

Yolo County Housing Yolo County, California

August 23, 2017

MINUTES

The Yolo County Housing met on the 23rd day of August, 2017, in regular session in its Chambers in the Erwin W. Meier Administration Building, 625 Court Street, Woodland, California at 4:00 p.m.

Present: Will Arnold; Angel Barajas; Mark Johannessen; Pierre Neu; Karen Vanderford;
Jennifer Wienecke-Friedman

Absent: Helen Thomson

Staff Present: Lisa Baker, CEO
Hope Welton, Agency Counsel
Janis Holt, General Managing Director
Julie Dachtler, Clerk

CALL TO ORDER

1. Pledge of Allegiance.
2. Consider approval of the agenda.

Minute Order No. 17-40: Approved agenda as submitted.

MOTION: Arnold. SECOND: Barajas. AYES: Arnold, Barajas, Johannessen, Neu, Vanderford. ABSENT: Thomson, Wienecke-Friedman.

3. Public Comment: Opportunity for members of the public to address the Housing Authority on subjects not otherwise on the agenda relating to Housing Authority business. The Board reserves the right to impose a reasonable limit on time afforded to any topic or to any individual speaker.

Mary Hammes from YCH introduced Jennifer Fallon, intern from Sacramento State.

PRESENTATIONS

4. Presentation of New Staff Member: Destinee Rodriguez, Temporary OA II

Janis Holt, General Managing Director, presented Destinee Rodriguez.

5. Presentation of Mid-Year Presentation of Accomplishments, 1/1/2017 - 7/30/2017

CEO Lisa Baker presented the Mid-Year Accomplishments.

CONSENT AGENDA

Minute Order No. 17-41: Approved Consent Agenda Item No. 1.

MOTION: Arnold. SECOND: Neu. AYES: Arnold, Barajas, Johannessen, Neu, Vanderford, Wienecke-Friedman. ABSENT: Thomson.

6. Approval of Minutes from the meeting of July 26, 2017

Approved the minutes from the meeting of July 26, 2017 on Consent.

REGULAR AGENDA

7. Review, Approve and Adopt Resolution for the Section Eight Management Assessment Program (SEMAP) Certification of YCH as a High Performer (Holt and Jimenez-Perez)

Minute Order No. 17-42: Approved recommended action by **Resolution No. 17-10.**

MOTION: Arnold. SECOND: Wienecke-Friedman. AYES: Arnold, Barajas, Johannessen, Neu, Vanderford, Wienecke-Friedman. ABSENT: Thomson.

8. Review, Approve and Adopt Resolutions Authorizing the Execution of a Standard Contract for Migrant Housing Services with the State of California, Department of Housing and Community Development, Office of Migrant Services (Baker, Gillette, Holt)

Minute Order No. 17-43: Approved recommended action by **Resolution Nos. 17-11 and 17-12.**

MOTION: Arnold. SECOND: Neu. AYES: Arnold, Barajas, Johannessen, Neu, Vanderford, Wienecke-Friedman. ABSENT: Thomson.

9. Receive comments from CEO.

CEO Lisa Baker reported on recent issues at Pacifico, which they are working on, as well as addressing vandalism incidents. She praised the maintenance staff for responding promptly and efficiently in reducing the damage at this property.

10. Receive comments from Commissioners.

There were no comments from the Commissioners.

CLOSED SESSION

11. Conference with Labor Negotiator: Lisa A. Baker, CEO; Janis Holt, Resource Administrator; Hope Welton, Agency Counsel
- Bargaining Units: Management

There was no report out of closed session.

ADJOURNMENT

Next meeting is September 27, 2017

Mark Johannessen, Chair
Yolo County Housing

Julie Dachtler, Clerk
Yolo County Housing

YOLO COUNTY HOUSING

AGENDA

REGULAR MEETING

August 23, 2017

4:00 p.m.



YOLO COUNTY HOUSING
HOUSING COMMISSION

WILL ARNOLD
ANGEL BARAJAS
MARK JOHANNESSEN
PIERRE NEU
HELEN MACLEOD THOMSON
KAREN VANDERFORD
JENNIFER WIENECKE-FRIEDMAN

BOARD OF SUPERVISORS CHAMBERS
625 COURT STREET, ROOM 206
WOODLAND, CALIFORNIA 95695

LISA A. BAKER
CHIEF EXECUTIVE OFFICER

HOPE WELTON
AGENCY COUNSEL

Reminder: Please turn off cell phones.

CALL TO ORDER

1. Pledge of Allegiance.
2. Consider approval of the agenda.
3. Public Comment: Opportunity for members of the public to address the Housing Authority on subjects not otherwise on the agenda relating to Housing Authority business. The Board reserves the right to impose a reasonable limit on time afforded to any topic or to any individual speaker.

PRESENTATIONS

4. Presentation of New Staff Member: Destinee Rodriguez, Temporary OA II
5. Presentation of Mid-Year Presentation of Accomplishments, 1/1/2017 - 7/30/2017

CONSENT AGENDA

6. Approval of Minutes from the meeting of July 26, 2017

REGULAR AGENDA

7. Review, Approve and Adopt Resolution for the Section Eight Management Assessment Program (SEMAP) Certification of YCH as a High Performer (Holt and Jimenez-Perez)
8. Review, Approve and Adopt Resolutions Authorizing the Execution of a Standard Contract for Migrant Housing Services with the State of California, Department of Housing and Community Development, Office of Migrant Services (Baker, Gillette, Holt)
9. Receive comments from CEO.
10. Receive comments from Commissioners.

CLOSED SESSION

11. Conference with Labor Negotiator: Lisa A. Baker, CEO; Janis Holt, Resource Administrator; Hope Welton, Agency Counsel

Bargaining Units: Management

ADJOURNMENT

Next meeting is September 27, 2017

I declare under penalty of perjury that the foregoing agenda was posted by August 17, 2017 by 5:00 p.m. at the following places:

- On the bulletin board at the east entrance of the Erwin W. Meier Administration Building, 625 Court Street, Woodland, California; and
- On the bulletin board outside the Board of Supervisors Chambers, Room 206 in the Erwin W. Meier Administration Building, 625 Court Street, Woodland, California; and
- On the bulletin board of Yolo County Housing, 147 West Main Street, Woodland, California.
- On the Yolo County website: www.yolocounty.org.

Julie Dachtler, Clerk of the Board

By: _____
Clerk

NOTICE

If requested, this agenda can be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 and the Federal Rules and Regulations adopted in implementation thereof. Persons seeking an alternative format should contact the Clerk of the Board for further information. In addition, a person with a disability who requires a modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting should telephone or otherwise contact the Clerk of the Board as soon as possible and at least 72 hours prior to the meeting. The Clerk of the Board may be reached at (530) 666-8195 or at the following address:

Yolo County Housing
c/o Clerk of the Board of Supervisors
County of Yolo
625 Court Street, Room 204, Woodland, CA 95695

Yolo County Housing
Yolo County, California

To: Co. Counsel ✓
Yolo County Housing ✓

CONSENT CALENDAR

Excerpt of Minute Order No. 17-41 Item No. 6, of the Yolo County Housing meeting of August 23, 2017.

MOTION: Arnold. SECOND: Neu. AYES: Arnold, Barajas, Johannessen, Neu, Vanderford, Wienecke-Friedman.
ABSENT: Thomson.

6.

Approval of Minutes from the meeting of July 26, 2017

Approved the minutes from the meeting of July 26, 2017 on Consent.

Yolo County Housing Yolo County, California

July 26, 2017

MINUTES

The Yolo County Housing met on the 26th day of July, 2017, in regular session in its Chambers in the Erwin W. Meier Administration Building, 625 Court Street, Woodland, California at 4:00 p.m.

Present: Will Arnold; Angel Barajas; Mark Johannessen; Pierre Neu; Helen Thomson; Karen Vanderford; Jennifer Wienecke-Friedman

Staff Present: Lisa Baker, CEO
Hope Welton, Agency Counsel
Janis Holt, General Managing Director
Julie Dachtler, Clerk

CALL TO ORDER

1. Pledge of Allegiance.
2. Consider approval of the agenda.

Minute Order No. 17-35: Approved agenda as submitted.

MOTION: Wienecke-Friedman. SECOND: Neu. AYES: Johannessen, Neu, Vanderford, Thomson, Wienecke-Friedman. ABSENT: Arnold, Barajas.

3. Public Comment: Opportunity for members of the public to address the Housing Authority on subjects not otherwise on the agenda relating to Housing Authority business. The Board reserves the right to impose a reasonable limit on time afforded to any topic or to any individual speaker.

There was no public comment.

CLOSED SESSION

4. Conference with Labor Negotiator: Lisa A. Baker, CEO; Janis Holt, Resource Administrator; Hope Welton, Agency Counsel

Bargaining Units: General; Management

Recessed to Closed Session.

PRESENTATIONS

5. Presentation of New Staff Members: Jacob Echavarria, Maintenance Worker II; Angelina Bravo, Office Assistant II; Mary Nieves, Office Assistant I.

Janis Holt, General Director, presented new staff members.

6. Presentation of New Temporary Staff: Gina Slaughter, Temporary Housing Specialist; Brenda Archer, Temporary Office Assistant II and Carmen Quintero, Temporary Finance Specialist I.

Janis Holt, General Director, presented Gina Slaughter and Carmen Quintero and acknowledged Brenda Archer, who could not be in attendance.

7. Presentation of Public Housing Rent Calculation Specialist Certification to Vannesa Andrade, Housing Specialist II

Vannesa Andrade was introduced.

CONSENT AGENDA

Minute Order No. 17-36: Approved Consent Agenda Item Nos. 8-10, with the CEO noting Agenda Item No. 10 had a revised amortization repayment schedule as presented on the blue sheet.

MOTION: Arnold. SECOND: Barajas. AYES: Arnold, Barajas, Johannessen, Neu, Thomson, Vanderford, Wienecke-Friedman.

8. Approval of Minutes from the meeting of June 28, 2017

Approved the minutes from the meeting of June 28, 2017 on Consent.

9. Review and Approve YCH Final 2017 Capital Fund Award and Direct the Chief Executive Officer to Execute the 2017 Capital Fund Annual Contributions Contract (ACC) with HUD (Ichtertz)

Approved recommended action on Consent.

10. Review, Approve and Adopt Resolution Authorizing the Execution and Delivery of a Master Equipment Lease-Purchase Agreement with PNC Equipment Finance, LLC Along with Lease Schedules and Escrow Agreement and Authorizing the CEO to Execute.

Approved **Resolution No. 17-08** on Consent.

REGULAR AGENDA

11. Review and Approve YCH Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault or Stalking (Holt)

Minute Order No. 17-37: Approved recommended action.

MOTION: Arnold. SECOND: Barajas. AYES: Arnold, Barajas, Johannessen, Neu, Thomson, Vanderford, Wienecke-Friedman.

12. Review and Approve Proposed Collective Bargaining Agreement with the General Unit of the International Brotherhood of Teamsters, Local 856 (Holt and Baker)

Minute Order No. 17-38: Approved recommended action by **Agreement No. 17-04**.

MOTION: Barajas. SECOND: Arnold. AYES: Arnold, Barajas, Johannessen, Neu, Thomson, Vanderford, Wienecke-Friedman.

13. Review, Approve and Adopt Resolution Adopting New Debt Policy for YCH (Gillette and Baker)

Minute Order No. 17-39: Approved recommended action by **Resolution No. 17-09**.

MOTION: Thomson. SECOND: Wienecke-Friedman. AYES: Arnold, Barajas, Johannessen, Neu, Thomson, Vanderford, Wienecke-Friedman.

14. Receive Verbal Report from CEO on OMS Migrant Center Contracts

CEO Lisa Baker provided a verbal report on the status of the OMS Migrant Center Contracts, noting they are in negotiations with the State on the contracts. Despite setbacks, YCH is continuing to work with them in good faith in resolving issues. Two of the main issues are advance funding and not allowing extensions as to when the centers will close. She also explained that the school district has stepped up to assist students during this time. There is also some advocacy groups that are talking about changing the radius from 50 miles to 5 miles for those who need migrant housing. YCH is not supportive of this happening as it will negatively impact those seeking migrant housing from further away. As soon as they have contracts that work, they will bring them to the Board for approval.

15. Receive comments from CEO

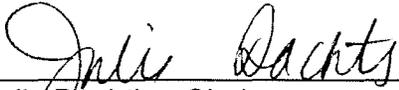
Fred Ichtertz provided an update on the El Rio Villas wells and CEO Lisa Baker provided a Client Services Highlight Report to each Commissioner.

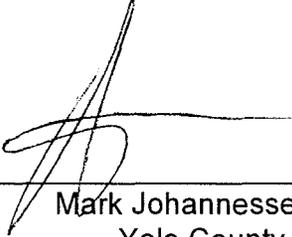
16. Receive comments from Commissioners

There were no comments from the Commissioners.

ADJOURNMENT

Next meeting is August 23, 2017


Julie Dachtler, Clerk
Yolo County Housing


Mark Johannessen, Chair
Yolo County Housing

Yolo County Housing
Yolo County, California

Meeting Date: August 23, 2017

To: County Counsel ✓
Yolo County Housing ✓

7.

Review, Approve and Adopt Resolution for the Section Eight Management Assessment Program (SEMAP) Certification of YCH as a High Performer (Holt and Jimenez-Perez)

Minute Order No. 17-42: Approved recommended action by **Resolution No. 17-10**.

MOTION: Arnold. SECOND: Wienecke-Friedman. AYES: Arnold, Barajas, Johannessen, Neu, Vanderford, Wienecke-Friedman. ABSENT: Thomson.



Yolo County Housing

147 W. Main Street
WOODLAND, CA 95695

Woodland: (530) 662-5428
Sacramento: (916) 444-8982
TTY: (800) 545-1833, ext. 626

DATE: August 23, 2017
TO: YCH Housing Commission
FROM: Lisa A. Baker, CEO
PREPARED BY: Marianne Krager – MK Compliance Solutions (Contractor)
SUBJECT: REVIEW, APPROVE AND ADOPT RESOLUTION FOR SECTION 8 MANAGEMENT ASSESMENT PROGRAM (SEMAP) CERTIFICATION

RECOMMENDED ACTION:

That the Housing Commission:

1. Adopt a resolution approving the Yolo County Housing (YCH) Self-Certification score for Section 8 Management Assessment Program (SEMAP) Certification and Analysis for Fiscal Year 2016-2017; AND
2. Authorize the CEO to submit to HUD.

BACKGROUND / DISCUSSION

SEMAP was developed by the U.S. Department of Housing and Urban Development (HUD) to assess the utilization and operations of the Housing Choice Voucher (HCV) Program, and measure the performance of individual public housing agencies (PHA's). SEMAP collects data from HUD's Public and Indian Housing Information Center (PIC) system, a national database used to remotely measure PHA's performance and administration of the HCV program. In addition to the PIC system, SEMAP uses information from audits conducted annually by independent auditors. HUD annually assign each PHA a rating on each of the 14 indicators, and an overall performance rating of high, standard, or troubled based on this information. There is a maximum of 145 points (or 150 points with the addition of 5 bonus points for eligible jurisdictions). The indicators of performance show whether PHAs help eligible families afford decent rental units, at a reasonable subsidy cost, as intended by Federal housing legislation.

While the required self-assessment can be completed in-house, YCH has chosen to contract out for the services of the assessment in order to use it as a valid third party

assessment of operational compliance over and above that required under the Single Audit.

It was determined after completion of the assessment, that YCH scores 145 out of the possible 145 points (100.00%), a perfect score. Yolo County Housing, therefore is once again a **High Performing** agency in Voucher operations for the **eighth consecutive year**.

FISCAL IMPACT

PHA's with SEMAP scores of at least 90 percent shall be rated high performers. PHAs that achieve an overall performance rating of high performer may receive national recognition by the Department of Housing and Urban Development and may receive a competitive advantage under notices of funding availability.

CONCLUSION

After completion of the self-assessment and review of the back-up documents, YCH is prepared to successfully submit SEMAP information to HUD. HUD requires YCH to submit a self-certification of SEMAP indicators within 60 days after the end of the YCH fiscal year of June 30, 2017. Once approved by the Housing Commission, the attached certification will be electronically submitted on or before the due date of August 29, 2017.

Attachments:

Resolution
SEMAP indicator scoring document
FSS Report

FILED

AUG 24 2017

BY Julie Racht
DEPUTY CLERK OF THE BOARD

**YOLO COUNTY HOUSING
RESOLUTION NO. 17- 10**

**(Resolution regarding the Section Eight Management Assessment Program (SEMAP)
Certification for Fiscal Year Ending June 2017)**

WHEREAS, the Housing Authority of the County of Yolo ("YCH") must submit to the U.S. Department of Housing and Urban Development ("HUD") Section Eight Management Assessment Program (SEMAP) Certification on or before August 29, 2017; and

WHEREAS, the submittal of the SEMAP Certification requires the approval and authorization of the Housing Commission of YCH; and

WHEREAS, the SEMAP Certification will be submitted to HUD electronically through HUD'S website on or before August 29, 2017 after review by the Chief Executive Officer; and

WHEREAS, the Housing Commission of YCH have determined to the best of their knowledge that the SEMAP Certification for year ending June 30, 2017 is true and correct.

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the Housing Commission of the Housing Authority of the County of Yolo, as follows:

1. Each of the foregoing recitals is true and correct.
2. The Board of Commissioners hereby confirms and approves the submittal of the SEMAP Certification for the year ending June 30, 2017, which will be submitted electronically through HUD'S website on or before August 29, 2017.

EFFECTIVE DATES: This Resolution shall take effect from and after the date of its adoption.

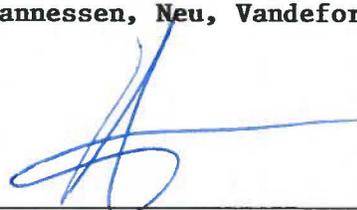
PASSED AND ADOPTED, by the Housing Commission of the Housing Authority of the County of Yolo, State of California, this 23rd day of August 2017 by the following vote:

AYES: Arnold, Barajas, Johannessen, Neu, Vandeford, Wienecke-Friedman.

NOES: None.

ABSTAIN: None.

ABSENT: Thomson.



Mark Johannessen, Chair
Housing Commission of the
Housing Authority of the County of Yolo

FILED

AUG 14 2014

BY _____
DEPUTY CLERK OF THE BOARD

Approved as to Form:

By Hope P. Welton
Hope Welton, Agency Counsel

Attest:

Julie Dachtler, Clerk
Housing Commission of the
Housing Authority of the County of Yolo

By Julie Dachtler



SEMAP INDICATORS
[24CFR 985.3 and form HUD-52648]
FY 2016/2017

The table below lists each of the SEMAP indicators and contains a description of each indicator.

