, 2024 ("NOFA"), for the Homekey+ Program ("Homekey+" or "Program"). HCD has issued the NOFA for Homekey+ grant funds pursuant to Health and Safety Code Section 50675.1.3 (Assem. Bill No. 140 (2021-2022 Reg. Sess.), § 20.); Health and Safety Code Section 50675.1.5 (Assem. Bill No. 531 (2023-2024 Reg. Sess.); Section 14184.402 of the Welfare and Institutions Code; Section 5891.5 of the Welfare and Institutions Code; and Round 5 and 6 of the Homeless Housing, Assistance and Prevention (HHAP) grant program. (Assem. Bill No. 129 (Chapter 40, Statutes 2023) and Assem. Bill No. 166 (Chapter 48, Statutes 2024), respectively.; and

WHEREAS, the County of Yuba jointly applied for Homekey + grant funds with Habitat for Humanity Yuba/Sutter, Inc. ("HFHYS") under Agenda Item 220/2025 and Agenda Item 58/2026; and

WHEREAS, HCD awarded the County of Yuba and HFHYS nearly $6 million in Homekey+ funding for a 12-unit affordable housing project on Turpen Street; and

WHEREAS, HFHYS wishes to enter into a Funding Distribution Agreement with the County, which outlines transfer of funds responsibilities, liability and indemnification statements, insurance requirements, agreement termination clauses, representation and warranties clauses, and default and remedies clauses.

NOW, THEREFORE, BE IT RESOLVED, by the Yuba County Board of Supervisors:

Section 1. County of Yuba acknowledges and agrees that it shall be subject to the terms and conditions specified in the Standard Agreement, and that the NOFA and Application will be incorporated in the Standard Agreement by reference and made a part thereof. Any and all activities, expenditures, information, and timelines represented in the Application are enforceable through the Standard Agreement. Funds are to be used for the allowable expenditures and activities identified in the Standard Agreement; and

Section 2. The CDSA Director, or designee, is authorized to execute the Funding Distribution Agreement with Habitat for Humanity Yuba-Sutter on behalf of the County of Yuba for the Homekey+ Program after the Standard Agreement has been executed with HCD.

PASSED AND ADOPTED at a regular meeting of the Board of Supervisors of the County of Yuba, State of California on the 13th day of October, 2026 by the following vote:

AYES: Supervisors Vasquez, House, Bradford, Messick

NOES: None

ABSENT: None

ABSTAIN: Supervisor Fuhrer

CHAIR, SETH FUHRER

ATTEST: MARY PASILLAS
CLERK OF THE BOARD OF SUPERVISORS

JANET E. BENDER
YUBA COUNTY COUNSEL
APPROVED AS TO FORM:

FUNDING DISTRIBUTION AGREEMENT

This Funding Distribution Agreement ("Agreement") is entered into by and between the COUNTY OF YUBA, a political subdivision of the State of California ("County"), and HABITAT FOR HUMANITY YUBA/SUTTER, INC., a California nonprofit corporation ("Habitat"). This Agreement is effective as of the date last signed below.

RECITALS

A. The County has a public interest in providing low-income housing for individuals and families who are, or previously were, experiencing homelessness or who are at risk of homelessness. Such housing promotes public safety, health, and welfare.

B. Habitat is a nonprofit corporation with a stated purpose of creating pathways from homelessness to housing stability and self-sufficiency and is the owner/operator of Innovation Housing Estates, located at 1829 Turpen St., Olivehurst, CA 95961 ("Property" or "Project").

C. The County of Yuba and Habitat for Humanity Yuba/Sutter filed a joint application for funding under the Homekey+ Program ("Homekey+") with the California Department of Housing and Community Development ("HCD").

D. The County received notice from HCD advising that the joint application had been approved and that the County would be the payee of Homekey+ Grant funds in the amount of $5,634,406 to be used to provide permanent housing for the target population and for eligible capital and operating uses under the Homekey+ Program.

