

LOMA LINDA HOUSING AUTHORITY

AGENDA

REGULAR MEETING OF JUNE 24, 2014

A regular meeting of the Housing Authority of the City of Loma Linda is scheduled to be held at 7:00 p.m. or as soon thereafter as possible, Tuesday, June 24, 2014 in the City Council Chamber, 25541 Barton Road, Loma Linda, California.

Reports and Documents relating to each agenda item are on file in the Office of the City Clerk and are available for public inspection during normal business hours. The Loma Linda Branch Library is also provided an agenda packet for your convenience. The agenda and reports are also located on the City's Website at www.lomalinda-ca.gov.

Materials related to an item on this Agenda submitted to the Housing Authority Board after distribution of the agenda packet are available for public inspection in the City Clerk's Office, 25541 Barton Road, Loma Linda, CA during normal business hours. Such documents are also available on the City's website at www.lomalinda-ca.gov subject to staff's ability to post the documents before the meeting.

Persons wishing to speak on an agenda item are asked to complete an information card and present it to the City Clerk prior to consideration of the item. When the item is to be considered, please step forward to the podium, the Chair will recognize you and you may offer your comments. The Housing Authority meeting is recorded to assist in the preparation of the Minutes, and you are therefore asked to give your name and address prior to offering testimony.

The Oral Reports/Public Participation portion of the agenda pertains to items NOT on the agenda and is limited to 30 minutes; 3 minutes allotted for each speaker. Pursuant to the Brown Act, no action may be taken by the Housing Authority at this time; however, the Housing Authority Board may refer your comments/concerns to staff or request that the item be placed on a future agenda.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk at (909) 799-2819. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. Later requests will be accommodated to the extent feasible.

Agenda item requests for the JULY 22, 2014 meeting must be submitted in writing to the City Clerk no later than NOON, MONDAY, JULY 7, 2014

A. Call To Order

B. Roll Call

C. Items To Be Added Or Deleted

D. Oral Reports/Public Participation - Non-Agenda Items (Limited to 30 minutes; 3 minutes allotted for each speaker)

E. **Closed Session - Closed Session – 6:00** Conference with real Property Negotiator – Government Code Section 54956.8

Property: 25615 and 25637 Prospect Avenue
Negotiating Parties: Shahriar Ali and, Benazir Ali; Chowdhury Ahmed and Farjana Hoq, Pamela Byrnes-O’Camb, T. Jarb Thaipejr
Under Negotiation: Price and Terms

F. **Conflict of Interest** Disclosure - Note agenda item that may require member abstentions due to possible conflicts of interest

G. **Scheduled Items**

1. **Joint Public Hearing** of the City Council and Housing Authority pertaining to the sale of 25613 Prospect Avenue and approving a Housing Disposition Agreement (TO BE CONTINUED TO AUGUST 26) [**City Clerk/Authority Secretary**]
 - a. LLHA Bill #R-2014-02 - Authorizing the sale of 25613 Prospect Avenue to Michelle Anderson and approving the Housing Disposition Agreement
 - b. Council Bill #R-2014-30 - Consenting to the sale of 25613 Prospect Avenue to Michelle Anderson

H. **Consent Calendar**

2. Demands Register
3. Minutes of June 10, 2014
4. Agreement with DHA Consulting LLC to monitor DDA Financial Requirements for 10777 Poplar Street (Poplar Street Apartments), 10799 Poplar Street (Loma Linda Commons), 10846 Poplar Street (Loma Linda Terrace), and 25421 Cole Street (Loma Sierra) and request to appropriate \$21,500 in the Housing Authority Fund for Fiscal Year 2014-2015 [**Finance**]

I. **Chair and Member Reports**

J. **Reports of Officers**

K. **Adjournment**



City of Loma Linda Official Report

Rhodes Rigsby, Chairman
Ovidiu Popescu, Vice-Chairman
Ronald Dailey, Member
Phillip Dupper, Member
John Lenart, Member

HOUSING AUTHORITY AGENDA: June 24, 2014

TO: Housing Authority

FROM: Pamela Byrnes-O'Camb, Secretary *pb*

VIA: T. Jarb Thaipejr, Executive Director *T.J.T.*

SUBJECT: **Joint Public Hearing** of the City Council and Housing Authority pertaining to the sale of 25613 Prospect Avenue and approving a Housing Disposition Agreement (TO BE CONTINUED TO AUGUST 26) [City Clerk/Authority Secretary]

- a. LLHA Bill #R-2014-02 - Authorizing the sale of 25613 Prospect Avenue to Michelle Anderson and approving the Housing Disposition Agreement
- b. Council Bill #R-2014-30 - Consenting to the sale of 25613 Prospect Avenue to Michelle Anderson

Approved/Continued/Denied By Housing Authority Date _____

RECOMMENDATION

It is recommended that the Housing Authority Board and City Council continue the public hearing to August 26.

