
ALAMEDA AFFORDABLE HOUSING CORPORATION

701 Atlantic Avenue, Alameda, CA 94501

IF YOU WISH TO ADDRESS THE BOARD:

1. Please file a speaker's slip with the Executive Director, and upon recognition by the President, approach the rostrum and state your name; speakers are limited to 5 minutes per item.
2. If you need special assistance to participate in the meetings of the Board of Directors of Alameda Affordable Housing Corporation, please contact (510) 747-4325 (TDD: 510 522-8467) or dconnors@alamedahsg.org Notification 48 hours prior to the meeting will enable the Alameda Affordable Housing Corporation Board of Directors to make reasonable arrangements to ensure accessibility.

AGENDA **REGULAR MEETING OF THE BOARD OF DIRECTORS**

DATE & TIME **Wednesday February 21, 2018 – 7 PM**

LOCATION Independence Plaza, 703 Atlantic Avenue, Alameda, CA

Public Participation

Anyone wishing to address the Board on agenda items or business introduced by Directors may speak for a maximum of five minutes per agenda item when the subject is before the Board. Please file a speaker's slip with the Executive Director if you wish to address the Board of Directors.

PLEDGE OF ALLEGIANCE

1. ROLL CALL - Board of Directors

2. Public Comment (Non-Agenda)

3. CONSENT CALENDAR

Consent Calendar items are considered routine and will be approved or accepted by one motion unless a request for removal for discussion or explanation is received from the Board of Directors or a member of the public.

3-A. Approve Minutes of the First Meeting of the Board of Directors held November 15, 2017, pg 3



4. AGENDA

4-A. Adopt Authorizing Resolution For the Real Property Transfer of Four Properties (China Clipper, Anne B. Diament, Lincoln-Willow, and Stanford House) from The Housing Authority of the City of Alameda and Authorize Executive Director to Execute Related Documents, pg 7

4-B. Adopt FYE 2018 Annual Budget, pg 12

4-C. Approve the Property and Asset Management Agreement with The Housing Authority of the City of Alameda, pg 15

5. ORAL COMMUNICATIONS, Non-Agenda (Public Comment)

6. DIRECTORS COMMUNICATIONS, (Communications from the Directors)

7. ADJOURNMENT OF REGULAR MEETING

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Note

If you need special assistance to participate in the meetings of the Alameda Affordable Housing Corporation Board of Directors, please contact 510-747-4325 (TDD: 510-522-8467) or dconnors@alamedahsg.org. Notification 48 hours prior to the meeting will enable the Board of Directors to make reasonable arrangements to ensure accessibility.

Documents related to this agenda are available for public inspection and copying at the Alameda Affordable Housing Corporation office, 701 Atlantic Avenue, during normal business hours.

KNOW YOUR RIGHTS UNDER THE Ralph M. Brown Act: Government's duty is to serve the public, reaching its decisions in full view of the public. The Board of Directors exists to conduct the business of its constituents. Deliberations are conducted before the people and are open for the people's review.

In order to assist the Alameda Affordable Housing Corporation's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the Alameda Affordable Housing Corporation accommodate these individuals.



ALAMEDA AFFORDABLE HOUSING CORPORATION

701 Atlantic Avenue, Alameda, CA 94501

DRAFT MINUTES

First Meeting of the Board of Directors
Of the Alameda Affordable Housing Corporation
Held November 15, 2017

The Board of Directors Meeting was called to order at 8:02 p.m.

PLEDGE OF ALLEGIANCE

1. ROLL CALL -

Present: John McCahan, Stuart Rickard, Fayleen Allen, Art Kurrasch, Vanessa Cooper

Absent: Kenji Tamaoki, Sandra Kay

John McCahan acted as Vice President of the meeting and Vanessa Cooper acted as Secretary of the meeting

2. Public Comment (Non-Agenda)

Public speaker, Mr. Richard Neveln, said that he is bothered by a buzz word like new, improved and better tasting, and the definition of affordable in the current political spectrum. He asked to be enlightened on this term affordable. Ms. Cooper said that the affordable limits are generally set by what is called Metropolitan Statistical Area. For us this means the Counties of Alameda and Contra Costa, together, are set at the same level. She went on to explain the different affordable levels. She explained that now there is a housing shortage at all levels.

3. CONSENT CALENDAR

- Consent Calendar items are considered routine and will be approved or accepted by one motion unless a request for removal for discussion or explanation is received from the Board of Directors or a member of the public.

NONE

4. AGENDA



4-A. Review the Articles of Incorporation Filed by the Incorporator Jennifer Bell, Ratify the Bylaws Adopted by the Incorporator Jennifer Bell, and Instruct Secretary to File Copies in the Corporation's Minute Book Preceding the Minutes of this Meeting

Ms. Cooper, acting as Secretary of the Corporation, said that what we have here is the basic items that are needed to establish a corporation. She said that the Articles of Incorporation have been filed with the Secretary of State on November 1, 2017. The name is established. The same template documents that were approved and used for Island City Development a few years ago was also used for Alameda Affordable Housing Corporation. The By-laws are slightly different because the Board composition is different. By-Laws clearly state that the Directors of AAHC are the AHA Board of Commissioners. The AAHC is subject to the Brown Act. The Executive Director of the Housing Authority is the Executive Director of the AAHC and the Secretary and the Finance Director is the Treasurer.

Art Kurrasch moved to ratify the Bylaws adopted by the Incorporator Jennifer Bell, and instruct the Secretary to file copies of documents in the corporation's Minute Book preceding the minutes of this meeting; and Fayleen Allen seconded.

Roll call vote: John McCahan yes, Stuart Rickard yes, Fayleen Allen yes, Art Kurrasch yes.

4-B. Approve Vanessa Cooper as the Corporation's Agent of Service of Process

Ms. Mertz, Asset Manager, said that in the Articles it is stated that an initial agent must be named. Jennifer Bell is the incorporator and the Board must approve a permanent person.

Board Member Kurrasch moved to approve Vanessa Cooper as the Corporation's Agent for the Service of Process and Board Member and Board Member Allen seconded.

Roll call vote: Vice President McCahan yes, Board Member Rickard yes, Board Member Allen yes, Board Member Kurrasch yes.

4-C. Approve Authorizing Resolution to Establish Business Affairs: Open Bank Accounts; Designate Bank Account Signers; Determine No Use of Corporate Seal; Adopt the Conflict of Interest Policy; Follow AHA Policies and Procedures Where None Exists; and Establish a Quarterly Regular Meeting Schedule

Ms. Mertz said at the first meeting the Board must set-up some core business practices. It must be codified in the minutes to launch the Board of Directors and that the Board make a formal action. The meeting is designed to be quarterly. The meetings will follow the regular AHA Board of Commissioners Meetings. Board Member Rickard said that he does not think that the AAHC should be required to only hold their meeting following the AHA Regular Board meetings because the AAHC may need to act on something



before the AHA Board of Commissioners meeting. Ms. Cooper said that the meetings could be held at the discretion of the President in concert with the Board. Board Member Kurrasch and Rickard said that these are standard procedure items that they are prepared to make a decision on tonight.

Board Member Kurrasch moved to approve the Authorizing Resolution to establish business affairs, including open bank accounts, designate bank account signers, determine no use of a corporation seal, adopt the Conflict of Interest policy, follow AHA policies and procedures where none exists, and establish quarterly regular meeting schedule and Board Member Allen seconded.

Roll call vote: Vice President McCahan yes, Board Member Rickard yes, Board Member Allen yes, Board Member Kurrasch yes.

