



# **REQUEST FOR PROPOSALS**

For

## **PROPERTY MANAGEMENT SERVICES**

for properties owned by the Housing Authority of the City of Riverside

### **RFP No. 9**

**RFP Issued: January 4, 2013**

**Proposal Due: February 25, 2013  
(Unless otherwise notified)**

Issued by:

HOUSING AUTHORITY OF THE CITY OF RIVERSIDE  
3900 Main Street, 5th Floor  
Riverside, CA 92522  
Phone: (951) 826-5590 Fax: (951) 826-2233

Property Management Services  
Request For Proposal  
Table of Contents

Section	Page
1. Background	1
3. Prerequisites	2
4. RFP Schedule of Events	2
5. Term of Service	3
6. General Terms and Conditions	3
7. Scope of Work	3
8. Proposal Content	4
9. Instructions and Schedule for Submittal of Proposals	6
10. Public Records	6
11. Evaluation Process and Criteria	7

EXHIBIT 1 – 2012 Income & Maximum Rent Limits

EXHIBIT 2 - Sample Professional Consultant Service Agreement



## 1. Background

The Housing Authority's mission is to provide affordable housing opportunities for households with very-low to moderate incomes (at or below 120% AMI). The Housing Authority has acquired various multi-family properties on scattered sites (duplex, triplex, four-plex and 16- and 28-unit apartment buildings) located in the Eastside Neighborhood of the City of Riverside.

Address	Unit Count	Tenant Income Qualifications	Maximum Rents	Current Status as of January 2, 2013
1705 7 <sup>th</sup> Street	12	Less than 120% AMI	30% times 110% of AMI adjusted for family size appropriate for the unit, in compliance with Cal. Health & Safety Code Section 50053.	1 unit occupied, units to be rent-ready by end of March 2013
1725 7 <sup>th</sup> Street	8	4 units shall not exceed 60% AMI  4 units shall not exceed 50% AMI	4 units (60% AMI)- max. rent including utility allowance shall not exceed HOME Low Income rents, Section 92.252  4 units (50% AMI) – max. rent including utility allowance, shall not exceed Supportive Housing Program (SHP) Regulations – Section 583.315	0% occupied, units to be made rent-ready by end of March 2013
1733 7 <sup>th</sup> Street	21	Less than 120% AMI	30% times 110% of AMI adjusted for family size appropriate for the unit, in compliance with Cal. Health & Safety Code Section 50053.	3 units occupied, units to be made rent-ready by February 2013
1833, 1835, 1837 7 <sup>th</sup> Street	3	Transitional Housing for Formerly Homeless Individuals**, Less than 50% AMI	Shall not exceed the maximum rent determined pursuant to Section 583.315 of the SHP Regulations	1 unit vacant, ready to rent*  *The City's SHP Case Manager is responsible for filling SHP units.  Property Manager's main role is to oversee the maintenance of the physical property and to notify the Case Manager and City Staff should issues with tenants arise.
1740 Loma Vista	28	50% AMI or below	Not more than 30% of the household's gross income adjusted for family size appropriate for the unit as published annually by HUD. Tenant's monthly rent including reasonable utility allowance shall not exceed very low-income rents pursuant to Section 92.252 of HOME Regulations. (Neighborhood Stabilization Program – NSP)	16 units vacant, 11 units occupied, 1 unit as office  Vacant units undergoing rehabilitation, to be completed and rent ready by end of February.



3552 Lou Ella Lane	28	50% AMI or below	Not more than 30% of the household's gross income adjusted for family size appropriate for the unit as published annually by HUD. Tenant's monthly rent including reasonable utility allowance shall not exceed very low-income rents pursuant to Section 92.252 of HOME Regulations.	9 units vacant, 19 units occupied. Office is Manager's Unit.  Vacant units are undergoing rehabilitation, to be completed and rent-ready mid-January 2013. Rehab. of remaining occupied units to be scheduled.
3553 Lou Ella Lane	16	50% AMI or below	Not more than 30% of the household's gross income adjusted for family size appropriate for the unit as published annually by HUD. Tenant's monthly rent including reasonable utility allowance shall not exceed very low-income rents pursuant to Section 92.252 of HOME Regulations.  (Neighborhood Stabilization Program – NSP)	8 units vacant, 8 units occupied. Office/Mgr. is located at 3552 Lou Ella Lane.  Vacant units are undergoing rehabilitation, to be completed and rent-ready mid-January 2013.  Rehab. of remaining occupied units to be scheduled.
3556 Dwight	2	50% AMI or below	Not more than 30% of the household's gross income adjusted for family size appropriate for the unit as published annually by HUD. Tenant's monthly rent including reasonable utility allowance shall not exceed very low-income rents pursuant to Section 92.252 of HOME Regulations.  (Neighborhood Stabilization Program – NSP)	2 units, occupied  Substantial rehabilitation completed in 2010.
3590 Dwight	2	50% AMI or below	Not more than 30% of the household's gross income adjusted for family size appropriate for the unit as published annually by HUD. Tenant's monthly rent including reasonable utility allowance shall not exceed very low-income rents pursuant to Section 92.252 of HOME Regulations.  (Neighborhood Stabilization Program – NSP)	2 units, occupied  Substantial rehabilitation completed in 2010



3675-3681 Dwight	4	50% AMI or below	Not more than 30% of the household's gross income adjusted for family size appropriate for the unit as published annually by HUD. Tenant's monthly rent including reasonable utility allowance shall not exceed very low-income rents pursuant to Section 92.252 of HOME Regulations.  (Neighborhood Stabilization Program – NSP)	4 units, occupied  Substantial rehabilitation completed in 2010
1824 Ohio	4	50% AMI or below	Not more than 30% of the household's gross income adjusted for family size appropriate for the unit as published annually by HUD. Tenant's monthly rent including reasonable utility allowance shall not exceed very low-income rents pursuant to Section 92.252 of HOME Regulations.  (Neighborhood Stabilization Program – NSP)	4 units, occupied  Substantial rehabilitation completed in 2010
<b>Total</b>	<b>128</b>			

\*All AMI is based on Riverside County

\*\*Related supportive services and client case management is and will be provided by the Housing Authority of Riverside's Homeless Case Manager. Duties of the Property Manager relate only to care of the property.