BACKGROUND

The Housing Authority Board directed Staff to pursue outside financing for transactions related to those properties currently owned by the Housing Authority for which buyers have been pre-qualified to purchase pursuant to the Affordable Housing Program.

A buyer has been pre-qualified; an outside lender has confirmed financing arrangements; and a joint public hearing of the City Council and Housing Authority Board was advertised; however, due to circumstances beyond the control of the buyer and the Housing Authority, a continuance is requested.

Sale of residential units/properties was negatively impacted by the enactment of ABx1 26 (the "2011 Dissolution Act") which provided generally for the dissolution of all redevelopment agencies in the State of California, and which effected, for several months, a freeze on the entering into of contracts. The 2011 Dissolution Act was challenged by litigation initiated during 2011; that litigation was decided by the California Supreme Court in a manner which upheld the 2011 Dissolution Act.

Under the 2011 Dissolution Act, housing assets of a redevelopment agency become assets of a housing successor housing entity as designated by the city council of the host city. In the case of housing assets of the Redevelopment Agency, the Loma Linda City Council, which had previously activated a local housing authority, the Loma Linda Housing Authority ("Housing Authority" herein), designated the Housing Authority to receive the housing assets of the former Redevelopment Agency.

The subject property is a condominium within the University Community Homes Development which consists of 42 single-family units of which 7 have long-term affordability covenants that run with the land for a state mandated period of time. The Housing Authority purchased the Prospect Avenue house from the former owner.

The Agreement provides for monthly payments in compliance with the Affordable Housing Cost for Lower Income Households as set by the State Department of Housing and Community Development (HCD) under Health and Safety Code Sections 50052.5, 50079.5, and related regulations.

ANALYSIS

Outside financing of the house would retain the affordability covenant, provide the buyer within the lower income category the opportunity to purchase a home, and would provide a revenue source for the Housing Authority.

FINANCIAL IMPACT

Sale of the Prospect Avenue property (\$165,000.00) would either (i) provide the Authority with funding (in the amount of the sales price, less real estate commissions, the premium for the owner's title policy, one half of the escrow fee and certain other incidental closing costs) to maintain and preserve its supply of affordable housing available to income-qualified persons and families pursuant to the Authority's Affordable Housing Program or (ii) generate a like amount of proceeds to the City's "03" fund, thereby reducing the amount secured by the City's lien on the subject property.



City of Loma Linda Official Report

Rhodes Rigsby, Chairman
Ovidiu Popescu, Vice-Chairman
Ronald Dailey, Member
Phillip Dupper, Member
John Lenart, Member

HOUSING AUTHORITY AGENDA: June 24, 2014
TO: Housing Authority Members
VIA: T. Jarb Thaipejr, Executive Director
FROM: Pamela Byrnes-O'Camb, Secretary
SUBJECT: Minutes of June 10, 2014

Approved/Continued/Denied By: Housing Authority Date _____

RECOMMENDATION

It is recommended that the Housing Authority Board approve the Minutes of June 10, 2014.

Loma Linda Housing Authority

Minutes

Regular Meeting of June 10, 2014

A regular meeting of the Loma Linda Housing Authority was called to order by Chairman Rigsby at 9:45 p.m., Tuesday, June 10, 2014, in the City Council Chamber, 25541 Barton Road, Loma Linda, California.

Councilmen Present:	Chairman Rhodes Rigsby Vice-Chairman Ovidiu Popescu Ron Dailey Phill Dupper John Lenart
Councilmen Absent:	None
Others Present:	Executive Director T. Jarb Thaipejr General Counsel Richard E. Holdaway

No items were added or deleted; no public participation comments were offered upon invitation of the Chair and no conflicts of interest were noted.

LLHA-2014-010 - Consent Calendar

Motion by Popescu, seconded by Dupper and unanimously carried to approve the following items.