E. The County and Habitat acknowledge that the Homekey+ award totals $5,634,406, consisting of $3,900,000 in Capital funding for eligible project activities and $1,374,406 in Operating funding, and $360,000 for the Veteran-assisted units. The parties further acknowledge that Project Funds will be distributed in accordance with the terms and conditions of the HCD Standard Agreement and applicable Homekey+ Program requirements.

F. The project for which the grant was awarded ("Project") is Innovation Housing Estates, located at 1829 Turpen St., Olivehurst, CA 95961, consisting of thirteen (13) units, including twelve (12)Veteran-assisted units. The Project is intended to provide permanent supportive housing and supportive services for the Homekey+ target population in Yuba County. The Project includes associated site improvements, common areas, furnishings, infrastructure, and operational components necessary to support long-term housing stability and supportive housing operations.

G. Habitat has engaged the services of US Off Site to provide construction and development services associated with the Project, including but not limited to site development, construction, coordination of subcontractors, and completion of improvements necessary for the development of Innovation Housing Estates in accordance with the approved Project plans, specifications, and applicable Homekey+ Program requirements.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and conditions contained herein, the parties agree as follows:

AGREEMENT

Section 1. CONDITIONS PRECEDENT. As conditions precedent to any obligations contained herein, the following conditions must be satisfied: (i) County must actually receive funding of not less than the amounts set forth in this Agreement from HCD under the Homekey+ Program; and (ii) Habitat shall comply with all program requirements set forth herein and within the Standard Agreement with HCD.

Section 2. TRANSFER OF FUNDS BY COUNTY TO HABITAT. County agrees to transfer Project Funds received from HCD to Habitat for the purpose of implementation of the Project and to make payments to US Off Site as work is performed on the Project in the amounts set forth on the Draw Schedule which is attached hereto as Exhibit B and incorporated herein by this reference. The total amount payable under this agreement shall not exceed $5,634,406.

Section 3. TRANSFER OF FUNDS BY HABITAT TO US OFF SITE. Habitat shall not disburse the Project Funds to US Off Site until Habitat has confirmed that US Off Site has successfully completed each phase of the project.

Section 4. USE OF FUNDS BY HABITAT. Habitat covenants and agrees to use the Project Funds in strict conformance with: (i) California Assembly Bill No. 140 (Chapter 111, Statutes of 2021) which added sections 50675.1.3 and 50675.1.4 to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code); (ii) the Homekey+ Program Notice of Funding Availability, dated November 26, 2024, as subsequently amended; (iii) the Homekey+ Program Final Guidelines, as amended and in effect from time to time; and (iv) Standard Agreement No. 25-HK+-18907. entered into by the County of Yuba and Habitat for Humanity Yuba/Sutter, Inc. under the authority and in furtherance of the Homekey+ Program.

Section 5. LIABILITY AND INDEMNIFICATION. To the fullest extent permitted by law, Habitat shall defend (with legal counsel reasonably acceptable to the County), indemnify and hold harmless the County, its officers, employees, and agents, from and against any and all claims, losses, costs, damages, injuries (including injury to or death of an employee of Habitat or its subcontractors), expenses and liabilities of every kind, nature and description (including incidental and consequential damages, court costs, attorneys' fees, litigation expenses and fees of expert witnesses incurred in connection therewith and costs of investigation) that arise out of, pertain to, or relate to, directly or indirectly, in whole or in part, the negligence, recklessness, or willful misconduct of Habitat, any subcontractor, anyone directly or indirectly employed by them, or anyone that they control. To the extent there is an obligation to indemnify under this section, Habitat shall be responsible for incidental and consequential damages resulting directly or indirectly, in whole or in part, from Habitat's negligence, recklessness, or willful misconduct.

