

**RICHMOND HOUSING AUTHORITY (RHA)**  
**Housing Advisory Commission Meeting**

**DATE: Monday, May 10, 2021**

**TIME: 3:30 p.m.**

Access Meeting by Computer, Tablet or Mobile Device

Please click the link below to join the webinar:

<https://zoom.us/j/95576042883?pwd=R3IBOE1KN0ZiOFBBNXUyR1dLZ3drdz09>

Passcode: 458970

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

**Webinar ID:** 955 7604 2883

**Passcode:** 458970

**CORONAVIRUS DISEASE (COVID-19) ADVISORY**

Due to the coronavirus (COVID-19) pandemic, Contra Costa County and Governor Gavin Newsom have issued multiple orders requiring sheltering in place, social distancing, and reduction of person-to-person contact (See, for example, Contra Costa County Health Order extending the shelter-in-place order and statewide shelter-in-place order). Accordingly, Governor Gavin Newsom has issued executive orders that allow cities to hold public meetings via teleconferencing (Executive Order N-29-20).

Both <https://www.coronavirus.cchealth.org/> and <http://www.ci.richmond.ca.us/3914/Richmond-Coronavirus-Info> provide updated coronavirus information.

DUE TO THE SHELTER IN PLACE ORDERS, attendance at the Housing Advisory Commission Meeting will be limited to Housing Advisory Commission members, essential Richmond Housing Authority (RHA) and City of Richmond staff, and members of the news media. Public comment will be confined to items appearing on the agenda and will be limited to the methods provided below. Consistent with Executive Order N-29-20, this meeting will utilize teleconferencing only. The following provides information on how the public can participate in this meeting.

**Public comments may be submitted in multiple ways:**

1. Via email to [aarredondo@rhaca.org](mailto:aarredondo@rhaca.org) by **2:30 p.m. on May 10, 2021** or during the meeting as set forth below. Email must contain in the subject line public comments – not on the agenda or public comments – agenda item #. Email must contain in the subject line **public comments – not on the agenda or public comments – agenda item #.**

Comments received via email or telephone during the meeting will be handled as follows:

Comments received via email during the meeting and up until the public comment period on the relevant agenda item is closed, will be read into the record and will be limited to a maximum of three minutes, depending on the number of commenters, as more fully described in the City Council meeting procedures below]. For public hearing items, the time will be limited to a maximum of three minutes. The staff will stop reading comments into the record after the allotted time of three minutes for such comments.

Comments received by telephone 510-621-1300, during the public comment period shall not to exceed the allotted time of three minutes – for such comments as provided above.

2. Via mail received by 2:30 p.m. Monday, May 10, 2021 sent to Richmond Housing Authority 330 24<sup>th</sup> Street, Richmond, CA 94804.

3. Via phone voice message received by 2:30 p.m. Monday, May 10, 2021, phone: 510-621-1300. Please leave your comment on the voicemail or with staff member that answers the phone.

4. Via Telephone. If you would like to give your public comment via telephone, please email your telephone number with area code to [nbeacham@rhaca.org](mailto:nbeacham@rhaca.org) during the public comment period. You will be called during the public comment period and you will be given the opportunity to verbally submit public comment (not to exceed the allotted time – three minutes – for such comments as provided below).

The RHA cannot guarantee that its network will be uninterrupted. To ensure that the Housing Advisory receives your comments, you are strongly encouraged to submit your comments in writing in advance of the meeting.

**Comments received by 2:30 p.m. May 10, 2021 during the day of the meeting will be handled as follows:**

All email, phone, and mail comments received **by 2:30 p.m. on Monday, May 10, 2021**, will be provided to the Commissioners.

**Record of all public comments:**

All public comments will be considered a public record, put into the official meeting record, and considered before Commission action. All public comments will be available after the meeting as supplemental materials and will be posted as an attachment to the meeting minutes when the minutes are posted.

#### **Accessibility for Individuals with Disabilities**

Upon request, the RHA will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services and sign language interpreters, to enable individuals with disabilities to participate in and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested. Requests should be emailed to [NBeacham@rhaca.org](mailto:NBeacham@rhaca.org) or submitted by phone at 510-620-1300. Requests can be made by mail to Nannette Beacham 330 24th Street, Richmond, CA 94804. Requests will be granted whenever possible and resolved in favor of accessibility.

#### **Effect of Advisory on In-person public participation**

During the pendency of the Executive Order N-29-20, the language in this Advisory portion of the agenda supersedes any language below in the meeting procedures contemplating in-person public comment.

**Commissioners**

**Carol Hegstrom  
Chair**

**Jaycine Scott  
Vice-Chair**

**Dena Nelson  
Secretary**

**Preston Lam**

**Toni Autry**

**Y'Anad Burrell**

**Gayle  
McLaughlin  
Council Liaison**

**AGENDA**

1. Call to Order and Pledge of Allegiance (1 min.)
2. Roll Call (1 min.)
3. Welcome and Meeting Procedures (1 min.) – Individuals who would like to address the commission on matters not listed on the Agenda may do so under Open Forum. Please file a speaker's card with the note taker prior to the commencement of Open Forum. Individuals, who want to comment on an individual item, please file a speaker's card before the item is called. The standard amount of time for each speaker will be three minutes.
4. Agenda Review and Adoption (4 min.)  
The order in which items will be heard may be adjusted at this time. Items may be removed from the Agenda at this time.
5. Approval of Minutes (1 min.)
6. Introduction of Invited Guests
7. Executive Director's Update
  - Mid-Year Budget
  - 2021-22 Budget
  - Finance Training
8. Housing Advisory Commissioners' Reports (3 min.)
9. Housing Advisory Commissioner Appointments
10. Presentations
11. Recommendations to the Housing Authority Board of Commissioners (3 min.).
  - RECEIVE a presentation and ADOPT a joint resolution approving the proposed Fiscal Year 2020-2021 Richmond Housing Authority (RHA) amended budget adjustments with revised estimated revenues of \$5,051,340 and total expenditures of \$5,249,266; and APPROVE an additional RHA subsidy from the City of Richmond General Fund in the amount of \$197,926, which will provide sufficient revenue to match anticipated expenditures - Richmond Housing Authority (Nannette J. Beacham 621-1300).
  - ADOPT a resolution approving a second contract amendment with David Paul Rosen & Associates to assist the Richmond Housing Authority in asset repositioning efforts of the public housing portfolio in an amount of \$244,140 for a new total not to exceed amount of \$637,740 ending June 30, 2024 – Richmond Housing Authority (Nannette Beacham/Shasa Curl 621-1300)
  - AUTHORIZE a sixty (60) day extension of negotiating period for RHA to reach agreement with MBS, with up to two 30-day extensions at the discretion of the Executive Director and issue a Request for Proposals (RFP) to solicit a new owner/operator for Richmond Village in the event RHA fails to reach agreement with MBS - Richmond Housing Authority (Shasa Curl/Nannette J. Beacham 621-1300).

At 4:30 p.m., any items remaining on the Agenda that require immediate attention may be moved to this time.

**Commissioners**

**Carol Hegstrom  
Chair**

**Jaycine Scott  
Vice-Chair**

**Dena Nelson  
Secretary**

**Preston Lam**

**Toni Autry**

**Y'Anad Burrell**

**Gayle  
McLaughlin  
Council Liaison**

**AGENDA**

12. Open Forum (Limit to 3 minutes per person)

13. Old Business

Asset Repositioning Update

- Nevin Plaza
- Hacienda
- Nystrom
- Administration Building
- Richmond Village

14. New Business

15. Next Scheduled Meeting

This Commission meets every 2nd Monday at 3:30 p.m. To request disability-related accommodation(s) to participate in the meeting, including auxiliary aids or services, please contact Bruce Soublet, ADA Coordinator, at (510) 620-6509 at least three business days before the meeting date. The next meeting is scheduled for

**Monday, June 14, 2021 at 3:30 p.m.**



**HOUSING AUTHORITY AND  
CITY OF RICHMOND**

# JOINT MEETING AGENDA REPORT

**DATE:** April 27, 2021

**TO:** Housing Authority Board of Commissioners and Members of the City Council

**FROM:** Shasa Curl, Deputy City Manager, Economic Development  
LaShonda White, Deputy City Manager, Internal Services  
Nannette Beacham, Richmond Housing Authority, Executive Director  
Belinda Brown, Finance Director  
Gabino Arredondo, Project Manager  
Sharrone S. Taylor, Principal Personnel Analyst  
Vrenesia Ward, Budget Analyst

**SUBJECT:** PROPOSED AMENDED BUDGET FOR FISCAL YEAR 2020-2021

## **STATEMENT OF THE ISSUE:**

Staff is requesting that the Board of Commissioners and members of the City Council review and approve the Richmond Housing Authority (RHA) Fiscal Year (FY) 2020-2021 amended operating budget, and approve the recommended budget adjustments.

## **RECOMMENDED ACTION:**

RECEIVE a presentation and ADOPT a joint resolution approving the proposed Fiscal Year 2020-2021 Richmond Housing Authority (RHA) amended budget adjustments with revised estimated revenues of \$5,051,340 and total expenditures of \$5,249,266; and APPROVE an additional RHA subsidy from the City of Richmond General Fund in the amount of \$197,926, which will provide sufficient revenue to match anticipated expenditures - Richmond Housing Authority (Nannette J. Beacham 621-1300).

## **FINANCIAL IMPACT OF RECOMMENDATION:**

This action will amend the current RHA FY 2020-21 operating budget to increase estimated revenues from \$4,919,397 to \$5,051,340, and total proposed expenditures from \$4,919,396 to \$5,249,266. If the proposed subsidy of \$197,926 is approved by the City of Richmond it will balance the RHA FY 20-21 budget to \$5,249,266 in estimated revenues and \$5,249,266

in expenditures. Therefore, the FY 20-21 RHA subsidy by the City of Richmond would increase from \$1,117,107 to \$1,315,033.

**DISCUSSION:**

Background

The RHA provides affordable housing for low and very low-income Richmond residents through the U.S Department of Housing and Urban Development (HUD) federally funded housing programs. RHA owns multiple public housing properties, and manages two (2) properties occupied by residents (Nevin Plaza and Nystrom Village). Funding for the RHA budget is largely dependent on funding from HUD, and thus subject to congressional appropriations. HUD continues the trend of inadequate funding for public housing authorities nationwide, and, therefore, it is increasingly difficult for RHA to ensure that adequate services are provided and that its facilities meet the needs of its residents.

Original Approved Budget – July 28, 2020

On July 28, 2020, RHA Board of Commissioners approved the FY 2020-21 budget of \$4,794,951 in expenditures to manage the public housing program which includes personnel costs (currently at 4 FTE’s), funds to cover utilities and contracts for property maintenance and security for Nevin Plaza, Nystrom Village and Hacienda and operating subsidy pass through for Richmond Village. Estimated revenue of \$3,802,290 million is comprised of operating subsidies from HUD, capital funds and tenant rents.

	<u>Original RHA FY 20-21 Budget</u>
Revenues	\$3,802,290
Expenditures	\$4,794,951
Surplus/(Deficit)	(\$992,661)

FY 20-21 Budget Amendment – February 16, 2021

On February 16, 2021, during the City’s mid-year budget adjustments, the RHA FY 2020-21 budget deficit was included and an additional expenditure requested by Finance of \$124,446 was approved to continue the 2017, 2018, and 2019 RHA Financial Audits with Maze and Associates. The Finance requested subsidy was not presented to the RHA Board but was needed in order to complete the required audits.

	<u>Amended RHA FY 20-21 Budget</u>	<u>City of Richmond Subsidy</u>	<u>Amended RHA FY 20-21 Budget with Subsidy</u>
Revenues	\$3,802,290	\$1,117,107	\$4,919,397
Expenditures	\$4,794,951	\$124,446	\$4,919,397

	(\$992,661)		

FY 2020-2021 Amended Budget - April 27, 2021

Staff recommends that the RHA Board of Commissioners adopt a resolution approving RHA's amended FY2020-2021 operating budget in the amount of \$5,051,340 in revenues and \$5,249,266 in expenditures, with an increased deficit of \$197,926.

	<u>Amended RHA FY 20-21 Budget (as of February 16, 2021)</u>	<u>Additional Revenue and Expenditure Requests</u>	<u>Amended RHA FY 20-21 Budget with Subsidy</u>
Revenues	\$4,919,937	\$131,943	\$5,051,340
Expenditures	\$4,919,397	\$329,869	\$5,249,266
Surplus/(Deficit)	-	(\$197,926)	(\$197,926)

The revenue and expenditure changes are listed below:

Revenue Changes:

- \$131,943 – Increase due to rent for the RHA Administration Building by Employment and Training; this revenue was not captured in FY 2020-2021 Budget.

Expenditure Changes:

- Professional & Admin Services \$307,939 - The increase is mainly due to costs associated with security personnel services. It was projected at Nevin Plaza to move to just one security guard per shift at midyear. This has not occurred; there is still safety and security concerns by residents and also a need to keep the status quo due to increased monitoring of people entering the building due to COVID-19. Complaints by residents regarding security responsiveness and safety have drastically fallen with the new security company and current staffing levels. At Hacienda, two additional months of security personnel costs has been added. It was previously budgeted for Mercy Housing to take-over the site at end of February. The new date is May 2021. Additional costs are associated with legal services in the areas of asset repositioning that are required to implement the PHARS agreement with HUD, continued legal support for Richmond Village Option and Asset Repositioning Activities, and an increase in legal costs due to enforcement of leases and cases involving safety concerns. Cases were prolonged due to courts COVID-19 delays. Finally, there is an increase temporary staffing services to complete unit turnovers.
- Equipment & Contractual Services \$21,682 – Funding for continued and additional use of VPS steel case security systems to prevent break-ins of unoccupied units at Nystrom and secure the Hacienda site. At Nystrom there has been a new trend of break-ins and unauthorized occupancy of vacant units. One resulted in a fire. More

VPS steel cases have been added to units not previously anticipated.

- Other Operating \$248 - Previously budgeted for Mercy Housing take-over of the Hacienda site to occur at end of February 2021. The new date is May 2021. Two additional months of portable toilet costs have been added.

RHA's FY 2020-2021 amended budget will not be balanced. If the budget amendments are approved, then the subsidy needed from the City of Richmond to cover RHA's FY 20-21 deficit will increase from a total of \$1,117,107 to \$1,315,033. However, FY 2020-2021 deficit is significantly smaller than FY2019-2020. In FY 2019-2020, the deficit at mid-year was \$2,531,488.

With the primary goal of meeting the housing needs of Richmond's most vulnerable population, it is essential that the Board of Commissioners and the Richmond City Council understand the financial needs of RHA to meet the needs of its residents. The proposed increased investment will continue to address many of the housing and health equity goals of the City of Richmond including maintaining affordable housing units, upgrading affordable housing units, and adding units to the affordable housing stock in the City of Richmond.

#### FY 2020-2021 Accomplishments

RHA's main goals and objectives for FY 2020-2021, in addition to the management of the public housing program, includes moving forward on asset repositioning activities outlined in the 2019 Public Housing Authority Recovery and Sustainability (PHARS) agreement between HUD, City of Richmond, and RHA. The RHA in collaboration with City of Richmond staff members continue to make progress in improving its operations and addressing outstanding tasks outlined in the PHARS.

The RHA accomplishments at Nevin Plaza include the modernization of two outdated elevators. The one-million dollar project has improved the livelihood and ease of living for the senior and disabled residents of the housing development. On December 15, 2020, the RHA Executive Director was approved to enter into a Master Development Agreement (MDA) and to negotiate and execute any and all related documents and agreements, including the Ground Lease between the RHA and EAH Housing for the development of the Nevin Plaza public housing site. The EAH Housing proposal calls for the renovation of 142 affordable units in Nevin Plaza and the addition of 70 affordable housing units to the site. Since the development team's selection, RHA has negotiated a term sheet for the project and an Exclusive Rights to Negotiate (ERN) agreement, and has gone before the Housing Advisory Commission to introduce the development team, present their project and receive questions and comments from commissioners, which include Nevin Plaza residents. The RHA Board on June 30, 2020 approved the ERN agreement with EAH Housing and authorized the RHA Executive Director to negotiate the Disposition and Development Agreement (DDA). On September 29, 2020, the RHA Board adopted a resolution authorizing the submittal of a Section 18 Disposition Application to HUD for the Nevin Plaza Development (2400 Nevin Avenue). RHA has successfully resubmitted to HUD the Section 18 Disposition Application for Nevin Plaza on February 24, 2021. The application is in final stages of review. With regard to maintenance and day-to-day operations, circulation pumps have been removed and

replaced, the boilers have been calibrated to correct temperatures, three major building leaks have been identified and fixed, ADA doors for replacement have been assessed and eleven units have been repaired since September 2020 to be reoccupied. There was also a successful mobile COVID-19 Vaccine event serving over 60 participants at the site and there has been an increase in the capacity to disinfect the building.