INDICATORS	SCORE
Indicator 1: Selection from the waiting list Maximum Score: 15 <ul style="list-style-type: none"> • Proper selection of applicants from the housing choice voucher waiting list 	15
Indicator 2: Rent reasonableness Maximum Score: 20 <ul style="list-style-type: none"> • Sound determination of reasonable rent for each unit leased 	20
Indicator 3: Determination of adjusted income Maximum Score: 20 <ul style="list-style-type: none"> • Accurate verification of family income 	20
Indicator 4: Utility Allowance Schedule Maximum Score: 5 <ul style="list-style-type: none"> • Maintenance of a current schedule of allowances for tenant utility costs 	5
Indicator 5: HQS Quality Control Inspections Maximum Score: 5 <ul style="list-style-type: none"> • Performing of quality control inspections to ensure housing quality 	5
Indicator 6: HQS Enforcement Maximum Score: 10 <ul style="list-style-type: none"> • Timely annual housing quality inspections 	10
Indicator 7: Expanding Housing Opportunities Maximum Score: 5 <ul style="list-style-type: none"> • Expand housing choice outside areas of poverty or minority concentration 	5
Indicator 8: FMR limit and Payment Standards Maximum Points: 5 <ul style="list-style-type: none"> • Establishment of payment standards within the required range of the HUD fair market rent 	5
Indicator 9: Annual Re-examinations Maximum Points: 10 <ul style="list-style-type: none"> • Timely annual reexaminations of family income 	10

Indicator 10: Correct tenant rent calculations Maximum Points: 5 <ul style="list-style-type: none"> • Correct calculation of the tenant share of the rent and the housing assistance payment 	5
Indicator 11: Pre-contract HQS Inspections Maximum Points: 5 <ul style="list-style-type: none"> • Ensure units comply with the housing quality standards before families enter into leases and PHAs enter into housing assistance contracts 	5
Indicator 12: Annual HQS Inspections Maximum Points: 10 <ul style="list-style-type: none"> • Timely annual housing quality inspections 	10
Indicator 13: Lease-up Maximum Points: 20 <ul style="list-style-type: none"> • Ensure that all available housing choice vouchers are used 	20
Indicator 14: Family Self-Sufficiency (FSS) enrollment and escrow account balances Maximum Points: 10 <ul style="list-style-type: none"> • Enroll families in the family self-sufficiency (FSS) program as required and help FSS families achieve increases in employment income. 	10
TOTAL SCORE	145

(a) High performer rating. PHAs with SEMAP scores of at least 90 percent shall be rated high performers under SEMAP. PHAs that achieve an overall performance rating of high performer may receive national recognition by the Department and may be given competitive advantage under notices of fund availability.

(b) Standard rating. PHAs with SEMAP scores of 60 to 89 percent shall be rated standard

(c) Troubled rating. PHAs with SEMAP scores of less than 60 percent shall be rated troubled.

Staff found, after completion of the self-assessment, that again it score 145 out of the possible 145 points (100%) **YCH scored maximum points on each indicator**

Section 8 Management Assessment Program (SEMAP) Certification

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

OMB Approval No. 2577-0215
(exp. 11/30/2016)

Public reporting burden for this collection of information is estimated to average 12 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and you are not required to respond to, a collection of information unless it displays a currently valid OMB control number.

This collection of information is required by 24 CFR sec 985.101 which requires a Public Housing Agency (PHA) administering a Section 8 tenant-based assistance program to submit an annual SEMAP Certification within 60 days after the end of its fiscal year. The information from the PHA concerns the performance of the PHA and provides assurance that there is no evidence of seriously deficient performance. HUD uses the information and other data to assess PHA management capabilities and deficiencies, and to assign an overall performance rating to the PHA. Responses are mandatory and the information collected does not lend itself to confidentiality.

Instructions Respond to this certification form using the PHA's actual data for the fiscal year just ended.

PHA Name Housing Authority of the County of Yolo	For PHA FY Ending (mm/dd/yyyy) 06/30/2017	Submission Date (mm/dd/yyyy) 08/29/2017
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Check here if the PHA expends less than \$300,000 a year in Federal awards

Indicators 1 - 7 will not be rated if the PHA expends less than \$300,000 a year in Federal awards and its Section 8 programs are not audited for compliance with regulations by an independent auditor. A PHA that expends less than \$300,000 in Federal awards in a year must still complete the certification for these indicators.

Performance Indicators

1. Selection from the Waiting List. (24 CFR 982.54(d)(1) and 982.204(a))

(a) The PHA has written policies in its administrative plan for selecting applicants from the waiting list.

PHA Response Yes No

(b) The PHA's quality control samples of applicants reaching the top of the waiting list and of admissions show that at least 98% of the families in the samples were selected from the waiting list for admission in accordance with the PHA's policies and met the selection criteria that determined their places on the waiting list and their order of selection.

PHA Response Yes No

2. Reasonable Rent. (24 CFR 982.4, 982.54(d)(15), 982.158(f)(7) and 982.507)

(a) The PHA has and implements a reasonable written method to determine and document for each unit leased that the rent to owner is reasonable based on current rents for comparable unassisted units (i) at the time of initial leasing, (ii) before any increase in the rent to owner, and (iii) at the HAP contract anniversary if there is a 5 percent decrease in the published FMR in effect 60 days before the HAP contract anniversary. The PHA's method takes into consideration the location, size, type, quality, and age of the program unit and of similar unassisted units, and any amenities, housing services, maintenance or utilities provided by the owners.

PHA Response Yes No

(b) The PHA's quality control sample of tenant files for which a determination of reasonable rent was required shows that the PHA followed its written method to determine reasonable rent and documented its determination that the rent to owner is reasonable as required for (check one):

PHA Response At least 98% of units sampled 80 to 97% of units sampled Less than 80% of units sampled

3. Determination of Adjusted Income. (24 CFR part 5, subpart F and 24 CFR 982.516)

The PHA's quality control sample of tenant files shows that at the time of admission and reexamination, the PHA properly obtained third party verification of adjusted income or documented why third party verification was not available; used the verified information in determining adjusted income; properly attributed allowances for expenses; and, where the family is responsible for utilities under the lease, the PHA used the appropriate utility allowances for the unit leased in determining the gross rent for (check one):

PHA Response At least 90% of files sampled 80 to 89% of files sampled Less than 80% of files sampled

4. Utility Allowance Schedule. (24 CFR 982.517)

The PHA maintains an up-to-date utility allowance schedule. The PHA reviewed utility rate data that it obtained within the last 12 months, and adjusted its utility allowance schedule if there has been a change of 10% or more in a utility rate since the last time the utility allowance schedule was revised.

PHA Response Yes No

5. HQS Quality Control Inspections. (24 CFR 982.405(b))

A PHA supervisor (or other qualified person) reinspected a sample of units during the PHA fiscal year, which met the minimum sample size required by HUD (see 24 CFR 985.2), for quality control of HQS inspections. The PHA supervisor's reinspected sample was drawn from recently completed HQS inspections and represents a cross section of neighborhoods and the work of a cross section of inspectors.

PHA Response Yes No

6. HQS Enforcement. (24 CFR 982.404)

The PHA's quality control sample of case files with failed HQS inspections shows that, for all cases sampled, any cited life-threatening HQS deficiencies were corrected within 24 hours from the inspection and, all other cited HQS deficiencies were corrected within no more than 30 calendar days from the inspection or any PHA-approved extension, or, if HQS deficiencies were not corrected within the required time frame, the PHA stopped housing assistance payments beginning no later than the first of the month following the correction period, or took prompt and vigorous action to enforce the family obligations for (check one):

PHA Response At least 98% of cases sampled Less than 98% of cases sampled

7. Expanding Housing Opportunities. (24 CFR 982.54(d)(5), 982.153(b)(3) and (b)(4), 982.301(a) and 983.301(b)(4) and (b)(12)).

Applies only to PHAs with jurisdiction in metropolitan FMR areas.

Check here if not applicable

(a) The PHA has a written policy to encourage participation by owners of units outside areas of poverty or minority concentration which clearly delineates areas in its jurisdiction that the PHA considers areas of poverty or minority concentration, and which includes actions the PHA will take to encourage owner participation.

PHA Response Yes No

(b) The PHA has documentation that shows that it took actions indicated in its written policy to encourage participation by owners outside areas of poverty and minority concentration.

PHA Response Yes No

(c) The PHA has prepared maps that show various areas, both within and neighboring its jurisdiction, with housing opportunities outside areas of poverty and minority concentration; the PHA has assembled information about job opportunities, schools and services in these areas; and the PHA uses the maps and related information when briefing voucher holders.

PHA Response Yes No

(d) The PHA's information packet for voucher holders contains either a list of owners who are willing to lease, or properties available for lease, under the voucher program, or a list of other organizations that will help families find units and the list includes properties or organizations that operate outside areas of poverty or minority concentration.

PHA Response Yes No

(e) The PHA's information packet includes an explanation of how portability works and includes a list of neighboring PHAs with the name, address and telephone number of a portability contact person at each.

PHA Response Yes No

(f) The PHA has analyzed whether voucher holders have experienced difficulties in finding housing outside areas of poverty or minority concentration and, where such difficulties were found, the PHA has considered whether it is appropriate to seek approval of exception payment standard amounts in any part of its jurisdiction and has sought HUD approval when necessary.

PHA Response Yes No

8. Payment Standards. The PHA has adopted current payment standards for the voucher program by unit size for each FMR area in the PHA jurisdiction and, if applicable, for each PHA-designated part of an FMR area, which do not exceed 110 percent of the current applicable FMR and which are not less than 90 percent of the current FMR (unless a lower percent is approved by HUD). (24 CFR 982.503)

PHA Response Yes No

Enter current FMRs and payment standards (PS)

0-BR FMR <u>872</u>	1-BR FMR <u>884</u>	2-BR FMR <u>1175</u>	3-BR FMR <u>1672</u>	4-BR FMR <u>2070</u>
PS <u>864</u>	PS <u>870</u>	PS <u>1164</u>	PS <u>1672</u>	PS <u>2032</u>

If the PHA has jurisdiction in more than one FMR area, and/or if the PHA has established separate payment standards for a PHA-designated part of an FMR area, attach similar FMR and payment standard comparisons for each FMR area and designated area.

9. Annual Reexaminations. The PHA completes a reexamination for each participating family at least every 12 months. (24 CFR 982.516)

PHA Response Yes No

10. Correct Tenant Rent Calculations. The PHA correctly calculates tenant rent in the rental certificate program and the family rent to owner in the rental voucher program. (24 CFR 982, Subpart K)

PHA Response Yes No

11. Precontract HQS Inspections. Each newly leased unit passed HQS inspection before the beginning date of the assisted lease and HAP contract. (24 CFR 982.305)

PHA Response Yes No

12. Annual HQS Inspections. The PHA inspects each unit under contract at least annually. (24 CFR 982.405(a))

PHA Response Yes No

13. Lease-Up. The PHA executes assistance contracts on behalf of eligible families for the number of units that has been under budget for at least one year.

PHA Response Yes No

14a. Family Self-Sufficiency Enrollment. The PHA has enrolled families in FSS as required. (24 CFR 984.105)

Applies only to PHAs required to administer an FSS program.

Check here if not applicable

PHA Response

a. Number of mandatory FSS slots (Count units funded under the FY 1992 FSS incentive awards and in FY 1993 and later through 10/20/1998. Exclude units funded in connection with Section 8 and Section 23 project-based contract terminations; public housing demolition, disposition and replacement; HUD multifamily property sales; prepaid or terminated mortgages under section 236 or section 221(d)(3); and Section 8 renewal funding. Subtract the number of families that successfully completed their contracts on or after 10/21/1998.)

16

or, Number of mandatory FSS slots under HUD-approved exception

b. Number of FSS families currently enrolled

16

c. Portability: If you are the initial PHA, enter the number of families currently enrolled in your FSS program, but who have moved under portability and whose Section 8 assistance is administered by another PHA

Percent of FSS slots filled (b + c divided by a)

100.00

14b. Percent of FSS Participants with Escrow Account Balances. The PHA has made progress in supporting family self-sufficiency as measured by the percent of currently enrolled FSS families with escrow account balances. (24 CFR 984.305)

Applies only to PHAs required to administer an FSS program.

Check here if not applicable

PHA Response Yes No

77

Portability: If you are the initial PHA, enter the number of families with FSS escrow accounts currently enrolled in your FSS program, but who have moved under portability and whose Section 8 assistance is administered by another PHA

Deconcentration Bonus Indicator (Optional and only for PHAs with jurisdiction in metropolitan FMR areas).

The PHA is submitting with this certification data which show that:

- (1) Half or more of all Section 8 families with children assisted by the PHA in its principal operating area resided in low poverty census tracts at the end of the last PHA FY;
- (2) The percent of Section 8 mover families with children who moved to low poverty census tracts in the PHA's principal operating area during the last PHA FY is at least two percentage points higher than the percent of all Section 8 families with children who resided in low poverty census tracts at the end of the last PHA FY;
- or
- (3) The percent of Section 8 mover families with children who moved to low poverty census tracts in the PHA's principal operating area over the last two PHA FYs is at least two percentage points higher than the percent of all Section 8 families with children who resided in low poverty census tracts at the end of the second to last PHA FY.

PHA Response Yes No If yes, attach completed deconcentration bonus indicator addendum.

I hereby certify that, to the best of my knowledge, the above responses under the Section 8 Management Assessment Program (SEMAP) are true and accurate for the PHA fiscal year indicated above. I also certify that, to my present knowledge, there is not evidence to indicate seriously deficient performance that casts doubt on the PHA's capacity to administer Section 8 rental assistance in accordance with Federal law and regulations.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Executive Director, signature

Chairperson, Board of Commissioners, signature

Date (mm/dd/yyyy) 08/23/2017

Date (mm/dd/yyyy) 08/23/2017

The PHA may include with its SEMAP certification any information bearing on the accuracy or completeness of the information used by the PHA in providing its certification.

SEMAP Certification - Addendum for Reporting Data for Deconcentration Bonus Indicator

Date (mm/dd/yyyy) _____

PHA Name _____

Principal Operating Area of PHA _____
(The geographic entity for which the Census tabulates data)

Special Instructions for State or regional PHAs Complete a copy of this addendum for each metropolitan area or portion of a metropolitan area (i.e., principal operating areas) where the PHA has assisted 20 or more Section 8 families with children in the last completed PHA FY. HUD will rate the areas separately and the separate ratings will then be weighted by the number of assisted families with children in each area and averaged to determine bonus points.

1990 Census Poverty Rate of Principal Operating Area _____

Criteria to Obtain Deconcentration Indicator Bonus Points

To qualify for bonus points, a PHA must complete the requested information and answer yes for only one of the 3 criteria below. However, State and regional PHAs must always complete line 1) b for each metropolitan principal operating area.

- 1) _____ a. Number of Section 8 families with children assisted by the PHA in its principal operating area at the end of the last PHA FY who live in low poverty census tracts. A low poverty census tract is a tract with a poverty rate at or below the overall poverty rate for the principal operating area of the PHA, or at or below 10% whichever is greater.
- _____ b. Total Section 8 families with children assisted by the PHA in its principal operating area at the end of the last PHA FY.
- _____ c. Percent of all Section 8 families with children residing in low poverty census tracts in the PHA's principal operating area at the end of the last PHA FY (line a divided by line b).
- Is line c 50% or more? Yes No

- 2) _____ a. Percent of all Section 8 families with children residing in low poverty census tracts in the PHA's principal operating area at the end of the last completed PHA FY.
- _____ b. Number of Section 8 families with children who moved to low poverty census tracts during the last completed PHA FY.
- _____ c. Number of Section 8 families with children who moved during the last completed PHA FY.
- _____ d. Percent of all Section 8 mover families with children who moved to low poverty census tracts during the last PHA fiscal year (line b divided by line c).
- Is line d at least two percentage points higher than line a? Yes No

- 3) _____ a. Percent of all Section 8 families with children residing in low poverty census tracts in the PHA's principal operating area at the end of the second to last completed PHA FY.
- _____ b. Number of Section 8 families with children who moved to low poverty census tracts during the last two completed PHA FYs.
- _____ c. Number of Section 8 families with children who moved during the last two completed PHA FYs.
- _____ d. Percent of all Section 8 mover families with children who moved to low poverty census tracts over the last two completed PHA FYs (line b divided by line c).
- Is line d at least two percentage points higher than line a? Yes No

If one of the 3 criteria above is met, the PHA may be eligible for 5 bonus points.

See instructions above concerning bonus points for State and regional PHAs.

Yolo County Housing
Yolo County, California

Meeting Date: August 23, 2017

To: County Counsel ✓
Yolo County Housing ✓

8.

Review, Approve and Adopt Resolutions Authorizing the Execution of a Standard Contract for Migrant Housing Services with the State of California, Department of Housing and Community Development, Office of Migrant Services (Baker, Gillette, Holt)

Minute Order No. 17-43: Approved recommended action by **Resolution Nos. 17-11** and **17-12**.

MOTION: Arnold. SECOND: Neu. AYES: Arnold, Barajas, Johannessen, Neu, Vanderford, Wienecke-Friedman. ABSENT: Thomson.



Yolo County Housing

Main Office: 147 W. Main Street, Woodland, Ca 95695
 Woodland: (530) 662-5428
 Sacramento: (916) 444-8982
 TTY: (800) 545-1833, ext. 626

DATE: August 23, 2017

TO: YCH Housing Commission

FROM: Lisa A. Baker, Chief Executive Officer
 James D. Gillette, Finance Director

SUBJECT: **Review, Approve, and Adopt Resolutions Authorizing Execution of Standard Contract with State Department of Housing and Community Development Office of Migrant Services**

RECOMMENDATIONS:

That the Housing Commission:

1. Adopt the Resolutions Authorizing Adoption of Standard Agreements No. 17-OMS-11333 for the Davis Migrant Center and 17-OMS-11334 for the Madison Migrant Center, both located in Yolo County; and
2. Authorize the CEO to execute, subject to Final Review and Concurrence of Agency Legal Counsel.

BACKGROUND/DISCUSSION:

YCH manages migrant centers for the Department of Housing and Community Development, Office of Migrant Services (OMS). These centers are part of a program for administering housing for migratory workers and their families at the Davis and Madison migrant centers in Yolo County. The contract amounts for the two fiscal years combined funding (FY 2017-2018 and FY 2018-2019) beginning July 1, 2017 are:

<u>Migrant Center</u>	<u>FY2017-18</u>	<u>FY2018-19</u>	<u>2-year Total</u>
Davis	\$ 424,701	\$ 429,325	\$ 854,026
Madison	627,286	622,415	1,249,701
Annual Total	\$ 1,051,987	\$ 1,051,740	\$ 2,103,727

YCH has been in discussions with OMS regarding the budget for this two-year period since January 2017. The budget has been significantly delayed as OMS has adjusted the final contract amounts after they had been agreed to and has again revamped its terms and conditions, without input from participating agencies that would be impacted by the proposed changes. Participating agencies have been working with OMS to subsequently revise contracts to meet the program's needs and requirements.

