



# COMMUNITY DEVELOPMENT DEPARTMENT

Quincy Yaley, AICP  
Director

Land Use and Natural Resources – Housing and Community Programs – Environmental Health – Building and Safety – Code Compliance

## AGENDA TUOLUMNE COUNTY BOARD OF SUPERVISORS HOUSING POLICY COMMITTEE County Administration Center Board of Supervisors Chambers Thursday, September 10, 2020 3:00 p.m.

48 Yaney Avenue, Sonora  
Mailing: 2 S. Green Street  
Sonora, CA 95370  
(209) 533-5633  
(209) 533-5616 (Fax)  
(209) 533-5909 (Fax – EHD)  
[www.tuolumnecounty.ca.gov](http://www.tuolumnecounty.ca.gov)

### PUBLIC PARTICIPATION PROCEDURES

- In order to protect public health and the safety of Tuolumne County citizens, the Tuolumne County Board of Supervisors Housing Policy Committee Meeting will be physically closed to the public and committee members will participate via Zoom. Public Comment will be opened and closed individually for each agenda item listed below, excluding Reports. To observe or participate in the September 10, 2020 BOSHPC meeting, follow the instructions below. For detailed Zoom Instructions, go to the Agenda Packet:

<https://www.tuolumnecounty.ca.gov/AgendaCenter/Housing-Policy-Committee-15>

If you need swift special assistance during the Housing Policy Committee meeting, please call **209-770-5423**.

- 1) Use the link to join the webinar: <https://us02web.zoom.us/j/86559206502> (Webinar ID: 865 5920 6502)
- 2) During the public comment period you will have the option to “*raise your hand*” if you would like to comment on a project or during the public comment portion of the meeting.

If participating by computer:

- After clicking the “*raise your hand*” option, please wait until a staff member unmutes your microphone.
- Once staff has unmuted your microphone you will be asked to provide comments.
- A staff member will notify to you when you have 30 seconds remaining and again when your time is up.
- Once your allotted time is up, a staff member will mute your microphone and “*lower your hand*”.

If participating by smartphone:

- If you are participating from your smartphone, you will also have a “*raise your hand*” feature.
- When you are unmuted a prompt will appear to confirm you would like to be unmuted.
- Once you confirm you will be able to provide public comment. Staff will assist as described above.

If participating by telephone:

- If you are participating via telephone call, you will need to press \*9 (star 9) to “*raise your hand*”, and when you are unmuted you will hear “*you are unmuted*” allowing you to provide public comment. Staff will assist as described above.

You also may submit written comments by U.S. mail at 2 South Green Street, Sonora, CA 95370 or email ([cdd@tuolumnecounty.ca.gov](mailto:cdd@tuolumnecounty.ca.gov)) for retention as part of the administrative record. Comments will not be read during the meeting. Comments must be received by the Community Development Department Director no later than 1:00 PM on the afternoon of the noticed meeting.

## **PUBLIC FORUM**

The public may speak on any item not on the printed agenda. No action may be taken by the Committee. The amount of time allocated for the public forum is limited to 15 minutes.

## **COMMITTEE BUSINESS:**

1. COVID- 19 Public Comment Procedures
2. Consideration of the Minutes of the special meeting of 3/5/2020.
3. Reports – 2020 BOSHPC Work Plan
4. Reports – No Place Like Home Project Update

## **NEW ITEMS:**

Consideration of a Recommendation to the Board of Supervisors Concerning the Adoption of a County Accessory Dwelling Unit Ordinance.

## **CONTINUED ITEMS:**

None.

## **ADJOURNMENT:**

*The Board of Supervisors Housing Policy Committee serves as an advisory group to the Board of Supervisors for matters related to housing.*

---

The Minutes and items referenced in this Agenda are available for review online at [www.tuolumnecounty.ca.gov](http://www.tuolumnecounty.ca.gov).

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Community Development Department at (209) 533-5633. Notification 48 hours prior to the meeting will enable the County to make reasonable arrangements to ensure accessibility to this meeting (28CFR Part 35 ADA Title II).

**IMPORTANT PUBLIC NOTICE:** Under the Governor's Executive Order N-25-20, this meeting will allow members of the Housing Policy Committee to participate by teleconference; and under Order N-29-20, Accessibility Requirements.



# COMMUNITY DEVELOPMENT DEPARTMENT

Quincy Yaley, AICP  
Director

Land Use and Natural Resources – Housing and Community Programs – Environmental Health – Building and Safety – Code Compliance

September 3, 2020

48 Yaley Avenue, Sonora  
Mailing: 2 S. Green Street  
Sonora, CA 95370  
(209) 533-5633  
(209) 533-5616 (Fax)  
(209) 533-5909 (Fax – EHD)  
[www.tuolumnecounty.ca.gov](http://www.tuolumnecounty.ca.gov)

TO: Board of Supervisors Housing Policy Committee

FROM: Quincy Yaley, AICP Community Development Department Director

RE: Public Hearing Procedures

---

In light of current COVID 19 Health Orders and the Board of Supervisors Housing Policy Committee meeting being held via the Zoom Platform, County Counsel has advised that the Housing Policy Committee may modify the public comment procedures for public hearings at the September 10, 2020 meeting.

Due to the modified meeting format and tele-conferencing meeting procedures, the Chair may choose to allow public comment on the project in an alternative fashion, rather than calling for those in favor, those in opposition, those neutral, and then any rebuttals or surrebuttals. The Chair may take public comment on the project in any order in lieu of the calling for those in favor, opposition, neutral, rebuttals, and then surrebuttals.

The Committee may elect to allow the applicant or applicant representative a specific time to speak on the project prior to taking public comments on the item. This opportunity could have a specific time length allotted, such as five or ten minutes.

As a reminder, those who wish to provide information during the public comment are not required to provide their name. County staff will notify the Chair of any individuals who wish to provide testimony and will limit the testimony to the time limit identified by the Chair.

If an item on the agenda is not identified as a “public hearing”, public comment is still required and can be conducted in a similar format to the modified procedures above.

All votes require a roll call with each committee member to be named by County Staff prior to stating their vote. The Chair shall also identify by name the committee member who initiated the motion and the name of the committee member who seconds the motion. After a second is named, the Chair must allow County staff to complete a roll call vote.

It is possible that a delay may occur from the time the Chair calls for public comment on a project and when County staff can connect them into the zoom meeting. It is recommended that the Chair pause for 60-90 seconds after calling for public comment to allow for any connections to occur. If there are no individuals in the queue for commenting on a specific item, after 90 seconds has elapsed County staff will notify the Chair that there is no further public comment.

Staff may need to respond to emails or phone calls from members of the public during the meeting to provide assistance to the public if they encounter problems using the Zoom platform. Staff requests that the Chair allow additional time as needed to ensure that members of the public can engage in the meeting.





# COMMUNITY DEVELOPMENT DEPARTMENT

Quincy Yaley, AICP  
Director

Land Use and Natural Resources – Housing and Community Programs – Environmental Health – Building and Safety – Code Compliance

September 3, 2020

48 Yaney Avenue, Sonora  
Mailing: 2 S. Green Street  
Sonora, CA 95370  
(209) 533-5633  
(209) 533-5616 (Fax)  
(209) 533-5909 (Fax – EHD)  
www.tuolumnecounty.ca.gov

TO: Board of Supervisors Housing Policy Committee

FROM: Quincy Yaley, AICP Community Development Department Director

RE: Zoom Video and Teleconference for Committee and Commission Meetings

In response to increasing risks of exposure to the coronavirus (COVID-19), the Board of Supervisors Housing Policy Committee meeting will be conducted and participated via Zoom. Video conferencing via Zoom will allow the Housing Policy Committee and County to adhere to social distancing requirements of the Brown Act and provide a way for the public to provide public comment live during the meeting. The Chair of the meeting will set the time length public comment at each item. You are not required to identify yourself in order to provide comments during the meeting.

Below is the Zoom link and Webinar ID needed to participate or observe the meeting:

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/86559206502>

Or iPhone one-tap :

US: +16699006833,,86559206502# or +12532158782,,86559206502#

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

US: +1 669 900 6833 or +1 253 215 8782 or +1 346 248 7799 or +1 301 715 8592 or +1 312 626 6799 or +1 929 205 6099

Webinar ID: 865 5920 6502

International numbers available: <https://us02web.zoom.us/j/kc2946x9jn> The public can view the meeting from their smartphone, on their computer browser, or listen on their telephone. Zoom does not require an account to attend the meeting, but if the public wishes to create one, their basic accounts are free.

It is possible that a delay may occur from the time the Chair calls for public comment on an item and when County staff can connect them into the Zoom meeting. The Chair will pause for 60-90 seconds after calling for public comment to allow for any connections to occur. If there are no individuals in the queue for commenting on a specific item, after 90 seconds has elapsed county staff will notify the Chair that there is no public comment.

Members of the public can also choose to watch the meeting and do not have to comment during the meeting. If a member of the public does not want to provide public comment live, they can provide public comment prior to the meeting via email to the Community Development Department Director at [cdd@tuolumnecounty.ca.gov](mailto:cdd@tuolumnecounty.ca.gov). If you would like your comments to be included in the record, please send comments to the above email address by 1:00 p.m. of the day of the noticed meeting.

If anyone is having technical difficulties with Zoom, they can visit Zoom's support page for helpful tips: <https://support.zoom.us/hc/en-us/categories/201146643>.

Below are step by step instructions on how to join and interact as an attendee via Zoom.

### **JOINING A WEBINAR BY LINK**

- To join the webinar, click the link that we provided above
- If you are signed in, change your name if you do not want your default name to appear.
- If you are not signed in, enter a display name.

### **MANUALLY JOINING A WEBINAR**

- Use the 9-digit meeting ID/webinar ID 865 5920 6502
- Sign in to the Zoom Desktop or Mobile App
- Click or tap **Join a Meeting**
- Enter the 9-digit webinar ID, and click **Join** or tap **Join Meeting**
- If prompted, enter your name and email, then click **Join Webinar** or tap **Join**.
- You may change your name if you do not want your default name to appear, as you are not required to state your name.

### **WAITING FOR HOST TO START THE WEBINAR**

- If the host has not started broadcasting the webinar, you'll receive a message letting you know to "Please wait for the host to start the meeting".

### **PUBLIC COMMENT**

- During the public comment period you will have the option to "raise your hand" if you would like to comment on a proposed project or during the public comment portion of the meeting.
- Once you have clicked the "raise your hand" option, please wait until a staff unmutes your microphone.
- Once staff has unmuted you will have three minutes to speak.
- A staff member will verbally communicate to you and the Committee Members or Commissioners when you have 30 seconds remaining and then when your time is up.
- Once your allotted time is up, a staff member will mute and "lower your hand".
- If you are participating from your smartphone, you will also have a "raise their hand" feature.
- When you are unmuted a prompt will appear to confirm you would like to be unmuted.
- Once you confirm you will be able to provide public comment.

- If you are participating via telephone call, you will need to press \*9 (star 9) to “raise their hand”, and when you are unmuted you will hear “you are unmuted” allowing you to provide public comment.

## **END OF MEETING**

- If you would like to leave the meeting before it ends, click **Leave meeting**. If you leave, you can rejoin if the webinar is still in progress, as long as the host has not locked the webinar.



**BOARD OF SUPERVISORS  
HOUSING POLICY COMMITTEE  
(BOSHPC)  
DRAFT 2020 WORK PROGRAM**

**Adopted by the Board of Supervisors on April 7, 2020**

**Status Update: 9/10/20**

The following is a list of issues proposed to be addressed by the Tuolumne County Board of Supervisors Housing Policy Committee in 2020. Some of these items are carried over from the 2019 Housing Policy Committee Work Plan. The issues addressed by the Committee are directed by the Board of Supervisors, requested by County staff, the Housing Policy Committee, the Housing Loan Review Committee, or are part of the normal operation of the County's affordable housing programs. Other items will be submitted to the Board for approval to be added to the list as issues arise requiring the Committee's consideration.

**Homelessness**

**No Place Like Home Program** - On July 1, 2016, Governor Brown signed legislation enacting the No Place Like Home (NPLH) program to dedicate \$2 billion in bond proceeds to invest in the development of permanent supportive housing for persons who are in need of mental health services and are experiencing homelessness, chronic homelessness, or who are at risk of chronic homelessness. Community Development Department (CDD) staff and County Behavioral Health staff are working together on this project. The County was awarded a \$75,000 technical assistance grant for planning, site review, and preparation of documents needed to apply for NPLH project development funds.

County CDD and Behavioral Health staff worked on a County Plan to Combat Homelessness. The plan was approved by the Board of Supervisors Housing Policy Committee on June 5, 2019 and adopted by the Board of Supervisors on July 16, 2019. At that same meeting, the Board also approved a non-competitive grant application for \$500,000 for NPLH permanent supportive housing. The allocation is designed to be leverage towards a larger affordable rental project where a portion of the units are reserved for permanent supportive housing.

**Status:** Staff has been working to identify potential sites and experienced affordable housing developers for an affordable rental project where a portion of the units would be available for NPLH clients. Staff located a parcel owned by Adventist Health Sonora, issued an RFP for affordable housing developers and is taking a contract to the Board of Supervisors on September 1, 2020 to utilize NPLH and other state funds for this project.

**Affordable Housing Projects**

**Affordable Housing Rental Project** – This item is listed under the NPLH Program.

**Peaceful Valley Site** - The Housing Authority purchased a 3.3-acre Caltrans property on Peaceful Valley Road. They will be working with County staff to research development requirements, utilities, etc. to begin exploring possible uses for the site.

**Status:** The Stanislaus Housing Authority is working on a proposal for this site and staff will provide updates to the committee once more information is available.

**Rita Hills Site** – Impact Development, an affordable housing developer, has contacted CDD staff to begin working on a 65-unit affordable housing project (new construction) on a site next to Oak Hills Apartments.

**Status:** This project is in the initial stages of predevelopment. Staff will provide updates as available.

### **Housing Policy**

**SB 2 Grant** – The County received a \$160,000 planning grant from State HCD utilizing SB 2 funds. The grant will be used to update Title 17 of the Zoning Code, draft an accessory dwelling unit (ADU) ordinance and program, review the inclusionary housing ordinance and other tasks that will help encourage residential development and make it easier for developers to build.

**Status:** CDD Agency staff issued and RFP and selected Place Works. They have created drafts of both documents. The ADU Ordinance draft will be presented to the BOSHPC at the September 10, 2020 meeting.

**LEAP (Local Early Action Planning Grant)** – The Board of Supervisors approved submittal of a \$150,000 LEAP Grant to the State Department of Housing and Community Development (HCD) at their June 16, 2020 meeting. Funds are to be used to update planning documents and processes to accelerate housing production and facilitate compliance in implementing Regional Housing Needs Assessment (RHNA) goals. The County applied for funds to update the RHNA database of vacant sites suitable for residential development, fund predevelopment studies, rezones, etc. for multifamily affordable housing development, conduct an affordable housing public information campaign, and make other local planning modifications that streamline housing development and increase housing production.

**Status:** HCD has informed staff that the County's application has been accepted and is in the process of final approval.

**REAP (Regional Early Action Planning Grant)** – The County is eligible to apply for \$200,970 to prepare planning documents and predevelopment studies that accelerate housing production in the region (entire County including the City of Sonora).

**Status:** The REAP Grant application will go before the Board of Supervisors at their September 1, 2020 meeting.

**Housing Legislation** – The Committee reviews legislation that may affect housing development and the County's affordable housing policies and programs and makes recommendations to the Board of Supervisors.

**Status:** No bills to review.

### **Ongoing Program Items**

**Mobilehome Rent Control** – The County adopts an annual report which sets the annual mobilehome rent control fee for the County.

**Status:** The Board of Supervisors approved a \$20 annual fee at their May 5, 2020 meeting.

**Grant Proposals** – The Committee reviews grant applications, as needed, that will help fund the County's affordable housing programs and makes recommendations to the Board of Supervisors.

**Status:** The Board of Supervisors approved a \$1,000,000 HOME Grant application to HCD for the County's first-time homebuyer and tenant-based rental assistance programs at their January 7, 2020 meeting. Awards have not yet been announced. At the February 4, 2020 meeting the Board approved a \$550,000 CalHome Grant application for the first-time homebuyer program. The County did not receive a CalHome award.



# COMMUNITY DEVELOPMENT DEPARTMENT

Quincy Yaley, AICP  
Director

Land Use and Natural Resources – Housing and Community Programs – Environmental Health – Building and Safety – Code Compliance

August 21, 2020

48 Yaney Avenue, Sonora  
Mailing: 2 S. Green Street  
Sonora, CA 95370  
(209) 533-5633  
(209) 533-5616 (Fax)  
(209) 533-5909 (Fax – EHD)  
www.tuolumnecounty.ca.gov

TO: Honorable Board of Supervisors

FROM: Quincy Yaley, Community Development Director  
Sheila Shanahan, Community and Housing Programs Manager

RE: Consideration of an agreement between the County of Tuolumne and Visionary Home Builders, Inc. to utilize the \$500,000 No Place Like Home Grant Allocation and other predevelopment grant funds for an affordable rental project on a site owned by Adventist Health, including Board Chair signature authority.

## BACKGROUND INFORMATION

1. At the June 14, 2017 BOS meeting, your Board voted to apply for a \$75,000 No Place Like Home (NPLH) Technical Assistance (TA) Grant to be used to develop a County Plan to Combat Homelessness and prepare documents needed to apply for future NPLH funding for permanent supportive housing.
2. The County's Behavioral Health Department and the Community Resources Agency (now Community Development Department) worked together to apply for and implement the NPLH TA Grant in conjunction with community partners and affordable housing developers.
3. Both departments worked to develop a County Plan to Combat Homelessness which was adopted by your Board on July 16, 2019. The plan can be found on the County's website at <https://www.tuolumnecounty.ca.gov/DocumentCenter/View/12937/Draft-County-Plan-to-Combat-Homelessness>. The highest ranked need identified in the plan was the need for more affordable housing for all populations including vulnerable populations.
4. At the same meeting, your Board voted to submit a NPLH \$500,000 Noncompetitive Grant to develop permanent supportive housing. The noncompetitive grant could be used for a small, shared housing model such as the County's existing permanent supportive housing project on Washington Street. Or it could be used as leverage for a larger, competitive grant for a rental housing project where a portion of the units are reserved for NPLH clients, and the remainder are affordable units available to lower-income households. A larger project, due to its complexity, would be undertaken by an experienced affordable housing developer who would then own and manage the project.
5. The Board of Supervisors Housing Policy Committee has provided oversight of the NPLH grants and has worked with CDD staff to identify strategies to increase the affordable housing stock in the County. The committee and staff concluded that the most advantageous approach was to add more affordable housing where a portion of the units were made available to vulnerable populations. This strategy would allow for affordable housing developers to build a larger affordable development that would serve households in need of an affordable place to live including families, seniors and Veterans. Vulnerable populations, rather than being isolated in a small complex, would be incorporated into the larger community. Funding such as NPLH funding could be leveraged to secure additional sources of affordable housing financing so that more units could be built to meet the acute need for more affordable housing.

6. Based on this strategy, CDD staff began looking for appropriate sites and experienced affordable housing developers to bring forward affordable rental projects where a small portion of the units are reserved for permanent supportive housing.
7. On December 4, 2018 your Board approved the use of \$302,411.97 from the Central Sierra Continuum of Care (COC) Homeless Emergency Aid Program (HEAP) for purchase of Hospital Road Apartments, an existing 10 unit apartment complex which is located at 241 Hospital Road and is a block away from the County Behavioral Health Enrichment Center. The Stanislaus Housing Authority purchased the project, renovated it and now owns and manages it. Three of the units are reserved for permanent supportive housing and the rest are made available to local nonprofit agencies such as the Amador Tuolumne Community Action Agency, Sierra HOPE, and the Center for a Nonviolent Community to master lease for their clients who are searching for affordable housing.
8. CDD staff also located excess Caltrans property that would be suitable for affordable housing and encouraged the Stanislaus Housing Authority, which is the housing authority for Tuolumne County, to consider purchasing a Caltrans property for a future affordable project. The housing authority purchased a 3.3-acre Caltrans property on Peaceful Valley Road and is working to put together a plan for the property. This project is envisioned as a small affordable development.
9. CDD staff identified a potential site in Jamestown suitable for affordable rental housing. Visionary Home Builders, a nonprofit affordable housing developer located in Stockton, expressed interest in building an approximately 65-unit affordable housing rental project on the Jamestown parcel. The landowner and Visionary signed a Memorandum of Understanding with the terms of purchase. At the point that Visionary Home Builders was able to move forward with the purchase, the seller decided not to sell to Visionary because they were in negotiation with another buyer. Visionary and County staff anticipated that the project could utilize NPLH funding to dedicate a portion of the units as permanent supportive housing.
10. It is imperative that the County move forward with a project utilizing the County's NPLH \$500,000 Noncompetitive Grant, because the County has until March 15, 2021 to submit a project proposal for the use of the Noncompetitive NPLH Allocation. Funds will be disencumbered if funds are not used by the grant deadline.
11. When the site in Jamestown fell through, CDD staff began searching for other affordable housing sites that are close to services, utilities and infrastructure. Affordable housing financing programs that are used to develop these types of projects are very competitive and have requirements concerning the types of amenities and services that must be available close to the site. It is difficult to find suitable vacant sites that are available and meet these requirements.

### **PROPOSED PROJECT**

12. County staff met with Michelle Fuentes, President of Adventist Health Sonora, about the possibility of utilizing land owned by their organization for an affordable rental project. The hospital, as a community partner, wishes to assist in providing more affordable housing in the community and agreed to sell a parcel that is ideally located near services and infrastructure to an experienced affordable housing developer.
13. The County issued a Request for Proposals on April 29, 2020 with a May 29, 2020 deadline for submission. The RFP was sent to affordable housing developers to request proposals to develop a family rental project with a permanent supportive component on the Adventist Health site utilizing the County's NPLH Noncompetitive Allocation. Three applications were received. A six-member review committee, comprised of staff from County Community Development, Behavioral Health, and the Human Services Agency as well as a nonprofit affordable housing developer from Mercy Housing, rated and ranked the applications. They ranked as number one the proposal from Visionary Home Builders who will partner with the Stanislaus Housing Authority. A copy of their proposal is attached as Exhibit A.
14. The project site is a 6.7± acre parcel located at 20080 Cedar Road North, between Greenley Road and

Cedar Road North and along Cabezut Road, in the community of Sonora and unincorporated area of Tuolumne County. Site maps showing APN, zoning and General Plan Designation and distance to area amenities are attached as Exhibit B.

15. Visionary Home Builders would purchase the site directly from Adventist Health. They would secure all the financing for the project, seek necessary project approvals, build and own it. The County would not be involved in the ownership or assume any liability for the project.
16. The proposed contract between the County and Visionary Home Builders would establish that the County intends to direct the \$500,000 NPLH Noncompetitive Grant to the project. Prior to Visionary submitting a competitive NPLH application that would leverage the County's NPLH Noncompetitive Grant, staff would return with a resolution for your consideration to direct the Noncompetitive NPLH based on the NPLH Grant application prepared by Visionary Home Builders. Contract is attached as Exhibit C.
17. If your Board approves the contract, Visionary Home Builders, in partnership with the Stanislaus Housing Authority, would begin predevelopment work and put together applications for affordable housing financing including NPLH competitive grant funds. The contract is intended to establish a relationship between Visionary Home Builders and the County concerning County NPLH Grant funds so that they can begin their predevelopment studies, project plans and financing applications. Your Board would not be approving the project as part of today's action.
18. The contract would also direct predevelopment funding to the project utilizing state grant funds earmarked for predevelopment activities for affordable housing development. The County has applied for two planning grants (SB 2 Grant (received) and a Local Early Action Planning (LEAP) Grant (funding in process). The County will also apply for a noncompetitive Regional Early Action Planning (REAP) Grant. All three grants are from the State Department of Housing and Community Development and are designed to assist jurisdictions in accelerating housing production, facilitating compliance with recent housing element law, and meeting Regional Housing Needs (RHNA) goals.
19. The County has a state mandate to prepare and have certified by the State a Housing Element, which is a component of the County's General Plan. The Housing Element identifies Regional Housing Needs Assessment (RHNA) goals for the unincorporated County and provides implementation strategies to meet those goals. The County has a RHNA Goal to encourage the development of 218 affordable units for lower-income households over the next five years. The project proposed by Visionary would provide approximately 80 of those units. The RHNA goals for the unincorporated area of the County of Tuolumne are as follows:

<b>REGIONAL HOUSING NEEDS - UNINCOPORATED AREA OF TUOLUMNE COUNTY DECEMBER 31, 2018 –THROUGH AUGUST 31, 2024</b>			
Income Group	Number	Percent	Avg. Annual Increase (over 5.67 yr period)
Extremely Low	62	12%	11
Very Low	63	12%	11
Low	93	18%	16.4
Moderate	87	17%	15.4
Above Moderate	220	42%	38.8
<b>TOTAL</b>	<b>525</b>	<b>100%</b>	<b>92.6</b>

20. The three planning grants from the state (SB 2, LEAP and REAP) provide funds to local jurisdictions so that localities can meet their affordable housing needs. Each grant can be used in part to prepare sites for affordable housing development including rezoning, General Plan Amendments, environmental and infrastructure studies and other predevelopment activities that prepare sites for affordable housing development. A portion of grants can be used to cover the cost of predevelopment activities for the proposed project with Visionary Home Builders.