At Nystrom Village, RHA and City Staff have worked collaboratively with Opticos Design Inc., Nystrom Re-Vitalization Effort, Y-Plan and Novin Development Corp. to create a financially feasible Master Plan which was included in the Request for Proposals. On July 10, 2020, the City received three (3) submittals from qualified development teams – Community Development Partners, EAH Housing, and McCormack Baron Salazar, and their respective partners. Each development team has experience redeveloping properties, building new developments, and managing housing developments. RHA consultant DRA received detailed financial documents from each firm and assessed the reasonableness of the revenue, operating cost, financing, development assumptions in each pro forma, and the overall financial feasibility of each proposed financing structure. On July 16, 2020 a review panel composed of staff from multiple departments convened to review submittals and receive a report from DRA on the financial feasibility of each project. The city is currently completing the due-diligence on each firm and will be prepared to make a recommendation to the Richmond Housing Authority Board in Spring 2021. There are still many challenges due to illegal dumping at the site. RHA and City Staff have worked collaboratively to conduct multiple cleanup activities at the site. RHA and City Staff has conducted a resident clean up with the adjacent neighborhood council where residents could dispose of unwanted household materials for free. The last event held in October was well attended and 14 dumpsters were filled with debris at the event. To increase safety and security support RHA and City staff submitted a HUD Emergency Safety and Security Grant for Nevin Plaza and Nystrom Village and are waiting for the results.

The Hacienda development is in its final stages of being repositioned. For several years the RHA Board of Commissioners and City Council have been working towards the revival and renovation of 150 units of affordable housing at the Hacienda site, which has been sitting vacant for the last six years. The anticipated closing date of the project and takeover by Mercy Housing to begin construction activities is May 2021. An extensive renovation will seismically retrofit the existing building, install all new mechanical, electrical, and plumbing systems, create all new units with new kitchens and bathrooms, improve accessibility and energy efficiency, and create new service and amenity spaces, amongst many other improvements. One hundred percent of the residential units will remain as affordable housing, restricted to seniors making less than 80% of Area Median Income (two of the units are unrestricted managers units).

### Next Steps

A considerable amount of City resources have been allocated to assist RHA in meeting obligations to program participants and HUD; significantly impacting other City operations. RHA and City staff members have worked to significantly reduce the RHA budget deficit for FY 2020-2021 from previous fiscal years and will continue to diligently oversee and monitor RHA's budget to maintain financial integrity and the health and safety of RHA's residents.

**ATTACHMENTS:**

Attachment 1 - Joint Resolution

Attachment 2 - Fiscal Year 2020-21 Amended Budget

Attachment 3 - RHA Fiscal Year 2020-21 Position Control

RESOLUTION NO. \_\_\_\_\_

**A JOINT RESOLUTION OF THE COUNCIL OF THE CITY OF RICHMOND AND BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RICHMOND (RHA) ADOPTING THE HOUSING AUTHORITY AMENDED FISCAL YEAR 2020-2021 OPERATING BUDGET IN THE AMOUNT OF \$5,051,340 PROPOSED REVENUES WITH TOTAL PROPOSED EXPENDITURES OF \$5,249,265.30 AND APPROVE AN ADDITIONAL RHA SUBSIDY FROM THE CITY OF RICHMOND GENERAL FUND IN THE AMOUNT OF \$197,926, WHICH WILL AMEND THE RHA BUDGET TO \$5,249,266 IN ESTIMATED REVENUES AND \$5,249,266 IN EXPENDITURES**

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**WHEREAS**, the Richmond Housing Authority (RHA) is a public entity chartered by the City of Richmond, California, as a separate legal entity under the provisions of the U.S. Housing Act of 1937; and

**WHEREAS**, RHA’s programs are funded by the Federal Government, subject to the rules and guidelines of the United States Department of Housing and Urban Development (HUD); and

**WHEREAS**, RHA’s mission is to provide decent, safe and sanitary affordable housing and coordinate supportive services for low-income residents and program participants of the City of Richmond; and

**WHEREAS**, RHA administers the Low Rent Public Housing Program, and administers the Capital Fund Grant Modernization Program to fund rehabilitation activity on its existing public housing stock; and

**WHEREAS**, the RHA’s main goals and objectives for FY 2020-2021, in addition to the administration of its core public housing programs, will be to continue the repositioning of RHA assets.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RICHMOND AND THE MEMBERS OF THE RICHMOND CITY COUNCIL, COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, THAT:** the FY 2020-2021 amended operating budget for the Richmond Housing Authority in the amount of \$5,051,340 in estimated revenues, and with total proposed expenditures of \$5,249,265.30 and approve a RHA subsidy from the City of Richmond General Fund in the amount of \$197,926, which will amend the RHA Budget to \$5,249,266 in estimated revenues and \$5,249,266 in expenditures is hereby adopted.

BE IT FURTHER RESOLVED THAT the Executive Director is authorized to take all actions necessary to implement the foregoing resolution.

\*\*\*\*\*

I certify that the foregoing resolution was passed and adopted by the Council of the City of Richmond and the Richmond Housing Board of Commissioners at a joint meeting thereof held on April , by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

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Chairperson

[SEAL]

ATTEST:

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Secretary

Approved as to form:

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Attorney

State of California            }

County of Contra Costa       : ss.

City of Richmond             }

I certify that the foregoing is a true copy of **Resolution No.** , finally passed and adopted at a joint City Council and Housing Authority Meeting held on April .

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CLERK OF THE HOUSING AUTHORITY

Richmond Housing Authority  
FY2020-21 Proposed Amended Budget

<b><u>Revenues</u></b>	<b>Nevin</b>	<b>Nystrom Village</b>	<b>Capital Fund</b>	<b>Hacienda</b>	<b>Richmond Village I</b>	<b>Richmond Village II</b>	<b>Richmond Village III</b>	<b>Hope 6 (RAD)</b>	<b>Admin Building</b>	<b>TOTALS</b>
Operating Subsidy	689,685	430,745	1,110,141	-	236,708	167,517	119,194	-	-	2,753,990
Tenant Rental Income	371,772	250,000	-	-	-	-	-	-	-	621,772
Other Rev./Reimburs.	8,500	6,000	-	160,000	-	-	-	30,000	-	204,500
Other Rev./Misc.	-	-	-	-	-	-	-	-	131,943	131,943
Operating Transfer In	867,060	355,639	-	116,436	-	-	-	-	-	1,339,135
<b><u>Total Revenues</u></b>	<b>1,937,017</b>	<b>1,042,384</b>	<b>1,110,141</b>	<b>276,436</b>	<b>236,708</b>	<b>167,517</b>	<b>119,194</b>	<b>30,000</b>	<b>131,943</b>	<b>5,051,340</b>
<b><u>Expenditures</u></b>										
Salaries & Wages	182,937	135,047	-	-	-	-	-	-	-	317,984
Fringe Benefits	142,334	111,946	-	-	-	-	-	-	-	254,280
Professional & Admin	894,556	189,106	-	57,358	-	-	-	55,000	-	1,196,021
Other Operating	57,790	33,560	20,000	1,290	-	-	-	-	-	112,640
Utilities	376,000	177,700	-	-	-	-	-	-	-	553,700
Equip. & Contractual Svcs	76,000	127,900	-	235,126	-	-	-	-	-	439,026
Insurance	24,300	16,200	-	61,950	-	-	-	-	-	102,450
Cost Pool	378,680	280,925	-	-	-	-	-	-	-	659,605
Asset/Capital Outlay	-	-	400,133	-	-	-	-	-	-	400,133
Grant Expenditures	-	-	467,980	-	-	-	-	-	-	467,980
Pass-through Subsidy	-	-	-	-	236,708	167,517	119,194	-	-	523,419
Operating Transfer Out	-	-	222,028	-	-	-	-	-	-	222,028
<b><u>Total Expenditures</u></b>	<b>2,132,597</b>	<b>1,072,384</b>	<b>1,110,141</b>	<b>355,724</b>	<b>236,708</b>	<b>167,517</b>	<b>119,194</b>	<b>55,000</b>		<b>5,249,266</b>
<b><u>Surplus(Deficit)</u></b>	<b>(195,580)</b>	<b>(30,000)</b>	<b>-</b>	<b>(79,288)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(25,000)</b>	<b>131,943</b>	<b>(197,926)</b>

Richmond Housing Authority  
FY2020-21 Position Control

<b>Proposed Positions</b>	<b>Filled/Vacant</b>	<b>Proposed FTE</b>	<b>Salary Allocation</b>
Executive Director	Filled	1.00	60% Nevin Plaza / 40% Nystrom Village
Resident Housing Manager	Filled	1.00	100% Nevin Plaza
Resident Housing Manager	Vacant	1.00	100% Nystrom Village
Senior Property Manager	Vacant	1.00	60% Nevin Plaza / 40% Nystrom Village
<b>Total Full-Time Equivalents</b>		<b>4.00</b>	



HOUSING AUTHORITY

# AGENDA REPORT

**DATE:** May 18, 2021

**TO:** Chair Butt and Members of the Richmond Housing Authority Board of Commissioners

**FROM:** Nannette Beacham, Richmond Housing Authority, Executive Director  
Shasa Curl, Deputy City Manager, Economic Development  
Gabino Arredondo, Project Manager

**SUBJECT:** CONTRACT AMENDMENT WITH DAVID PAUL ROSEN & ASSOCIATES

## **STATEMENT OF THE ISSUE:**

David Paul Rosen & Associates (DRA) is providing the Richmond Housing Authority (RHA) with the needed range of financial advisory services for asset repositioning activities which includes assessment of strategic business and financial planning for RHA to manage its portfolio of public housing, Low income Housing Tax Credit (LIHTC) housing and special needs housing, to assure its appropriate reinvestment, and rehabilitation.

## **RECOMMENDED ACTION:**

ADOPT a resolution approving a second contract amendment with David Paul Rosen & Associates to assist the Richmond Housing Authority in asset repositioning efforts of the public housing portfolio in an amount of \$244,140 for a new total not to exceed amount of \$637,740 ending June 30, 2024 – Richmond Housing Authority (Nannette Beacham/Shasa Curl 621-1300)

## **FINANCIAL IMPACT OF RECOMMENDATION:**

The recommended action will result in Housing Authority's commitment of up to \$30,000 FY 20-21 (42141191-400217), \$156,080 FY 21-22 (42141191-400217), and \$58,060 FY 22-23 (42141191-400217). DRA amendment costs are anticipated to be recovered at closing of the repositioning of each public housing site as qualified predevelopment cost.

## **DISCUSSION:**

Funding provided by the U.S. Department of Housing and Urban Development (HUD) to Public Housing Authorities in recent years is insufficient to meet the operating and capital needs of the

nation's public housing inventory. Recognizing that the public housing program is not sustainable over the long term, HUD's strategy is to transition public housing units with unmet capital needs to more sustainable financing strategies using tools such as the Rental Assistance Demonstration (RAD) program, Section 18 Demolitions and Dispositions, Voluntary Conversions, and Declaration of Trust releases. The RHA is one of the agencies that has been severely affected by the lack of HUD funding. Since FY 2008-2009, RHA has been unable to pay all of its financial obligations, leading to loans and advances from the City to pay these expenditures. RHA entered into a Public Housing Authority Recovery and Sustainability (PHARS) Agreement with HUD Region IX to address operational deficiencies of RHA and its ongoing financial viability.

To improve its financial viability and long-term sustainability, RHA has embarked on asset repositioning regarding its Public Housing. The goal of the repositioning effort is to develop financial structures that eliminate current operating shortfalls, improve the living conditions of residents, revitalize and/or redevelop RHA housing assets, put in place long-term sustainable financial repositioning of each asset, and brings each asset up to modern standards of design, energy efficiency, resident amenities and quality of construction.

To respond to RHA's needs, DRA will continue to undertake the scope of work outlined below to assist RHA in implementing its repositioning strategy in a manner consistent with the policy direction from the RHA Board at its December 4, 2018 meeting and the following principles:

- Providing RHA with a range of financial advisory services for assessment of, and strategic, business and financial planning for RHA to manage its portfolio of public housing, Low Income Housing Tax Credit (LIHTC) housing and special needs housing, to assure its appropriate reinvestment, rehabilitation and repositioning.
- Analyzing project financial, economic and development feasibility, and compliance with the requirements and competitive criteria of leverage sources of funding, both public (HUD and other) and private sector, of developer proposals for financial assistance from RHA.
- Providing market real estate and demographic analysis for RHA as required for affordable housing and mixed income/mixed use development and/or financing supported by RHA.
- Establishing strategies for revitalization of RHA's public housing properties (Nevin Plaza, Nystrom, Administration Building, Hacienda, Richmond Village I, II and II, Hacienda) that may include rehabilitation or demolition and new development on some sites and disposition of others based on an assessment of market land values and disposition opportunities, site development and leveraged financing opportunities and constraints, carrying costs, community issues, and other relevant factors determined in conjunction with RHA staff.
- Determining RHA's development role and RHA ownership entity (e.g., general partner, co-general partner, guarantor, lender and others) for each public housing redevelopment project, and its component parts based on the ongoing assessment of RHA's staff and financial capacity, and the City's interests.
- Reviewing existing loan agreements or other documentation regarding RHA and the City of Richmond's investment into RHA's affordable housing assets.

Over the past three years, DRA has assisted RHA in repositioning its public housing assets DRA has assisted RHA in accomplishing the following to date:

#### Hacienda:

- Re-negotiating existing agreements with Mercy Housing to provide for the rehabilitation and long-term operation of the 148-unit Hacienda Apartments, which has been vacant since 2015.
- Developing a financial structure which enables the substantial rehabilitation and long term operating viability of Hacienda with no additional capital financial subsidy required from RHA.
- Creating a separate parcel of additional land at Hacienda that can be sold by RHA to raise additional capital for affordable housing development.
- Negotiating the reimbursement of funds paid to RHA through construction loan closing to repay a portion of the holding costs paid by RHA and the City to preserve Hacienda while all financing sources were secured.
- Negotiating an RHA Seller Loan on the project for the \$3.4 million appraised value of the building and ongoing repayment of the loan through 50% of net cash flow once the property is rehabilitated and operating.
- Negotiating a deal point term sheet, ground lease and seller loan from RHA to maximize the financial return to RHA given cost and funding constraints and to protect RHA's rights and financial interest in the property for the long term.
- Reviewing and advising on County loan documents, bond documents, limited partnership agreement, lender documents, intercreditor agreements and others to ensure that RHA deal points are consistently represented in all documentation for the project through construction loan closing, anticipated for May, 2021.

#### Nevin Plaza

- Preparing a Request for Proposals to solicit a developer for the rehabilitation of the existing 142 units at Nevin Plaza and construction of additional units on a remainder parcel to maximize the affordable housing opportunities provided on the property.
- Reviewing developer proposals, evaluating developer qualifications, track records financial capacity, property management and proposed financing structures and advising on selection of a highly qualified developer for the rehabilitation of the Nevin Road building and construction of 70 new units.
- Negotiating financing plans for both the rehabilitation and new construction phases that do not require additional capital financial subsidy from RHA.
- Negotiating a deal point term sheet and Master Development Agreement for Nevin Plaza to maximize the financial return to RHA given cost and funding constraints and to protect RHA's rights and financial interest in the property for the long term, including a ground lease and seller loan to be repaid through 50% of net cash flow.

#### Richmond Village

- Advising on RHA's Option Agreements to purchase Richmond Village I and II, RHA's alternatives for exercising or assigning the Options, and the recent financial performance of both phases of Richmond Village.
- Participating in regular calls with the existing developer, McCormack Baron Salazar, and developing the information necessary for the developer to prepare a proposal for the restructuring of Richmond Village.

## Nystrom Village

- Preparing a Request for Proposals to solicit a developer for the redevelopment of the four blocks including replacement of the existing 100 public housing units and additional new residential development on the remaining blocks.
- Reviewing developer proposals and evaluating developer qualifications, track records, financial capacity, property management, proposed development program and financing structures for redevelopment of the Nystrom property.
- Working with RHA staff to evaluate the potential financial and non-financial benefits and risks of alternative development programs for the site including affordable rental, market-rate rental and moderate income for-sale housing.

The RHA Board of Commissioners approved DRA's original contract on December 18, 2018 and a first amendment on May 5, 2020 extending the original contract until June 30, 2021. RHA is requesting a second amendment to continue services by approving additional funding and extending the contract term.

