

REQUEST FOR PROPOSAL

2023-RFP-205

AFFORDABLE HOUSING COMPLIANCE AND PROPERTY MANAGEMENT SERVICES



City of Palm Desert

73-510 Fred Waring Drive

Palm Desert, CA 92260

RELEASE DATE: July 28, 2023

DEADLINE FOR QUESTIONS: August 14, 2023

RESPONSE DEADLINE: August 29, 2023, 3:00 pm

RESPONSES MUST BE SUBMITTED ELECTRONICALLY TO:

<https://procurement.opengov.com/portal/cityofpalmdesert>

City of Palm Desert
REQUEST FOR PROPOSAL

Affordable Housing Compliance and Property Management Services

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1. SUMMARY AND BACKGROUND

1.1. Summary

The Palm Desert Housing Authority (“Authority”) is requesting proposals from qualified property management firms (“Firms”) for comprehensive Affordable Housing Compliance and Property Management Services (“Services”) to establish a Property Management Services Agreement (“Agreement”) for its income restricted properties portfolio. Note: the use of the term “Firm” throughout this Request for Proposal (“RFP”) may be interchangeably used with “Respondent”, “Proposer”, “Entity”, “Organization”, etc., and shall all mean the same.

Respondent(s) shall have extensive knowledge and experience with affordable housing compliance as well as strong property management experience in affordable and income restricted housing and must have managed at least 800 affordable rental housing units at one time during the last three (3) years. Respondent (s) must have familiarity with the Coachella Valley and area property management. Respondent(s) must also have strong knowledge and experience with the Housing Authority of the County of Riverside Section 8 Housing Choice Voucher (HCV) program and HOME Investment Partnership Program. Managing of affordable housing units includes but is not limited to day-to-day operations; compliance with affordable housing rules and requirements; respond to residents' concerns and complaints, enforcement of house rules and regulations, application of fair housing laws and enforcement of the Authority’s Administrative Policies and Procedures, qualifying applicants and tenants annually for income certification; conducting credit, rental, employment, and criminal background checks, all leasing activities; monitor day-to-day maintenance of Properties, any maintenance contracts, perform property and unit inspections; perform maintenance and repairs; collect and disburse funds; provide monthly accounting reports that include receipts and expenditures; annual financial reporting/filings; occupancy reporting; and administration of funds (“Services”). See Scope of Services.

This Request for Proposal (“RFP”) has the following objectives:

- Establish a comprehensive solicitation for Services at the Palm Desert Housing Authority affordable income restricted rental Properties.
- Achieve high-quality, cost-effective Services.
- Detail expectations for Services at the Properties.
- Determine the qualifications of the respondents to manage all aspects of the Authority’s affordable rental housing.

If an award is made, the Authority will award all work to a single Respondent. Respondent’s must demonstrate the potential to increase their management portfolio. Additional types of properties may be added to the successful Respondent’s scope of work subsequent to award.

1.2. Background

The Authority is a public body, corporate and politic, established to provide affordable, decent, safe, and sanitary housing within the City of Palm Desert under the former Palm Desert Redevelopment Agency

("former Agency"). The Authority is a housing successor entity resulting from the elimination of the Community Redevelopment Agencies in 2012.

The Authority owns 1,114 affordable housing units located at fifteen (15) rental properties ("Properties") in residential areas throughout the City of Palm Desert ("City"). Units consist of studios, one bedroom, and two bedrooms ranging from approximately 410 square feet to 800 square feet in size (Attachment A).

The Authority Properties have been acquired or rehabilitated with funding sources that require adherence to certain income restrictions, regulations pertaining to rental operations and ongoing property management. The se funds include the HOME Investment Partnership Program and Housing Set-Aside funds. In addition, to these Properties, others may be added to the portfolio in the future or current Properties may be deleted due to ownership changes or development plans.

The Authority Property rents are subsidized based on the Area Median Income ("AMI") for Riverside County. The 2023 AMI published by the California Department Housing of Community Development (HCD) can be found online at the Authority's website, www.pdhousingauthority.org . The Properties have income restricted units that range from 20% AMI to 120% AMI, with respective rents ranging from \$276 to \$1,751. The current operating budget anticipates \$9,294,000 in annual rental income. Average monthly rent, for all Properties, is \$695.