21. Your Board approved a \$160,000 SB 2 planning grant application at your August 20, 2019 meeting. The bulk of the funds are being used to update Title 17 of the County Zoning Code as it relates to residential development and to create an Accessory Dwelling Unit Ordinance that complies with recent state legislation. The grant carved out \$5,000 to rezone vacant sites for affordable housing development and \$5,000 to work with affordable housing developers to assist with the development of affordable housing. Staff proposes setting aside \$5,000 of this grant to pay for County staff and consultant costs to rezone the Adventist Health site.
22. The \$150,000 LEAP grant application was approved by your Board on June 16, 2020. There is \$110,000 set aside for rezoning and predevelopment studies for at least two sites designated for affordable housing. Staff proposes to allocate \$55,000 towards predevelopment studies and activities related to the Adventist Health site.
23. The \$200,970 REAP Grant will go before your Board in the near future and will also carve out funding for rezoning, General Plan Amendments and other predevelopment activities to prepare high amenity sites for affordable housing development.
24. The County received \$11,999 as a payment on a HOME Program Residual Receipts Loan to Tuolumne Apartments. Funds are designated as grant program income and can only be used to assist other projects or programs that provide housing affordable to lower-income households. Staff proposes to utilize these funds for this project to help pay for predevelopment activities.
25. There is \$28,488.92 remaining in the \$75,000 NPLH TA Grant that was used to prepare the County Plan to Combat Homelessness. These funds have been reserved to complete predevelopment activities related to the supportive housing component of this project. It is anticipated that the funds will be used to plan for supportive services for the project, including a supportive services plan which is required for any project funded in part with NPLH funds.
26. These state grant funds would cover County staff and consultant costs for rezoning, General Plan Amendments, environmental and site studies, and other predevelopment costs needed to plan for site development and apply for affordable housing funding. No County General Funds would be spent on the project.
27. The County would retain use of any studies paid for with state grant funds if Visionary did not proceed with the project.
28. The Environmental Coordinator for the County of Tuolumne has determined that the proposed agreement is exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to Section 15378(b)(5) of the State CEQA Guidelines. Entering into a contract to allocate grant money is not a project within the meaning of Public Resources Code Section 21065 and State CEQA Guidelines section 15378. Entering into a contract would not lead to a direct or a reasonably foreseeable indirect change in the physical environment. Thus, the action on this project by the Board of Supervisors is not a project under Public Resources Code Section 21065 and State CEQA Guidelines 15378(b)(5).

### **NEXT STEPS**

29. If the contract is approved, Visionary Home Builders and the Stanislaus Housing Authority would begin applying for affordable housing funding and completing predevelopment activities. Visionary would hire consultants, as needed, for predevelopment studies. County CDD staff would begin working with Visionary to process a rezoning application and General Plan Amendment.
30. Predevelopment activities and studies may include an environmental assessment, engineering, appraisal, sustainability/energy consultants (to apply for Affordable Housing and Sustainable Communities (AHSC) Program funds) and other studies and activities necessary to develop plans and

obtain project financing and approvals. The estimated cost of these studies is \$220,000. Total predevelopment costs are estimated by Visionary to be \$621,763. State grant funds provided by the County will only cover a portion of predevelopment costs. The remainder will be paid by Visionary and the Stanislaus Housing Authority.

31. Visionary and the Stanislaus Housing Authority would begin working with County Behavioral Health on a Supportive Services Plan for the supportive housing units. The County previously committed to provide supportive services to NPLH clients for 20 years when your Board approved the County's NPLH Noncompetitive Grant application. The County agreed to make mental health supportive services available to a project's NPLH tenants for at least 20 years and coordinate the provision of or referral to other services (including, but not limited to, substance use services) in accordance with the County's relevant supportive services plan, in accordance with Welfare and Institutions Code section 5849.9 (a). County Behavioral Health currently provides supportive services and case management for their clients. This project would provide them with additional affordable housing for their clients.
32. Visionary would go through the County's regular development and approval process and can utilize the County's Inclusionary Housing Ordinance which provides development concessions for the construction of affordable housing units.
33. Your Board has provided direction to staff to pursue grants for affordable housing development. Your Board has also established a 2019 priority to address the needs of vulnerable populations. Additionally, the County has an obligation to implement the goals identified in the County Housing Element and work to meet its RHNA goals for affordable housing development. CDD staff, in conjunction with the Board of Supervisors Housing Policy Committee, have been working to carry out these directives. This project will help the County meet these affordable housing goals.

### **RECOMMENDATION**

It is recommended that your Board approve the contract between Visionary Home Builders, Inc. and the County, and authorize the Board Chair to sign.



# VISIONARY HOME BUILDERS | STANISLAUS HOUSING AUTHORITY

AFFORDABLE RENTAL HOUSING RFP  
COUNTY OF TUOLUMNE CDD HOUSING DIVISION  
2 SOUTH GREEN STREET  
Sonora, CA 95370

AFFORDABLE FAMILY RENTAL PROJECT WITH  
PERMANENT SUPPORTIVE HOUSING COMPONENT  
MAY 29, 2020



Prepared for:

**SHEILA SHANAHAN**

Community & Housing Program Manager

Prepared by:

**Visionary Home Builders  
of California, Inc.**

Carol J. Ornelas  
CEO  
209.466.6811  
[cjornelas@visionaryhomebuilders.org](mailto:cjornelas@visionaryhomebuilders.org)

**Stanislaus Regional  
Housing Authority**

Jim Kruse  
Deputy Director  
209.557.2002  
[JKruse@stancoha.org](mailto:JKruse@stancoha.org)



20 MAY 29 PM 2:41



**Visionary  
Home  
Builders**

of CALIFORNIA

*Building Homes, Strengthening Communities*

May 28th, 2020

Sheila Shanahan, Community and Housing Program Manager  
County of Tuolumne  
2 South Green Street  
Sonora, CA 95370

Dear Ms. Shanahan,

Visionary Home Builders of California, Inc. is pleased to announce a partnership with the Stanislaus Regional Housing Authority in response to the County of Tuolumne's Request for Proposals for an Affordable Housing Rental Project with a Permanent Supportive Housing Component issued April 28, 2020. In addition to our partnership with STANCOHA, we have also begun discussions with HSA Behavioral Health regarding on-site case management services. We would like to identify if the County has any need regarding space availability. If so, we think this project would be a great opportunity to design the community space to incorporate those needs, creating a benefit to both the residents and our community service providers.

VHB has been an affordable housing developer in Central Valley since 1983 and has built and rehabilitated more than 1,400 units of rental housing and 900 residential homes. We have two projects currently in construction and another scheduled to break ground in the fourth quarter of 2020; totaling over 200 additional affordable housing units to Stockton and Oakdale in current project alone. Together, with Stanislaus Regional Housing Authority, the community of Tuolumne will benefit from the wealth of collaborated knowledge and experience of the two leading non-profit developers that own, manage and develop multi-family housing communities serving various special needs populations through an array of affordable programs.

We have compiled information reflecting our organizational experience, capacity and general conceptual plans for the future rental project. While, we have included preliminary concepts based on recommendations from our architect and engineers, it is very important to note that Visionary plans on actively seeking community involvement in determining the highest and best use of the site, its services, and any off-site improvements needed to ensure successful community integration.

As the CEO of VHB, I will be the designated authority to negotiate and execute a Memorandum of Understanding with the County if selected.

We are acutely aware of the severe lack of affordable housing across California and the importance to expand housing opportunities. We are proud to be a strong advocate for healthy, vibrant, and safe communities through the development of affordable housing and educational opportunities for families, seniors, and individuals of low and moderate income. It is our passion.

Thank you for this opportunity to present our proposal.

Sincerely,

A handwritten signature in black ink, appearing to read 'Carol J. Ornelas', is written over a horizontal line. The signature is fluid and cursive.

Carol J. Ornelas, CEO

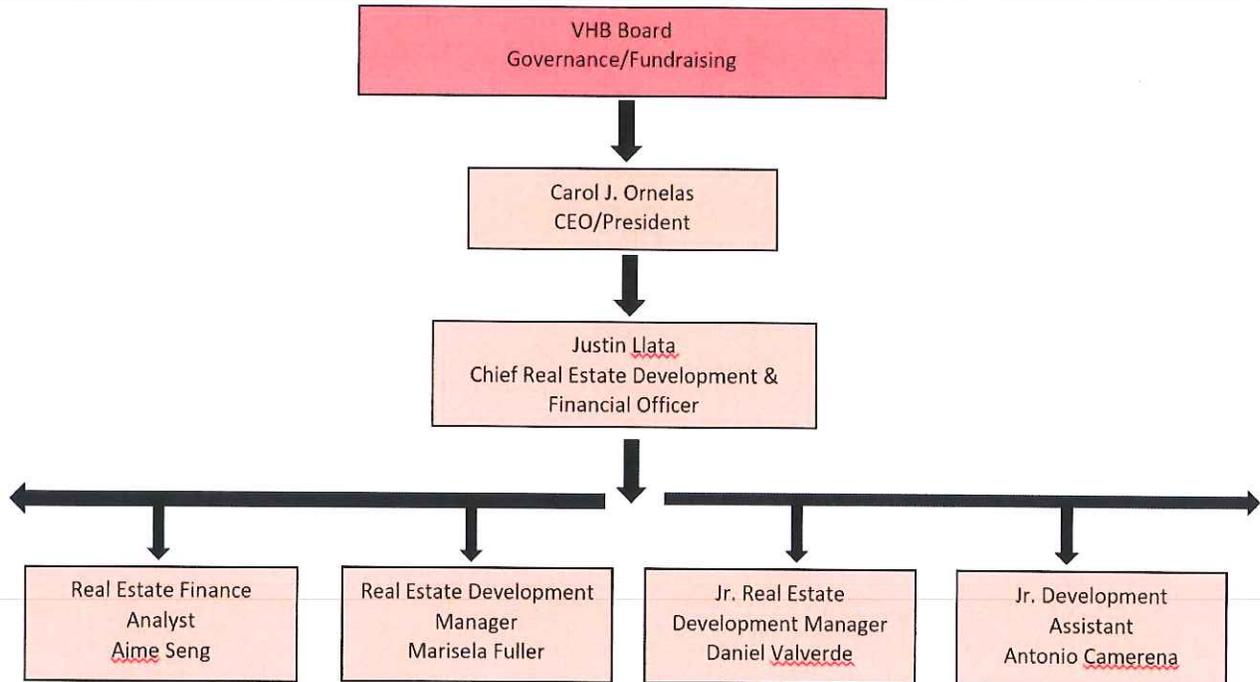
## Table of Contents

ORGANIZATIONAL CHART- VISIONARY HOME BUILDERS .....	4
KEY STAFF AND RESUME BIO (VHB).....	5
SUMMARY OF ORGANIZATION'S EXPERIENCE AND PORTFOLIO (VHB) .....	7
ORGANIZATION CHART- STANISLAUS REGIONAL HOUSING AUTHORITY .....	11
KEY STAFF AND RESUME BIO (STANCOHA).....	12
SUMMARY OF ORGANIZATION'S EXPERIENCE AND PORTFOLIO (STANCOHA).....	13
GENERAL DEVELOPMENT CONCEPT.....	17
PRELIMINARY PROJECT TIMELINE.....	19
DESCRIPTION OF SIMLAR PROJECTS OVER PAST 5 YEARS .....	20
THREE EXAMPLES OF SUCCESSFUL AFFORDABLE HOUSING.....	22
FINANCIAL CAPACITY .....	27
REFERENCES .....	28
SERVICE COMMITMENT (BONUS POINTS).....	32
EXHIBITS .....	34



Visionary  
Home  
Builders  
of CALIFORNIA

Visionary Home Builders of California, Inc.  
Organization Chart  
Key Team Members





### **CAROL J. ORNELAS, CEO**

Carol J. Ornelas is a visionary and advocate for providing quality "affordable housing" for families within the Central Valley – Fresno, San Joaquin, Sacramento, and Stanislaus. For the past 30 years, she has been the Chief Executive Officer for Visionary Home Builders of California, Inc. (VHB), a non-profit residential development company headquartered in Stockton, California. Carol Ornelas serves with distinction as the first female developer in the Central Valley and is highly recognized as a national leader in the non-profit housing development community. Her strength is in building and creating partnerships within the communities she serves and collaborating with City, State, and National officials to provide quality "affordable housing." Under Carol's direct leadership, VHB has built and rehabilitated more than 1,400 units of rental housing and more than 900 residential homes for first time homebuyers in the Central Valley of California. She has been able to bring over \$700 million dollars in grants and private dollars to develop affordable housing in the San Joaquin Valley.



### **JUSTIN LLATA, Chief Financial Officer**

Justin Llata has more than fifteen years in real estate development and ten years in executive management and leadership at VHB. He is committed to community development and has been an advocate for positive affordable housing policy and policy changes throughout his career. With involvement in all aspects of the business and operations at VHB, his responsibilities include development, construction, finance, property management, and asset management.

Most recently, he was highly involved in building out the agency's pipeline of major development projects, which includes the oversight of \$350 million in past projects utilizing private and public funding to include tax credits, HUD, USDA, State and local sources. Over the course of his tenure with the organization, his leadership of acquisitions, rehabilitations, as well as the new construction of multi-family housing, has played a pivotal role in the growth and success of VHB, guiding it into a premier, nonprofit housing developer.



### **MARISELA FULLER, Real Estate Development Manager**

Marisela Fuller joined Visionary Home Builders in 2019. After a successful year managing Visionary's portfolio as an Asset Manager, she was promoted to Development Manager. Marisela has over 10 years of experience in multi-family affordable, market rate and public housing sectors. She was the first in her role with Housing Authority of Sacramento, (SHRA) to be assigned a portfolio of over 450 units, managing the joint agency's public housing stock while facilitating federal, state and local requirements following an awarded 330 million dollar, Choice Neighborhood Planning and Implementation Grant. She has managed sites throughout the Bay Area and Northern California for ConAm Management and USA Properties Fund. Marisela is a Certified Asset Management Specialist and has held her real estate license with CalBRE since 2013. She brings comprehensively knowledge of affordable housing programs and regulations.



### **DANIEL VALVERDE, Junior Real Estate Developer**

Daniel joins our development team with experience in grassroots' organizing for affordable housing in San Mateo County. Daniel worked with the Housing Leadership Council of San Mateo County, a nonprofit organization, who's missions is to work with their community leaders and residents to create and preserve quality affordable homes. Daniel represented HLC at many City Council meetings and advocating for policies and projects that will help build affordable housing.

Daniel also volunteered to participate in the City of San Mateo Ballot Campaign, Measure Q in 2016, which would have brought rent stabilization. Daniel is strongly committed to affordable housing to make sure families and individuals have a home and are able to stay in their communities.



### **ANTONIO J. CAMERENA, Junior Development Assistant**

Antonio J. Camerena joined Visionary Home Builders in June of 2019 as a California Coalition for Rural Housing Development Intern. He is a recent graduate from CSU Stanislaus, earning his Bachelors in Business Administration, with a concentration in Finance. As a development intern, Antonio has been exposed to the following: Financial Pro Forma Competency, Development Financing Competency, Understanding Design Process and Project Approval Process, Loan/ Fund Closing, and Leadership Skill Building.



### **AMIE SENG, Real Estate Development Financial Analyst**

Amie recently joined the development team this year as a Real Estate Financial Analyst and had previously assisted in Visionary Home Builder's accounting department. As a Stockton native and a previous first-generation college student, Amie has developed a strong interest affordable housing and serving her community. She graduated with a master's degree in Accounting from University of the Pacific and is currently studying for her last section of the CPA exam. Amie has a background in auditing, financial analysis, and property accounting. She has provided volunteer tax services to families and financial literacy presentations to freshman college students. Amie hopes to continue using her skills and experience to bring value to others.



# Visionary Home Builders

---

of CALIFORNIA

## **Developer/ Managing General Partner**

Since 1983, Visionary Home Builders of California, Inc. (VHB) is one of the Central Valley's leading non-profit affordable housing developers. VHB is headquartered in Stockton, CA and has served several communities ranging from Sacramento to Fresno. In 1983, VHB was created when a group of farmworkers came together to improve living conditions for themselves and other low-income families. Since its founding, VHB's mission is to create and advocate for healthy, vibrant, safe communities through the development of affordable housing and educational opportunities to families, seniors and individuals of low and moderate income.

VHB's first project was the construction of a nine-unit self-help housing, completed in 1985. Sixteen additional self-help homes were built in partnership with the City of Stockton in 1987. VHB has since completed eighty-seven more self-help homes and over six hundred single-family homes in in-fill areas across the Central Valley. In addition to building self-help and single-family homes, VHB has developed over twenty-six multi-family communities, providing over 1,400 units in the past 30 years.

For the proposed project, VHB will be responsible for the development, construction, ownership, management, and operation of the project, including but not limited to planning, designing, entitlement, permit fees, utility charges, operation and management expenses. VHB adheres to the developer's role in the RFP and will accept responsibility for all aspects of the project, if selected.

## **Visionary Property Management Group**

Visionary Property Management Group (VPMG) will be the property management company after completion of construction. VPMG is a division of Visionary Home Builders of California, Inc. In 2015, VHB created VPMG to carry out its goal of maintaining the integrity of structure, compliance and to continue strengthening the community. Visionary Property Management Group currently oversees a portfolio of twenty six properties. Nineteen of those properties are tax credit communities. A total of five sites are HUD affiliated developments, while three other locations are participating in USDA Rural Development Programs. The remaining sites are layered with HOME, Local City and County programs, various HCD sources, Bonds, MHP, and NSP funds, among others.



**Visionary**  
**Property Management Group**

a division of Visionary Home Builders CalBRE# 01884056

*Building Homes, Strengthening Communities*

**Visionary Home Builders of California, Inc.**

**dba**

**Visionary Property Management Group**

With a commitment to maintaining the integrity of structure and to continue strengthening the community, each property is overseen by Visionary Home Builders. In 2015, Visionary Property Management Group was formed to carry out that goal. Our onsite property managers work with residents and conduct resident meetings, which ultimately results in providing a sense of community. Residents not only have the benefit of well-maintained surroundings, they enjoy such amenities as Head Start programs, community centers, basketball courts, computer labs and playgrounds. Our new green communities are planned using Build it Green standards, with emphasis on energy efficient appliances, sustainable materials and environmentally approved products as well as solar energy. These communities clearly defy the myth that low-income housing cannot be beautifully designed and meticulously maintained.

Visionary Property Management Group currently oversees a portfolio of twenty-six sites. Of those, nineteen are Tax Credit Communities. There are a total of five HUD affiliated developments and three locations participating in USDA Rural Development Programs. The remaining sites are layered with programs such as HOME, City, HCD, BOND, MHP, and NSP layers.

Management Services Offered:

- Rent Collection
- Monthly Financial Reporting
- Develop and maintain property operating and reserve budgets
- Compliance with applicable housing funding restrictions
- Customer care, including handling tenant concerns & emergency response
- Leasing
- Evictions
- Property maintenance
- Marketing



**Visionary  
Home  
Builders**  
of CALIFORNIA

### Homeownership & Rental Center

Visionary Homeownership and Rental Center conducts a variety of classes and one-on-one counseling courses to help you weave through the maze of affordable housing. These courses, taught in both English and Spanish include: Buying a Home; Foreclosure; Homebuyer Education; and Rental Counseling/Assistance. As you work with a housing coach, you will gain confidence in pursuing your dreams of homeownership. The education you receive will assist you in making wise, financial decisions. We are here to help you.

### Real Estate Department

The helpful staff at Visionary Real Estate assists individuals and families as they realize their dreams of owning a home. Focusing on homeownership, our non-profit real estate company offers competitive, effective and compassionate real estate services in communities throughout California. Simply put, our goal is to increase homeownership and owner occupancy by assisting individuals and families through the sale and purchase of homes.

### Property Management Group

Visionary Property Management oversees the daily operations of the portfolio of affordable housing communities developed by Visionary Home Builders. It is our mission to provide sustainable, healthy, vibrant communities. Currently, we are providing housing in 5 counties in California with a focus on providing individuals, families, farm worker communities, and seniors with quality, affordable housing. This housing provides the very foundation for personal growth. By providing a healthy, stable environment and promoting thriving communities, our residents are assisted through programming to continue to thrive. We provide the stepping stones and the vision to a better future.

*Visionary- Laying the foundation and vision to reach for a better future*



**Address**  
Visionary Home Builders  
of California  
315 N. San Joaquin Street  
Stockton CA 95202

**Phone Number**  
(209) 466-6811

**Fax Number**  
(209) 466-3465



visionaryhomebuilders.org



**Visionary  
Home  
Builders**  
of CALIFORNIA

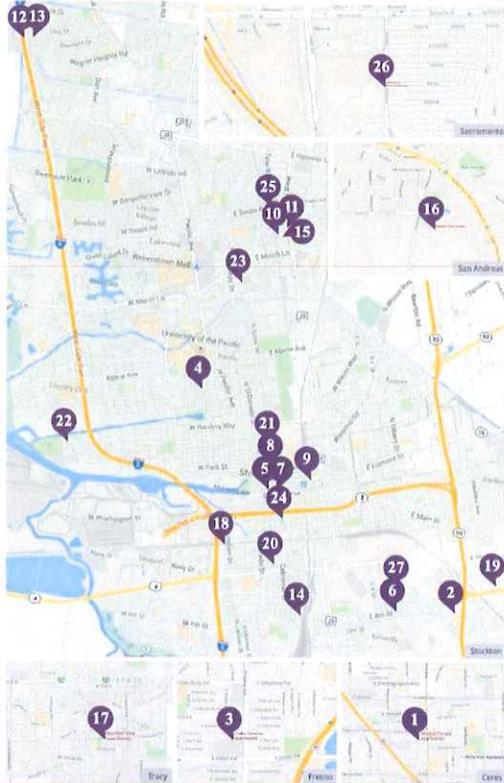


**BUILDING HOMES**  
STRENGTHENING COMMUNITIES

www.visionaryhomebuilders.org | BRE# 01884056 | phone (209) 466-6811



## Visionary Home Builders | Property Map



1. **Almond Terrace Apartments**  
2, 3, 4, Bedrooms  
2304 Evans Rd.  
Ceres, CA 95307  
(209) 537-5959 - (Multi Family Housing)
2. **Casa De Esperanza**  
Studio, 2, 3, 4, Bedrooms  
2260 N. Nehrlert Ave.  
Stockton, CA 95205  
(209) 469-2333 - (Farm Worker Housing)
3. **Cedar Gardens**  
1, 2, 3, Bedrooms  
4327 N. Cedar Ave.  
Fresno, CA 93707  
(559) 229-7094 - (Multi Family Housing)
4. **Chateau de Lyon**  
1, 2, 3, Bedrooms  
1020 Rosemarle Lane  
Stockton, CA 95207  
(209) 888-4382 - (Multi Family Housing)
5. **Church Street Triplex**  
2 Bedrooms  
Malbec Court  
Stockton, CA 95203  
(709) 463-7900 - (Multi Family Housing)
6. **Community of All Nations**  
1, 2, 3, Bedrooms  
2172 Dockery Court  
Stockton, CA 95206  
(209) 466-0304 - (Multi Family Housing)
7. **Delta Hotel Apartments**  
Studio, 1 Bedroom  
241 N San Joaquin Street  
Stockton, CA 95202  
(209) 466-6811 - (Single Room Occupancy)
8. **Delta Plaza Apartments**  
Studio, 1 Bedroom  
702 N. San Joaquin St.  
Stockton, CA 95202  
(209) 464-9212 - (Senior Housing)
9. **Dewey Apartments**  
1, 2, Bedrooms  
507 H. Pilgrim  
Stockton, CA 95205  
(209) 466-6811 - (Multi Family Housing)
10. **Diamond Cove Townhomes I**  
2, 3, 4, Bedrooms  
3343 & 5358 Carrington Cir.  
Stockton, CA 95210  
(209) 475-9037 - (Multi Family Housing)
11. **Diamond Cove Townhomes II**  
2, 3, 4, Bedrooms  
5506 Tam O'Shanter Dr  
Stockton, CA 95210  
(209) 474-9150 - (Multi Family Housing)
12. **Emerald Pointe Townhomes I**  
Duplex 2, 3, Bed | Triplex 2, 3, Bed  
9537 Kelley Dr.  
Stockton, CA 95209  
(209) 952-3182 - (Multi Family Housing)
13. **Emerald Pointe Townhomes II**  
2, 3, Bedrooms  
9537 Kelley Dr.  
Stockton, CA 95209  
(209) 952-3182 - (Multi Family Housing)
14. **Grant Village Townhomes**  
2, 3, 4, Bedrooms  
2040 Sah Temple Street  
Stockton, CA 95206  
(209) 462-5583 - (Multi Family Housing)
15. **Marquis Place**  
2, 3, Bedrooms  
5315 Carrington Cir.  
Stockton, CA 95210  
(209) 474-9150 - (Multi Family Housing)
16. **Meadow View Terrace**  
1, 2, Bedrooms  
342 E. Saint Charles Street  
San Andreas, CA 95249  
(209) 498-2242 - (Multi Family Housing)
17. **Mountain View Townhomes**  
2, 3, 4, Bedrooms  
377 W. Mt. Diablo Ave.  
Tracy, CA 95376  
(209) 832-2749 - (Multi Family Housing)
18. **Santa Fe Townhomes**  
2, 3, 4, Bedrooms  
639 W. Worth St.  
Stockton, CA 95206  
(209) 463-1355 - (Multi Family Housing)
19. **Valle Del Sol**  
2, 3, 4, Bedrooms  
4791 Farmingood Rd.  
Stockton, CA 95215  
(209) 944-5699 - (Farm Worker Housing)
20. **Villa de San Joaquin**  
2, 3, 4, Bedrooms  
324 E. Jackson St.  
Stockton, CA 95206  
(209) 941-9349 - (Farm Worker Housing)
21. **Villa Isabella**  
1 Bedrooms  
1129 N. Sutter Street  
Stockton, CA 95202  
(209) 466-6811 - (Multi Family Housing)
22. **Villa Montecito**  
2, 3, 4, Bedrooms  
1339 Kingsley Ave.  
Stockton, CA 95203  
(209) 547-9088 - (Multi Family Housing)
23. **Villa Monterey**  
1, 2, Bedrooms  
4707 Kentfield Rd.  
Stockton, CA 95206  
(209) 888-5165 - (Multi Family Housing)
24. **Vintage Plaza**  
3 Bedrooms  
352 Malbec Ct.  
Stockton, CA 95203  
(209) 463-7900 - (Multi Family Housing)
25. **Westgate Townhomes**  
2, 3, 4, Bedrooms  
6119 Denny Dr.  
Stockton, CA 95210  
(209) 474-7471 - (Multi Family Housing)
26. **Whispering Pines Apartments**  
1, 2, 3, Bedrooms  
7610 Amherst St.  
Sacramento, CA 95832  
(916) 391-7439 - (Multi Family Housing)
27. **Wysteria Townhomes**  
2, 3, 4, Bedrooms  
1921 Park Ln.  
Stockton, CA 95205  
(209) 451-3257 - (Multi Family Housing)

