



ALAMEDA COUNTY COMMUNITY DEVELOPMENT AGENCY  
HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT

Chris Bazar  
Agency Director

AGENDA ITEM No. \_\_\_\_\_ September 8, 2009

August 25, 2009

The Honorable Board of Supervisors  
Alameda County Administration Building  
1221 Oak Street  
Oakland, CA 94612

Dear Board Members:

**SUBJECT: AUTHORIZE AMENDMENT NO. 1 TO CONTRACT NO. 3438  
WITH ASHLAND VILLAGE APARTMENTS L.P.**

**RECOMMENDATION:**

It is recommended that your Board authorize Amendment No. 1 to Contract No. 3438 with Ashland Village Apartments L.P. (Principal: Linda Mandolini; Location: Hayward) to increase amount of contract from \$740,000 to \$1,096,631 (increase of \$356,631 in HOME funds) and extend term of contract from December 31, 2011 to December 31, 2012 for the rehabilitation of the Ashland Village Apartments project for low income families in unincorporated Alameda County.

**SUMMARY/DISCUSSION:**

As the lead agency for the Alameda County HOME Consortium, the Community Development Agency's Housing and Community Development Department (HCD) issues an annual Notice of Funds Available (NOFA) for the HOME funds. Eden Housing, Inc., the general partner of Ashland Village Apartments, L.P., applied for HOME funds in the FY09 NOFA round and was recommended for funding to rehabilitate Ashland Village Apartments. The development is an existing 142-unit apartment complex for extremely low-income families.

Eden Housing, the general partner of Ashland Village Apartments, L.P., is a nonprofit housing developer which has created nearly 5,000 affordable housing units since 1968. Ashland Village is a multi-family apartment complex located in the Ashland area of unincorporated Alameda County. Eden is rehabilitating the complex, and has extended the term of Project-Based Section 8 contract with the federal Housing Urban Development Department to ensure the affordability of the building for lower-income households. Eden also plans to build a new community room to enable service providers to provide services on site.



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Housing Director

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Board of Supervisors  
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Since Eden received the first award of FY08 HOME funds from last year's NOFA, the cost to complete the rehabilitation has increased. This additional amount of HOME funds will cover the gap in construction costs.


**SELECTION CRITERIA AND PROCESS:**

*As the lead agency for the Alameda County HOME Consortium, HCD issues an annual Notice of Funds Available (NOFA) to identify new affordable housing projects. The HOME funds released were for developments built by Community Housing Development Organizations (CHDOs) and for projects in the Urban County (the cities of Albany, Dublin, Emeryville, Newark, Piedmont, and the Unincorporated County). In January 2009, the NOFA was sent out to local nonprofit agencies and housing developers as well as persons who had contacted HCD to receive such notices. In March 2009, a proposal was received from Eden Housing for Ashland Village Apartments. In April 2009, funding recommendations and presentations were made to the HOME Technical Advisory Committee (HOME TAC). The HOME TAC recommended \$156,631 of FY09 HOME CHDO funds for this project. In May 2009, funding recommendations and presentations were made to the Urban County Technical Advisory Committee (TAC). The TAC recommended \$200,000 of FY09 Urban County funds for this project. The Housing and Community Development Advisory Committee (HCDAC) also recommended \$200,000 of Urban County funds at its May 2009 meeting.*

**FINANCIAL CONSIDERATIONS:**

Funds for this contract and administration will come from the FY09 HOME funds already included in CDA's budget. There is no Net County Cost as a result of this action.

Very truly yours,

  
Chris Bazar, Director  
Community Development Agency

Attachment

cc: Susan Muranishi, County Administrator  
Patrick O'Connell, Auditor-Controller  
Richard Winnie, County Counsel  
Andrea Weddle, County Counsel  
Louie Martinez, County Administrator's Office  
U.B. Singh, CDA Finance Director

**ALAMEDA COUNTY HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT  
AMENDMENT #1 TO THE CONTRACT  
BETWEEN THE COUNTY OF ALAMEDA  
AND  
ASHLAND VILLAGE APARTMENTS L.P.**

THIS AMENDMENT, made and entered into on this 8th day of September, 2009 modifies the contract #3438 entered into on the 1st day of September, 2008 by and between the COUNTY OF ALAMEDA, a corporate and politic body of the State of California, hereafter referred to as COUNTY and ASHLAND VILLAGE APARTMENTS LP., hereafter referred to as CONTRACTOR.