### **ATTACHMENTS:**

Attachment 1 - Resolution

Attachment 2 - DRA Contract Amendment 2

Attachment 3 - DRA Contract Amendment 1

Attachment 4 - DRA Contract

**RESOLUTION NO. XX-20**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RICHMOND, CALIFORNIA, APPROVING A SECOND CONTRACT AMENDMENT WITH DAVID PAUL ROSEN & ASSOCIATES TO ASSIST THE RICHMOND HOUSING AUTHORITY IN ASSET REPOSITIONING EFFORTS OF THE PUBLIC HOUSING PORTFOLIO IN AN AMOUNT OF \$244,140 FOR A NEW TOTAL NOT TO EXCEED AMOUNT OF \$637,740 ENDING JUNE 30, 2024**

---

**WHEREAS**, funding provided by the U.S. Department of Housing and Urban Development (HUD) to Public Housing Authorities in recent years is insufficient to meet the operating and capital needs of the nation’s public housing inventory, and

**WHEREAS**, recognizing that the public housing program is not sustainable over the long term, HUD’s strategy is to transition public housing units with unmet capital needs to more sustainable financing strategies using tools such as Rental Assistance Demonstration (RAD) program, Section 18 Demolitions and Dispositions, Voluntary Conversions, and Declaration of Trust releases; and

**WHEREAS**, to improve its financial viability and long-term sustainability, RHA has embarked on asset repositioning options regarding its Public Housing assets; and

**WHEREAS**, on December 4, 2018, RHA Board of Commissioners gave direction to staff to (1) Transfer Section 8 operations to a well-managed housing authority, and (2) reposition RHA assets and public housing operations; and

**WHEREAS**, on December 18, 2018, RHA Board of Commissioners approved a \$150,000 contract with David Paul Rosen & Associates (DRA) to provide financial and developmental advisory services to assist RHA in further developing and implementing its asset repositioning strategy; and

**WHEREAS**, on May 5, 2020, RHA Board of Commissioners approved a contract amendment with DRA in the amount of \$92,300 for Fiscal Year 19-20 and \$151,300 for Fiscal Year 20-21, for a new total not to exceed the amount of \$393,600 and contract ending June 30, 2021; and

**WHEREAS**, DRA will provide financial advisory services and coordinate with HUD, City, and other technical assistance providers on asset repositioning activities.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RICHMOND, COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA THAT** the Executive Director is hereby authorized to execute a second contract amendment with David Paul Rosen & Associates to assist the RHA in asset repositioning efforts of the public housing portfolio in an amount of \$244,140 for a new total not to exceed amount of \$637,740 ending June 30, 2024

**BE IT FURTHER RESOLVED THAT** (start text here) the Executive Director is hereby authorized to take all actions necessary to implement this resolution.

\*\*\*\*\*

**(The Clerk’s Office will complete the information below)**

The foregoing resolution was passed and adopted by the Commissioners of the Housing Authority of the City of Richmond at a special meeting thereof held on May , 2021, by the following vote:

AYES:                      None.

NOES: None.

ABSTENTIONS: None.

ABSENT: None.

THOMAS K. BUTT  
\_\_\_\_\_  
Chairperson

[SEAL]

Attest:

PAMELA CHRISTIAN  
Secretary

Approved as to form:

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

State of California            }  
County of Contra Costa       : ss.  
City of Richmond             }

I certify that the foregoing is a true copy of **Resolution No. XXXX** finally passed and adopted at a Special Housing Authority Meeting held on May , 2021.

\_\_\_\_\_  
CLERK OF THE HOUSING AUTHORITY

**RICHMOND HOUSING AUTHORITY  
CONTRACT AMENDMENT**

Department: Richmond Housing Authority	Project Manager: Nannette Beachum
Project Manager E-mail: <a href="mailto:nbeacham@rhaca.org">nbeacham@rhaca.org</a>	Project Manager Phone No. (510) 621-1300
P.R.	Contract/P.O. No. 4581
Description of Services : Development Advisory and Financial Services for RHA	
Amendment No 2 modifies the:	
<input checked="" type="checkbox"/> Term and Payment Limit <input type="checkbox"/> Payment Limit <input type="checkbox"/> Term <input checked="" type="checkbox"/> Service Plan	

The parties to this Contract Amendment do mutually agree and promise as follows:

1. Parties. The parties to this Contract Amendment are the Housing Authority of the City of Richmond, California (Authority), and the following named Contractor:

Contractor Name: David Paul Rosen & Associates

Street Address: 3527 Mt. Diablo Blvd., #361

City, State, Zip Code: Lafayette, CA 94549

Contact Person: David Paul Rosen

Telephone: 510-451-2552

Email: david@draconsultants.com

Business License No: 40058084

/ Expiration Date: 02/19/2022

A California  corporation,  limited liability corporation  general partnership,  limited partnership,  individual,  non-profit corporation,  individual dba as [specify:] \_\_\_\_\_  
 other [specify:] sole proprietor

2. Purpose. This Contract Amendment is being entered into to amend the Contract between Authority and Contractor which was approved by the Board of Commissioners of the Housing Authority of the City of Richmond or executed by the Authority's Executive Director on January 1, 2019. Said contract shall hereinafter be referred to as the "Original Contract" and is incorporated herein by reference.

3. Original Contract Provisions. The parties hereto agree to continue to abide by those terms and conditions of the Original Contract, and any amendments thereto, which are unaffected by this Contract Amendment.

4. Amendment Provisions. This Contract Amendment is subject to the Amendment Provisions attached hereto, which are incorporated herein by reference, and which control over any conflicting provisions of the Original Contract, or any amendment thereto.

Contract Amendment between the Housing Authority of the City  
of Richmond and  
David Paul Rosen & Associates

Amendment No. 2

Contract No. 4581

5. City of Richmond Business License Active Status Maintained. Pursuant to Municipal Code Section 7.04.030, the Contractor must maintain its City of Richmond business license before any provision of this Contract Amendment will be deemed to take effect.

6. Signatures. These signatures attest the parties' agreement hereto:

THE HOUSING AUTHORITY FOR THE  
CITY OF RICHMOND, CALIFORNIA

By \_\_\_\_\_

Title: \_\_\_\_\_

List of Attachments:

1. Amendment Provisions

CONTRACTOR:

\_\_\_\_\_

(\*The Corporation Chairperson of the Board, President or Vice-President should sign on the line below.)

By \_\_\_\_\_

Title: \_\_\_\_\_

(\*The Corporation Chief Financial Officer, Secretary or Assistant Secretary should sign on the line below.)

By: \_\_\_\_\_

Title: \_\_\_\_\_

(NOTE: Pursuant to California Corporations Code Section 313, if Contractor is a corporation or nonprofit organization, this Contract (1) should be signed by the Chairperson of the Board, President or Vice-President and the Chief Financial Officer, Secretary or Assistant Secretary; (2) should have both signatures conform to designated representative groups pursuant to Corporations Code Section 313; and (3) should be accompanied by completed notary acknowledgment forms)  
(Complete the notary acknowledgments attached hereto)

**AMENDMENT PROVISIONS (TERM AND PAYMENT LIMIT)**

1. Paragraph 2 (Term) of the Original Contract is hereby amended to extend the Contract term. Paragraph 2 of the Original Contract is amended to read as follows:

"2. Term. The effective date of this Contract is January 1, 2019 and it terminates June 30, 2024 unless sooner terminated as provided herein."

2. Paragraph 3 (Payment Limit) of the Original Contract is hereby amended to increase the payment limit by \$ 244,140. Paragraph 3 of the Original Contract is amended to read as follows:

3. Payment Limit. Authority's total payments to Contractor under this Contract shall not exceed \$ 637,740."

The Authority shall not pay for services that exceed the Contract Payment Limit without the prior written approval of the Authority's Executive Director if the total Contract amount does not exceed \$10,000 or without the prior approval of the Board of Commissioners if the total Contract amount is over \$10,000.

**AMENDMENT PROVISIONS (SERVICE PLAN)  
(CONTRACTOR'S OBLIGATION'S)**

The Service Plan (Exhibit A) of the Original Contract is hereby amended to include the following task and/or services:

See attached

- DRA Richmond Tasks, Hours and Cost Estimates Remainder of FY 2021 and FY 2022-FY 2024
- DRA Project Work Tasks and Schedule FY 2022 through FY 2024

DRA Richmond Tasks, Hours and Cost Estimates Remainder of FY 2021 and FY 2022-FY 2024

DRA Hours by Project and Task	Existing Budget FY 2021 Feb. 1, 2020 thru June 30, 2020	Requested Budget Extension		Estimates
		FY 2022	FY 2023	FY 2024
		July 1, 2021 thru June 30, 2022	July 1, 2022 thru June 30, 2023	July 1, 2023 thru June 30, 2024
<b>Hacienda</b>				
Closing teleconferences/preparation/follow up	18	0	0	0
Review Bond, Lender and Investor Documents	50	0	0	0
Review final pro formas	18	0	0	0
Review settlement statement/monitor payments to RHA at closing	10	0	0	0
Monitor construction loan draws	2	24	6	0
<b>Subtotal</b>	<b>98</b>	<b>24</b>	<b>6</b>	<b>0</b>
<b>Richmond Village I and II</b>				
Weekly team calls	24	0	0	0
Review appraisers and appraisal	14	0	0	0
Review PCNA	6	0	0	0
Review pro forma and financing plan	24	24	0	0
Advise on negotiations with investor	14	0	0	0
Review/negotiate RHA/MBS proposal/agreement	24	0	0	0
Review legal documents for restructuring	22	24	0	0
Review tax credit application/pro formas for resyndication	0	24	0	0
Review debt and equity RFPs/bids	0	24	0	0
Review bond, lender & investor documents for resynd.	0	50	0	0
Monitor construction loan draws	0	0	24	0
<b>Subtotal</b>	<b>128</b>	<b>146</b>	<b>24</b>	<b>0</b>
<b>Nevin Road</b>				
<u>Rehabilitation of Existing Building</u>				
Team calls, etc.	8	18	0	0
Review pro formas and funding applications	0	40	10	0
Review debt and equity RFPs/bids	0	12	12	0
Review bond, lender and investor documents	0	50	0	0
Review ground lease	0	20	0	0
Monitor construction loan draws	0	0	6	24
<u>New Construction</u>				
Team calls, etc.	0	0	0	16
Review pro formas and funding applications	0	0	0	40
Review debt and equity RFPs/bids	0	0	0	20
Review bond, lender and investor documents	0	0	0	40
Review ground lease	0	0	0	16
<b>Subtotal</b>	<b>8</b>	<b>140</b>	<b>28</b>	<b>156</b>
<b>Nystrom</b>				
Prepare term sheet	8	0	0	0
Prepare RHA Board recommendation/staff report	4	0	0	0
Review/negotiate ERNA	12	0	0	0
Review/negotiate DDA	20	30	0	0
Review/negotiate ground lease	16	20	0	0
Block A: Review pro formas/funding applications	0	50	0	0
Block A: Review debt and equity RFPs/bids	0	24	0	0
Block A: Review bond, lender and investor documents	0	50	0	0
Block B: Review pro formas/funding applications	0	0	0	40
Block B: Review debt and equity RFPs/bids	0	0	0	20
Block B: Review bond, lender and investor documents	0	0	0	40
Blocks C & D: Review homeownership pro formas	0	0	40	0
Blocks C & D: Review homeownership second mortgage docs	0	0	40	0
<b>Subtotal</b>	<b>60</b>	<b>174</b>	<b>80</b>	<b>100</b>
<b>Total DRA Hours</b>	<b>294</b>	<b>484</b>	<b>138</b>	<b>256</b>
<b>Labor Expense</b>	<b>\$108,780</b>	<b>\$179,080</b>	<b>\$51,060</b>	<b>\$94,720</b>
<b>Administration and Reimbursable Expenses</b>	<b>\$3,000</b>	<b>\$7,000</b>	<b>\$7,000</b>	<b>\$7,000</b>
<b>Total Contract Estimate</b>	<b>\$111,780</b>	<b>\$186,080</b>	<b>\$58,060</b>	<b>\$101,720</b>
<b>FY 2022 and FY 2023 Total</b>			<b>\$244,140</b>	



**RICHMOND HOUSING AUTHORITY  
CONTRACT AMENDMENT**

Department: Richmond Housing Authority	Project Manager: Nannette Beacham
Project Manager E-mail: nbeacham@rhaca.org	Project Manager Phone No. (510) 621-1300
P.R.	Contract/P.O. No. 4581
Description of Services : Development Advisory and Financial Services for RHA	
Amendment No. modifies the:	
<input checked="" type="checkbox"/> Term and Payment Limit <input type="checkbox"/> Payment Limit <input type="checkbox"/> Term <input checked="" type="checkbox"/> Service Plan	

The parties to this Contract Amendment do mutually agree and promise as follows:

1. Parties. The parties to this Contract Amendment are the Housing Authority of the City of Richmond, California (Authority), and the following named Contractor:

Contractor Name: David Paul Rosen & Associates

Street Address: 3527 Mt. Diablo Blvd., #361

City, State, Zip Code: Lafayette, CA 94549

Contact Person: David Paul Rosen

Telephone: 510-451-2552

Email: david@draconsultants.com

Business License No: 40058084

/ Expiration Date: 1/30/2021

A California  corporation,  limited liability corporation  general partnership,  limited partnership,  individual,  non-profit corporation,  individual dba as [specify:] \_\_\_\_\_  
 other [specify:] sole proprietor

2. Purpose. This Contract Amendment is being entered into to amend the Contract between Authority and Contractor which was approved by the Board of Commissioners of the Housing Authority of the City of Richmond or executed by the Authority's Executive Director on DATE. Said contract shall hereinafter be referred to as the "Original Contract" and is incorporated herein by reference.

3. Original Contract Provisions. The parties hereto agree to continue to abide by those terms and conditions of the Original Contract, and any amendments thereto, which are unaffected by this Contract Amendment.

4. Amendment Provisions. This Contract Amendment is subject to the Amendment Provisions attached hereto, which are incorporated herein by reference, and which control over any conflicting provisions of the Original Contract, or any amendment thereto.

Contract Amendment between the Housing Authority of the City of Richmond and

Amendment No. 1

Contract No. 4581

5. City of Richmond Business License Active Status Maintained. Pursuant to Municipal Code Section 7.04.030, the Contractor must maintain its City of Richmond business license before any provision of this Contract Amendment will be deemed to take effect.

6. Signatures. These signatures attest the parties' agreement hereto:

THE HOUSING AUTHORITY FOR THE CITY OF RICHMOND, CALIFORNIA

By

Title:

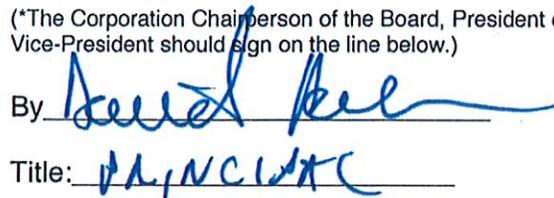
  
Hannah Beachum  
Executive Director

CONTRACTOR:

(\*The Corporation Chairperson of the Board, President or Vice-President should sign on the line below.)

By

Title:

  
David Lee  
PRINCIPAL

(\*The Corporation Chief Financial Officer, Secretary or Assistant Secretary should sign on the line below.)

By: \_\_\_\_\_

Title: \_\_\_\_\_

List of Attachments:

1. Amendment Provisions

(NOTE: Pursuant to California Corporations Code Section 313, if Contractor is a corporation or nonprofit organization, this Contract (1) should be signed by the Chairperson of the Board, President or Vice-President and the Chief Financial Officer, Secretary or Assistant Secretary; (2) should have both signatures conform to designated representative groups pursuant to Corporations Code Section 313; and (3) should be accompanied by completed notary acknowledgment forms) (Complete the notary acknowledgments attached hereto)

**AMENDMENT PROVISIONS (TERM AND PAYMENT LIMIT)**

1. Paragraph 2 (Term) of the Original Contract is hereby amended to extend the Contract term. Paragraph 2 of the Original Contract is amended to read as follows:

"2. Term. The effective date of this Contract is 1/1/2019 and it terminates 6/30/2021 unless sooner terminated as provided herein."

2. Paragraph 3 (Payment Limit) of the Original Contract is hereby amended to increase the payment limit by \$243,600. Paragraph 3 of the Original Contract is amended to read as follows:

3. Payment Limit. Authority's total payments to Contractor under this Contract shall not exceed \$393,600."

The Authority shall not pay for services that exceed the Contract Payment Limit without the prior written approval of the Authority's Executive Director if the total Contract amount does not exceed \$10,000 or without the prior approval of the Board of Commissioners if the total Contract amount is over \$10,000.