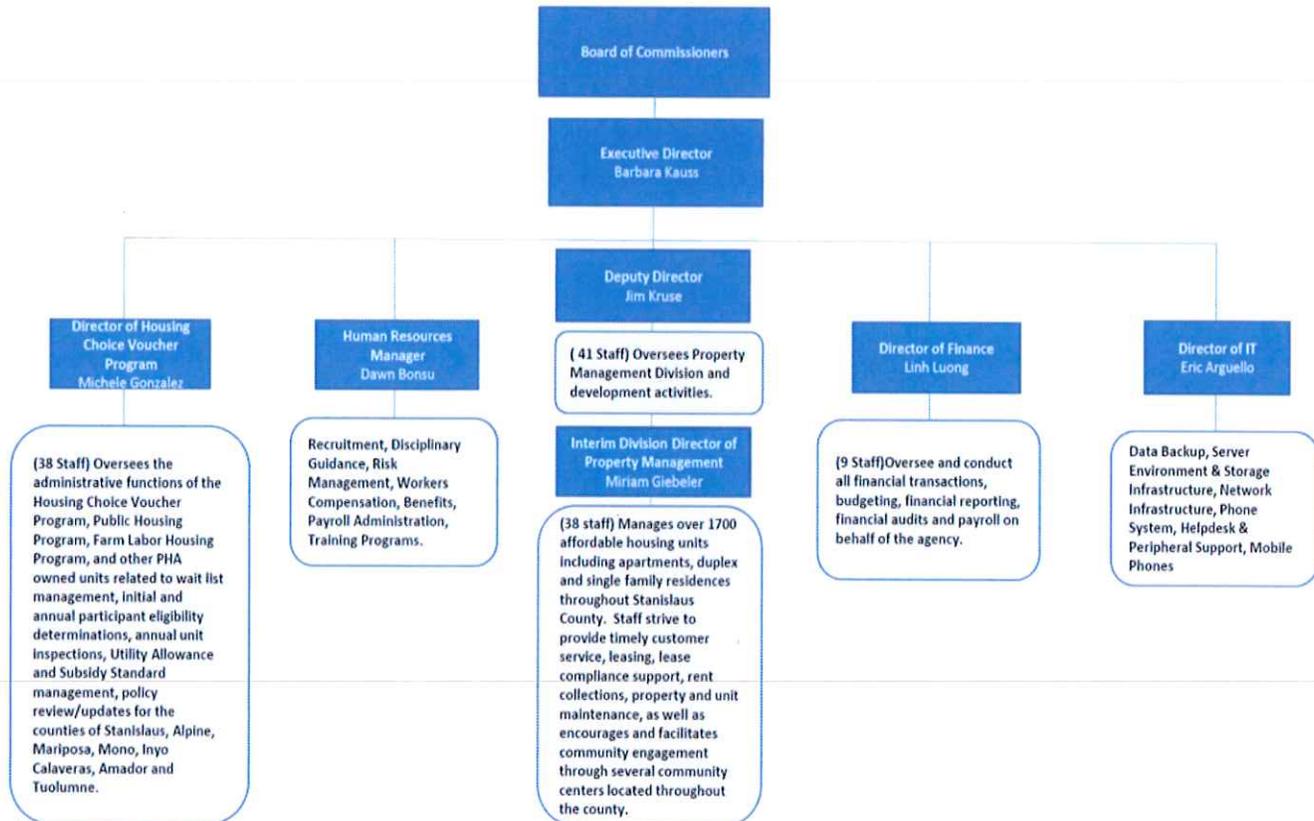


Visionary  
Home  
Builders  
of CALIFORNIA



# Stanislaus Regional Housing Authority

ALPINE | AMADOR | CALAVERAS | INYO | MARIPOSA  
MONO | STANISLAUS | TUOLUMNE COUNTIES





Stanislaus Regional Housing Authority  
ALPINE | AMADOR | CALAVERAS | FRESNO | MARIPOSA  
MERCED | STANISLAUS | TROYERMAN COUNTRIES

## Development Personnel

Housing Authority of the County of Stanislaus

### Development Team

#### **Barbara Kauss** – HACS Executive Director

- 30+ years of directly related affordable housing experience,
- Provides direction to the largest affordable housing provider in Modesto, comprising 6,194 units made up of public housing units, along with Housing Choice Vouchers (HCV) in partnership with local landlords,
- Budget oversight of programs comprising approximately \$52 Million dollars per annum;

#### **Jim Kruse** – Deputy Director

- 15 years of experience in the operation and management of Public Housing Authorities and oversight of 6,194 units comprised of Public Housing, Migrant Housing, USDA farm labor Housing, Tax Credit Properties and multiple affordable housing modernization activities.
- Oversees Property Management and Development Divisions
- Experience with HOME, CHDO, CDBG, USDA, OMS, NPLH, MHSA and other grant programs.
- Annual budget of approximately \$6.6Million;

#### **Michele Gonzales** – Section 8 Director Housing Choice Voucher Programs

- 30+ years' experience managing HUD's affordable housing programs, including Housing Choice Voucher within 8 counties with a total of approximately 4,700 vouchers, Conventional, and CPD funded Federal programs.
- Annual Budget of approximately \$32Million

#### **Linh Luong** – Director of Finance

- 25+ years of experience managing the Real Estate Assessment Center, budgets and financial reports to USDA and State of California Office of Migrant Services, and related departmental services and activities to ensure adherence to policies, procedures, regulations and housing guidelines.

#### **Mary Ramirez** – Asset Manager Procurement and Development;

- 10+ years of housing acquisition, real estate transactions, purchasing and related affordable housing development experience, bid processing, oversight of various rehabilitation projects involving complexity such as certified payroll and abatement related activities.]



## **Construction Rehabilitation Administration**

The Housing Authority of the County of Stanislaus (Stanislaus Regional Housing Authority) is a regional Housing Authority serving the counties of Stanislaus, Calaveras, Tuolumne, Mariposa, Alpine, Inyo, Amador, and Mono. In 2019 Stanislaus Regional Housing Authority will celebrate 70 years of providing safe, decent and affordable housing to the residents in its service area. Stanislaus Regional Housing Authority owns and manages 1,781 rental housing units and administers approximately 4800 Housing Choice Vouchers. Annually, since 1994, the Stanislaus Regional Housing Authority has been designated as a “high performer”. This is the Department of Housing and Urban Development’s highest performance designation for excellence in management and construction.

The Stanislaus Regional Housing Authority is a public non-profit corporation established under state and federal law. Providing well-maintained affordable housing for residents in our community is the Authority’s primary objective. The Stanislaus Regional Housing Authority also partners with various entities helping them manage their programs.

The following descriptions of Public Housing, Housing Choice Voucher Program (Section 8), and various other programs and developments are evidence to the Housing Authority’s expertise and successes in the development and administration of quality housing.

### **PUBLIC HOUSING:**

The Housing Authority currently manages 647 Public Housing units throughout Stanislaus County. These units are maintained in an equal to or better condition than many market rate units.

### **USDA RD FARM LABOR HOUSING:**

The Housing Authority manages 356, Rural Economic Development, Farm Labor units. These units are located in the cities of Ceres, Westley, Patterson, and Modesto. This program has benefited the agricultural industry that relies on this housing stock. Farmers, farm workers, and their families continue to benefit greatly.

### **OFFICE OF MIGRANT SERVICES SEASONAL FARMWORKER HOUSING:**

The Housing Authority manages and operates over 200 units of Migrant Housing in partnership with the State of California Housing and Community Development Department.

### **HOUSING CHOICE VOUCHER (SECTION 8) RENTAL ASSISTANCE:**

The Housing Authority has administered the Section 8 program for over 20 years. This program is comprised of over 4,800 Section 8 Vouchers. Various sub-programs operate within these allocations. The Family Self Sufficiency Program, the Aftercare Program, and the Family Unification Program are examples of these sub-programs. They operate through the cooperation and participation of related social service agencies, property management companies, and private landlords. Through successful administration of these programs, the Housing Authority has developed productive working relationships with the Department of Social Services, the Mental Health department, the department of Employment Development and other agencies.

The Housing Authority is proud of its performance record. In the past six years, the Department of Housing and Urban Development (HUD) has designated the Housing Authority as a **High Performer** under HUD's Public Housing Management Assessment Program. This is HUD's highest performance designation and is a tribute to the Housing Authority's management ability.

## **DEVELOPMENT**

The Housing Authority has constructed or is actively developing over 14 projects in the last 6 years adding a total of 433 units of affordable housing to meet a variety of housing needs in its service area.

Constructed or rehabilitated and managed projects include:

<b>Project Name</b>	<b>Location</b>	<b>Project Type</b>	<b>Units</b>	<b>Year Built</b>
1612	Modesto	Workforce Housing	150	2020-21
Wallace Village	Wallace, Mono County	Behavioral Health Housing PSH	4	2020-21
Foothill Terrace 2	San Andreas	Senior Housing	5	2020-21
Foothill Terrace	San Andreas	Workforce Housing	23	2020
Central Valley Homes	Modesto/Turlock	Permanent Supportive Housing (PSH)	38	2019-2020
Kansas House	Modesto	Permanent Supportive Housing	103	2019-2020
Tuolumne Hills	Sonora	Multi-Family	10	2019
Edwards Estates	Modesto	Single Family Home Ownership	35	2019-2020
Kestrel Ridge	Modesto	Behavioral Health Housing PSH	8	2020
Glendale Annex	Modesto	Veterans Housing	6	2019
Meadow Glen	Modesto	Affordable Housing/ Emancipated Youth	32	2014
San Juan	Ceres	Affordable Housing	3	2014
Downey Terrace	Modesto	Senior Housing	11	2014
Edith Kirk Richards	Waterford	Senior Housing	5	2014
NSP Homeownership	Stanislaus County	Single Family Home Ownership	111	2010-2012
Village One	Modesto	Multi-Family	20	2008
Las Palmas	Patterson	Senior	24	2006
Miller Pointe	Modesto	Assisted Living	16	2003
Empire Migrant Housing	Empire	Multi-Family	93	2003

Valley Manor Apartments	Newman	Multi-Family	48	2006
Woodstone Apartments	Modesto	Mixed-family & Disabled	56	2001
Brighton Village	Modesto	Mixed Family & Disabled	11	2000
Farm Labor Units	Ceres	Seasonal Farm Worker		2000
Westley Migrant Housing	Westley	Multi-Family	86	2000
Conant Meadows	Modesto	Single Family	38	1997
Conant Place	Modesto	Senior	81	1996

**NEIGHBORHOOD STABILIZATION PROGRAM**

In 2009 the Housing Authority was commissioned to serve as a sub-recipient in administering Neighborhood Stabilization Program 1 funds for the County Consortia made up of Stanislaus County and the Cities of Ceres, Waterford, Oakdale, Newman and Patterson.

2009 the Housing Authority was provided a grant from the City of Modesto for Neighborhood Stabilization Program 1 funds to purchase properties to be rent to applicants at 50% or low of AMI.

As administrator the Housing Authority:

- o Purchased 87 residential properties, 3 developed lots and 3 acres of land for development throughout the County in cooperation with all of the Consortia members.,
- o Rehabilitated 85 properties, reconstructed 1 property and demolished and rebuilt 1 property.
- o Sold 41 properties to qualified First Time Home Buyers
- o Housed an additional 32 families in rental units set -aside for qualifying families at the 50% or below income level.
- o

**OTHER PROGRAMS ADMINISTERED BY THE HOUSING AUTHORITY**

The Housing Authority manages multiple sewer connections for Stanislaus County, completing well over 2,000 connections to date, and the Authority utilizes CDBG funds to complete minor home repairs for the County of Stanislaus.

**Stanislaus County**

Administers On-Going  
 Minor Home Repair Program  
 Administered Sewer  
 Hook Up for Shackelford &  
 Robertson Road

**Stanislaus County**  
1996 – 2005

Administered South Ceres  
Sewer & Bret Harte Program  
Connected 1,300 Sewers  
to City Sewer System

**City of Ceres**  
2006 – Present  
For City of Ceres

Administering Housing  
Rehabilitation Program

**City of Ceres**  
2000 – 2001

HA Administered CDBG Funds  
For City of Ceres

**Ceres Farm Labor**  
Funds from City & Rural Dev.

HA Demolished Old Units &  
Built New Units to Replace

**City of Patterson**  
(2001 – 2004)  
CDBG Program

HA Administered \$500,000  
CDBG Funds for Major &  
Minor Home Repairs

**Patterson & Westley 75**  
Unit Farm Labor Remodel

\$3,006,000.00 Grant From  
Joe Serna – HCD

**Westley Farm Labor 38**  
Unit Remodel

\$866,000.00 Grant  
Joe Serna – HCD

**Randazzo – 24 Unit**  
Acquisition & Rehabilitation

Housing Authority Equity  
& City of Modesto Partner

# GENERAL DEVELOPMENT CONCEPT



La Passeggiata  
Stockton, California

## OVERVIEW

Visionary Home Builders in conjunction with the Stanislaus Regional Housing Authority is proposing a 100% affordable housing development on the 6.7 acre parcel. Our initial determinations to consider what we think would be the highest and best use of the site is based on very preliminary information gathered by our Construction Team. The site will require a thorough review of both the usable land areas and assessments to conclude efficient solutions to drainage conditions as well as creative concepts to preserve natural elements from the surrounding area. If selected, we will work diligently to gather community input and incorporate components the residents and neighbors find value in. It is our goal to engage the community and develop a thriving project that fulfills the needs and desires its residents and neighbors.

## PROGRAM TARGETING

One of the conceptual ideas for the site would include three-story buildings with one, two and three bedroom units. AMI levels would be at and below 60% with 20% of the units designated for permanent supportive housing. Visionary understand the sensitive and unique nature of providing supportive housing; we decided to partner with the Stanislaus Regional Housing Authority. Their vast knowledge and expertise in building, managing and serving this vulnerable population will be instrumental in providing comprehensive housing with wrap-around like services. They have a variety of sources that will be utilized to make case management services available as well as provide access to Coordinated Entry Systems complementing anticipated program requirements triggered from acquisition of NPLH funds.

## SITE DESIGN

There are two preliminary site maps shown below, illustrating the potential building locations and parking solutions. **Site Plan 1** shows parking along the drainage area which would create 84 affordable units and 168 parking spaces. **Site Plan 2** accounts for 80 affordable units with 132 parking spaces. It would be our goal, as the selected developer to hear and understand the wishes of the community and incorporate them into the project. Our success at developing a project that meets the needs of the community is dependent upon us understanding those needs directly from the community and not attempting to determine those independent of community engagement.

Some of our normal practice in developing an affordable housing project would be to include a community building suitable for daycare services. The project would comply with all required sustainable and green building regulations and be built to Green Point Rating standards. We would love to see PV Solar energy will be provided for the project, overall implementing energy efficiency features for residents to enjoy lower utility bills and added comfort in their home.

Units will typically include individual heating and air units, window blinds, storage and coat closets, patio/balcony, refrigerator, stove/oven, dishwasher, disposal and a laundry area with separate full-size washer/dryer. 9'-0" ceiling heights are standard and will enhance the overall sense of openness within the unit. Energy efficiency is another major component of the project, and project will be designed to comply with all Title-24 and Multi-Family Green Point requirements.

## COMMON AREAS

Onsite resident services will be offered. The community building design will take into consideration the needs of any targeted populations including residents that meet program eligibility for permanent supportive housing. Our community buildings are typically built to include a large multipurpose room, offices, computer lab, large meeting space/activity areas and public restrooms. There may be a fenced playground and surveillance cameras on the grounds to ensure security.

## OFF-SITE IMPROVEMENTS

Parking design and road accessibility still need to be determined. As listed in the information provided with the Request for Proposal, a general plan amendment will be needed and zone change. We are very familiar with the two processes. We also have experience working with Public Works resolving and completing offsite improvements in accordance with project requirements and offsite funding grants and loans.

Figure 1.0 Site Map

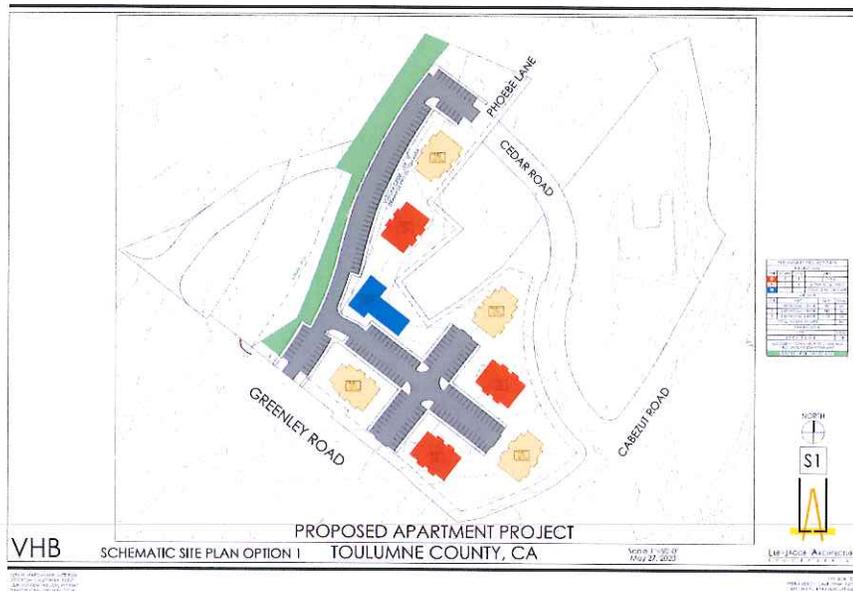
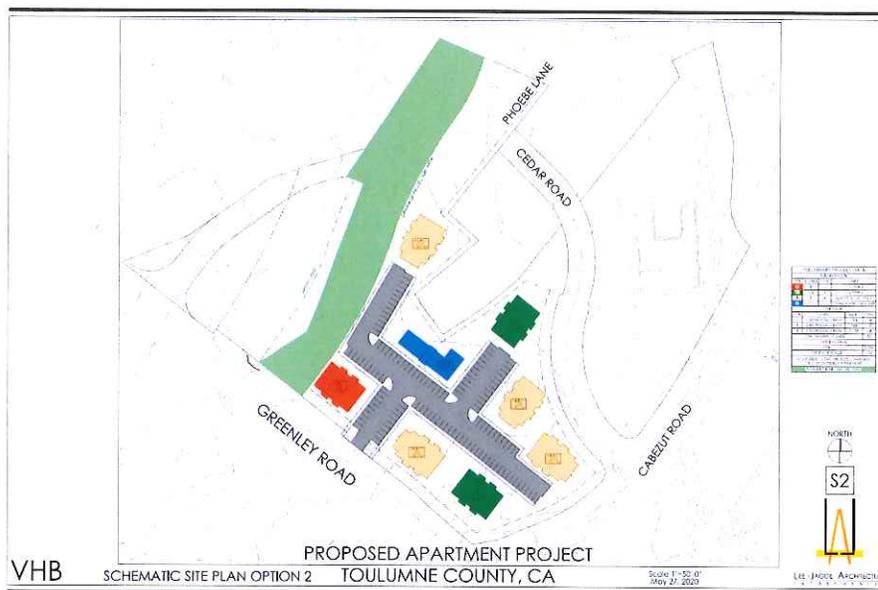


Figure 2.0 Site Map





Visionary  
Home  
Builders  
of CALIFORNIA

## PROJECT TIMELINE





## **SIMILAR PROJECT IN PAST 5 YEARS**

SERVING VULNERABLE POPULATIONS

### **PALM VALLEY**      *Permanent Supportive Housing Development - 40 Units*

Rehabilitated with CDBG funding in 2018. Populations served include homeless veterans, homeless mentally ill persons, chronically homeless persons with HIV and other disabilities, and homeless families in recovery. The HA administers the VASH program to subsidize the units for homeless veterans, the HA administers the Continuum of Care Rental Assistance Program (formerly Shelter plus Care) to subsidize the rental units for persons homeless with mental illness, and master-leases to Community Housing and Shelter Services (CHSS) and Community Impact Central Valley (CICV) with Continuum of Care Leasing funds to serve the family households and persons w/HIV and other disabilities. Case management provided through Behavioral Health and Recovery Services, the Veteran's Administration Medical Center of Palo Alto, CHSS, and CICV. Partnerships with these organizations range from 10-20+ years.

### **Meadow Glen**      *Permanent Supportive Housing Development - 32 Units*

A gated community built in 2017 dedicated to homeless youth out of foster care between the ages of 18-26 and their families. The project was funded with Neighborhood Stabilization Funds and other funds received through the City of Modesto. Case management services provided through the Family Unification Program case managers, Aspiranet, Behavioral Health and Recovery Services, and Center for Human Services. Unit subsidy is provided in the form of master-leasing with Aspiranet, HCV rental subsidy, Continuum of Care funds and is tenant-based assistance. Below market rentals available for persons not eligible for these subsidies.

### **Kansas House**      *Permanent Supportive Housing- 103 Studio Units*

Designed for homeless individuals and small families. Project developed with No Place Like Home Funding provided from the City of Modesto and the County of Stanislaus along with an HA loan. Project subsidized through HCV project-based vouchers and case management provided through Behavioral Health and Recovery Services, Community Services Agency, Family Promise of Modesto, and Telecare Corporation.

## **OTHER DEVELOPMENT & PROGRAMS**

PIS 20+ YEARS

### **Miller Pointe**

*Permanent Supportive Housing Development- 16 Units*

Case management provided is provided through Behavioral Health and Recovery Services Housing & Supports Services (BHRS).

### **Shelter Plus Care Program**

*Transitional/ Supportive Housing- 110 Units*

Subsidized through Continuum of Care Funding

# SUCCESSFUL AFFORDABLE PROJECTS (3)

## LIBERTY SQUARE APARTMENTS

1



## LIBERTY SQUARE APARTMENTS

Location: 804 N. Hunter Street & 226 E. Poplar Street, Stockton, CA

### Project Description:

Liberty Square Apartments will be an adaptive reuse housing project scheduled to begin construction in December 2019. Visionary Home Builders of California, Inc. (VHB) intends on constructing a total of 74 units of housing. The project will consist of studio, one-bedroom, two-bedroom, and three-bedroom units designed to serve families between the target income group of 30% AMI and 60% AMI. In addition to housing, the project includes a community center building that will offer child care, resident services, and a healthcare component.

Liberty Square is financed as a hybrid project and has obtained 9% and 4% Tax Credits. The project has also been awarded AHSC funds in the amount of \$7,493,752. The AHSC award will be used to develop the housing component, improve sidewalks, develop bike lanes, and add street lighting and a bus shelter surrounding the project. Furthermore, the project has been awarded Neighborhood Stabilization Program (NSP), HOME, and CHDO funds. In addition, VHB has received city waivers for impact fees. The project is intended to help revitalize Downtown Stockton through adaptive reuse of an existing vacant office building. The new community will bring families with children to play and enjoy the newly revitalized Eden Square Park, which is directly across the street.

### Structure of Hybrid Partnerships

#### 9% Tax Credit - 31 Units

Owner/Limited Partnership (LP): Vision 19, L.P.  
Managing General Partner (GP): Vision 19 GP,  
LLC - Visionary Home Builders 0.01%  
Investor Limited Partner: RedStone Equity  
Partners 99.9%

#### 4% Tax Credit - 43 Units

Owner/Limited Partnership (LP): Vision 17, L.P.  
Managing General Partner (GP): Vision 17, GP,  
LLC - Visionary Home Builders 0.01%  
Investor Limited Partner: RedStone Equity  
Partners 99.9%



**CASA DE ESPERANZA (Completed RURAL Project)**

Location: 2260 S. Netherton Avenue, Stockton, CA 95205

**Project Description:**

Casa de Esperanza is a completed new construction community housing project developed by Visionary Home Builders of California, Inc. in 2014. The project is comprised of 70 individual units located within 9 two-story buildings and one community building. It is comprised of 15 studio units, 14 one-bedroom units, 15 two-bedroom units, 14 three-bedroom units, and 12 four-bedroom units. The project was designed to serve farm worker families between the target income group of 30% AMI and 50% AMI. Casa de Esperanza is intended to serve low-income farm worker families with the main goal to create an overall sense of community.

**Structure of Public/Private Partnerships:**

- Owner/Limited Partnership (LP): Casa de Esperanza, LP
- Managing General Partner (GP): Casa de Esperanza, LLC - Visionary Home Builders
- Investor Limited Partner: US Bancorp Community Development Corporation

**Financing:**

Construction Financing

Citi Community Capital .....	12,743,000
City of Stockton .....	6,184,000
Costs Deferred Until Completion .....	875,400
Deferred Developer Fee .....	400,000
Net Syndication Proceeds .....	1,596,151

Permanent Financing

Citi Community Capital .....	1,886,000
------------------------------	-----------

City of Stockton .....6,184,000  
USDA Section 514 Loan .....2,153,740  
Deferred Developer Fee .....400,000  
  
Net Syndication Proceeds .....11,174,811  
  
Total Cost .....21,798,551

Service Providers:

Child Care Services  
Preschool daycare program is being provided through a partnership with EI Concilio.

