

FIRST AMENDMENT TO MEMORANDUM OF UNDERSTANDING

THIS FIRST AMENDMENT TO MEMORANDUM OF UNDERSTANDING (Amendment) is made and entered into on _____ (Effective Date), by and between the CITY OF FRESNO, a California municipal corporation (City), and FRESNO MISSION COMMUNITIES, INC., a California nonprofit public benefit corporation (Fresno Mission Communities), hereinafter referred to collectively as a Party or Parties.

RECITALS

WHEREAS, on February 14, 2024, the California Department of Housing and Community Development (HCD) awarded the City and Fresno Mission Communities Homekey 3 Program Funds in the amount of \$9,598,131; of which \$1,087,65 is an Operating Award, also known as the Capitalized Operating Subsidy Reserves (COSR), to be utilized for eligible operating expenses at the City Studios Project; and

WHEREAS, the City and Fresno Mission Communities entered into a Memorandum of Understanding (MOU) on March 29, 2024, establishing terms, conditions, roles, and responsibilities between the Parties as it relates to the Homekey 3 Program Funds for the development of the City Studios Project (Project); and

WHEREAS, the City and Fresno Mission Communities desire to honor all outlined requirements contained in the City Studios Homekey Standard Agreement for HCD Contract No. 23-HK-18193 (Standard Agreement), which was executed on July 11, 2024, and maintain the Project's 34 permanent housing units with Supportive Services, as defined by HCD, the Standard Agreement, the Homekey Guidelines, the Homekey 3 NOFA, and the Homekey 3 Application (the Homekey Documents), which are all incorporated herein; and

WHEREAS, the City and Fresno Mission Communities desire to establish an expiration date for the MOU of July 11, 2029, in alignment with the reporting obligations contained in the Homekey Standard Agreement requiring the Parties to submit annual Homekey Program and Expenditure Reports, Milestone Reports, and any requested progress reports for five years from the execution of the Standard Agreement; and

WHEREAS, the City and Fresno Mission Communities desire to revise the Project schedule and performance deadlines to accommodate significant delays in the Project's overall completion timeline due to unforeseen supply chain issues and delays by PG&E in energizing the Project (See Exhibit "A" – Revised Project Schedule); and

WHEREAS, the City and Fresno Mission Communities agree that, upon completion of construction, the City will disburse an initial advance payment of 50% of the Homekey COSR to Fresno Mission Communities to be used exclusively for the Project's eligible operating costs in agreement with the Homekey Documents, and the remaining 50% of Operating Funds will be made available on a reimbursement basis once the initial funds have been fully expended and supported by invoices and proof of payment (See Exhibit "B" – Homekey COSR Disbursement Process); and

WHEREAS, Fresno Mission Communities agrees that all Homekey COSR funds will be fully expended prior to the Homekey Operating Expenditure Milestone of June 30, 2027, and requested at least 30 days prior to this date to allow for the City's established request for funds process; and

WHEREAS, the City and Fresno Mission Communities agree to perform all compliance monitoring and reporting requirements in accordance with the Homekey Documents, including but not limited to, the submission of an annual Homekey Program and Expenditure Report, all Milestone Reports, and any requested progress reports; and

WHEREAS, the City and Fresno Mission Communities agree that the interest earned from the deposit of Homekey 3 Grant funds into an interest-bearing account shall be used for eligible Program activities pursuant to Paragraph 4 of the Homekey Standard Agreement and the Homekey Documents; and

WHEREAS, with entry into this Amendment, Fresno Mission Communities agrees it has no claim, demand, or dispute against the City and affirms that it will abide by all obligations contained in the MOU with no gaps in obligations thereunder.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals, which recitals are contractual in nature, the mutual premises herein contained, and for other good and valuable consideration hereby acknowledge, the Parties agree that the aforesaid MOU Agreement be amended as follows:

Section 1. The Parties agree that the term of the Memorandum of Understanding will expire on July 11, 2029.

Section 2. Exhibit "A" (Revised Project Schedule) provides a summary of the revised Project performance deadlines.

Section 3. Exhibit "B" (Homekey COSR Disbursement Process) provides a summary of the distribution of the Homekey COSR funds to Fresno Mission Communities.

Section 4. The City will disburse an initial 50% of COSR funds as an advance payment of the Homekey COSR funds to Fresno Mission Communities once construction is complete.

Section 5. The City will make the remaining 50% of COSR funds available on a reimbursement basis once the initial 50% has been fully expended and supported by invoices and proof of payment. (See Exhibit "B" attached hereto.)

Section 6. Fresno Mission Communities agrees to follow the City's established reimbursement process and will utilize Homekey COSR funds exclusively for the Project's eligible operating costs in agreement with the Homekey Documents. (See Exhibit "B" attached hereto.)