4-D. Authorize the Executive Director to Execute Documents Related to the Applications for State and Federal Tax-Exempt Status

Board Member Kurrasch moved to authorize the Executive Director to execute documents related to the applications for state and federal tax-exempt status.

Roll call vote: Vice President McCahan yes, Board Member Rickard yes, Board Member Allen yes, Board Member Kurrasch yes.

5. ORAL COMMUNICATIONS, Non-Agenda (Public Comment)

6. DIRECTORS COMMUNICATIONS, (Communications from the Directors)

7. ADJOURNMENT OF REGULAR MEETING

There being no further business, the Vice President adjourned the meeting at 8:13 p.m.



CERTIFICATE OF SECRETARY

I, Vanessa Cooper, hereby certify that I am the duly elected, qualified Secretary of Alameda Affordable Housing Corporation, a California nonprofit public benefit corporation, organized and existing under the laws of the State of California, and the foregoing minutes are true, full and correct copy of the minutes of the first meeting of the Board of Directors of said Corporation held on this November 15, 2017.

Dated: _____

Vanessa Cooper,
Secretary



ALAMEDA AFFORDABLE HOUSING CORPORATION

To: Board of Directors

From: Vanessa Cooper
Executive Director

Prepared By: Kathleen Mertz, Asset Manager

Date: February 21, 2018

Re: Adopt Authorizing Resolution for the Real Property Transfer of Four Properties (China Clipper, Anne B. Diament, Lincoln-Willow, and Stanford House) from The Housing Authority of the City of Alameda and Authorize Executive Director to Execute Related Documents

BACKGROUND

On October 18, 2017, the Board of Commissioners of the Housing Authority of the City of Alameda (the Housing Authority) authorized the Executive Director to create a new, wholly controlled, nonprofit entity that will serve as owner of certain Housing Authority properties in order to comply with HUD's contracting requirements. The HUD guidance for Project-Based Voucher Housing Assistance Payment contracts (the PBV HAP) state that a separate legal entity must own any property that benefits from a PBV HAP. Staff is working to transfer the properties prior to the contract renewal date on May 1, 2018. The specific properties that have an expiring HAP contract are China Clipper Plaza, Anne B. Diament, Lincoln-Willow, and Stanford House (the Property or Properties).

DISCUSSION

The successful transfer of the four Properties from the Housing Authority to AAHC includes three sets of activities: Transfer Transaction, Budget, and Property Management.

Transfer Transaction

The Properties are currently owned by the Housing Authority. To meet HUD's PBV HAP contract requirements, AAHC needs to become the owner of the Properties. Because the Housing Authority wants assurance that the Properties will be affordable housing in perpetuity, the Housing Authority will convey the improvements to AAHC through a grant deed and retain ownership of the land through a ground lease structure. The Ground Lease will have a 75 year term, an annual payment of \$1, and the Properties will revert back to the Housing Authority at the end of the term. The improvements (i.e.

the buildings) will be conveyed to AAHC for their as-is value, as substantiated by an appraisal. See chart below. The Housing Authority will provide seller financing in the form of a Seller Promissory Note, secured with a Deed of Trust, for each Property. These loans will be at 0% interest rate, 30 year term, and paid from residual cash flow. This structure is more desirable than a donation because it is least disruptive to the Housing Authority's operating budget. Currently, any cash flow from the Properties comes to the Housing Authority as the owner. Under the new structure the cash flow will come to AHA in the form of soft loan payments.

Property	Address	Improvements Value/Seller Loan
China Clipper Plaza	460 Buena Vista Ave	\$3,400,000
Anne B Diamant	920 Park St	\$8,130,000
Lincoln-Willow	2101-03 Lincoln Ave and 1602 Willow St	\$735,000
Stanford House	1917 Stanford St	\$860,000

In addition to the ground lease and seller financing, the Housing Authority will record an Affordable Housing Agreement to provide additional assurance of the Properties' continued use as low-income housing. New household eligibility will be restricted to 80% of the Area Median Income for the term of 20 years.

Two of the four Properties have existing deed restrictions with the City of Alameda and one Property has an existing deed restriction with Alameda County. China Clipper has a HOME Deed of Trust and Regulatory Agreement, plus a CDBG Deed of Trust. Anne B. Diamant has a CDBG Deed of Trust. In conjunction with this approval process, staff has requested City administrative review of this transfer and consent to the Assignment and Assumption Agreements. Staff is paying off the \$13,720 balance of the County loan.

Budget

Currently, these Properties are a part of the Housing Authority's 2017-2019 two-year budget cycle and the Cost Allocation Plan. Although properties not managed by a Housing Authority typically function on a fee-based budget with a true costs, staff does not propose this budget model at this time. Rather, the AAHC budget for these Properties will follow the same Cost Allocation Plan methodology for the balance of fiscal year 2017-2018, and the following fiscal year 2018-2019. Staff intends to develop an operating fee schedule and property level budget as part of the 2019-2020 budget cycle. This budget plan will be written into the property and asset management agreement between the Housing Authority and AAHC. In addition to the budget, any residual cash flow will come back to the Housing Authority through AAHC's obligations under the Seller Loan discussed above. See separate and concurrent budget approval report for details.

Currently, the Housing Authority maintains a replacement reserve for each of these Properties, invested with either CAMP or LAIF. As part of the transfer, \$100,000 replacement reserve funds will be transferred to AAHC from AHA's LAIF replacement reserve account for each Property. If the Property specific replacement reserve

allocation is insufficient, the balance will be paid from the General Fund Reserve. The property details are show below.

<u>Property</u>	<u>Replacement Reserves</u>
China Clipper Plaza	\$26,000
Anne B Diament	\$65,000
Lincoln-Willow	\$5,000
Stanford House	<u>\$4,000</u>
TOTAL	\$100,000

Additionally, AAHC will open new bank accounts for each Property's regular operating checking account and to hold Security Deposits. The Housing Authority will no longer be the owner of these funds for the Properties. AAHC will also have a general fund account for any organizational expenses not paid by the cost allocation plan. AHA will capitalize this account at \$1,000 as part of the overall formation process.

Property Management

The Housing Authority will continue to be the property manager for these Properties. However, the Housing Authority will function like a third-party management company for AAHC. Staff have developed a Property and Asset Management Agreement to document the roles and responsibilities of the management agent. See separate and concurrent Property and Asset Management Agreement approval report for details. As property manager, the Housing Authority will continue to provide accounting, leasing, maintenance, capital needs, and asset management support for the affairs of AAHC.

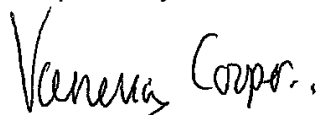
FISCAL IMPACT

The real property improvements will be added to the AAHC balance sheet, along with the corresponding loan obligations, so the next balance sheet impact will be minimal. The Housing Authority will pay all expenses related to these real property transfers.