## Rents

2012 Maximum Income levels and U.S. Department of Housing and Urban Development (HUD) and State Maximum Rent levels can be found in Exhibit 1.

Tenant rents will not exceed 30% of the household's gross income, less utility allowances.

Qualifying individuals/households accepted into these units may be required to participate in case management or supportive housing services as a condition of remaining as tenants in these units. The goal is to help participants achieve housing stability while working to accomplish measurable goals in self-sufficiency. Affordable rental properties will be held long-term by the Housing Authority to ensure continued affordability.

Qualified respondents must demonstrate having prior experience with the management of rental multi-family properties, including affordable housing. Experience working with low-income and households with special needs is preferred. Selected respondents will enter into a property management agreement with the Housing Authority that will include compensation for property management services and outline any case management/supportive service to be provided.

## Long Term Goals

The Housing Authority is in the process of preparing a strategy for the revitalization of the residential area surrounding Patterson Park. This strategic plan is expected to be completed in mid-2014. The Plan will gather information regarding the built environment: private buildings, public infrastructure and amenities available to the community and will analyze this information and recommend to the Community Development Department and Housing Authority ways to enhance the community. Long-term plans for the use of some of the buildings noted in this RFP will be analyzed in this document

## 2. Prerequisites

Proposals will only be considered from Organizations that meet the following prerequisites:

- Must meet the Housing Authority's insurance requirements listed in detail in the sample professional services agreement (Exhibit 2) below and provide a copy of all relevant insurance certificates when submitting their Proposals for verification.
- Must have demonstrated experience in the management of affordable multi-family properties in Riverside.

## 3. RFP Schedule of Events

The Housing Authority reserves the right to: amend, withdraw and cancel this RFP; reject any or all responses to this RFP at any time prior to contract execution; request or obtain additional information about any and all submittals. It is the goal of the Housing Authority to select and retain the Organization by **March 25, 2013**. In preparation for that action, the following schedule of events has been prepared:

- Proposals due February 25, 2013 before 3:00 p.m.



- Notification of firms selected for interview: March 1, 2013

All requests for clarifications or interpretations of the Scope of Work or Terms and Conditions set forth in this RFP should be submitted in writing and emailed to: [Sherold@riversideca.gov](mailto:Sherold@riversideca.gov).

All questions and requests for clarifications or interpretations must be received in writing on or before February 22, 2013 before 12:00 p.m.

#### **4. Term of Service**

The initial term of the contract is anticipated to be two years. At the option of the Housing Authority, two extensions of up to one additional year each may be executed following satisfactory performance of the initial term.

#### **5. General Terms and Conditions**

The successful respondents will be required to sign a Professional Consultant Service Agreement ("Agreement"). The respondents must meet all insurance requirements in the Sample Agreement (Exhibit 1). All terms and conditions of the Agreement are non-negotiable. Payment of the Housing Authority Business Tax is required during the term of the Agreement.

Failure to execute the Agreement and furnish the required insurance within the required time period shall be just cause for the rescission of the award. If a selected Organization refuses or fails to execute the Agreement, the Housing Authority may award the Agreement to the next qualified organization.

#### **6. Scope of Work**

The respondents selected for this program shall be responsible for the following tasks:

##### **General Property Management Services**

- Ensure that all properties are well maintained, provide safe and sanitary living conditions, perform necessary repairs, and address any tenant issues;
- Identify and address emergency situations immediately and provide follow-up to Housing Authority staff as soon as possible there-after;
- Facilitate the execution of leases, rental agreements, amendments, renewals, and cancellations with existing tenants and future tenants and collect monthly rent payments;
- Facilitate eviction of non-paying tenants, tenants who violate terms of the lease agreement when necessary;
- Ensure that all tenants are eligible persons or families and are income-qualified pursuant to the Housing Authority's NSP plan and that rents meet HUD's definition of affordable;
- Create affirmative marketing plans and tenant selection procedures that ensures that prospective tenants are not discriminated against due to their race, religion, national origin, familial status, etc, knowledge of the Fair Housing Act is required;



- Supervise and arrange the routine maintenance and minor repairs of properties, including arrangement for janitorial services and landscaping services;
- Participate in the Housing Authority's Crime-Free Multifamily Housing Program;
- Develop accurate and concise operating budgets including costs for general maintenance, repair, and compensation;
  - Each operating budget shall include suggested capital improvements, detailed suggestions for the improved operation of the properties covered and a detailed narrative.
- Submit three monthly revenue and expenditures reports to the Housing Authority broken out as follows: SHP units, NSP units and non-grant funded units
- Maintain accurate records pursuant to HUD requirements including procedures for reporting monthly rent collections, enforcing the terms of the rental agreements, annual income and rent recertifications, and annual inspections of the units to ensure compliance with Housing Quality Standards and transmit said records and reports to the Housing Authority on a regular basis.