At this time, OMS is asking operators to adopt the resolution based on the exhibits to the contract that are marked "draft". According to OMS, the final agreement cannot be issued until after the resolution approving the contract has been provided. As of the time of this staff report, staff has not seen the final contract and exhibits, but has been assured that the contract will not be changed from this draft.

In addition to the language and budget issues, OMS has agreed to manage or enforce some of the contract terms differently than they are stated in the standard agreements since OMS does not want to further delay execution of the contracts while the contract language is modified. OMS has agreed to work on correcting the language in the "standard agreements" over the next year so that they will be ready for execution prior to the next two year budget/contract cycle. A written summary of the items where OMS has agreed to manage or enforce the contracts differently than how they are written has been enclosed as an attachment to this agreement.

As the Commission is aware, this program has been operated by YCH for 52 years as of 2017 and YCH has been a proud provider of service. However, the program is continuing to become ever more difficult to operate due to fiscal constraints, lack of sufficient funding for maintenance and rehabilitation (for infrastructure, buildings, appliances, and mechanical systems), a lack of understanding regarding non-controllable or unforeseen costs, and no current ability to replace aging vehicles and equipment to ensure they are capable of assisting, rather than hindering the work to be done.

Fiscal Impact:

Due to the lengthy delay by OMS in providing a contract for this program, which began operation on July 1, 2017 for this contract year, this program is nearly two (2) months in arrears for payments. Authorizing the Resolutions with contingencies will allow the contract to move forward so that payment will not be further delayed.

Conclusions:

The Resolution is recommended for adoption with the contingencies described in the recommendations.

Attachments: OMS Contract management/enforcement differences summary
Resolutions
OMS Contract management/enforcement differences summary
OMS Contract 17-OMS-11333 for the Davis Migrant Center
OMS Contract 17-OMS-11334 for the Madison Migrant Center

Contract Management/Enforcement Differences Summary (discussion between YCH and OMS staff)

On Mon, Aug 7, 2017 at 5:15 PM, Munoz, Enrique@HCD <Enrique.Munoz@hcd.ca.gov> wrote:
Thank you for your e-mail. I added a few comments that were part of our conversation regarding the OMS program standard agreement and resolutions.

Based on the call I had with you and Lupe at 2:15 yesterday afternoon (8/2), the following is the list of issues discussed and the resolutions/representations HCD/OMS has made as to how the program will actually be managed to address these concerns:

- Issue 1:
 - Reserve still not showing payment to reserve of \$48,000 at least in the second year (FY 2019) since this is required under the loan agreement you have with RD. We understood you were going to resolve this with RD and get us something in writing that they provide an exception to the replacement reserve requirement once it gets below the \$480,000 minimum threshold by the end of FY 2018.
 - **OMS resolution:** Zaldy (RD) has represented to OMS that going below the \$480,000 floor temporarily is not an issue. OMS staff has represented that they will fund the additional monies required to pay the \$48,000 annual replacement reserve contribution, if this becomes an issue in FY 2019.
- Issue 2:
 - As noted in my July 13 email, the \$5,000 for CNA work cannot be removed because, based on prior OMS direction, the contractor was already hired in June and has done most of the work based on prior instructions from OMS.
 - **OMS resolution:** You have verbally guaranteed that the actual costs incurred for these CNA reports at each center plus the related 10% administrative costs will be taken out of each center's operating reserves on the final invoice for FY 2017 rather than carry over into the FY 2018 contract.
 - **OMS did not directed Yolo Housing Authority to hire contractors to perform CNA's. \$5,000 were originally calculated in the budget and then removed because OMS decided to hire a CNA contractor to perform CNAs statewide all at once. OMS recommends Yolo County Housing Authority to request the contractors hired before the execution to stop whatever they have done and charge for any incurred expenses. YCH will provide the name, amount of work done and a copy of the contract with the contractor hired to perform the CNA. OMS will approve the use of operating reserves to pay for those expenses and the corresponding administrative charge of 10%. YCH understands that no expenditures can be made before an executed standard agreement exists.**

Your comment noting that "YCH understands that no expenditures can be made before an executed standard agreement exists." does not make any sense unless we were to close the centers on 7/1/2017, shut off the utilities, and terminate all of our migrant center employees. Instead, we have continued to operate the centers in good faith based on the contract in existence at the time with the draft budgets issued by OMS until such time as an executed agreement is in place.

- Issue 3:
 - The capital improvement project of \$1,1256,536 has four different funding sources so we need to ensure that the contract between OMS and YCH reflects the correct scope of work so that when the work begins in the next 45-60 days, we do not have any issues with accessing those funds.
 - **OMS resolution:** OMS staff has stated that OMS staff will ensure that the scope of work in the capital improvement contract between OMS and YCH for this work is appropriately modified to ensure the it matches the timing and tasks based on spending the USDA/RD improvement grant and the \$111,111 OMS matching contribution. Staff has indicated that the work and related payments will be done in the following order:

first, the USDA/RD grant and OMS match in order to retire this grant, next spend the remainder of the \$703,000 (net of the \$111,111) of new grant funds, followed by the use of RD replacement reserves for the balance of the contract work.

- Issue 4: Concerns with standard agreement draft language by section
 - 3. Term: What is the intent of the second part of this language under the Term section noting "The Contractor shall...and be fully funded, pursuant to Exhibit B, prior to June 30, 2019"? I believe the program needs to be "fully funded" by HCD/OMS contract execution or a least prior to commencing work each year.
 - **OMS resolution:** OMS staff represents that the intent of the language is that the contract is fully funded by HCD/OMS prior to commencement of the contract work.
 - **OMS Standard Agreements budgeted amounts are already allocated and secured. This sections requires HCD/OMS to have paid all invoices for completed activities before the end of the contract on June 30, 2019**
 - 1.A.: Modification of the contract amount at the sole discretion of HCD/OMS based on level of funding is a problem for the contractors once the year actually begins, since contractor has made commitments and is doing the requested work based on the existing agreement. Contract law requires that any amendments to agreements need to be agreed upon by both parties.
 - **OMS resolution:** OMS staff has stated that the funding commitment for this two-year agreement is already in place, so this will not be an issue.
 - 2.C.: Providing copies of executed timesheets, utility bills, and "any other documentation relevant to the operation of the migrant farm labor center" is too much documentation to submit with each invoice for reimbursement. This language needs to change to reflect something like "supporting detail as requested by the Department based on review of the detailed ledgers" so that we are just providing support for items that appear abnormal rather than everything. The expenses of this program are already audited, this process cannot become overly burdensome for the contractors since you are also limiting the amount of staff costs allowed for the program.
 - **OMS resolution:** OMS staff has stated that OMS would like to have the contractors submit some GL or other system reports sufficient to allow them to assess the validity of the costs submitted for reimbursement. Any items that OMS deems might require additional documentation based on their analysis, will be provided by YCH to support the noted charges.
 - 3. Line Item Changes: How will this be managed? Right now there is really no system for tracking these since the line item adjustments are on a completely different sheet from the funds requested. If the invoice form were changed to have 3 budget columns (original budget, line item adjustments, and current budget) this could be much more easily managed by all. Otherwise this should not be an issue.
 - **OMS resolution:** OMS will work with YCH staff to create more effective reporting tools (including exploring the issue noted here) to ensure better communication between contractors and OMS.
 - 4.C.: The language should be adjusted to reflect the actual calculation of line 401, which is the total excluding line 401. This will save some heartache later.
 - **OMS resolution:** OMS recognizes that this language is not accurate and agrees that it will continue to calculate the fees based on the total contract amount less line item 401, as they have done historically.
 - 5. Availability of Funds: Does not make any sense to the contractor since we never negotiate the amount of projected rental income and therefore cannot be held accountable to whatever HCD/OMS determines since we are not involved in that determination.
 - **OMS resolution:** OMS staff has stated that the funding commitment for this two-year agreement is already in place, so this will not be an issue.
 - Exhibit D - 4. Maintenance: Unless the ability of HCD/OMS to unilaterally modify the executed contract amounts is changed, then the contractor has no way of controlling its ability to properly maintain the units.
 - **OMS resolution:** OMS staff has stated that the funding commitment for this two-year agreement is already in place, so this will not be an issue.
 - Exhibit D - 6. Termination: Notice and actual termination provisions need to be the same for both contractor and HCD/OMS.

- **OMS resolution:** OMS staff guarantees that this will not be an issue during the current contract period.
- **OMS represented that it will begin working on addressing the standard agreement changes noted here over the next 12 months to ensure that the language is acceptable to all of the contractors before the next contract needs to be negotiated so we can all focus on the budget numbers.**

Thank you for your work to ensure not only decent farm-worker housing, but also to assist in the ability to preserve and maintain this important agricultural resource. Unless we hear otherwise, we will assume that these clarifications will be in full force with our current contract period.

- **OMS understands that once clarifying YCH questions it will expedite the delivery of resolutions to start the standard agreement processing immediately. Expediency on the resolutions for Madison and Davis is expected, YCH will inform OMS the estimated date of delivery for those resolutions.**
- **YCH will follow up with the city of Dixon and report to OMS regarding progress on the creation of the City of Dixon resolution.**



Department of Housing and Community Development

Enrique Muñoz
OMS Program Manager

(916) 263-7466
2020 W. El Camino Avenue
Sacramento, CA 95833

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AUG 24 2017

Housing Commission
August 23, 2017
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BY *Julie Dachter*
DEPUTY CLERK OF THE BOARD

HOUSING AUTHORITY OF THE COUNTY OF YOLO

RESOLUTION NO. 17-11

RESOLUTION APPROVING THE 2017-2019 FISCAL YEARS OPERATION AND MAINTENANCE CONTRACT FOR THE DAVIS MIGRANT CENTER BETWEEN THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT AND THE HOUSING AUTHORITY OF THE COUNTY OF YOLO CONTRACT # 17-OMS-11333

WHEREAS, the California Department of Housing and Community Development has proved an Operation and Maintenance Contract for the 2017-2019 Fiscal Years for the Davis Migrant Center; and

WHEREAS, the Housing Authority of the County of Yolo, acting through its Housing Commission desires to approve this Operation and Maintenance Contract for the 2017-2019 operation of the Davis Migrant Center.

NOW, THEREFORE, BE IT RESOLVED, the Housing Commission of the Housing Authority of the County of Yolo hereby approves the Operation and Maintenance Contract # 17-OMS-11333 in the amount of \$854,026.00 and authorizes Lisa A. Baker to execute said contract, and any amendments to said contract, on behalf of the Housing Authority of the County of Yolo.

PASSED AND ADOPTED this 23rd day of August, 2017 by the following vote:

- AYES: **Arnold, Barajas, Johannessen, Neu, Vanderford, Wienecke-Friedman.**
- NOES: **None.**
- ABSENT: **Thomson.**
- ABSTAIN: **None.**

By: *[Signature]*
Mark Johannessen
Yolo County Housing Commission

Approved as to Form:

By: *Hope P. Welton*
Hope Welton, Agency Counsel

Attest:
Julie Dachter, Clerk
Yolo County Housing Commission

By: *Julie Dachter*
Deputy



AUG 24 2017

Housing Commission
August 23, 2017
Page 7 of 7

BY Julie Rachtz
DEPUTY CLERK OF THE BOARD

HOUSING AUTHORITY OF THE COUNTY OF YOLO

RESOLUTION NO. 17-12

RESOLUTION APPROVING THE 2017-2019 FISCAL YEARS OPERATION AND MAINTENANCE CONTRACT FOR THE MADISON MIGRANT CENTER BETWEEN THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT AND THE HOUSING AUTHORITY OF THE COUNTY OF YOLO CONTRACT # 17-OMS-11334

WHEREAS, the California Department of Housing and Community Development has proved an Operation and Maintenance Contract for the 2017-2019 Fiscal Years for the Madison Migrant Center; and

WHEREAS, the Housing Authority of the County of Yolo, acting through its Housing Commission desires to approve this Operation and Maintenance Contract for the 2017-2019 operation of the Madison Migrant Center.

NOW, THEREFORE, BE IT RESOLVED, the Housing Commission of the Housing Authority of the County of Yolo hereby approves the Operation and Maintenance Contract # 17-OMS-11334 in the amount of \$1,249,701.00 and authorizes Lisa A. Baker to execute said contract, and any amendments to said contract, on behalf of the Housing Authority of the County of Yolo.

PASSED AND ADOPTED this 23rd day of August, 2017 by the following vote:

AYES: Arnold, Barajas, Johannessen, Neu, Vanderford, Wienecke-Friedman.

NOES: None.

ABSENT: Thomson.

ABSTAIN: None.

By: [Signature]
Mark Johannessen
Yolo County Housing Commission

Approved as to Form:

By: Hope P. Welton
Hope Welton, Agency Counsel

Attest:
Julie Dachlter, Clerk
Yolo County Housing Commission

By: Julie Rachtz
Deputy



**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE
OFFICE OF MIGRANT SERVICES**

2020 West El Camino Ave., Suite 610
P.O. Box 952054
Sacramento, CA 95833
Phone (916) 263-2771/FAX (916) 263-2763
www.hcd.ca.gov



Ms. Lisa A. Baker
Chief Executive Officer
Yolo County Housing
147 West Main Street
Woodland, CA 95695

Dear Ms. Baker:

Re: Davis Migrant Center - 17-OMS-11333 (RD)

Attached is an electronic copy of the OMS Operating Standard Agreement with Exhibits A through E:

A. Standard Agreement (STD 213 and Exhibits A through E)

STD 213 - Cover page

Exhibit A - Authority, Purpose and Scope of Work

Exhibit A-1 - Legal Description

Exhibit B - Budget Detail and Payment Provisions

Exhibit B-1 - Year One Operating Contract Budget

Exhibit B-2 - Year Two Operating Contract Budget

Exhibit C - State of California General Terms and Conditions - GTC 04/2017

[Exhibit C is now incorporated by reference; please see the STD 213 for additional information].

Exhibit D - OMS Terms and Conditions

Exhibit E - Special Terms and Conditions

B. For expeditious handling of the contract, please complete the following:

1. Review the entire Agreement thoroughly and, if necessary, discuss the requirements with your legal and financial advisors.
2. Print **seven (7) copies** of the first page of the Standard Agreement,

STD 213 (do not print a copy of the exhibits for HCD). The person authorized by the Resolution must provide an **original signature, printed name, title and date** on the lower left-hand section entitled "Contractor" on each copy of the STD 213.

3. Print **seven (7) copies** of Exhibit E (page 7). In Paragraph 8.A., provide the name of the Financial Institution as requested. In Paragraph 8.B., provide the name of the Security Deposit Account as requested.
4. Print **seven (7) copies** of the Exhibit E signature page (page 10). The person authorized by the resolution and the witness must provide **original signatures on each copy** of the Exhibit E signature page.
5. **DO NOT SEND PHOTO COPIES OF SIGNATURES. ALL SEVEN MUST BE ORIGINAL SIGNATURES WITH WET INK.**
6. If the authorized designee as reflected in the resolution, the grant amount or your grantee status has changed, you are required to provide OMS with a new resolution consistent with the terms of the grant and adopted by your Board.
7. Return **seven (7)** signed copies of the STD 213, and if applicable the certified resolution within 30 days from the date of this letter to the following address:

**Department of Housing and Community Development
Business & Contract Services Branch
Contracts Office
2020 W. El Camino Avenue, Suite 330
Sacramento, CA 95833**
8. Maintain a complete electronic version of the STD 213 and Exhibits A through E for your pending file. **(Note: The contract is not effective until it is signed by the Grantee's designated official and the Department).**

The Department reserves the right to cancel any pending Standard Agreement in its entirety if not returned within the required 30-day period.

Please accept my best wishes for a successful program. Please contact me at 916-263-7466 if you have any questions regarding the Standard Agreement or the provisions therein.

Sincerely,

Enrique Muñoz,
OMS Program Manager

cc: Business & Contract Services Branch
Contract Representative

EXHIBIT A

AUTHORITY, PURPOSE AND SCOPE OF WORK

1. Authority and Purpose

Pursuant to Chapter 8.5 (commencing with Section 50710) of Part 2, Division 31, of the Health and Safety Code ("Statutes"), the Department of Housing and Community Development ("Department") is responsible for the administration of a program in order to provide housing and housing-related services for migratory workers and their families in California and may contract with housing authorities and other appropriate local, public and private non-profit agencies for the purpose of securing or obtaining such housing and other related services.

In accordance with the Statutes and the Office of Migrant Services (OMS) Program Regulations set forth in California Code of Regulations ("CCR") Title 25, Division 1, Chapter 7, Subchapter 7, commencing with Section 7600 ("Program Regulations"), the Department shall provide housing units and related facilities at the location set forth in Exhibit A-1 of this Agreement ("Housing Center(s)"). These housing units and related facilities shall at all times remain legally severable from the real property on which they are placed and the title of these units shall be in the name of the Department. Upon termination of this Agreement, the Department shall have the right to remove these housing units and related facilities without reimbursement to the Contractor.

The Contractor agrees to comply with the terms and conditions of this Agreement and all Exhibits hereto.

2. Scope of Work

- A. The Contractor shall permit occupancy of the Housing Center(s) for migratory workers and their families in accordance with the Program Regulations and provide operations services ("Work") which are further described as all administrative, fiscal and management services; employment of staff; and purchasing, rental or use of supplies and materials as needed to operate, maintain, rehabilitate and protect the Housing Center pursuant to the terms and conditions of this Agreement. The Department reserves the right to review and approve all Work performed by the Contractor in relation to this Agreement. Any proposed revision to the Work must be submitted in writing for review and approval by the Department. Any approval shall not be presumed unless such approval is made by the Department in writing.
- B. The Work shall generally consist of Operations, Maintenance and oversight of Department approved rehabilitation of the Housing Center(s).
- C. The commonly accepted name and street address of the Housing Center(s) is

EXHIBIT A

Davis Migrant Center
31150 County Road 105
Dixon, CA 95620

3. Term

The Contractor shall complete the activities as set forth in this Agreement and be fully funded, pursuant to Exhibit B, prior to June 30, 2019.