RECOMMENDATION

Adopt Authorizing Resolution for the Real Property Transfer of Four Properties (China Clipper, Anne B. Diament, Lincoln-Willow, and Stanford House) from The Housing Authority of the City of Alameda and Authorize Executive Director to Execute Related Documents

Respectfully submitted,



Vanessa Cooper

Attachment: Authorizing Resolution

ALAMEDA AFFORDABLE HOUSING CORPORATION

Resolution No. 2018-01

At a duly constituted meeting of the Board of Directors (the “Board”) of Alameda Affordable Housing Corporation, a California nonprofit public benefit corporation (the “Corporation”), held on February 21, 2018, the following resolutions were adopted:

WHEREAS, the Housing Authority of the City of Alameda (the “Housing Authority”) is the owner of that certain real property known as 1) Anne B. Diamant, located at 920 Park Street, 2) China Clipper Plaza, located at 460 Buena Vista Avenue, 3) Stanford House, located at 1917 Stanford Street, and 4) Lincoln-Willow Apartments, located at 2101-2103 Lincoln Avenue, in the City of Alameda (the “Property” or collectively “Properties”);

WHEREAS, Alameda Affordable Housing Corporation (the “AAHC”) was formed with the goal of having AAHC own Housing Authority properties with Project-Based Vouchers so that the Housing Authority was not both the property owner and the contract administrator for the Housing Assistance Payments contracts (the “HAP Contracts”);

WHEREAS, the Board of the Corporation deems it in the best interest of the Corporation to have the Housing Authority serve as property manager at the Properties through a Property and Asset Management Agreement;

WHEREAS, the Board of the Corporation deems it in the best interest of the Corporation ground lease the land and purchase the improvements at the Properties from the Housing Authority, thereby still maintaining the required separation between owner and contract administrator for the HAP Contracts ;

WHEREAS, the Board of the Corporation deems it to be in the best interests of the Corporation to financing the improvements at each Property through a seller loan from the Housing Authority, secured by a recorded Deed of Trust at each Property, to be paid from the cash flow of each Property;

WHEREAS, the Board of the Corporation deems it to be in the best interest of the Corporation to record an Affordable Housing Agreement at each Property to restrict occupancy to low-income households for 20 years;

WHEREAS, the Board of the Corporation deems it to be in the best interest of the Corporation and the Properties to capitalize a replacement reserve for each Property, at \$1,000 per unit, at the time of acquisition from Housing Authority funds;

WHEREAS, the Board of the Corporation deems it to be in the best interests of the Corporation to execute and deliver, and to perform its obligations under, any and all documents or agreements necessary or advisable in furtherance of AAHC’s acquisition of the Properties, including, but not limited to the ground lease, all grant deeds and any other document required to

transfer the leasehold interest in the Properties and the fee interest in the Improvements to AAHC, the Housing Authority seller loan documents and deed of trust, the Housing Authority Affordable Housing Agreement, the HAP assignment and contract renewal, and any similar or related agreements for housing subsidies, assignment of regulatory agreements, assignments of rents, leases, income and profits, and property management agreements, with the advice counsel, deemed to be consistent with the resolutions contained herein (collectively, the “Property Transfer Documents”).

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves and is authorizes the Corporation to enter into the Property Transfer Documents and such other agreements, certificates, contracts, documents, and instruments deemed necessary to assist in the transfer of the Properties and to complete all activities contemplated by this Resolution;

BE IT FURTHER RESOLVED, that the Board hereby approves soft financing for the improvements in the form of a Seller Note and Deed of Trust for each Property based on the as-is value of the improvements, as substantiated by an appraisal;

BE IT FURTHER RESOLVED, that the Board hereby authorizes the Executive Director, or the Finance Director to capitalize an AAHC held replacement reserve account for the Properties at \$1,000 per unit, totaling \$100,000; and

BE IT FURTHER RESOLVED, that the Board hereby authorizes the President or the Executive Director, or any designee of the foregoing, acting alone, to accept and execute the Property Transfer Documents subject to any minor conforming, technical or clarifying changes approved by the Executive Director or her designee and legal counsel. The President and Executive Director, or any designee of the foregoing, are hereby further authorized and directed to take such further actions and execute and record such documents as are necessary to accept and execute the Property Transfer Documents.

CERTIFICATE OF SECRETARY

I, Vanessa Cooper, hereby certify that I am the duly elected, qualified Secretary of Alameda Affordable Housing Corporation, a California nonprofit public benefit corporation, organized and existing under the laws of the State of California, and the foregoing Authorizing Resolution was adopted at a duly constituted meeting of the Corporation held on this February 21, 2018.

Dated: _____

Vanessa Cooper, Secretary

ALAMEDA AFFORDABLE HOUSING CORPORATION

To: Board of Directors

From: Vanessa Cooper
Executive Director

Prepared By: Kathleen Mertz, Asset Manager

Date: February 21, 2018

Re: Approve FYE 2018 Annual Budget

DISCUSSION

The attached budget for FYE 2018 includes the previously approved project budgets for the four properties to be transferred in April 2018 (China Clipper, Anne B. Diament, Lincoln-Willow, and Stanford House) plus the \$1,000 for miscellaneous organizational costs. This budget includes expenses from April to July 2018 from the approved Housing Authority budget for these properties, per the Cost Allocation Plan. No changes to the existing budget for the properties is proposed at this time.

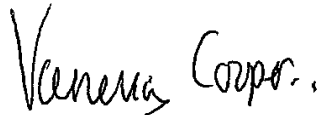
FISCAL IMPACT

None. All residual cash flow is anticipated to be paid to the Housing Authority of the City of Alameda to pay down the soft loan related to the property transfer.

RECOMMENDATION

Staff recommends the Board approve FYE 2018 Annual Budget.

Respectfully submitted,



Vanessa Cooper
Executive Director

Attachment: FYE 2018 Budget

AAHC Budget

Period = Apr 2018-Jun 2018

	STH 6040	LW 6050	CC 6070	ABD 6010	AAHC TBD
REVENUE					
TENANT REVENUE					
Vacancy Loss	(884)	(4,112)	(4,181)	(10,091)	-
Rent Free Unit	-	-	-	(6,519)	-
Write Off	(176)	(770)	(787)	(1,939)	-
Tenant Rental Revenue	2,763	14,896	29,499	65,940	-
Maintenance Charges	28	150	164	410	-
Tenant HAP Subsidy	20,487	87,794	75,042	186,261	-
Rent Free Unit	-	-	-	6,519	-
TOTAL TENANT REVENUE	22,218	97,958	99,737	240,581	-
OTHER INCOME					
Interest Income	3	21	309	4,147	-
Laundry Commission	244	-	835	797	-
Miscellaneous Other Revenue	-	-	-	-	1,000
TOTAL OTHER INCOME	247	21	1,144	4,944	1,000
TOTAL REVENUE	22,465	97,979	100,881	245,525	1,000
EXPENSES					
ADMINISTRATIVE					
Administrative Salaries	3,189	13,216	13,325	27,573	-
Temporary Help - Administrative	204	1,034	1,618	3,568	-
Auditing Fees	34	148	258	507	-
Admin Employee Benefits - Medical/Dental	673	2,978	3,255	7,058	-
Admin Employee Benefits - PERS/PARS	255	1,104	1,093	2,337	-
Admin Employee Benefits - FICA	49	188	193	397	-
Admin Employee Benefits - SUI	10	37	45	82	-
Admin Employee Benefits - Life/LTD	22	81	80	175	-
Admin Employee Benefit - WC	17	86	85	169	-
Office Supplies/Equipment	51	284	314	800	-
Dues & Subscriptions Publications	17	74	135	290	-
Postage	28	142	168	405	-
Telephone	27	184	282	1,061	-
Bank Charges and Check Supplies	34	190	214	556	-
Classified Ads and Public Notices/outreach material	10	64	170	186	-
Legal Expense	253	1,170	2,250	4,650	-
Payroll charge	7	50	53	141	-
Organization Cost	-	-	-	-	1,000
Training/Conferences and Travel	329	1,362	761	1,439	-
Contracts - Administrative Services/Consultant	102	548	1,583	3,180	-
Contracts - Application Service Provider - Yardi	145	866	966	2,416	-
Contracts - Computer/Telephone Maintenance/Email	97	560	669	1,630	-
Contracts - Human Resource Services	40	232	256	635	-
Contracts - Housing Inspection Services	-	126	54	533	-
Contracts - Office Machine Maintenance	15	92	108	267	-
Contracts - Web Hosting/Maintenance/Web Ads	22	142	163	415	-
TOTAL ADMINISTRATIVE	5,630	24,958	28,098	60,470	1,000
TENANT/SOCIAL SERVICES/POLICE					
Tenant Services - Salaries	274	1,568	247	4,968	-
Police Services	420	1,220	1,575	3,360	-
TOTAL TENANT/SOCIAL SERVICES/POLICE	694	2,788	1,822	8,328	-
RELOCATION					
Tenant-Relocation Costs	-	-	-	1,933	-
TOTAL RELOCATION	-	-	-	1,933	-