Contract Amendment between the Housing Authority of  
the City of Richmond and

Amendment No. 1

Contract No. 4581

**AMENDMENT PROVISIONS (SERVICE PLAN)  
(CONTRACTOR'S OBLIGATION'S)**

The Service Plan (Exhibit A) of the Original Contract is hereby amended to include the following task and/or services:

Estimate of DRA Richmond HUD Repositioning Tasks, Hours and Cost Estimates Remainder of FY 2020 and FY 2021

	Feb. 1, 2020 thru June 30, 2020	July 1, 2020 thru June 30, 2021
<b>DRA Hours by Project and Task</b>		
<b>Hacienda</b>		
o Bidding debt and equity review	16	0
o Review loan agreements and LPA	20	0
o Closing (teleconferences)	18	6
o Monitoring payments to RHA at closing	0	5
<b>Subtotal</b>	<b>54</b>	<b>11</b>
<b>Nevin</b>		
o Attend council meeting for developer selection	3	0
o Review revised developer financing plan/pro formas (after selection)	25	0
o Review/Negotiation of ENA	15	0
o Review/Negotiation of DDA	0	25
o Bidding debt and equity review	0	16
o Review loan agreements and LPA	0	30
<b>Subtotal</b>	<b>43</b>	<b>71</b>
<b>Nystrom</b>		
o Preparation of Master Developer RFQ/RFP	20	0
o Review of developer submittals		
* Review project financial statements/operating costs	30	0
* Developer financial capacity/memo	30	0
* Review financing plans and pro formas/memo	39	0
* Attend council session	6	0
o Review/Negotiation of ENA	0	15
o Review/Negotiation of DDA	0	25
o Review Pro Formas/Financing Applications	0	20
o Bidding debt and equity review	0	16
o Review loan agreements and LPA	0	30
<b>Subtotal</b>	<b>125</b>	<b>106</b>
<b>Richmond Village I and II</b>		
o Attend Council meeting, option agreement (same meeting as for Nevin above)	3	0
o Preparation of Developer RFQ/RFP	15	0
o Review of developer submittals	0	0
* Review project financial statements/operating costs	0	30
* Developer financial capacity/memo	0	30
* Review RFP Financing plans and pro formas/memo	0	30
* Attend Council meeting, developer selection	0	6
o Review/Negotiation of ENA	0	15
o Review/Negotiation of DDA	0	25
o Review Pro Formas/Financing Applications	0	20
o Bidding debt and equity review	0	16
o Review loan agreements and LPA	0	30
<b>Subtotal</b>	<b>18</b>	<b>202</b>
<b>Total DRA Hours</b>	<b>240</b>	<b>390</b>
<b>Labor Expense</b>	<b>\$88,800</b>	<b>\$144,300</b>
<b>Administration and Reimbursable Expenses</b>	<b>\$3,500</b>	<b>\$7,000</b>
<b>Total Contract Estimate</b>	<b>\$92,300</b>	<b>\$151,300</b>

**RICHMOND HOUSING AUTHORITY  
PURCHASE OF SERVICES CONTRACT**

Project Mgr: Gabino Arredondo Project Mgr Phone No: 620-6512

Project Description: FINANCIAL AND DEVELOPMENT ADVISORY SERVICES FOR THE RHA

The parties to this Purchase of Services Contract (Contract) do mutually agree and promise as follows:

1. **Parties.** The parties to this Contract are the Housing Authority of the City of Richmond, California, (Authority) and the following named Contractor:

(NAME) David Paul Rosen & Associates

(Street Address) 3527 Mt. Diablo Blvd., #361

(City, State, Zip Code) Lafayette, CA 94549

(Taxpayer ID No.) 94-2981032

(Vendor No.) 13759

(Richmond Business License No.) \_\_\_\_\_ (Expiration Date)

An California  corporation,  partnership,  private individual,  nonprofit corporation,  religious institution,  sole proprietor,  other

(Please check appropriate box)

2. **Term.** The effective date of this Contract is 1/1/2019 and it terminates 12/31/2020 unless terminated as provided herein.

3. **Payment Limit.** Authority's total payments to Contractor under this Contract shall not exceed \$ 150,000. The Authority shall not pay for services that exceed the Contract Payment Limit without the prior written approval of the Authority's Executive Director if the total contract amount does not exceed \$10,000 or without the prior approval of the Board of Commissioners if the total contract amount is over \$10,000.

4. **Contractor's Obligations.** Contractor shall provide those services and carry out that work described in the Service Plan which is attached hereto and, is incorporated herein by reference, subject to all the terms and conditions contained or incorporated herein.

Authority's Obligations. Authority shall make to the Contractor those payments described in the Payment Provisions attached hereto which are incorporated herein by reference, subject to all the terms and conditions contained or incorporated herein.

6. General and Special Conditions. This Contract is subject to the General Conditions and Special Conditions (if any), which are attached hereto and are incorporated herein by reference, subject to all the terms and conditions contained or incorporated herein.

7. Signatures. These signatures attest the parties' agreement hereto:

HOUSING AUTHORITY OF  
THE CITY OF RICHMOND

CONTRACTOR:

By [Signature]  
Title Acting RHA Exec Dir.  
Date Signed 1/30/19

[Signature]  
By DAVID ROSEN  
Title PRINCIPAL  
Date Signed 1.30.19

LIST OF ATTACHMENTS:

Service Plan  
Payment Provisions  
Insurance Provisions  
General Conditions  
Special Conditions

(\*The Corporation Chief Financial Officer, Secretary or Assistant Secretary should sign below.)

By N/A  
Title N/A  
Date Signed N/A

(NOTE: Pursuant to California Corporations Code Section 313, if Contractor is a corporation or nonprofit corporation, this Contract (1) must be signed by (a) the Chairperson of the Board, President or Vice President and (b) the Secretary, any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer

**SERVICE PLAN**

**See the Special Conditions page.**

## PAYMENT PROVISIONS

*(PLEASE NOTE THAT THE HOUSING AUTHORITY OF THE CITY OF RICHMOND SHALL NOT PAY FOR SERVICES THAT EXCEED THE CONTRACT PAYMENT LIMIT WITHOUT THE PRIOR WRITTEN APPROVAL OF THE ADMINISTRATOR IF THE TOTAL EXCESS CONTRACT AMOUNT DOES NOT EXCEED \$10,000.00 OR WITHOUT THE PRIOR APPROVAL OF THE AGENCY BOARD IF THE TOTAL EXCESS CONTRACT AMOUNT IS OVER \$10,000.00.)*

1. Provided Contractor is not in default under this Contract, Contractor shall be compensated as provided below.
2. Any and all payments made pursuant to this Contract shall be subject to the Contract Payment Limit. The Payment Limit includes expenses (phones, photo copying, meals and travel, etc). Invoices, shall be adequately detailed, based on accurate records, and be in a form reasonably satisfactory to the Authority. Contractor may be required to provide back-up material upon request.
3. Contractor shall submit timely invoices to the following address:  
  
Attention: Accounts Payable, Finance  
Department Project Manager: Gabino Arredondo  
P. O. Box 4046  
Richmond, CA 94804-0046
4. All invoices that are submitted by Contractor shall be subject to the approval of the Authority's Project Manager, Gabino Arredondo before payments shall be authorized.
5. The Authority shall pay invoice(s) within 45 days after completion of services to the Authority's satisfaction. Authority shall not pay late fees or interest.
6. A business license from the City of Richmond shall be obtained before any" payment under this Contract shall be authorized and the business license must be kept current during the term of this Contract for payments to continue to be authorized.
7. All insurance coverage required by this Contract shall be provided by the Contractor before any payment under this Contract shall be authorized and the insurance coverage must be kept current during the term of this Contract for payments to continue to be authorized.

## GENERAL CONDITIONS

- 1 Compliance with Law. CONTRACTOR shall be subject to and comply with all Federal, State and local laws and regulations applicable with respect to its performance under this Contract, including but not limited to, licensing, employment and purchasing practices; and wages, hours, and conditions of employment.
2. Inspection. CONTRACTOR's performance, place of business and records pertaining to this Contract are subject to monitoring, inspection, review and audit by authorized representatives of the AUTHORITY, the State of California, and the United States Government.

### Records.

- 3.1 CONTRACTOR shall keep and make available for inspection and copying by authorized representatives of the AUTHORITY, the State of California, and the United States Government, the CONTRACTOR's regular business records and such additional records pertaining to this Contract as may be required by the AUTHORITY.
  - 3.2 CONTRACTOR shall retain all documents pertaining to this Contract for a period of five years after this Contract's termination (or for any further period that is required by law) and until all Federal or State audits are complete and exceptions resolved for this contract's funding period. Upon request, CONTRACTOR shall make these records available to authorized representatives of the AUTHORITY, the State of California, and the United States Government.
4. Reporting Requirements. CONTRACTOR shall include in all documents or written reports completed and submitted to AUTHORITY in accordance with this Contract a separate section listing the numbers and dollar amounts of all contracts and subcontracts relating to the preparation of each such document or written report.

### 5. Termination.

- 5.1 Written Notice. This Contract may be terminated by either party, at their sole discretion, upon thirty-day (30) advance written notice thereof to the other, and may be canceled immediately by written mutual consent.
- 5.2 Failure to Perform.
  - 5.2.1 The AUTHORITY upon written notice to CONTRACTOR, may immediately terminate this Contract should the CONTRACTOR fail to perform properly any of its obligations hereunder. In the event of such termination, the AUTHORITY may proceed with the work in any reasonable manner it chooses.

5.2.2 In lieu of termination, the AUTHORITY has the right to withhold payment to the CONTRACTOR when, in the opinion of the AUTHORITY expressed in writing to the CONTRACTOR,

5.2.2.1 The CONTRACTOR'S performance, in whole or in part, either has not been carried out or is insufficiently documented;

5.2.2.2 The CONTRACTOR has neglected, failed, or refused to furnish information or to cooperate with any inspection, review, or audit of its program, work, or records; or

5.2.2.3 The CONTRACTOR has failed to sufficiently itemize or document its demand(s) for payment.

5.3 Cessation of Funding. Notwithstanding Paragraph 5.1 above, in the event that Federal, State, or other non-AUTHORITY funding for this Contract ceases, this Contract may be terminated immediately by AUTHORITY upon written notice.

6. Entire Agreement. This Contract contains all the terms and conditions agreed upon by the parties. Except as expressly provided herein, no other understandings, oral or otherwise, regarding the subject matter of this Contract shall be deemed to exist or to bind any of the parties hereto.

7. Further Specifications for Operating Procedures. Detailed specifications of operating procedures and budgets required by this Contract, including but not limited to, monitoring, auditing, billing, or regulatory changes, may be developed and set forth in written Information Agreements between the CONTRACTOR and the AUTHORITY. Such Information Agreements shall be designated as such and shall not be amendments to this Contract except to the extent that they further detail or clarify that which is already required hereunder. Such Information Agreements may not enlarge in any manner the scope of this Contract, including any sums of money to be paid the CONTRACTOR as provided herein.

8. Modifications and Amendments.

8.1 General Amendments. This Contract may be modified or amended by a written document executed by this CONTRACTOR and the AUTHORITY'S Board of Commissioners or, after Board approval, by its designee, subject to any required State or Federal approval.

- 8.2 Administrative Amendments. Subject to the Payment Limit, the Payment Provisions and the Service Plan may be amended by a written administrative amendment executed by the CONTRACTOR and AUTHORITY's Executive Director subject to any required State or Federal approval, provided that such administrative amendments may not materially change the Payment Provisions or the Service Plan.
9. Disputes. Disagreements between the AUTHORITY and CONTRACTOR concerning the meaning, requirements, or performance of this Contract shall be subject to final determination, in writing, in accordance with the applicable procedures (if any) required by the State or Federal Government.
10. Choice of Law and Jurisdiction.
- 10.1 This Contract is made in Contra Costa County and shall be governed and construed in accordance with laws of the State of California.
- 10.2 Any action relating to this Contract shall be instituted and prosecuted in the courts of Contra Costa County, State of California.
11. Conformation with Federal and State Regulations. Should Federal or State regulations touching upon the subject of this Contract be adopted or revised during the term hereof, this Contract may be amended to assure conformance with such Federal or State requirements.
12. No Waiver by Authority. Subject to Paragraph 9 (Disputes) of these General Conditions, inspections or approvals, or statements by any officer, agent or employee of the AUTHORITY relating to the CONTRACTOR's performance, or payments therefor, or any combination of these acts, shall not relieve the CONTRACTOR'S obligation to fulfill this Contract as prescribed; nor shall the AUTHORITY be thereby stopped from bringing any action for damages or enforcement arising from any failure to comply with any of the terms and conditions of this Contract.
13. Subcontract and Assignment. This Contract binds the heirs, successors, assigns and representatives of CONTRACTOR. The CONTRACTOR shall not enter into subcontracts for any work contemplated under this Contract and shall not assign this Contract, nor any portion hereof or monies due or to become due, without the prior written consent of the AUTHORITY's Board of Commissioners or its designee, subject to any required State or Federal approval.
14. Independent Contract Status. This Contract is by and between two independent CONTRACTORS and is not intended to and shall not be construed to create the

relationship of agent, servant, employee, partnership, joint venture or association.

**15. Conflicts of Interest.** CONTRACTOR promises and attests that the CONTRACTOR and any members of its governing body shall avoid any actual or potential conflicts of interest. If CONTRACTOR is a corporation, CONTRACTOR agrees to furnish to the AUTHORITY upon demand a valid copy of its most recently adopted bylaws and also a complete and accurate list of its governing body (Board of Directors or Trustees) and to timely update said bylaws or the list of its governing body as changes in such governance occur.

**16. Confidentiality.**

16.1 CONTRACTOR agrees to comply with, and to require its employees, agents and partners to comply with, all applicable State or Federal statutes or regulations respecting confidentially, including but not limited to, the identity of persons served under this Contract, their records, or services provided them, and assures that:

16.1.1 All applications and records concerning any individual made or kept by CONTRACTOR or any public officer or agency in connection with the administration of or relating to services provided under this Contract will be confidential, and will not be open to examination for any purposes not directly connected with the administration of such service.

16.1.2 No person will publish or disclose or permit or cause to be published or disclosed, any list of persons receiving services, except as may be required in the administration of such service.

16.2 CONTRACTOR agrees to inform all employees, agents and partners of the above provisions, and that any person knowingly and intentionally disclosing such information other than as authorized by law may be guilty of a misdemeanor.

**17. Nondiscrimination - CONTRACTOR.** CONTRACTOR agrees to observe the provisions of Section 2.28.030 of the Municipal Code of the City of Richmond, obligating every CONTRACTOR under a Contract with the CITY for public work or for goods or for services to refrain from discriminatory employment or subcontracting practices on the basis of race, color, sex, sexual orientation, religious creed, national origin or ancestry of any employees, any applicant for employment for any potential subcontractor. Said Section 2.28.030 is, by this reference, made a part of this Contract.

**18. Indemnification.** The CONTRACTOR shall defend, save harmless and indemnify the AUTHORITY and its officers, agents and employees from any and all claims, costs and

liability for any damages, sickness, death or injury to persons or property arising from, or connected with, the operations or services of the CONTRACTOR or its agents, servants, employees or subcontractors hereunder, save and except claims or litigation arising from the sole negligence or willful misconduct of the AUTHORITY or its officers or employees. CONTRACTOR shall reimburse the AUTHORITY for any expenditures, including reasonable attorney's fees, incurred by the AUTHORITY in pursuit or defense of matters that are the subject of this indemnification. If requested by the AUTHORITY, the CONTRACTOR shall defend any claims or litigation to which this indemnification provision applies at the sole cost and expense of the CONTRACTOR.

19. Notices. All notices provided for by this Contract shall be in writing and may be delivered by deposit in the United States mail, postage prepaid. Notices to the AUTHORITY shall be addressed to the AUTHORITY's Executive Director. Notices to the CONTRACTOR shall be addressed to the CONTRACTOR's address designated herein. The effective date of notice to the CONTRACTOR shall be the date of receipt by CONTRACTOR. The effective date of notice to the AUTHORITY shall be the date of receipt by the AUTHORITY's Executive Director.
20. Primacy of General Conditions. Except for Special Conditions which expressly supersede General Conditions, the Special Conditions (if any) and Service Plan do not limit any term of the General Conditions.
21. Nonrenewal. CONTRACTOR understands and agrees that there is no representation, implication, or understanding that the services provided by CONTRACTOR under this Contract will be purchased or renewed by the AUTHORITY under a new contract following expiration or termination of this Contract, and waives all rights or claims to notice or hearing respecting any failure by AUTHORITY to continue the purchase of all or any failure to continue purchase of all or any such services from CONTRACTOR.
22. Possessory Interest. If this Contract results in the CONTRACTOR having possession of, claim to or right to the possession of land or improvements, but does not vest ownership of the land or improvements in the same person, or if this Contract results in the placement of taxable improvements on tax exempt land (Revenue and Taxation Code 107), such interest or improvements may represent a possessory interest subject to property tax, and CONTRACTOR may be subject to the payment of property taxes levied on such interest.
23. No Third-Party Beneficiaries. Notwithstanding mutual recognition that services under this Contract may provide some aid or assistance to members of the AUTHORITY's population, it is not the intention of either the AUTHORITY or CONTRACTOR that such individuals occupy the position of intended third-party beneficiaries of the obligations assumed by either party to this Contract.