## 7. Proposal Content

Proposals shall be prepared in such a way as to provide a straightforward, concise delineation of capabilities to satisfy the requirements of this RFP. Expensive bindings, colored displays, promotional materials, etc. are not necessary or desired. Emphasis should be placed on completeness and clarity of content.

Proposals shall adhere to the following format for organization and content. Proposals must be typed and arranged/divided in the following sequence to facilitate evaluation:

### 7.1. Cover Letter

The cover letter shall: 1) confirm that all elements of this RFP have been reviewed and understood; 2) include a statement of intent to perform the services as outlined; 3) express Organization's willingness to enter into an Agreement under the terms and conditions prescribed by this RFP and in the Sample Agreement; 4) include a brief summary of Organization's qualifications; and 5) identify a single person (and their contact information) for possible contact during the RFP review process. The cover letter shall be limited to two (2) pages.

### 7.2. Statement of Understanding and Approach

This section should demonstrate an understanding of the scope of services. Respondents should describe the general approach, organization and staffing required for the services requested and/or proposed.

### 7.3. Organization Information

This section shall include relevant Organization/Agency information including the address and telephone number for the Organization's main office and any branch offices.



Each Organization/Agency shall identify itself as to the type of organizational entity (corporation, sole proprietorship, partnership, joint venture, etc.). Members of the Organization's professional team (Managers, contact person, etc.) should be identified by name and title and should include contact phone numbers. Include also major subcontractors (if any) and their degree of involvement in this program.

#### 7.4. Qualifications and Experience

Organization shall provide at least three (3) current references, of clients for whom services have been performed that are comparable in quality and scope to that specified in this RFP. Photographs and address of each of the properties referenced shall be included as well. The references shall include names, addresses, and telephone numbers of the clients for whom prior work was performed and include an explanation of the services provided. Organization shall also provide the number of years in business within its specific field and under the current business name and/or license.

If the Organization currently manages properties in Riverside, or within the Chicago/Linden area specifically, please provide those properties as references.

##### 7.4.1. Evidence of Insurance

In addition, the Organization shall provide evidence of possession of insurance. These items should be included in the proposal and clearly identified as Exhibit "A", *Evidence of Insurance and Permits*.

#### 7.5. Cost of Services

The proposed schedule of fees must be on a per unit basis. Payment of the management fee will be directly paid from the proceeds of the rents collected. Balance of rent proceeds will be deposited into a "Trust Account" to cover ongoing operational costs.

### 8. **Instructions and Schedule for Submittal of Proposals**

All Proposals shall be signed and sealed by a duly authorized representative of the Organization. The name, mailing and e-mail address of the individual executing the proposal must be provided.

The Housing Authority shall not be liable for any pre-contractual expenses incurred by any Organization in relation to the preparation or submittal of a proposal. Pre-contractual expenses include, but are not limited to, expenses by Organization in: preparing a proposal or related information in response to RFP; negotiations with Housing Authority on any matter related to this RFP; and costs associated with interviews, meetings, travel or presentations. Additionally, Housing Authority shall not be liable for expenses incurred as a result of Housing Authority's rejection of any proposals made in response to this RFP.



Two (2) copies of the Organization’s Proposal (each sealed), must be received before 3:00 pm on February 25, 2013.

Proposal must be submitted to:

Housing Authority of the City of Riverside  
City Hall – 5<sup>th</sup> Floor  
3900 Main Street  
Riverside, CA 92522  
Re: RFP# 9 – Property Management Services  
ATTN: Shonda Herold, Housing Project Coordinator

Late proposals will not be accepted.

The Housing Authority reserves the right to reject any and all proposals and to waive information and minor irregularities in any proposal received.

**9. Public Records**

All Proposals submitted in response to this RFP become the property of the Housing Authority and under the Public Records Act (Government Code § 6250 et. seq.) are public records, and as such may be subject to public review at least 10 days before selection and award.

If an Organization claims a privilege against public disclosure for trade secret or other proprietary information, such information must be clearly identified in the proposal.

Note that under California law, price proposal to a public agency is not a trade secret.

**10. Evaluation Process and Criteria**

The RFP will be evaluated by Housing Authority representatives from relevant departments.

Each proposal will be evaluated using the following criteria:

Organization Qualifications	50%
Cost	40%
Remaining Proposal Content	10%
Total Possible:	<u>100%</u>

The most qualified Organization(s) may be asked to participate in an oral interview to discuss in greater detail the content of their proposal.



The most highly qualified Organization(s) shall then enter into exclusive negotiations with the Housing Authority to formalize the Agreement, Scope of Work, and Compensation. These negotiations will address a fair and reasonable price for services and the terms of the Scope of Work. If the Housing Authority are unable to obtain a fair and reasonable price or cannot reach agreement regarding the terms for the Scope of Work, then the Housing Authority will end negotiations with that Organization and begin negotiations with the next Organization which best meets the needs of the Housing Authority, and so on until the Housing Authority and the Organization reach agreement.