Section 6. INSURANCE. *(a) Insurance Requirements.* Without limiting Habitat's indemnification of the County, Habitat shall procure and maintain for the duration of this Agreement, insurance against claims for injuries to persons or damage to property that may arise from, or be in connection with, work performed on the Project by Habitat, its agents, representatives, employees, and sub-contractors. Habitat shall maintain the insurance coverage, limits of coverage and other insurance requirements as described below and shall furnish the County with certificates of insurance prior to the transfer of any funds under this Agreement. County reserves the right to require complete, certified copies of all insurance

policies required by this Agreement and Habitat agrees to notify County within two working days of any notice from an insuring agency that cancels, suspends, and reduces in coverage or policy limits the insurance coverages described herein. Any deductibles or self-insured retention must be declared on certificates of insurance and approved by the County. Insurance is to be placed with California admitted insurers (licensed to do business in California) with a current A.M. Best's rating of no less than A-VII; however, if no California admitted insurance company provides the required insurance, it is acceptable to provide the required insurance through the United States domiciled carrier that meets the required Best's rating and that is listed in the current List of Approved Surplus Line Insurers (LASLI) maintained by the California Department of Insurance.
Workers' Compensation coverage issued by the State Compensation Insurance Fund (SCIF) shall be acceptable.

(b) Insurance Required.

(i) General Liability: At least $1,000,000 combined single limit per occurrence coverage for bodily injury, personal injury and property damage. If a general aggregate limit is used, then either the general aggregate limit shall apply separately to this project/location, or the general aggregate limit shall be twice the required per occurrence limit. Habitat or Habitat's insurance carrier shall notify County if incurred losses covered by the policy exceed 50% of the annual aggregate limit.

(ii) Automobile Liability: At least $100,000 to cover bodily injury for one person and $300,000 for two or more persons and $50,000 to cover property damages. However, policy limits for construction projects shall be at least $1,000,000 combined single limit per accident for bodily injury and property damage for autos used by Habitat to fulfill the requirements of this Agreement, and coverage shall be provided for "any auto", code 1 as listed on the Accord form "Certificate of Insurance."

(iii) Workers' Compensation and Employer's Liability: Workers' Compensation insurance up to statutory limits and Employer Liability insurance with policy limits of at least $1,000,000 for bodily injury or disease.

(iv) Professional Liability Insurance: Professional liability insurance covering professional services shall be provided in an amount of at least $1,000,000 per occurrence or $1,000,000 on a claims-made basis. However, if coverage is written on a claims-made basis, the policy shall be endorsed to provide at least a two-year extended reporting provision.

(c) General Requirements.

(i) Such insurance shall include Yuba County, its elected officials, officers, and employees as an additional insured, and shall not be reduced or cancelled without 30 days written prior notice delivered to County. Habitat shall provide County with a certificate of insurance as evidence of insurance protection provided. Insurance certificates provided by any insurance company or underwriter shall not contain the language "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company," or similar language. If Habitat has employees, it shall obtain and maintain continuously Workers' Compensation Insurance to cover Habitat and Habitat's employees and partners.

(ii) All endorsements are to be received and approved by the County before any transfer is made under this Agreement. However, failure to do so shall not operate as a waiver of these insurance requirements.

(iii) Unless otherwise agreed by the parties, Habitat shall cause all of its subcontractors to maintain the insurance coverages specified in this Insurance section and name Habitat as an additional insured on all such coverages. Evidence thereof shall be furnished to County as County may reasonably request.

(iv) The coverage types and limits required pursuant to this Agreement shall in no way limit the liability of Habitat.

Section 7. TERMINATION. If County does not receive funds allocated under the Homekey+ award, this Agreement may be terminated by County and neither party shall have further obligation to the other as a result of this Agreement.