The Demands Register dated May 27, 2014 with commercial demands totaling \$365.86.

The Demands Register dated May 29, 2014 with commercial demands totaling \$932.01.

The Demands Register dated June 10, 2014 with commercial demands totaling \$28,782.57.

The Minutes of May 13, 2014 as presented.

The meeting adjourned at 9:45 p.m.

Approved at the meeting of .

Secretary



City of Loma Linda Official Report

Rhodes Rigsby, Chairman
Ovidiu Popescu, Vice-Chairman
Ronald Dailey, Member
Phillip Dupper, Member
John Lenart, Member

HOUSING AUTHORITY AGENDA: June 24, 2014

TO: Housing Authority

FROM: T. Jarb Thaipejr, Executive Director *T.J.T.*

SUBJECT: Approve Contractual Agreement with DHA Consulting for monitoring of Low and Moderate Income Housing Projects and Appropriate \$21,500 in the Housing Authority Fund for fiscal year 2014-2015.

Approved/Continued/Denied By Housing Authority Date _____

RECOMMENDATION

It is recommended the Loma Linda Housing Authority (LLHA) engage DHA Consulting to monitor four of the Authority's Low and Moderate Income Housing projects on Poplar Street (10777, 10799 and 10846 Poplar Street) and 25421 Cole Street, and appropriate \$21,500 in fiscal year 2014-2015 for these services.

BACKGROUND

In order to meet Low and Moderate housing unit requirements the former Redevelopment Agency and, more recently, the Loma Linda Housing Authority entered into Development Disposition Agreements (DDA's), including ground leases, promissory notes and recorded covenants requiring that the developed units be maintained for rent at affordable rents to households of identified income categories. These agreements have specific terms that require annual compliance reports to be submitted and reviewed by the Loma Linda Housing Authority. In addition, the agreements provide that in the event a housing project generates revenues surplus to amounts necessary to defray conventional loans and operating expenses, payments are due to the Housing Authority based upon such surplus revenues, typically referred to as "residual receipts." Annual financial reports are required under these agreements, which should demonstrate whether any amounts are payable to the Housing Authority each year. In view of the current workload of LLHA staff would benefit by securing services to monitor both the compliance and financial reports regarding the projects.

ANALYSIS

The Loma Linda Successor Agency currently uses DHA Consulting to assist with the ongoing Redevelopment Agency dissolution process. Diane Hadland, President of DHA Consulting, has extensive experience with former redevelopment agencies and low and moderate income housing projects. The scope of services will include certain specified one-time services, then, on an ongoing basis, annual monitoring services and a review of four audits; it is anticipated that the review of the audits will be limited, although the scope of work appropriate will depend in part upon the completeness and accuracy of reports received from the operators of the respective projects. Services that would be provided at the option of the Housing Authority staff include full audits of residual receipts and one-time services as outlined in exhibit A of the contractual agreement. The Loma Linda Housing Authority will hire DHA Consulting to assure that monitoring is current and to assess whether payments are due to the Housing Authority; while such payments might not be presently due, establishing a solid baseline of data should

assist in assuring that at a later time when certain project expenses have been paid and there should be residual receipts, that these are available to and flow to the Housing Authority. The Housing Authority can later determine whether some or all of the tasks addressed in the consulting agreement can be performed by Housing Authority staff or whether it is preferable to continue using DHA Consulting for these services.

ENVIRONMENTAL

None

FINANCIAL IMPACT

Appropriate \$21,500 in the Loma Linda Housing Authority contractual services account (80-1800-1830) for fiscal year 2014-2015.

LLHA OF LOMA LINDA

AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is made and effective as of July 1, 2014, between the Loma Linda Housing Authority, a municipal corporation ("LLHA") and DHA Consulting ("Consultant"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. TERM

This Agreement shall commence on July 1, 2014 and shall remain and continue in effect for a period of 12 months until tasks described herein are completed, but in no event later than June 30, 2015, unless sooner terminated pursuant to the provisions of this Agreement.

2. SERVICES

Consultant shall perform the tasks described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full.

3. PERFORMANCE

Consultant shall at all times faithfully, competently and to the best of his/her ability, experience and talent, perform all tasks described herein. Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.