Social Services  
Adult education classes are being provided through a partnership with EI Concilio.

Any Special Circumstances: N/A

Project Reference:

Chris Becerra, Management Analyst  
County of San Joaquin  
(209) 468-3157  
Email: cbecerra@sjgoc.org

Ty Wilson-Robinson, Housing Manager  
City of Stockton  
Phone: (209) 937-7585  
Email: ty.wilsonrobinson@stockton.ca.gov

Barbara Kauss, CEO  
Housing Authority of the County of Stanislaus  
Phone: (209) 937-7585  
Email: bkauss@stancoha.org

Susan Veazey, Assistant Director of Development and Federal Programs  
Sacramento Housing and  
Redevelopment Agency Phone:  
(916) 440-1311  
Email: sveazey@shra.org



# OAK LEAF MEADOWS

Location: 1135 J. Street, Oakdale, CA 95361 and 636 Pederson Road, Oakdale, CA 95361

**Project Description:**

Oak Leaf Meadows is a new construction community housing project currently under construction. Visionary Home Builders of California, Inc. and Great Housing are working together in a partnership to bring sustainable housing to the City of Oakdale. It will consist of 56 units in which there will be 38 two-bedroom units and 18 three-bedroom units. The project will be designed to serve families between the target income group of 30% AMI and 60% AMI. In addition to housing, the project includes a community center building which will consist of a child care center, meeting spaces, and office spaces to provide services for the families.

**Structure of Public/Private Partnerships:**

- Owner/Limited Partnership (LP): Oak Leaf Meadows, LP
- Co-Managing General Partner (GP): Visionary Home Builders of California, Inc.
- Administrative Partner: Great Valley Housing Development, Inc.
- Investor Limited Partners: Wells Fargo & Boston Private

**Financing:**

Construction Financing

Conventional Financing – BBVA Compass .....	15,080,000
Housing Authority: County of Stanislaus, NSP Loan .....	3,000,000
Housing Authority: County of Stanislaus, Capitalized Ground Lease Payment Loan .....	840,000
Costs Deferred Until Conversion .....	975,420
Limited Partner Net Equity .....	2,546,793

Permanent Financing

Conventional Permanent Loan, BBVA Compass .....	3,254,900
Housing Authority: County of Stanislaus, NSP Loan .....	3,000,000
Housing Authority: County of Stanislaus,	

Capitalized Ground Lease Payment Loan .....	840,000
Limited Partner Net Equity .....	15,347,313
<u>Total Cost</u> .....	22,442,213

Service Providers:

Adult Education and Wellness Courses  
 Program will be provided through a partnership with The Housing Authority of the County of Stanislaus.

Homeownership Counseling  
 Program will be provided by Visionary Home Builders of California, Inc.

Child Care Services  
 Program will be provided through a partnership with the Stanislaus County Office of Education.

Any Special Circumstances: N/A

Project Reference:

Barbara Kauss  
 Chief Executive Officer  
 Stanislaus Housing Authority

(209) 869- 4501 Ext 0  
 bkauss@stancoha.org

## FINANCIAL CAPACITY

Visionary's financial conditions as of September 30, 2019 reflects total Liquidity in excess of \$3.7 Million and a net worth in excess of \$7.5 Million. Visionary Homes has raised over \$300 Million of capital for affordable housing



projects. Visionary Home Builders' favorable relationship extend to many service providers including insurance carriers and bonding agencies. These carriers offer strong and competitive coverage including builder's risk, general liabilities property insurance and worker's insurance. Our banking relationship remains strong today. Some of the lenders we have transacted in the past include Bank of the West, Citibank, F&M Bank, JP Morgan Chase, Banner Bank and others.

*Please refer to "Exhibit A" for 2018 Audited Financials. Visionary Home Builders is happy to provide additional financial statements at the request of the County.*

### Completed & Current Projects

Project Name	Location	# of Units	Completion Date	Value	Costs	Debt/Tax Credit	Equity	Lender	Type	Developer
Diamond Cove Apartment	Stockton	70	2017 & 2019	\$26M	\$20M	\$15M	\$5M	Tax Credit	Affordable	Visionary
Casa De Esperanza Apartment	Stockton	70	2017 & 2018	\$28M	\$22M	\$12.7M	\$9.3M	Tax Credit-Citi Capital	Affordable	Visionary
Oak Leaf Meadows	Oakdale	56	Under construction	\$26M	\$22.4M	\$15.8M	\$6.6M	Tax Credit-BBVA	Affordable	Visionary
Liberty Square	Stockton	74	Const. Start in 12/2019	\$35M	\$31M	\$23M	\$8M	Tax Credit-AHSC/Others	Affordable	Visionary
Grand View Village	Stockton	74	Const. Start in 10/2020	\$26M	\$22.4M	\$15.8M	\$6.6M	Tax Credit	Affordable	Visionary
La Passeggiata Apartment	Stockton	94	Const. Start in 06/2021	\$40M	\$34M	\$17.9M	\$16.1M	Tax Credit-AHSC/Others	Affordable	Visionary
<b>Total</b>		<b>438</b>		<b>\$181M</b>	<b>\$151.8M</b>	<b>\$100.2M</b>	<b>\$51.66M</b>			

Note: Although we have completed and stabilized 2 new apartment projects in the past 3 years. We have purchased and rehabbed more than 1500 units of existing workforce housing apartments in CA with a total capitalization of over value of \$500 Million which are not included in the above table.

## REFERENCES

# GOSPEL CENTER RESCUE MISSION

*restoring lives since 1940*

Emergency Lodging - New Hope Family Shelter - New Life Addiction Treatment Program - Hope Housing  
Representative Payee - Hope Learning Center - Homeless Thrift Store - Recuperative Care - Gleason House Medical Clinic

---

May 27, 2020

**Subject: Letter of Recommendation**

To Whom It May Concern:

I am writing this letter of recommendation for Visionary Home Builders of California, Inc. in support of their intent to build affordable housing in San Joaquin County via a successful Request For Proposal (RFP).

Visionary Home Builders of California is a passionate and committed non-profit agency creating affordable housing option to residents of San Joaquin County. Their past community developments which include over 1,400 multi-family units and 900 single family homes are outstanding and award winning. **I have personally inspected their properties and rate them as the best run and maintained in the County!** Additionally, Visionary Home Builders of California works with local social service agencies like the Gospel Center Rescue Mission to provide valuable resources to our residents and surrounding neighborhood community members.

I highly recommend Visionary Home Builders of California to be the selected agency for this RFP and be given the opportunity to continue to develop affordable housing in San Joaquin County. Please let me know if you need any additional information by contacting me at 209-405-9737 (cell) or [wrichardson@gcrms.org](mailto:wrichardson@gcrms.org).

Sincerely,



Wayne G. Richardson, CFRE  
Chief Executive Officer



# REFERENCES



Headquarters  
445 North San Joaquin Street  
Stockton, CA 95202-2026

TEL 209.644.2600  
FAX 209.644.2640

May 29, 2020

Re: Letter of Support for Visionary Home Builders

To whom it may concern,

I am writing this letter of support for Visionary Home Builders (VHB) of California and their on-going efforts developing and managing affordable housing throughout the Central Valley.

Visionary Home Builders is a highly respected leader in the construction and management of affordable housing. El Concilio has provided daycare services at various sites within their portfolio for many years. Carol's strong vision and core values providing quality housing is embedded in the culture at Visionary. Her staff demonstrate those same ethics consistently on a daily bases by providing on-site support services and regular outreach to the community. The organization is rich with mission driven enthusiasm that is reflected in the care and upkeep of the communities, their facilities and most importantly, their residents.

Sincerely,

  
Jose R. Rodriguez  
President/CEO  
El Concilio

## REFERENCES



May 27, 2020

**Subject: Letter of Support**

To Whom It May Concern:

I am writing this letter of support for Visionary Home Builders of California, Inc. ("VHB") in support of their intent to build affordable housing in San Joaquin County via a successful Request for Proposal (RFP).

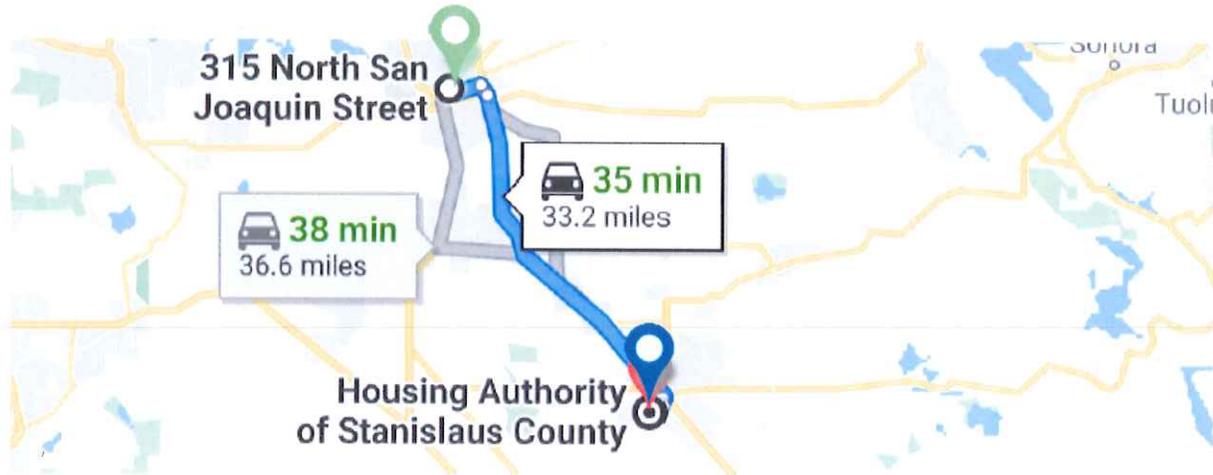
Visionary Home Builders of California is a passionate and committed non-profit agency creating affordable housing option to residents of San Joaquin County. Their past community developments which include over 1,400 multi-family units and 900 single family homes are outstanding and award winning. VHB is a valued client of BBVA and a trusted partner in our affordable housing and community development efforts in the San Joaquin Valley.

I strongly support Visionary Home Builders of California to be the selected agency for this RFP and be given the opportunity to continue to develop affordable housing in San Joaquin County. Please let me know if you need any additional information by contacting me at 209-471-4829 (cell) or [john.chan@bbva.com](mailto:john.chan@bbva.com).

A handwritten signature in blue ink, appearing to be 'John Chan', written over a light blue horizontal line.

John Chan  
SVP & Director of Community Development Capital  
BBVA USA

## CONTACTS



### **Visionary Home Builders of California, Inc.**

315 N San Joaquin Street

Stockton, CA 95202

209.466.6811

[www.visionaryhomebuilders.org](http://www.visionaryhomebuilders.org)

**Carol J. Ornelas**

CEO

209.466.6811

[cjornelas@visionaryhomebuilders.org](mailto:cjornelas@visionaryhomebuilders.org)



### **Stanislaus Regional Housing Authority**

1701 Robertson Rd

Modesto, CA 95351

209.557.2000

<http://www.stancoha.org>

**Jim Kruse** Deputy

Director

209.557.2002

[JKruse@stancoha.gov](mailto:JKruse@stancoha.gov)



**Visionary  
Home  
Builders**  
of CALIFORNIA



**Stanislaus Regional Housing Authority**  
ALPINE | AMADOR | CALAVERAS | INYO | MARIPOSA  
MONO | STANISLAUS | TUOLUMNE COUNTIES



***Building Homes, Strengthening Communities***

May 28, 2020

**Affordable Rental Housing RFP**  
**County of Tuolumne CDD Housing Division**  
2 South Green Street  
Sonora, CA 95370

RE: Commitment Letter for On-Site Resident Services  
Affordable Rental Housing RFP  
20080 Cedar Road North  
241 N San Joaquin St  
Stockton, CA 95202

To Whom It May Concern;

We at Visionary believe that making the community a better place is just as important as building a home. We support our residents with the resources they need to be good neighbors and members of a greater community.

Visionary begins with housing, but goes far beyond to strengthen the lives of the our residents. Whether it's educational support, a financial literacy program or health care education, Visionary continuously seeks opportunities to provide additional support whenever possible.

Visionary provides Resident Services for many of the sites we've developed and manage. Services fall into four programs areas: Economic Development, Education, Community, and Health & Wellness.

Visionary Home Builders is committed to providing Residents Services On-Site if selected. Services will be provided based on the needs of the community and any commitments made part of the MOU with the County.

Below is a list of the type and frequency of services typically associated with a commitment from Visionary.

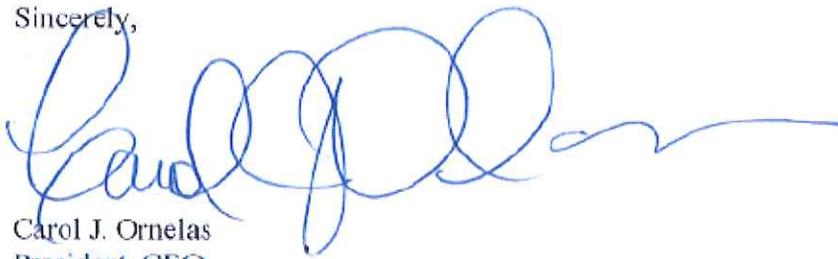
EXAMPLE:

1. To provide resident services to development: \_\_\_\_\_
2. Visionary will provide 12 hours a week of resident services for a total of 624 hours annually to the residents of the 75-unit \_\_\_\_\_ development. This level of services is equivalent to a .26 FTE commitment.
3. The annual dollar amount for this position is \$18,003
4. The Resident Service Coordinator responsibilities are, but are not limited to:
  - a. Provide tenants with information about available service in the community.
  - b. Assist tenants to access service through referral and advocacy.
  - c. Maintain the Resident Council

- d. Organizing community-building and leadership
  - e. Organizing tenant activity
  - f. Manage and utilize volunteers to meet the program and services needs of the residents.
  - g. Establish and maintain partnerships with relevant organizations and individuals with an emphasis on providing on-site to residents and the community.
5. Visionary commits that services will be provided for a 15-year period.
  6. Visionary commits that services will be available to tenants of the project free of charge.

I certify that I am authorized to legally act on the applicant's behalf, certify and guarantee, under penalty of perjury, that services provided, as requested, will be available within 6 months of the project's placed-in-service date, of regular and ongoing nature, and provide to tenants for a period of at least 15 years, free of charge (except for day care services or any charges required by law) consistent with TCAC regulation section 10325(c)(4)(B).

Sincerely,



Carol J. Ornelas  
President, CEO  
Visionary Home Builders of California, Inc.

**EXHIBIT A**

**VISIONARY HOME BUILDERS  
OF CALIFORNIA, INC.  
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**DECEMBER 31, 2018**

## TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Functional Expenses	5
Consolidated Statement of Cash Flows	6
Notes to Consolidated Financial Statements	7-19
Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	20-21
Report on Compliance with Requirement Applicable to Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	22-23
SUPPLEMENTARY INFORMATION	
Schedule of Federal Awards	24
Schedule of Findings and Questioned Costs	25
Supplemental Information Required by USDA, Rural Development	26-27
Combining Schedule of Financial Position	28-29
Combining Schedule of Activities	30-31
Combining Schedule of Cash Flows	32-33



**Schwartz  
Giannini  
Lantsberger  
& Adamson**  
ACCOUNTANCY  
CORPORATION

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Visionary Home Builders of California Stockton,  
California

We have audited the accompanying consolidated financial statements of Visionary Home Builders of California, a non-profit public benefit corporation, and subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the year 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 from 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 risks 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 Organization'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 Organization'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 presentation of the financial statements.

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

Gary F. Giannini, CPA  
Philip Lantsberger, CPA  
Robert Gross, CPA  
Nikolas Torres, CPA  
Timothy J. Schwartz, CPA,  
Retired  
William H. Adamson,  
Retired

4578 Feather River Drive  
Suite D  
Stockton CA, 95219  
Ph: 209.474.1084  
Fx: 209.474.0301

6731 Herndon Place  
Stockton, CA 95219  
Ph: 209.951.9900

www.sglacpas.com

## Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Visionary Home Builders of California, Inc. and Subsidiaries, as of December 31, 2018, and the results of its operations, changes in net assets, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information shown on pages 24 to 33 is presented for purposes of additional analysis 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* and the *Multi-Family Housing Asset Management Handbook* issued by the U.S Department of Agriculture, Office of the Inspector General and is also 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 a report dated July 31, 2019 on our consideration of Visionary Home Builders of California, Inc. and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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 Visionary Home Builders of California, Inc. and Subsidiaries' internal control over financial reporting and compliance.

*Schwartz, Giannini, Lantsberger & Adamson*

Stockton, California July  
31, 2019

**VISIONARY HOME BUILDERS OF CALIFORNIA, INC. AND SUBSIDIARIES**  
**(A Nonprofit Corporation)**

CONSOLIDATED STATEMENT OF FINANCIAL  
POSITION  
December 31, 2018

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 1,109,775
Accounts receivable, net	1,729,046
Interest receivable - current portion	601,252
Property held for sale	8,750,000
Development projects in progress - current portion (Note 4)	325,679
Prepaid expenses	295,970
Deposits	<u>19,899</u>
Total current assets	<u>\$ 12,831,622</u>

Non-current assets:

Restricted cash - reserve for replacement	\$ 1,014,395
Restricted cash - operating reserve	187,747
Restricted cash - sinking fund	76,350
Restricted cash - resident savings	11,919
Restricted cash - tenant security deposits	199,191
Interest receivable - net of current portion	669,862
Note receivable (Note 5)	513,000
Development projects in progress (Note 4)	6,813,942
Land, building and equipment, net	12,831,722
Investment in limited partnership (Note 15)	<u>2,405,001</u>
Total non-current assets	<u>\$ 24,723,129</u>

Total assets	<u>\$ 37,554,751</u>
--------------	----------------------

**LIABILITIES AND NET ASSETS**

Current liabilities:

Notes payable - current portion (Note 6)	\$ 11,903,987
Accounts payable and accrued expenses	668,320
Prepaid rent	16,027
Deferred revenue - current portion (Note 11)	209,196
Accrued interest - current portion	39,369
Tenant security deposits	172,994
Line of credit (Note 7)	<u>736,215</u>
Total current liabilities	<u>\$ 13,746,108</u>

Non-current liabilities:

Notes payable - net of current portion (Note 6)	\$ 12,575,186
Accrued interest - net of current portion (Note 6)	3,577,563
Deferred revenue - net of current portion (Note 11)	<u>1,464,376</u>
Total non-current liabilities	<u>\$ 17,617,125</u>

Total liabilities	<u>\$ 31,363,233</u>
-------------------	----------------------

Commitments & contingencies (Note 10)

Net assets:

Without donor restrictions	<u>\$ 6,191,518</u>
Total net assets	<u>\$ 6,191,518</u>

Total liabilities and net assets	<u>\$ 37,554,751</u>
----------------------------------	----------------------

See Notes to the Financial Statements.

# VISIONARY HOME BUILDERS OF CALIFORNIA, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENT OF ACTIVITIES For the Year Ended December 31, 2018

	<u>Unrestricted</u> Now Without Donor Restrictions	<u>Temporarily</u> <u>Restricted</u> Now With Donor Restrictions	<u>Permanently</u> <u>Restricted</u> Now With Donor Restrictions	<u>Total</u>
<b>Support and revenue:</b>				
Grant and donation income	\$ 573,479	\$ -	\$ -	\$ 573,479
Sales	229,184	-	-	229,184
Golf tournament	54,347	-	-	54,347
Rental income	2,176,265	-	-	2,176,265
Other income	131,907	-	-	131,907
Insurance proceeds	25,000	-	-	25,000
Management fees - asset management, & property management	1,018,215	-	-	1,018,215
Debt forgiveness	20,844	-	-	20,844
Gain on sale of project	233,735	-	-	233,735
Interest income	<u>1,271,201</u>	<u>-</u>	<u>-</u>	<u>1,271,201</u>
Total support and revenue	<u>\$ 5,734,177</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,734,177</u>
<b>Expenses:</b>				
Program services:				
Asset management	\$ 109,957	-	-	\$ 109,957
Property management	625,215	-	-	625,215
Housing counseling	203,052	-	-	203,052
Housing development	1,401,124	-	-	1,401,124
Rental operations	3,253,502	-	-	3,253,502
Supporting services:				
Management and general	870,882	-	-	870,882
Fundraising	<u>30,704</u>	<u>-</u>	<u>-</u>	<u>30,704</u>
Total expenses	<u>\$ 6,494,436</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,494,436</u>
Changes in net assets	\$ (760,258)	\$ -	\$ -	\$ (760,258)
Net assets, beginning of year, as previously stated	<u>5,948,831</u>	<u>802,945</u>	<u>200,000</u>	<u>6,951,776</u>
Reclassification to comply with ASU 2016-14 (Note 8)	1,002,945	(802,945)	(200,000)	-
Net assets, beginning of year, as restated	<u>\$ 6,951,776</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,951,776</u>
Net assets, end of year	<u>\$ 6,191,518</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,191,518</u>

See Notes to the Financial Statements.

**VISIONARY HOME BUILDERS OF CALIFORNIA, INC.**  
(A Nonprofit Corporation)

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
For the Year Ended December 31,  
2018

	Supporting Services		Program Expenses				Total		
	Management and General	Fund Raising	Asset Management	Housing Counseling	Housing Development	Property Management		Villa de San Joaquin	Other Rental Properties
Auto expense	\$ 3,915	\$ -	\$ 364	\$ 611	\$ 2,711	\$ 2,644	\$ -	\$ -	\$ 10,244
Depreciation and amortization	29,164	-	2,711	4,549	21,703	19,699	67,197	411,443	556,467
Dues & subscriptions	8,783	-	817	1,370	6,082	5,933	-	-	22,985
Employee benefits	38,011	-	5,982	9,093	50,166	29,939	8,200	-	141,392
Equipment rental	11,443	-	1,064	1,785	7,924	7,729	-	139	30,084
Fundraising expenses	-	30,704	-	-	-	-	-	-	30,704
Insurance	26,518	-	2,465	4,136	18,364	17,912	12,369	139,769	221,534
Interest	16,925	-	1,574	2,640	30,258	11,432	7,698	763,364	833,891
Legal & accounting	62,199	-	3,700	6,208	33,673	26,883	-	68,513	201,176
Marketing	1,904	-	177	297	1,319	1,286	-	1,021	6,004
Occupancy	7,846	-	729	1,224	5,434	5,300	-	-	20,533
Office expenses	1,306	-	121	204	905	882	12,043	42,005	57,467
Other	10,168	-	945	1,586	979	6,868	12,003	56,929	89,478
Outside services	94,054	-	8,380	14,060	62,418	60,882	69,101	977	309,871
Payroll taxes	28,402	-	4,470	37,484	6,794	22,370	5,127	34,274	138,922
Project costs	-	-	-	-	520,752	-	-	-	520,752
Property taxes	8,038	-	747	1,254	5,567	5,430	2,737	53,721	77,494
Repairs & maintenance	-	-	-	-	-	-	-	480,283	480,283
Salaries	421,614	-	66,357	100,860	556,440	332,081	58,342	392,286	1,927,980
Security	518	-	48	81	359	350	-	-	1,355
Seminars & training	4,716	-	438	736	3,266	3,186	-	2,473	14,815
Supplies	4,321	-	402	674	2,992	2,918	-	-	11,307
Taxes - Other	-	-	-	-	-	-	-	11,611	11,611
Telephone	62,400	-	5,802	9,734	43,212	42,149	-	20,842	184,139
Travel & entertainment	16,653	-	1,548	2,598	11,532	11,249	-	2,679	46,259
Utilities	11,982	-	1,114	1,869	8,274	8,093	43,955	472,403	547,689
<b>Total</b>	<b>\$ 870,882</b>	<b>\$ 30,704</b>	<b>\$ 109,957</b>	<b>\$ 203,052</b>	<b>\$ 1,401,124</b>	<b>\$ 625,215</b>	<b>\$ 298,772</b>	<b>\$ 2,954,731</b>	<b>\$ 6,494,436</b>

See Notes to Financial Statements.

**VISIONARY HOME BUILDERS OF CALIFORNIA, INC. AND SUBSIDIARIES**

(A Nonprofit Corporation)

**CONSOLIDATED STATEMENT OF CASH  
FLOWS**

For the Year Ended December 31, 2018

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ (760,258)
Adjustments to reconcile change in net assets to net cash (used in) operating activities	
Items not requiring the use of cash:	
Depreciation and amortization	554,740
Gain on project disposition	(233,735)
Debt forgiveness	(20,844)
Accrued interest	(635,007)
Deferred grant revenue recognition	(209,196)
Changes in assets and liabilities:	
(Increase) decrease in:	
Restricted cash - tenant security deposits	(95,708)
Restricted cash - resident savings	(1,356)
Accounts receivable	312,290
Interest receivable	(1,271,114)
Property held for sale	(8,363,788)
Other assets	(208,297)
Increase (decrease) in:	
Accounts payable and accrued expenses	184,811
Due to related parties	(149,662)
Prepaid rent	8,460
Tenant security deposits	83,268
Net cash (used in) operating activities	<u>\$ (10,805,397)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of fixed assets	\$ (3,920)
Proceeds from sale of project	1,075,000
Net decrease in development projects in progress	5,229,151
Note receivable issued	352,771
Withdrawals from sinking fund	112
Deposits to operating reserves	(16,047)
Withdrawals from operating reserves	40,166
Deposits to replacement reserves	(55,110)
Withdrawals from replacement reserves	10,840
Investment in limited partnerships	66,666
Net cash provided by investing activities	<u>\$ 6,699,629</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from issuing notes payable	\$ 9,621,500
Net proceeds from (payments on) line of credit	(686,715)
Principal payments on notes payable	(5,408,094)
Repayment of related party note	<u>(9,955)</u>
Net cash provided by financing activities	<u>\$ 3,516,736</u>
(Decrease) in cash	\$ (589,032)
Cash, beginning	1,698,807
Cash, ending	<u>\$ 1,109,775</u>

**SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION**

Cash payments for:	
Interest	<u>\$ 571,864</u>
Income taxes	<u>\$ 12,000</u>

See Notes to Financial Statements.