(a) Termination for Cause. In addition to the remedies set forth in Section 9, County may terminate this Agreement upon thirty (30) days' written notice to Habitat if: (i) Habitat materially breaches any term of this Agreement and fails to cure such breach within the cure period set forth in Section 9; (ii) Habitat becomes insolvent, files for bankruptcy, or has a receiver appointed for its assets; (iii) HCD determines that Project Funds have been misused or that the Project is no longer in compliance with Homekey+ Program requirements; or (iv) Habitat abandons or ceases work on the Project for a period of sixty (60) consecutive days without County's prior written consent.

(b) Termination for Convenience. County may terminate this Agreement for convenience upon sixty (60) days' written notice to Habitat; provided, however, that County shall reimburse Habitat for all costs reasonably and properly incurred and committed prior to the effective date of termination that are consistent with the approved uses of Project Funds.

(c) Effect of Termination. Upon termination, Habitat shall immediately cease all use of Project Funds, return to County all unexpended Project Funds within thirty (30) days, and provide a full accounting of all funds received and expended as of the termination date.

Section 8. REPRESENTATIONS AND WARRANTIES.

(a) Representations and Warranties of Habitat. Habitat hereby represents and warrants to County that it has complied with all laws and regulations concerning its organization, existence, and transaction of business and that it is authorized to: (i) enter into this Agreement and to accept the funds contemplated hereunder; (ii) execute and deliver documents or instruments, if any, executed and delivered, or to be executed and delivered, pursuant to this Agreement; and, (iii) perform and observe the terms and provisions of all of the above. Habitat further represents and warrants that it has the right and power to use and develop the Property as contemplated in this Agreement and has, or at all appropriate times shall have, properly obtained all permits, licenses and approvals necessary to construct, occupy, and operate the Project, and has complied with all applicable statutes, laws, regulations, codes and ordinances.

(b) Representations and Warranties of County. County represents and warrants to Habitat that it is a subdivision of the State of California that has the full right and power to enter into this Agreement and the execution, performance and delivery of this Agreement by

County, and persons on behalf of County, have been fully authorized by all requisite actions on the part of the Yuba County Board of Supervisors.

Section 9. DEFAULT AND REMEDIES.

(a) Events of Default. Failure by either party to duly perform, comply with, or observe any of the conditions, terms, or covenants of this Agreement shall be an event of default. The party who so fails or delays must immediately commence to cure, correct, or remedy such failure or delay, and shall complete such cure, correction or remedy with reasonable diligence and during any period of curing shall not be in default. The injured party shall give written notice of default to the party in default, specifying the default complained of by the injured party. If the default is not commenced to be cured within thirty (30) days after service of such notice of default and is not cured promptly in a continuously diligent manner in a reasonable period of time after commencement, the defaulting party shall be liable for any damages caused by such default, and the non-defaulting party may thereafter commence action for damages with respect to such default or for specific performance of this Agreement.

(b) Remedies. The occurrence of an event of default by Habitat that is not cured within the time set forth herein shall relieve County of any obligation to transfer the Project Funds. Habitat may seek specific performance of this Agreement for County's failure to transfer Project Funds as provided under this Agreement. The non-defaulting party may seek money damages or any other remedy available at law or equity against the defaulting party for an event of default hereunder.

Section 10. MISCELLANEOUS.

(a) Time. Time is of the essence in this Agreement and each and all of its provisions.

(b) Notices. Any notice requirement set forth herein shall be deemed to be satisfied as follows: (i) three (3) days after mailing of the notice first class United States certified mail, postage prepaid, or (ii) the next business day after the notice or communication has been delivered by hand or sent by telecopy or overnight delivery service, addressed to the appropriate party. The designated person for delivery of notices hereunder shall be as follows:

For the County: Michael Lee
Community Development &
Services Agency Director
Yuba County

For Habitat: Habitat for Humanity
Yuba/Sutter, Inc.
202 D Street
Marysville, CA 95901

(c) No Joint Venture. Habitat and the agents and employees of Habitat, in the performance of the Project and this Agreement, shall act in an independent capacity and not as an officer, employee, or agent of County. County and Habitat have not formed a partnership or joint venture.