The property management company that may be awarded a contract from this RFP is expected to transition to operational control of the Properties as early as January 1, 2024.

1.3. [Contact Information](#)

Celina Cabrera

Management Analyst

Email: ccabrera@cityofpalmdesert.org

Phone: [\(760\) 776-6449](tel:(760)776-6449)

Department:

Economic Development

1.4. [Timeline](#)

The dates below are the timeline of events for this RFP. The Authority retains the sole discretion to adjust the timeline of events without prior notice or responsibility to Proposer(s). Nothing set forth herein shall be deemed to bind the Authority to award a contract for the Services and the Authority reserves the right to amend, cancel or modify any part of or all of this RFP at any time.

Release of Request for Proposal	July 28, 2023
Last Day to Submit Questions for Clarification	August 14, 2023, 5:00pm
Clarifications Issued by City on or before	August 17, 2023, 5:00pm

Deadline for Receipt of Proposals submitted on or before	August 29, 2023, 3:00pm
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2. BOARD AND ADMINISTRATIVE PERSONNEL

The powers of the Authority are vested in the five City of Palm Desert City Council Member's who appointed themselves as the Palm Desert Housing Authority Board ("Authority Board"). The legal authority in creating guiding legislation regarding the Properties is vested in the Authority Board.

The Authority Board has also appointed a seven (7) member citizen's Housing Commission that includes two (2) appointed representatives from the Properties that serve in an advisory capacity to the Authority Board.

The City of Palm Desert City Manager is the Housing Authority Executive Director. The Executive Director is responsible for the implementation and administration of policies adopted by the Authority Board with the assistance of the Housing Manager.

Under no circumstances may a Firm intending to submit a proposal to this RFP contact any member of the Housing Authority Board, Housing Commissioners, or any Housing Authority/City staff member other than the Housing Authority personnel contact. Failure to comply with this request may result in disqualification. All questions should be in writing as noted in Section 4.

3. NOTICE INVITING PROPOSALS

3.1. NOTICE

RFP No.: 2023-RFP-205

Project Title: Affordable Housing Compliance and Property Management Services

Project No. (if applicable): N/A

PUBLIC NOTICE IS HEREBY GIVEN that proposals will be received by the Palm Desert Housing Authority ("Authority") electronically through the City of Palm Desert's ("City") online bid management provider ("OpenGov Procurement"), until 3:00 pm, Tuesday, August 29, 2023. Proposals may not be submitted by fax, email, telephone, mail, hand delivery, or other means; any proposals received through any means other than OpenGov Procurement will be returned to the proposer unopened.

The Authority is requesting proposals to provide: The Palm Desert Housing Authority is soliciting proposals from qualified property management firms to enter into an Agreement for comprehensive Affordable Housing Compliance and Property Management Services for its income restricted rental properties portfolio.

The award of this contract is subject to available budget adequate to carry out the provisions of the proposed Agreement including the identified scope of work. The Authority reserves the right to reject any or all proposals determined not to be in the best interest of the Authority.

The Palm Desert Housing Authority is committed to inclusion and diversity and welcomes proposals and bids from contractors, consultants, and vendors of all faiths, creeds, ancestries, and ethnicities without regard to disability, gender identity, sexual orientation, or immigration status. The Authority condemns and will not tolerate prejudice, racism, bigotry, hatred, bullying, or violence towards any group within or outside of our community.

3.2. SCOPE OF SERVICES

The Services sought under this Request for Proposals ("RFP") are set forth in more detail in Section 15, Scope of Services, incorporated herein by this reference. Notwithstanding the inclusion of such Services in the Scope of Services Section, the final scope of Services negotiated between Authority and the successful Proposer shall be set forth in the Property Management Services Agreement ("Agreement") executed by and between the Authority and the successful Proposer. A sample copy of the Agreement is attached and incorporated herein by this reference.

3.3. REGISTRATION

Interested proposers may register as vendors and download the Request for Proposals ("RFP"). To register, visit the City's electronic bidding website, [OpenGov Procurement](#), and proceed to "Subscribe" as a vendor with the Authority to receive new project notifications. Interested proposers may "Follow" the RFP to view and/or download the RFP details, receive addenda alerts and notices, and draft and submit a response.