4. LLHA MANAGEMENT

LLHA's Executive Director shall represent LLHA in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Consultant, but not including the authority to enlarge the Tasks to be Performed or change the compensation due to Consultant. LLHA's Executive Director shall be authorized to act on LLHA's behalf and to execute all necessary documents which enlarge the Tasks to be Performed or change Consultant's compensation, subject to Section 5 hereof.

5. PAYMENT

(a) The LLHA agrees to pay Consultant monthly, in accordance with the payment rates and terms as set forth in Exhibit B, attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed Nineteen Thousand Five Hundred Dollars (\$19,500.00) for the total term of the Agreement unless additional payment is approved as provided in this Agreement.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such

additional services are authorized in advance and in writing by the Executive Director. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by Executive Director and Consultant at the time LLHA's written authorization is given to Consultant for the performance of said services. The Executive Director may approve additional work not to exceed ten percent (10%) of the amount of the Agreement, but in no event shall total compensation exceed Twenty One Thousand Four Hundred and Fifty Dollars (\$21,450.00). Any additional work in excess of this amount shall be approved by the LLHA Board.

(c) Consultant will submit invoices monthly for actual services performed. Said invoices shall detail all costs, rates and hours for individual tasks. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the LLHA disputes any of the Consultant's fees, it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice.

(d) Consultant agrees that, in no event shall LLHA be required to pay to Consultant any sum in excess of ninety-five percent (95%) of the maximum payable hereunder prior to receipt by LLHA of all final documents, together with all supplemental technical documents, as described herein acceptable in form and content to LLHA. Final payments shall be made no later than sixty (60) days after presentation of final documents and acceptance thereof by LLHA.

6. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

(a) The LLHA may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the LLHA suspends or terminates a portion of this Agreement, such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the LLHA shall pay to Consultant on a pro-rata basis the actual value of the work performed up to the time of termination, provided that the work performed is of value to the LLHA. Upon termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the LLHA pursuant to Section 5(c).

7. DEFAULT OF CONSULTANT

(a) The Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, LLHA shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to the Consultant. If such failure by the Consultant to make progress in the performance of work hereunder arises out of causes beyond the Consultant's control, and without fault or negligence of the Consultant, it shall not be considered a default.

(b) If the LLHA Executive Director or his/her delegate determines that the Consultant is in default in the performance of any of the terms or conditions of this Agreement, he/she shall cause to be served upon the Consultant a written notice of the default. The Consultant shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the LLHA shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

8. OWNERSHIP OF DOCUMENTS

(a) Consultant shall maintain complete and accurate records with respect to billed time, sales, costs, expenses, receipts and other such information required by LLHA that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of LLHA or its designees at reasonable times to such books and records; shall give LLHA the right to examine and audit said books and records; shall permit LLHA to make transcripts therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, claims, applications, computer files, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the LLHA and may be used, reused, or otherwise disposed of by the LLHA without the permission of the Consultant. With respect to computer files, Consultant shall make available to the LLHA, at the Consultant's office and upon reasonable written request by the LLHA, the necessary computer software and hardware for purposes of accessing, compiling, transferring and printing computer files.

9. INDEMNIFICATION

(a) Indemnification for Professional Liability. When the law establishes a professional standard of care for Consultant's services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless LLHA and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including attorney's fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or subconsultants (or any entity or individual that consultant shall bear the legal liability thereof) in the performance of professional services under this Agreement.

(b) Indemnification for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless LLHA, and any and all of its employees, officials, and agents from and against any liability (including liability for claims, suits, actions, arbitration

proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorney's fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subconsultants of Consultant. Said indemnification shall include any claim that Consultant, or Consultant's employees or agents, are considered to be employees of the LLHA or are entitled to any employee benefits from LLHA, including but not limited to those available under Public Employees Retirement Law.

(c) General Indemnification Provisions. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every subconsultant or other person or entity involved by, for, with, or on behalf of Consultant in the performance of this Agreement. In the event Consultant fails to obtain such indemnity obligations from others as required here, Consultant agrees to be fully responsible according to the terms of this section. Failure of LLHA to monitor compliance with these requirements imposes no additional obligations on LLHA and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend LLHA as set forth herein is binding on the successors, assigns or heirs of Consultant and shall survive the termination of this Agreement or this section.