AAHC Budget

Period = Apr 2018-Jun 2018

	STH 6040	LW 6050	CC 6070	ABD 6010	AAHC TBD
TENANT SERVICES EMPLOYEE BENEFITS AND INSURANCE					
Tenant Svcs Employee Benefits - Other	157	886	27	3,256	-
TOTAL TENANT SERVICES EMPLOYEE BENEFITS AND INSURANCE	157	886	27	3,256	-
TENANT SERVICES					
Tenant Service Activities - Contracts and O/S Services	558	3,040	3,344	8,265	
TOTAL TENANT SERVICES	558	3,040	3,344	8,265	
UTILITIES					
Water	457	1,266	2,207	4,497	-
Electricity	86	114	1,411	8,409	-
Gas	59	6	1,276	3,181	-
Sewer	579	2,966	3,425	8,191	-
Garbage	871	2,232	7,079	6,473	-
TOTAL UTILITIES	2,052	6,584	15,398	30,751	-
MAINTENANCE					
Maintenance - Salaries	-	5,612	-	15,987	-
Facilities - Salaries	123	784	4,140	7,353	-
Maintenance Materials	636	2,796	1,966	4,853	-
Maintenance Contracts - Unit Turnaround	-	-	2,698	1,578	-
Maintenance Contracts - Cycle Painting	37	226	246	624	-
Maintenance Contracts - Floor Covering	-	6	313	1,642	-
Maintenance Contracts - Services	27	170	5,091	2,835	-
Maintenance Contracts - Painting	17	106	113	993	-
Maintenance Contracts - Plumbing	-	-	477	-	-
Maintenance Contracts - Landscape, Pool, Pond Maintenance	502	2,348	1,578	1,913	-
Maintenance Contracts - HVAC Maintenance	9	38	48	3,953	-
Maintenance Contracts - Elevator Maintenance	1	16	403	4,708	-
Maintenance Contracts - Extermination	82	3	278	1,851	-
Maintenance Contracts - Electrical Maintenance	-	-	-	83	-
Maintenance Contracts - Security and Nurse Call Systems	14	74	1,403	1,580	-
Maintenance Contracts - Gutter Cleaning Services	39	124	108	160	-
Maintenance Contracts - Flooring Replmt/Cleaning Srvc	-	-	45	213	-
Maintenance Contracts - Other	1	1,332	442	19	-
Maintenance Contracts - Vehicle Maintenance	6	35	37	95	-
Maintenance Contracts - Janitorial	21	130	2,337	373	-
Maint Employee Benefits - Medical/Dental	632	2,832	3,341	7,156	-
Maint Employee Benefits - PERS/PARS	182	842	987	2,105	-
Maint Employee Benefits - FICA	27	130	161	336	-
Maint Employee Benefits - SUI	9	35	40	86	-
Maint Employee Benefits - Life/LTD	12	62	80	159	-
Maint Employee Benefit - WC	70	236	279	654	-
TOTAL MAINTENANCE	2,447	17,937	26,611	61,309	-
GENERAL EXPENSES					
Insurance - Liability	87	398	764	1,578	-
Insurance - Property	131	756	839	2,101	-
Insurance - Vehicle	17	84	158	333	-
TOTAL GENERAL EXPENSES	235	1,238	1,761	4,012	-
TOTAL OPERATING EXPENSES	11,773	57,431	77,061	178,324	1,000
SOFT LOAN PAYMENTS					
AHA Loan Payment	10,692	40,548	23,820	67,201	-
NET INCOME	-	-	-	-	-

ALAMEDA AFFORDABLE HOUSING CORPORATION

To: Board of Directors

From: Vanessa Cooper
Executive Director

Prepared By: Kathleen Mertz, Asset Manager

Date: February 21, 2018

Re: Approve the Property and Asset Management Agreement with The
Housing Authority of the City of Alameda

DISCUSSION

The attached Property and Asset Management Services Agreement establishes the contractual agreement between AAHC and the Housing Authority, and establishes the roles and responsibilities of the Housing Authority to operate the four properties (China Clipper, Anne B. Diament, Lincoln-Willow, and Stanford House). The Housing Authority will be providing all property and asset management services per the Cost Allocation Plan budget approved by the Housing Authority for these properties. Additionally, any and all current contracts and service agreements with the Housing Authority will remain in place to operate the properties (e.g. elevator maintenance, fire alarm monitoring, laundry contracts, etc.).

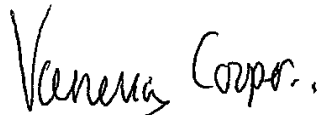
FISCAL IMPACT

None. The Agreement is based on the Cost Allocation Plan and previously approved budget of the Housing Authority of the City of Alameda.

RECOMMENDATION

Staff recommends the Board approve the Property and Asset Management Agreement with The Housing Authority of the City of Alameda.

Respectfully submitted,



Vanessa Cooper
Executive Director

Attachment: Property and Asset Management Services Agreement

PROPERTY AND ASSET MANAGEMENT SERVICES AGREEMENT

THIS AGREEMENT is made effective April 1, 2018, by and between Alameda Affordable Housing Corporation (“Owner”), and The Housing Authority of the City of Alameda, (“Agent”).

RECITALS

WHEREAS, Owner is the owner of certain residential improved real property located in Alameda, California, commonly known as

1. China Clipper Plaza, 460 Buena Vista Avenue (26 units),
2. Anne B. Diament, 920 Park Street (65 units),
3. Lincoln-Willow Apartments, 2101-3 Lincoln Avenue (5 units), and
4. Stanford House, 1917 Stanford Street (4 units), (“Property” and “Properties”); and

WHEREAS, Owner desires to obtain the services of Agent for the purpose of managing and operating the Properties, and Agent desires to provide such services; and

WHEREAS, the Owner requires Agent to meet THE OVERALL GOALS for this Properties as follows:

- To provide a desirable, well maintained, habitable, and affordable place to live for a racially and ethnically integrated resident population, without regard to race, religion, sex, color, family status, disability status, national origin, marital status, ancestry, gender identity or sexual orientation;
- To house eligible and responsible residents and maximize occupancy and rent collection efforts;
- To provide effective and timely services for the residents;
- To meet the financial objectives of the Owner as described in the Property budget;
- To ensure regular, effective communication between management staff and residents;
- To implement regulatory requirements and operation consistent with law;
- To maintain the physical housing resource for the projected useful life; and

WHEREAS, the Owner requires that the Agent meet THE PERFORMANCE GOALS for this Properties as follows:

- A vacancy rate no higher than 5% (defined as vacancy loss in dollars as a percentage of gross potential rent for the period measured);
- A collection rate no less than 99% (defined as total (resident and subsidy) cash collected as a percentage of total rent billed);
- Operation of the Properties within the approved annual operating budget;
- Average days vacant not to exceed 30 calendar days for units.