4. Department Contract Coordinator

The coordinator of this Agreement for the Department is the Manager of the OMS Program, Division of Financial Assistance, or the Manager's designee. Unless otherwise informed, any notice, report, or other communication required by this Agreement shall be mailed by first class mail to the Department Coordinator at the following address:

OMS Program Manager
Department of Housing and Community Development
Division of Financial Assistance
Post Office Box 952054
Sacramento, CA 94252-2054

5. Contractor Contract Coordinator

The Contractor's Contract Coordinator for this Agreement is listed below. Unless otherwise informed, any notice, report, or other communication required by this Agreement shall be mailed by first class mail to the contact at the following address:

Yolo County Housing
Lisa A. Baker
147 West Main Street
Woodland, CA 95695
lbaker@ych.ca.gov

EXHIBIT A-1

LEGAL DESCRIPTION

That certain parcel of land being a portion of the Northeast one-quarter (1/4) of Section 6, T. 7 N., R. 3 E., M.D.B. & M., Yolo County, California, as said parcel is shown on that Record of Survey filed in Book 10 of Maps and Surveys at Page 24 in the Office of the Recorder of the County of Yolo more fully described as follows:

Beginning at the Northeast corner of said Section 6; said corner also being at the centerline of County Road No. 36 (60 feet wide) and County Road No. 105 (60 feet wide); Thence Southerly along the East line of said Section 6, said line also being the center line of said County Road No. 105, South 07° 02' 13" East 1348.94 feet; thence Westerly along a line parallel with the North line of said Section 6, North 89° 20'53" West 530.27 feet; thence Northerly along a line parallel with the East line of said Section 6 North 07° 02' 13" West 1318.94 feet to the North line of said Section 6; thence Easterly along said North line, said line also being the centerline of said County Road 36, South 89° 20' 53" East 630.27 feet to the point of beginning.

Containing 16.273 acres gross and 15.000 acres excluding the area lying within roads.

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Agreement Amount

- A. For the purposes of performing the Work, the Department agrees to provide the amount of \$424,701.00 for fiscal year 2017/18 and \$429,325.00 for fiscal year 2018/19, not to exceed \$854,026.00 (total for *two-years funding pursuant to this biannual contract*). At the sole discretion of the Department, this amount may be adjusted per annum in accordance with the grant allocation provided by the State of California to the Department, which may require an amendment to this Agreement.
- B. Unless amended, the Department is not liable for any costs for the Work in excess of the amount of this Agreement, nor for any unauthorized or ineligible costs.
- C. Funds provided under this Agreement shall be provided in the form of a grant only for the approved purposes and itemized amounts as stated in Exhibit B-1 Year One Operating Contract Budget and Exhibit B-2 Year Two Operating Contract Budget ("Budgets") attached hereto and incorporated herein.
- D. Upon Year 2 of this Agreement's term, Exhibit B-2 may be modified to adjust line item amounts in accordance with the Contractor's Year 2 allocation, as granted by the State of California to the Department.
- E. Any adjustments to the Year 1 or Year 2 Budget require an amendment to this agreement, which may necessitate a written justification.

2. Disbursement of Funds

- A. Upon receipt of a certified resolution, determined to be legally sufficient by the Department, and the execution of this agreement, the Department agrees to disburse to the Contractor or its authorized agent, funds not to exceed the total amount stated in Paragraph 1.A of this Exhibit.
- B. The Department further agrees to disburse said funds only for the approved purposes and itemized amounts as described in the Budget.
- C. The Department shall reimburse the Contractor monthly in arrears for the Contractor's actual and necessary expenses in accordance with the Budget and upon receipt of (but not limited to) the following items:

Signed timesheets, reserve accounts, tenant security deposit account, CARE account bank statements, rental income reports with copies of corresponding monthly rental income checks remitted to the Department as described in Exhibit D(2)(A), detailed ledgers that originate outside of the Contractor's sole control (i.e.

EXHIBIT B

through an Accounting Branch/Unit) with copies of all utilities bills, Monthly Operations Statement and Request for Reimbursement (invoices), and any other documentation relevant to the operation of the migrant farm labor center, as requested by the Department.

The Department cannot commence processing arrears until it has received the documents detailed above, therefore the Department shall withhold reimbursement until all required documentation is received and verified. The Department will withhold payment for disputed items *but all non-contested items will be processed for invoicing and repayment to the Contractor.*

- D. At the end of each fiscal year, funds provided through this Agreement which are in excess of actual and necessary expenses may be disbursed and deposited into an OMS reserve account established and funded pursuant to Health and Safety Code Section 50710.1(b), provided the Department certifies there is no need to address reasonable general maintenance requirements or repairs, rehabilitation, and replacement needs of the requesting migrant farm labor center(s) which affect the immediate health and safety of residents. The cumulative balance shall not exceed 10 percent of the operating funds annually committed to the Contractor by the Department.

At the end of each fiscal year, all remaining budget funds shall be deposited into an OMS reserve account not to exceed 10% of the operating funds annually committed to the Contractor by the Department, and the difference shall be disencumbered. Funds in the reserve account shall be used only for capital improvements such as replacing or repairing structural elements, furniture, fixtures, or equipment of the migrant farm labor center, the replacement or repair of which are reasonably required to preserve the migrant farm labor center. Withdrawals from the reserve account shall be made only upon receipt of the written approval of the Department detailing the amount and nature of expenditures. Withdrawals or expenditures made without prior Department approval are not subject to required repayment. This reserve account, all other reserve accounts, the tenant security deposit account, and the general operations account must be maintained separately from one another.

- E. Upon the effective date of this Agreement, the Contractor may, upon written request, obtain an advance of funds in an amount not to exceed twenty percent (20%) of the total Agreement amount, per annum, as stated in Paragraph 1.A. These advanced funds shall be applied against the final three months of invoices, for each year of funding provided under this Agreement.
- F. The Department shall disburse requested funds for Work performed on behalf of or by the Contractor (and actions that are to be performed and documented by the Contractor pursuant to statute, regulation, contract, or schedule) and where accordingly such Work has been documented by the Contractor, or for equivalent services that have been rendered and documented by the Contractor.

EXHIBIT B

- G. If the Contractor is in violation of any provision of this Agreement, the Department may, at its sole discretion, withhold payment of funds under this Agreement until such violations are corrected.

3. Line Item Changes

The Contractor may, upon prior written approval by the Department, transfer any approved allocations or portions thereof, to other cost categories listed in the Budget for that fiscal year. In no event shall the total amount of this Agreement be exceeded without prior execution of a formal amendment to this Agreement.

4. Special Funding Conditions

- A. Funds allocated for Minor Rehabilitation as specified in line item 304 of the Budget shall be subject to the following provisions:
- 1) Funds may be spent only for the items and activities, in the maximum amounts specified, and according to the priority expressed in Item F of the Budget.
 - 2) Notwithstanding Paragraph 3 of this Exhibit, these funds shall not be subject to transfer to other cost categories.
 - 3) No advances shall be provided by the Department from these funds. All reimbursements shall be in arrears and shall require submission of invoices and related supporting documentation in a manner directed by the Department.
 - 4) Any funds not expended upon the expiration of this Agreement shall be automatically disencumbered on that date and shall not be available for additional expenditures or reimbursements except as provided in Health and Safety Code Section 50710.1(b).
- B. Funds allocated in Item B, line 209 "Major Equipment Repair/Maintenance" of the Budget shall be spent only for the items, and in the maximum amounts, specified in Item G of the Budget.
- C. Funds allocated in Item B, line 401 "Administrative Support Services" of the Budget shall be calculated as 10% of the total Budget per year, and shall be spent on administrative costs incurred by the Contractor to administer the OMS program.

5. Availability of Funds

The obligations under this Agreement are hereby made expressly contingent upon the availability of projected rental income and other funds for the purposes of performing the

EXHIBIT B

services identified in this Agreement. It is understood that this Agreement may have been written prior to the beginning of the fiscal year in order to expedite contract processing; however, should adequate funds not be appropriated by the Legislature for the current fiscal year or should other funds be reduced as a result of a court order or any other incident deemed legal and binding by the Department, the Department may exercise its option to cancel this Agreement or, at the Department's sole discretion, reduce the on-season period, unless the Department and the Contractor either amend this Agreement or mutually agree to budget reductions and a rescission of a portion of the encumbered funds.

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EXHIBIT B-1
YEAR ONE OPERATING CONTRACT BUDGET
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Contract No. 17-OMS-11333 (RD), Davis				
Term: July 1, 2017 - June 30, 2018				
			CONTRACTOR FUNDS	STATE FUNDS
A.	CENTER PERSONNEL			
	101	Permanent Salaries/Wages	\$	\$ 68,496.00
	102	Temporary Salaries/Wages		14,602.00
	103	Personnel Benefits		62,844.00
		SUBTOTAL	\$ 0.00	\$ 145,942.00
B.	OPERATING EXPENSES			
	201	Center Office Supplies	\$	\$ 900.00
	202	Household Supplies		0.00
	203	Communications		2,250.00
	204	Travel		1,000.00
	205	Auto Repairs/Maintenance		2,000.00
	206	Gas/Oil		3,000.00
	207	Minor Equipment Repair/Maintenance		2,000.00
	208	Purchases Under \$150		0.00
	209	Major Equipment Repair/Maintenance	30,000.00	1,200.00
	211	Equipment Rental		0.00
	212	Electricity and Gas		36,000.00
	213	Garbage, Trash		10,000.00
	214	Sewer, Water		70,000.00
	215	Other Costs		13,625.00
	217	Property and Liability Insurance		15,225.00
	218	Other Insurance		
	219	Advertising		
		SUBTOTAL	\$ 30,000.00	\$ 157,200.00
C.	MAINTENANCE EXPENSES			
	301	Electrical/Plumbing/Paint/Solar Supplies	\$	\$ 6,300.00
	302	Lumber and Materials		5,700.00
	303	Grounds Maintenance		2,000.00
	304	Minor Rehabilitation	38,430.00	
		SUBTOTAL	\$ 38,430.00	\$ 14,000.00
D.	CONTRACTOR ADMINISTRATION			
	401	Administrative Support Services	\$	\$ 44,830.00
	402	Travel		1,450.00
	403	Audit		1,500.00
		SUBTOTAL	\$ 0.00	\$ 47,780.00
E.	DEBT SERVICE & REPLACEMENT			
	501	Reserves	\$	\$ 0.00
	502	Payment		59,779.00
		SUBTOTAL	\$ 0.00	\$ 59,779.00
	TOTAL		\$ 68,430.00	\$ 424,701.00

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OMS – Rural Development
 2017 - 2019

Approval Date: 07/07/2017

Prep. Date: (to be entered by Contract Manger when each SA is created)07/24/2017

EXHIBIT B-2
YEAR TWO OPERATING CONTRACT BUDGET
 THIS IS NOT AN INVOICE

		CONTRACTOR FUNDS	STATE FUNDS
Contract No. 17-OMS-11333 (RD), Davis			
Term: July 1, 2018 - June 30, 2019			
A. CENTER PERSONNEL			
101	Permanent Salaries/Wages	\$	\$ 68,496.00
102	Temporary Salaries/Wages		14,602.00
103	Personnel Benefits		62,844.00
SUBTOTAL		\$ 0.00	\$ 145,942.00
B. OPERATING EXPENSES			
201	Center Office Supplies	\$	\$ 900.00
202	Household Supplies		0.00
203	Communications		2,250.00
204	Travel		1,000.00
205	Auto Repairs/Maintenance		2,000.00
206	Gas/Oil		3,000.00
207	Minor Equipment Repair/Maintenance		2,000.00
208	Purchases Under \$150		0.00
209	Major Equipment Repair/Maintenance		4,400.00
211	Equipment Rental		0.00
212	Electricity and Gas		36,800.00
213	Garbage, Trash		10,200.00
214	Sewer, Water		71,400.00
215	Other Costs		14,014.00
217	Property and Liability Insurance		15,986.00
218	Other Insurance		
219	Advertising		
SUBTOTAL		\$ 0.00	\$ 163,950.00
C. MAINTENANCE EXPENSES			
301	Electrical/Plumbing/Paint/Solar Supplies	\$	\$ 6,300.00
302	Lumber and Materials		5,500.00
303	Grounds Maintenance	3,200.00 Op	2,000.00
304	Minor Rehabilitation	38,430.00	
SUBTOTAL		\$ 41,630.00	\$ 13,800.00
D. CONTRACTOR ADMINISTRATION			
401	Administrative Support Services	\$	\$ 42,814.00
402	Travel		1,540.00
403	Audit		1,500.00
SUBTOTAL		\$ 0.00	\$ 45,854.00
E. DEBT SERVICE & REPLACEMENT			
501	Reserves	\$	\$
502	Payment		59,779.00
SUBTOTAL		\$ 0.00	\$ 59,779.00
TOTAL		\$ 41,630.00	\$ 429,325.00

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EXHIBIT D

OMS TERMS AND CONDITIONS

1. Seasonal Operations

- A. The Department shall designate a period of one hundred eighty (180) days each calendar year, unless otherwise extended or reduced by written agreement between the Department and the Contractor, during which the Housing Center(s) shall be open to migratory agricultural workers and their households for occupancy, which period will be referred to as the "on-season." The remaining period of time during each calendar year shall be referred to as the "off-season."
- B. During the on-season:
 - 1) All common facilities of the Housing Center(s) subject to this Agreement, other than the housing units, shall be available, as required by the Department, for the purpose of childcare services, health care services, educational programs, and other services approved by the Department and the Contractor for the benefit of resident migratory agricultural workers and their households.
 - 2) Residents of the Housing Center(s), after prior notice to the Contractor, shall be permitted to use the common facilities of the Housing Center(s) at any time such facilities are not required for use of programs scheduled by the Department or the Contractor, such as childcare programs, health programs, or educational programs.
- C. During the off-season, the Housing Center(s) shall be available for such other use and subject to such other conditions as mutually agreed upon in writing by the Department and the Contractor, which shall not be inconsistent or incompatible with the purposes of this Agreement.

2. Financial Management

A. Rents and Other Receipts

Pursuant to applicable law, the Contractor shall collect when due all rents, charges, and other amounts receivable on the Department's account in connection with the management and operation of the Housing Center(s), in accordance with rates established by the Department. Such receipts collected under this provision shall be remitted by the Contractor to the Department via check, along with a copy of the corresponding Monthly Rental Income Report, no later than fifty (50) days after the end of each month, to the following address:

California Department of Housing and Community Development
Attention: Accounting Branch
2020 W. El Camino Avenue, Suite 300
Sacramento, CA 95833

EXHIBIT D

B. Security Deposits

The Contractor shall collect, deposit, and disburse security deposits, if required, in compliance with any Department regulations or State laws governing tenant security deposits. Security deposits shall be deposited into a separate account from the General Operating account, reserve account and CARE account. This account shall be regularly maintained by the Contractor.

C. Account Maintenance

The Contractor shall maintain and safeguard all bank accounts associated with the Housing Center(s) in a way necessary to conduct their operations successfully and from which they may accurately report operational results for review, and otherwise comply with the terms of this agreement.

D. Accounting System

The Contractor shall develop a systematic method to record the business transactions of the Housing Center(s) that appropriately reflects the complexity of Housing Center(s) operations and the Department's requirements. The Contractor may be required to implement and use bookkeeping and accounting systems acceptable to the Department.

3. Occupancy and Eviction

The Contractor shall terminate occupancy of a housing unit by any individual pursuant to the reasons and procedures pursuant to Program Regulations. Whenever possible, prior to eviction of any person pursuant to Program Regulations, the Contractor shall use its best efforts to correct the problem with the Resident or through the Resident Council. All proceedings with regard to this paragraph shall be consistent with the Program Regulations.

4. Maintenance

The Contractor shall maintain the Housing Center(s) at all times in a safe and sanitary condition and in accordance with standards prescribed by State law, local ordinances, and the Department through this Agreement.

5. Acquisitions and Property

If property costing less than one hundred fifty dollars (\$150.00) per item is properly acquired with Agreement funds and is expected at the time of acquisition to be used indefinitely for the purpose for which it was purchased, title to such property shall vest with the Contractor at the time of acquisition. If property acquired with Agreement funds has a cost of \$150.00 or more per item or is not expected at the time of acquisition to be used indefinitely for the purpose for which it was acquired, title to such property shall vest with the Department. If property purchased under this Agreement is diverted to uses inconsistent with the purposes of this Agreement, the Contractor

EXHIBIT D

shall be liable for the replacement value of such property. If property with a unit price of \$5,000 or more is acquired or disposed of, the Contractor shall notify the Department within thirty (30) days of that acquisition or disposal so that the Department may properly account for acquisition or disposal of said property.

6. Termination of Agreement

- A. This Agreement may be terminated prior to the ending date of this Agreement without cause by the Contractor only upon conclusion of the on-season period, and the Department is provided thirty (30) days prior written notice. This Agreement may be terminated by the Department at any time, upon thirty (30) days prior written notice to the Contractor.
- B. In the event that the Contractor terminates this Agreement, the Contractor shall provide the Department or the Department's designee with an option to assume responsibility for the continued operation of the Housing Center(s), under the same terms and conditions contained in this Agreement, until another mutually agreeable location for the housing units and related facilities can be found and the housing units and related facilities are relocated to that site. The Department shall have one year from the date of exercise of said option to complete this operation and/or relocation.

7. Reporting Requirements

- A. The Contractor shall provide the Department with written progress reports, Demographic Input Form, Monthly Occupancy Report, OMS Request for Disposal of Property, inventory of all OMS-owned equipment, Smog Inspection Report (as needed), and verification of annual opening and closing dates, at the times and in the format required by the Department.
- B. The Contractor shall notify the Department and provide a copy of any Ordinances or Notices to Comply received from any regulatory body, including utility providers serving the Housing Centers, which will affect the operation of the Housing Centers, within five (5) days of receipt. Failure to provide said ordinances or notices will constitute a breach of this Agreement, and Contractor may be liable for any penalties the Department may receive as a consequence of failure to adequately provide it timely notice.
- C. The Contractor shall provide the Department with an annual financial audit for each fiscal year, due no later than nine (9) months after the end of each fiscal year, in accordance with generally accepted government auditing standards (GAGAS) and the requirements of the federal OMB Circular A-133.

8. Inspections

At all reasonable times during the term of this Agreement, and upon prior notice to the Contractor, representatives of the Department shall have access to the Contractor's premises for the purpose of ensuring compliance with this Agreement.