3.4. PRE-PROPOSAL MEETING

For this RFP, there is **no** pre-proposal meeting. All prospective Proposers are encouraged to inspect all Properties. Failure to inspect the Properties on the part of the Proposer shall not relieve the Proposer of any responsibility for adherence to any of the provisions of this RFP.

4. REQUESTS FOR CLARIFICATION

All questions, requests for interpretations or clarifications, either administrative or technical must be requested in writing VIA THE "Q&A" tab through the Authority's online bid management provider ("[OpenGov-Procurement](#)").

All written questions, if answered, will be answered in writing, conveyed to all interested firms, and posted through [OpenGov-Procurement](#). Oral statements regarding this RFP by any persons should be considered unverified information unless confirmed in writing. To ensure a response, questions must be received in writing by 5:00 pm (local time) on Monday, August 14, 2023.

5. GENERAL TERMS

1. The Authority Reserves the Right to:
 - a. Select one, or none of the Respondent proposals.
 - b. To defer selection of any Respondent to a time of the Authority's choosing.

- c. Request additional information or clarifications from any Respondent, or to allow corrections of errors or omissions.
 - d. Request an oral interview and brief presentation from any Respondent prior to final selection.
 - i. Respondents chosen for an oral interview may be provided not less than five (5) business days' notice, along with the date, time, and place for interviews.
 - ii. Expenses will be the responsibility of the Respondent.
 - e. Consider experience and qualifications information about listed individuals involved in direct property management operations in addition to the information submitted in the proposal, in any additional information requested, or interview.
 - f. Reject any and all proposals and waive any irregularities or to terminate the RFP process at any time, if deemed by the Authority to be in its best interests.
 - g. Cancel this RFP at any time, for any reason, and without liability. Respondents assume the sole risk and responsibility for all expenses connected with the preparation of proposals.
 - h. Not to award a contract pursuant to this RFP and/or to extend its contract with its existing property management service provider.
 - i. Award the contract at a time other than that stated in the timetable.
 - j. Modify duration of the contract or change the contract start and end dates.
2. Release of Information
- a. The Authority will not release proposals submitted in response to this RFP during the proposal evaluation process. All Proposals and evaluations will be made public when a recommendation is made to the Housing Commission and/or the Authority Board regarding this RFP.
3. Proprietary Information
- a. All Proposals submitted in response to this RFP become the property of the Authority and under the Public Records Act (Government Code §6250 et. seq) are public records, and as such may be subject to public review.
 - b. Respondent is required to identify all proprietary information in its proposal that Respondent wishes to remain confidential for trade secret or other proprietary information.

- c. If Respondent fails to identify proprietary information, it agrees by submission of its proposal that that it is nonproprietary and may be made available upon public request after a contract award.
- d. Note that under California law, price proposal to a public agency is not a trade secret.

6. TERM OF CONTRACT

- A. The Authority intends to award a contract for Services as follows:
 - 1. Term resulting from this RFP is a five (5) year base term, beginning January 1, 2024 and expiring December 30, 2028.
 - 2. Following the initial term, the Authority may opt to renew the contract two (2) additional terms of three (3) years each term and expiring December 31, 2034.
 - a. Contract extension may be exercised contingent upon satisfactory performance and at the sole discretion of the Authority.

7. QUALIFICATIONS AND EXPERIENCE

Only proposals from responsible organizations engaged in the performance of property management services of affordable housing communities will be considered.

Proposals must clearly demonstrate:

- A. Competency in performing comparable on-site Services,
- B. Prior experience with the management of affordable income restricted rental residential properties,
- C. Financial resources sufficient to provide Services, and
- D. Personnel adequate to manage Property.

Respondent(s) must meet the following minimum criteria for qualifications and experience:

- A. At least ten (10) years' experience in managing rent restricted properties as evidenced by:
 - 1. A description of the firm including year of establishment, size of firm, number of employees, longevity of staff and any applicable partnerships; and
 - 2. At least one principal with ten (10) years' experience in providing affordable housing compliance and property management services for a minimum of 800 affordable rental housing units at one time during the last three (3) years; and
 - 3. Experience managing properties operated and regulated under rental subsidy assistance programs or projects where tenants are eligible for such programs and certification of prospective and current tenants is performed by onsite property management staff; and