AGREEMENT

NOW, THEREFORE, in consideration of the promises and covenants herein contained and other good and valuable consideration, the receipt of which is hereby acknowledged, Owner and Agent agree as follows:

1. Appointment of Agent. Owner hereby appoints Agent and Agent hereby accepts appointment on the terms and conditions set forth in this Agreement and its attachments, as Owner's exclusive agent to manage, operate, supervise, and lease the Properties and, except as expressly stated otherwise in this Agreement, to perform those actions necessary to fulfill Owner's obligations to any government agencies with authority over the Properties, copies of which Owner has provided to Agent.
2. Term. This Agreement shall be in effect for two (2) years commencing April 2, 2018 and terminating June 30, 2020. This agreement may be renewed for two additional 1-year terms subject to the approval of both parties.
3. Compensation. Owner's compensation to Agent for Agent's services hereunder shall be as provided in Exhibit A attached hereto and incorporated herein by this reference. The Agent may transfer Agent's Fee from the Operating Account (described in Section 6) on the first day of the month following the month in which Agent's services were performed. Agent's fee is considered an operating expense of the Properties. In the event of commencement or termination of this Agreement other than on the first or last day of a month, respectively, Agent's Fee shall be prorated to the effective date of such commencement or termination, based upon a thirty (30) day month.
4. Expenses of Owner. Except as expressly stated otherwise in this Agreement, all contractual obligations that Agent incurs to third parties in the course of managing the Properties pursuant to this Agreement, which are included in the Owner-approved Annual Budget, shall be obligations of Owner (Owner Obligations) and Agent is authorized to pay Owner Obligations up to the maximum amount provided for in the Owner-approved Annual budget for that expense category from Owner's Operating Account (described in Section 6) without Owner's further approval unless specifically required elsewhere in this Agreement.
5. Duties and Responsibilities
 - a. General Responsibilities of Agent. Subject to the provisions of this Agreement, Agent is hereby authorized to manage, operate and lease the Properties in accordance with the Owner-approved management plan, applicable regulatory agreements, and with standards of practice of professional managers of similar properties in the City of Alameda. In addition, Agent will provide other customary Properties management services required for the ordinary and usual business and affairs of the Properties consistent with the management, operation, leasing, and maintenance of similar properties in the City. For the purpose of this Agreement, "similar properties" means properties or projects serving generally the same population of residents and operating

pursuant to substantially the same or comparable income restrictions, programs or subsidies. If Owner requests Agent to perform services beyond the requirements of this Agreement, Agent must, prior to performing the service, provide Owner with immediate, written notice that the Agent believes that the request constitutes an additional service. Agent understands that such notice is critical to the Owner's decision to have the Agent perform the service, and if Agent fails to provide such notice, Agent will have deemed to have waived any request for additional compensation for same, which shall be negotiated by the parties based on the fees provided for in this Agreement.

b. Agent's Specific Duties and Responsibilities.

i. Collection of Monies. Agent shall use reasonable and lawful efforts and means to collect the rents and other charges due from tenants. Owner authorizes Agent to request, demand, collect, and receive funds for collection thereof in accordance with all applicable laws, regulations, ordinances or administrative grievance procedures and for the lawful dispossession of tenants, guests, and other persons from Properties. Amounts expended by Agent for use of non-employee consultants or experts, including attorneys, in the performance of these duties are the responsibility of Owner and shall be paid by Agent and expensed to the Properties' Operating Account.

ii. Books, Records, and Documentation

- a) Agent shall maintain either at its principal office or on the Properties, to be decided at Agent's sole discretion (Agent's Principal Office), complete and separate books, records, reports, and documents relating to the management and operation of the Properties, including without limitation all contracts, original leases, amendments, extensions and agreements relating to contracts and leases, annual contributions contracts, files, correspondence with tenants and prospective tenants, computations of rental adjustments, maintenance and preventive maintenance programs, schedules and logs, tenant finish and construction records, inventories of personal Properties and equipment, correspondence with vendors, job descriptions, correspondence with federal, state, county, municipal authorities and governing agencies, brochures, and accounts held or maintained by Agent (all such books, records, and documents being referred to herein as "Books, Records, and Documents").
- b) Unless otherwise instructed by Owner, in writing, books and records of account shall be prepared in conformity with generally accepted accounting principles consistently applied, and HUD Handbook 4370.2. Except as approved in writing by Owner, all accounting functions shall be performed by Agent's personnel whose compensation is payable solely by Agent without reimbursement by Owner.
- c) Owner shall have the right to examine, audit and take originals and copies of all Books, Records and Documents at Agent's Principal Office at reasonable times and with prior reasonable notice.
- d) Upon request, Agent shall make all Books, Records and Documents available for examination, audit, inspection and copying by duly authorized

representatives of any public housing agency or authority with regulatory power and/or jurisdiction over the Properties to the extent required by federal or state law.

- e) Agent shall provide to Owner, on a monthly and quarterly basis, financial and management information relating to the Properties - including without limitation: profit and loss statements, balance sheet, general ledger, trial balance report, rent rolls, cash reconciliation statements, accounts payable reports, tenant delinquency and vacancy reports, and reports as to the status of the Security Deposit Account. Agent shall also, at the request of Owner, furnish such further reports in a manner sufficient to respond to Owner's requirements.

iii. Annual Audit. At the end of each fiscal year of the Properties and up to the date of termination, Agent shall arrange and coordinate an annual audit of the books and records of the Properties made by a firm of certified public accountants approved by Owner. Agent shall prepare or cause the auditor to prepare for Owner's execution all forms, reports, and returns required by any federal, state, county, or municipal authority relating to the Properties. Properties Audit will include a report of internal controls or compliance reports required by government contract or loan requirements. Agent's third party cost of the audit is a cost of the Owner and Agent shall pay for the audit expense from the Properties' Operating Account. Agent is authorized to make requests for information from attorneys performing services on behalf of Owner for the Properties as required by any accountant for the audit of the books and records of the Properties. In so doing, neither Owner nor Agent intends to waive the attorney-client privilege with respect to any information which is furnished to or from such attorneys. Any response by any attorneys to such requests for information should not be construed in any way to constitute a waiver of the protection of the attorney work-product privilege with respect to any files involving the Properties, Owner or Agent.

iv. Repairs and Maintenance. Agent will use due professional care to maintain the condition of the Properties in the condition prescribed by Owner, including but not limited to: (i) regularly inspect the Properties, (ii) take ordinary, prudent precautions against fire, vandalism, burglary and trespass on the Properties, (iii) arrange to make all necessary repairs. Agent shall make no expenditures in excess of \$10,000 or the maximum amount set forth in any regulatory agreement, whichever is less, for repairs, without the prior written consent of Owner, unless (i) the Owner has approved the expenditure for such repair in the Owner-approved Annual Budget, or (ii) such repairs are emergency repairs to the Properties immediately necessary for the preservation or safety of the Properties, the safety of persons, or which are required to avoid suspension of necessary services to the Properties (Emergency).

v. Capital Assets. Agent shall make no expenditures in excess of \$10,000 for alterations, capital improvements, renovations or replacements of furniture, fixtures or equipment, unless such expenditure is contained in the Annual Budget, without the approval of Owner. Other than replacements, Agent shall make no disposition of

fixed assets (as determined in accordance with Owner's Chart of Accounts) with an original value in excess of \$10,000 without the prior approval of Owner.