**EXHIBIT 1**  
**2012 HUD and State Income Limits & Utility Allowance**

# of Persons	1	2	3	4	5	6	7	8
120% of Median	\$ 53,150	\$ 60,750	\$ 68,350	\$ 75,950	\$ 82,050	\$ 88,100	\$ 94,200	\$ 100,250
100% of Median	\$ 44,300	\$ 50,650	\$ 56,950	\$ 63,300	\$ 68,350	\$ 73,450	\$ 78,500	\$ 83,550
80% of Median	\$ 37,550	\$ 42,900	\$ 48,250	\$ 53,600	\$ 57,900	\$ 62,200	\$ 66,500	\$ 70,800
60% of Median	\$ 28,140	\$ 32,160	\$ 36,180	\$ 40,200	\$ 43,440	\$ 46,680	\$ 49,860	\$ 53,100
50% of Median	\$ 23,450	\$ 26,800	\$ 30,150	\$ 33,500	\$ 36,200	\$ 38,900	\$ 41,550	\$ 44,250
30% of Median	\$ 14,100	\$ 16,100	\$ 18,100	\$ 20,100	\$ 21,750	\$ 23,350	\$ 24,950	\$ 26,550

Per State regulations (Section 50053), 120% of CMI rent limits is based off 110% of CMI.

**2012 HUD Rent Limits With Owner Paid Utilities**

Unit Size	50% of Median	60% - 80% of Median	60% - 80% of Median	120% of Median
<b>Studio</b>	\$586	\$743	\$665	\$1,218
<b>One-Bedroom</b>	\$628	\$797	\$760	\$1,393
<b>Two-Bedroom</b>	\$753	\$958	\$854	\$1,566
<b>Three-Bedroom</b>	\$871	\$1,099	\$950	\$1,741
<b>Four-Bedroom</b>	\$972	\$1,206	\$1,025	\$1,880

**2012 State Rent Limits With Owner Paid Utilities**

Unit Size	60% - 80% of Median	120% of Median
<b>Studio</b>	\$586	\$743
<b>One-Bedroom</b>	\$628	\$797
<b>Two-Bedroom</b>	\$753	\$958
<b>Three-Bedroom</b>	\$871	\$1,099
<b>Four-Bedroom</b>	\$972	\$1,206

Per HUD regulations, 80% of CMI rent limits is based off 60% of CMI.



**EXHIBIT 2**  
Sample Professional Services Agreement

## PROPERTY MANAGEMENT AND OPERATING AGREEMENT

THIS PROPERTY MANAGEMENT AND OPERATING AGREEMENT, (the "Agreement") is made and entered into as of March \_\_, 2013 by and between the Housing Authority of the City of Riverside (the "Authority") (and \_\_\_\_\_ (the "Agent)).

### RECITALS

- A. Authority owns that certain land and improvements commonly known as \_\_\_\_ (Address) \_\_\_\_ consisting of \_\_\_\_ (quantity of) residential units (the " Properties").
- B. Agent desires to provide property management and operational services for the Properties.

### AGREEMENT

In consideration of the mutual covenants and agreements set forth herein, the parties hereto agree a follows:

- 1. Appointment.** Owners hereby appoint Agent and Agent thereby accepts the appointment to operate and manage the Properties upon the terms and conditions set forth herein.
- 2. Term.** This Agreement shall commence for an initial period of one (1) year (the "initial term") commencing on \_\_\_\_\_, 2013, and thereafter the Executive Director are hereby authorized to extend the term of the Agreement annually (the "extension term"), unless otherwise terminated by either party in accordance with the provisions of Paragraph 21, herein below.
- 3. Management Office.** Owners shall provide adequate space on the Properties for a management office. This management office shall only be used by Agent in connection with activities involved in managing the Properties and any other affordable housing properties acceptable to Owner. Agent shall pay all reasonable expenses incurred by the Authority in connection with the Properties' related to such office, including, but not limited to, furnishings, equipment, postage and office supplies, electricity and other utilities, and telephone.
- 4. Apartment for On-site Staff.** Owners shall provide one suitable apartment within each property having 16-units or more for the use of Agent's on-site staff as is deemed necessary by mutual agreement between Owners and Agent, provided, however, that Owners shall not be responsible for furnishings, equipment, supplies, postage, utilities, telephone or such other ancillary costs. The specific apartment shall be approved by Owners prior to occupancy by staff.
- 5. Operating Budget.** Agent shall manage, supervise, and operate the Properties pursuant to this Agreement in accordance with the Operating Budgets for the initial term, attached hereto as Exhibit B. In the event that the term of the Agreement is extended, Agent shall submit proposed Operating Budget for each property as follows: Supportive Housing Program (SHP) units, Neighborhood Stabilization Program (NSP) units and non-grant funded units for the extension term in a mutually acceptable format for review and approval no later than 30 days prior to the commencement of the upcoming

extension term. Each Operating Budget shall include suggested capital improvements, detailed suggestions for the improved operation of the Properties, and a detailed narrative. If Owners have any questions on any particular item in a proposed Operating Budget, the parties shall meet and confer to discuss and come to an agreement. Once Operating Budgets have been approved by Owners, Agent shall be authorized, without the need for further approval, to make the expenditures and incur the obligations set forth in the Operating Budget. Owners may subsequently modify the Operating Budget(s) upon written notice to the Agent, who shall thereafter, manage the Properties in accordance with the modified Operating Budget(s). Agent may recommend changes in an approved Operating Budget(s) from time to time and shall implement such changes as approved by Owners. Agent is not authorized to make any expenditure without prior written approval of Owners in excess of Seven Hundred Fifty Dollars (\$750) except as specified in this Paragraph or in case of emergency as specified in Paragraph 8.