# VISIONARY HOME BUILDERS OF CALIFORNIA, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### ORGANIZATION

Visionary Home Builders of California, Inc. (VHB), formerly known as Asociacion Campesina "Lazarus Cardenas" (ACLC), is a nonprofit corporation formed in 1983. Its mission is to provide affordable housing for low-income families. VHB develops and sells single family homes to low-income families. The buyers in most cases receive some financial assistance in purchasing their homes. VHB also is the developer of affordable multi-family apartment projects, some of which qualify for federal and/or state low-income housing tax credits. VHB receives a development fee for its work. Projects are funded partially with low or no interest loans and grants obtained through federal, state and local government agencies.

#### BASIS OF ACCOUNTING

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

#### PRINCIPLES OF CONSOLIDATION

These financial statements consolidate the statements of Visionary Home Builders of California, Inc. (VHB), Villa de San Joaquin (a wholly owned RD 514 project), Delta Plaza Apartments LP dba Delta Plaza Apartments, Grant Village Associates LP dba Grant Village Townhomes, and Sutter Ville SJC Holding Company LLC. VHB owns 100% of the other entities. Inter-organization and subsidiary organization accounts and transactions have been eliminated in the consolidation.

#### SUPPORT FROM GOVERNMENT AGENCY GRANTS AND PUBLIC SUPPORT

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The government and agency grants are on a cost-reimbursement basis. Permanently restricted net assets are net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

#### CASH

VHB considers all cash accounts without significant withdrawal restrictions to be cash equivalents. For the statement of cash flows, the organization excludes restricted cash. At December 31, 2018, the Organization had \$1,019,875 on deposit in excess of federally insured limits.

# VISIONARY HOME BUILDERS OF CALIFORNIA, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### DEPRECIATION

Depreciation of property and equipment is computed principally using the straight-line method over the following estimated useful lives:

Office equipment	5 years
Building	39 years
Improvements	15 years

#### ESTIMATES

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### ALLOCATION OF EXPENSES

VHB allocates its expenses on a functional basis among its various programs and supporting services. Expenses that can be identified with a specific program are allocated directly according to their natural classification. Other expenses that are common to several functions are allocated among the programs benefited.

#### INCOME TAX

The Corporation is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code and state income tax under Section 23701d of the California Revenue and Taxation Code.

The Organization's tax filings are subject to audit by various taxing authorities. The Organization's federal tax returns for 2016, 2017 and 2018 remain open to examination by the Internal Revenue Service; state income tax returns for 2015, 2016, 2017 and 2018 are open to examination. In evaluating the Organization's tax provisions and accruals, management believes that its estimates are appropriate based on current facts and circumstances.

#### DEVELOPMENT PROJECTS IN PROGRESS

Development projects in progress is carried at cost but is analyzed annually to determine that upon completion, the costs plus normal profit will be realized.

# VISIONARY HOME BUILDERS OF CALIFORNIA, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### NEW ACCOUNTING PRONOUNCEMENTS

In August 2016, FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 requires significant changes to the financial reporting model of organizations who follow the not-for-profit reporting model. The changes include reducing the classes of net assets from three classes to two – net assets with donor restrictions and net assets without donor restrictions. The ASU will also require changes in the way certain information is aggregated and reported by VHB, including required disclosures about liquidity and availability of resources and increased disclosures on functional expenses. The new standard is effective for VHB's year ending December 31, 2018 and thereafter and must be applied on a retrospective basis. VHB adopted the ASU effective January 1, 2018. Adoption of the ASU did result in any reclassifications or restatements to net assets or changes in net assets.

In November 2016, Financial Accounting Standards Board (FASB) issued ASU 2016-18, *Restricted Cash, a consensus of the FASB Emerging Issues Task Force*. ASU 2016-18 requires an entity to include amounts generally described as restricted cash and restricted cash equivalents, along with cash and cash equivalents when reconciling beginning and ending balances on the statement of cash flows. ASU 2016-18 is effective for nonpublic business entities for annual reporting periods beginning after December 15, 2018, with retrospective application and disclosure. Early adoption of ASU 2016-18 is permitted. The requirements of this statement are effective for the project for the year ending December 31, 2019. VHB is currently evaluating the impact of this statement.

In February 2016, FASB issued ASU 2016-02 *Leases*. ASU 2016-02 requires entities to recognize all leased assets as assets on the balance sheet with corresponding liability resulting in a gross up of the balance sheet. Entities will also be required to present additional disclosures regarding the nature and extent of leasing activities. ASU 2016-02 is effective for nonpublic business entities for the annual reporting period beginning after December 31, 2018. The requirements of this statement are effective for the project for the year ending December 31, 2019. VHB has not evaluated the impact of this statement.

In May 2014, FASB issued ASU 2014-09, *Revenue from Contract with Customer (Topic 606)*. This ASU establishes principles for reporting useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers, particularly, that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The requirements of this statement are effective for the project for the year ending December 31, 2019. VHB is in the process of evaluating the impact of this statement and potential effects on the financial statements, if any.

# VISIONARY HOME BUILDERS OF CALIFORNIA, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Classification of Net Assets

Net assets of the Corporation are classified based on the presence or absence of donor- imposed restrictions. Net assets are comprised of two groups as follows:

Net Assets Without Donor Restrictions – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets with Donor Restrictions – Assets subject to usage limitations based on donor- imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Corporation. Certain restrictions may need to be maintained in perpetuity.

Earnings related to restricted net assets will be included in net assets without donor- restrictions unless otherwise specifically required to be included in donor-restricted net assets by the donor or by applicable state law.

#### Functional Allocation of Expenses

Expenditures incurred in connection with the Corporation's operations have been summarized as follows:

Program Services	\$5,592,850
------------------	-------------

### NOTE 2. DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, management has evaluated events and transactions for potential recognition or disclosure through July 31, 2019, the date the financial statements were available to be issued.

# VISIONARY HOME BUILDERS OF CALIFORNIA, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 3. CAPITALIZED INTEREST/INTEREST EXPENSE

Project costs and land held for development are stated at the lower of cost or market. VHB capitalizes interest and property taxes during the development and construction phase. For the year ending December 31, 2018, VHB capitalized \$145,899 of interest. At December 31, 2018, VHB has a total of \$1,468,407 in capitalized interest costs relating to project development and construction. For the year ending December 31, 2018, VHB recognized \$60,504 in interest expense on the following activities:

Villa de San Joaquin rental operations	\$	7,698
Office building		44,292
Kelley Drive Triplex/Daycare		5,467
Emerald Pointe II		3,047
	<u>\$</u>	<u>60,504</u>

### NOTE 4. DEVELOPMENT PROJECTS IN PROGRESS

Development projects in progress consist of the following projects:

	<u>Current</u>	<u>Non-Current</u>	<u>Total</u>
<i>Single-Family Units:</i>			
Tierra del Sol	\$ 11,328	\$ -	\$ 11,328
Pock Lane - Windstone	-	2,374,408	2,374,408
Total single-family units	<u>\$ 11,328</u>	<u>\$ 2,374,408</u>	<u>\$ 2,385,736</u>
<i>Multi-Family Units:</i>			
Villa Pristine	\$ -	\$ 950,000	\$ 950,000
Cedar Gardens	-	2,000	2,000
Simbad	217,043	-	217,043
Adobe Hacienda	97,308	-	97,308
Grant Village	-	610	610
Hunter Street	-	3,116,167	3,116,167
Harvest Gardens	-	11,150	11,150
VCOR Grandview	-	747	747
Villa de San Joaquin	-	1,433	1,433
Whispering Pines	-	1,000	1,000
Valley Vista	-	87,381	87,381
Oak Leaf Meadows	-	269,046	269,046
Total multi-family units	<u>\$ 314,351</u>	<u>\$ 4,439,534</u>	<u>\$ 4,753,885</u>
Total development projects in progress	<u>\$ 325,679</u>	<u>\$ 6,813,942</u>	<u>\$ 7,139,621</u>

# VISIONARY HOME BUILDERS OF CALIFORNIA, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 5. NOTES RECEIVABLE

Detail of note receivable at December 31, 2018 is as follows:

#### Ceres Almond Terrace

Note receivable from Ceres Almond Terrace Associates.

The note bears compound interest at 8% with payments of principal and interest due annually on April 1 in an amount equal to "surplus cash" from the project. The remaining balance of principal and interest is due October 2034.

\$ 513,000

### NOTE 6. NOTES PAYABLE

#### *Visionary Home Builders of California, Inc.*

#### **Development - Single Family Units:**

#### Pock Lane - Windstone

Note payable to City of Stockton, at 3% interest. Principal and interest due August 2009.

\$ 685,000

Note payable to City of Stockton, at 3% interest. Principal and interest due April 2010.

730,000  
\$ 1,415,000

Total single-family

\$ 1,415,000

#### **Development – Multi-Family Units:**

#### Villa Pristine (Fresno)

Note payable to Affordable Luxury Homes, at 0% interest, secured by real property and due upon placement of permanent financing. Principal due on sale.

\$ 200,000

Note payable to Bank of Agriculture and Commerce, at 4.75% interest. Monthly principal and interest payments are \$10,000. Note matures in December 2017.

170,504  
\$ 370,504

# VISIONARY HOME BUILDERS OF CALIFORNIA, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 6. NOTES PAYABLE

#### Kelley Drive / Salters Drive

Note payable to City of Stockton, Housing & Redevelopment at 3% interest. Principal and interest were due September 1999.

\$ 20,000

Note payable to Farmers & Merchants Bank, at 6.25% interest, secured by deed of trust, monthly payments of \$520 through May 2021.

51,254

Note payable to City of Stockton, Housing & Redevelopment at 3% interest, secured by real property. Principal and interest due April 2031.

207,461  
\$ 278,715

#### Church Street

Note payable to Bank of Stockton at 6% interest, secured by a deed of trust and assignment of rents. Monthly principal and interest payments are \$731.

Note matures June 2037.

\$ 88,406

Note payable due to City of Stockton, Housing & Redevelopment at 3% interest. Principal and interest is due October 2026.

300,799

Non-interest bearing note payable to San Joaquin County Community Development. Principal due October 2061.

147,710  
\$ 536,915

#### Villa Isabella

Note payable to City of Stockton, at 3% interest. Principal and interest due in 2068.

\$ 1,804,100

#### 840 N Hunter

Note payable to Northern California Community Loan Fund, at 4.8125% interest. The loan matures May 2021.

\$ 1,667,413

#### Simbad

Note payable to Housing Trust Silicon Valley. The loan matures June 2019.

\$ 270,000

# VISIONARY HOME BUILDERS OF CALIFORNIA, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 6. NOTES PAYABLE

#### Hunter Street

Note payable to HCD at 3% annual interest.

\$ 100,000

Note payable to City of Stockton at 3% interest.  
The loan matures 55 years from the issuance date  
of the occupancy permit.

350,000  
\$ 450,000

Total multi-family

\$ 5,377,647

### Existing - Multi Family Units:

#### Villa de San Joaquin

Note payable to Rural Economic and Community Development, at 1% annual interest,  
secured by property, monthly payments  
of \$8,037 through May 2027.

\$ 674,637

#### Grant Village Townhomes

Note payable to City of Stockton, at 0% annual interest,  
secured by property. Principal due April 2059.

\$ 522,110

Total existing multi-family projects

\$ 1,196,747

### Other Projects:

#### Kelley Drive – Daycare Facility

Non-interest bearing note payable to City of Stockton. Principal due  
March 2035, and may be forgiven if the project meets requirements.

\$ 354,356

Note payable to US Bank National Association, at 3% interest,  
and due February 2021.

\$ 350,000

Note payable to Bank of Agriculture & Commerce, at 4.5% interest,  
and due September 2020.

\$ 93,290

Total other projects

\$ 797,646

# VISIONARY HOME BUILDERS OF CALIFORNIA, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 6. NOTES PAYABLE

#### Office Building/Equipment:

Note payable to Bank of Agriculture and Commerce, variable interest, 5.13% at December 31, 2018. This loan calls for monthly principal and interest payments of \$3,873 and is collateralized by an office building. The note matures December 2023.

\$ 607,941

Total notes payable –  
Visionary Home Builders of California, Inc.

\$ 9,394,981

#### *Delta Plaza*

Note payable to the California Department of Housing and Community Development, California Housing Rehabilitation Program (CHRP). Interest is accrued at 3% simple interest per year. The project pays the interest if residual receipts are available. If residual receipts are not available, the project can request a deferral of the interest payment. All principal and deferred interest is due in the year 2042. The note is secured by a deed of trust and a regulatory agreement on the project. Accrued interest on this note at December 31, 2018 was \$703,340.

\$1,050,000

Non-interest bearing note payable to the Redevelopment Agency of the City of Stockton with the principal due in the year 2029. The note is secured by a deed of trust on the project. Prior interest payments due before the note was converted to non-interest bearing were not made as scheduled. Accrued interest on this note at December 31, 2018 was \$15,435.

479,319

#### **Total Delta Plaza**

\$ 1,529,319

#### *Vintage Plaza*

Note payable due to City of Stockton, Housing & Redevelopment at 3% interest, secured by real property. All principal and deferred interest is due July 2067. Accrued interest on this note at December 31, 2018 was \$599,427.

\$ 2,603,725

Affordable Housing Program note payable, at 0% interest. Principal due in the year 2041.

233,448

#### **Total Vintage Plaza**

\$ 2,837,173

# VISIONARY HOME BUILDERS OF CALIFORNIA, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 6. NOTES PAYABLE

#### *Grant Village*

Note payable to Bank of America. This is an "Affordable Housing Program" loan and bears no interest. The note is secured by a deed of trust on the property. Maturity is in 2057.

\$ 160,000

Note payable to City of Stockton (HOME) in the amount of \$ 900,000. Interest is accrued at 7.02% simple interest per year. Annual payments are required if the project generates net cash flow as defined in the loan agreements. All unpaid principal and accrued interest is due in the year 2054. The note is secured by a deed of trust on the property. Accrued interest on this note at December 31, 2018 was \$1,307,646.

Non-interest bearing note payable to the City of Stockton (CDGB) in the amount of \$486,200. Annual payments are required if the project generates net cash flow as defined in the loan agreements. All unpaid principal and accrued interest is due in the year 2054. The note is secured by a deed

of trust and a regulatory agreement on the property.

900,000

486,200

#### **Total Grant Village**

**\$ 1,546,200**

#### *Harvest Gold*

Note payable due to Heritage Bank of Commerce, at 5.5% annual interest. The loan matures October 2020. Accrued interest on this note at December 31, 2018 was \$39,369.

\$ 8,312,500

Note payable to Cedar Gardens, Inc., at 5% annual interest. The loan matures January 2019.

#### **Total Harvest Gold**

859,000

**\$ 9,171,500**

Total Consolidated Notes Payable

\$ 24,479,173

Annual maturities on consolidated long-term debt during the next five years are as follows:

2019		\$ 11,903,987
2020		162,246
2021		173,275
2022		122,205
2023		122,398
Thereafter		<u>11,995,062</u>
		<b><u>\$ 24,479,173</u></b>

# VISIONARY HOME BUILDERS OF CALIFORNIA, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 7. LINE OF CREDIT

VHB has a \$250,000 line of credit from Bank of Agriculture and Commerce. This line of credit is used for predevelopment for VCOR – Grandview and bears interest at a rate of 5.25%. This line of credit matures November 30, 2019 at which time any remaining principal and interest is due. At December 31, 2018, the outstanding balance on this line of credit was \$207,504.

VHB has a \$250,000 line of credit from Bank of Agriculture and Commerce. This line of credit is used for predevelopment for the 850 N Hunter Street project and bears interest at a rate of 5.25%. This line of credit matures December 30, 2019 at which time any remaining principal and interest is due. At December 31, 2018, the outstanding balance on this line of credit was \$248,711.

VHB has a \$280,000 line of credit from Bank of Agriculture and Commerce. This line of credit is used for predevelopment for Villa De San Joaquin and Hunter and bears interest at a rate of 5.25%. This line of credit matures November 20, 2019 at which time any remaining principal and interest is due. At December 31, 2018, the outstanding balance on this line of credit was \$280,000.

### NOTE 8. CHANGE IN NET ASSET CLASSIFICATIONS

Before adoption of ASU 2016-14, net assets were originally reported as restricted for the following purposes at December 31, 2017:

Villa de San Joaquin	\$ 802,945
Diamond Cove II	<u>200,000</u>
Total net assets with restrictions	<u>\$ 1,002,945</u>

As the Organization has adopted ASU 2016-14 for the year ended December 31, 2018, all net assets have been classified as net assets without donor restrictions at both December 31, 2017 and 2018 as they did not meet the criteria to be classified as net assets with donor restrictions.

# VISIONARY HOME BUILDERS OF CALIFORNIA, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 9. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization monitors its liquidity so that it is able meet operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Organization has the following financial assets that could readily be made available within one year of the balance sheet date to fund expenses without limitations:

Cash and cash equivalents	\$ 1,109,775
Accounts receivable, net	1,729,046
Interest receivable – current	601,252
Property held for sale	8,750,000
	<u>\$ 12,190,073</u>

In addition to these financial assets available to meet general expenditures over the year, the Organization has various lines of credit as described in Note 7.

### NOTE 10. COMMITMENTS & CONTINGENCIES

VHB is a general partner, developer, or both in several partnerships that have operating and other types of guarantees relating to the development and operation of these projects. These guarantees may include funding various guarantees including construction credit adjustments on operating deficits. Although management does not expect to have to fund these guarantees prior to their expiration, the total of these operating guarantees at December 31, 2018 is approximately \$1,370,000.

### NOTE 11. DEFERRED REVENUE

Vintage Plaza was awarded by the California Tax Credit Allocation Committee an American Recovery and Reinvestment Act of 2009 Section 1602 Conditional Grant Agreement for \$3,317,944 in exchange for the partnership exchanging its federal low income housing tax credits awarded to the project. The Partnership must comply with all the terms of the Conditional Grant which is secured by a conditional deed of trust on the project during the fifteen-year compliance period. The project must be operated within the conditions set forth in the grant agreement and all or part of the grant may be subject to recapture if the grant is not complied with during the compliance period. The grant also has a recorded regulatory agreement it must abide by. The grant will be recorded as deferred revenue and annually a portion will be recognized as income. At December 31, 2018 deferred revenue amounted to \$1,673,572.

# VISIONARY HOME BUILDERS OF CALIFORNIA, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 12. OPERATING LEASES

VHB has entered into various lease commitments relating to office equipment and a vehicle. The leases expire between August 2020 and January 2021. VHB is required to maintain insurance on all leased equipment as well as pay all applicable taxes. Rent and lease expense for the year ending December 31, 2018 was \$36,563.

The following is a schedule of non-cancelable future minimum lease payments required under the operating leases:

Year ending December 31,	
2019	\$ 25,966
2020	22,972
2021	18,780
	<u>\$ 67,718</u>

### NOTE 13. PENSION PLAN

VHB has a 401(k) defined contribution employee benefit plan which became effective on November 1, 2002. Under the plan, employees could defer up to 15% of their salary. Pursuant to an amendment dated March 17, 2010, employees may defer as much as they choose, subject to federal limits.

Effective May 1, 2007, an amendment to the plan was implemented which allows the Organization, subject to certain limitations, to make discretionary matches to employee contributions. Total employer contributions in 2018 were \$25,592.

### NOTE 14. SUBSEQUENT EVENTS

Harvest Gold was sold for \$11,628,000 in March 2019 resulting in an approximate gain of \$2,746,700 and \$8,312,500 of debt being paid off. 5 Simbad single family lots were sold for \$230,000 in April 2019 resulting in an approximate gain of \$21,200 and \$270,000 of debt being paid off. VHB received contributions totalling \$669,044 in May 2019 from Cedar Gardens, which is expected to be a one-time event due to a change in HUD policy. The construction loan for Oakleaf Meadows closed in May 2019.

### NOTE 15. INVESTMENT IN LIMITED PARTNERSHIP

The Organization has recorded its .01% general partnership interests in Vintage Plaza Partnership, L.P., Emerald Point Associates, Eighth Street Housing L.P., Tracy Mountain View Associates, L.P., Westgate Community Associates L.P., Villa Montecito Associates, L.P., and Chateau De Lyon Associates, L.P. The Organization uses its cost basis for accounting of these partnerships.



**Schwartz  
Giannini  
Lantsberger  
& Adamson**

ACCOUNTANCY  
CORPORATION

## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors  
Visionary Home Builders of California, Inc. (A Nonprofit  
Corporation)  
Stockton, California

We have audited, in accordance with the 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, the financial statements of Visionary Home Builders of California, Inc. (a nonprofit corporation), which comprise the consolidated statement of financial position as of December 31, 2018, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 31, 2019.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Visionary Home Builders of California, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of Visionary Home Builders of California, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

-20-

Gary F. Giannini, CPA  
Philip Lantsberger, CPA  
Robert Gross, CPA  
Nikolas Torres, CPA  
Timothy J. Schwartz, CPA,  
Retired  
William H. Adamson,  
Retired

4578 Feather River Drive  
Suite D  
Stockton CA, 95219  
Ph: 209.474.1084  
Fx: 209.474.0301

6731 Herndon Place  
Stockton, CA 95219  
Ph: 209.951.9900

www.sglacpas.com

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Visionary Home Builders of California, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Schwartz, Giannini, Lantberger & Adamson*

Stockton, California July  
31, 2019



# INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM

## AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors  
Visionary Home Builders of California, Inc. (A Nonprofit  
Corporation)  
Stockton, California

### Report on Compliance for Each Major Federal Program

We have audited Visionary Home Builders of California, Inc.'s (a nonprofit corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Visionary Home Builders of California, Inc.'s major federal programs for the year ended December 31, 2018. Visionary Home Builders of California, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Visionary Home Builders of California, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Visionary Home Builders of California, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Visionary Home Builders of California, Inc.'s compliance.

-22-

Gary F. Giannini, CPA  
Philip Lantsberger, CPA  
Robert Gross, CPA  
Nikolas Torres, CPA  
Timothy J. Schwartz, CPA,  
Retired  
William H. Adamson,  
Retired

4578 Feather River Drive  
Suite D  
Stockton CA, 95219  
Ph: 209.474.1084  
Fx: 209.474.0301

6731 Herndon Place  
Stockton, CA 95219  
Ph: 209.951.9900

[www.sglacpas.com](http://www.sglacpas.com)

## Opinion on Each Major Federal Program

In our opinion, Visionary Home Builders of California, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2018.

## Report on Internal Control Over Compliance

Management of Visionary Home Builders of California, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Visionary Home Builders of California, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Visionary Home Builders of California, Inc.'s internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

This report is intended for the information of the board of directors, management and federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

*Schwartz, Giannini, Lantberger & Adamson*

Stockton, California July  
31, 2019

# SUPPLEMENTARY INFORMATION

**VISIONARY HOME BUILDERS OF CALIFORNIA, INC.**  
**(A Nonprofit Corporation)**

SCHEDULE OF FEDERAL AWARDS  
For the Year Ended December 31, 2018

<u>Federal Grantor/ Pass-through Grantor Program Title</u>	<u>Agency or Pass-Through Number</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditure \$</u>
<b>Department of Treasury</b>			
<b>Rural Community Assistance Corporation</b>			
National Foreclosure Mitigation Counseling			
	NRC:21.000 PL110-289:95X1350		\$ <u>30,000</u>
Total Department of Treasury			\$ <u>30,000</u>
<b>Department of</b>			
<b>Agriculture Rural</b>			
<b>Development</b>			
Rental Assistance		10.427	\$ 184,899
Non-Cash			
Villa de San Joaquin Loan Amount		10.405	<u>674,637*</u>
Total Department of Agriculture			<u>\$ 859,536</u>

\*Major Program

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**NOTE 1. BASIS OF PRESENTATION**

The schedule of expenditures of federal awards includes the federal grant – sub recipient activities of Visionary Home Builders of California, Inc. and Subsidiaries, presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance.) Therefore, some amounts presented in this schedule may differ from amounts used in the preparation of the basic financial statements.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**VISIONARY HOME BUILDERS OF CALIFORNIA, INC.**  
**(A Nonprofit Corporation)**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2018

**A. Auditor's Results**

- (1) An unqualified report on the financial statements was issued.
- (2) No reportable conditions in internal controls were disclosed by the audit.
- (3) No instances of noncompliance which are material to the financial statements were disclosed during the audit.
- (4) No reportable conditions in internal controls over major programs were disclosed by the audit.
- (5) An unqualified report on compliance was issued.
- (6) No audit findings related to major programs were disclosed during the audit.
- (7) The major program was CFDA#10.405 Loan Guarantee.
- (8) The dollar threshold to distinguish Type A and Type B programs is \$750,000.
- (9) The auditee qualified as a low risk auditee.

**B. Findings – Financial Statements Audit**

No findings related to the financial statements which are required to be reported in accordance with GAGAS were disclosed by the audit.

**C. Questioned Costs – Federal Awards**

No questioned costs for major Federal awards programs were disclosed by the audit.

**VISIONARY HOME BUILDERS OF CALIFORNIA, INC.**  
**(A Nonprofit Corporation)**

Supplemental Information Required by USDA, Rural Development For the Year Ended  
December 31, 2018

Note: The following data pertains to Villa de San Joaquin, a thirty-unit apartment project wholly owned by VHB.