WITNESSETH:

1.     **Contract Page 1, Section 2**  
Delete "COUNTY has allocated the sum of \$740,000 in Urban County HOME funds to be expended under this contract." and replace with:  
  
"COUNTY has allocated the sum of \$1,096,631 (\$940,000 in Urban County funds and \$156,631 of CHDO funds) to be expended under this contract."
2.     **Contract Page 1, Section 3**  
Delete "The term of this contract begins on September 1, 2008 and ends on December 31, 2011, or when all contract terms have been completed." And replace with:  
  
"The term of this contract begins on September 8, 2009 and ends on December 31, 2012, or when all contract terms have been completed."
3.     **Exhibit A**  
Delete Exhibit A and replace with the attached Exhibit A.
4.     **Exhibit B**  
Delete: Exhibit B and replace with the attached Exhibit B.
5.     **Section 3 Employment Plan, Page 17**  
Delete: "Contract Amount: \$740,000." and replace with:  
  
"Contract Amount: \$1,096,631."

Except for the above changes, the original contract remains in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this amendment in triplicate on the day first mentioned above.

COUNTY OF ALAMEDA  
a political subdivision of the  
State of California

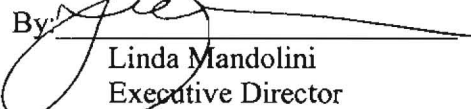
CONTRACTOR  
ASHLAND VILLAGE APARTMENTS L.P.  
a California limited partnership

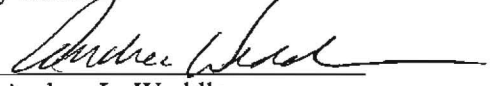
By: \_\_\_\_\_  
President, Board of Supervisors

By: Eden Housing, Inc, a California  
nonprofit benefit corporation its Managing  
General Partner

Approved as to form:

Richard E. Winnie  
County Counsel

By:   
Linda Mandolini  
Executive Director

By:   
Andrea L. Weddle  
Senior Deputy County Counsel

Ashland Village Apartments L.P.  
c/o Eden Housing, Inc.  
22645 Grand Street  
Hayward, CA 94541

Taxpayer ID: #26-2203610

By signing above, signatory warrants and represents  
that he/she executed this Agreement in his/her  
authorized capacity and that by his/her signature on this  
Agreement, he/she or the entity upon behalf of which  
he/she acted, executed this Agreement



EXHIBIT A  
ALAMEDA COUNTY WORK PROGRAM  
BETWEEN  
ALAMEDA COUNTY HOUSING & COMMUNITY DEVELOPMENT PROGRAM  
AND  
ASHLAND VILLAGE APARTMENTS, L.P.

1. CONTRACTOR shall use the HOME funds subject to this contract to develop the property located at 1300 Kentwood Lane in Ashland. The funds will be used to acquire and rehabilitate Ashland Village Apartments, an existing 142-unit apartment building. Under this contract, five of the units will be restricted for households earning no more than 50% of Area Median Income at move-in. The Low HOME rents are to be charged to HOME assisted tenants. Refer to Section J in this exhibit for instructions on handling over-income tenants.
2. CONTRACTOR shall meet all requirements outlined in the Notice of Funds Available (NOFA) issued January 2008 and January 2009, unless otherwise approved by the Housing Director or her designee.
3. CONTRACTOR shall have primary responsibility for carrying out all phases of the development, including but not limited to, securing additional financing; obtaining planning approvals; construction; tenant relocation; formulating a services plan appropriate for the disability of the residents; leasing and asset management for the term of the project regulatory agreement. All actions related to the development of the project shall be reviewed and approved by the Housing Director or her designee prior to commencement.
4. CONTRACTOR must have its own insurance. It should include general liability, auto, workers' compensation and property insurance. In the general liability coverage, the County needs to be named as additional insured. Ongoing insurance requirements after construction completion are outlined in the Regulatory Agreement. Ongoing insurance requirements after construction completion are outlined in the Regulatory Agreement.