EXHIBIT D

9. **Contractors and Subcontractors**

The Contractor shall not enter into any agreement with any subcontractor, for five thousand dollars (\$5,000.00) or more, without the prior written approval from the Department. Such approval shall not be unreasonably withheld by the Department. A subcontractor is not eligible to receive funds if they are not licensed, not in good standing with the State of California, or is in any other way determined to be ineligible by the Department at its sole and reasonable discretion. Any agreement between the Contractor and subcontractors shall include all relevant terms and conditions of this Agreement and its attachments. In the event the Contractor purchases materials or services or subcontracts performance of this Agreement, the Contractor shall adopt the following procedures which shall be implemented in a manner consistent with State law;

- A. The Contractor shall invite bids for subcontracts, services and/or materials from as many prospective bidders as practical, and receive no fewer than three (3). Any deviations from this process must be pre-approved by OMS prior to entering an agreement with a subcontractor.
- B. The Contractor shall award the rehabilitation or construction contract and/or service or purchase agreement to the lowest responsible bidder or reject all bids; provided, however, that no awards shall be made without prior written approval of the State.
- C. The Contractor shall award no subcontract, service contract and/or purchase agreement if the lowest responsible bid exceeds that amount allocated to the corresponding budget item in Exhibit B (unless modified in writing as permitted under this Agreement).
- D. The Contractor shall maintain and make available to the State detailed records and accounts of all subcontracts, purchases of materials and/or services made under the above procedure.

10. **Waiver**

No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach. All remedies afforded pursuant to this Agreement shall be taken and construed as cumulative; that is, in addition to every other remedy provided therein or by law. The failure of the Department to enforce at any time the provisions of this Agreement, or to require at any time performance by the Contractor of any of the provisions contained herein, shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of the Department to enforce such provisions.

11. **Force Majeure**

Neither the Department nor the Contractor shall be deemed to be in default in the performance of the terms of this Agreement if either party is prevented from performing the terms of this Agreement by causes beyond its control, including, without being limited to: acts of God or the public enemy; interference, rulings or decisions by municipal, federal, state, or other governmental

EXHIBIT D

agencies, boards or commissions; any laws and/or regulations of such municipal, state, federal, or other governmental bodies; or any catastrophe resulting from flood, fire, explosion, or other causes beyond the control of the defaulting party. If any of the stated contingencies occur, the party delayed by force majeure shall immediately give the other parties written notice of the cause of delay. The party delayed by force majeure shall use reasonable diligence to correct the cause of the delay, if correctable, and if the condition that caused the delay is corrected, the party delayed shall immediately give the other parties written notice thereof and shall resume operations under this Agreement.

12. Licenses and Permits

The Contractor shall procure or cause to be procured all permits and licenses necessary to accomplish the Work set forth in this Agreement, and give all notices necessary and incident to the lawful performance of the Work. The Contractor shall keep informed of, observe, comply with, and cause all of its agents and employees to observe and comply with all prevailing federal, state, and local laws, rules and regulations made pursuant to those federal, state, and local laws, which in any way affect the conduct and performance of the Work set forth in this Agreement.

13. Litigation

- A. If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent jurisdiction, such invalidity, at the sole discretion of the Department, shall not affect any other provisions of this Agreement and the remainder of this Agreement shall remain in full force and effect. Therefore, the provisions of this Agreement are, and shall be, deemed severable.
- B. The Contractor shall notify the Department immediately of any claim or action undertaken by or against it, which affects or may affect this Agreement or the Department and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement and the interests of the Department.
- C. The Department, promptly after receiving notice thereof, shall notify the Contractor in writing of the commencement of any claim, suit, or action against the Department or its officers or employees for which the Contractor must provide indemnification under this Agreement. To the extent permitted by law, the Department shall authorize the Contractor or its insurer to defend such claims, suits or actions and shall provide it or its insurer, at the Contractor's expense, information and assistance both necessary and available for such defense. The failure of the Department to give such notice, information, authorization or assistance, shall not relieve the Contractor of its indemnification obligations.

14. Disputes

Except as otherwise provided in this Agreement, any dispute arising under or relating to the performance of this Agreement shall be reviewed and decided solely by the Department OMS Program Manager. The Manager's decision shall be provided to the Contractor in writing. The decision of the Program Manager shall be final and conclusive unless within thirty (30) days from

EXHIBIT D

the date of receipt of such a copy, the Contractor transmits to the Department a written appeal. Pending the final decision by the Director of the Department or Designee, the Contractor shall proceed diligently with the performance of this Agreement and in accordance with the written decision of the Program Manager, which is the subject of the Contractor's appeal.

15. Audit/Retention and Inspection of Records

The Contractor agrees that the Department or its delegatee will have the right to review, obtain, and copy all records pertaining to performance of this Agreement. The Contractor agrees to provide the Department or its delegatee with all relevant information requested and shall permit the Department or its delegatee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts and other material that may be relevant to a matter under investigation for the purpose of determining compliance with Public Contract Code ("PCC") § 10115, et seq., Government Code ("GC") § 8546.7 and 2 CCR §1896.60 et seq. The Contractor further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.

The Contractor shall comply with the caveats and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in PCC § 10115.10.

16. Insurance

- A. The Contractor shall carry, maintain, and enforce general liability and property insurance in the amounts not less than \$1,000,000.00 per occurrence. Fire insurance must be in an amount to adequately protect the interests of the contractor and the State of California and its officers and employees. All liability coverage must name the State of California as Additional Insured. All property coverage must name the State of California as Loss Payee with a maximum \$25,000.00 deductible per occurrence. For additional information on the Department's Insurance Guidelines, please refer to our website at http://www.hcd.ca.gov/financial-assistance/asset-management-and-compliance/Insurance_Guidelines.pdf.
- B. The Contractor shall provide the Department with a current copy of the Certificate of Coverage upon every premium renewal.
- C. The Contractor shall pay premiums out of the General Operating Account and premiums will be treated as an operating expense.
- D. The Contractor shall investigate and furnish the Owner with full reports on all accidents, claims, and potential claims for damage relating to the Project. The Contractor will cooperate with the Owner's insurers in connection therewith.

17. Prevailing Wage

- A. Where funds provided through this Agreement are used for construction work, or in support of construction work, Contractor shall ensure compliance with the requirements

EXHIBIT D

- of the Labor Code commencing with Section 1720 (which pertains to the payment of prevailing wages and administered by the California Department of Industrial Relations).
- B. For the purposes of this requirement "construction work" includes, but is not limited to rehabilitation, alteration, demolition, installation or repair done under contract and paid for, in whole or in part, through this Agreement. All construction work shall be done through the use of a written contract with a properly licensed building contractor incorporating these requirements (the "construction contract"). Where the construction contract will be between the Contractor and a licensed building contractor, Contractor shall serve as the "awarding body" as that term is defined in the Labor Code. Where Contractor will provide funds to a third party that will enter into the construction contract with a licensed building contractor, the third party shall serve as the "awarding body." The construction contract and any amendments thereto shall be subject to the prior written approval of the Department. Prior to any disbursement of funds, including but not limited to release of any final retention payment, the Department may require a certification from the awarding body that prevailing wages have been or will be paid.
- C. Notwithstanding any other provisions of this Agreement, after seeking appropriate recourse as set forth in the Section above, any controversial claim arising out of or relating to this Agreement or breach thereof shall be settled by arbitration at the election of either party in accordance with California Public Contract Code Section 10240 et seq., and judgment or award rendered by the arbitration may be entered in any court having jurisdiction thereof.

EXHIBIT E

SPECIAL TERMS AND CONDITIONS

**Management Agreement for United States Department of Agriculture Rural Development (RD)
Financed Multiple Family Housing Centers**

1. **General**

A. Appointment and Acceptance

The Department appoints the Contractor to manage the property described in Paragraph 1.B. of this Exhibit, and the Contractor hereby accepts the appointment, subject to the terms and conditions set forth in this Agreement.

B. Housing Center(s) Description

The property to be managed by the Contractor under this Agreement is a housing center ("Housing Center(s)") consisting of the land, buildings, and other improvements hereto identified as Housing Center(s) Number 17-OMS-11333. The Housing Center(s) is further described as follows:

Name: Davis Migrant Center
Location:
City: Dixon
County: Yolo
State: California
No. of Dwelling Units: 62
Type of Units:
 Family Elderly Mixed Congregate

C. Identity of Interest

The Contractor shall disclose to the Department and the United States Department of Agriculture Rural Development ("RD") any and all identities of interest that exist or shall exist between the Contractor and the Department, suppliers of material and/or services, or vendors in any combination of relationship.

D. RD and Department Requirements

In performing its duties as prescribed in this Agreement, the Contractor shall comply with all relevant requirements of RD and the Department which include preparation of forms, exhibits and reports in the format prescribed by RD and the Department.

E. Plans and Specifications

As soon as possible, the Department shall furnish the Contractor with a complete set of "as-built" plans and specifications and copies of all guarantees and warranties relevant to construction, fixtures, and equipment. With the aid of this information and inspection

EXHIBIT E

by competent personnel, the Contractor shall become thoroughly familiar with the character, location, construction, layout, plan and operation of the Housing Center(s).

F. Compliance with Governmental Orders

The Contractor shall take such action as may be necessary to comply promptly with any and all governmental orders or other requirements affecting the Housing Center(s), whether imposed by federal, state, county or municipal authority subject, however, to the limitation stated in Paragraph 3.D. of this Exhibit with respect to litigation and repairs. The Contractor shall take no action so long as the Department is contesting, or has affirmed its intention to contest, any such order or requirement. The Contractor shall notify the Department in writing of all notices of such orders or other requirements, within seventy-two (72) hours from the time of their receipt of such notices.

G. Nondiscrimination

In the performance of its obligations under this Agreement, the Contractor shall comply with the provisions of any federal, state or local Fair Housing law prohibiting discrimination in housing on the grounds of race, color, religion, sex, familial status, national origin, or handicap. Other nondiscrimination provisions include Title VI of the Civil Rights Act of 1964 (Public Law 88-352, 78 Stat. 241), Section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, as they relate to the RD multi-family housing program.

H. Fidelity and Insurance Coverage

- 1) The Department shall inform the Contractor of insurance required for the Housing Center(s) and its operations. The Contractor shall obtain such insurance and maintain such insurance in effect at all times. Premiums shall be paid out of the General Operating Account, and treated as operating expenses. All insurance shall be placed with companies, on conditions, in amounts, and with beneficial interests appearing thereon as shall be acceptable to the Department and RD provided that the same shall include public liability coverage, with the Contractor designated as one of the insured, in amounts acceptable to the Contractor, the Department and RD. The Contractor shall investigate and furnish the Department with full reports on all accidents, claims, and potential claims for damage relating to the Housing Center(s), and shall cooperate with the Department's insurers in connection therewith.
- 2) The Contractor shall furnish, at its own expense, fidelity coverage to the Department, with copy to the RD Servicing Office on the employees of the Contractor who are entrusted with the receipt, custody, and disbursement of any Housing Center(s) monies, securities, or readily saleable property other than money or securities. The minimum coverage of forty thousand dollars (\$40,000) shall be provided. The Contractor shall obtain coverage from a company licensed to provide coverage in the project locality. Coverage shall be in force to coincide with the assumption of fiscal responsibility by the Contractor until that responsibility is relinquished.

EXHIBIT E

- 3) Endorsement listing RD projects separate from other projects or operations shall be obtained and made part of the coverage policy or bond. The other terms and conditions of the coverage, and the surety thereon, shall be subject to the requirements and approval of the Department.

I. Purchases and Contracts

- 1) With prior approval of the Department and as allocated in the Budget, the Contractor shall obtain contracts, materials, supplies, utilities, and services on the most advantageous terms to the Housing Center(s), and the Contractor is authorized to solicit bids, either formal or informal, for those items which can be obtained from more than one source. The Contractor shall secure and credit to the Department all discounts, rebates, or commissions obtainable with respect to purchases, service contracts, and all other transactions on the Department's behalf.
- 2) The Contractor shall employ persons and/or services to perform duties and responsibilities at the Housing Center(s) site as described in the Management Plan. Compensation of such persons and/or services shall be paid as a direct expense to the Housing Center(s) as specified in the Management Plan and this Exhibit. The Contractor shall employ sufficient resources within the Contractor's operation to fulfill Contractor's obligation to the Department under the terms of this Exhibit.

2. **Management Plan**

- A. The Contractor shall advise and assist the Department in the preparation of the Management Plan for the Housing Center(s) specified in Paragraph 1.B. of this Exhibit.
- B. The Contractor shall be provided with the completed Management Plan prior to execution of this Agreement, which shall include the following:
 - 1) Policies and procedures to be followed in the management of the Housing Center(s);
 - 2) Identification of Contractor's duties and supervisory relationships for project site and office staff; and
 - 3) Pro rata division of singularly incurred operating expense common to the Contractor and the Department.
- C. The Contractor shall periodically review the Management Plan and advise the Department of necessary or desirable changes.

EXHIBIT E

3. Budget

- A. The Contractor shall prepare a proposed Operating Contract Budget for submission to the Department. For each subsequent fiscal year the Contractor shall prepare a new budget. Adjustments exceeding 10% of the proposed Operating Contract Budget require an amendment to this Agreement.
- B. The Department shall forward the proposed budget to RD using the formats and categories of RD Form 3560-7, "Multiple Family Housing Center(s) Budget".
- C. The Contractor shall operate and maintain the Housing Center(s) within reasonable tolerance of the expense category subtotals of the accepted budget as stated in Exhibit B-1, Year 1 and Exhibit B-2, Year 2 ("Budget") as defined by RD and the Department.
- D. Notwithstanding any other provisions of this Agreement, the Contractor shall obtain prior written approval from the Department for any expenditure of the Housing Center(s) which exceeds five thousand dollars (\$5,000) in any one instance for:
- 1) Litigation;
 - 2) Labor;
 - 3) Materials; or
 - 4) Other expenditure in connection with the maintenance and repair of the Housing Center(s).

This limitation is not applicable for recurring expenses within the limits of the Budget; or any emergency repairs which involve manifest danger to persons or property, or that are required to avoid suspension of any necessary service to the Housing Center(s). In the event that emergency repairs are necessary, the Contractor shall contact the Department as promptly as possible.

4. Housing Center(s) Management

The Contractor shall:

- A. Operate the Housing Center(s) according to the Management Plan and in compliance with the Department's loan agreement with RD, this Agreement, and any applicable RD and Department regulations and guidelines.
- B. Participate in any conference with RD and/or Department officials involving management of the Housing Center(s).
- C. Participate in the on-site final inspection of the Housing Center(s), required by RD prior to initial occupancy.

EXHIBIT E

- D. Prepare Form RD 3560-7 as a quarterly report and Department Monthly Operating and Rent Collection Reports beginning at initial occupancy until no longer required by RD or the Department.
- E. Represent the Department in matters related to management of the Housing Center(s), including but not limited to the Department's interest at tenant grievance hearings.

5. Liaison with Architect and General Contractor

During the planning and construction phases, maintain direct liaison with the architect and general contractor, in order to:

- A. Coordinate management concerns with the design and construction of the Housing Center(s);
- B. Facilitate completion of any corrective work; and
- C. Facilitate the Contractor's responsibilities for arranging utilities and services pursuant to Paragraph 9.F. of this Exhibit.

The Contractor shall keep the Department advised of all significant matters of this nature.

6. Rentals and Leases

In accordance with the Management Plan and all other provisions of this Agreement, the Contractor agrees to:

- A. Market the rental housing units, observing all requirements of the Affirmative Fair Housing Marketing Plan, and maintain records of any marketing activity for compliance review purposes.
- B. Show the premises and available units to all prospective tenants without regard to race, color, national origin, sex, religion, familial status, handicap or age; and shall provide for reasonable accommodation to individuals with disabilities.
- C. Take and process all rental applications. If an application is rejected, inform the applicant of the reason for rejection in writing. The rejected application, with the written reason for rejection, shall be kept on file until a compliance review has been conducted. If the rejection is due to information obtained from a Credit Bureau, the source of the report must be revealed to the applicant according to the Fair Credit Reporting Act.
- D. Follow tenant selection policy as stipulated in the Management Plan, and maintain a current list of prospective tenants.

EXHIBIT E

- E. Prepare and execute all dwelling leases and parking permits in a form approved by and in compliance with the relevant provisions of RD, the Department and other State regulations, in its name, identified thereon as the Contractor for the Department.
- F. In no event, collect rent or other charges exceeding amounts specified by the Department for dwelling units, facilities and other services.
- G. Determine eligibility and prepare eligibility certifications in accordance with RD and Department requirements using reports furnished by the Department.
- H. Counsel all prospective tenants regarding eligibility, and when available, make referrals to local social service and community agencies in cases of financial hardship or other circumstances deemed appropriate by the Contractor.
- I. Ensure full compliance with the terms of the lease by each tenant and emphasize voluntary compliance.
- J. Avoid involuntary termination of tenancies to the maximum extent consistent with sound management of the Housing Center(s).
- K. Initiate actions, subject to the Management Plan, and RD and Department regulations, to terminate any tenancy when, in the Contractor's judgment there is material noncompliance with the lease or other good cause for such termination.
- L. In the case of termination, properly notify the tenant of his/her right to appeal the proposed action according to RD and Department regulations. Attorney's fees and other necessary costs incurred in connection with such actions shall have advance by the Department and be paid out of the General Operating Account within the itemized limit of the Budget.
- M. Represent the Department's interest at tenant grievance hearings.

7. Reports

- A. Upon request by the Department, RD or the Office of the Inspector General, the Contractor shall provide reports regarding the Housing Center(s)'s financial, physical or operational condition and occupancy.
- B. The Contractor shall assist the Department in initiating or completing all additional reporting forms and data prescribed by RD affecting the operation and maintenance of the Housing Center(s).

8. Financial Management

- A. Rents and Other Receipts

The Contractor shall collect when due all rents, charges, and other amounts receivable on the Department's account in connection with the management and operation of the

EXHIBIT E

Housing Center(s). Such receipts shall be deposited immediately in the project's General Operating Account with _____, whose deposits are insured by an agency of the Federal Government.

B. Security Deposits

The Contractor shall collect, deposit, and disburse security deposits, if required, in compliance with any Department regulations or State laws governing tenant security

deposits. Security deposits shall be deposited in a separate account, at the Bank indicated above. This account shall be carried in the Department's name and designated of record as: "_____ Security Deposit Account." This account shall be regularly maintained by the Contractor.

C. Account Maintenance

The Contractor shall maintain and safeguard the Housing Center(s)'s General Operating Account and tenant's Security Deposit Account according to the current requirements set forth in Paragraph XIII.B.2 of Exhibit B of Subpart C of Part 1930, which is part of the "Multiple Housing Management Handbook."

D. Accounting System

The Contractor shall develop a systematic method to record the business transactions of the Housing Center(s) that appropriately reflects the complexity of Housing Center(s) operations and the Department's requirements. The Contractor may be required to implement and use bookkeeping and accounting systems acceptable to RD and the Department.