1. Management Fee Calculation

The management fee is based on a fee per unit occupied by tenants during the month.

	<u>12/31/18</u>
Total Qualified Units	360
Vacancies	<u>(19)</u>
Total Occupied Units	341
Fee Per Unit	<u>\$ 45.00</u>
Management Fee Expense Allowed per RD Guidelines	<u>\$ 15,345</u>
Management fee billed and paid	<u>\$ 16,200</u>

2. Insurance Disclosure

The Entity maintains Insurance coverage as follows:

	<u>Deductible</u>	<u>Coverage</u>
General Liability		
-Aggregate	\$ 1,000	\$ 2,000,000
-Per Occurrence	\$ 1,000	\$ 1,000,000
Property Coverage – Buildings	\$ 1,000	\$ 3,945,238
Personal and Advertising Injury	\$ 1,000	\$ 1,000,000
Fidelity/Employee Dishonesty/Theft	\$ 1,000	\$ 1,000,000
Auto Liability	\$ 1,000	\$ 1,000,000
Excess Liability		\$ 1,000,000
Fire damage		\$ 300,000

The accompanying notes are an integral part of these  
financial statements.

**VISIONARY HOME BUILDERS OF CALIFORNIA, INC.**  
**(A Nonprofit Corporation)**

Supplemental Information Required by USDA, Rural Development For the Year Ended  
December 31, 2018

(Continued)

3. Return to Owner

In accordance with the Loan Agreement, the annual return to owner is as follows:

There is distributable income to the owner in the amount of \$0 for 2018. Annual distribution is limited to \$1,800 annually.

4. Replacement Reserve Activity

	<u>Required</u>	<u>Actual</u>
Balance -- beginning of period	\$ 465,230	\$ 514,497
Total monthly deposits	27,000	27,000
Approved withdrawals	-	-
Interest	-	-
	<u>          </u>	<u>          </u>
Balance -- end of period	<u>\$ 492,230</u>	<u>\$ 541,497</u>

The accompanying notes are an integral part of these  
financial statements.

**VISIONARY HOME BUILDERS OF CALIFORNIA, INC. AND SUBSIDIARIES**  
**COMBINING SCHEDULE OF FINANCIAL POSITION**  
December 31, 2018

	Visionary Home Builders							Bounce Back to Homeownership	Subtotal
	Visionary Home Builders	Villa de San Joaquin	Emerald Pointe II	Emerald Pt. Daycare	Church St. Triplex	Villa Isabella	Hillside		
<b>ASSETS</b>									
<b>Current assets:</b>									
Cash and cash equivalents	\$ 883,537	\$ 4,109	\$ 44,851	\$ -	\$ 1,956	\$ 79,111	\$ -	\$ 22,597	\$ 1,036,161
Accounts receivable, net	2,102,180	7,954	-	-	355	1,065	-	163,202	2,274,756
Interest receivable - current portion	601,252	-	-	-	-	-	-	-	601,252
Property held for sale	-	-	-	-	-	-	-	-	-
Development projects in progress									
current portion	325,679	-	-	-	-	-	-	-	325,679
Prepaid expenses	57,235	1,014	-	-	-	1,225	-	7,398	66,872
Deposits	19,899	-	-	-	-	-	-	-	19,899
Total current assets	<u>\$ 3,989,782</u>	<u>\$ 13,077</u>	<u>\$ 44,851</u>	<u>\$ -</u>	<u>\$ 2,311</u>	<u>\$ 81,401</u>	<u>\$ -</u>	<u>\$ 193,197</u>	<u>\$ 4,324,619</u>
<b>Non-current assets:</b>									
Restricted cash - reserve for replacement	\$ -	\$ 541,497	\$ 6,169	\$ 38,472	\$ -	\$ 83,172	\$ -	\$ -	\$ 669,310
Restricted cash - operating reserve	-	-	-	-	-	47,082	-	-	47,082
Restricted cash - sinking fund	-	-	-	-	-	-	-	-	-
Restricted cash - resident savings	-	-	-	-	11,919	-	-	-	11,919
Restricted cash - tenant security deposits	-	20,058	5,058	-	2,997	21,480	-	-	49,593
Interest receivable - net of current portion	669,862	-	-	-	-	-	-	-	669,862
Notes receivable	892,099	-	-	-	-	-	-	-	892,099
Development projects in progress	6,813,942	-	-	-	-	-	-	-	6,813,942
Land, building and equipment, net	679,268	1,033,884	212,336	380,529	406,224	2,005,298	-	-	4,717,539
Investment in limited partnership	2,405,001	-	-	-	-	-	-	-	2,405,001
Total non-current assets	<u>\$ 11,460,172</u>	<u>\$ 1,595,439</u>	<u>\$ 223,563</u>	<u>\$ 419,001</u>	<u>\$ 421,140</u>	<u>\$ 2,157,032</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,276,347</u>
Total assets	<u>\$ 15,449,954</u>	<u>\$ 1,608,516</u>	<u>\$ 268,414</u>	<u>\$ 419,001</u>	<u>\$ 423,451</u>	<u>\$ 2,238,433</u>	<u>\$ -</u>	<u>\$ 193,197</u>	<u>\$ 20,600,966</u>
<b>LIABILITIES AND NET ASSETS</b>									
<b>Current liabilities:</b>									
Accounts payable and accrued expenses	\$ 585,061	\$ 10,691	\$ 801	\$ 1,181	\$ 1,912	\$ 3,441	\$ -	\$ 89	\$ 603,176
Due to related party	52,267	73,993	840	11,761	46,045	40,993	-	-	225,899
Prepaid rent	-	1,671	-	-	-	1,511	-	-	3,182
Deferred revenue - current portion	-	-	-	-	-	-	-	-	-
Accrued interest - current portion	-	-	-	-	-	-	-	-	-
Tenant security deposits	-	18,079	3,614	-	2,997	10,010	-	-	34,700
Line of credit	736,215	-	-	-	-	-	-	-	736,215
Notes payable - current portion	2,619,969	91,141	-	21,377	-	-	-	-	2,732,487
Total current liabilities	<u>\$ 3,993,512</u>	<u>\$ 195,575</u>	<u>\$ 5,255</u>	<u>\$ 34,319</u>	<u>\$ 50,954</u>	<u>\$ 55,955</u>	<u>\$ -</u>	<u>\$ 89</u>	<u>\$ 4,335,659</u>
<b>Non-current liabilities:</b>									
Notes payable - net of current portion	\$ 3,126,289	\$ 583,496	\$ 278,715	\$ 332,979	\$ 536,915	\$ 1,804,100	\$ -	\$ -	\$ 6,662,494
Accrued interest - net of current portion	768,900	-	-	-	-	182,815	-	-	951,715
Deferred revenue - net of current portion	-	-	-	-	-	-	-	-	-
Total non-current liabilities	<u>\$ 3,895,189</u>	<u>\$ 583,496</u>	<u>\$ 278,715</u>	<u>\$ 332,979</u>	<u>\$ 536,915</u>	<u>\$ 1,986,915</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,614,209</u>
Total liabilities	<u>\$ 7,888,701</u>	<u>\$ 779,071</u>	<u>\$ 283,970</u>	<u>\$ 367,298</u>	<u>\$ 587,869</u>	<u>\$ 2,042,870</u>	<u>\$ -</u>	<u>\$ 89</u>	<u>\$ 11,949,868</u>
<b>Net assets:</b>									
Without donor restrictions	<u>\$ 7,561,253</u>	<u>\$ 829,445</u>	<u>\$ (15,556)</u>	<u>\$ 51,703</u>	<u>\$ (164,418)</u>	<u>\$ 195,563</u>	<u>\$ -</u>	<u>\$ 193,108</u>	<u>\$ 8,651,098</u>
Total net assets	<u>\$ 7,561,253</u>	<u>\$ 829,445</u>	<u>\$ (15,556)</u>	<u>\$ 51,703</u>	<u>\$ (164,418)</u>	<u>\$ 195,563</u>	<u>\$ -</u>	<u>\$ 193,108</u>	<u>\$ 8,651,098</u>
Total liabilities and net assets	<u>\$ 15,449,954</u>	<u>\$ 1,608,516</u>	<u>\$ 268,414</u>	<u>\$ 419,001</u>	<u>\$ 423,451</u>	<u>\$ 2,238,433</u>	<u>\$ -</u>	<u>\$ 193,197</u>	<u>\$ 20,600,966</u>

	Vintage Plaza	Delta Plaza	Sutter Village	Grant Village	Harvest Gold	Subtotal	Eliminations	Total
<b>ASSETS</b>								
Current assets:								
Cash and cash equivalents	\$ 34,430	\$ 1,345	\$ 10,090	\$ 8,046	\$ 19,703	\$ 1,109,775	\$ -	\$ 1,109,775
Accounts receivable, net	621	2,893	-	4,247	-	2,282,517	(553,471)	1,729,046
Interest receivable - current portion	-	-	-	-	-	601,252	-	601,252
Property held for sale	-	-	-	-	8,750,000	8,750,000	-	8,750,000
Development projects in progress - current portion	-	-	-	-	-	325,679	-	325,679
Prepaid expenses	40,179	980	-	1,352	186,587	295,970	-	295,970
Deposits	-	-	-	-	-	19,899	-	19,899
Total current assets	\$ 75,230	\$ 5,218	\$ 10,090	\$ 13,645	\$ 8,956,290	\$ 13,385,092	\$ (553,471)	\$ 12,831,622
Non-current assets:								
Restricted cash - reserve for replacement	\$ 48,251	\$ 141,492	\$ -	\$ 155,342	\$ -	\$ 1,014,395	\$ -	\$ 1,014,395
Restricted cash - operating reserve	30,290	103,431	-	6,944	-	187,747	-	187,747
Restricted cash - sinking fund	-	76,350	-	-	-	76,350	-	76,350
Restricted cash - resident savings	-	-	-	-	-	11,919	-	11,919
Restricted cash - tenant security deposits	15,582	6,525	-	27,716	99,775	199,191	-	199,191
Interest receivable - net of current portion	-	-	-	-	-	669,862	-	669,862
Notes receivable	-	-	-	-	-	892,099	(379,099)	513,000
Development projects in progress - Land, building and equipment, net	5,421,205	660,638	-	2,032,340	-	12,831,722	-	12,831,722
Investment in limited partnership	-	-	-	-	-	2,405,001	-	2,405,001
Total non-current assets	\$ 5,515,328	\$ 988,436	\$ -	\$ 2,222,342	\$ 99,775	\$ 25,102,228	\$ (379,099)	\$ 24,723,129
Total assets	\$ 5,590,558	\$ 993,654	\$ 10,090	\$ 2,235,987	\$ 9,056,065	\$ 38,487,320	\$ (932,570)	\$ 37,554,751
<b>LIABILITIES AND NET ASSETS</b>								
Current liabilities:								
Accounts payable and accrued expenses	\$ 5,600	\$ 12,051	\$ -	\$ 5,128	\$ 42,365	\$ 668,320	\$ -	\$ 668,320
Due to related party	5,869	15,518	-	180,819	114,085	542,190	(542,190)	-
Prepaid rent	-	1,440	-	815	10,590	16,027	-	16,027
Deferred revenue - current portion	209,196	-	-	-	-	209,196	-	209,196
Accrued interest - current portion	-	-	-	-	39,369	39,369	-	39,369
Tenant security deposits	14,670	6,525	-	28,225	88,874	172,994	-	172,994
Line of credit	-	-	-	-	-	736,215	-	736,215
Notes payable - current portion	-	-	-	-	9,171,500	11,903,987	-	11,903,987
Total current liabilities	\$ 235,335	\$ 35,534	\$ -	\$ 214,987	\$ 9,466,782	\$ 14,288,297	\$ (542,190)	\$ 13,746,108
Non-current liabilities:								
Notes payable - net of current portion	\$ 2,837,173	\$ 1,529,319	\$ -	\$ 1,546,200	\$ -	\$ 12,575,186	\$ -	\$ 12,575,186
Accrued interest - net of current portion	599,427	718,775	-	1,307,846	-	3,577,563	-	3,577,563
Deferred revenue - net of current portion	1,464,376	-	-	-	-	1,464,376	-	1,464,376
Total non-current liabilities	\$ 4,900,976	\$ 2,248,094	\$ -	\$ 2,853,846	\$ -	\$ 17,617,125	\$ -	\$ 17,617,125
Total liabilities	\$ 5,136,311	\$ 2,283,628	\$ -	\$ 3,068,833	\$ 9,466,782	\$ 31,905,422	\$ (542,190)	\$ 31,363,233
Net assets:								
Without donor restrictions	\$ 454,247	\$ (1,289,974)	\$ 10,090	\$ (832,846)	\$ (410,717)	\$ 6,581,898	\$ (390,380)	\$ 6,191,518
Total net assets	\$ 454,247	\$ (1,289,974)	\$ 10,090	\$ (832,846)	\$ (410,717)	\$ 6,581,898	\$ (390,380)	\$ 6,191,518
Total liabilities and net assets	\$ 5,590,558	\$ 993,654	\$ 10,090	\$ 2,235,987	\$ 9,056,065	\$ 38,487,320	\$ (932,570)	\$ 37,554,751

**VISIONARY HOME BUILDERS OF CALIFORNIA, INC. AND SUBSIDIARIES**  
**COMBINING SCHEDULE OF ACTIVITIES**  
For the Year Ended December 31, 2018

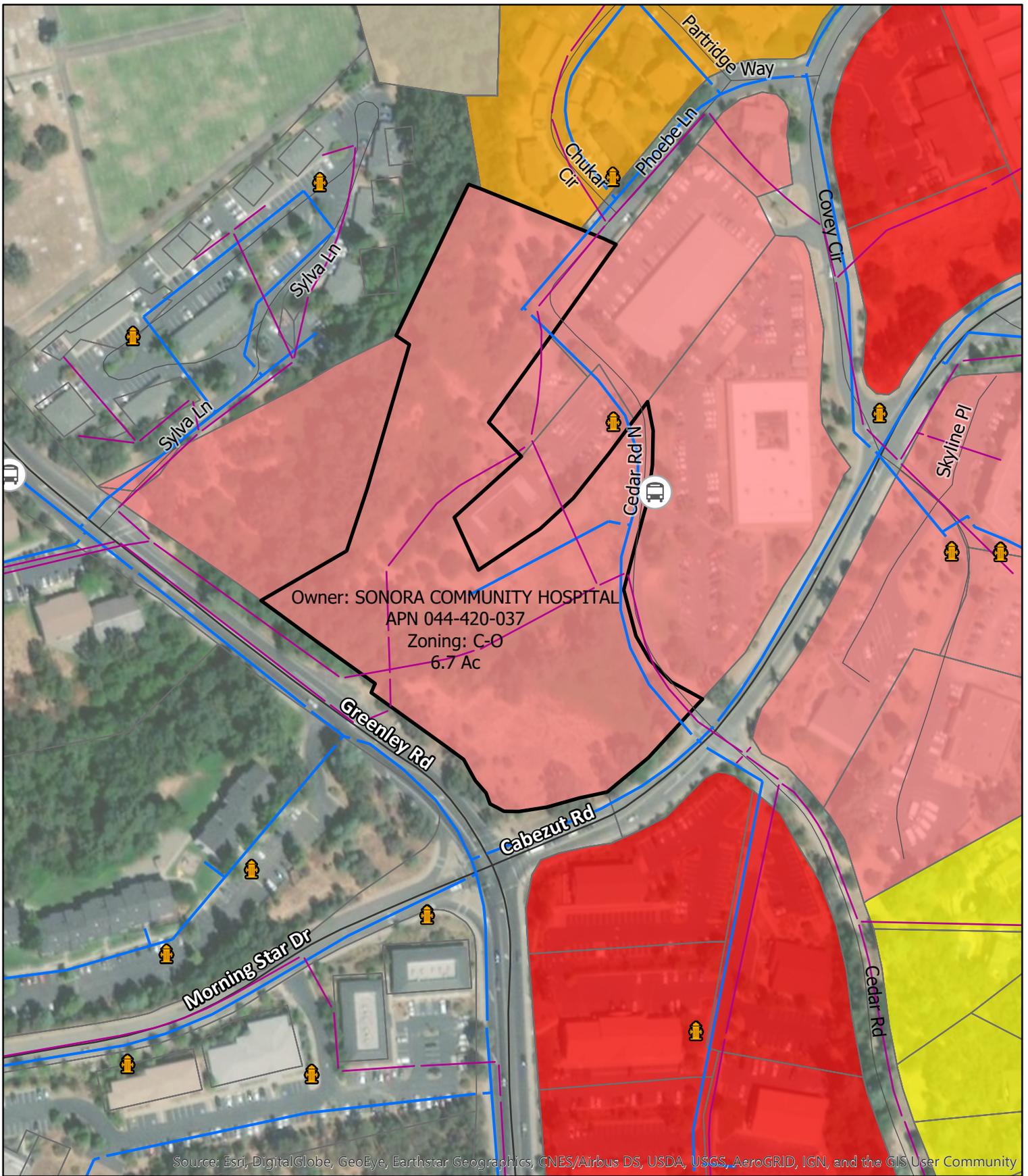
	Visionary Home Builders								Subtotal
	Visionary Home Builders	Villa de San Joaquin	Emerald Pointe II	Emerald Pt. Daycare	Church St. Triplex	Villa Isabella	Hillside	Bounce Back to Homeownership	
<b>Support and revenue:</b>									
Grant income	\$ 364,283	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 364,283
Sales	198,890	-	-	-	-	-	-	30,294	229,184
Golf tournament	54,347	-	-	-	-	-	-	-	54,347
Rental income	4,800	335,412	26,666	7,303	24,494	117,853	53,182	-	569,710
Other income	42,170	12,160	285	-	623	4,513	2,910	875	63,536
Insurance proceeds	25,000	-	-	-	-	-	-	-	25,000
Management fees - consulting, asset management, & property management	1,193,045	-	-	-	-	-	-	-	1,193,045
Debt forgiveness	-	-	-	20,844	-	-	-	-	20,844
Gain (loss) on sale of project	(117,739)	-	-	-	-	-	351,474	-	233,735
Interest income	1,271,115	-	-	-	-	86	-	-	1,271,201
<b>Total support and revenue</b>	<b>\$ 3,035,911</b>	<b>\$ 347,572</b>	<b>\$ 26,951</b>	<b>\$ 28,147</b>	<b>\$ 25,117</b>	<b>\$ 122,452</b>	<b>\$ 407,566</b>	<b>\$ 31,169</b>	<b>\$ 4,024,885</b>
<b>Expenses:</b>									
<b>Program services:</b>									
Asset management	\$ 109,957	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,957
Property management	625,215	-	-	-	-	-	-	-	625,215
Housing counselling	203,052	-	-	-	-	-	-	-	203,052
Housing development	1,179,960	-	-	-	-	-	-	221,164	1,401,124
Rental operations	-	314,972	45,234	28,444	45,584	235,527	138,370	-	808,131
<b>Supporting services:</b>									
Management and general	848,482	6,100	-	-	-	-	-	-	854,582
Fundraising	30,704	-	-	-	-	-	-	-	30,704
<b>Total expenses</b>	<b>\$ 2,997,370</b>	<b>\$ 321,072</b>	<b>\$ 45,234</b>	<b>\$ 28,444</b>	<b>\$ 45,584</b>	<b>\$ 235,527</b>	<b>\$ 138,370</b>	<b>\$ 221,164</b>	<b>\$ 4,032,765</b>
<b>Changes in net assets</b>	<b>\$ 38,541</b>	<b>\$ 26,500</b>	<b>\$ (18,283)</b>	<b>\$ (297)</b>	<b>\$ (20,467)</b>	<b>\$ (113,075)</b>	<b>\$ 269,196</b>	<b>\$ (189,995)</b>	<b>\$ (7,880)</b>
<b>Net assets, beginning of year</b>	<b>7,522,712</b>	<b>802,945</b>	<b>2,727</b>	<b>52,000</b>	<b>(143,951)</b>	<b>308,638</b>	<b>(269,196)</b>	<b>383,103</b>	<b>8,658,978</b>
<b>Net assets, end of year</b>	<b>\$ 7,561,253</b>	<b>\$ 829,445</b>	<b>\$ (15,556)</b>	<b>\$ 51,703</b>	<b>\$ (164,418)</b>	<b>\$ 195,563</b>	<b>\$ -</b>	<b>\$ 193,108</b>	<b>\$ 8,651,098</b>

	Vintage Plaza	Delta Plaza	Suffer Ville	Grant Village	Harvest Gold	Subtotal	Eliminations	Total
<b>Support and revenue:</b>								
Grant income	\$ 209,196	\$ -	\$ -	\$ -	\$ -	\$ 573,479	\$ -	\$ 573,479
Sales	-	-	-	-	-	229,184	-	229,184
Golf tournament	-	-	-	-	-	54,347	-	54,347
Rental income	121,878	204,857	-	209,587	1,070,233	2,178,265	-	2,178,265
Other income	2,526	2,303	-	806	62,736	131,907	-	131,907
Insurance proceeds	-	-	-	-	-	25,000	-	25,000
Management fees - consulting, asset management, & property management	-	-	-	-	-	1,193,045	(174,830)	1,018,215
Debt forgiveness	-	-	-	-	-	20,844	-	20,844
Gain (loss) on sale of project	-	-	-	-	-	233,735	-	233,735
Interest income	-	-	-	-	-	1,271,201	-	1,271,201
<b>Total support and revenue</b>	<b>\$ 333,600</b>	<b>\$ 207,160</b>	<b>\$ -</b>	<b>\$ 210,393</b>	<b>\$ 1,132,969</b>	<b>\$ 5,909,007</b>	<b>\$ (174,830)</b>	<b>\$ 5,734,177</b>
<b>Expenses:</b>								
<b>Program services:</b>								
Asset management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,957	\$ -	\$ 109,957
Property management	-	-	-	-	-	625,215	-	625,215
Housing counseling	-	-	-	-	-	203,052	-	203,052
Housing development	-	-	-	-	-	1,401,124	-	1,401,124
Rental operations	378,092	289,656	4,858	403,908	1,543,667	3,428,332	(174,830)	3,253,502
<b>Supporting services:</b>								
Management and general	4,850	5,850	-	5,600	-	870,882	-	870,882
Fundraising	-	-	-	-	-	30,704	-	30,704
<b>Total expenses</b>	<b>\$ 382,942</b>	<b>\$ 295,506</b>	<b>\$ 4,858</b>	<b>\$ 409,508</b>	<b>\$ 1,543,667</b>	<b>\$ 6,669,266</b>	<b>\$ (174,830)</b>	<b>\$ 6,494,436</b>
<b>Changes in net assets</b>	<b>\$ (49,342)</b>	<b>\$ (88,346)</b>	<b>\$ (4,858)</b>	<b>\$ (199,115)</b>	<b>\$ (410,717)</b>	<b>\$ (760,258)</b>	<b>\$ -</b>	<b>\$ (760,258)</b>
<b>Net assets, beginning of year</b>	<b>503,589</b>	<b>(1,201,626)</b>	<b>14,948</b>	<b>(633,731)</b>	<b>-</b>	<b>7,342,156</b>	<b>(390,380)</b>	<b>6,951,776</b>
<b>Net assets, end of year</b>	<b>\$ 454,247</b>	<b>\$ (1,289,974)</b>	<b>\$ 10,090</b>	<b>\$ (832,846)</b>	<b>\$ (410,717)</b>	<b>\$ 6,581,898</b>	<b>\$ (390,380)</b>	<b>\$ 6,191,511</b>

**VISIONARY HOME BUILDERS OF CALIFORNIA, INC. AND SUBSIDIARIES**  
**COMBINING SCHEDULE OF CASH**  
**FLows**  
**For the Year Ended December 31, 2018**