Section 7. Fresno Mission Communities will fully expend all Homekey COSR funds prior to the Homekey Operating Expenditure Milestone of June 30, 2027, and will submit a request for these funds at least 30 days prior to this date to allow for the City's established request for funds process.

Section 8. The Parties agree to perform all compliance monitoring and reporting requirements in accordance with the Homekey Documents, including but not limited to, the submission of an annual Homekey Program and Expenditure Report, all Milestone Reports, and any requested progress reports.

Section 9. The Parties agree that the interest earned from the deposit of Homekey 3 Grant funds into an interest-bearing account shall be used for eligible

Program activities pursuant to Paragraph 4 of the Homekey Standard Agreement and the Homekey Documents.

Section 10. Except as otherwise provided herein, the Memorandum of Understanding entered into on March 29, 2024, by the Parties herein, and all obligations contained therein remain in full force and effect.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Amendment at Fresno, California, the day and year first written above.

CITY OF FRESNO,
a California municipal corporation

By: _____
Georgeanne A. White Date
City Manager

APPROVED AS TO FORM:
ANDREW JANZ
City Attorney

Signed by:
By: Angela M. Karst 1/12/2026
Angela M. Karst Date
Senior Deputy City Attorney

ATTEST:
AMY K. ALLER
Interim City Clerk

By: _____
Deputy Date

Addresses:

CITY OF FRESNO
Planning & Development Department
Attention: Phil Skei, Assistant Director
2600 Fresno Street
Fresno, CA 93721
Phone: (559) 621-8300

FRESNO MISSION COMMUNITIES, INC.,
a California nonprofit public benefit corporation

DocuSigned by:
By: Matthew Dildine 1/9/2026
Matthew Dildine Date
Chief Executive Officer

DocuSigned by:
By: Dennis Koch 1/9/2026
Dennis Koch Date
Secretary

FRESNO MISSION COMMUNITIES, INC.
Attention: Nathan Freeland, CFO
2025 E. Dakota Ave
Fresno, CA 93726
Phone: (559) 268-0839

Attachments:

EXHIBIT A: REVISED PROJECT SCHEDULE
EXHIBIT B: HOMEKEY COSR DISBURSEMENT PROCESS

EXHIBIT “A”

REVISED PROJECT SCHEDULE

- A. Capital Funds Expenditure Deadline: February 14, 2026
- B. Completion of Construction/Final COO: February 14, 2026
- C. Full Occupancy Deadline: February 14, 2026
- D. Operating Funds Expenditure Deadline: June 30, 2027

EXHIBIT “B”

HOMEKEY COSR DISBURSEMENT PROCESS

Disbursement of 50% Upfront COSR

1. A reimbursement request is assembled and submitted to the City following completion of construction.
2. This initial request will include the completed attached request for reimbursement form, vendor packet, W-9, and the bank wiring instructions.
***Please note:** The vendor packet and W-9 are only required for new service providers and will only be requested once. If you are unsure whether you need to submit these documents, please contact City staff for confirmation.*
3. The City reviews the complete request within 10 business days and notifies the service provider of any missing or incomplete items.
***Please note:** If the request is incomplete, the review process will be paused until all required documents are submitted. Once the missing items are received, the 10-business day review period will begin.*
4. If all items are submitted and complete, the request is forwarded for final review.
5. Upon final approval, the request is sent to Finance for processing.
6. Finance typically takes 7-10 days to process the wire request.
7. This initial disbursement process takes approximately 30 days from submission to payment.
8. Proof of payment and full reconciliation of the initial disbursement will be required prior to any further draws.

Reimbursement Process for Remaining 50% COSR

1. The expense is incurred.
2. Receipt and proof of payment are obtained.
3. A reimbursement request is assembled and submitted to the City.
4. The City reviews the complete request within 10 business days and notifies the service provider of any missing or incomplete items.
5. The service provider has 10 calendar days to submit the requested corrections or documents.
6. If the missing items are not submitted within that timeframe, the reimbursement request will be reduced by the amount associated with those items.
7. If all items are submitted and complete, the invoice is forwarded for final review.
8. Upon final approval, the reimbursement is sent to Finance for processing.
9. Finance typically takes 7–10 business days to process the payment.
10. The full reimbursement process takes approximately 30 days from submission to payment.

A complete reimbursement request must include:

1. **Cover Sheet** completed and signed by Service Provider (City-provided invoice template).
2. **General Ledger** showing all items requested for reimbursement.
3. **Invoices and Receipts** for each item.
4. **Proof of Payment** (cleared check, credit card statement, or bank record).