4. Qualified staff as evidenced by resumes and position descriptions of senior management members who would be assigned to oversee the project; and
5. Capacity to increase portfolio while maintaining quality and responsive service; and
6. Experience with high-quality property management financial tracking and reporting, and an array of financing requirements including the Authority's purchasing policy, Housing Set-Aside, tax exempt bond, tax credit partnerships, HCD, RHCP, CHFA, MHP and Federal programs. Required reports include, but not limited to:
 - a. Monthly financial statements with budget vs. actual and explanation of material variances.
 - b. Rental income accounts receivable and aging report
 - c. Accounts payable
 - d. Copies of bank statement and bank reconciliations
 - e. Vacancies and collections
 - f. Move-in / move-out reports.
 - g. Cash flow report
 - h. Waiting lists
 - i. Listing of all vendor contracts; including expenditures, licenses, insurance certifications and expiration dates
 - j. Affordable compliance due dates for the year
 - k. Monthly maintenance and preventative maintenance report
7. Possess a California valid real estate broker's license and any/all license necessary to conduct this type of services and work to be performed.

8. CONTENT AND FORMAT OF PROPOSAL

8.1. Required Contents*

In order to maintain uniformity with all proposals submitted, proposals must include all of the following information. Proposal content, completeness, clarity and conciseness are essential and will be considered when assessing the proposer's capabilities. Failure to complete and submit any of the information requested in this RFP with the Proposal response may render the Proposal non-responsive and may not be considered for award.

A. Cover Letter

1. Letter that serves as an executive summary of the proposal limited to no more than two (2) pages. The letter should include an overview of the firm including qualifications and

organizational strengths, the firm's understanding of the work to be performed, and why the firm believes it to be the best qualified to perform the services requested.

B. Qualifications and Related Experience

1. A description of the company's relevant affordable housing compliance and property management experience including the location, size, funding program operated, duration of properties managed and a description of the role of management.

C. Service Approach

1. Describe the technical and management approach to providing the Services as outlined in the Scope of Services.
2. Include a draft first year schedule of tasks, milestones, and deliverables that will provide for timely provision of the Services.
3. Provide a sample Management Plan, including a clear and concise description of the proposed property management program consisting of maintenance control, quality assurance, and tenant relations activities. The Plan should provide quality control for the property performance including but not limited to regular review of files, review of data discrepancies, review of compliance, work orders, etc.
4. Provide a proposed pro forma budget for expected property operations income and expenses, including proposed per unit, per month, management fee.
5. In reviewing the Scope of Services described herein, the Proposer may identify additional necessary tasks along with a discussion of its proposed method to accomplish the work.

D. Personnel

1. **Staffing:** Provide the number of staff to be assigned to perform the Services as well as your firm's capacity to provide additional personnel as needed.
2. **Key Personnel:** Identify key persons that will be principally responsible for working with the Authority. Indicate the role, qualifications, office location, and responsibility of each individual. Designate who would provide day to day direction of the required work and become the Authority's primary contact person.
3. **Team Organization:** Describe proposed team organization, including identification and responsibilities of key personnel. Identify the appropriate annual salaries and benefits for each position.
4. **Resumes:** Provide experience and resumes of proposed personnel who will be assigned to this contract. Include an organizational chart.
5. **Subcontractors:** The Proposer shall identify functions that are likely to be subcontracted and identify the subcontractor that is anticipated to perform each function.

E. References

1. Provide a minimum of two (2) references, which the Firm has performed affordable housing compliance and property management services for similar types of properties as required by this RFP, during the past three (3) years.
2. It is preferable that references be with other municipalities or government entities.
3. Include references ***only*** where your company was tasked with qualifying low-income households.

*Response required

8.2. [Supplemental Questions*](#)

Attachment C includes a list of supplemental questions Responders shall formulate responses to and upload in this Section.

*Response required

8.3. [Additional Information Outside of Proposal Requirements](#)

Respondents may choose to provide additional materials beyond that which is requested. Upload additional materials in this Section of the proposal.

8.4. [Cost Proposal*](#)

The gross revenue from the Properties fluctuates with changes in tenant incomes. Due to the unpredictability of gross revenues, the Authority recognizes that it may be infeasible to base the Proposer's management fee on a percentage of the gross revenues of the Properties. Consequently, Proposers are asked to propose a flat monthly management fee for the Properties. Detail the breakdown of your fee structure for Services. Include any flat fees, staffing costs, overhead and profit, and additional applicable costs outside of operational management of the Properties.