**24. Copyrights and Rights in Data.** CONTRACTOR shall not publish or transfer any materials produced or resulting from activities supported by this Contract without the express prior written consent of the AUTHORITY's Executive Director. If any material is subject to copyright, the AUTHORITY reserves the right to copyright such, and the CONTRACTOR agrees not to copyright such material. If the material is copyrighted by CONTRACTOR, the AUTHORITY reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, and use such materials, in whole or in part, and to authorize others to do so.

**25. Changes and Extra Work.**

25.1 When Changes in the Services Plan are required by AUTHORITY or requested by CONTRACTOR, CONTRACTOR shall promptly estimate their effect on the cost of the services, and on its time schedule, and so notify AUTHORITY in writing.

25.2 No Change shall be implemented by CONTRACTOR unless it is approved by AUTHORITY in writing. Unless otherwise agreed to in writing, all provisions of this Contract shall apply to all Changes in the Service Plan.

25.3 If AUTHORITY determines that a Change materially affects the total value or time of performance of this Contract, CONTRACTOR and AUTHORITY will mutually agree in writing to an equitable adjustment.

25.4 Within the limits of the Contract Payment Limit of this Contract, AUTHORITY may request Extra Work to be performed by CONTRACTOR. Extra Work is defined as work which was not authorized in the original Contract, and is, subsequent to the execution of this Contract by all parties hereto, determined by the AUTHORITY to be necessary for the Project. Upon receipt of an Extra Work authorization from AUTHORITY's Authorized Representative, CONTRACTOR shall continue performance of the services as revised by the authorization.

25.5 If AUTHORITY determines that revisions to the Contract Payment Limit, Service Plan, Payment Provisions, or other parts of the Contract are necessary, the revisions shall be mutually agreed upon and incorporated herein through the execution of written amendments to this Contract.

**26. Survival.**

The rights and obligations of the parties which by their nature survive termination or completion of the services covered by this Contract, shall remain in full force and effect after termination or completion.

**Performance and Final Acceptance.**

27.1 CONTRACTOR represents that it is experienced, qualified, registered, licensed, equipped, organized and financed to perform the services under this Contract.

27.2 CONTRACTOR shall perform the services under this Contract with that degree of skill and judgment normally exercised by professional firms performing services of a similar nature in the State of California, and shall be responsible for the professional quality, technical accuracy and coordination of the services it performs under this Contract. In addition to the other rights and remedies which AUTHORITY may have, CONTRACTOR shall, at its own expense, correct any services which fail to meet the above standard.

27.3 AUTHORITY shall provide CONTRACTOR an opportunity to cure errors and omission which may be disclosed during the review of submittals, with no increase in the authorized Contract Payment Limit. Should CONTRACTOR fail to make necessary corrections in a timely manner, such corrections shall be made by the AUTHORITY and the cost thereof shall be charged to CONTRACTOR.

27.4 If warranted, AUTHORITY shall determine, and CONTRACTOR may request such determination, that CONTRACTOR has satisfactorily completed performance of this Contract. Upon such determination, AUTHORITY shall issue to CONTRACTOR a written Notice of Final Acceptance; after which CONTRACTOR shall not incur further costs under this Contract. CONTRACTOR shall respond to such Notice of Final Acceptance by executing and submitting to AUTHORITY a Release and Certificate of Final Payment.

**28. Force Majeure.**

Neither party hereto shall be considered in default in the performance of its obligations hereunder to the extent that the performance of such an obligation is prevented or delayed by any cause, existing or future, which is beyond the reasonable control of such party.

**29. Severability.**

In the event that any of the provisions or portions or applications thereof of this Contract are held to be unenforceable or invalid by any court of competent jurisdiction, AUTHORITY and CONTRACTOR shall negotiate an equitable adjustment in the provisions of the Contract with a view toward effecting the purpose of this Contract, and the validity and enforceability of the remaining provisions or portions or applications

thereof, shall not be affected thereby.

**30. Authorized Representatives and Notices.**

30.1 AUTHORITY and CONTRACTOR shall each designate, below, an Authorized Representative who has authority to act on its behalf in the administration of this Contract.

30.2 Written notification to the other party shall be provided, in advance, of changes in name or address of such Authorized Representatives.

30.3 Notices provided for under this Contract shall be in writing, and shall be served on the Authorized Representative of the receiving party, either personally or at the party's offices, or by registered or certified mail to its office address.

30.4 AUTHORITY hereby designates as its Authorized Representative the Project Manager whose name and address are as follows:

Gabino Arredondo

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Richmond Housing Authority

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330 24th St

---

Richmond CA 94804

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30.5 CONTRACTOR hereby designates as its Authorized Representative the Project Manager whose name and address are as follows:

David Rosen, Principal

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David Paul Rosen & Associates

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3527 Mt. Diablo Blvd., #361

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Lafayette, CA 94549

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**31.** Pursuant to Richmond Municipal Code Section 7.04.030, the Contractor must have, or must obtain, a City of Richmond business license before any provision of this Contract will be deemed to take effect.

## **SPECIAL CONDITIONS**

1. Contractor shall provide the services set forth in the document entitled "Scope of Services", which is attached hereto and incorporated herein by this reference.
2. In addition to the General Conditions set forth herein, Contractor shall comply with the terms and conditions set forth in the documents entitled "General Conditions for Non- Construction Contracts Sections I" (HUD-5370-C), "Certifications and Representations of Offerors" (HUD-5369-C), and "Certification Regarding Debarment and Suspension" (HUD-2992) which are attached hereto and incorporated herein by this reference. If there are any conflicts between the terms and conditions set forth in the General Conditions set forth herein and the terms and conditions set forth in the attached documents, the terms and conditions set forth in the attached documents shall take precedence and shall prevail.
3. Contractor shall provide the insurance coverage set forth in the document entitled "City of Richmond — Insurance Requirements — Type 2: "Professional Services" which is attached hereto and incorporated herein by this reference. Contractor shall maintain said coverage during the entire term of this contract. However, wherever the document refers to the "City of Richmond" or the "CITY", the Contractor shall substitute the words "Housing Authority of the City of Richmond" or "Authority".



## SCOPE OF SERVICES

Specific tasks that are requested of DRA as part of this scope of work may include but not be limited to:

- Providing RHA with a range of financial advisory services for assessment of, and strategic, business and financial planning for RHA to manage its portfolio of public housing, Low Income Housing Tax Credit (LIHTC) housing and special needs housing, to assure its appropriate, reinvestment, rehabilitation and if appropriate its redevelopment.
- Analyzing project financial, economic and development feasibility, and compliance with the requirements and competitive criteria of leverage sources of funding, both public (HUD and other) and private sector, of developer proposals for financial assistance from RHA.
- Providing market real estate and demographic analysis for RHA as required for affordable housing and mixed income/mixed use development and/or financing supported by RHA.
- Establishing a master plan strategy for revitalization of RHA's public housing properties (Nevin Plaza, Nystrom, Richmond Village I, II and III, Hacienda, others) that may include rehabilitation or demolition and new development on some sites and disposition of others based on an assessment of market land values and disposition opportunities, site development and leveraged financing opportunities and constraints, carrying costs, community issues, and other relevant factors determined in conjunction with RHA staff.
- Determining RHA's development role and RHA ownership entity (e.g., general partner, co-general partner, guarantor, lender and others) for each public housing redevelopment project, and its component parts based on the ongoing assessment of RHA's staff and financial capacity, and the City's interests.
- Reviewing existing loan agreement or other documentation regarding the City of Richmond's investment into RHA's affordable housing assets.
- Preparing a Five-Year Capital Plan to include financial strategies and funding gap estimates for projects anticipated over the next five years. The Capital Plan will serve as a rolling projection of income, expenses, net development revenues, City/RHA fund balances and time frames for revitalization of RHA public housing assets, and for development of other affordable housing projects as opportunities and financing allow.
- Prepare estimates of project gap financing requirements for, and proceeds from, the rehabilitation, redevelopment and/or sale of Nevin Plaza, Nystrom, Richmond Village (I, II and/or III) option and Hacienda properties.
- Coordinate with HUD, City, RHA, and other Technical Assistance providers on asset repositioning.
- Additional tasks as outlined in the Scope of Services for Calendar Years 2019 - 2020 dated November 29, 2018 attached hereto and incorporated herein by this reference.

## REIMBURSEMENT SCHEDULE

Position	Hourly Reimbursement Rate
Principal I	\$370
Principal II	\$340
Senior Associate	\$320
Associate	\$285
Research Associate I	\$255
Research Associate II	\$250
Data Entry, Word Processing, Administrative Assistance and Accounting	\$120

The following costs are reimbursable expenses with supporting receipts:

- Mileage at the equivalent of the then current federal mileage reimbursement rate; tolls
- Round-trip coach airfare, as mutually agreed by client and consultant
- Ground expenses: rental cars, parking, cabs and other
- Meals and lodging
- Long-distance telephone charges, facsimile charges and expedited courier service
- Copying and production charges
- Data service charges
- Supplies, as required for deliverables

DRA may increase its Professional Fees on January 1, 2021, and will notify its clients in writing of this change.

# General Conditions for Non-Construction Contracts

## Section I – (With or without Maintenance Work)

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
Office of Labor Relations  
OMB Approval No. 2577-0157 (exp. 1/31/2017)

Public Reporting Burden for this collection of information is estimated to average 0.08 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Office of Information Policies and Systems, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600; and to the Office of Management and Budget, Paperwork Reduction Project (2577-0157), Washington, D.C. 20503. Do not send this completed form to either of these addressees.

**Applicability.** This form HUD-5370-C has 2 Sections. These Sections must be inserted into non-construction contracts as described below:

- 1) Non-construction contracts (*without* maintenance) greater than \$100,000 - use Section I;
- 2) Maintenance contracts (including nonroutine maintenance as defined at 24 CFR 968.105) greater than \$2,000 but not more than \$100,000 - use Section II; and
- 3) Maintenance contracts (including nonroutine maintenance), greater than \$100,000 -- use Sections I and II.

### Section I - Clauses for All Non-Construction Contracts greater than \$100,000

#### 1. Definitions

The following definitions are applicable to this contract:

- (a) "Authority or Housing Authority (HA)" means the Housing Authority.
- (b) "Contract" means the contract entered into between the Authority and the Contractor. It includes the contract form, the Certifications and Representations, these contract clauses, and the scope of work. It includes all formal changes to any of those documents by addendum, Change Order, or other modification.
- (c) "Contractor" means the person or other entity entering into the contract with the Authority to perform all of the work required under the contract.
- (d) "Day" means calendar days, unless otherwise stated.
- (e) "HUD" means the Secretary of Housing and Urban Development, his delegates, successors, and assigns, and the officers and employees of the United States Department of Housing and Urban Development acting for and on behalf of the Secretary.

#### 2. Changes

- (a) The HA may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in the services to be performed or supplies to be delivered.
- (b) If any such change causes an increase or decrease in the hourly rate, the not-to-exceed amount of the contract, or the time required for performance of any part of the work under this contract, whether or not changed by the order, or otherwise affects the conditions of this contract, the HA shall make an equitable adjustment in the not-to-exceed amount, the hourly rate, the delivery schedule, or other affected terms, and shall modify the contract accordingly.
- (c) The Contractor must assert its right to an equitable adjustment under this clause within 30 days from the date of receipt of the written order. However, if the HA decides that the facts justify it, the HA may receive and act upon a

- proposal submitted before final payment of the contract.
- (d) Failure to agree to any adjustment shall be a dispute under clause Disputes, herein. However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.
  - (e) No services for which an additional cost or fee will be charged by the Contractor shall be furnished without the prior written consent of the HA.

#### 3. Termination for Convenience and Default

- (a) The HA may terminate this contract in whole, or from time to time in part, for the HA's convenience or the failure of the Contractor to fulfill the contract obligations (default). The HA shall terminate by delivering to the Contractor a written Notice of Termination specifying the nature, extent, and effective date of the termination. Upon receipt of the notice, the Contractor shall: (i) immediately discontinue all services affected (unless the notice directs otherwise); and (ii) deliver to the HA all information, reports, papers, and other materials accumulated or generated in performing this contract, whether completed or in process.
- (b) If the termination is for the convenience of the HA, the HA shall be liable only for payment for services rendered before the effective date of the termination.
- (c) If the termination is due to the failure of the Contractor to fulfill its obligations under the contract (default), the HA may (i) require the Contractor to deliver to it, in the manner and to the extent directed by the HA, any work as described in subparagraph (a)(ii) above, and compensation be determined in accordance with the Changes clause, paragraph 2, above; (ii) take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable for any additional cost incurred by the HA; (iii) withhold any payments to the Contractor, for the purpose of off-set or partial payment, as the case may be, of amounts owed to the HA by the Contractor.
- (d) If, after termination for failure to fulfill contract obligations (default), it is determined that the Contractor had not failed, the termination shall be deemed to have been effected for the convenience of the HA, and the Contractor shall be entitled to payment as described in paragraph (b) above.
- (e) Any disputes with regard to this clause are expressly made subject to the terms of clause titled Disputes herein.

#### 4. Examination and Retention of Contractor's Records

- (a) The HA, HUD, or Comptroller General of the United States, or any of their duly authorized representatives shall, until 3 years after final payment under this contract, have access to and the right to examine any of the Contractor's directly pertinent books, documents, papers, or other records involving transactions related to this contract for the purpose of making audit, examination, excerpts, and transcriptions.



(b) The Contractor agrees to include in first-tier subcontracts under this contract a clause substantially the same as paragraph (a) above. "Subcontract," as used in this clause, excludes purchase orders not exceeding \$10,000.

(c) The periods of access and examination in paragraphs (a) and (b) above for records relating to:

- (i) appeals under the clause titled Disputes;
- (ii) litigation or settlement of claims arising from the performance of this contract; or,
- (iii) costs and expenses of this contract to which the HA, HUD, or Comptroller General or any of their duly authorized representatives has taken exception shall continue until disposition of such appeals, litigation, claims, or exceptions.

#### 5. Rights In Data (Ownership and-Proprietary Interest)

The HA shall have exclusive ownership of, all proprietary interest in, and the right to full and exclusive possession of all information, materials and documents discovered or produced by Contractor pursuant to the terms of this Contract, including but not limited to reports, memoranda or letters concerning the research and reporting tasks of this Contract.

#### 6. Energy Efficiency

The contractor shall comply with all mandatory standards and policies relating to energy efficiency which are contained in the energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub.L. 94-163) for the State in which the work under this contract is performed.

#### 7. Disputes

- (a) All disputes arising under or relating to this contract, except for disputes arising under clauses contained in Section III, Labor Standards Provisions, including any claims for damages for the alleged breach thereof which are not disposed of by agreement, shall be resolved under this clause.
- (b) All claims by the Contractor shall be made in writing and submitted to the HA. A claim by the HA against the Contractor shall be subject to a written decision by the HA.
- (c) The HA shall, with reasonable promptness, but in no event in no more than 60 days, render a decision concerning any claim hereunder. Unless the Contractor, within 30 days after receipt of the HA's decision, shall notify the HA in writing that it takes exception to such decision, the decision shall be final and conclusive.
- (d) Provided the Contractor has (i) given the notice within the time stated in paragraph (c) above, and (ii) excepted its claim relating to such decision from the final release, and (iii) brought suit against the HA not later than one year after receipt of final payment, or if final payment has not been made, not later than one year after the Contractor has had a reasonable time to respond to a written request by the HA that it submit a final voucher and release, whichever is earlier, then the HA's decision shall not be final or conclusive, but the dispute shall be determined on the merits by a court of competent jurisdiction.
- (e) The Contractor shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under the contract, and comply with any decision of the HA.

#### 8. Contract Termination; Debarment

A breach of these Contract clauses may be grounds for termination of the Contract and for debarment or denial of participation in HUD programs as a Contractor and a subcontractor as provided in 24 CFR Part 24.

#### 9. Assignment of Contract

The Contractor shall not assign or transfer any interest in this contract; except that claims for monies due or to become due from the HA under the contract may be assigned to a bank, trust company, or other financial institution. If the Contractor is a partnership, this contract shall inure to the benefit of the surviving or remaining member(s) of such partnership approved by the HA.

#### 10. Certificate and Release

Prior to final payment under this contract, or prior to settlement upon termination of this contract, and as a condition precedent thereto, the Contractor shall execute and deliver to the HA a certificate and release, in a form acceptable to the HA, of all claims against the HA by the Contractor under and by virtue of this contract, other than such claims, if any, as may be specifically excepted by the Contractor in stated amounts set forth therein.