	Visionary Home Builders								Subtotal
	Visionary Home Builders	Villa de San Joaquin	Emerald Pointe II	Emerald Pt. Daycare	Church St. Triplex	Villa Isabella	Hillside	Bounce Back to Homeownership	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>									
Change in net assets	\$ 38,541	\$ 26,500	\$ (18,283)	\$ (297)	\$ (20,467)	\$ (113,075)	\$ 269,196	\$ (189,995)	\$ (7,880)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities									
Items not requiring the use of cash:									
Depreciation and amortization	76,099	67,197	7,561	14,558	11,431	62,980	-	-	239,826
(Gain) loss on project disposition	117,739	-	-	-	-	-	(351,474)	-	(233,735)
Debt forgiveness	-	-	-	(20,844)	-	-	-	-	(20,844)
Accrued interest	(901,862)	-	-	-	-	54,874	-	-	(846,988)
Deferred grant revenue recognition	-	-	-	-	-	-	-	-	-
Changes in assets and liabilities:									
(Increase) Decrease in:									
Restricted cash - tenant security deposits	-	9,183	(800)	-	-	(8,393)	5,100	-	5,090
Restricted cash - resident savings	-	-	-	-	(1,356)	-	-	-	(1,356)
Accounts receivable	411,903	2,606	230	3,027	(273)	1,521	1,103	(110,935)	309,182
Interest receivable	(1,271,114)	-	-	-	-	-	-	-	(1,271,114)
Property held for sale	-	-	-	-	-	-	-	386,212	386,212
Other assets	(32,176)	(198)	-	-	-	(681)	707	7,951	(24,397)
Increase (Decrease) in:									
Accounts payable and accrued expenses	266,557	4,248	686	354	(547)	2,301	(46,400)	(10,392)	216,807
Due to related parties	-	12,572	277	6,025	15,675	11,066	(311,632)	(55,984)	(322,001)
Prepaid rent	-	(1,800)	-	-	-	565	-	-	(1,235)
Tenant security deposits	-	(2,133)	(44)	-	-	770	(4,500)	-	(5,907)
Net cash provided by (used in) operating activities	\$ (1,294,313)	\$ 118,175	\$ (10,373)	\$ 2,823	\$ 4,463	\$ 11,928	\$ (437,900)	\$ 26,857	\$ (1,578,340)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
Purchase of land, building, equipment	\$ (3,920)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,920)
Proceeds from sale of project	-	-	-	-	-	-	1,075,000	-	1,075,000
Net decrease in development projects in progress	5,229,151	-	-	-	-	-	-	-	5,229,151
Note receivable made	352,771	-	-	-	-	-	-	-	352,771
Withdrawals from sinking fund	-	-	-	-	-	-	-	-	-
Deposits to operating reserves	-	-	-	-	-	(3,363)	-	-	(3,363)
Withdrawals from operating reserves	-	-	-	-	-	-	-	-	-
Deposits to replacement reserves	-	(27,000)	(900)	(2,823)	-	(6,723)	-	-	(37,446)
Withdrawals from replacement reserves	-	-	-	-	-	-	-	-	-
Investment in limited partnerships	66,666	-	-	-	-	-	-	-	66,666
Net cash provided by (used in) investing activities	\$ 5,644,668	\$ (27,000)	\$ (900)	\$ (2,823)	\$ -	\$ (10,086)	\$ 1,075,000	\$ -	\$ 6,678,859
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
Proceeds from issuing notes payable	\$ 450,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 450,000
Net proceeds from (payments on) line of credit	219,719	-	-	-	-	-	(638,000)	(268,434)	(686,715)
Principal payments on notes payable	(5,315,825)	(89,761)	(1)	-	(2,507)	-	-	-	(5,408,094)
Repayment of related party note	-	-	-	-	-	-	-	-	-
Net cash provided by (used in) financing activities	\$ (4,646,106)	\$ (89,761)	\$ (1)	\$ -	\$ (2,507)	\$ -	\$ (638,000)	\$ (268,434)	\$ (5,644,809)
Increase (decrease) in cash	\$ (295,751)	\$ 1,414	\$ (11,274)	\$ -	\$ 1,956	\$ 1,842	\$ (900)	\$ (241,577)	\$ (544,290)
Cash, beginning	1,179,288	2,695	56,125	-	-	77,269	900	264,174	1,580,451
Cash, ending	\$ 883,537	\$ 4,109	\$ 44,851	\$ -	\$ 1,956	\$ 79,111	\$ -	\$ 22,597	\$ 1,036,161
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>									
Cash payments for:									
Interest	\$ 44,292	\$ 7,698	\$ 3,047	\$ -	\$ 5,467	\$ -	\$ 21,115	\$ 23,367	\$ 104,986
Income taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 800	\$ 800	\$ 6,800	\$ 8,400

	Vintage Plaza	Delta Plaza	Sutter Vile	Grant Village	Harvest Gold	Subtotal	Eliminations	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Change in net assets	\$ (49,342)	\$ (88,346)	\$ (4,858)	\$ (199,115)	\$ (410,717)	\$ (760,258)	\$ -	\$ (760,258)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities								
Items not requiring the use of cash:								
Depreciation and amortization	148,211	54,410	-	112,293	-	554,740	-	554,740
(Gain) loss on project disposition	-	-	-	-	-	(233,735)	-	(233,735)
Debt forgiveness	-	-	-	-	-	(20,844)	-	(20,844)
Accrued interest	78,112	31,500	-	63,000	39,369	(635,007)	-	(635,007)
Deferred grant revenue recognition	(209,196)	-	-	-	-	(209,196)	-	(209,196)
Changes in assets and liabilities:								
(Increase) Decrease In:								
Restricted cash - tenant security deposits	(856)	(357)	-	190	(99,775)	(95,708)	-	(95,708)
Restricted cash - resident savings	-	-	-	-	-	(1,356)	-	(1,356)
Accounts receivable	(615)	(881)	-	4,604	-	312,290	-	312,290
Interest receivable	-	-	-	-	-	(1,271,114)	-	(1,271,114)
Property held for sale	-	-	-	-	(8,750,000)	(8,363,788)	-	(8,363,788)
Other assets	3,141	(191)	-	(263)	(186,587)	(208,297)	-	(208,297)
Increase (Decrease) in:								
Accounts payable and accrued expenses	4,918	2,880	-	(82,159)	42,365	184,810	-	184,810
Due to related parties	-	9,165	-	49,089	114,085	(149,662)	-	(149,662)
Prepaid rent	-	424	-	(1,319)	10,590	8,460	-	8,460
Tenant security deposits	(56)	357	-	-	88,874	83,268	-	83,268
Net cash provided by (used in) operating activities	\$ (25,683)	\$ 8,961	\$ (4,858)	\$ (53,680)	\$ (9,151,797)	\$ (10,805,397)	\$ -	\$ (10,805,397)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Purchase of land, building, equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,920)	\$ -	\$ (3,920)
Proceeds from sale of project	-	-	-	-	-	1,075,000	-	1,075,000
Net decrease in development projects in progress	-	-	-	-	-	5,229,150	-	5,229,150
Note receivable made	-	-	-	-	-	352,771	-	352,771
Withdrawals from sinking fund	-	112	-	-	-	112	-	112
Deposits to operating reserves	-	(7,728)	-	(4,956)	-	(16,047)	-	(16,047)
Withdrawals from operating reserves	-	-	-	40,166	-	40,166	-	40,166
Deposits to replacement reserves	(4,500)	-	-	(13,164)	-	(55,110)	-	(55,110)
Withdrawals from replacement reserves	-	-	-	10,840	-	10,840	-	10,840
Investment in limited partnerships	-	-	-	-	-	66,666	-	66,666
Net cash provided by (used in) investing activities	\$ (4,500)	\$ (7,616)	\$ -	\$ 32,880	\$ -	\$ 6,699,621	\$ -	\$ 6,699,621
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Proceeds from issuing notes payable	\$ -	\$ -	\$ -	\$ -	\$ 9,171,500	\$ 9,621,500	\$ -	\$ 9,621,500
Net proceeds from (payments on) line of credit	-	-	-	-	-	(686,715)	-	(686,715)
Principal payments on notes payable	-	-	-	-	-	(5,408,094)	-	(5,408,094)
Repayment of related party note	(9,955)	-	-	-	-	(9,955)	-	(9,955)
Net cash provided by (used in) financing activities	\$ (9,955)	\$ -	\$ -	\$ -	\$ 9,171,500	\$ 3,516,736	\$ -	\$ 3,516,736
Increase (decrease) in cash	\$ (40,138)	\$ 1,345	\$ (4,858)	\$ (20,794)	\$ 19,703	\$ (589,032)	\$ -	\$ (589,032)
Cash, beginning	74,568	-	14,948	28,840	-	1,698,807	-	1,698,807
Cash, ending	\$ 34,430	\$ 1,345	\$ 10,090	\$ 8,046	\$ 19,703	\$ 1,109,775	\$ -	\$ 1,109,775
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>								
Cash payments for:								
Interest	\$ -	\$ -	\$ -	\$ -	\$ 466,871	\$ 571,861	\$ -	\$ 571,861
Income taxes	\$ 800	\$ 1,200	\$ 800	\$ 800	\$ -	\$ 12,000	\$ -	\$ 12,000



 Vacant Parcel APN 44-420-037

 Bus Stops

 Hydrants

 Sewer Lines

 Water Lines

 TUOLUMNE.CDD.CadastralParcels

General Plan Land Use Designation:

 General Commercial

 Neighborhood Commercial

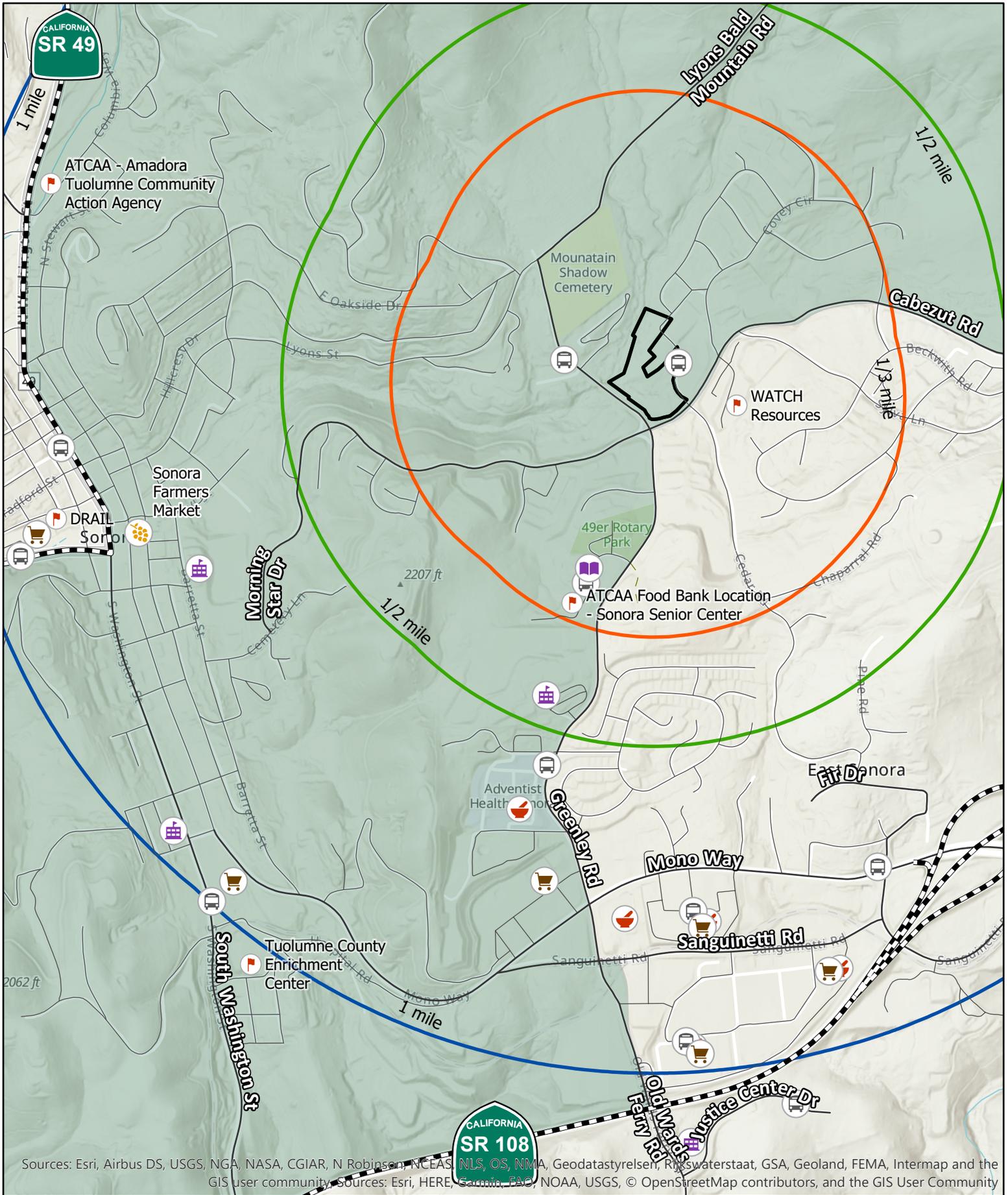
 High Density Residential

 Low Density Residential

 Estate Residential

## Affordable Apartments Site Detail





Sources: Esri, Airbus DS, USGS, NGA, NASA, CGIAR, N Robinson, NCEAS, NLS, OS, NMA, Geodatastyrelsen, Rijkswaterstaat, GSA, Geoland, FEMA, Intermap and the GIS user community. Sources: Esri, HERE, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community

-  Vacant Parcel 44-420-037
-  1/3 mile from Site
-  Half Mile from Site
-  One mile from Site
-  Libraries
-  Full Groceries
-  Bus Stops
-  Schools
-  Pharmacies
-  Farmers Markets
-  Community Assistance Facilities
-  Opportunity Zones

## Affordable Apartments Area Amenities



**AGREEMENT FOR PROFESSIONAL SERVICES  
AFFORDABLE FAMILY RENTAL PROJECT WITH PERMANENT  
SUPPORTIVE HOUSING COMPONENT**

THIS AGREEMENT (“Agreement”) is made and entered into this 1st day of September, 2020, by and between the County of Tuolumne, a political subdivision of the State of California, (“County”), and Visionary Home Builders, Inc., a California nonprofit corporation, (“Contractor”), pursuant to the following terms and conditions.

**WITNESSETH:**

**1. TERM**

The term of this Agreement shall commence on the date first hereinabove written and shall continue until all authorized work is approved by the County, or December 31, 2023, whichever is earlier.

**2. SERVICES**

Contractor shall secure financing, build and operate an affordable rental housing project with a permanent supportive housing component as described in Exhibit A, “Scope of Work,” which is attached hereto and incorporated herein by reference. Contractor shall provide all staffing and materials necessary to perform the Scope of Work.

County may utilize grant funds from the State of California Department of Housing and Community Development, at its sole discretion, to pay for predevelopment activities such as a General Plan Amendment, rezone, environmental reports, infrastructure assessments, and other studies or activities needed to develop the project and apply for affordable financing programs for project development. Grant funds have been or will be awarded to the County for the purpose of increasing the amount of affordable housing, and include No Place Like Home Technical Assistance Grant Funds, SB 2 Grant Funds, Local Early Action Planning Grant Funds, Regional Early Action Planning Grant Funds and HOME Investment Partnership Grant Program Income Funds. The County shall retain the right to utilize any studies paid for with grant funds or retain benefit of any predevelopment activities funded with grant funds. County shall retain ownership of all right, title, and interest in and to any studies or other work product under this Agreement, all copies thereof, and all modifications and enhancements thereto (including ownership of all copyrights and other intellectual property rights pertaining thereto. County shall be named as an additional Relying Entity on any Reliance Letters. Any subcontracts entered into by the Contractor shall incorporate and comply with all terms and conditions of this Agreement.

**COMPENSATION**

Contractor shall be compensated for services performed solely through grant funds, specifically, designation of the County’s State of California Department of Housing and Community Development (HCD) No Place Like Home \$500,000 permanent supportive housing grant to the project. No Place Like Home (NPLH) Grant

agreements for the project will be executed as per NPLH guidelines on forms acceptable to County, Contractor and HCD.

It is mutually agreed that if NPLH funds are not available to the County in the current year and/or any subsequent years covered under this Agreement, the Agreement shall be of no further force and effect. In this event, the County shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement. Notwithstanding the foregoing, in no event shall the loss or non-appropriation of grant funds in a given year result in the right of the county to recapture grant funds already disbursed to Contractor. Contractor's assumption of risk of possible loss of NPLH grant funds or non-appropriation is part of the consideration for this Agreement.

### 3. INSURANCE

- A. The Contractor shall provide at its own expense and maintain at all times the following insurance with insurance companies licensed in the State of California and shall provide evidence of such insurance to the County as may be required by the Risk Manager of the County. The Contractor's insurance policy(ies) shall be placed with insurer(s) with acceptable Best's rating of A:VII or with approval of the Risk Manager. The Contractor shall provide notice to the Risk Manager of the County by registered mail, return receipt requested, thirty (30) days prior to cancellation or material change for all of the following stated insurance policies:
- i. Workers' Compensation Coverage – Workers' Compensation Insurance and Employer's Liability Insurance for employees in accordance with the laws of the State of California (including requiring any authorized subcontractor to obtain such insurance for its employees).
  - ii. General Liability Coverage - Commercial general liability insurance with a minimum liability limit per occurrence of one million dollars (\$1,000,000) for bodily injury and one hundred thousand dollars (\$100,000) for property damage. If a commercial general liability insurance form or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Coverage shall be included for premises, operations and broad form contractual.
  - iii. Automobile Liability insurance with a minimum limit of liability per occurrence of \$1,000,000 for bodily injury and \$100,000 for property damage. This insurance shall cover for bodily injury and property damage, owned, hired and non-owned vehicles.

- B. Policy Endorsements: Each general liability and automobile liability insurance policy shall be endorsed with the following specific provisions:
- i. The County, its elected or appointed officers, officials, employees, agents and volunteers are to be covered as additional insureds (“County additional insureds”).
  - ii. This policy shall be considered, and include a provision it is, primary as respects the County additional insureds, and shall not include any special limitations to coverage provided to the County additional insureds. Any insurance maintained by the County, including any self-insured retention the County may have, shall be considered excess insurance only and shall not contribute with it.
  - iii. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring company.
  - iv. The insurer waives all rights of subrogation against the County additional insureds.
  - v. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the County additional insureds.
- C. Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and approved by the Risk Manager. At the County’s option, Contractor shall demonstrate financial capability for payment of such deductibles or self-insured retentions.
- D. Unsatisfactory Policies: If at any time any of the policies or endorsements be unsatisfactory as to form or substance, or if an issuing company shall be unsatisfactory, to the Risk Manager, a new policy or endorsement shall be promptly obtained and evidence submitted to the Risk Manager for approval.
- E. Failure to Comply: Upon failure to comply with any of these insurance requirements, this Agreement may be forthwith declared suspended or terminated. Failure to obtain and/or maintain any required insurance shall not relieve any liability under this Agreement, nor shall the insurance requirements be construed to conflict with or otherwise limit the indemnification obligations.

#### 4. **HOLD HARMLESS/INDEMNIFICATION**

Contractor shall indemnify, defend, save, protect and hold harmless County, its elected and appointed officials, officers, employees, agents and volunteers (collectively, “County”) from any and all demands, losses, claims, costs, suits, liabilities and expenses for any damage, injury or death (collectively, “Liability”) arising directly or indirectly from or connected with the services provided hereunder which is caused, or claimed or alleged to be caused, in whole or in part, by the negligence or willful

misconduct of Contractor, its officers, employees, agents, contractors, consultants, or any person under its direction or control and shall make good to and reimburse County for any expenditures, including reasonable attorney's fees, the County may make by reason of such matters and, if requested by County, shall defend any such suits at the sole cost and expense of Contractor. Contractor's obligations under this section shall exist regardless of concurrent negligence or willful misconduct on the part of the County or any other person; provided, however, that Contractor shall not be required to indemnify County for the proportion of Liability a court determines is attributable to the negligence or willful misconduct of the County.

If such indemnification becomes necessary, the County Counsel for the County shall have the absolute right and discretion to approve or disapprove of any and all counsel employed to defend the County. This indemnification clause shall survive the termination or expiration of this Agreement.

## **5. INDEPENDENT CONTRACTOR**

It is understood that Contractor, in the performance of the services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of the County. Contractor shall obtain no rights to retirement benefits or other benefits which accrue to County's employees, and Contractor hereby expressly waives any claim it may have to any such rights. All employees, agents, contractors, subcontractors hired or retained by the Contractor are performing in that capacity for and on behalf of the Contractor and not the County. The County shall not be obligated in any way to pay any wage claims or other claims made against the Contractor by any such employee, agent, contractor or subcontractor, or any other person resulting from the performance of this Agreement.

## **6. ASSIGNMENT**

This Agreement is for the professional services of the Contractor and it shall not assign, subcontract or sublet any part of this Agreement without the express prior written consent of County. Any assignment without the express prior written consent of the County is VOID. Notwithstanding the foregoing, County acknowledges and agrees that Contractor may assign this Agreement and/or the grant funds to a limited partnership in which Contractor or an affiliate thereof is the managing general partner, for the purposes of financing the development of an affordable housing project.

## **7. NOTICE**

Any and all notices, reports or other communications to be given to County or Contractor shall be given to the persons representing the respective parties at the following addresses:

**CONTRACTOR:**

Carol J. Ornelas, CEO  
Visionary Home Builders, Inc.

**COUNTY:**

[Supervisor Sheri Brennan, Board Chair]  
County of Tuolumne

315 N. San Joaquin St.  
Stockton, CA 95202  
Fax: 209-466-3465

2 South Green Street  
Sonora, CA 95370  
Fax: (209) 533-6549

## **8. COMPLIANCE**

Contractor shall comply with all federal, state and local laws, codes, ordinance and regulations applicable to Contractor's performance under this Agreement, including, but not limited to, laws related to prevailing wages. Specifically, Contractor shall not engage in unlawful employment discrimination, including, but not limited to, discrimination based upon a person's race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, gender, citizenship or sexual orientation, as prohibited by state or federal law.

## **9. PUBLIC RECORDS ACT**

Contractor is aware that this Agreement and any documents provided to the County may be subject to the California Public Records Act and may be disclosed to members of the public upon request. It is the responsibility of the Contractor to clearly identify information in those documents that it considers to be confidential under the California Public Records Act. To the extent that the County agrees with that designation, such information will be held in confidence whenever possible. All other information will be considered public.

## **10. ENTIRE AGREEMENT AND MODIFICATION**

This Agreement contains the entire agreement of the parties relating to the subject matter of this Agreement and supersedes all prior agreements and representations with respect to the subject matter hereof. This Agreement may only be modified by a written amendment hereto, executed by both parties, however, matters concerning the scope of services which do not affect the agreed price may be modified by mutual written consent of the Contractor and the Community Development Director. If there are exhibits attached hereto, and a conflict exists between the terms of this Agreement and any exhibit, the terms of this Agreement shall control.

## **11. ENFORCEABILITY AND SEVERABILITY**

The invalidity or enforceability of any term or provisions of this Agreement shall not, unless otherwise specified, affect the validity or enforceability of any other term or provision, which shall remain in full force and effect.

## **12. TERMINATION AND RIGHTS UPON TERMINATION**

- A. This Agreement may be terminated upon mutual written consent of the parties, or as a remedy available at law or in equity.
- B. Reserved.

- C. Should Contractor default in the performance of this Agreement or materially breach any of its provisions, County, at its option, may terminate this Agreement by giving 60 days written notification to Contractor during which time Contractor may cure the default. The termination date shall be 60 days following the effective date of the notice or such longer period as may be reasonably necessary to cure the default provided that Contractor commences to cure the default within 60 days. For the purposes of this subsection, default or material breach of this Agreement shall include, but not be limited to, any of the following: failure to perform required services in a timely manner, willful destruction of County property, dishonesty, or theft.
- D. If County terminates this Agreement for default or material breach, then Contractor understands and agrees that County may, in County's sole discretion, refuse to designate the County's No Place Like Home \$500,000 allocation to the Contractor.

**13. NO WAIVER**

The failure to exercise any right to enforce any remedy contained in this Agreement shall not operate as to be construed to be a waiver or relinquishment of the exercise of such right or remedy, or of any other right or remedy herein contained.

**14. DISPUTES**

Should it become necessary for a party to this Agreement to enforce any of the provisions hereof, the prevailing party in any claim or action shall be entitled to reimbursement for all expenses so incurred, including reasonable attorney's fees.

It is agreed by the parties hereto that unless otherwise expressly waived by them, any action brought to enforce any of the provisions hereof or for declaratory relief hereunder shall be filed and remain in a court of competent jurisdiction in the County of Tuolumne, State of California.

**15. CAPTIONS**

The captions of this Agreement are for convenience in reference only and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

**16. NUMBER AND GENDER**

In this Agreement, the neutral gender includes the feminine and masculine, the singular includes the plural, and the word "person" includes corporations, partnerships, firms or associations, wherever the context so requires.

**17. MANDATORY AND PERMISSIVE**

"Shall" is mandatory. "May" is permissive.

**18. SUCCESSORS AND ASSIGNS**

All representations, covenants and warranties specifically set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.

**19. COUNTERPARTS**

This Agreement may be executed simultaneously and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

**20. OTHER DOCUMENTS**

The parties agree that they shall cooperate in good faith to accomplish the object of this Agreement and, to that end, agree to execute and deliver such other and further instruments and documents as may be necessary and convenient to the fulfillment of these purposes.

**21. CONTROLLING LAW**

The validity, interpretation and performance of this Agreement shall be controlled by and construed under the laws of the State of California.

**22. AUTHORITY**

Each party and each party's signatory warrant and represent that each has full authority and capacity to enter into this Agreement in accordance with all requirements of law. The parties also warrant that any signed amendment or modification to the agreement shall comply with all requirements of law, including capacity and authority to amend or modify the Agreement.

**23. NEGOTIATED AGREEMENT**

This Agreement has been arrived at through negotiation between the parties. Neither party is to be deemed the party which prepared this Agreement within the meaning of California Civil Code section 1654. Each party represents and warrants that in executing this Agreement it does so with full knowledge of the rights and duties it may have with respect to the other party. Each party also warrants and represents that it has received independent legal advice from its attorney with respect to the matters set forth in this Agreement and the rights and duties arising out of this Agreement, or that such party willingly foregoes any such consultation.

**24. NO RELIANCE ON REPRESENTATIONS**

Each party warrants and represents that it is not relying and has not relied upon any representation or statement made by the other party with respect to the facts involved or its rights or duties. Each party understands and agrees that the facts relevant, or

believed to be relevant to this Agreement, have been independently verified. Each party further understands that it is responsible for verifying the representations of law or fact provided by the other party.

**25. WARRANTY**

County has relied upon the professional ability and training of Contractor as a material inducement to enter into this Agreement. Contractor hereby warrants that all work shall be performed in accordance with generally accepted professional practices and standards as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of Contractor's work by County shall not operate as a waiver or release.

**26. FUNDING AVAILABILITY**

It is mutually agreed that if the County budget of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the County shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement. Contractor's assumption of risk of possible non-appropriation is part of the consideration for this Agreement. County budget decisions are subject to the discretion of the Board of Supervisors.

If funding for any fiscal year is reduced or deleted by the County budget for purposes of this program, the County shall have the option to either cancel this Agreement with no liability occurring to the County, or offer an Agreement amendment to Contractor to reflect the reduced amount.