See Attachment B. Complete and upload, with additional pages as necessary, reflecting your fee structure.

*Response required

8.5. [Non-Collusion Declaration*](#)

The undersigned declares:

I am an authorized representative of my company, the party making the foregoing Proposal, to certify the following.

The Proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The Proposal is genuine and not collusive or sham. The Proposer has not directly or indirectly induced or solicited any other Proposer to put in a false or sham bid Proposal. The Proposer has not directly or indirectly colluded, conspired, connived, or agreed with any Proposer or anyone else to put in a sham Proposal, or to refrain from Proposing. The Proposer has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the Proposal Price of the Proposer or any other Proposer, or to fix any overhead, profit, or cost element of the Proposal

Price, or of that of any other Proposer. All statements contained in the Proposal are true. The Proposer has not, directly or indirectly, submitted his or her Proposal Price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham Proposal, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a Proposer that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the Proposer.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Please confirm

*Response required

8.6. Type of Business*

- C Corporation (if corporation, two signatures are required)
- S Corporation (if corporation, two signatures are required)
- Limited Liability C Corporation (if corporation, two signatures are required)
- Partnership
- Limited Liability Partnership
- Sole Proprietor/Individual
- Other

*Response required

8.7. Litigation*

Provide litigation history for any claims filed by your firm or against your firm related to the provision of Services in the last five (5) years (or type "N/A").

*Response required

8.8. Changes to Agreement*

The Authority's standard Property Management Services Agreement is included as an attachment herein. The Proposer shall identify any objections to and/or request changes to the standard Agreement language in this section of the proposal (or type "N/A"). If you are identifying changes here **ALSO** upload a copy of the redlined Language/Agreement with your Proposal. Changes requested may affect the Authority's decision to enter into an Agreement.

*Response required

8.9. No Deviations from the RFP*

In submitting a proposal in response to this RFP, Proposer is certifying that it takes no exceptions to this RFP including, but not limited to, the Agreement. If any exceptions are taken, such exceptions must be clearly noted here, and may be reason for rejection of the proposal. As such, Proposer is directed to

carefully review the proposed Agreement and, in particular, the insurance and indemnification provisions therein (or type "N/A").

Maximum response length: 5000 characters

*Response required

8.10. Certification of Proposal: The undersigned hereby submits its proposal and, by doing so, agrees to furnish services in accordance with the Request for Proposal (RFP), and to be bound by the terms and conditions of the RFP.*

Please confirm

*Response required

8.11. Sample Documents*

Upload sample lease agreement with all addenda, sample certification forms, a typical monthly/annual report, check lists, income worksheets, and tenant application.

*Response required

9. EVALUATION CRITERIA

Issuance of this RFP and receipt of proposals does not commit the Authority to award a contract. The Authority expressly reserves the right to postpone RFP opening for its own convenience, to accept or reject any or all proposals received in response to this RFP, to negotiate with more than one proposer concurrently, to waive information and minor irregularities in any proposal received or to cancel all or part of this RFP.

The Authority will evaluate proposals based on the following criteria:

No.	Evaluation Criteria	Scoring Method	Weight (Points)
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1.	<p>Proposer's Qualifications</p> <p>Including size of portfolio, number of years firm has been in business, amount, scope of services and length of experience working with affordable housing and specialized compliance areas; years of experience of key organizational staff; familiarity with the Coachella Valley and area properties; and professional references provided regarding current/past performance. The Proposer must meet the minimum.</p>	Points Based	15 <i>(15% of Total)</i>
2.	<p>Proposer's Compliance Knowledge</p> <p>Extensive knowledge and experience with affordable housing compliance regulations, the Housing Authority's purchasing policy, relocation compliance, funding programs, policies and procedures including but not limited to qualifying applicants and tenants annually for income certification.</p>	Points Based	15 <i>(15% of Total)</i>
3.	<p>Principal Manager Availability</p> <p>Demonstration that the Firm's Principal Manager will work closely with Authority Staff. The Authority expects Principal Manager to make frequent site visits and communicate often with site managers and Authority.</p>	Points Based	12 <i>(12% of Total)</i>