10. INSURANCE

(a) Consultant shall neither commence work under this Agreement until it has obtained all insurance required hereunder in a company or companies acceptable to LLHA nor shall Consultant allow any subcontractor to commence work on a subcontract until all insurance required of the subcontractor has been obtained. Consultant shall, at all times during the term of this Agreement, maintain and keep in full force and effect, the following policies of insurance with minimum limits as indicated below and issued by insurers with A.M. Best ratings of no less than A-: VI:

Commercial general liability at least as broad as ISO CG 0001 (per occurrence)	1,000,000
(general aggregate)	2,000,000
Commercial auto liability at least as broad as ISO CA 0001 (per accident)	1,000,000
Professional Liability (per claim and aggregate)	1,000,000
Worker's compensation	Statutory

(b) All insurance required by this section shall apply on a primary basis. Consultant agrees that it will not cancel or reduce said insurance coverage. Consultant agrees that if it does not keep the aforesaid insurance in full force and effect LLHA may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, LLHA may take out the necessary insurance and pay, at Consultant's expense, the premium thereon.

(c) Auto liability insurance shall cover owned, nonowned and hired autos. If Consultant owns no vehicles, auto liability coverage may be provided by means of a nonowned and hired auto endorsement to the general liability policy.

(d) At all times during the term of this Agreement, Consultant shall maintain on file with LLHA a certificate of insurance, in a form acceptable to LLHA showing that the aforesaid policies are in effect in the required amounts. The general liability policy shall contain or be endorsed to contain a provision including the Indemnitees as additional insureds. Consultant shall promptly file with LLHA such certificate or certificates and endorsements if applicable. Coverage for the additional insureds shall apply to the fullest extent permitted by law.

(e) No policy required by this section shall prohibit Consultant from waiving any right of recovery prior to loss. Consultant hereby waives such right with regard to the Indemnitees.

(f) All insurance coverage and limits provided by Consultant and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement limits the application of such insurance coverage.

(g) In accordance with the provisions of California Labor Code, Section 3700, every employer shall secure the payment of compensation to his employees. Consultant shall, prior to commencing work, sign and file with LLHA a certification as follows:

I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the work of this Agreement."

d. General Insurance Requirements: All insurance required by express provision of this Agreement shall be carried only in responsible insurance companies licensed to do business in the State of California. All policies shall contain language, to the extent obtainable, to the effect that (1) the insurer, insured and all subcontractors waive the right of subrogation against LLHA and LLHA's elected officials, officers, employees, and agents; (2) the policies are primary and noncontributing with any insurance that may be carried by LLHA; and (3) they cannot be canceled or materially changed except after thirty (30) days' written notice by the insurer to LLHA by certified mail. Consultant shall furnish LLHA with copies of all such policies. Consultant may effect for its own account insurance not required under this Agreement.

11. INDEPENDENT CONTRACTOR

(a) Consultant is and shall at all times remain as to the LLHA a wholly independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control and shall not be construed to be employees of LLHA for any purpose, including eligibility under Public Employees Retirement Law. Neither LLHA nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the

LLHA. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against LLHA, or bind LLHA in any manner.

(b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement LLHA shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for LLHA. LLHA shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

12. LEGAL RESPONSIBILITIES

The Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its services pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. The LLHA, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

13. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of the LLHA in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the LLHA will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the LLHA to any and all remedies at law or in equity.

14. NO BENEFIT TO ARISE TO LOCAL EMPLOYEES

No member, officer, or employee of LLHA, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the project performed under this Agreement.

15. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without LLHA's prior written authorization. Consultant, its officers, employees, agents, or subconsultants, shall not without written authorization from the LLHA Executive Director or unless requested by the LLHA Attorney, voluntarily provide declarations, letters of support, testimony at depositions, responses to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the LLHA. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives LLHA notice of such court order or subpoena.

(b) Consultant shall promptly notify LLHA should Consultant, its officers, employees, agents or subconsultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, requests for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed thereunder or with respect to any project or property located within the LLHA. LLHA retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding. Consultant agrees to cooperate fully with LLHA and to provide the opportunity to review any response to discovery requests provided by Consultant. However, LLHA's right to review any such response does not imply or mean the right by LLHA to control, direct, or rewrite said response.