If CONTRACTOR will hire subcontractors at a later date, it is the CONTRACTOR's responsibility to ensure that its subcontractors carry all insurance as required by the County prior to the start of the construction.

5. CONTRACTOR shall enter into and be bound by a Promissory Note, Regulatory Agreement, Deed of Trust, and Loan Agreement, which shall be referred to as LOAN DOCUMENTS. CONTRACTOR shall record against the property the Regulatory Agreement and Deed of Trust, which shall specify affordability and occupancy levels, term of affordability, maintenance and management standards, and other related requirements as part of the funding and RFP. In the event of a conflict between this CONTRACT and the LOAN DOCUMENTS, the LOAN DOCUMENTS shall prevail. The Housing Director or her designee shall set the terms and conditions of such loan documents.
6. CONTRACTOR shall meet specific time lines for the following tasks:

A. Acquisition of Property	January 2009
B. Begin Construction	March 2009
C. Construction Completion	May 2010
D. Occupancy & Certification	June 2010
E. Close-Out Report (see Exhibit B for details)	September 2010

7. CONTRACTOR shall comply with the following additional requirements:

- A. **Relocation:** All Contracts funded with Federal and State funding must comply with the Federal Uniform Relocation and the State Relocation requirements.
- B. **Davis-Bacon:** CONTRACTOR is responsible for wage requirements if applicable.
- C. **Prevailing Wage:** CONTRACTOR shall pay State prevailing wages if applicable.
- D. **Competitive Bidding:** COUNTY requires competitive bidding of all construction and professional services contracts arising from the use of its funds.

E. **Construction Contract:** For record keeping purposes, the following items are required to be submitted prior to construction start:

- a. Inspection Reports for Rehab Projects
- b. Final Work Write Up – Cost Estimation
- c. Contractor Bid Documents
- d. Results of Bids
- e. Contractor Eligibility Form
- f. Contractor's Certificate of Insurance
- g. Evidence of Contractor Licensure
- h. Debarment List
- i. Pre-Construction Conference Report
- j. Lead-based Paint Compliance Documentation
- k. New Construction or Rehabilitation Contract
- l. Notice to Proceed
- m. Asbestos Report

During Construction, the following are required to be submitted as part of the monthly reporting requirements:

- 1. Approved Change Orders
- 2. Contractor Payment Requests (we have list of payments – not copies)
- 3. Payment Certifications

After Construction Completion, and prior to release of retention, the following are required to be submitted to HCD as part of the close out report:

- 1. Documentation of Final Inspection
- 2. Lien Release and Final Lien Waivers for GC and all Sub-contractors
- 3. Receipt of Final Payment Form
- 4. Certificate of Occupancy
- 5. Notice of Completion

F. **Section 504 Disabled and Senior Access:** CONTRACTOR must meet the requirements of the Americans with Disabilities Act and the Fair Housing Act, among other local, state, and federal laws. Projects with any federal funds must also meet the more stringent accessibility requirements of Section 504 of the Rehabilitation Act of 1973 (24 CFR 100.205 and Part 8). Section 504 sets minimum

percentages of accessible units, and calls for fully accessible common areas, among its numerous requirements. For federally funded projects, 5% of the total number of units must be accessible to people with physical disabilities, and an additional 2% of units must be accessible to people with auditory and visual disabilities, as defined in the Uniform Federal Accessibility Standards (UFAS). CONTRACTOR and project architect must make a written certification of compliance with Section 504, Title 24, ADA, and the Federal Fair Housing Act. Title 24, ADA, and the Federal Fair Housing Act will also impose accessibility requirements on buildings

- G. **Fair Housing Marketing/Lease:** CONTRACTOR must submit a Preliminary Management Plan and Fair Marketing Plan. A Final Management and Marketing Plan will be required 180 days prior to construction completion and a Management Contract must be submitted to HCD 90 days prior to construction completion. The final Marketing Plan must be approved prior to beginning rent-up activities, including marketing flyers and application materials. CONTRACTOR must adopt tenant selection policies and criteria as required by 24 CFR 92.253.