4.	<p>Firm's Capacity</p> <p>Management of at least 800 affordable rental restricted units at one time during the last three (3) years, which must include income certification of prospective and current residents by onsite property management staff. Longevity of staff, training programs provided for staff, operating policies and personnel procedures, financial reporting and compliance capabilities, accounting procedures, and cost management/control abilities, and procedures.</p>	Points Based	<p>10 <i>(10% of Total)</i></p>
5.	<p>Firm's Clarity and Approach</p> <p>Proposal content, completeness, clarity, and conciseness are essential. These aspects may be considered when assessing the proposer's capabilities to deliver clarity. Including those items listed under 8(c).</p>	Points Based	<p>10 <i>(10% of Total)</i></p>
6.	<p>Maintenance Ability</p> <p>Demonstration of experience managing maintenance subcontracts. Knowledge and experience of regular ongoing repairs, cost controls, unit turn times, response time, insurance repairs, capital improvement/replacement project planning process and related maintenance procedures. Ability to manage and oversee any improvements or modifications made to properties.</p>	Points Based	<p>10 <i>(10% of Total)</i></p>

7.	<p>Good Standing of Firm</p> <p>Have no outstanding or pending complaints as determined through the Better Business Bureau, State of California Department of Consumer Affairs, Fair Housing, local law enforcement agencies, that have not been disclosed as part of the Proposal and have no unsatisfactory record of performance with any public agency. Provide overview of any current or pending legal suits or cases.</p>	Points Based	<p>10 <i>(10% of Total)</i></p>
8.	<p>Cost</p> <p>Property Management firm may be compensated based on the fee structure presented in proposal (the Authority reserves right to negotiate and/or modify fee structure).</p>	Points Based	<p>8 <i>(8% of Total)</i></p>
9.	<p>Demonstrated Understanding of "Palm Desert's Quality"</p> <p>Communication strategies/procedures, tenant outreach process, tenant dispute resolution process, response to tenant expectations, rules and regulation enforcement procedures, social service, and activities development.</p>	Points Based	<p>5 <i>(5% of Total)</i></p>

10.	Firm's Location Provide the location of the firm's offices. What type of work is performed at each location. How accessible is Staff at these locations to the Authority? Define the organizational hierarchy of each location.	Points Based	5 <i>(5% of Total)</i>
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10. SELECTION PROCESS

The Authority staff will conduct an initial review of the minimum qualifications of each. At the sole discretion of Authority, respondents who meet the minimum criteria for qualifications and experience minimum will then be evaluated equally and objectively by Authority staff and/or representatives.

Proposals should clearly identify how each criterion is met. Evaluation of proposals to this RFQ/RFP will be based on the information provided in the proposal and, if applicable, additional information requested, interviews and reference responses.

The Authority reserves the right to request additional information or documentation from the proposer regarding its submittal documents, personnel, financial viability, or other items in order to complete the selection process.

If a responding proposer chooses to provide additional materials beyond those requested, those materials should be included in a separate section of the proposal and clearly marked as additional information outside of proposal requirements.

11. PROTESTS

11.1. [Protest Contents](#)

Protests based on the content of the Request for Proposal (RFP) shall be submitted to the office of the City Clerk, 73-510 Fred Waring Drive, Palm Desert, CA 92260 no later than ten (10) calendar days prior to the scheduled proposal submittal deadline. If necessary, the proposal submittal deadline may be extended pending a resolution of the protest. Proposer may protest a contract award if the Proposer believes that the award was inconsistent with City policy, or this RFP is not in compliance with law. A protest must be filed in writing with the City Clerk's office (email is not acceptable) within five (5) business days after receipt of notification of the contract award. Any protest submitted after 5 pm of the fifth business day after notification of the contract award will be rejected by the Authority as invalid and the Proposer's failure to timely file a protest will waive the Proposer's right to protest the contract award. The Proposer's protest must include supporting documentation, legal authorities in support of the grounds for the protest and the name, address and telephone number of the person representing the Proposer for purposes of the protest. Any matters not set forth in the protest shall be deemed waived.

11.2. Authority Review

The Authority will review and evaluate the basis of the protest provided the protest is filed in strict conformity with the foregoing. The Authority shall provide the Proposer submitting the protest with a written statement concurring with or denying the protest. Action by the Authority relative to the protest will be final and not subject to appeal or reconsideration. The procedure and time limits set forth in this section are mandatory and are the Proposer's sole and exclusive remedy in the event of protest. Failure to comply with these procedures will constitute a waiver of any right to further pursue the protest, including filing a Government Code claim or legal proceedings.