**6. Bank Accounts.** The various bank accounts established under this Agreement shall be "Trust Accounts" for the Owners, but under Agent's control. Said accounts shall be separate and apart from Agent's corporate account or accounts. Agent shall deposit all Properties' receipts including, but not limited to rent, expense reimbursements, and security deposits directly into the Owners' Trust Account and shall pay all operating expenses of the Properties from the Trust Account. Agent is authorized to endorse, negotiate and deposit into its account maintained for the benefit of Owners' checks made payable to Owners. All accounts will be maintained in a bank, or other institution, whose deposits are federally insured. Agent shall pay from the Trust Account all disbursements not made directly by Owners, in accordance with the Operating Budget.

**7. Contingency Reserve.** Owners agree to maintain a balance of \$25,000 at all times in the Trust Accounts as a contingency reserve to enable Agent to pay the obligations of Owners under this Agreement as they become due. It shall be the obligation of the Agent to notify the Owners at such time that the Trust Account balance decreases below \$25,000. Owners and Agent shall review the amount of the contingency reserve from time to time and shall agree in writing on a new contingency reserve amount when such is required.

**8. Extraordinary Expenses.** Agent may make payment for emergency repairs or services, not contemplated by the Operating Budget, nor approved in advance by the Owners, if, in the opinion of the Agent, such repairs or services are necessary to protect the Properties from damage, others from personal injury, or the Owners from liability; or to maintain services to the tenants as called for by their lease; or as required by applicable law. In such case, Agent shall promptly notify Owners verbally and in writing of the nature, amount and justification for such expenditure.

**9. Reimbursement.** Owners shall promptly reimburse Agent for any out-of-pocket expenditure made by Agent for the sole benefit of the Properties, provided said expenditure is included in the Operating Budget, is approved by Owners, or otherwise permitted by Paragraph 5 and Paragraph 8.

**10. Rent Collection.** Agent shall collect (and give receipts for, if necessary) all rents, charges and other amounts receivable on Owners' account in connection with the management and operation of the Properties. Rents to be charged to the Properties' tenants are as follows:

- **1705 7<sup>th</sup> Street:** Tenants' income shall not exceed 120% of area median income ("AMI") for Riverside County. Tenants' rent shall not exceed 30 percent times 110 percent of AMI adjusted for family size appropriate for the unit to be in compliance with the California Health and Safety Code Section 50053.
- **1725 7<sup>th</sup> Street:** Tenants' income for four units shall not exceed 60% of AMI for Riverside County and the tenant's monthly rent including a reasonable utility allowance shall not exceed qualified low income rents pursuant to Section 92.252 of the HOME Regulations and any successors. The remaining four units tenants' income shall not exceed 50% of AMI for Riverside County and the tenants' monthly rent including a reasonable utility allowance shall not exceed the maximum rent determined pursuant to Section 583.315 of the Supportive Housing Program(SHP) Regulations.
- **1733 7<sup>th</sup> Street:** Tenants income shall not exceed 120% of area median income for Riverside County. Tenants' rent shall not exceed 30 percent times 110 percent of AMI adjusted for family size appropriate for the unit to be in compliance with the California Health and Safety Code Section 50053.
- **1833, 1835, 1837 7<sup>th</sup> Street:** Tenants income shall not exceed the maximum rent determined pursuant to Section 583.315 of the SHP regulations.
- **1740 Loma Vista:** Tenants income shall not exceed 50% of AMI for Riverside County. Tenant's rent shall not exceed 30 percent of the household's gross income adjusted for family size for the unit and may include a reasonable utility allowance shall not exceed very-low income rents pursuant to Section 92.252 of HOME regulations.
- **3552 Lou Ella Lane:** Tenants income shall not exceed 50% of AMI for Riverside County. Tenant's rent shall not exceed 30 percent of the household's gross income adjusted for family size for the unit and may include a reasonable utility allowance shall not exceed very-low income rents pursuant to Section 92.252 of HOME regulations.

- **3553 Lou Ella Lane:** Tenants income shall not exceed 50% of AMI for Riverside County. Tenant's rent shall not exceed 30 percent of the household's gross income adjusted for family size for the unit and may include a reasonable utility allowance shall not exceed very-low income rents pursuant to Section 92.252 of HOME regulations.
- **3556-3558 Dwight Avenue:** Tenants income shall not exceed 50% of AMI for Riverside County. Tenant's rent shall not exceed 30 percent of the household's gross income adjusted for family size for the unit and may include a reasonable utility allowance shall not exceed very-low income rents pursuant to Section 92.252 of HOME regulations.
- **3590 Dwight Avenue, 1925 Loma Vista:** Tenants income shall not exceed 50% of AMI for Riverside County. Tenant's rent shall not exceed 30 percent of the household's gross income adjusted for family size for the unit and may include a reasonable utility allowance shall not exceed very-low income rents pursuant to Section 92.252 of HOME regulations.
- **3675-3681 Dwight Avenue:** Tenants income shall not exceed 50% of AMI for Riverside County. Tenant's rent shall not exceed 30 percent of the household's gross income adjusted for family size for the unit and may include a reasonable utility allowance shall not exceed very-low income rents pursuant to Section 92.252 of HOME regulations.
- **1825 Ohio Street:** Tenants income shall not exceed 50% of AMI for Riverside County. Tenant's rent shall not exceed 30 percent of the household's gross income adjusted for family size for the unit and may include a reasonable utility allowance shall not exceed very-low income rents pursuant to Section 92.252 of HOME regulations.