(c) Consultant covenants that neither he/she nor any office or principal of their firm have any interest in, or shall acquire any interest, directly nor indirectly, which will conflict in any manner or degree with the performance of their services hereunder. Consultant further covenants that in the performance of this Agreement, no person having such interest shall be employed by them as an officer, employee, agent or subconsultant. Consultant further covenants that Consultant has not contracted with nor is performing any services, directly or indirectly, with any developer(s) and/or property owner(s) and/or firm(s) and/or partnership(s) owning property in the LLHA or the study area and further covenants and agrees that Consultant and/or its subconsultants shall provide no service or enter into any agreement or agreements with a/any developer(s) and/or property owner(s) and/or firm(s) and/or partnership(s) owning property in the LLHA or the study area prior to the completion of the work under this Agreement.

16. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To LLHA: Loma Linda Housing
Authority 25541
Barton Road
Loma Linda, CA 92354
Attention: Authority Secretary

To Consultant: DHA Consulting
3621 California Avenue
Long Beach, CA 90807
Attention: Diane Hadland

17. ASSIGNMENT

The Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the LLHA. Because of the

personal nature of the services to be rendered pursuant to this Agreement, only Diane Hadland (responsible employee) shall perform the services described in this Agreement.

Consultant's responsible employee may use assistants, under her direct supervision, to perform some of the services under this Agreement. Consultant shall provide LLHA fourteen (14) days' notice prior to the departure of the responsible employee from Consultant's employ. Should he leave Consultant's employ, the LLHA shall have the option to immediately terminate this Agreement, within three (3) days of the close of said notice period. Upon termination of this Agreement, Consultant's sole compensation shall be payment for actual services performed up to, and including, the date of termination or as may be otherwise agreed to in writing between the LLHA Board and the Consultant.

18. LICENSES

At all times during the term of this Agreement, Consultant shall have in full force and effect, all licenses required of it by law for the performance of the services described in this Agreement, including a City of Loma Linda business license.

19. GOVERNING LAW

The LLHA and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court with jurisdiction over the LLHA.

20. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

21. CONTENTS OF REQUEST FOR PROPOSAL AND PROPOSAL

Consultant is bound by the contents of the proposal submitted by the Consultant, Exhibit "C" hereto. In the event of conflict, the requirements this Agreement shall take precedence over those contained in the Consultant's proposals.

22. CONFIDENTIALITY

Information and materials obtained by the Consultant from LLHA during the performance of this Agreement shall be treated as strictly confidential and shall not be used by the Consultant for any purpose other than the performance of this Agreement.

23. DISCRIMINATION

The Consultant agrees that no person shall be excluded from employment in the performance of this Agreement on grounds of race, creed, color, sex, age, marital status, or place of national origin. In this connection, the Consultant agrees to comply with all County, State and Federal laws relating to equal employment opportunity rights.

24. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of Consultant warrants and represents that he/she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

LOMA LINDA HOUSING AUTHORITY

DHA CONSULTING

By: _____
[LLHA Executive Director or Mayor]

By: _____
(signature)

Attest:

Diane Hadland

LLHA Secretary

President

Approved as to Form:

LLHA Attorney

EXHIBIT A
SCOPE OF SERVICES
LLHA OF LOMA LINDA CONTRACT WITH
DHA CONSULTING, LLC

Description of Services

I. One Time Set-up Services

The following services are proposed to be provided initially in order to lay the groundwork for the ongoing monitoring requirements:

1. Review documents (DDA's, amendments, ground leases and promissory notes) and prepare listings of Authority monitoring responsibilities starting after the issuance of the certificate of completion. (The certificate of completion should have been issued by the Authority at project completion.) This listing will include responsibilities and covenants of the developer that the Authority will need to monitor for compliance as well as tasks for which the Authority is directly responsible.
2. Evaluate loans and other similar assets, provide accounting recommendations and create loan repayment schedules in Excel. This may involve getting clarifications on certain language from Authority Counsel.
3. Contact County of San Bernardino to see what ongoing monitoring they are implementing as the developer owes the County considerably more money than the Authority, at least for one of the housing projects. (Coordinating with the County could alleviate some of the Authority's ongoing monitoring responsibilities for at least some of the Poplar Street properties.
4. Review the DDA's requirements for construction phases of the developments to ensure prior compliance was achieved, including confirming that certificates of completion were provided by the Authority. Compile documentation in a format that can be easily referenced. Make recommendations for additional steps, if any, the Authority needs to take.