vi. Service Contracts and Equipment Leases. Agent is authorized to make and enter into all service contracts and equipment leases as are required in the ordinary course of business for the operation, maintenance, and service of the Properties, and to pay the same when due, in accordance with the Owner-approved Annual Budget.

vii. Supplies and Inventory. Agent is authorized, on behalf of Owner, to purchase such supplies and expendable items as are necessary to operate the Properties and when included in the Owner-approved Annual Budget. When taking bids or issuing purchase orders, Agent shall use commercially available reasonable and prudent efforts to secure for Owner's benefit any discounts, commissions, or rebates obtainable in connection with such purchases. All such discounts, commissions or rebates shall inure to the benefit of the Properties and Owner. In no event may a commission or rebate inure to the benefit of Agent, its officers, employees or subcontractors, or to other properties that Agent may be managing.

viii. Insurance. Owner shall place and keep in force usual and customary insurance against direct physical loss or damage to the Properties, as well as commercial general liability coverage at reasonable limits. All insurance shall be in conformity with the requirements of any mortgages of the Properties. The cost is an Owner Obligation to be paid by Agent from the Operating Account. Agent shall obtain and keep in Insurance coverages as listed in Exhibit B. Agent shall not knowingly permit the use of the Properties for any purpose which might void any policy of insurance relating to the Properties, increase the premium otherwise payable or render any loss there under uncollectible.

ix. Debt Service, Taxes and Assessments Agent shall process and pay debt service, taxes, impositions, or assessments relating to the ownership or operation of the Properties, including, without limitation, improvement assessments, real estate taxes, personal Properties taxes, taxes on income or rents, or any charges similar to or in lieu of any of the foregoing, from the Operating Account. Agent shall verify bills for real estate, personal Property or other taxes, improvement assessments, and other similar charges which are or may become liens against the Properties or which may be levied on the basis of ownership or operation of the Properties. Agent shall annually make a review of and submit a report on, all real estate, personal Property and other taxes and all assessments affecting the Properties. Agent shall timely file all personal Properties and Properties tax returns after review of such returns by Owner.

x. Cooperation and Collaboration. Agent shall be required to cooperate and collaborate with independent social services providers and other community support agencies. Agent shall cooperate with law enforcement including community policing activities or events that may take place at the Properties.

xi. Compliance with Legal Requirements

- a) Agent shall use reasonable means to become aware of, and shall take such actions as Agent deems prudent and necessary to comply with any laws, regulations orders, plans or requirements affecting the use or operation of the Properties by any federal, state, county, or municipal agency or authority, including but not limited to compliance with and participation in administrative grievance procedures.
- b) Owner shall provide Agent with all information necessary for Agent to be fully informed as to the nature and extent of all programs applicable to the Properties, including, but not limited to, providing copies of regulatory agreements, management plan, tenant selection criteria, restrictive covenants or other instruments, whether or not recorded, against the Properties which contain operating covenants or restrictions.
- c) Agent shall prepare, execute, and, file any customary and standard reports and documents required by an applicable governmental or funding authority.
- d) Agent covenants and agrees to obtain and maintain all licenses and permits necessary for the conduct of its business as Agent of the Properties. Licenses and permits specific to the Properties are an Owner Obligation payable from the Properties' Operating Account.

xii. Initiation of Legal Proceedings and Defense of Claims. Agent will attempt to secure each tenant's full compliance with the terms of his/her lease The Agent may lawfully terminate any tenancy when, in the Agent's judgment, sufficient cause (including but not limited to nonpayment of rent) for such termination occurs under the terms of the tenant's lease. The Agent is authorized to consult with and retain legal counsel of its choosing for such legal actions as Agent reasonably believes to be necessary, including, but not limited to bringing actions for eviction and executing notices to vacate and judicial pleading incident to such actions. Such actions may be brought in the name of Agent as agent for Owner. Agent further is authorized to consult and retain legal counsel for the prosecution of such claims relating to the enforcement of Owner's rights under lease agreements. Owner will reimburse Agent for reasonable attorney's fees and costs related to Agent's prosecution of such litigation from the Properties' Operating Account.

xiii. Energy Conservation. Agent shall operate the Properties in an environmentally sustainable and energy efficient manner and shall use prudent and customary means to use and control utilities at the Properties in a manner to minimize total costs and satisfy Owner's obligations to tenants.

xiv. Advertising. Agent shall advertise the Properties for rent at such times and by use of such media as it deems necessary in compliance with applicable laws and regulations subject to the Owner-approved Annual Budget. Agent will provide and implement a Fair Housing Marketing Plan for the Properties.

xv. Employment of Personnel. Agent will hire (or contract with), train, supervise, direct the work of, pay and discharge all personnel necessary for operation of the Properties. Such personnel shall in every instance be employees or contractors of Agent and not of Owner. Owner shall have no right to supervise or direct such employees. All costs associated with the employment of personnel necessary for the on-site operation of the Properties, including, but not limited to, salaries, wages, other compensation and fringe benefits (including without limitation social security, taxes, worker's compensation insurance, unemployment insurance and the like), will be an Owner Obligation payable from the Operating Account. Agent will not discriminate against any employee or applicant for employment in violation of any applicable law. This contract incorporates by reference all equal opportunity requirements in employment, contracting and operating the Properties, and any affirmative action obligations as required by applicable regulations. The terms "employees" or "personnel" shall be deemed to mean and include employment of a casual, temporary, or part-time nature. The cost of salaries, wages, other compensation, and benefits (including without limitation social security, taxes, worker's compensation insurance, payroll processing, postage and the like), of all on-site, field, maintenance, and central office employees of Agent working on or with respect to the Properties shall be Owner Obligations payable from the Operating Account. Reimbursements shall include travel, meals, training, and other expenses incurred for these employees as they specifically relate to the Properties.

xvi. Leasing. Agent shall make diligent efforts to secure and/or retain tenants for the Properties. Agent shall make diligent efforts to assure that all leases and leasing practices conform to all laws, ordinances, regulations, and Housing Assistance Payment Contracts applicable to the Properties. Prior to the execution of a new lease by a tenant, Agent shall in good faith conduct such investigations of the financial responsibility, general reputation and the criminal background, of the prospective tenant as are ordinarily and customarily performed by the managers of similar properties in the location of the Properties. The expense for such investigations shall be an Owner Obligation payable from the Properties' Operating Account.

c. General Responsibilities of Owner. In addition to the specific obligations set forth elsewhere in this Agreement, Owner will cooperate with Agent in the fulfillment of Agent's obligations under this Agreement including, but not limited to, promptly providing all approvals, information and funding reasonably necessary for Agent's management of the Properties in accordance with Agent's obligations in this Agreement, and timely submitting information to appropriate regulatory agencies when requested by Agent. Further, Owner shall not require Agent to act in a manner that would violate any applicable laws, regulations or program requirements and requiring such conduct so is an express violation of this Agreement by the Owner.