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

COUNTY OF TUOLUMNE	CONTRACTOR
By: Sherri Brennan, Chair Board of Supervisors	<i>Carol J. Ornelas</i> By: Carol J. Ornelas, CEO
ATTEST:	
By: Heather Ryan Chief Deputy Clerk of the Board	
APPROVED AS TO LEGAL FORM:	
<i>Christopher Schmidt</i> By: Christopher Schmidt Deputy County Counsel	

Exhibit A  
SCOPE OF WORK

---

20 MAY 29 PM 2:41



**Visionary  
Home  
Builders**  
of CALIFORNIA

*Building Homes, Strengthening Communities*

May 28th, 2020

Sheila Shanahan, Community and Housing Program Manager  
County of Tuolumne  
2 South Green Street  
Sonora, CA 95370

Dear Ms. Shanahan,

Visionary Home Builders of California, Inc. is pleased to announce a partnership with the Stanislaus Regional Housing Authority in response to the County of Tuolumne's Request for Proposals for an Affordable Housing Rental Project with a Permanent Supportive Housing Component issued April 28, 2020. In addition to our partnership with STANCOHA, we have also began discussions with HSA Behavioral Health regarding on-site case management services. We would like to identify if the County has any need regarding space availability. If so, we think this project would be a great opportunity to design the community space to incorporate those needs, creating a benefit to both the residents and our community service providers.

VHB has been an affordable housing developer in Central Valley since 1983 and has built and rehabilitated more than 1,400 units of rental housing and 900 residential homes. We have two projects currently in construction and another scheduled to break ground in the fourth quarter of 2020, totaling over 200 additional affordable housing units to Stockton and Oakdale in current project alone. Together, with Stanislaus Regional Housing Authority, the community of Tuolumne will benefit from the wealth of collaborated knowledge and experience of the two leading non-profit developers that own, manage and develop multi-family housing communities serving various special needs populations through an array of affordable programs.

We have compiled information reflecting our organizational experience, capacity and general conceptual plans for the future rental project. While, we have included preliminary concepts based on recommendations from our architect and engineers, it is very important to note that Visionary plans on actively seeking community involvement in determining the highest and best use of the site, its services, and any off-site improvements needed to ensure successful community integration.

As the CEO of VHB, I will be the designated authority to negotiate and execute a Memorandum of Understanding with the County if selected.

We are acutely aware of the severe lack of affordable housing across California and the importance to expand housing opportunities. We are proud to be a strong advocate for healthy, vibrant, and safe communities through the development of affordable housing and educational opportunities for families, seniors, and individuals of low and moderate income. It is our passion.

Thank you for this opportunity to present our proposal.

Sincerely,

A handwritten signature in black ink, appearing to read 'Carol J. Ornelas', is written over a horizontal line.

Carol J. Ornelas, CEO

## GENERAL DEVELOPMENT CONCEPT



La Passeggiata  
Stockton, California

### OVERVIEW

Visionary Home Builders in conjunction with the Stanislaus Regional Housing Authority is proposing a 100% affordable housing development on the 6.7 acre parcel. Our initial determinations to consider what we think would be the highest and best use of the site is based on very preliminary information gathered by our Construction Team. The site will require a thorough review of both the usable land areas and assessments to conclude efficient solutions to drainage conditions as well as creative concepts to preserve natural elements from the surrounding area. If selected, we will work diligently to gather community input and incorporate components the residents and neighbors find value in. It is our goal to engage the community and develop a thriving project that fulfills the needs and desires its residents and neighbors.

### PROGRAM TARGETING

One of the conceptual ideas for the site would include three-story buildings with one, two and three bedroom units. AMI levels would be at and below 60% with 20% of the units designated for permanent supportive housing. Visionary understand the sensitive and unique nature of providing supportive housing; we decided to partner with the Stanislaus Regional Housing Authority. Their vast knowledge and expertise in building, managing and serving this vulnerable population will be instrumental in providing comprehensive housing with wrap-around like services. They have a variety of sources that will be utilized to make case management services available as well as provide access to Coordinated Entry Systems complementing anticipated program requirements triggered from acquisition of NPLH funds.

### SITE DESIGN

There are two preliminary site maps shown below, illustrating the potential building locations and parking solutions. **Site Plan 1** shows parking along the drainage area which would create 84 affordable units and 168 parking spaces. **Site Plan 2** accounts for 80 affordable units with 132 parking spaces. It would be our goal, as the selected developer to hear and understand the wishes of the community and incorporate them into the project. Our success at developing a project that meets the needs of the community is dependent upon us understanding those needs directly from the community and not attempting to determine those independent of community engagement.

Some of our normal practice in developing an affordable housing project would be to include a community building suitable for daycare services. The project would comply with all required sustainable and green building regulations and be built to Green Point Rating standards. We would love to see PV Solar energy will be provided for the project, overall implementing energy efficiency features for residents to enjoy lower utility bills and added comfort in their home.

Units will typically include individual heating and air units, window blinds, storage and coat closets, patio/balcony, refrigerator, stove/oven, dishwasher, disposal and a laundry area with separate full-size washer/dryer. 9'-0" ceiling heights are standard and will enhance the overall sense of openness within the unit. Energy efficiency is another major component of the project, and project will be designed to comply with all Title-24 and Multi-Family Green Point requirements.

### COMMON AREAS

Onsite resident services will be offered. The community building design will take into consideration the needs of any targeted populations including residents that meet program eligibility for permanent supportive housing. Our community buildings are typically built to include a large multipurpose room, offices, computer lab, large meeting space/activity areas and public restrooms. There may be a fenced playground and surveillance cameras on the grounds to ensure security.

### OFF-SITE IMPROVEMENTS

Parking design and road accessibility still need to be determined. As listed in the information provided with the Request for Proposal, a general plan amendment will be needed and zone change. We are very familiar with the two processes. We also have experience working with Public Works resolving and completing offsite improvements in accordance with project requirements and offsite funding grants and loans.

Figure 1.0 Site Map

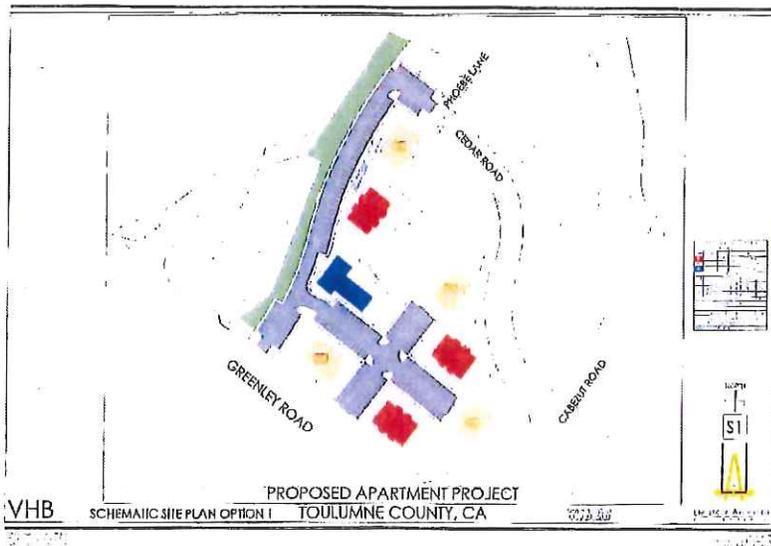
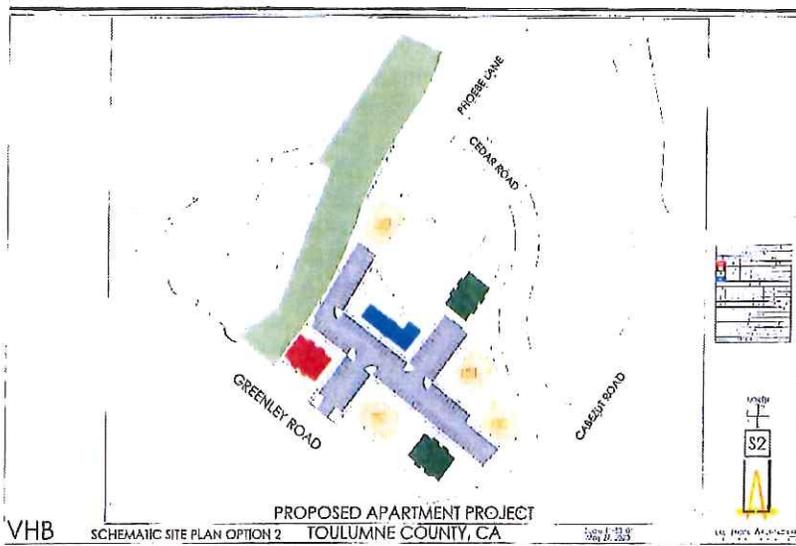


Figure 2.0 Site Map





Visionary  
Home  
Builders  
of CALIFORNIA

## PROJECT TIMELINE





# COMMUNITY DEVELOPMENT DEPARTMENT

Quincy Yaley, AICP  
Director

Land Use and Natural Resources – Housing and Community Programs – Environmental Health – Building and Safety – Code Compliance

September 1, 2020

48 Yaney Avenue, Sonora  
Mailing: 2 S. Green Street  
Sonora, CA 95370  
(209) 533-5633  
(209) 533-5616 (Fax)  
(209) 533-5909 (Fax – EHD)  
www.tuolumnecounty.ca.gov

TO: Board of Supervisors Housing Policy Committee

FROM: Quincy Yaley, Community Development Director  
Sheila Shanahan, Community and Housing Programs Manager

RE: Consideration of a Recommendation to the Board of Supervisors Concerning the Adoption of a County Accessory Dwelling Unit Ordinance.

## BACKGROUND INFORMATION

The Board of Supervisors approved a \$160,000 State Department of Housing and Community Development SB 2 Planning Grant application at their August 20, 2019 meeting, and the grant was subsequently awarded. The bulk of the funds are being used to update Title 17 of the County Zoning Code as it relates to residential development and to create an Accessory Dwelling Unit Ordinance that complies with recent state legislation. The County hired PlaceWorks to update Title 17 and create the ADU Ordinance, and they have created drafts of both. Staff is currently reviewing and revising the draft of Title 17 and will bring any drafts with housing related topics to your committee once that process is completed.

The draft ADU Ordinance is ready for your review and a copy is attached. The PlaceWorks consultants will make a presentation to your committee and solicit comments on the draft. Committee members are encouraged to review the draft before the meeting so that we can engage in a robust discussion. This is an opportunity to review the document early in the development process and provide feedback as we move forward.

## ENVIRONMENTAL REVIEW

Pursuant to Section 21080.17 of the California Public Resources Code, the adoption of the ordinance is statutorily exempt from the California Environmental Quality Act (CEQA). Under PRC Section 21080.17, CEQA does not apply to the adoption of an ordinance by a city or county to implement the provisions of Section 65852.2 of the Government Code (the state ADU law). The ordinance implements Government Code Section 65852.2 within the County of Tuolumne in a manner that is consistent with the requirements of state law. As such, the adoption of the ordinance is exempt from CEQA.

## RECOMMENDATION

It is recommended that your committee consider the proposed Accessory Dwelling Unit Ordinance, provide comments, and make a recommendation to the Board of Supervisors.



## Chapter 17.36

### ACCESSORY DWELLING UNITS

*[COUNTY: COMPLETELY NEW TEXT IN THIS CHAPTER. ALL EXISTING TEXT IN SECTION 17.52.200 IS SUPERSEDED BY CURRENT STATE LAW]*

#### Sections:

- 17.36.010 Purpose.**
- 17.36.020 Locations Permitted.**
- 17.36.030 Permit Required.**
- 17.36.040 Junior Accessory Dwelling Units.**
- 17.36.050 Development Standards.**
- 17.36.060 Other Provisions.**
- 17.36.070 Code Enforcement.**
- 17.36.080 Compliance with State Law.**

**17.36.010 Purpose.** The purpose of this chapter is to provide regulations and criteria for the establishment and location of accessory dwelling units in compliance with Government Code Section 65852.2.

**17.36.020 Locations Permitted.** Accessory dwelling units and junior accessory dwelling units are allowed in districts zoned to allow single-family or multifamily uses, subject to the permit requirements of applicable zone districts and compliance with the development standards of this chapter.

**17.36.030 Permit Required.** An accessory dwelling unit or junior accessory dwelling unit may be attached to or detached from an existing or proposed single-family or multifamily dwelling upon the issuance of a permit in accordance with this chapter. An attached accessory dwelling unit may also be attached to or placed within garages, storage areas, or an accessory structure. The Director shall approve a permit for an accessory dwelling unit and/or junior accessory dwelling unit meeting the development standards of this chapter and consistent with Section 65852.2 of the Government Code.

A. Processing of Permit. A permit application for an accessory dwelling unit or a junior accessory dwelling unit shall be considered and approved ministerially without discretionary review or a hearing, in accordance with Section 65901 or 65906 of the Government Code and all local ordinance provisions

regulating the issuance of variances or special-use permits, as follows.

1. On Lots that allow Single-Family Dwellings.
  - a. An attached accessory dwelling unit or junior accessory dwelling unit shall be allowed subject to the following:
    - i. The accessory dwelling unit or junior accessory dwelling unit is within the enclosed, conditioned space of a proposed or existing single-family dwelling; or
    - ii. The accessory dwelling unit or junior accessory dwelling unit is within an existing accessory structure.
    - iii. May include an expansion of not more than 150 square feet beyond the current physical dimensions of the existing accessory structure solely to accommodate ingress and egress.

- iv. The unit has exterior access from the proposed or existing single-family dwelling.
  - b. A detached, new construction, accessory dwelling unit on a lot with a proposed or existing single-family dwelling. Multiple detached single-unit dwellings on the same lot are not considered multifamily dwellings (see Government Code Section 65852.2(e)(1)(A) and (B)).
  - c. The accessory dwelling unit may be combined with a junior accessory dwelling unit described in subparagraph a.i. for the purposes of a single permit.
2. On Lots that allow Multifamily Dwellings.
- a. Multifamily structures may be allowed accessory dwelling units in a total amount of up to 25 percent of the number of total principal units entitled on the property. At least one accessory dwelling unit must be allowed.
  - b. Accessory dwelling or junior accessory dwelling units may be provided within the portions of existing multifamily dwelling structures that are not used as livable space, including, but not limited to, storage rooms, boiler rooms, passageways, attics, basements, or garages, if each unit complies with state building standards for dwellings.
  - c. No more than two accessory dwelling units

may be detached from a primary multifamily structure.

B. The County of Tuolumne (County) shall not require, as a condition for ministerial approval of a permit application for the creation of an accessory dwelling unit or a junior accessory dwelling unit, the correction of nonconforming zoning conditions.

C. Timing

1. The County shall act on the application to create an accessory dwelling unit or a junior accessory dwelling unit within 60 days from the date the County receives a completed application if there is an existing single-family or multifamily dwelling on the lot. If the County does not act within 60 days, the application shall be deemed approved.
2. If the permit application to create an accessory dwelling unit or a junior accessory dwelling unit is submitted with a permit application to create a new single-family dwelling on the lot, the County may delay acting on the permit application for the accessory dwelling unit or the junior accessory dwelling unit until the County acts on the permit application to create the new single-family dwelling, but the application to create the accessory dwelling unit or junior accessory dwelling unit shall be considered without discretionary review or hearing.
3. If the applicant requests a delay, the 60-day time period shall be tolled for the period of the delay.

D. The County shall not issue a certificate of occupancy for an accessory dwelling unit before the certificate of occupancy is issued for the primary residence.

**17.36.040 Junior accessory dwelling units.** In addition to complying with Government Code Section 65852.2, junior accessory dwelling units shall comply with the following:

A. When a junior accessory dwelling unit is permitted, the owner must reside on the

property. The owner may reside in either the remaining portion of the structure or the newly created junior accessory dwelling unit. Owner-occupancy shall not be required if the owner is a governmental agency, land trust, housing organization, or other 501(c)(3) organization.

B. A junior accessory dwelling unit may not be detached from the proposed or existing primary residence.

C. A junior accessory dwelling unit shall include a separate entrance from the main entrance to the proposed or existing primary residence.

D. A junior accessory dwelling unit shall include an efficiency kitchen, which shall include:

1. A cooking facility with appliances; and
2. A food preparation counter and storage cabinets that are of useable size.

E. Parking shall not be required as a condition to permit a junior accessory dwelling unit.

F. No subdivision of this County Code of Ordinances shall be interpreted to prohibit the requirement of an inspection, including the imposition of a fee for that inspection, to determine if a junior accessory dwelling unit complies with applicable development standards.

G. Prior to the issuance of a building permit for a junior accessory dwelling unit, the owner of the lot or parcel on which it is to be constructed shall record a deed restriction in a form satisfactory to the County attorney that includes the following:

1. A prohibition of the sale of the junior accessory dwelling unit separately from the sale of the primary residence, including a statement that the deed restriction may be enforced against future purchasers; and
2. A restriction on the size and attributes of the junior accessory dwelling unit that conforms with Section 65852.2 of the Government Code that regulates accessory dwelling units.

**17.36.050 Development Standards.** The following development standards shall apply to all accessory dwelling units.

A. The living area of a detached accessory dwelling unit shall not exceed 1,200 square feet. The increased floor area of an attached accessory dwelling unit shall not exceed 50 percent of the existing primary residence's living area, with a maximum increase in floor area of 1,200 feet.

B. An accessory dwelling unit shall not exceed 16 feet in height and shall be set back at least four feet from side and rear property lines.

C. No setback shall be required for an existing living area, garage, or other accessory structure that is converted to an accessory dwelling unit (or portion of accessory dwelling unit) with the same dimensions as the existing structure, and a setback of five feet from the side and rear lot lines shall be required for an accessory dwelling unit that is constructed above a garage.

D. Except as otherwise provided in this chapter, the accessory dwelling unit shall not increase an existing or create a new encroachment upon any required front, side, or rear yard space, increase building height or coverage beyond the standards prescribed for the district in which it is located, or decrease the distance between structures that is required.

E. No passageway or entrance within view of a street shall be required in conjunction with the construction of an accessory dwelling unit.

F. An accessory dwelling unit shall include at least one bathroom, one kitchen, and one living/dining room.

**G. Septic Systems**

1. Where a septic system is used for the proposed ADU, approval by the local health officer will be required, as allowed by Government Code Section 65852.2(a)(1)(D)(ix).
2. A percolation test completed within the last five years shall also be required, or, if the percolation test has been recertified, within the last 10 years, as allowed by Government Code Section 65852.2(e)(5).

**H. Fees**

1. Notwithstanding any provision to the contrary contained in this code (or in any code adopted by reference in this code), an accessory dwelling unit may be connected to the county

sewerage system through a side sewer shared with the existing residence on the site, or it may have its own side sewer. In either case, the connection of the accessory dwelling unit to the county sewerage system is subject to the requirements of this Chapter 17.36, including obtaining applicable permits, paying connection charges (where applicable), and paying user charges. Accessory dwelling units shall not be considered new residential uses for the purposes of calculating connection fees or capacity charges for utilities, including water, sewer, and other utilities as defined, unless the accessory dwelling unit was constructed with a new single-family dwelling. Separate metering of utilities is not required for attached accessory dwelling units but is required for detached accessory dwelling units.

2. Fees will be charged for the construction of accessory dwelling units in accordance with Title 3 of the Tuolumne County Code of Ordinances and state law. The County, special district, or water corporation shall not impose any impact fee upon the development of an accessory dwelling unit less than 750 square feet. Impact fees include school fees. School districts are authorized but do not have to levy impact fees for ADUs greater than 500 square feet pursuant to Section 17620 of the Education Code. ADUs less than 500 square feet are not subject to school impact fees. Any impact fees charged for an accessory dwelling unit of 750 square feet or more shall be charged proportionately in relation to the square footage of the primary dwelling unit.
3. A connection fee shall not be collected for water, sewer, power,

or other utility for a junior accessory dwelling unit.

I. Fire sprinklers are not required for accessory dwelling units if they are not required for the existing or proposed single-family or multifamily residence.

1. For purposes of fire or life-protection regulations, a junior accessory dwelling unit shall not be considered a separate or new dwelling unit.

J. An accessory dwelling unit may be rented, but it shall not be offered for sale apart from the principal unit, nor shall the lot or parcel be subdivided to create a separate building site unless approved pursuant to the subdivision ordinance of this County. No accessory dwelling unit may be offered for rental terms of less than 30 days.

1. Notwithstanding Section 17.36.050.I, the County may, by ordinance, allow an accessory dwelling unit to be sold or conveyed separately from the primary residence to a qualified buyer if all the following apply:
  - a. The property was built or developed by a qualified nonprofit corporation.
  - b. There is an enforceable restriction on the use of the land pursuant to a recorded contract between the qualified buyer and the qualified nonprofit that satisfies all the requirements of paragraph (10) of subdivision (a) of Section 402.1 of the Revenue and Taxation Code.
  - c. The property is held pursuant to a recorded tenancy in common agreement that includes all the following provisions:
    - i. The agreement allocates to each qualified buyer an undivided, unequal interest in the property based on the size of the

- dwelling each qualified buyer occupies.
- ii. A repurchase option that requires the qualified buyer first offer the qualified nonprofit corporation the opportunity to buy the property if the buyer desires to sell or convey the property.
- iii. A requirement that the qualified buyer occupy the property as the buyer's principal residence.
- iv. Affordability restrictions on the sale and conveyance of the property that ensure the property will be preserved for low-income housing for 45 years for owner-occupied housing units and will be sold or resold to qualified buyer.
- d. A grant deed naming the grantor and grantee and describing the property interests being transferred shall be recorded in the county in which the property is located. A Preliminary Change of Ownership Report shall be filed concurrently with this grant deed pursuant to Section 480.3 of the Revenue and Taxation Code.
- e. Notwithstanding any provisions in Section 17.36.050 of this code, if requested by a utility providing service to the primary residence, the

accessory dwelling unit shall have a separate water, sewer, or electrical connection to that utility.

K. Except as otherwise provided in this chapter, accessory dwelling units shall comply with all uniform building codes adopted, and all other applicable laws, rules, and regulations. An accessory dwelling unit may consist of manufactured housing if such housing is permitted in the district in which it is proposed to be located and meets the standards for such housing.

L. Parking

1. Parking provided shall not exceed one space per unit or per bedroom, whichever is less. Such additional space may be a tandem space in a driveway or offstreet within setback areas provided in locations approved by the County. Tandem parking and the location of offstreet parking within setback areas shall be approved by the County unless specific findings can be and are made that parking in setback areas or tandem parking is not feasible based on specific site or regional topographical or fire and life safety conditions.
2. If a garage, carport, or covered parking structure is demolished in conjunction with the construction of an accessory dwelling unit or is converted to an accessory dwelling unit, those offstreet parking spaces are not required to be replaced.
3. No additional offstreet parking spaces shall be required for accessory dwelling units in locations meeting the following criteria:
  - a. The unit is located within one-half mile walking distance of public transit.
  - b. The unit is located within a historic district.
  - c. The accessory dwelling unit is part of a proposed or existing primary residence or accessory structure.

- d. On-street parking permits are required but not available to the occupant of the accessory dwelling unit.
- e. There is a car-share vehicle located within one block of the accessory dwelling unit.

of the unit has a right to request a delay in enforcement pursuant to the following findings:

- 1. The accessory dwelling unit was built before January 1, 2020
- 2. The accessory dwelling unit was built on or after January 1, 2020; however, at the time the unit was built, the County had a noncompliant accessory dwelling unit ordinance, but the unit is compliant at the time the request is made.

**17.36.060 Other Provisions.**

A. This section shall not be considered in the application of any local ordinance, policy, or program to limit residential growth.

B. No other local ordinance, policy, or regulation shall be the basis for the delay or denial of a building permit or a use permit under Chapter 17.36.

C. Any covenant, restriction, or condition contained in any deed, contract, security instrument, or other instrument affecting the transfer or sale of any interest in a planned development, and any provision of a governing document, that either effectively prohibits or unreasonably restricts the construction or use of an accessory dwelling unit or junior accessory dwelling unit on a lot zoned for single-family residential use that meets the requirements of Section 65852.2 or 65852.22 of the Government Code, is void and unenforceable.

C. The owner of an accessory dwelling unit that receives a notice to correct violations or abate nuisances as described in Section 17.36.070, may submit an application to the County requesting that enforcement of the violation be delayed for up to five years on the basis that correcting the violation is not necessary to protect health and safety.

- 1. The County shall grant an application described in Section 17.36.070.C if it is determined that correcting the violation is not necessary to protect health and safety. In making this determination, the zoning administrator shall consult with the code enforcement officer, building official, and/or the State Fire Marshal or designee pursuant to Section 13146 of the Health and Safety Code.
- 2. The County shall not approve any applications pursuant to this section on or after January 1, 2030. However, any delay that was approved by the County before January 1, 2030, shall be valid for the full term of the delay that was approved at the time of the initial approval of the application pursuant to Section 17.36.070.C.1. If upon such review it appears that in a particular case a violation of the provisions of this chapter has occurred, the code enforcement officer may take such action as deemed necessary by the county attorney to correct any violation.

**17.36.070 Code Enforcement.** The code enforcement officer may from time to time conduct a review of accessory dwelling units within the county. The code enforcement officer or designee may enforce all provisions of this code and provisions of state law pertaining to the development, occupation, and maintenance of residential properties and accessory dwelling units, pursuant to the following provisions:

- A. A code enforcement officer may report:
  - 1. A change in ownership of the lot or parcel of land on which the residential units are situated.
  - 2. A change in the occupancy of the residential units that is not in compliance with this section.

B. A code enforcement officer may issue to an owner of an accessory dwelling unit a notice to correct a violation of any provision of any building standard or any failure to comply with this section. The code enforcement officer shall include in that notice a statement that the owner

**17.36.080 Compliance with State Law.** This section is intended to comply with the

requirements of Section 65852.2 of the Government Code and any amendments thereto. All accessory and junior accessory dwelling units approved by this section are deemed to not exceed the allowable density for the lot upon which the accessory dwelling unit is located, and accessory and junior accessory dwelling units are a residential use that is consistent with the existing general plan and zoning designations for the lot.