The lease between a tenant and CONTRACTOR of a rental unit assisted with HOME funds must be not for less than one year, unless by mutual agreement between the tenant and the owner. Contractor must abide by all lease terms required by 24 CFR 92.253.

- H. **Lead-Based Paint:** The use of lead-based paint on HCD funded projects is prohibited. Testing and abatement of lead-based paint in rehabilitation projects may be required. Projects typically must follow the federal guidelines, which require notification to prospective residents of potential lead-based paint hazards, among other requirements.
- I. **Non Discrimination:** CONTRACTOR must agree not to discriminate on the basis of race, color, ancestry, national origin, religion, sex, sexual preference, age, marital status, family status, source of income, physical or mental disability, HIV/AIDS, or any other arbitrary basis in the course of carrying out contracted activities, as well as in the ongoing operations and management of the project for the full term of the regulatory agreement.
- J. **Annual Recertification of Tenant Income:** CONTRACTOR is required to re-examine tenant incomes annually to ensure that tenants continue to meet the income requirements of HCD funding programs. As required by the Regulatory Agreement, rent schedules and utility allowances, including any increases, must be reviewed and approved annually by HCD. In the event that a tenant's income exceeds 50% of Area Median Income, CONTRACTOR must follow the guidelines in the Regulatory Agreement for maintaining the correct number of HOME units and setting tenants' rents. Projects that are also assisted with Low Income Housing Tax Credits or MHP will be subject to those relevant rules regarding over-income tenants. Rents and tenant incomes will be annually reviewed for compliance by HCD.
- K. **Reporting:** CONTRACTOR shall be responsible to HCD for ongoing reports on the progress and condition of the project.
- a. **During Construction** CONTRACTOR shall provide information on the



- progress of the project to HCD as part of request for funding.
- b. **Close Out Report** Before the County shall release retention, Contractor shall provide the following close out materials
    - i. MBWBE & Section 3 reporting form
    - ii. Rent-up report
    - iii. Cost certification/project audit/Final Sources and Uses
    - iv. Certificate of Occupancy
    - v. Final Management Plan
    - vi. Final Affirmative Fair Marketing Plan and outreach materials
    - vii. Final Relocation Report (if applicable)
    - viii. Final Report on Section 504 (list of which units are accessible)
    - ix. Final Report on Title 24
    - x. Funding Source Close-out Report
  - c. **Quarterly Reports** For the first year after the project is completed, CONTRACTOR shall submit to HCD quarterly reports not more than 60 days after the end of each quarter. These reports shall include financial statements, operating budgets, actual vs. budget, tenancy reports and a cash flow proforma. These requirements are more clearly detailed in the regulatory agreement.
  - d. **Annual Reports** After the first year, or when the Housing Director or her designee determines, an annual report must be submitted not more than 180 days after the end of the fiscal year. These reports must include financial statements, operating budgets, actual vs. budget, tenancy reports and a cash flow proforma. These requirements are more clearly detailed in the regulatory agreement.

8. CONTRACTOR has received copies of HCD's standard form loan documents and understands the terms laid out in those documents and in the RFP under which CONTRACTOR applied for funding.



## EXHIBIT B

### CONDITIONS FOR PAYMENT BETWEEN ALAMEDA COUNTY HOUSING AND COMMUNITY DEVELOPMENT AND CONTRACTOR

#### 1. BUDGET

Before disbursement of Contract funds may be made, CONTRACTOR shall establish a budget, to be approved in writing by the Housing Director or her designee, specifying by line item the expenditures to be made with Alameda County funds. Once a budget is approved by the County, changes may be made only with a written request to be approved by the Housing Director or her designee in advance of a request for disbursement of funds. The following budget has been approved by the County.

County HOME funds	Uses
\$730,000	Acquisition.
\$356,631	Rehabilitation
\$10,000	Construction Retention

#### 2. METHOD OF PAYMENT

All requests for a funding draw or reimbursement will be in a format approved by the County.