6. Bank Accounts.

a. Establishment of Accounts. If not already done so by Owner, Agent shall establish the following FDIC-insured bank accounts (as designated by Owner) in Agent's name For Benefit Of (FBO) the Owner in banks or other institutions approved

or selected by Owner:

i. An "**Operating Account**," which Agent shall use for the deposit of all funds from the operation of the Properties, including any amounts paid by a public housing agency or authority, unless Owner agrees in writing that the Operating Account shall not be used for such purpose. At Owner's request, the Operating Account will also be used for reserves for taxes and insurance (impound). The Operating Account shall also be a centralized disbursement account, the funds of which shall be used to pay the normal and reasonable expenses incident to the operation and maintenance of the Properties pursuant to this Agreement and as requested by Owner. The Operating Account can also be used to pay insurance premiums, ad valorem taxes on real and personal Properties, and debt service relating to the Properties. The Operating Account can also be used for disbursements of excess cash to Owner, if applicable. All interest earned on the Operating Account becomes available operating funds that Agent may expend on Owner-approved expenses.

ii. A "**Replacement Reserve Account**", which funds are subject to the provisions of, and restricted to those uses described in, any applicable loan documents or regulatory agreements; disbursements are subject to Owner's approval, except in the event of Emergency repairs.

iii. A "**Security Deposit Account**," which may be an interest bearing account if required by applicable law, in an account approved by Owner for the retention of security deposits delivered in connection with leases of any portion of the Properties.

iv. The Operating Account and Security Deposit Account are to be established solely for the Properties, and shall contain no funds other than money collected from, or intended for use in connection with the operation of the Properties, and Agent shall not commingle any of its own funds with the funds of Owner. All funds of Owner deposited in these two accounts are the Properties of Owner held in trust for Owner by Agent. If agreed in writing, these two accounts shall be subject to the control of both Agent and Owner, either of whom may draw checks thereon.

v. Agent may also maintain a petty cash fund from money in the Operating Account and make payments therefrom in a manner consistent with the usual course of dealing with such funds in the Properties management business. Such petty cash fund shall be subject to the same rules and restrictions set forth above as are applicable to the bank accounts.

b. Funds Provided By Owner. If the funds collected by Agent from operation of the Properties, including subsidy payments, are not sufficient to pay the expenses incurred and authorized to be paid in operation of the Properties and to make all reimbursements to Agent pursuant hereto, Agent shall submit to Owner a statement showing such shortfall and identifying the bills and charges requiring payment, and Owner shall immediately advance funds sufficient to pay same to the Agent.

7. Annual Budgets

a. Submission of Budgets. At the commencement of this Agreement, and thereafter, if again requested by Owner, at least 60 days prior to the beginning of each fiscal year, Agent shall prepare and submit to Owner for Owner's approval a proposed Annual Budget that includes the estimated income and expenses of the Properties. The proposed budget will be made assuming accrual basis accounting or such basis as prescribed by Owner or applicable regulatory agreements or regulations. Agent will provide an explanation for the numbers used in such budget.

b. Submission of Other Reports. Owner may request Agent to prepare the following additional reports when submitting such proposed budgets: rental rate recommendations with analysis if appropriate and all repair, maintenance, renovation and replacement expenditures (together with estimated costs for each item) anticipated to be made in the upcoming operating period; a payroll analysis including a salary or wage description for every on-site employee, including any fringe benefits reimbursable hereunder, of Agent whose compensation is reimbursable hereunder.

c. Approval of Annual Budget. Owner will make objection to the proposed annual budget within 30 days after Owner's receipt. In the absence of Owner's objection as provided herein, Owner will be deemed to have approved the Annual Budget and Agent will operate and incur expenses only as provided within the Annual Budget until notified otherwise by Owner (or as provided elsewhere herein regarding Emergencies).

d. Compliance with Budgets. Once approved by Owner, the Agent shall use the Annual Budget as a guide for the actual operation of the Properties.

8. Early Termination. Notwithstanding the provisions of Paragraph 2 above to the contrary, this Agreement and the obligations of the parties hereunder shall cease, upon the occurrence of any of the following:

a. If Owner fails to comply, after Agent's notice and an opportunity to cure, with any rule, order, determination, ordinance or law of any federal, state, county, municipal authority, or governing agency, Agent may terminate this Agreement upon ten (10) days written notice to Owner unless Owner is in good faith contesting it.

b. If either party defaults in the performance of any of its obligations hereunder and such default continues for thirty (30) days after written notice to the defaulting party specifying such default, the party not in default may terminate this Agreement upon ten (10) days written notice to the defaulting party. Notwithstanding the above, if a cure has commenced but not able to be completed within 30 days and the defaulting party is diligently pursuing the cure within the 30 day period, then the party not in default shall not affect the termination.

c. Owner or Agent may terminate this Agreement for convenience upon 30 days written notice to the other. It is understood that the respective rights and obligations of the parties shall continue to be governed by this Agreement until the effective date of

such termination.

Notwithstanding any of the time period set forth above, for Properties receiving any form of subsidy or subject to any state or federal agreements, Owner and Agent hereby agree to give sufficient notice to the other to allow Owner and Agent to comply with all regulatory notice requirements.

9. Duties Upon Termination. Upon termination of this Agreement for any reason:

a. Agent shall have no further right to act on behalf of Owner or to disburse any of Owner's funds;

b. On the last day of the month following the termination date, Agent will deliver to Owner all Books, Records, and Documents (as herein defined) maintained by it pursuant to this Agreement and do all that is reasonably necessary to facilitate the orderly transition of management of the Properties;

c. Agent shall render to Owner an accounting of all funds of Owner held by Agent relating to the Properties and shall immediately cause such funds to be paid to Owner; and

d. Agent shall perform all reporting and accounting functions hereunder for the period from the date of the last report or accounting to the date of termination.

10. Relationship. It is understood and agreed that all contracts and obligations entered into by Agent with respect to the Properties in accordance with the Annual Budget, or as otherwise provided for herein, and consistent with this Agreement, shall be Owner Obligations. Agent acknowledges and understands that its relationship with Owner is that of a fiduciary and as such owes Owner the duties inherent in said relationship.

11. Assignment. This agreement shall not be assigned by Agent without the prior written approval of Owner which approval may be withheld in Owner's sole and absolute discretion.

12. Benefits and Obligations. Subject to the provision of Paragraph 11 above, the covenants and agreements herein contained shall inure to the benefit of, and be binding upon, the parties hereto and their respective heirs, executors, successors, and assigns.

13. Management Certification. To the extent that the hiring of Agent under the terms of this Agreement is subject to certification by HUD: (1) Owner and Agent agree to cooperate in obtaining any and all management certifications required by HUD, and (2) Owner and Agent agree that should any conflict exist between this Agreement and HUD's rights and requirements, HUD's rights and requirements will prevail.

14. Limitation of Liability. Except in connection with a party's indemnification obligations with respect to third parties, neither party shall be liable to the other for any indirect, incidental, consequential, special, punitive or exemplary damages arising from its

performance of this Agreement, including but not limited to lost revenue, lost profits or lost business opportunity.

15. Notices. All notices provided for in this Agreement shall be in writing and served by registered or certified mail, postage prepaid, at the following addresses until such time as written notice of a change of address is given to the other party:

TO OWNER: 701 Atlantic Avenue, Alameda, CA 94501

TO AGENT: 701 Atlantic Avenue, Alameda, CA 94501

16. Confidentiality.

a. Intent. The nature of the services Agent will provide pursuant to this Agreement may involve Owner's disclosure to Agent of detailed information about Owner's tenants, including information that may be protected from public disclosure by confidentiality laws. Agent understands that, in order for the Owner to fully utilize Agent's services, Owner staff members providing information to Agent must feel confident that such information will be handled properly.

b. Release of Information. Owner will only release tenant information to a third party (beyond Agent and AHA) upon tenant's written release of such information to Agent. Agent may not disclose such information to any third party without the specific, written consent of the tenant.

17. Entire Agreement. This Agreement, its Exhibits and any signed addenda, represent the entire agreement between the parties with respect to the subject matter hereof. No alteration, modification, or interpretation of this Agreement shall be binding unless in writing and signed by both parties.