#### 11. Organizational Conflicts of Interest

- (a) The Contractor warrants that to the best of its knowledge and belief and except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a situation in which the nature of work under this contract and a contractor's organizational, financial, contractual or other interests are such that:
  - (i) Award of the contract may result in an unfair competitive advantage; or
  - (ii) The Contractor's objectivity in performing the contract work may be impaired.
- (b) The Contractor agrees that if after award it discovers an organizational conflict of interest with respect to this contract or any task/delivery order under the contract, he or she shall make an immediate and full disclosure in writing to the Contracting Officer which shall include a description of the action which the Contractor has taken or intends to take to eliminate or neutralize the conflict. The HA may, however, terminate the contract or task/delivery order for the convenience of the HA if it would be in the best interest of the HA.
- (c) In the event the Contractor was aware of an organizational conflict of interest before the award of this contract and intentionally did not disclose the conflict to the Contracting Officer, the HA may terminate the contract for default.
- (d) The terms of this clause shall be included in all subcontracts and consulting agreements wherein the work to be performed is similar to the service provided by the prime Contractor. The Contractor shall include in such subcontracts and consulting agreements any necessary provisions to eliminate or neutralize conflicts of interest.

#### 12. Inspection and Acceptance

- (a) The HA has the right to review, require correction, if necessary, and accept the work products produced by the Contractor. Such review(s) shall be carried out within 30 days so as to not impede the work of the Contractor. Any

product of work shall be deemed accepted as submitted if the HA does not issue written comments and/or required corrections within 30 days from the date of receipt of such product from the Contractor.

- (b) The Contractor shall make any required corrections promptly at no additional charge and return a revised copy of the product to the HA within 7 days of notification or a later date if extended by the HA.
- (c) Failure by the Contractor to proceed with reasonable promptness to make necessary corrections shall be a default. If the Contractor's submission of corrected work remains unacceptable, the HA may terminate this contract (or the task order involved) or reduce the contract price or cost to reflect the reduced value of services received.

### 13. Interest of Members of Congress

No member of or delegate to the Congress of the United States of America or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit to arise there from, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

### 14. Interest of Members, Officers, or Employees and Former Members, Officers, or Employees

No member, officer, or employee of the HA, no member of the governing body of the locality in which the project is situated, no member of the governing body in which the HA was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the project, shall, during his or her tenure, or for one year thereafter, have any interest, direct or indirect, in this contract or the proceeds thereof.

### 15. Limitation on Payments to Influence Certain Federal Transactions

(a) Definitions. As used in this clause:

"Agency", as defined in 5 U.S.C. 552(f), includes Federal executive departments and agencies as well as independent regulatory commissions and Government corporations, as defined in 31 U.S.C. 9101(1).

"Covered Federal Action" means any of the following Federal actions:

- (i) The awarding of any Federal contract;
- (ii) The making of any Federal grant;
- (iii) The making of any Federal loan;
- (iv) The entering into of any cooperative agreement; and,
- (v) The extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

Covered Federal action does not include receiving from an agency a commitment providing for the United States to insure or guarantee a loan.

"Indian tribe" and "tribal organization" have the meaning provided in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450B). Alaskan Natives are included under the definitions of Indian tribes in that Act.

"Influencing or attempting to influence" means making, with the intent to influence, any communication to or appearance before an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any covered Federal action.

"Local government" means a unit of government in a State and, if chartered, established, or otherwise recognized by a State for the performance of a governmental duty, including a local public authority, a special district, an intrastate district, a council of governments, a sponsor group representative organization, and any other instrumentality of a local government.

"Officer or employee of an agency" includes the following individuals who are employed by an agency:

- (i) An individual who is appointed to a position in the Government under title 5, U.S.C., including a position under a temporary appointment;
- (ii) A member of the uniformed services as defined in section 202, title 18, U.S.C.;
- (iii) A special Government employee as defined in section 202, title 18, U.S.C.; and,
- (iv) An individual who is a member of a Federal advisory committee, as defined by the Federal Advisory Committee Act, title 5, appendix 2.

"Person" means an individual, corporation, company, association, authority, firm, partnership, society, State, and local government, regardless of whether such entity is operated for profit or not for profit. This term excludes an Indian tribe, tribal organization, or other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Recipient" includes all contractors, subcontractors at any tier, and subgrantees at any tier of the recipient of funds received in connection with a Federal contract, grant, loan, or cooperative agreement. The term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Regularly employed means, with respect to an officer or employee of a person requesting or receiving a Federal contract, grant, loan, or cooperative agreement, an officer or employee who is employed by such person for at least 130 working days within one year immediately preceding the date of the submission that initiates agency consideration of such person for receipt of such contract, grant, loan, or cooperative agreement. An officer or employee who is employed by such person for less than 130 working days within one year immediately preceding the date of submission that initiates agency consideration of such person shall be considered to be regularly employed as soon as he or she is employed by such person for 130 working days.

"State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, a territory or possession of the United States, an agency or instrumentality of a State, and a multi-State, regional, or interstate entity having governmental duties and powers.

(b) Prohibition.

- (i) Section 1352 of title 31, U.S.C. provides in part that no appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(ii) The prohibition does not apply as follows:

**(1) Agency and legislative liaison by Own Employees.**

(a) The prohibition on the use of appropriated funds, in paragraph (l) of this section, does not apply in the case of a payment of reasonable compensation made to an officer or employee of a person requesting or receiving a Federal contract, grant, loan, or cooperative agreement, if the payment is for agency and legislative activities not directly related to a covered Federal action.

(b) For purposes of paragraph (b)(l)(1)(a) of this clause, providing any information specifically requested by an agency or Congress is permitted at any time.

(c) The following agency and legislative liaison activities are permitted at any time only where they are not related to a specific solicitation for any covered Federal action:

(1) Discussing with an agency (including individual demonstrations) the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and,

(2) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.

(d) The following agency and legislative liaison activities are permitted where they are prior to formal solicitation of any covered Federal action:

(1) Providing any information not specifically requested but necessary for an agency to make an informed decision about initiation of a covered Federal action;

(2) Technical discussions regarding the preparation of an unsolicited proposal prior to its official submission; and

(3) Capability presentations by persons seeking awards from an agency pursuant to the provisions of the Small Business Act, as amended by Public Law 95-507 and other subsequent amendments.

(e) Only those activities expressly authorized by subdivision (b)(l)(1)(a) of this clause are permitted under this clause.

**(2) Professional and technical services.**

(a) The prohibition on the use of appropriated funds, in subparagraph (b)(l) of this clause, does not apply in the case of-

(i) A payment of reasonable compensation made to an officer or employee of a person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action, if payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action.

(ii) Any reasonable payment to a person, other than an officer or employee of a

person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action if the payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action. Persons other than officers or employees of a person requesting or receiving a covered Federal action include consultants and trade associations.

(b) For purposes of subdivision (b)(l)(2)(a) of clause, "professional and technical services" shall be limited to advice and analysis directly applying any professional or technical discipline.

(c) Requirements imposed by or pursuant to law as a condition for receiving a covered Federal award include those required by law or regulation, or reasonably expected to be required by law or regulation, and any other requirements in the actual award documents.

(d) Only those services expressly authorized by subdivisions (b)(l)(2)(a)(i) and (ii) of this section are permitted under this clause.

(iii) Selling activities by independent sales representatives.

(c) The prohibition on the use of appropriated funds, in subparagraph (b)(l) of this clause, does not apply to the following selling activities before an agency by independent sales representatives, provided such activities are prior to formal solicitation by an agency and are specifically limited to the merits of the matter:

(i) Discussing with an agency (including individual demonstration) the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and

(ii) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.

(d) Agreement. In accepting any contract, grant, cooperative agreement, or loan resulting from this solicitation, the person submitting the offer agrees not to make any payment prohibited by this clause.

(e) Penalties. Any person who makes an expenditure prohibited under paragraph (b) of this clause shall be subject to civil penalties as provided for by 31 U.S.C. 1352. An imposition of a civil penalty does not prevent the Government from seeking any other remedy that may be applicable.

(f) Cost Allowability. Nothing in this clause is to be interpreted to make allowable or reasonable any costs which would be unallowable or unreasonable in accordance with Part 31 of the Federal Acquisition Regulation (FAR), or OMB Circulars dealing with cost allowability for recipients of assistance agreements. Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any of the provisions of FAR Part 31 or the relevant OMB Circulars.

## 16. Equal Employment Opportunity

During the performance of this contract, the Contractor agrees as follows:

- (a) The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.
- (b) The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to (1) employment; (2) upgrading; (3) demotion; (4) transfer; (5) recruitment or recruitment advertising; (6) layoff or termination; (7) rates of pay or other forms of compensation; and (8) selection for training, including apprenticeship.
- (c) The Contractor shall post in conspicuous places available to employees and applicants for employment the notices to be provided by the Contracting Officer that explain this clause.
- (d) The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
- (e) The Contractor shall send, to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, the notice to be provided by the Contracting Officer advising the labor union or workers' representative of the Contractor's commitments under this clause, and post copies of the notice in conspicuous places available to employees and applicants for employment.
- (f) The Contractor shall comply with Executive Order 11246, as amended, and the rules, regulations, and orders of the Secretary of Labor.
- (g) The Contractor shall furnish all information and reports required by Executive Order 11246, as amended and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto. The Contractor shall permit access to its books, records, and accounts by the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (h) In the event of a determination that the Contractor is not in compliance with this clause or any rule, regulation, or order of the Secretary of Labor, this contract may be canceled, terminated, or suspended in whole or in part, and the Contractor may be declared ineligible for further Government contracts, or federally assisted construction contracts under the procedures authorized in Executive Order 11246, as amended. In addition, sanctions may be imposed and remedies invoked against the Contractor as provided in Executive Order 11246, as amended, the rules, regulations, and orders of the Secretary of Labor, or as otherwise provided by law.
- (i) The Contractor shall include the terms and conditions of this clause in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued under Executive Order 11246, as amended, so that these terms and conditions will be binding upon each subcontractor or vendor. The Contractor shall take such action with respect to any subcontractor or purchase order as the Secretary of Housing and Urban Development or the Secretary of Labor may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided that if the

Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

## 17. Dissemination or Disclosure of Information

No information or material shall be disseminated or disclosed to the general public, the news media, or any person or organization without prior express written approval by the HA.

## 18. Contractor's Status

It is understood that the Contractor is an independent contractor and is not to be considered an employee of the HA, or assume any right, privilege or duties of an employee, and shall save harmless the HA and its employees from claims suits, actions and costs of every description resulting from the Contractor's activities on behalf of the HA in connection with this Agreement.

## 19. Other Contractors

HA may undertake or award other contracts for additional work at or near the site(s) of the work under this contract. The contractor shall fully cooperate with the other contractors and with HA and HUD employees and shall carefully adapt scheduling and performing the work under this contract to accommodate the additional work, heeding any direction that may be provided by the Contracting Officer. The contractor shall not commit or permit any act that will interfere with the performance of work by any other contractor or HA employee.

## 20. Liens

The Contractor is prohibited from placing a lien on HA's property. This prohibition shall apply to all subcontractors.

## 21. Training and Employment Opportunities for Residents in the Project Area (Section 3, HUD Act of 1968; 24 CFR 135)

- (a) The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- (b) The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.
- (c) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of

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apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

- (d) The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.
- (e) The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.
- (f) Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

## 22. Procurement of Recovered Materials

- (a) In accordance with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, the Contractor shall procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition. The Contractor shall procure items designated in the EPA guidelines that contain the highest percentage of recovered materials practicable unless the Contractor determines that such items: (1) are not reasonably available in a reasonable period of time; (2) fail to meet reasonable performance standards, which shall be determined on the basis of the guidelines of the National Institute of Standards and Technology, if applicable to the item; or (3) are only available at an unreasonable price.
- (b) Paragraph (a) of this clause shall apply to items purchased under this contract where: (1) the Contractor purchases in excess of \$10,000 of the item under this contract; or (2) during the preceding Federal fiscal year, the Contractor: (i) purchased any amount of the items for use under a contract that was funded with Federal appropriations and was with a Federal agency or a State agency or agency of a political subdivision of a State; and (ii) purchased a total of in excess of \$10,000 of the item both under and outside that contract.

# Certifications and Representations of Offerors Non-Construction Contract

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

OMB Approval No: 2577-0180 (exp. 7/30/96)

Public reporting burden for this collection of information is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

This form includes clauses required by OMB's common rule on bidding/offering procedures, implemented by HUD in 24 CFR 85.36, and those requirements set forth in Executive Order 11625 for small, minority, women-owned businesses, and certifications for independent price determination, and conflict of interest. The form is required for nonconstruction contracts awarded by Housing Agencies (HAs). The form is used by bidders/offerors to certify to the HA's Contracting Officer for contract compliance. If the form were not used, HAs would be unable to enforce their contracts. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

## 1. Contingent Fee Representation and Agreement

(a) The bidder/offeror represents and certifies as part of its bid/offer that, except for full-time bona fide employees working solely for the bidder/offeror, the bidder/offeror:

- (1)  has,  has not employed or retained any person or company to solicit or obtain this contract; and
- (2)  has,  has not paid or agreed to pay to any person or company employed or retained to solicit or obtain this contract any commission, percentage, brokerage, or other fee contingent upon or resulting from the award of this contract.

(b) If the answer to either (a)(1) or (a) (2) above is affirmative, the bidder/offeror shall make an immediate and full written disclosure to the PHA Contracting Officer.

(c) Any misrepresentation by the bidder/offeror shall give the PHA the right to (1) terminate the resultant contract; (2) at its discretion, to deduct from contract payments the amount of any commission, percentage, brokerage, or other contingent fee; or (3) take other remedy pursuant to the contract.

## 2. Small, Minority, Women-Owned Business Concern Representation

The bidder/offeror represents and certifies as part of its bid/offer that it:

- (a)  is,  is not a small business concern. "Small business concern," as used in this provision, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding, and qualified as a small business under the criteria and size standards in 13 CFR 121.
- (b)  is,  is not a women-owned small business concern. "Women-owned," as used in this provision, means a small business that is at least 51 percent owned by a woman or women who are U.S. citizens and who also control and operate the business.
- (c)  is,  is not a minority enterprise which, pursuant to Executive Order 11625, is defined as a business which is at least 51 percent owned by one or more minority group members or, in the case of a publicly owned business, at least 51 percent of its voting stock is owned by one or more minority group members, and whose management and daily operations are controlled by one or more such individuals.

For the purpose of this definition, minority group members are:

(Check the block applicable to you)

- |   |   |
|---|---|
| <input type="checkbox"/> Black Americans    | <input type="checkbox"/> Asian Pacific Americans  |
| <input type="checkbox"/> Hispanic Americans | <input type="checkbox"/> Asian Indian Americans   |
| <input type="checkbox"/> Native Americans   | <input type="checkbox"/> Hasidic Jewish Americans |

## 3. Certificate of Independent Price Determination

(a) The bidder/offeror certifies that—

- (1) The prices in this bid/offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other bidder/offeror or competitor relating to (i) those prices, (ii) the intention to submit a bid/offer, or (iii) the methods or factors used to calculate the prices offered;
- (2) The prices in this bid/offer have not been and will not be knowingly disclosed by the bidder/offeror, directly or indirectly, to any other bidder/offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and
- (3) No attempt has been made or will be made by the bidder/offeror to induce any other concern to submit or not to submit a bid/offer for the purpose of restricting competition.

(b) Each signature on the bid/offer is considered to be a certification by the signatory that the signatory:

- (1) Is the person in the bidder/offeror's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above; or
- (2) (i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above (insert full name of person(s) in the bidder/offeror's organization responsible for determining the prices offered in this bid or proposal, and the title of his or her position in the bidder/offeror's organization);  
(ii) As an authorized agent, does certify that the principals named in subdivision (b)(2)(i) above have not participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) above; and

(iii) As an agent, has not personally participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above.

(c) If the bidder/offeror deletes or modifies subparagraph (a)2 above, the bidder/offeror must furnish with its bid/offer a signed statement setting forth in detail the circumstances of the disclosure:

#### 4. Organizational Conflicts of Interest Certification

(a) The Contractor warrants that to the best of its knowledge and belief and except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a situation in which the nature of work under a proposed contract and a prospective contractor's organizational, financial, contractual or other interest are such that:

(i) Award of the contract may result in an unfair competitive advantage;

(ii) The Contractor's objectivity in performing the contract work may be impaired; or

(iii) That the Contractor has disclosed all relevant information and requested the HA to make a determination with respect to this Contract.

(b) The Contractor agrees that if after award he or she discovers an organizational conflict of interest with respect to this contract, he or she shall make an immediate and full disclosure in writing to the HA which shall include a description of the action which the Contractor has taken or intends to eliminate or neutralize the conflict. The HA may, however, terminate the Contract for the convenience of HA if it would be in the best interest of HA.

(c) In the event the Contractor was aware of an organizational conflict of interest before the award of this Contract and intentionally did not disclose the conflict to the HA, the HA may terminate the Contract for default.

(d) The Contractor shall require a disclosure or representation from subcontractors and consultants who may be in a position to influence the advice or assistance rendered to the HA and shall include any necessary provisions to eliminate or neutralize conflicts of interest in consultant agreements or subcontracts involving performance or work under this Contract.