**The Agent will be required to submit an annual compliance report to the Owner by June 30<sup>th</sup> that includes tenants' annual household income, household size, monthly rent, rent subsidy, unit size and utility allowance for each property listed above**

**11. Lease Administration.** Agent shall promptly notify Owners' of the need to commence an action enforcing any breach of Lease terms and conditions for resident's and occupant's of Owners' property including but not limited to the collection of money, obtaining possession, specific performance or the recovery of damages and otherwise enforce and protect the rights of the Owners. Such actions shall be initiated by the City of Riverside City Attorney's office unless otherwise directed by Owners.

**12. Services, Repairs and Maintenance.** Agent shall maintain the Properties in a condition comparable to that of other similar properties in the general market area in accordance with the then current Operating Budget. In the event that the income from the Properties is insufficient to meet the agreed Operating Budget, upon notice from Agent, Owners shall provide sufficient funds to allow Agent to maintain the Properties. Agent's obligation to maintain the Properties is subject to sufficient funds to pay such maintenance and repair. Agent is not required to advance funds for any purpose and may terminate this agreement if Owners do not provide funds for proper maintenance

and repair. Should the income not be sufficient to pay all expenses of the Properties, the order of payment shall be to first pay for payroll for employees working at the Properties then for service providers and materials supplied to the Properties then Agent compensation then any encumbrances on the Properties, including taxes. In connection therewith, Agent shall conduct regular periodic property inspections at different times of the day, week, and month; shall make or cause to be made, and shall supervise all necessary repairs, replacements, alterations, improvements, decorations, landscaping and general property maintenance, so as to ensure the operating efficiency thereof. Agent shall direct the purchase of all supplies, equipment, materials, and services necessary or advisable for the maintenance and operation of the Properties, including but not limited to, utility services, janitorial services, window cleaning, building security, rubbish removal, landscaping and parking lot maintenance, and maintenance of all mechanical equipment and electrical and plumbing facilities. Agent shall not add any profit or fee to the cost of such supplies or services furnished to the Properties and shall rebate promptly to Owners all fees, profits, rebates or other value received by Agent directly or indirectly from third parties in connection with such supplies and services. Agent shall perform the aforementioned tasks through the Properties' resident staff.

**13. Employees/Independent Contractors.** Agent shall hire, pay and supervise, as employees of Agent, all persons reasonably required to carry out Agent's responsibilities hereunder. Agent shall have the sole responsibility for all matters related to all such employees, and shall fully comply with all applicable laws and regulations affecting the employer/employee relationship, including, without limitation, laws and regulations having to do with payroll withholdings, worker's compensation, social security, unemployment insurance, hours of labor, wages, and working conditions. All benefits, health insurance and vacation time shall be paid by Agent. Agent shall be responsible for the supervision and direction of any and all independent contractors or other third parties performing services for the Properties.

**14. Monthly Operating Reports.** Agent shall deliver to Owners each calendar month, by the tenth of each month, three Operating Reports for the prior month for: SHP funded units, NSP funded units and non-grant funded units. Each Operating report shall include: General Ledger Detail; an itemized statement of all receipts and expenditures with a variance analysis to budget; Bank statements with check images for all Trust Accounts; Monthly Bank Statement Reconciliation. Each report shall include an operating summary including suggested capital improvements, detailed suggestions for the improved operation of the Properties, and a detailed narrative.

**15. Records and Documents.** Agent shall maintain complete and accurate records of all transactions relating to the Properties, e.g., copies of all contracts, invoices, receipts, and other documents relating thereto. Such records and documents shall be available for inspection by the Owners during normal business hours.

**16. Confidentiality.** All books, records, operating statements, leases and other material or information relevant to the operation or financial nature of the Properties shall be maintained in the strictest confidence and shall not be available to any employee or salesperson of any affiliate of Agent, nor to any other party without the prior written consent of Owners or under compulsion of law (e.g., subpoena).

**17. Government Compliance.** Agent shall, at Owners' expense consistent with the provisions herein, comply with all applicable building codes, zoning and licensing

requirements, and other governmental laws, ordinances and regulations affecting the Properties. Agent shall assist Owners in opposing or appealing any government regulations, requirements, tax invoice, assessment or other charge deemed unwarranted by Owners. Agent shall promptly notify Owners of all contact with local governmental agencies and taxing authorities.

**18. Crime-Free Multi Housing Program.** Throughout the term of this Agreement, the Agent covenants and agrees to participate in and fully complete the City's Crime-Free Multi Housing Program for the Properties. Evidence of compliance with this requirement shall be forwarded annually to the Housing Project Manager within said twelve (12) month period.

**19. Conflict of Interest.** Agent shall disclose to Owners any financial or other interest that Agent may have, or intend to have, in any company, organization or individual who provides goods or services for the management or operation of the Properties.

**20. Compensation to the Agent.** Compensation to Agent is set forth in the Operating Budget. Such compensation shall be paid to Agent by the tenth of the following month from the Operating Account in accordance with the Operating Budget.

**21. Termination.** Any party may terminate this Agreement on any of the following conditions:

- (a) Written notice thirty (30) days prior to the expiration of the initial term or any renewal term.
- (b) Upon sixty (60) days written notice without cause.
- (c) Mutually upon sale, thirty (30) days after the close of escrow.
- (d) By an Owner, on written notice, based on cause, where the Owner has previously given Agent a notice to perform within thirty (30) days its duties under the Agreement and Agent has failed to perform such duties. If after thirty days, Agent has failed to perform, Owner shall notify Agent of termination to take effect fifteen days thereafter.
- (e) By Agent upon thirty (30) days written notice if Agent determines that (a) there are insufficient funds to maintain the premises in a safe and habitable condition and Owners are unable or unwilling to provide sufficient funds for needed work; (b) Owners and Agent cannot agree on an Operating Budget for the Properties or the order of payment in the event there are insufficient funds to pay all expenses; (c) Agent determines that directions given by Owners could subject Agent to legal liabilities.