18. Severability. If any provision of this Agreement or application to any party or circumstances shall be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this Agreement or the application of such provision to any person or circumstance, other than those as to which it is so determined invalid or unenforceable, shall not be affected thereby and each provision hereof shall be valid and shall be enforced to the fullest extent permitted by law.

19. Mediation and Arbitration. If a dispute arises out of or relates to this contract and if said dispute cannot be settled through direct discussions, the parties agree to first endeavor to settle the dispute in an amicable manner by mediation. If that fails, the matter may be decided by binding arbitration with the consent of both parties. The mediation and arbitration shall be conducted by a mutually agreed upon mediator/arbitrator. If the parties cannot agree to a mediator/arbitrator, the parties will ask JAMS (formerly known as the Judicial Arbitration and Mediation Service (www.jamsadr.com)) to appoint a neutral mediator or arbitrator as appropriate.

20. Applicable Law. This agreement shall be construed and enforced in accordance with

the laws of the State of California. Venue shall take place in the County of Alameda, State of California.

- 21. Agent. The term "Agent" as used in this Agreement shall include any corporate subsidiaries or affiliates of Agent who perform service, in, on or about the Properties in connection with this Agreement.
- 22. Attorney's Fees. If any dispute, litigation or arbitration between the parties arises out of this Agreement, the losing party in such dispute, litigation or arbitration shall pay to the prevailing party all costs of such dispute, including without limitation, reasonable attorneys' fees.
- 23. Non-Waiver. No delay or failure by either party to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided in this Agreement.
- 24. Headings. All headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.

OWNER
Alameda Affordable Housing Corporation

AGENT
The Housing Authority of the City of Alameda

By: _____
President

By: _____
Executive Director

Date: _____

Date: _____

EXHIBIT A
FEES FOR PROPERTY MANAGEMENT, ASSET MANAGEMENT, AND CONSULTING SERVICES

Name of Firm: **The Housing Authority of the City of Alameda**

Properties Covered by this Proposed Schedule:

China Clipper Plaza, 460 Buena Vista Avenue

Anne B. Diament, 920 Park Street

Lincoln-Willow, 2101-3 Lincoln Avenue

Stanford House, 1917 Stanford Street

These Properties are a part of the 2017-2019 two-year budget cycle and the Cost Allocation Plan, approved by the Board of Commissioners of the Housing Authority of the City of Alameda. The budget for these Properties will follow the same Cost Allocation Plan methodology for the balance of fiscal year 2017-2018, and the following fiscal year 2018-2019. There will be no other fees for Property Management, Asset Management, and Consulting Services.

The Owner and Agent intend to develop a new operating fee schedule and property level budget at part of the 2019-2020 budget cycle.

EXHIBIT B INSURANCE REQUIREMENTS

Indemnity

- a. Owner to Agent: Owner shall indemnify and hold harmless the Agent from any claim, liability, loss, injury or damage caused by a physical condition of the Properties and any pre-existing conditions at the Project (including but not limited to mold and mildew) as of the starting date of this Agreement, excepting only claim, liability, loss, injury or damage attributable, in whole or in part, to the Agent's willful or negligent acts or omissions. The Owner shall reimburse the Agent for all costs, reasonable attorneys' fees, expenses and liabilities incurred with respect to the matters for which the Owner is obligated to indemnify and hold harmless the Agent under this Agreement.
- b. Agent to Owner: Agent shall indemnify and defend Owner against and hold Owner harmless from any and all claims, actions, losses, costs, damages, liabilities and expenses, including, without limitation, reasonable attorneys' fees, arising directly or indirectly out of (i) any material default by Agent under the provisions of this Agreement including but not limited to Agent's negligent performance of its professional duties, (ii) any gross negligence or willful misconduct of Agent, or any of its officers, partners, directors, agents, or employees in connection with this Agreement or Agent's services or work hereunder, whether within or beyond the scope of its duties or authority hereunder, or (iii) any claims for personal injuries to Agent's employees incurred during the course of their employ.

Insurance

Without limiting the Agent indemnification of the Owner, Agent shall provide and maintain at its own expense, during the term of this Agreement, or as may be further required herein, the following insurance coverage and provisions:

A. Evidence of Coverage

Prior to commencement of this Agreement, Agent shall provide a Certificate of Insurance certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, a copy of the policy or policies shall be provided by the Agent upon request.

B. Qualifying Insurers

All coverage, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- V, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the Owner Asset Manager.

C. Notice of Cancellation

All coverage as required herein shall not be canceled or changed so as to no longer meet the specified the Owner's insurance requirements without 30 days' prior written notice of such cancellation or change being delivered to the Owner or their designated agent.

D. Insurance Required

1. Commercial General Liability Insurance for bodily injury (including death) and Properties damage which provides limits as follows:
 - a. Each occurrence \$1,000,000
 - b. General aggregate - \$2,000,000
 - c. Personal Injury - \$1,000,000

If submitted, combined single limit policy with aggregate limits in the amounts of \$1,000,000 will be considered equivalent to the required minimum limits shown above.

2. Umbrella Coverage \$1,000,000 (totaling \$2,000,000/\$5,000,000 occurrence/aggregate)

3. Automobile Liability Insurance

For bodily injury (including death) and Properties damage which provides total limits of not less than one million dollars (\$1,000,000) per occurrence applicable to hired vehicles and non-owned vehicles.

4. Crime Coverage/ Third Party Fidelity Bond or Commercial Dishonesty Bond

Commercial Dishonesty Bond Insurance in the amount of \$1,000,000 including coverage for theft or loss of Client Properties.

5. Workers' Compensation and Employer's Liability Insurance

- a. Statutory California Workers' Compensation coverage including broad form all-states coverage.
- b. Employer's Liability coverage for not less than one million dollars (\$1,000,000) per occurrence.

6. Professional Errors and Omissions Liability Insurance

Coverage shall be in an amount of not less than one million dollars (\$1,000,000) per occurrence/aggregate.

E. Special Provisions

The following provisions shall apply to this Agreement:

1. The foregoing requirements as to the types and limits of insurance coverage to be maintained by the Agent and any approval of said insurance by the Owner or its insurance consultant(s) are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Agent pursuant to this Agreement, including but not limited to the provisions concerning indemnification.
2. The Owner acknowledges that some insurance requirements contained in this Agreement may be fulfilled by self-insurance on the part of the Agent. However, this shall not in any way limit liabilities assumed by the Agent under this Agreement. Any self-insurance shall be approved in writing by the Owner upon satisfactory evidence of financial capacity. The Agent's obligation hereunder may be satisfied in whole or in part by adequately funded self-insurance programs or self-insurance retentions.
3. Should any of the work under this Agreement be sublet, the Agent shall require each of its subcontractors of any tier to carry the aforementioned coverages, or the Agent may insure subcontractor under its own policies.
4. The Owner reserves the right to withhold payments to the Agent in the event of material noncompliance with the insurance requirements outlined above.

F. Fidelity Bonds (Required only if Contactor/Consultant will be receiving advanced funds or payments)

Before receiving compensation under this Agreement, the Agent will furnish the Owner with evidence that all officials, employees, and agents handling or having access to the Owned funds received or disbursed under this Agreement, or authorized to sign or countersign checks, are covered by fidelity bond in an amount of \$150,000 with naming the Owner as "Loss Payee". If such bond is canceled or reduced, the Agent will notify the Owner immediately, and the Owner may withhold further payment to Agent until proper coverage has been obtained. Failure to give such notice may be cause for termination of this Agreement, at the option of the Owner. Agent need not obtain a fidelity bond if the funds to be received consist solely of remittances made by the Owner to Agent in payment of Agent's invoices approved for payment by appropriate the Owner's management.