#### 5. Authorized Negotiators (RFPs only)

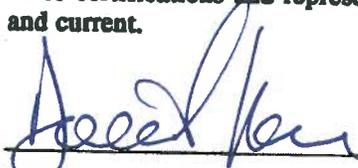
The offeror represents that the following persons are authorized to negotiate on its behalf with the PHA in connection with this request for proposals: (list names, titles, and telephone numbers of the authorized negotiators):

#### 6. Conflict of Interest

In the absence of any actual or apparent conflict, the offeror, by submission of a proposal, hereby warrants that to the best of its knowledge and belief, no actual or apparent conflict of interest exists with regard to my possible performance of this procurement, as described in the clause in this solicitation titled "Organizational Conflict of Interest."

#### 7. Offeror's Signature

The offeror hereby certifies that the information contained in these certifications and representations is accurate, complete, and current.

 1.30.19  
Signature & Date:

DAVID ROSEN  
Typed or Printed Name:

PRINCIPAL  
Title:

# Certification Regarding Debarment and Suspension

U.S. Department of Housing  
and Urban Development

## Certification A: Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions

1. The prospective primary participant certifies to the best of its knowledge and belief that its principals;

a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal debarment or agency;

b. Have not within a three-year period preceding this proposal, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;

c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

d. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

2. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

### Instructions for Certification (A)

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause of default.

4. The prospective primary participant shall provide immediate written notice to the department or agency to whom this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of these regulations.

6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines this eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph (6) of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause of default.

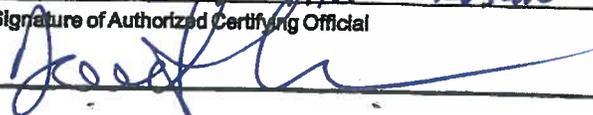
**Certification B: Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions**

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

**Instructions for Certification (B)**

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of these regulations.

5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph (5) of these instructions, if a participant in a lower covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies including suspension and/or debarment.

Applicant		Date
DAVID PAUL ROSBA & ASSOCIATES		1.30.19
Signature of Authorized Certifying Official	Title	
	PRINCIPAL	

**City of Richmond - Insurance Requirements - Type 2:  
 Professional Services**

In all instances where CONTRACTOR or its representatives will provide professional services (*architects, engineers, construction management, counselors, medical professionals, hospitals, clinics, attorneys, consultants, accountants, etc.*) to the City of Richmond (City), the City requires the following MINIMUM insurance requirements and limits.

CONTRACTOR shall procure and maintain for the duration of the contract, agreement, or other order for work, services or supplies, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the CONTRACTOR, its agents, representatives, employees or subcontractors. **Maintenance of proper insurance coverage is a material element of the contract. Failure to maintain or renew coverage or to provide evidence of renewal may be treated by the City as a material breach of contract.**

CONTRACTOR agrees that in the event of loss due to any of the perils for which it has agreed to provide Commercial General Liability insurance, CONTRACTOR shall look solely to its insurance for recovery. CONTRACTOR hereby grants to CITY, on behalf of any insurer providing Commercial General Liability insurance to either CONTRACTOR or CITY with respect to the services of CONSULTANT herein, a waiver of any right to subrogation which any such insurer of said CONTRACTOR may acquire against the CITY by virtue of the payment of any loss under such insurance.

Original, signed certificates and original, separate policy endorsements, naming the City as an additional insured for general liability coverage, as well as a waiver of subrogation for Workers' Compensation insurance, shall be received and approved by the City **before any work may begin.** However, failure to do so shall not operate as a waiver of these insurance requirements.

City reserves the right to modify or require additional coverages for specific risk exposures depending on scope of CONTRACTORS work.

Minimum coverage is detailed below. The policy limits of coverage shall be made available to the full limits of the policy. The minimum limits stated herein shall not serve to reduce the policy limits of coverage of CONTRACTOR.

- Minimum Scope of Insurance** – the following forms shall be provided and coverage shall be at least as broad as the following:
1. Insurance Services Office Commercial General Liability coverage (ISO Occurrence Form CG 0001), and including coverage for bodily and personal injury, property damage, and products and completed operations (if applicable).
  2. Insurance Services Office Automobile Liability coverage (ISO Form CA 0001, Code 1, Any Auto).
  3. Original and Separate Additional Insured Endorsement for General Liability (ISO Form CG 20 10 11/85 or its equivalent) with primary and non-contributory language.
  4. Workers' Compensation Insurance as required by the State of California including Employer's Liability coverage.
  5. Original and Separate Waiver of Subrogation for Workers' Compensation insurance.
  6. Professional Liability or Errors & Omissions Liability Insurance appropriate to the CONTRACTOR's profession (if required.)

Required Coverage	Minimum Limits
Workers' Compensation and Employers' Liability	Statutory limits as required by the State of California including \$1 million Employers' Liability per accident, per employee for bodily injury or disease. If CONTRACTOR is self-insured, provide a certificate of Permission to Self-Insure, signed by the California Department of Industrial Relations and Self-Insurance. If contractor is a sole proprietor (has no employees) then contractor must sign "Contractor Release of Liability" found at: <a href="http://www.ci.richmond.ca.us/index.aspx?nid=61">http://www.ci.richmond.ca.us/index.aspx?nid=61</a> .
General Liability (primary and excess limits combined)	<b>\$2,000,000</b> per occurrence for bodily injury, personal injury and property damage. If the policy includes a general aggregate, either the general aggregate shall apply separately to this project, service or location or the <b>minimum required aggregate limit shall be twice the per occurrence limit (\$4 million aggregate limit).</b>  Policy shall be endorsed to name the City of Richmond as an additional insured per the conditions detailed below.

**City of Richmond - Insurance Requirements - Type 2:  
Professional Services**

Automobile Liability	\$1,000,000 per occurrence for bodily injury and property damage.	
Professional Liability or Errors & Omissions Liability - <i>Required for all professionals including architects, engineers, consultants, construction management, counselors, medical professionals, hospitals, clinics, attorneys and accountants, &amp; other consultants as may be required by the City.</i>	<b>PROJECT COST</b>	<b>REQUIRED LIMIT</b>
	\$0 - \$1 million	\$1 million p/o
	\$1 million - \$5 million	\$2 million p/o
	Over \$5 million	\$5 million p/o

Required Policy Conditions	
Additional Insured Endorsement	<p>Applicable to General Liability coverage.</p> <p>The City of Richmond, its officers, officials, employees, agents and volunteers are to be named as additional insureds for all liability arising out of the operations by or on behalf of the named insured including bodily injury, deaths and property damage or destruction arising in any respect directly or indirectly in the performance of this contract.</p> <p><b>ISO form CG 20 10 (11/85) or its equivalent is required. If the Contractor is supplying their product or providing a service then the endorsement <u>must not</u> exclude products and completed operations coverage. If it does, then CG 20 37 (10/01) is also required. SAMPLE Endorsements can be found at <a href="http://www.ci.richmond.ca.us/index.aspx?nid=61">http://www.ci.richmond.ca.us/index.aspx?nid=61</a>.</b></p>
Primary and Noncontributory	<p>The contractor's insurance coverage must be primary coverage as it pertains to the City, its officers, officials, employees, agents and volunteers. Any insurance or self insurance maintained by the City is wholly separate from the insurance of the contractor and in no way relieves the contractor from its responsibility to provide insurance.</p>
Waiver of Subrogation Endorsement Form	<p>Contractor's insurer will provide a Waiver of Subrogation in favor of the City for Workers' Compensation Insurance during the life of this contract. SAMPLE Endorsements can be found at <a href="http://www.ci.richmond.ca.us/index.aspx?nid=61">http://www.ci.richmond.ca.us/index.aspx?nid=61</a>.</p>
Deductibles and Self-Insured Retentions	<p>Any deductible or self-insured retention must be declared to and approved by the City. At the option of the City either the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the City or the CONTRACTOR shall procure a financial guarantee in an amount equal to the deductible or self-insured retention guaranteeing payment of losses and related investigations, claims administration and defense expenses.</p> <p>Contractor is responsible for satisfaction of the deductible and/or self-insured retention for each loss.</p>
A. M. Best Rating	<p>A:VII or Better. If the A.M. Best Rating falls below the required rating, CONTRACTOR must replace coverage immediately and provide notice to City.</p>

**Umbrella/Excess Liability Policies**

If an Umbrella or Excess Liability Policy is used to meet the liability limits, coverage shall be as broad as specified for underlying coverage's and cover those insured in the underlying policies.

**City of Richmond - Insurance Requirements - Type 2:  
Professional Services**

**Claims-Made Policies**

If any insurance policy is written on a claims-made form: 1) the retroactive date must be shown, and must be before the date of the contract or the beginning of contract work. 2) Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work. 3) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the Contractor must purchase an extended period coverage for a minimum of five (5) years after completion of contract work.

**Subcontractors**

CONTRACTOR shall include all subcontractors as insured under its policies or shall furnish to the City for review and approval, separate certificates and endorsements for each subcontractor. All coverage for subcontractors shall be subject to all of the requirements stated herein.

CONTRACTOR agrees to defend and indemnify the City of Richmond for any damage resulting to it from failure of either CONTRACTOR or any subcontractor to take out or maintain the required insurance policies. The fact that insurance is obtained by CONTRACTOR, and/or CONTRACTOR's subcontractors, will not be deemed to release or diminish the liability of CONTRACTOR, including, without limitation, liability under the indemnity provisions of this contract. Damages recoverable by CITY from CONTRACTOR or any third party will not be limited by the amount of the required insurance coverage.

**Verification of Coverage**

All original certificates and endorsements shall be received and approved by the City *before work may begin*. The City of Richmond reserves the right to require complete, certified copies of all required insurance policies including endorsements affecting the coverage at any time.

**Original insurance certificates and required policy endorsements shall be mailed or delivered to the Designated Project Manager for the City of Richmond.**

Insurance certificates and endorsements may be faxed to the Designated Project Manger. However, CONTRACTOR must mail the original certificates and endorsements to Designated Project Manager once faxed.

**Continuous Coverage**

CONTRACTOR shall maintain the required insurance for the life of the contract. Should the CONTRACTOR cease to have insurance as required during this time, all work by the CONTRACTOR pursuant to this agreement shall cease until insurance acceptable to the City is provided. In the event that CONTRACTOR fails to comply with the City's insurance requirements, the City may take such action as it deems necessary to protect the City's interests. Such action may include but is not limited to termination of the contract, withholding of payments, or other actions as the City deems appropriate.

If services or the scope of work extend beyond the expiration dates of the required insurance policies initially approved by the City, CONTRACTOR must provide updated certificates and endorsements indicating that the required coverage, terms and conditions are still in place. **Renewal certificates and updated endorsements shall be mailed to the Designated Project Manager.**

**Cancellation**

CONTRACTOR shall ensure that coverage shall not be cancelled, reduced or otherwise materially changed except after thirty (30) days' prior written notice has been given to the City.

**Reporting Requirements**

Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, its officers, officials, employees or volunteers.

**Consistent with Public Policy**

The insuring provisions, insofar as they may be judged to be against public policy shall be void and unenforceable only to the minimum extent necessary so that the remaining terms and provisions herein may be consistent with public policy and thus enforceable.

**Exhibit A**  
**Scope of Services**  
**Calendar Years 2019-2020**  
**David Paul Rosen & Associates (DRA)**  
**Richmond Housing Authority**

**Background**

Funding provided by the U.S. Department of Housing and Urban Development (HUD) to Public Housing Authorities in recent years is insufficient to meet the operating and capital needs of the nation's public housing inventory. Recognizing that the public housing program is not sustainable over the long term, HUD's strategy is to transition public housing units with unmet capital needs to more sustainable financing strategies using tools such as the Rental Assistance Demonstration (RAD) program, Section 18 Demolitions and Dispositions, Voluntary Conversions, and Declaration of Trust releases. The Housing Authority of the City of Richmond (RHA) is one of the agencies that has been severely affected by the lack of HUD funding. Since FY 2008-2009, RHA has been unable to pay all of its financial obligations, leading to loans and advances from the City to pay these expenditures. Total funds loaned or advanced by City equal \$13.4 million, including a \$5.4 million project loan for gap financing for Friendship Manor and Triangle Court. RHA entered into a Public Housing Authority Recovery and Sustainability (PHARS) Agreement on March 15, 2018 with HUD Region IX to address operational deficiencies of RHA and its ongoing financial viability. One of the tasks in the PHARS Agreement was to have a forensic audit of RHA completed. Macia Gini & O'Connell LLP (MGO) was selected to perform the assessment, which was completed in November 2018.

To improve its financial viability and long-term sustainability, RHA has embarked on an analysis of repositioning options and recommendations regarding its Public Housing and Housing Choice Voucher (HCV) Programs. RHA currently has 560 public housing units and administers 2,004 HCVs. The goal of the repositioning effort is to develop financial structures that eliminate current operating shortfalls, improve the living conditions of residents, revitalize and/or redevelop RHA housing assets, put in place long-term sustainable financial repositioning of each asset, and bring each asset up to modern standards of design, energy efficiency, resident amenities and quality of construction. To the extent possible, this RHA asset repositioning strategy should seek to repay RHA's debt to the City. As a first step, Enterprise Community Partners and Structure Development Advisors prepared an Asset Repositioning Strategy, completed in draft form in November 2018.

To assist the Authority in further developing and implementing its asset repositioning strategy, RHA seeks to retain David Paul Rosen & Associates (DRA) to provide the scope of financial and development advisory services outlined below. DRA and RHA recognize that time is of the essence in implementing the repositioning efforts. The unsatisfactory financial

and physical conditions of RHA's Public Housing and HCV programs call for prompt action. In addition, the funding environment in the State of California has improved significantly with the passage of Propositions 1 and 2 in the November 2018 elections. Proposition 1 authorizes \$4 billion in general obligation bonds for affordable housing programs for low-income residents, veterans, and farmworkers. Proposition 2 authorizes \$2 billion in bond funding for supportive housing for those suffering with mental illness. RHA must move quickly with its repositioning strategy to take maximum advantage of these one-time funding opportunity. Funding from the California Strategic Growth Council for affordable housing is another potential source of gap financing for RHA projects.

To respond to RHA's needs, DRA will undertake the scope of work outlined below to assist RHA in implementing its repositioning strategy in a manner consistent with the policy direction from the RHA Board at its December 4, 2018 meeting and the following principles:

- Develop long-term sustainable financing structures in concert with RHA's existing and new development partners for all of RHA's affordable housing assets, eliminating to the extent possible any need for future operating subsidies from the City, RHA, or its successor;
- Mitigate ongoing financial liability to the City and RHA from project operations;
- Improve property management and living conditions for existing and future tenants, using the best standards of residential design, energy efficiency, and resident amenities with financial feasibility;
- Be sensitive to, and provide for, the relocation requirements and impact on existing tenants resulting from of alternative development strategies;
- Maximize residual receipts and development fee revenue to RHA, its affiliate(s) and/or successor(s);
- Avoid draining project reserves or incurring capital liability on the exit of limited partner equity investors after the 15-year tax credit compliance period;
- Avoid the need for new debt from the City; and
- Repay the existing debt from the City to the extent feasible.

### **Scope of Services**

David Paul Rosen & Associates (DRA) will provide RHA with a range of financial advisory services for assessment of, and strategic, business and financial planning for RHA to manage its portfolio of public housing, Low Income Housing Tax Credit (LIHTC) housing and special needs housing, to assure its appropriate reinvestment, rehabilitation and if appropriate its redevelopment. DRA will provide policy, development and transactional financial advisory services required under HUD finance opportunities for transformation of RHA's public housing portfolio, including but not limited to RAD, Section 18, LIHTC, private activity tax-exempt bonds, State of California Strategic Growth Council (SGC) programs, and California Housing and Community Development Department (HCD) programs. DRA will analyze project financial, economic and development feasibility, and compliance with the requirements and competitive criteria of leverage sources of funding, both public (HUD and

other) and private sector, of developer proposals for financial assistance from RHA. DRA may also provide market real estate and demographic analysis for RHA as required for affordable housing and mixed income/mixed use development and/or financing supported by RHA.

Below are proposed tasks for the Calendar Year 2019 and Calendar Year 2020, with associated cost estimates, identified with RHA staff, that DRA will undertake beginning upon contract execution. Additional tasks for DRA to undertake may be specified in periodic emailed memos between RHA and DRA, constituting notices to proceed, within the overall budget authority of this Contract. All tasks will be conducted on a time and expense basis, based DRA's 2019-2020 Professional Fee and Expense Schedule (Exhibit B), attached, as updated each January 1, starting January 1, 2021.

RHA's existing affordable housing projects are described in Table 1.