9. Housing Center Maintenance and Repair

The Contractor agrees to:

- A. Maintain and repair the Housing Center(s) in accordance with the Management Plan and local codes, and keep it in a condition acceptable to the Department and RD at all times. This shall include, but is not limited to cleaning, painting, decorating, plumbing, carpentry, grounds care, energy conservation measures and practices; and other such maintenance and repair work as may be necessary, subject to any limitations imposed by the Department in addition to those contained herein. Special attention shall be given to preventive maintenance, and to the greatest extent feasible, the services of regular maintenance employees shall be used.
- B. Purchase all materials, equipment, tools, appliances, supplies, and services necessary for proper maintenance and repair of the Housing Center(s) as stipulated in the Management Plan, Budget, and/or other written documentation from the Department.

EXHIBIT E

- C. Subject to the Department's prior written approval, contract with qualified independent contractors for the maintenance and repair of air-conditioning and heating systems, elevators, and for extraordinary repairs beyond the capability of regular maintenance employees. Any identity of interest shall be identified in accordance with Paragraph 1.C. of this Exhibit.
- D. Systematically receive and promptly investigate all service requests from tenants, take such action as may be justified, and maintain records of the same. Emergency requests shall be received and services provided on a twenty-four (24) hour basis. Serious complaints shall be reported to the Department after investigation.
- E. Advise the Department of any cost-effective and adaptable energy conservation measures or practices that should be used in the Housing Center(s). The Contractor shall encourage their use and shall assist the Department during any installation of these measures or institution of practices.
- F. In accordance with the Management Plan, make arrangements for utilities including water, electricity, gas, fuel oil, sewage and trash disposal, vermin extermination, decorating, laundry facilities, and telephone service.

10. Taxes, Fees and Assessments

The Contractor shall pay all taxes, assessments and government fees promptly when due and payable. The Contractor shall evaluate local property taxes to insure they bear a fair relationship to the Housing Center(s) value and if they do not, at the direction of the Department, appeal such taxes on behalf of the Department or assist the Department in the appeal, whichever is required by local jurisdiction or is appropriate.

11. Contractor's Compensation

The Contractor shall be compensated for its services for providing management described in this Agreement, and the Department's Management Plan, by monthly fees, to be paid from the General Operating Account and treated as a project operation and maintenance expense. Such fees shall be payable on the first day of each month for the preceding month.

12. Term of Agreement

This Exhibit shall be in effect for the period as stated in Exhibit A, Paragraph 3 of this Agreement, subject, however, to the following conditions:

- A. This Agreement shall not be binding upon the Contractor and Department ("Principal Parties") until approved by RD.
- B. This Agreement may be terminated, only upon conclusion of the on-season period by the mutual consent of the Principal Parties, provided that at least thirty (30) days advance written notice thereof is given to either Principal Party and reasons for the termination are submitted to RD.

EXHIBIT E

- C. In the event that a petition in bankruptcy is filed by or against either of the Principal Parties, or in the event that either makes an assignment for the benefit of creditors or takes advantage of any insolvency act, the other party may terminate this Agreement without notice to the other however, a prompt written notice outlining the basis for such termination is submitted to RD.
- D. It is expressly understood and agreed by and between the Principal Parties that the Department may terminate this Agreement with cause upon the issuance of a 30-day written notice of cancellation to the Contractor. It is further understood and agreed that no liability shall attach to either of the Principal Parties in the event of such termination, to the extent permitted by State law.
- E. Upon termination of this Agreement, the Contractor shall submit to the Department all Housing Center(s) books and records and any financial statements required by RD. After the Principal Parties have accounted to each other with respect to all matters outstanding as of the date of termination, the Department shall promptly reimburse the Contractor all sums due after deduction of any sums or damages due the Department, in form and principal amount satisfactory to the Contractor, against any obligations or liabilities which the Contractor may properly have incurred on behalf of the Department hereunder.

13. Contractor's Indemnification

Notwithstanding any provision of this Agreement, it is understood and agreed:

- A. The Department has assumed and shall maintain its responsibility and obligation throughout the term of this Exhibit for the finances and the financial stability of the Housing Center(s), to the extent that funds are appropriated to the Department by the legislature for this purpose; and
- B. The Contractor shall have no obligation, responsibility or liability to fund authorized project costs, expenses, or accounts other than those funds generated by the Housing Center(s) itself or provided to the Housing Center(s) or to Contractor by Department. In accordance with the foregoing, Department agrees that Contractor shall have the right at all times to secure payment of its compensation, as provided for under Paragraph 11 of this Exhibit, from the Operating and Maintenance Account, immediately when such compensation is due and without regard to other Housing Center(s) obligations or expenses provided the Contractor has satisfactorily discharged all duties and responsibilities under this Agreement. Moreover, the Department, to the extent permitted by State law, hereby indemnifies Contractor and agrees to hold it harmless with respect to Housing Center(s) costs, expenses, accounts, liabilities and obligations during the term of this Exhibit and further agrees, to the extent permitted by State law, to guarantee to Contractor the payment of its compensation under Paragraph 11 of this Exhibit during the term of this Agreement to the extent that the Housing Center(s)'s Operating and Maintenance Account is insufficiently funded for this purpose. To the extent permitted by state law, intentional failure of the Department at any time to abide by and to fulfill the foregoing shall be a breach of this Agreement, entitling Contractor to obtain from Department, upon demand,

EXHIBIT E

and to the extent permitted by State law, full payment of all compensation owed to Contractor through the date of such breach and entitling Contractor, at its option, to terminate this Agreement forthwith.

14. Interpretive Provisions

- A. This Agreement and its Exhibits constitute the entire Agreement between the Department and the Contractor with respect to the management and operation of the Housing Center(s). No change shall be valid unless agreed upon by the Principal Parties, approved by RD and amended by the Department.
- B. This Exhibit has been executed in several counterparts, each of which shall constitute a complete original Exhibit, which may be introduced in evidence or used for any other purpose without production of any of the other counterparts.
- C. At all times, this Exhibit shall be subject and subordinate to all rights of RD, and shall work to the benefit of and constitute a binding obligation upon the Principal Parties and their respective successors and assigns. To the extent that this Exhibit confers rights upon the consenting parties, it shall be deemed to work to their benefit, but without liability to either, in the same manner and work with the same effect as though the consenting parties were primary parties to this Exhibit.

The Principal Parties (by their duly authorized officers) have executed this Management Agreement on the date first above written.

**Department of Housing and Community
Development**

Yolo County Housing

By: _____

By: _____

Title: OMS Program Manager

Title: Chief Executive Officer

Witness: _____

Witness: _____

As lender or insurer of funds to defray certain costs of the project and without liability for any payments hereunder, Rural Development hereby concurs with this Management Agreement.

**United States Department of Agriculture
Rural Development**

By: _____

Title: _____

Date: _____

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE
OFFICE OF MIGRANT SERVICES**

2020 West El Camino Ave., Suite 610
P.O. Box 952054
Sacramento, CA 95833
Phone (916) 263-2771/FAX (916) 263-2763
www.hcd.ca.gov



Ms. Lisa A. Baker
Chief Executive Officer
Yolo County Housing
147 West Main Street
Woodland, CA 95695

Dear Ms. Baker:

Re: Madison Migrant Center - 17-OMS-11334 (RD)

Attached is an electronic copy of the OMS Operating Standard Agreement with Exhibits A through E:

A. Standard Agreement (STD 213 and Exhibits A through E)

STD 213 - Cover page

Exhibit A - Authority, Purpose and Scope of Work

Exhibit A-1 - Legal Description

Exhibit B - Budget Detail and Payment Provisions

Exhibit B-1 - Year One Operating Contract Budget

Exhibit B-2 - Year Two Operating Contract Budget

Exhibit C - State of California General Terms and Conditions - GTC 04/2017

[Exhibit C is now incorporated by reference; please see the STD 213 for additional information].

Exhibit D - OMS Terms and Conditions

Exhibit E - Special Terms and Conditions

B. For expeditious handling of the contract, please complete the following:

1. Review the entire Agreement thoroughly and, if necessary, discuss the requirements with your legal and financial advisors.
2. Print **seven (7) copies** of the first page of the Standard Agreement,

STD 213 (do not print a copy of the exhibits for HCD). The person authorized by the Resolution must provide an **original signature, printed name, title and date** on the lower left-hand section entitled "Contractor" on each copy of the STD 213.

3. Print **seven (7) copies** of Exhibit E (page 7). In Paragraph 8.A., provide the name of the Financial Institution as requested. In Paragraph 8.B., provide the name of the Security Deposit Account as requested.
4. Print **seven (7) copies** of the Exhibit E signature page (page 10). The person authorized by the resolution and the witness must provide **original signatures on each copy** of the Exhibit E signature page.
5. **DO NOT SEND PHOTO COPIES OF SIGNATURES. ALL SEVEN MUST BE ORIGINAL SIGNATURES WITH WET INK.**
6. If the authorized designee as reflected in the resolution, the grant amount or your grantee status has changed, you are required to provide OMS with a new resolution consistent with the terms of the grant and adopted by your Board.
7. Return **seven (7)** signed copies of the STD 213, and if applicable the certified resolution within 30 days from the date of this letter to the following address:

**Department of Housing and Community Development
Business & Contract Services Branch
Contracts Office
2020 W. El Camino Avenue, Suite 330
Sacramento, CA 95833**
8. Maintain a complete electronic version of the STD 213 and Exhibits A through E for your pending file. **(Note: The contract is not effective until it is signed by the Grantee's designated official and the Department).**

The Department reserves the right to cancel any pending Standard Agreement in its entirety if not returned within the required 30-day period.

Please accept my best wishes for a successful program. Please contact me at 916-263-7466 if you have any questions regarding the Standard Agreement or the provisions therein.

Sincerely,

Enrique Muñoz,
OMS Program Manager

cc: Business & Contract Services Branch
Contract Representative

EXHIBIT A

AUTHORITY, PURPOSE AND SCOPE OF WORK

1. Authority and Purpose

Pursuant to Chapter 8.5 (commencing with Section 50710) of Part 2, Division 31, of the Health and Safety Code ("Statutes"), the Department of Housing and Community Development ("Department") is responsible for the administration of a program in order to provide housing and housing-related services for migratory workers and their families in California and may contract with housing authorities and other appropriate local, public and private non-profit agencies for the purpose of securing or obtaining such housing and other related services.

In accordance with the Statutes and the Office of Migrant Services (OMS) Program Regulations set forth in California Code of Regulations ("CCR") Title 25, Division 1, Chapter 7, Subchapter 7, commencing with Section 7600 ("Program Regulations"), the Department shall provide housing units and related facilities at the location set forth in Exhibit A-1 of this Agreement ("Housing Center(s)"). These housing units and related facilities shall at all times remain legally severable from the real property on which they are placed and the title of these units shall be in the name of the Department. Upon termination of this Agreement, the Department shall have the right to remove these housing units and related facilities without reimbursement to the Contractor.

The Contractor agrees to comply with the terms and conditions of this Agreement and all Exhibits hereto.

2. Scope of Work

- A. The Contractor shall permit occupancy of the Housing Center(s) for migratory workers and their families in accordance with the Program Regulations and provide operations services ("Work") which are further described as all administrative, fiscal and management services; employment of staff; and purchasing, rental or use of supplies and materials as needed to operate, maintain, rehabilitate and protect the Housing Center pursuant to the terms and conditions of this Agreement. The Department reserves the right to review and approve all Work performed by the Contractor in relation to this Agreement. Any proposed revision to the Work must be submitted in writing for review and approval by the Department. Any approval shall not be presumed unless such approval is made by the Department in writing.
- B. The Work shall generally consist of Operations, Maintenance and oversight of Department approved rehabilitation of the Housing Center(s).
- C. The commonly accepted name and street address of the Housing Center(s) is

EXHIBIT A

Madison Migrant Center
28289 State Highway 16
Madison, CA 95653

3. Term

The Contractor shall complete the activities as set forth in this Agreement and be fully funded, pursuant to Exhibit B, prior to June 30, 2019.

4. Department Contract Coordinator

The coordinator of this Agreement for the Department is the Manager of the OMS Program, Division of Financial Assistance, or the Manager's designee. Unless otherwise informed, any notice, report, or other communication required by this Agreement shall be mailed by first class mail to the Department Coordinator at the following address:

OMS Program Manager
Department of Housing and Community Development
Division of Financial Assistance
Post Office Box 952054
Sacramento, CA 94252-2054

5. Contractor Contract Coordinator

The Contractor's Contract Coordinator for this Agreement is listed below. Unless otherwise informed, any notice, report, or other communication required by this Agreement shall be mailed by first class mail to the contact at the following address:

Yolo County Housing
Lisa A. Baker
147 West Main Street
Woodland, CA 95695
lbaker@ych.ca.gov

EXHIBIT A-1

LEGAL DESCRIPTION

A parcel of land being a portion of the West ½ of Section 27, T. 10 N., R. 1 W., M.D.B.&M., Yolo County, California, more fully described as follows:

Beginning at the Northwest corner of that certain parcel of land entitled Yolo County Labor Camp show on that Record of Survey filed in Book 9 of Maps and Surveys at Page 151 in the Office of the Recorder of the County of Yolo, said corner also being on the South line State Highway No. 16; thence South 71° 51.00" East 400.00 feet along said South line to the West line of the 20 foot easement shown on said Record of Survey; thence South 10° 15' 00" West 1102.42 feet along said West line, and the Southerly prolongation thereof, to the South line of said Section 27; thence West 597.54 feet along said South Line; thence North 10° 15' 00" East 606.87 feet; thence South 79° 51' 00" East of 120.00 feet; thence North 10° 15' 00" East 280.40 feet to the point of beginning.

Containing 13.50 acres, more or less.

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Agreement Amount

- A. For the purposes of performing the Work, the Department agrees to provide the amount of \$627,286.00 for fiscal year 2017/18 and \$622,415.00 for fiscal year 2018/19, not to exceed \$1,249,701.00 (total for *two-years funding pursuant to this biannual contract*). At the sole discretion of the Department, this amount may be adjusted per annum in accordance with the grant allocation provided by the State of California to the Department, which may require an amendment to this Agreement.
- B. Unless amended, the Department is not liable for any costs for the Work in excess of the amount of this Agreement, nor for any unauthorized or ineligible costs.
- C. Funds provided under this Agreement shall be provided in the form of a grant only for the approved purposes and itemized amounts as stated in Exhibit B-1 Year One Operating Contract Budget and Exhibit B-2 Year Two Operating Contract Budget ("Budgets") attached hereto and incorporated herein.
- D. Upon Year 2 of this Agreement's term, Exhibit B-2 may be modified to adjust line item amounts in accordance with the Contractor's Year 2 allocation, as granted by the State of California to the Department.
- E. Any adjustments to the Year 1 or Year 2 Budget require an amendment to this agreement, which may necessitate a written justification.

2. Disbursement of Funds

- A. Upon receipt of a certified resolution, determined to be legally sufficient by the Department, and the execution of this agreement, the Department agrees to disburse to the Contractor or its authorized agent, funds not to exceed the total amount stated in Paragraph 1.A of this Exhibit.
- B. The Department further agrees to disburse said funds only for the approved purposes and itemized amounts as described in the Budget.
- C. The Department shall reimburse the Contractor monthly in arrears for the Contractor's actual and necessary expenses in accordance with the Budget and upon receipt of (but not limited to) the following items:

Signed timesheets, reserve accounts, tenant security deposit account, CARE account bank statements, rental income reports with copies of corresponding monthly rental income checks remitted to the Department as described in Exhibit D(2)(A), detailed ledgers that originate outside of the Contractor's sole control (i.e.

EXHIBIT B

through an Accounting Branch/Unit) with copies of all utilities bills, Monthly Operations Statement and Request for Reimbursement (invoices), and any other documentation relevant to the operation of the migrant farm labor center, as requested by the Department.

The Department cannot commence processing arrears until it has received the documents detailed above, therefore the Department shall withhold reimbursement until all required documentation is received and verified. The Department will withhold payment for disputed items *but all non-contested items will be processed for invoicing and repayment to the Contractor.*

- D. At the end of each fiscal year, funds provided through this Agreement which are in excess of actual and necessary expenses may be disbursed and deposited into an OMS reserve account established and funded pursuant to Health and Safety Code Section 50710.1(b), provided the Department certifies there is no need to address reasonable general maintenance requirements or repairs, rehabilitation, and replacement needs of the requesting migrant farm labor center(s) which affect the immediate health and safety of residents. The cumulative balance shall not exceed 10 percent of the operating funds annually committed to the Contractor by the Department.

At the end of each fiscal year, all remaining budget funds shall be deposited into an OMS reserve account not to exceed 10% of the operating funds annually committed to the Contractor by the Department, and the difference shall be disencumbered. Funds in the reserve account shall be used only for capital improvements such as replacing or repairing structural elements, furniture, fixtures, or equipment of the migrant farm labor center, the replacement or repair of which are reasonably required to preserve the migrant farm labor center. Withdrawals from the reserve account shall be made only upon receipt of the written approval of the Department detailing the amount and nature of expenditures. Withdrawals or expenditures made without prior Department approval are not subject to required repayment. This reserve account, all other reserve accounts, the tenant security deposit account, and the general operations account must be maintained separately from one another.

- E. Upon the effective date of this Agreement, the Contractor may, upon written request, obtain an advance of funds in an amount not to exceed twenty percent (20%) of the total Agreement amount, per annum, as stated in Paragraph 1.A. These advanced funds shall be applied against the final three months of invoices, for each year of funding provided under this Agreement.
- F. The Department shall disburse requested funds for Work performed on behalf of or by the Contractor (and actions that are to be performed and documented by the Contractor pursuant to statute, regulation, contract, or schedule) and where accordingly such Work has been documented by the Contractor, or for equivalent services that have been rendered and documented by the Contractor.

EXHIBIT B

- G. If the Contractor is in violation of any provision of this Agreement, the Department may, at its sole discretion, withhold payment of funds under this Agreement until such violations are corrected.

3. Line Item Changes

The Contractor may, upon prior written approval by the Department, transfer any approved allocations or portions thereof, to other cost categories listed in the Budget for that fiscal year. In no event shall the total amount of this Agreement be exceeded without prior execution of a formal amendment to this Agreement.