**22. Actions and Compensation upon Termination.** Upon termination, the parties shall cooperate fully, deliver all documents and records, and take all actions that may reasonably be necessary in order to conclude the business between the parties in a prompt and orderly fashion. Upon such termination, the Agent shall be entitled to any compensation which has accrued (e.g., prorated fixed operating expenses) and become payable as of the effective date of such termination, and any reimbursement due pursuant to Paragraph 6, 7 and 8 hereof. Owners shall assume the obligations of any

contract or outstanding bill executed by Agent under this Agreement for and on behalf of Owners and responsibility for payment of all unpaid bills. Agent may withhold funds for sixty (60) days after the end of the month in which this Agreement is terminated, in order to pay bills previously incurred but not yet invoiced and to close accounts. Owners shall pay manager one additional month's fixed operating expenses if Agent provides Owners Final Accounting and all funds within forty-five days of termination of this agreement, and only if such termination is not the result of acts or omissions of Agent. The amounts withheld will reasonably relate to the expected obligations. Agent shall continue to submit regular monthly reports to Owners during this period.

**23. Indemnification.** Agent shall employ reasonable care, skill and ability in exercising the powers granted to Agent under this Agreement, including, without limitation, the hiring, retention or supervision of its employees and agents consistent with those used by the managers of apartment projects located in Riverside County, California, which are comparable in quality to the Properties. Agent shall not be personally liable to Owners for errors in judgment and acts or omissions to act made, done or omitted in the good faith exercise of the authority conferred by this Agreement. Owners shall hold Agent harmless from and indemnify Agent for any claim, demand, action, proceeding or suit, including attorney's fees and court costs, related to or arising out of any condition, damages, or injury suffered by any third party on the Properties or otherwise arising out of the management of the Properties in accordance with this Agreement. Agent shall indemnify and agrees to hold Owners harmless from and against any and all claims, demands, suits, costs (including, without limitation, attorneys' fees) and judgments which any person(s) has asserted or may assert (1) predicated upon a claim that such person(s) employed directly or indirectly by Agent at or respecting the Properties, is an employee of Owners, (2) arising out of acts or omissions to act resulting from gross negligence or intentional misconduct or willful defaults by Agent or the employees or agents of Agent, and/or (3) arising out of Agent's breach of any of its obligations under this Agreement. Notwithstanding the foregoing, Agent shall not be required to indemnify, defend, protect or hold harmless Owners from any loss, expense, liability or damage which Owners may suffer as a result of such Owners' gross negligence or willful misconduct.

**24. Insurance.** The parties acknowledge that Owners are self-insured and are not obligated to procure additional insurance.

**25. Properties Taxes.** Assuming the availability of funds, Agent shall pay all property tax bills when due.

**26. Debt Service.** Assuming the availability of funds, Agent shall pay the debt service when due.

**27. Notice and Consent.** Any communication, consent, approval or notice required or permitted hereunder, or by law, to be given shall be considered given upon the earliest of receipt or three (3) days after deposit in the United States mail with postage and all other charges prepaid, of said communication, consent, approval or notice addressed as follows:

To Owners: Housing Authority of the City of Riverside  
Attn: Housing Program Manager

3900 Main Street  
Riverside, California 92522

To Agent:  
(Insert Name of Selected Agent)

**28. Nonassignability.** Agent acknowledges that Owners are relying upon the reputation and ability of the Agent to provide the services set forth in this Agreement; and as such, this Agreement may not be assigned by or assumed by any other party without the prior written consent of Owners.

**29. Independent Contractors.** Agent is an independent contractor hereunder and nothing herein contained shall be deemed or construed to constitute a partnership, or joint venture.

**30. Attorney's Fees.** In the event either party hereto, fails to perform any of its obligations under this Agreement, or in the event a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expense incurred by the other party in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable counsel fees.

**31. Waiver.** No failure or delay by either party in exercising any right, power or privilege hereunder, shall operate as a waiver thereof, nor shall any waiver in one instance be deemed to be a continuing waiver in any other instance.

**32. Entire Agreement.** This Agreement constitutes the entire Agreement and understanding of the parties hereto, with respect to the subject matter hereof, and supersedes all prior agreements, negotiations, discussions and understanding relating to the subject matter hereof.

**33. Counterparts.** This Agreement may be executed in one or more counterparts each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

**34. The Addendum, Exhibit A and Exhibit B are** attached hereto, and made a part hereof.

**IN WITNESS WHEREOF**, the parties hereto have executed this Management and Operating Agreement as of the date first above written.

“OWNERS”

HOUSING AUTHORITY OF THE CITY OF RIVERSIDE, a public body, corporate and politic

Dated: \_\_\_\_\_

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

ATTEST:

\_\_\_\_\_  
City Clerk/Authority Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
Special Counsel

“AGENT”

Dated: \_\_\_\_\_

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

## ADDENDUM

### TO MULTI-FAMILY PROPERTY MANAGEMENT AND OPERATING AGREEMENT ENVIRONMENTAL / MOLD MATTERS

This Addendum to Management and Operating Agreement (Addendum) is a part of the Management and Operating Agreement and is recognition of an ever increasing concern regarding rental owners' and managers' exposure for environmental claims, including mold, affecting the residential and commercial rental industry. Additionally, the potential for violence from third parties including potential terrorism also has caused concern about exposure for damages.