<b>Table 1 Overview of RHA Affordable Housing Assets</b>			
<b>Property</b>	<b>Existing Units</b>		<b>Description</b>
	<b>PHA</b>	<b>Total</b>	
Nevin Plaza	142	142	Serves elderly and disabled; difficult operational mix; safety and security issues; proposed for rehabilitation; 92 units occupied
Nystrom Village	100	100	Current health and safety concerns; 9-acre, 4-block site; potential for redevelopment with up to 400 units in mixed-income development; 64 units occupied
Hacienda	149	149	Vacant with carrying cost of up to \$500,000 per year; considered for Section 18 disposition
Richmond Village I	71	117	Received \$35M 2000 Hope VI grant (not audited; grant not closed); fully occupied; option period begins in early 2019 for Phases 1 and 2 (Ph. III?)
Richmond Village II	62	120	
Richmond Village III	36	36	
Triangle Court	0	98	Rehabilitation complete; fully occupied
Friendship Manor	0	57	Rehabilitation complete; fully occupied
Administrative Building	N/A	N/A	Used for the City's Training and Employment Program; to be transferred debt free to City ownership
<b>Total</b>	560	819	

## **RHA Public Housing Revitalization Master Plan**

DRA will assist RHA in developing a master plan for revitalization and redevelopment of its public housing portfolio. The master plan will seek to reposition existing public housing assets to eliminate current operating shortfalls, improve living conditions, extend the feasible life of RHA's affordable housing assets, and repay RHA's debt to the City.

DRA will prepare estimates of project gap financing requirements for, and proceeds from, the rehabilitation, redevelopment and/or sale of Nevin Plaza, Nystrom, Richmond Village (I, II and/or III) option and Hacienda properties, as well as other contemplated projects over the next three to five years, with and without the availability of RAD financing and Section 18. Based on a comparison of estimated rehabilitation costs of RHA's public housing portfolio with available conventional public housing resources (operating and capital funds, RAD and/or Section 8 vouchers, tenant rents and others), DRA will estimate the shortfall in internal resources relative to these needs. This will provide an understanding of the financing gap that RHA will need to address through mixed-finance development strategies that use RAD, Section 18, LIHTCs and other state, local and private resources.

In support of these objectives, DRA's services may include but not be limited to:

- Establishing a master plan strategy for revitalization of RHA's public housing properties (Nevin Plaza, Nystrom, Richmond Village I, II and II, Hacienda, others) that may include rehabilitation or demolition and new development on some sites and disposition of others based on an assessment of market land values and disposition opportunities, site development and leveraged financing opportunities and constraints, carrying costs, community issues, and other relevant factors determined in conjunction with RHA staff.
- Determining RHA's development role and RHA ownership entity (e.g., general partner, co-general partner, guarantor, lender and others) for each public housing redevelopment project, and its component parts based on the ongoing assessment of RHA's staff and financial capacity, and the City's interests.
- Reviewing existing loan agreement or other documentation regarding the City of Richmond's investment into RHA's affordable housing assets.
- Preparing a Five-Year Capital Plan to include financial strategies and funding gap estimates for projects anticipated over the next five years. The Capital Plan will serve as a rolling projection of income, expenses, net development revenues, City/RHA fund balances and time frames for revitalization of RHA public housing assets, and for development of other affordable housing projects as opportunities and financing allow.

## **Task 1: Project Financial and Development Advisory Services**

This task consists of providing transactional financial and development advisory services to RHA for projects anticipated during the Five-Year Capital Plan period. DRA will work with City staff during a kick-off meeting to identify and prioritize the projects.

Project financial and development advisory services may include not be limited to:

- Reviewing existing documentation on the projects including documents of incorporation; Limited Partnership Agreements (LPAs), City loan documents (loan agreements, notes, deeds of trust), regulatory agreements, option agreements, pro formas, financing applications, closing transcripts and others, as applicable.
- Preparing development and operating pro formas under one or more project financial structures, current market conditions and relevant underwriting standards. Key assumptions include construction hard costs, developer fee, general partner and limited partner asset management fee, rents, operating costs, replacement reserves, cash flow, residual receipts sharing, Low Income Housing Tax Credit projected pricing and underwriting for all debt and equity, including the interest rate, terms and conditions.
- Assessing the availability of proposed financing sources and the proposed project's competitiveness to secure these financing sources.
- Conducting market research to estimate market rents, operating costs, land prices and other economic variables affecting the economic and financial feasibility of affordable and/or mixed income housing.
- Preparing and overseeing a critical path schedule for predevelopment through loan closing, construction and permanent loan conversion.
- Advising on selection of a developer partner and other key development team members.
- Assisting with negotiation of agreements with developer partners, such as ENAs, DDAs, loan agreement, regulatory agreements, contracts and others, as needed.
- Assisting with other issues including but not limited to environmental, tenant relocation, community involvement, entitlement, planning and others.
- Preparing financial analyses and memoranda outlining findings and recommendations of the analysis.

Project financial and development advisory services may be provided on the following projects, as well as others requested by City staff:

Nevin Plaza: financial analysis of rehabilitation, addition of units to the site and/or redevelopment using RAD or Section 18 disposition; developer solicitation and negotiation.

Nystrom Village: financial analysis of large-scale redevelopment (near new Ferry terminal) including mixed income housing.

Hacienda: Review status of agreement with CHDC and Mercy; estimate sales value of property (located in opportunity zone); analyze potential Section 18 disposition.

Richmond Village I-III: review project performance; review option agreement; assist with transitioning of existing units to Section 8 via RAD and Section 18 programs; assess alternative rehabilitation, redevelopment and finance options.

Easter Hill: review existing corporation and loan documents; review audited financial statements; review status with outside legal counsel (Goldfarb & Lipman); replacement strategy/organization for Easter Hill Development Corporation.

Should RHA, the City, its affiliates, or any other municipal entity issue bonds for the purpose of financing any of these projects, DRA will not serve as advisor on the issue of such bonds or any related municipal security. RHA, the City or its affiliates will engage bond issuer's counsel and/or registered municipal advisor services for such bond or municipal security issuances as required.

### **Task 3: Section 8**

DRA will assist RHA in analyzing the appropriateness of transferring administration of the RHA's 2,004 Section 8 vouchers to a third party agency, starting with the Housing Authority of the County of Contra Costa. As requested by the City, DRA will assist in reviewing budgetary impacts and negotiating agreements for the transfer of Section 8 authority.

### **Budget**

DRA will provide services under the above scope of services on a time-and-expense basis up to a not-to-exceed contract amount of \$150,000, based on DRA's 2019-2020 Professional Fee and Expense Schedule (Exhibit B), attached, as updated each January 1, starting January 1, 2021. As indicated by the work flow and requested by RHA staff, DRA will periodically provide cost estimates by task to RHA staff by email.

### **Schedule**

DRA will work with RHA staff to prioritize the above tasks and projects to best meet the City and Authority's needs. DRA anticipates that high priority assignments to be completed in the first quarter of 2019 may include the following:

1. Review the Richmond Village I, II and III option agreements and make recommendations regarding exercising the option(s) for Phases I and II;

2. Review Easter Hill Development Corporation documents, financial statements and organizational condition and identify options going forward;
3. Develop a financing strategy for the rehabilitation of Nevin Plaza;
4. Review financial statements, Limited Partnership Agreement, RHA loan documents, construction loan documents and other documents as appropriate for Triangle Court and Friendship Village and make recommendations regarding their conversion to permanent financing, ongoing operations, and to the extent needed, restoration of project reserves;
5. Review Hacienda documents and Mercy Housing's latest plans for the property;
6. Preliminary review of Section 8 program administration, operation and options.

DRA anticipates that further work on the Hacienda disposition may commence in April, 2019 if the existing ENA expires.

**Exhibit B**  
**David Paul Rosen & Associates**  
**2019-2020 Professional Fee and Expense**  
**Reimbursement Schedule**

Principal I	\$370
Principal II	\$340
Senior Associate	\$320
Associate	\$285
Research Associate I	\$255
Research Associate II	\$250
Data Entry, Word Processing, Administrative Assistance and Accounting	\$120

The following costs are reimbursable expenses with supporting receipts:

- Mileage at the equivalent of the then current federal mileage reimbursement rate; tolls
- Round-trip coach airfare, as mutually agreed by client and consultant
- Ground expenses: rental cars, parking, cabs and other
- Meals and lodging
- Long-distance telephone charges, facsimile charges and expedited courier service
- Copying and production charges
- Data service charges
- Supplies, as required for deliverables.

DRA may increase its Professional Fees on January 1, 2021, and will notify its clients in writing of this change.



# AGENDA REPORT

**DATE:** May 27, 2020

**TO:** Chair Butt and Members of Richmond Housing Authority Board of Commissioners

**FROM:** Shasa Curl, Deputy City Manager, Economic Development  
Nannette Beacham, Richmond Housing Authority, Executive Director  
Gabino Arredondo, Project Manager

**SUBJECT:** EXTENSION OF NEGOTIATION PERIOD WITH MCCORMACK BARON SALAZAR AND COMMUNITY HOUSING DEVELOPMNT OF NORTH RICHMOND ON RESTRUCTURING OF RICHMOND VILLAGE I AND II

## **STATEMENT OF THE ISSUE:**

Richmond Housing Authority (RHA) and McCormack Baron Salazar, as the Development Partner, redeveloped the former Easter Hill site into Richmond Village I, II, and III using funds from a federal Hope VI Revitalization Grant and Low-Income Tax Credit Financing to create 238 mixed-income units. The two phases of the project are approaching the 15<sup>th</sup> year of their Low-Income Housing Tax Credit financing giving RHA an Option and Right of First Refusal to purchase the property. The Negotiation period with the Developer will expire and additional time is required to complete all necessary documents.

## **RECOMMENDED ACTION:**

AUTHORIZE a sixty (60) day extension of negotiating period for RHA to reach agreement with MBS, with up to two 30-day extensions at the discretion of the Executive Director and issue a Request for Proposals (RFP) to solicit a new owner/operator for Richmond Village in the event RHA fails to reach agreement with MBS - Richmond Housing Authority (Shasa Curl/Nannette J. Beacham 621-1300).

## **FINANCIAL IMPACT OF RECOMMENDATION:**

No fiscal impact at this time.

## **DISCUSSION:**

The RHA provides affordable housing for low and very low-income residents of Richmond through the U.S. Department of Housing and Urban Development (HUD) federally funded housing programs. Currently, RHA owns multiple public housing properties and manages two (2) properties that are occupied by tenants (Nevin Plaza and Nystrom Village).

### **Public Housing Authority Recovery Agreement**

The RHA has been operating under a Public Housing Authority Recovery (PHARS) Agreement with HUD since February 5, 2013, due to RHA's designation as a "troubled" housing authority. Staff members collaborated with representatives from HUD Region IX to prepare a required 2019 PHARS Agreement and Action Plan. The RHA Board of Commissioners approved the 2019 PHARS on October 22, 2019. The 2019 PHARS delineates performance outcomes, timelines, and reporting requirements focused on the repositioning of the RHA Public Housing portfolio, which includes Richmond Village I, II, and III.

The performance measures in the 2019 PHARS are designed to improve RHA's financial position, increase RHA's housing program performance ratings, and ensure ongoing sustainability. Staff members are committed to working with HUD and successfully delivering the desired outcomes in the 2019 PHARS. In addition, RHA staff members are continuing to work closely with the City to ensure the action items listed in the 2019 PHARS are completed on time.

### **Asset Repositioning**

RHA continues to face fiscal and administrative challenges in managing its public housing. Many of the challenges are the direct result of years of substandard funding from HUD. As staff members have previously reported, considerable City resources have been assigned to assist RHA in meeting obligations to program participants and to HUD. The additional resource allocations are impacting other city services. On December 4, 2018, the RHA Board of Commissioners directed staff to move forward with repositioning RHA's public housing developments and other real estate holdings. This strategy supports the underlying goals of RHA to ensure no reduction in rental housing options for Richmond residents, and to maximize the benefit/utilization of the federal funds.

RHA is receiving HUD-funded technical assistance from Enterprise Community Partners to assist with the asset repositioning and meeting HUD regulations. Staff members are working diligently to proceed with the repositioning strategy and have made significant progress on RHA properties. Richmond Village I, II, and III are identified in the action plan for repositioning in the 2019 PHARS Agreement.

### **Richmond Village Option Agreement**

Richmond Village is composed of three (3) HUD Asset Management Projects (AMP's) under two ownership phases/structures: Richmond Village I and Richmond Village II & III. In 2000, RHA received \$35 Million in a federally funded Hope VI Revitalization Grant for Easter Hill

(now known as Richmond Village I, II, & III). The RHA Board of Commissioners selected McCormick Baron Salazar (MBS) as their development partner to proceed with the Hope VI project in two phases. These phases produced 238 mixed-incomes one, two, three, and four-bedroom apartments and two-bedroom townhomes: Richmond I with 117 units, Richmond Village II with 85 units, and Richmond Village III 36 Units. Richmond Village I is approaching year 15 of the Low-Income Housing Tax Credit compliance period with Internal Revenue Service use restrictions. After the 15-year federal tax credit compliance period ends, the tax credit investor will exit the limited partnership ownership structure and the project will be sold with ongoing rent and income restrictions in place. To maintain control over the future of Richmond Village I, RHA exercised its Option and Right of First Refusal to purchase the property pursuant to the Option Agreement and Right of First Refusal dated February 1, 2004 with RHA.

On December 22, 2020, the Richmond Housing Authority (RHA) Board authorized RHA staff to solicit a proposal and negotiate an agreement with McCormack Baron Salazar (MBS) and Community Housing Development Corporation of North Richmond (CHDC) (together, the "Developer." The agreement states the Developers will continue to own the improvement and operate the Easter Hill Phase I and Phase II affordable housing rental development, in conjunction with RHA and under a ground lease from RHA, after the exit of the tax credit investor. The Option Term for Phase I extends from January 1 to December 31, 2021 and the Option Term for Phase II extends from January 1 to December 31, 2022. Due to approaching deadlines, RHA intended response to the Option and Right of First Refusal, is time sensitive and critical.

On January 8, 2021, RHA sent a Request for Proposal for Restructuring of Richmond Village I and II (Attachment I). The letter specified that RHA anticipates that the RAD application process would occur simultaneously with the restricting and requested MBS to assist with the effort. RHA planned to complete substantial negotiations with MBS on the plan and financing strategy within 90-day with the option of two 30-day extensions at the discretion of the Executive Director. The 90-day period and two 30-day extensions have been implemented, but additional time to complete the negotiations is necessary. Since the January 8, 2021, RHA and the Developer have engaged in weekly zoom calls to discuss steps and develop the information needed to permit the Developer to prepare a financial proposal that meets the needs of RHA and the Developer including (Attachment 2):

**Project Physical Needs Assessment (PCNA)** – The Developer retained International Center for Appropriate and Sustainable Technology (ICAST) to prepare the PCNA required by HUD for the RAD conversion process. The draft PCNA was completed on **April \_\_, 2021**, and evaluates the current and projected rehabilitation needs for the project and the associated replacement reserves analysis. This analysis is critical to determine if each of the Project's three HUD AMPS will maintain a positive replacement reserve balance after 20 years as required by HUD.

**Draft Financial Pro Forma** - The developer prepared a draft pro forma analysis for each of the three HUD AMPs to project the rental income (based on HUD RAD rents), operating costs and replacement reserve deposits after 20 years. Based on the draft pro forma, each amp will generate sufficient cash flow to make the replacement reserve deposit required for a positive replacement reserve balance after 20 years. Therefore, indicating that the Project can be successfully restructured under a RAD

conversion without the need to first resyndicate the project to raise sufficient capital to keep the Project in satisfactory physical conditions for the next 20 years. Resyndication may be considered in subsequent years to raise upfront capital for rehabilitation needs.

**Appraisal** – RHA’s Option Agreement and Right to First Refusal for Richmond Village I and II requires RHA to engage an appraisal of Solicitation of proposal for the preparation of an appraisal of Richmond Village I and II to determine the Fair Market Value of the Project. The appraisal will consider all terms of the existing ground lease and rent and income restrictions on the property. The Fair Market Value is a key element in the formula determining the Option Price under RHA’s Right to First Refusal for each phase of the Project and in negotiating the exit of the existing tax credit investor limited partner. RHA solicited a series of bids from qualified appraisers and selected one to proceed with through the contracting process. The Appraisal is anticipated to be completed in approximately three to four weeks. After the completion of the appraisal, RHA will proceed with negotiating a price required to secure the investor’s exit from the Project.

**Conclusion:**

The Richmond Housing Authority have been working diligently with the Developer to develop the information needed to permit the Developer to prepare a financial proposal that meets the needs of both RHA and the Developer. Substantial progress has been made to date, but more time is required to complete the process. Therefore, RHA is seeking an extension of the negotiating period.

**ATTACHMENTS**

Attachment 1 - Request for Extension with McCormack Baron Salazar and CHDC on Restructuring of Richmond Village I and II