4. Special Funding Conditions

- A. Funds allocated for Minor Rehabilitation as specified in line item 304 of the Budget shall be subject to the following provisions:
- 1) Funds may be spent only for the items and activities, in the maximum amounts specified, and according to the priority expressed in Item F of the Budget.
 - 2) Notwithstanding Paragraph 3 of this Exhibit, these funds shall not be subject to transfer to other cost categories.
 - 3) No advances shall be provided by the Department from these funds. All reimbursements shall be in arrears and shall require submission of invoices and related supporting documentation in a manner directed by the Department.
 - 4) Any funds not expended upon the expiration of this Agreement shall be automatically disencumbered on that date and shall not be available for additional expenditures or reimbursements except as provided in Health and Safety Code Section 50710.1(b).
- B. Funds allocated in Item B, line 209 "Major Equipment Repair/Maintenance" of the Budget shall be spent only for the items, and in the maximum amounts, specified in Item G of the Budget.
- C. Funds allocated in Item B, line 401 "Administrative Support Services" of the Budget shall be calculated as 10% of the total Budget per year, and shall be spent on administrative costs incurred by the Contractor to administer the OMS program.

5. Availability of Funds

The obligations under this Agreement are hereby made expressly contingent upon the availability of projected rental income and other funds for the purposes of performing the

EXHIBIT B

services identified in this Agreement. It is understood that this Agreement may have been written prior to the beginning of the fiscal year in order to expedite contract processing; however, should adequate funds not be appropriated by the Legislature for the current fiscal year or should other funds be reduced as a result of a court order or any other incident deemed legal and binding by the Department, the Department may exercise its option to cancel this Agreement or, at the Department's sole discretion, reduce the on-season period, unless the Department and the Contractor either amend this Agreement or mutually agree to budget reductions and a rescission of a portion of the encumbered funds.

DRAFT

EXHIBIT B-1
YEAR ONE OPERATING CONTRACT BUDGET
 THIS IS NOT AN INVOICE

Contract No. 17-OMS-11334 (RD), Madison			
Term: July 1, 2017 - June 30, 2018			
		CONTRACTOR FUNDS	STATE FUNDS
A.	CENTER PERSONNEL		
	101 Permanent Salaries/Wages	\$	\$ 78,167.00
	102 Temporary Salaries/Wages		13,790.00
	103 Personnel Benefits		62,316.00
	SUBTOTAL	\$ 0.00	\$ 154,273.00
B.	OPERATING EXPENSES		
	201 Center Office Supplies	\$	\$ 1,000.00
	202 Household Supplies		0.00
	203 Communications		3,000.00
	204 Travel		700.00
	205 Auto Repairs/Maintenance		3,000.00
	206 Gas/Oil		2,400.00
	207 Minor Equipment Repair/Maintenance		1,000.00
	208 Purchases Under \$150		0.00
	209 Major Equipment Repair/Maintenance	30,000.00	1,000.00
	211 Equipment Rental		0.00
	212 Electricity and Gas		65,000.00
	213 Garbage, Trash		10,000.00
	214 Sewer, Water		100,000.00
	215 Other Costs		8,955.00
	217 Property and Liability Insurance		14,595.00
	218 Other Insurance		80,000.00
	219 Advertising		
	SUBTOTAL	\$ 30,000.00	\$ 290,650.00
C.	MAINTENANCE EXPENSES		
	301 Electrical/Plumbing/Paint/Solar Supplies	\$	\$ 6,000.00
	302 Lumber and Materials		4,800.00
	303 Grounds Maintenance		3,260.00
	304 Minor Rehabilitation	15,000.00	4,800.00
	SUBTOTAL	\$ 15,000.00	\$ 18,860.00
D.	CONTRACTOR ADMINISTRATION		
	401 Administrative Support Services	\$	\$ 61,117.00
	402 Travel		1,250.00
	403 Audit		1,500.00
	SUBTOTAL	\$ 0.00	\$ 63,867.00
E.	DEBT SERVICE & REPLACEMENT		
	501 Reserves	\$	\$ 11,500.00
	502 Payment		88,136.00
	SUBTOTAL	\$ 0.00	\$ 99,636.00
	TOTAL	\$ 45,000.00	\$ 627,286.00

THIS IS NOT AN INVOICE

OMS – Rural Development
 2017 - 2019

Approval Date: 07/07/2017

Prep. Date: (to be entered by Contract Manger when each SA is created)07/24/2017

EXHIBIT B-2
YEAR TWO OPERATING CONTRACT BUDGET
 THIS IS NOT AN INVOICE

Contract No. 17-OMS-11334 (RD), Madison				
Term: July 1, 2018 - June 30, 2019				
			CONTRACTOR FUNDS	STATE FUNDS
A.	CENTER PERSONNEL			
	101	Permanent Salaries/Wages	\$	\$ 78,167.00
	102	Temporary Salaries/Wages		13,790.00
	103	Personnel Benefits		62,316.00
	SUBTOTAL		\$ 0.00	\$ 154,273.00
B.	OPERATING EXPENSES			
	201	Center Office Supplies	\$	\$ 1,000.00
	202	Household Supplies		0.00
	203	Communications		3,000.00
	204	Travel		700.00
	205	Auto Repairs/Maintenance		3,000.00
	206	Gas/Oil		2,400.00
	207	Minor Equipment Repair/Maintenance		1,000.00
	208	Purchases Under \$150		0.00
	209	Major Equipment Repair/Maintenance		0.00
	211	Equipment Rental		0.00
	212	Electricity and Gas		66,300.00
	213	Garbage, Trash		10,200.00
	214	Sewer, Water		102,000.00
	215	Other Costs		8,225.00
	217	Property and Liability Insurance		15,325.00
	218	Other Insurance		80,000.00
	219	Advertising		
	SUBTOTAL		\$ 0.00	\$ 293,150.00
C.	MAINTENANCE EXPENSES			
	301	Electrical/Plumbing/Paint/Solar Supplies	\$	\$ 6,000.00
	302	Lumber and Materials		4,800.00
	303	Grounds Maintenance		3,860.00
	304	Minor Rehabilitation	15,000.00	0.00
	SUBTOTAL		\$ 15,000.00	\$ 14,660.00
D.	CONTRACTOR ADMINISTRATION			
	401	Administrative Support Services	\$	\$ 57,946.00
	402	Travel		1,250.00
	403	Audit		1,500.00
	SUBTOTAL		\$ 0.00	\$ 60,696.00
E.	DEBT SERVICE & REPLACEMENT			
	501	Reserves	\$	\$ 11,500.00
	502	Payment		88,136.00
	SUBTOTAL		\$ 0.00	\$ 99,636.00
	TOTAL		\$ 15,000.00	\$ 622,415.00

THIS IS NOT AN INVOICE

EXHIBIT D

OMS TERMS AND CONDITIONS

1. Seasonal Operations

- A. The Department shall designate a period of one hundred eighty (180) days each calendar year, unless otherwise extended or reduced by written agreement between the Department and the Contractor, during which the Housing Center(s) shall be open to migratory agricultural workers and their households for occupancy, which period will be referred to as the "on-season." The remaining period of time during each calendar year shall be referred to as the "off-season."
- B. During the on-season:
- 1) All common facilities of the Housing Center(s) subject to this Agreement, other than the housing units, shall be available, as required by the Department, for the purpose of childcare services, health care services, educational programs, and other services approved by the Department and the Contractor for the benefit of resident migratory agricultural workers and their households.
 - 2) Residents of the Housing Center(s), after prior notice to the Contractor, shall be permitted to use the common facilities of the Housing Center(s) at any time such facilities are not required for use of programs scheduled by the Department or the Contractor, such as childcare programs, health programs, or educational programs.
- C. During the off-season, the Housing Center(s) shall be available for such other use and subject to such other conditions as mutually agreed upon in writing by the Department and the Contractor, which shall not be inconsistent or incompatible with the purposes of this Agreement.

2. Financial Management

A. Rents and Other Receipts

Pursuant to applicable law, the Contractor shall collect when due all rents, charges, and other amounts receivable on the Department's account in connection with the management and operation of the Housing Center(s), in accordance with rates established by the Department. Such receipts collected under this provision shall be remitted by the Contractor to the Department via check, along with a copy of the corresponding Monthly Rental Income Report, no later than fifty (50) days after the end of each month, to the following address:

California Department of Housing and Community Development
Attention: Accounting Branch
2020 W. El Camino Avenue, Suite 300
Sacramento, CA 95833

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B. Security Deposits

The Contractor shall collect, deposit, and disburse security deposits, if required, in compliance with any Department regulations or State laws governing tenant security deposits. Security deposits shall be deposited into a separate account from the General Operating account, reserve account and CARE account. This account shall be regularly maintained by the Contractor.

C. Account Maintenance

The Contractor shall maintain and safeguard all bank accounts associated with the Housing Center(s) in a way necessary to conduct their operations successfully and from which they may accurately report operational results for review, and otherwise comply with the terms of this agreement.

D. Accounting System

The Contractor shall develop a systematic method to record the business transactions of the Housing Center(s) that appropriately reflects the complexity of Housing Center(s) operations and the Department's requirements. The Contractor may be required to implement and use bookkeeping and accounting systems acceptable to the Department.

3. Occupancy and Eviction

The Contractor shall terminate occupancy of a housing unit by any individual pursuant to the reasons and procedures pursuant to Program Regulations. Whenever possible, prior to eviction of any person pursuant to Program Regulations, the Contractor shall use its best efforts to correct the problem with the Resident or through the Resident Council. All proceedings with regard to this paragraph shall be consistent with the Program Regulations.

4. Maintenance

The Contractor shall maintain the Housing Center(s) at all times in a safe and sanitary condition and in accordance with standards prescribed by State law, local ordinances, and the Department through this Agreement.

5. Acquisitions and Property

If property costing less than one hundred fifty dollars (\$150.00) per item is properly acquired with Agreement funds and is expected at the time of acquisition to be used indefinitely for the purpose for which it was purchased, title to such property shall vest with the Contractor at the time of acquisition. If property acquired with Agreement funds has a cost of \$150.00 or more per item or is not expected at the time of acquisition to be used indefinitely for the purpose for which it was acquired, title to such property shall vest with the Department. If property purchased under this Agreement is diverted to uses inconsistent with the purposes of this Agreement, the Contractor

EXHIBIT D

shall be liable for the replacement value of such property. If property with a unit price of \$5,000 or more is acquired or disposed of, the Contractor shall notify the Department within thirty (30) days of that acquisition or disposal so that the Department may properly account for acquisition or disposal of said property.

6. Termination of Agreement

- A. This Agreement may be terminated prior to the ending date of this Agreement without cause by the Contractor only upon conclusion of the on-season period, and the Department is provided thirty (30) days prior written notice. This Agreement may be terminated by the Department at any time, upon thirty (30) days prior written notice to the Contractor.
- B. In the event that the Contractor terminates this Agreement, the Contractor shall provide the Department or the Department's designee with an option to assume responsibility for the continued operation of the Housing Center(s), under the same terms and conditions contained in this Agreement, until another mutually agreeable location for the housing units and related facilities can be found and the housing units and related facilities are relocated to that site. The Department shall have one year from the date of exercise of said option to complete this operation and/or relocation.

7. Reporting Requirements

- A. The Contractor shall provide the Department with written progress reports, Demographic Input Form, Monthly Occupancy Report, OMS Request for Disposal of Property, inventory of all OMS-owned equipment, Smog Inspection Report (as needed), and verification of annual opening and closing dates, at the times and in the format required by the Department.
- B. The Contractor shall notify the Department and provide a copy of any Ordinances or Notices to Comply received from any regulatory body, including utility providers serving the Housing Centers, which will affect the operation of the Housing Centers, within five (5) days of receipt. Failure to provide said ordinances or notices will constitute a breach of this Agreement, and Contractor may be liable for any penalties the Department may receive as a consequence of failure to adequately provide it timely notice.
- C. The Contractor shall provide the Department with an annual financial audit for each fiscal year, due no later than nine (9) months after the end of each fiscal year, in accordance with generally accepted government auditing standards (GAGAS) and the requirements of the federal OMB Circular A-133.

8. Inspections

At all reasonable times during the term of this Agreement, and upon prior notice to the Contractor, representatives of the Department shall have access to the Contractor's premises for the purpose of ensuring compliance with this Agreement.

EXHIBIT D

9. **Contractors and Subcontractors**

The Contractor shall not enter into any agreement with any subcontractor, for five thousand dollars (\$5,000.00) or more, without the prior written approval from the Department. Such approval shall not be unreasonably withheld by the Department. A subcontractor is not eligible to receive funds if they are not licensed, not in good standing with the State of California, or is in any other way determined to be ineligible by the Department at its sole and reasonable discretion. Any agreement between the Contractor and subcontractors shall include all relevant terms and conditions of this Agreement and its attachments. In the event the Contractor purchases materials or services or subcontracts performance of this Agreement, the Contractor shall adopt the following procedures which shall be implemented in a manner consistent with State law;

- A. The Contractor shall invite bids for subcontracts, services and/or materials from as many prospective bidders as practical, and receive no fewer than three (3). Any deviations from this process must be pre-approved by OMS prior to entering an agreement with a subcontractor.
- B. The Contractor shall award the rehabilitation or construction contract and/or service or purchase agreement to the lowest responsible bidder or reject all bids; provided, however, that no awards shall be made without prior written approval of the State.
- C. The Contractor shall award no subcontract, service contract and/or purchase agreement if the lowest responsible bid exceeds that amount allocated to the corresponding budget item in Exhibit B (unless modified in writing as permitted under this Agreement).
- D. The Contractor shall maintain and make available to the State detailed records and accounts of all subcontracts, purchases of materials and/or services made under the above procedure.

10. **Waiver**

No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach. All remedies afforded pursuant to this Agreement shall be taken and construed as cumulative; that is, in addition to every other remedy provided therein or by law. The failure of the Department to enforce at any time the provisions of this Agreement, or to require at any time performance by the Contractor of any of the provisions contained herein, shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of the Department to enforce such provisions.

11. **Force Majeure**

Neither the Department nor the Contractor shall be deemed to be in default in the performance of the terms of this Agreement if either party is prevented from performing the terms of this Agreement by causes beyond its control, including, without being limited to: acts of God or the public enemy; interference, rulings or decisions by municipal, federal, state, or other governmental

EXHIBIT D

agencies, boards or commissions; any laws and/or regulations of such municipal, state, federal, or other governmental bodies; or any catastrophe resulting from flood, fire, explosion, or other causes beyond the control of the defaulting party. If any of the stated contingencies occur, the party delayed by force majeure shall immediately give the other parties written notice of the cause of delay. The party delayed by force majeure shall use reasonable diligence to correct the cause of the delay, if correctable, and if the condition that caused the delay is corrected, the party delayed shall immediately give the other parties written notice thereof and shall resume operations under this Agreement.

12. Licenses and Permits

The Contractor shall procure or cause to be procured all permits and licenses necessary to accomplish the Work set forth in this Agreement, and give all notices necessary and incident to the lawful performance of the Work. The Contractor shall keep informed of, observe, comply with, and cause all of its agents and employees to observe and comply with all prevailing federal, state, and local laws, rules and regulations made pursuant to those federal, state, and local laws, which in any way affect the conduct and performance of the Work set forth in this Agreement.

13. Litigation

- A. If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent jurisdiction, such invalidity, at the sole discretion of the Department, shall not affect any other provisions of this Agreement and the remainder of this Agreement shall remain in full force and effect. Therefore, the provisions of this Agreement are, and shall be, deemed severable.
- B. The Contractor shall notify the Department immediately of any claim or action undertaken by or against it, which affects or may affect this Agreement or the Department and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement and the interests of the Department.
- C. The Department, promptly after receiving notice thereof, shall notify the Contractor in writing of the commencement of any claim, suit, or action against the Department or its officers or employees for which the Contractor must provide indemnification under this Agreement. To the extent permitted by law, the Department shall authorize the Contractor or its insurer to defend such claims, suits or actions and shall provide it or its insurer, at the Contractor's expense, information and assistance both necessary and available for such defense. The failure of the Department to give such notice, information, authorization or assistance, shall not relieve the Contractor of its indemnification obligations.

14. Disputes

Except as otherwise provided in this Agreement, any dispute arising under or relating to the performance of this Agreement shall be reviewed and decided solely by the Department OMS Program Manager. The Manager's decision shall be provided to the Contractor in writing. The decision of the Program Manager shall be final and conclusive unless within thirty (30) days from

EXHIBIT D

the date of receipt of such a copy, the Contractor transmits to the Department a written appeal. Pending the final decision by the Director of the Department or Designee, the Contractor shall proceed diligently with the performance of this Agreement and in accordance with the written decision of the Program Manager, which is the subject of the Contractor's appeal.

15. Audit/Retention and Inspection of Records

The Contractor agrees that the Department or its delegatee will have the right to review, obtain, and copy all records pertaining to performance of this Agreement. The Contractor agrees to provide the Department or its delegatee with all relevant information requested and shall permit the Department or its delegatee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts and other material that may be relevant to a matter under investigation for the purpose of determining compliance with Public Contract Code ("PCC") § 10115, et seq., Government Code ("GC") § 8546.7 and 2 CCR §1896.60 et seq. The Contractor further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.

The Contractor shall comply with the caveats and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in PCC § 10115.10.

16. Insurance

- A. The Contractor shall carry, maintain, and enforce general liability and property insurance in the amounts not less than \$1,000,000.00 per occurrence. Fire insurance must be in an amount to adequately protect the interests of the contractor and the State of California and its officers and employees. All liability coverage must name the State of California as Additional Insured. All property coverage must name the State of California as Loss Payee with a maximum \$25,000.00 deductible per occurrence. For additional information on the Department's Insurance Guidelines, please refer to our website at http://www.hcd.ca.gov/financial-assistance/asset-management-and-compliance/Insurance_Guidelines.pdf.
- B. The Contractor shall provide the Department with a current copy of the Certificate of Coverage upon every premium renewal.
- C. The Contractor shall pay premiums out of the General Operating Account and premiums will be treated as an operating expense.
- D. The Contractor shall investigate and furnish the Owner with full reports on all accidents, claims, and potential claims for damage relating to the Project. The Contractor will cooperate with the Owner's insurers in connection therewith.

17. Prevailing Wage

- A. Where funds provided through this Agreement are used for construction work, or in support of construction work, Contractor shall ensure compliance with the requirements

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- of the Labor Code commencing with Section 1720 (which pertains to the payment of prevailing wages and administered by the California Department of Industrial Relations).
- B. For the purposes of this requirement "construction work" includes, but is not limited to rehabilitation, alteration, demolition, installation or repair done under contract and paid for, in whole or in part, through this Agreement. All construction work shall be done through the use of a written contract with a properly licensed building contractor incorporating these requirements (the "construction contract"). Where the construction contract will be between the Contractor and a licensed building contractor, Contractor shall serve as the "awarding body" as that term is defined in the Labor Code. Where Contractor will provide funds to a third party that will enter into the construction contract with a licensed building contractor, the third party shall serve as the "awarding body." The construction contract and any amendments thereto shall be subject to the prior written approval of the Department. Prior to any disbursement of funds, including but not limited to release of any final retention payment, the Department may require a certification from the awarding body that prevailing wages have been or will be paid.
- C. Notwithstanding any other provisions of this Agreement, after seeking appropriate recourse as set forth in the Section above, any controversial claim arising out of or relating to this Agreement or breach thereof shall be settled by arbitration at the election of either party in accordance with California Public Contract Code Section 10240 et seq., and judgment or award rendered by the arbitration may be entered in any court having jurisdiction thereof.