1. **Compliance with Laws.** Owners acknowledge that the Properties are subject to federal, state and local laws and regulations on a variety of issues and matters including, without limitation, Environmental Laws (defined below), regulations or ordinances, the Americans with Disabilities Act, seismic, asbestos, CFC, environmental, lead paint, mold and mildew contamination, air quality, zoning and land use issues and other matters relating to the Properties' condition or environment about the Properties (collectively the "Regulated Subjects"). Agent is not an expert in the Regulated Subjects. Where requested by Owners, Agent will make referrals and/or provide information to appropriate professionals or contractors concerning the Properties and the Regulated Subjects. Further, on behalf of the Owners, Agent shall retain such professionals and/or contractors, as needed to address or rectify any deficiency or failure of the Properties to comply with applicable law, including laws relating to the Regulated Subjects. Except in the case of emergencies, Agent will notify the Owners in advance of any additional fees or charges that will result for any work done by Agent under this paragraph.

2. **Earthquakes; Terrorism.** Owners is and shall remain solely responsible for any and all liability, loss, damage, claim, costs and expenses associated with or arising out of earthquake hazards, earthquakes, and terrorist acts on or about the Properties.

3. **Indemnification.** Owners shall, and hereby agrees to hold Agent, its shareholders, members, directors, officers, employees, agents, successors, and assigns, harmless from, indemnify them for, and defend them against any and all claims, damages, liens, costs, expenses, and liabilities directly or indirectly arising out of or attributable to (i) any violation of or liability arising under any Regulated Subjects, Environmental Law, (ii) any liability arising under common law related to environmental conditions on or about the Properties, (iii) any loss related to earthquake, earthquake hazard or terrorism, (iv) any Water Intrusion Claim, including resulting liability for arising from water intrusion, such as mold, or (v) any claim related to the use, generation, manufacture, production, storage, release, threatened release, discharge, disposal, or presence of a Hazardous Substance on, under, or about the Properties, including, but not limited to, the costs of any required repair, restoration, cleanup, containment, or detoxification of the Properties or any other land, site, property or resource, the preparation and implementation of any closure, remedial or other required plans, attorney fees and costs (including but not limited to those incurred in any arbitration, mediation or court proceeding and in any review or appeal), fees, penalties, and fines.

Owners' obligation for indemnity (§3 above) shall survive the termination of the management relationship.

4. **Notice.** Owners represents that as of the date the Management and Operating Agreement is signed by Owners, Owners is not aware of nor have Owner received any written or oral notice of an existing or potential violation of any federal, state or municipal law, regulation or ordinance regarding the property, including the existence of mold, any Environmental Laws or Hazardous Materials. Owners shall provide Agent with any information regarding water intrusion, roof repair or replacement work on the Properties. Owners and Agent agree to notify the other of any written or oral notice of existing or potential violations of law or the existence of mold within a reasonable time after receipt of such notice.

5. **Definitions.** For purposes of this ADDENDUM, "Environmental Law" means any federal, state, or local law, statute, ordinance, or regulation pertaining to Hazardous Substances, health, industrial hygiene, land use, wetlands, surface or subsurface conditions, mining, or environmental conditions, including, but not limited to, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA"), as amended, 42 USC §§9601-9675, and the Resource Conservation and Recovery Act of 1976 ("RCRA"), as amended, 42 USC §§6901-6992. For the purposes of this ADDENDUM, "Hazardous Substance" includes without limitation: (i) hazardous substances, hazardous wastes, extremely hazardous substances, hazardous chemicals, toxic chemicals, and all other substances defined as hazardous or toxic under the Environmental Laws, or any similar law or regulation now existing or hereafter promulgated, (ii) all materials, substances, and wastes that are or which contain (A) asbestos; (B) polychlorinated biphenyls; (C) explosives, except such explosives as are used during construction in accordance with law; (D) petroleum, and any fractions thereof; or (E) radioactive materials and (iii) such other substances, materials, and wastes that are or become regulated or classified as hazardous or toxic under federal, state, or local laws or regulations.

INITIALS\_\_\_\_\_ INITIALS\_\_\_\_\_



**EXHIBIT A TO MULTI-FAMILY PROPERTY MANAGEMENT  
AND OPERATING AGREEMENT**

**1. Reserved.**

**2. Late Fee Collection:** If the lease or rental agreement contains a "late fee" provision, Agent shall be entitled to such compensation for the time and expense of collecting the delinquent rent payment.

**3. Bad Debt Collection:** Agent contract with Collection Agency to collect any monies owed Owners after resident has vacated. The Collection Company will receive a fee of forty percent (40%) of collections from any debt due for the vacated unit. Owners shall receive remaining sixty percent (60%) of all Bad Debt Collections, less legal/court fees.

**4. Marketing Reimbursement:** Agent shall receive reimbursement equal to Marketing Specialist's hourly rate, plus taxes, for work done solely on behalf of Properties for market analysis, staff training and marketing functions such as comparable studies, brochures and signs, promotional work, etc.

**5. Signs:** Owners hereby give Agent permission to place a "Managed By: Same Company Residential, Inc." sign on the premises. Said sign shall be of reasonable style and dimensions and will be presented to Owners prior to installation.

INITIALS \_\_\_\_\_ INITIALS \_\_\_\_\_