- a. All requests for a funding draw or reimbursement shall be on Contractors letterhead, contain an original authorized signature, invoice number, total amount requested and amounts towards each line item on the approved budget. This document shall be called an "Invoice", and shall track disbursements made by budget line item, current requests, and amount remaining in the budget line item.

Line Item	Total Budget	Previous Requests	Current Request	Balance Remaining
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- b. All invoices shall be paid on a funding draw or reimbursement basis, and be made no more than monthly with supporting documentation of actual costs incurred during the period of time covered by the invoice. If under a specific line item, Contractor has more than one form of back up or supporting documentation, Contractor must summarize the documentation and include a subtotal of items which add up to the line item total. Invoices must be properly organized and are subject to return to Contractor if they are not.
- c. Requests for funding draw or reimbursement must be received within 60 days of the end of each month or period covered.
- d. All funds disbursed to CONTRACTOR must be expended within fifteen (15) days of approval of the receipt of funds. The final disbursement shall be requested by CONTRACTOR not less than sixty (60) days before project completion.
- e. Any adjustments made by the fiscal auditors at the year-end audit, under the AICPA guidelines and other relevant federal regulations should be brought to the attention of County staff for reconciliation.
- f. CONTRACTOR is responsible for reporting any matching funds used on this project which do not originate from HCD sources. These funds can include funding to cover staff who are working on this project, but paid from another source of funds.

#### 3. REQUESTS FOR ADJUSTMENTS TO BUDGET LINE ITEMS

Once the line item budget has been approved, there can be no more than four (4) requests for adjustments to the budget during the contract period, including any final adjustments done at the end of the project, unless otherwise approved by the Housing Director or her designee, which approval shall not be unreasonably withheld. Any change in the budget that results in lower costs shall be communicated to COUNTY immediately. If Housing Director or her designee determines that the total amount of funds under this contract exceeds the amount necessary to complete the project, Housing Director or her designee may adjust the contract accordingly. The budget amendment should be on letterhead, must contain an original signature, and must track the requested change by line item, showing original budget amount, balance expended to date, remaining funding by each line item, the amount to be moved between line items, and the final new budget amount. Budget amendments take between two and three weeks to process, and must be processed prior to receipt of an invoice requesting funding under the new budget. The Housing Director or her designee reserves the right to deny any budget modification request.

#### **4. COMPLIANCE WITH FEDERAL REGULATIONS**

Contractor's administrative procedures must be in compliance with the following regulations:

- A. OMB Circular A-122, Cost Principles for Non-Profit Organizations.
- B. OMB Circular A-110, Uniform Administrative Requirements for Grant and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations.
- C. Paragraph (b) of Section 570.502 of sub-part J of 24 CFR 85, Common Rule of Uniform Administrative Requirements for Grants and Cooperative Agreements with State and Local Governments.
- D. Section 44.6 of 24 CFR Part 44 (Non-Federal Government Audit Requirements), Common Rule of Uniform Administrative Requirements for Grants and Cooperative Agreements with State and Local Governments

#### **5. PUBLIC RECOGNITION OF FUNDING**

Contractor will publicly recognize the funding provided by the Alameda County Housing and Community Development Department (HCD) and in all newspaper articles and any other public relations opportunities related to this project. HCD staff and members of the Board of Supervisors will be invited to participate in the groundbreaking and grand opening ceremonies, if held.

#### **6. RETENTION OF FUNDS**

HCD will retain \$10,000 of the contract amount until receipt of close-out documents. Close-out documents include:

- i. MBWBE & Section 3 reporting form
- ii. Rent-up report
- iii. Cost certification/project audit/Final Sources and Uses
- iv. Certificate of Occupancy & recorded Notice of Completion
- v. Lien Releases, and final payment certification
- vi. Final Building Department Inspection
- vii. Final Management Plan
- viii. Final Affirmative Fair Marketing Plan and outreach materials

- ix. Final Relocation Report (if applicable)
- x. Final Report on Section 504 (list of which units are accessible)
- xi. Final Report on Title 24