(d) Attorneys' Fees. If either Party brings an action or proceeding to enforce, protect or establish any right or remedy hereunder, the prevailing party shall be entitled to recover from the other party its costs of suit and reasonable attorneys' fees.

(e) No Third Parties Benefited. This Agreement is made and entered into for the sole protection and benefit of County, its successors and assigns, and Habitat, its successors and assigns, and no other person or persons shall have any right of action hereon.

(f) Successors and Assigns. The terms hereof shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto; provided, however, that no assignment of Habitat's rights hereunder shall be made, voluntarily or by operation of law, without the prior written consent of County and that any such assignment without said consent shall be void.

(g) Construction of Words. Except where the context otherwise requires, words imparting the singular number shall include the plural number and vice versa, words imparting persons shall include firms, associations, partnerships and corporations, and words of either gender shall include the other gender.

(h) Partial Invalidity. If any provision of this Agreement shall be declared invalid, illegal, or unenforceable by a court of competent jurisdiction, then the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired.

(i) Governing Law. This Agreement and any instruments given pursuant hereto shall be construed in accordance with and be governed by the laws of the State of California.

(j) Amendment. This Agreement may not be changed orally, but only by agreement in writing signed by County and Habitat.

(k) Exhibits. The following exhibits are attached hereto and incorporated herein by reference:

A. HCD Standard Agreement No. 25-HK+-18907

B. Draw Schedule

(l) Captions and Headings. Captions and headings in this Agreement are for convenience of reference only and are not to be considered in construing the Agreement.

Section 11. TERM. This Agreement shall commence on the effective date and shall remain in full force and effect until the earlier of: (i) the date on which all Project Funds have been fully expended in accordance with this Agreement and all obligations hereunder have been satisfied; (ii) the expiration or termination of Standard Agreement No. 25-HK+-18907 with HCD; or (iii) five (5) years from the effective date, unless extended by mutual written agreement of the parties. Notwithstanding the foregoing, the indemnification obligations set forth in Section 5 and

the insurance obligations set forth in Section 6 shall survive the expiration or termination of this Agreement for a period of four (4) years following completion of the Project.

Section 12. COUNTY OVERSIGHT AND DISBURSEMENT CONTROLS.

(a) Phase Completion Verification. Prior to disbursing any Project Funds to US Off Site, Habitat shall provide County with written certification that the applicable phase of work has been satisfactorily completed, including supporting documentation such as inspection reports, lien releases, and invoices.

(b) County Approval of Waivers or Modifications. Habitat shall not waive, defer, or modify the work required to be performed under any phase of the Project pursuant to Section 3 without the prior written approval of County, which approval shall not be unreasonably withheld, conditioned, or delayed.

(c) Audit Rights. County, its authorized agents, and HCD shall have the right to inspect, audit, and copy all books, records, accounts, and other documents of Habitat relating to the receipt and expenditure of Project Funds at any reasonable time upon five (5) business days' written notice. Habitat shall maintain all such records for a period of not less than five (5) years following the completion of the Project or the expiration of this Agreement, whichever is later.

(d) *Site Access.* County and its authorized representatives shall have the right to enter the Project site at reasonable times to inspect the progress of construction and verify that work is being performed in accordance with the approved plans and specifications.

Section 13. REPORTING AND COMPLIANCE MONITORING.

(a) Quarterly Reports. Habitat shall provide County with written quarterly progress reports, due within fifteen (15) days after the end of each calendar quarter, which shall include: (i) a summary of construction progress and milestones achieved; (ii) a detailed accounting of all Project Funds received and expended during the reporting period; (iii) a summary of any change orders, cost overruns, or schedule delays; and (iv) certification of compliance with all applicable Homekey+ Program requirements.

(b) Annual Financial Statements. Habitat shall provide County with annual audited financial statements within one hundred twenty (120) days after the end of each fiscal year during the term of this Agreement.