II. Ongoing Monitoring Services

Using the lists and information compiled during the one-time services phase, provide full monitoring services for the Authority including:

1. Ensure that the developer annually reports on tenant income levels and confirm that such incomes are in compliance with the terms of the DDA. Review all such reporting for completeness and to ensure it meets the required housing income levels.
2. Report loan balances and other information to the developer and/or review loan balance information provided by the developer for accuracy.

3. Ensure the development is being properly maintained as provided in the Agreement.
4. Ensure the developer maintains proper insurance as provided in the Agreement.
5. Provide other monitoring services, if any, which are identified in the review, conducted under I. above.
6. "Audit" the audited information on residual receipts provided by the developer to ensure the Authority is receiving the amount of loan repayments to which it is entitled.

III. Other Services

Perform such other services as may be requested by LLHA from time to time.

EXHIBIT B
PAYMENT TERMS
LLHA OF LOMA LINDA CONTRACT WITH
DHA CONSULTING, LLC

Compensation: The Agency shall compensate Consultant on an hourly basis as listed below, pursuant to this Agreement for such project accepted by the Executive Director or other Authorized Officer (designated by the Executive Director) of the Agency.

President	\$160/hour
Administrative/Secretarial	65/hour

Incurring Expenses shall be billed at an amount equal to 100% of the expense and shall include the following:

- ≈ Mileage at current IRS reimbursable amount, or equivalent car rental fee*
- ≈ Black and white copies at the rate of \$0.15 per copy; or actual outside charges*
- ≈ Facsimiles at the rate of \$0.5 per transmittal*
- ≈ Duplication and binding at an amount equal to actual charges*
- ≈ Authorized artwork or mapping at an amount equal to actual charges*
- ≈ Purchase of data and/or reports concerning assessed values or taxes at an amount equal to actual charges*
- ≈ Authorized travel by common carrier at an amount equal to actual charges*
- ≈ Telephone at the actual rate plus taxes and applicable other charges*
- ≈ Data Processing and computer modeling at an amount equal to actual charges*

Consultant shall present an invoice to Agency itemizing the duties performed and the amount of time related to each task. Agency shall compensate Consultant only upon presentation of such itemized invoice. Consultant shall be responsible for all expenses, other than those listed above, incurred by Consultant in connection with this Agreement.

Maximum Amount: Compensation under this Agreement shall not exceed \$19,500 unless additional services are approved as provided in the Agreement. Additional services, which must be approved in writing, are not to exceed \$1,950 unless approved by the LLHA Board, for a total contract maximum of \$21,450.00.

DHA Consulting

Diane Hadland, President
3621 California Avenue
Long Beach, California 90807

Facsimile: (562) 426-3282

(562) 426-1150

June 13, 2014

Ms. Diana DeAnda
Finance Director
City of Loma Linda
25541 Barton Road
Loma Linda, CA 92354

Dear Ms. DeAnda:

I am pleased to provide this cost estimate to provide to the Linda Housing Authority for monitoring services for three of the Authority's Low and Moderate Income Housing projects on Poplar Street (10777, 10799 and 10846 Poplar Street) and 25421 Cole Street.

SCOPE OF SERVICES

The services being considered by the Authority consist of certain one-time "set-up" services as well as ongoing monitoring services. A brief description of those services is as follows:

I. One Time Set-up Services

The following services are proposed to be provided initially in order to lay the groundwork for the ongoing monitoring requirements:

1. Review documents (DDA's, amendments, ground leases and promissory notes) and prepare listings of Authority monitoring responsibilities starting after the issuance of the certificate of completion. (The certificate of completion should have been issued by the Authority at project completion.) This listing will include responsibilities and covenants of the developer that the Authority will need to monitor for compliance as well as tasks for which the Authority is directly responsible.
2. Evaluate loans and other similar assets, provide accounting recommendations and create loan repayment schedules in Excel. This may involve getting clarifications on certain language from Authority Counsel.
3. Contact County of San Bernardino to see what ongoing monitoring they are implementing as the developer owes the County considerably more money than the Authority, at least for one of the housing projects. (Coordinating with the County could alleviate some of the Authority's ongoing monitoring responsibilities for at least some of the Poplar Street properties.)

II. Optional One Time Services

1. Review the DDA's requirements for construction phases of the developments to ensure prior compliance was achieved, including confirming that certificates of completion were provided by the Authority. Compile documentation in a format that can be easily

referenced. Make recommendations for additional steps, if any, the Authority needs to take.