EXHIBIT E

SPECIAL TERMS AND CONDITIONS

**Management Agreement for United States Department of Agriculture Rural Development (RD)
Financed Multiple Family Housing Centers**

1. **General**

A. Appointment and Acceptance

The Department appoints the Contractor to manage the property described in Paragraph 1.B. of this Exhibit, and the Contractor hereby accepts the appointment, subject to the terms and conditions set forth in this Agreement.

B. Housing Center(s) Description

The property to be managed by the Contractor under this Agreement is a housing center ("Housing Center(s)") consisting of the land, buildings, and other improvements hereto identified as Housing Center(s) Number 17-OMS-11334. The Housing Center(s) is further described as follows:

Name: Madison Migrant Center
Location:
City: Madison
County: Yolo
State: California
No. of Dwelling Units: 88
Type of Units:
 Family Elderly Mixed Congregate

C. Identity of Interest

The Contractor shall disclose to the Department and the United States Department of Agriculture Rural Development ("RD") any and all identities of interest that exist or shall exist between the Contractor and the Department, suppliers of material and/or services, or vendors in any combination of relationship.

D. RD and Department Requirements

In performing its duties as prescribed in this Agreement, the Contractor shall comply with all relevant requirements of RD and the Department which include preparation of forms, exhibits and reports in the format prescribed by RD and the Department.

E. Plans and Specifications

As soon as possible, the Department shall furnish the Contractor with a complete set of "as-built" plans and specifications and copies of all guarantees and warranties relevant to construction, fixtures, and equipment. With the aid of this information and inspection

EXHIBIT E

by competent personnel, the Contractor shall become thoroughly familiar with the character, location, construction, layout, plan and operation of the Housing Center(s).

F. Compliance with Governmental Orders

The Contractor shall take such action as may be necessary to comply promptly with any and all governmental orders or other requirements affecting the Housing Center(s), whether imposed by federal, state, county or municipal authority subject, however, to the limitation stated in Paragraph 3.D. of this Exhibit with respect to litigation and repairs. The Contractor shall take no action so long as the Department is contesting, or has affirmed its intention to contest, any such order or requirement. The Contractor shall notify the Department in writing of all notices of such orders or other requirements, within seventy-two (72) hours from the time of their receipt of such notices.

G. Nondiscrimination

In the performance of its obligations under this Agreement, the Contractor shall comply with the provisions of any federal, state or local Fair Housing law prohibiting discrimination in housing on the grounds of race, color, religion, sex, familial status, national origin, or handicap. Other nondiscrimination provisions include Title VI of the Civil Rights Act of 1964 (Public Law 88-352, 78 Stat. 241), Section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, as they relate to the RD multi-family housing program.

H. Fidelity and Insurance Coverage

- 1) The Department shall inform the Contractor of insurance required for the Housing Center(s) and its operations. The Contractor shall obtain such insurance and maintain such insurance in effect at all times. Premiums shall be paid out of the General Operating Account, and treated as operating expenses. All insurance shall be placed with companies, on conditions, in amounts, and with beneficial interests appearing thereon as shall be acceptable to the Department and RD provided that the same shall include public liability coverage, with the Contractor designated as one of the insured, in amounts acceptable to the Contractor, the Department and RD. The Contractor shall investigate and furnish the Department with full reports on all accidents, claims, and potential claims for damage relating to the Housing Center(s), and shall cooperate with the Department's insurers in connection therewith.
- 2) The Contractor shall furnish, at its own expense, fidelity coverage to the Department, with copy to the RD Servicing Office on the employees of the Contractor who are entrusted with the receipt, custody, and disbursement of any Housing Center(s) monies, securities, or readily saleable property other than money or securities. The minimum coverage of forty thousand dollars (\$40,000) shall be provided. The Contractor shall obtain coverage from a company licensed to provide coverage in the project locality. Coverage shall be in force to coincide with the assumption of fiscal responsibility by the Contractor until that responsibility is relinquished.

EXHIBIT E

- 3) Endorsement listing RD projects separate from other projects or operations shall be obtained and made part of the coverage policy or bond. The other terms and conditions of the coverage, and the surety thereon, shall be subject to the requirements and approval of the Department.

I. Purchases and Contracts

- 1) With prior approval of the Department and as allocated in the Budget, the Contractor shall obtain contracts, materials, supplies, utilities, and services on the most advantageous terms to the Housing Center(s), and the Contractor is authorized to solicit bids, either formal or informal, for those items which can be obtained from more than one source. The Contractor shall secure and credit to the Department all discounts, rebates, or commissions obtainable with respect to purchases, service contracts, and all other transactions on the Department's behalf.
- 2) The Contractor shall employ persons and/or services to perform duties and responsibilities at the Housing Center(s) site as described in the Management Plan. Compensation of such persons and/or services shall be paid as a direct expense to the Housing Center(s) as specified in the Management Plan and this Exhibit. The Contractor shall employ sufficient resources within the Contractor's operation to fulfill Contractor's obligation to the Department under the terms of this Exhibit.

2. Management Plan

- A. The Contractor shall advise and assist the Department in the preparation of the Management Plan for the Housing Center(s) specified in Paragraph 1.B. of this Exhibit.
- B. The Contractor shall be provided with the completed Management Plan prior to execution of this Agreement, which shall include the following:
 - 1) Policies and procedures to be followed in the management of the Housing Center(s);
 - 2) Identification of Contractor's duties and supervisory relationships for project site and office staff; and
 - 3) Pro rata division of singularly incurred operating expense common to the Contractor and the Department.
- C. The Contractor shall periodically review the Management Plan and advise the Department of necessary or desirable changes.

EXHIBIT E

3. Budget

- A. The Contractor shall prepare a proposed Operating Contract Budget for submission to the Department. For each subsequent fiscal year the Contractor shall prepare a new budget. Adjustments exceeding 10% of the proposed Operating Contract Budget require an amendment to this Agreement.
- B. The Department shall forward the proposed budget to RD using the formats and categories of RD Form 3560-7, "Multiple Family Housing Center(s) Budget".
- C. The Contractor shall operate and maintain the Housing Center(s) within reasonable tolerance of the expense category subtotals of the accepted budget as stated in Exhibit B-1, Year 1 and Exhibit B-2, Year 2 ("Budget") as defined by RD and the Department.
- D. Notwithstanding any other provisions of this Agreement, the Contractor shall obtain prior written approval from the Department for any expenditure of the Housing Center(s) which exceeds five thousand dollars (\$5,000) in any one instance for:
- 1) Litigation;
 - 2) Labor;
 - 3) Materials; or
 - 4) Other expenditure in connection with the maintenance and repair of the Housing Center(s).

This limitation is not applicable for recurring expenses within the limits of the Budget; or any emergency repairs which involve manifest danger to persons or property, or that are required to avoid suspension of any necessary service to the Housing Center(s). In the event that emergency repairs are necessary, the Contractor shall contact the Department as promptly as possible.

4. Housing Center(s) Management

The Contractor shall:

- A. Operate the Housing Center(s) according to the Management Plan and in compliance with the Department's loan agreement with RD, this Agreement, and any applicable RD and Department regulations and guidelines.
- B. Participate in any conference with RD and/or Department officials involving management of the Housing Center(s).
- C. Participate in the on-site final inspection of the Housing Center(s), required by RD prior to initial occupancy.

EXHIBIT E

- D. Prepare Form RD 3560-7 as a quarterly report and Department Monthly Operating and Rent Collection Reports beginning at initial occupancy until no longer required by RD or the Department.
- E. Represent the Department in matters related to management of the Housing Center(s), including but not limited to the Department's interest at tenant grievance hearings.

5. Liaison with Architect and General Contractor

During the planning and construction phases, maintain direct liaison with the architect and general contractor, in order to:

- A. Coordinate management concerns with the design and construction of the Housing Center(s);
- B. Facilitate completion of any corrective work; and
- C. Facilitate the Contractor's responsibilities for arranging utilities and services pursuant to Paragraph 9.F. of this Exhibit.

The Contractor shall keep the Department advised of all significant matters of this nature.

6. Rentals and Leases

In accordance with the Management Plan and all other provisions of this Agreement, the Contractor agrees to:

- A. Market the rental housing units, observing all requirements of the Affirmative Fair Housing Marketing Plan, and maintain records of any marketing activity for compliance review purposes.
- B. Show the premises and available units to all prospective tenants without regard to race, color, national origin, sex, religion, familial status, handicap or age; and shall provide for reasonable accommodation to individuals with disabilities.
- C. Take and process all rental applications. If an application is rejected, inform the applicant of the reason for rejection in writing. The rejected application, with the written reason for rejection, shall be kept on file until a compliance review has been conducted. If the rejection is due to information obtained from a Credit Bureau, the source of the report must be revealed to the applicant according to the Fair Credit Reporting Act.
- D. Follow tenant selection policy as stipulated in the Management Plan, and maintain a current list of prospective tenants.

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- E. Prepare and execute all dwelling leases and parking permits in a form approved by and in compliance with the relevant provisions of RD, the Department and other State regulations, in its name, identified thereon as the Contractor for the Department.
- F. In no event, collect rent or other charges exceeding amounts specified by the Department for dwelling units, facilities and other services.
- G. Determine eligibility and prepare eligibility certifications in accordance with RD and Department requirements using reports furnished by the Department.
- H. Counsel all prospective tenants regarding eligibility, and when available, make referrals to local social service and community agencies in cases of financial hardship or other circumstances deemed appropriate by the Contractor.
- I. Ensure full compliance with the terms of the lease by each tenant and emphasize voluntary compliance.
- J. Avoid involuntary termination of tenancies to the maximum extent consistent with sound management of the Housing Center(s).
- K. Initiate actions, subject to the Management Plan, and RD and Department regulations, to terminate any tenancy when, in the Contractor's judgment there is material noncompliance with the lease or other good cause for such termination.
- L. In the case of termination, properly notify the tenant of his/her right to appeal the proposed action according to RD and Department regulations. Attorney's fees and other necessary costs incurred in connection with such actions shall have advance by the Department and be paid out of the General Operating Account within the itemized limit of the Budget.
- M. Represent the Department's interest at tenant grievance hearings.

7. Reports

- A. Upon request by the Department, RD or the Office of the Inspector General, the Contractor shall provide reports regarding the Housing Center(s)'s financial, physical or operational condition and occupancy.
- B. The Contractor shall assist the Department in initiating or completing all additional reporting forms and data prescribed by RD affecting the operation and maintenance of the Housing Center(s).

8. Financial Management

- A. Rents and Other Receipts

The Contractor shall collect when due all rents, charges, and other amounts receivable on the Department's account in connection with the management and operation of the

EXHIBIT E

Housing Center(s). Such receipts shall be deposited immediately in the project's General Operating Account with _____, whose deposits are insured by an agency of the Federal Government.

B. Security Deposits

The Contractor shall collect, deposit, and disburse security deposits, if required, in compliance with any Department regulations or State laws governing tenant security

deposits. Security deposits shall be deposited in a separate account, at the Bank indicated above. This account shall be carried in the Department's name and designated of record as: "_____ Security Deposit Account." This account shall be regularly maintained by the Contractor.

C. Account Maintenance

The Contractor shall maintain and safeguard the Housing Center(s)'s General Operating Account and tenant's Security Deposit Account according to the current requirements set forth in Paragraph XIII.B.2 of Exhibit B of Subpart C of Part 1930, which is part of the "Multiple Housing Management Handbook."

D. Accounting System

The Contractor shall develop a systematic method to record the business transactions of the Housing Center(s) that appropriately reflects the complexity of Housing Center(s) operations and the Department's requirements. The Contractor may be required to implement and use bookkeeping and accounting systems acceptable to RD and the Department.

9. Housing Center Maintenance and Repair

The Contractor agrees to:

- A. Maintain and repair the Housing Center(s) in accordance with the Management Plan and local codes, and keep it in a condition acceptable to the Department and RD at all times. This shall include, but is not limited to cleaning, painting, decorating, plumbing, carpentry, grounds care, energy conservation measures and practices; and other such maintenance and repair work as may be necessary, subject to any limitations imposed by the Department in addition to those contained herein. Special attention shall be given to preventive maintenance, and to the greatest extent feasible, the services of regular maintenance employees shall be used.
- B. Purchase all materials, equipment, tools, appliances, supplies, and services necessary for proper maintenance and repair of the Housing Center(s) as stipulated in the Management Plan, Budget, and/or other written documentation from the Department.

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- C. Subject to the Department's prior written approval, contract with qualified independent contractors for the maintenance and repair of air-conditioning and heating systems, elevators, and for extraordinary repairs beyond the capability of regular maintenance employees. Any identity of interest shall be identified in accordance with Paragraph 1.C. of this Exhibit.
- D. Systematically receive and promptly investigate all service requests from tenants, take such action as may be justified, and maintain records of the same. Emergency requests shall be received and services provided on a twenty-four (24) hour basis. Serious complaints shall be reported to the Department after investigation.
- E. Advise the Department of any cost-effective and adaptable energy conservation measures or practices that should be used in the Housing Center(s). The Contractor shall encourage their use and shall assist the Department during any installation of these measures or institution of practices.
- F. In accordance with the Management Plan, make arrangements for utilities including water, electricity, gas, fuel oil, sewage and trash disposal, vermin extermination, decorating, laundry facilities, and telephone service.

10. Taxes, Fees and Assessments

The Contractor shall pay all taxes, assessments and government fees promptly when due and payable. The Contractor shall evaluate local property taxes to insure they bear a fair relationship to the Housing Center(s) value and if they do not, at the direction of the Department, appeal such taxes on behalf of the Department or assist the Department in the appeal, whichever is required by local jurisdiction or is appropriate.

11. Contractor's Compensation

The Contractor shall be compensated for its services for providing management described in this Agreement, and the Department's Management Plan, by monthly fees, to be paid from the General Operating Account and treated as a project operation and maintenance expense. Such fees shall be payable on the first day of each month for the preceding month.

12. Term of Agreement

This Exhibit shall be in effect for the period as stated in Exhibit A, Paragraph 3 of this Agreement, subject, however, to the following conditions:

- A. This Agreement shall not be binding upon the Contractor and Department ("Principal Parties") until approved by RD.
- B. This Agreement may be terminated, only upon conclusion of the on-season period by the mutual consent of the Principal Parties, provided that at least thirty (30) days advance written notice thereof is given to either Principal Party and reasons for the termination are submitted to RD.

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- C. In the event that a petition in bankruptcy is filed by or against either of the Principal Parties, or in the event that either makes an assignment for the benefit of creditors or takes advantage of any insolvency act, the other party may terminate this Agreement without notice to the other however, a prompt written notice outlining the basis for such termination is submitted to RD.
- D. It is expressly understood and agreed by and between the Principal Parties that the Department may terminate this Agreement with cause upon the issuance of a 30-day written notice of cancellation to the Contractor. It is further understood and agreed that no liability shall attach to either of the Principal Parties in the event of such termination, to the extent permitted by State law.
- E. Upon termination of this Agreement, the Contractor shall submit to the Department all Housing Center(s) books and records and any financial statements required by RD. After the Principal Parties have accounted to each other with respect to all matters outstanding as of the date of termination, the Department shall promptly reimburse the Contractor all sums due after deduction of any sums or damages due the Department, in form and principal amount satisfactory to the Contractor, against any obligations or liabilities which the Contractor may properly have incurred on behalf of the Department hereunder.

13. Contractor's Indemnification

Notwithstanding any provision of this Agreement, it is understood and agreed:

- A. The Department has assumed and shall maintain its responsibility and obligation throughout the term of this Exhibit for the finances and the financial stability of the Housing Center(s), to the extent that funds are appropriated to the Department by the legislature for this purpose; and
- B. The Contractor shall have no obligation, responsibility or liability to fund authorized project costs, expenses, or accounts other than those funds generated by the Housing Center(s) itself or provided to the Housing Center(s) or to Contractor by Department. In accordance with the foregoing, Department agrees that Contractor shall have the right at all times to secure payment of its compensation, as provided for under Paragraph 11 of this Exhibit, from the Operating and Maintenance Account, immediately when such compensation is due and without regard to other Housing Center(s) obligations or expenses provided the Contractor has satisfactorily discharged all duties and responsibilities under this Agreement. Moreover, the Department, to the extent permitted by State law, hereby indemnifies Contractor and agrees to hold it harmless with respect to Housing Center(s) costs, expenses, accounts, liabilities and obligations during the term of this Exhibit and further agrees, to the extent permitted by State law, to guarantee to Contractor the payment of its compensation under Paragraph 11 of this Exhibit during the term of this Agreement to the extent that the Housing Center(s)'s Operating and Maintenance Account is insufficiently funded for this purpose. To the extent permitted by state law, intentional failure of the Department at any time to abide by and to fulfill the foregoing shall be a breach of this Agreement, entitling Contractor to obtain from Department, upon demand,

EXHIBIT E

and to the extent permitted by State law, full payment of all compensation owed to Contractor through the date of such breach and entitling Contractor, at its option, to terminate this Agreement forthwith.

14. Interpretive Provisions

- A. This Agreement and its Exhibits constitute the entire Agreement between the Department and the Contractor with respect to the management and operation of the Housing Center(s). No change shall be valid unless agreed upon by the Principal Parties, approved by RD and amended by the Department.
- B. This Exhibit has been executed in several counterparts, each of which shall constitute a complete original Exhibit, which may be introduced in evidence or used for any other purpose without production of any of the other counterparts.
- C. At all times, this Exhibit shall be subject and subordinate to all rights of RD, and shall work to the benefit of and constitute a binding obligation upon the Principal Parties and their respective successors and assigns. To the extent that this Exhibit confers rights upon the consenting parties, it shall be deemed to work to their benefit, but without liability to either, in the same manner and work with the same effect as though the consenting parties were primary parties to this Exhibit.

The Principal Parties (by their duly authorized officers) have executed this Management Agreement on the date first above written.

**Department of Housing and Community
Development**

Yolo County Housing

By: _____

By: _____

Title: OMS Program Manager

Title: Chief Executive Officer

Witness: _____

Witness: _____

As lender or insurer of funds to defray certain costs of the project and without liability for any payments hereunder, Rural Development hereby concurs with this Management Agreement.

**United States Department of Agriculture
Rural Development**

By: _____

Title: _____

Date: _____