(c) Compliance Certifications. Habitat shall, upon County's reasonable request, provide written certifications of compliance with the requirements of AB 140, the Homekey+ NOFA, the Homekey+ Program Guidelines, and Standard Agreement No. 25-HK+-18907.

(d) Notice of Material Events. Habitat shall notify County in writing within five (5) business days of: (i) any litigation, claim, or proceeding that could materially affect the Project or Habitat's ability to perform under this Agreement; (ii) any notice of noncompliance received from HCD or any other governmental agency; (iii) any material change in Habitat's organizational structure, financial condition, or key personnel responsible for the Project; or (iv) any event that could reasonably be expected to delay completion of the Project by more than thirty (30) days.

Section 14. REPAYMENT AND CLAWBACK.

(a) Repayment Obligation. Habitat shall repay to County, within thirty (30) days of written demand, any Project Funds that: (i) are not expended in accordance with the terms of this Agreement and the approved uses under the Homekey+ Program; (ii) are determined by HCD to have been improperly or ineligibly expended; (iii) are not expended prior to the expiration or termination of this Agreement; or (iv) are the subject of a repayment demand from HCD to County arising from Habitat's acts or omissions.

(b) Interest. Any amounts required to be repaid under this Section that are not repaid within the thirty (30) day period shall bear interest at the rate of ten percent (10%) per annum, or the maximum rate permitted by law, whichever is less, from the date of County's demand until paid in full.

(c) Right of Offset. County may offset any amounts owed by Habitat under this Section against any future disbursements of Project Funds otherwise due to Habitat under this Agreement.

(d) Survival. The obligations of Habitat under this Section shall survive the expiration or termination of this Agreement.

Section 15. CONFLICT OF INTEREST AND NON-COLLUSION.

(a) Conflict of Interest. Habitat certifies that no officer, employee, or agent of Habitat who exercises any functions or responsibilities in connection with the Project has any personal financial interest, direct or indirect, in this Agreement or in the Project. Habitat further certifies that it has complied with all applicable conflict-of-interest requirements under state and local law, including but not limited to California Government Code Sections 1090 et seq. and 87100 et seq.

(b) Non-Collusion. Habitat certifies that this Agreement has been arrived at independently, without consultation, communication, or agreement with any other bidder, offeror, or potential recipient of Homekey+ funds for the purpose of restricting competition or inflating costs. Habitat further certifies that no gratuities, gifts, or favors have been offered or given to any officer or employee of County in connection with this Agreement.

(c) Disclosure. Habitat shall promptly disclose to County in writing any potential or actual conflict of interest that arises during the term of this Agreement.

Section 16. ASSIGNMENT OF COUNTY RIGHTS. County may assign its rights under this Agreement to any successor governmental entity or agency without the consent of Habitat, provided that the assignee assumes all obligations of County under this Agreement

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IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have executed this Agreement as of the 13 day of October 2026.

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HABITAT FOR HUMANITY
YUBA/SUTTER, INC.

Joseph Hale
Chief Executive Officer
Habitat for Humanity Yuba/Sutter, Inc.

COUNTY OF YUBA

Michael Lee
Community Development & Services
Agency Director
Yuba County

APPROVED AS TO FORM:

Janet Bender
Yuba County Counsel

INSURANCE PROVISIONS
APPROVED:

Tiffany Manuel
Risk Manager

ATTEST:

Mary Pasillas
Clerk of the Board of Supervisors

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Exhibit "A"
STANDARD AGREEMENT

Exhibit "B"
Draw
Schedule

Phase	Description	Tentative Draw Date	Amount
Phase A	Capital Funds Distribution	11/18/2026	$3,120,000.00
Phase B	Capital Funds Distribution	4/14/2027	$780,000.00
Phase C	Operating Funds – Veteran-Assisted Units	5/12/2027	$1,734,406.00
	Total		$5,634,406.00