III. Ongoing Monitoring Services

Using the lists and information compiled during the one-time services phase, provide full monitoring services for the Authority including:

1. Ensure that the developer annually reports on tenant income levels and confirm that such incomes are in compliance with the terms of the DDA. Review all such reporting for completeness and to ensure it meets the required housing income levels.
2. Report loan balances and other information to the developer and/or review loan balance information provided by the developer for accuracy.
3. Ensure the development is being properly maintained as provided in the Agreement.
4. Ensure the developer maintains proper insurance as provided in the Agreement.
5. Provide other monitoring services, if any, which are identified in the review conducted under I. above.
6. "Audit" the audited information on residual receipts provided by the developer to ensure the Authority is receiving the amount of loan repayments to which it is entitled.

ESTIMATED COSTS/TIMING

One time services are proposed to be provided on a time and materials basis in conformance with the enclosed schedule of fees and charges. An **estimate** of cost for each component is included below.

Type of Service	Budget Estimate
One Time Services	3,500
Annual Monitoring Services (Items 1 to 5) *	4,000
Quick Review of Four Audits	1,000
Basic Services Estimate	8,500
Full Audit of Residual Receipts Category	8,000
Optional One-Time Services	3,000
Total Optional Services	11,000
Total with Optional Service	19,500

* In years after 2014, this amount is proposed to be a flat fee, payable semi-annually. The specific amount of the fee can be adjusted to reflect the actual scope of monitoring services required by the Agreements and desired by the Authority.

After 2014, annual monitoring costs, with the exception of the audit of residual receipts amounts, are proposed to be provided based on a fixed fee rather than hourly rates. For the residual receipts review, services can be provided based on time and materials. The actual costs for this service will likely vary from \$1,000 to \$8,000 depending on the level of detail desired by the Authority in each year.

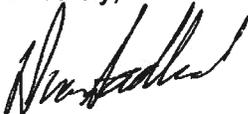
Typically, loans to be repaid from residual receipts are not expected to generate any payments for the first 5 to 10 years and may never be sufficient to repay the amounts loaned by the Authority before the maturity date in year 58+). The inability to repay total development costs, including land, can be primarily attributable to the rental restrictions imposed to provide housing to low and moderate income households. Rather than provide financial aid without any repayment requirements, using a residual receipts loan as the form for such assistance protects the Agency's investment in affordable housing, particularly in the event that income generated by the Project increases more than costs. In the later years of any project, even a low and moderate income housing project, there is often cash flow generated that could not be counted upon when the deal was negotiated. In the early years of most residual receipts loans, the amounts due to the Authority are likely to be minimal, if any.

Because of the nature of residual receipt loans, among other factors, we would not suggest that the Agency incur excessive annual auditing costs, although some evaluation of the revenues and costs reported by the developer should be initially conducted to establish good reporting habits for all parties. *As a result, annual monitoring costs for all four projects are likely to range from about \$5,000 to \$12,000.* Amounts near the upper end of this range would only be due if a full audit of the developer's audited numbers is deemed necessary. We suspect that the full priced audit would only be necessary once every 5 to 10 years, which audit costs are reimbursable by the developer if variations in the reported numbers of over 5 percent are identified.

If the Authority wants to minimize its annual costs, it can use the list created by DHA Consulting during 2014 and take on some of the ongoing monitoring costs itself. Please note, however, that while costs have been estimated for each individual assignment, the costs estimated for the non-basic services may need to be increased if the basic services are not provided. Further, at least some one time services need to be provided to make the ongoing monitoring cost estimates viable.

Please let me know if you have any questions or concerns. We can adjust the contract and this proposal to meet your preferences for saving money versus saving staff time. As always, DHA Consulting appreciates the opportunity to work with you and other City staff members.

Sincerely,



Diane Hadland
DHA Consulting, LLC

SCHEDULE OF FEES AND CHARGES

Principal	\$160/hour
Administrative/Secretarial	65/hour

Incurring Expenses shall be billed at an amount equal to 100% of the expense and shall include the following:

- ≈ Mileage at current IRS reimbursable amount, or equivalent car rental fee
- ≈ Black and white copies at the rate of \$0.15 per copy; or actual outside charges
- ≈ Facsimiles at the rate of \$0.5 per transmittal
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