12. SUBMITTAL REQUIREMENTS

12.1. General

It is strongly recommended that the Proposer submit proposals in the format identified in this RFP to allow the Authority to fully evaluate and compare the proposal. All requirements and questions in the RFP should be addressed and all requested data shall be supplied. The Authority reserves the right to request additional information which, in the Authority's opinion, is necessary to assure that the Proposer's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the Agreement.

12.2. Preparation

Proposals should be prepared in such a way as to provide a straightforward, concise delineation of capabilities to satisfy the requirements of this RFP. Responses should emphasize the Proposer's demonstrated capability to perform the Services. Expensive bindings and promotional materials, etc., are not necessary or desired. However, technical literature that supports the approach to providing the Services and work plan should be forwarded as part of the proposal. Emphasis should be concentrated on completeness, approach to the work and clarity of proposal.

12.3. Site Examination

Proposers may visit the Authority and its physical facilities to determine the local conditions which may in any way affect the performance of the work; familiarize themselves with all federal, state and local laws, ordinances, rules, regulations, and codes affecting the performance of the work; make such investigations, as it may deem necessary for performance of the Services at its proposal price within the terms of the Agreement; and correlate its observations, investigations, and determinations with the requirements of the Agreement.

12.4. Authorization

The proposal shall be signed by an individual, partner, officer or officers authorized to execute legal documents on behalf of the Proposer.

12.5. Confidentiality of Proposal

Proposals submitted in response to this RFP shall be held confidential by the Authority and shall not be subject to disclosure under the California Public Records Act (Cal. Government Code section 6250 et seq.) until after either the Authority and the successful Proposer have completed negotiations and entered into

an Agreement or the Authority has rejected all proposals. All correspondence with the Authority including responses to this RFP will become the exclusive property of the Authority and will become public records under the California Public Records Act. The Authority will have no liability to the Proposer or other party as a result of any public disclosure of any proposal or the Agreement.

If a Proposer desires to exclude a portion of its proposal from disclosure under the California Public Records Act, the Proposer must mark it as such and state the specific provision in the California Public Records Act which provides the exemption as well as the factual basis for claiming the exemption. For example, if a Proposer submits trade secret information, the Proposer must plainly mark the information as "Trade Secret" and refer to the appropriate section of the California Public Records Act which provides the exemption as well as the factual basis for claiming the exemption. If a request is made for information marked "Confidential", "Trade Secret" or "Proprietary" ("Proprietary Information"), the Authority will provide Proposers who submitted the information with reasonable notice to seek protection from disclosure by a court of competent jurisdiction. Proposer shall have five (5) working days after receipt of such notice to give the Authority written notice of Proposer's objection to the Authority's release of Proprietary Information. Proposer shall indemnify, defend and hold harmless the Authority, and its officers, directors, employees, and agents from and against all liability, loss, cost or expense (including attorney's fees) arising out of a legal action brought to compel the release of Proprietary Information.

Proposals which indiscriminately identify all or most of the proposal as exempt from disclosure without justification may be deemed unresponsive and disqualified from further participation in this RFP.

12.6. Submittal Instructions

The proposal must be received no later than 3:00 pm, on or before Tuesday, August 29, 2023 through the City's electronic bidding system, OpenGov Procurement. It is solely the responsibility of Proposer to see that its proposal is properly submitted in [#Content and Format of Proposal](#) in proper form and prior to the stated closing time. The City's electronic bidding system will not accept late proposals. The Authority will only consider proposals that have transmitted successfully and have been sent an email with a time stamp from the City's electronic bidding system indicating that the proposal was submitted successfully. Proposers shall be solely responsible for informing themselves with respect to the proper utilization of the City's electronic bidding system, ensuring the capability of their computer system to upload the required documents, and the stability of their internet service. Failure of the Proposer to successfully submit an electronic proposal shall be at the Proposer's sole risk, and no relief will be given for late and/or improperly submitted proposals.

Proposers experiencing any technical difficulties with the proposal submission process may contact OpenGov Procurement Support using the instant help chat function (located at the bottom right of the screen while on the website) during business hours, or by emailing support@procurenw.com. Neither the Authority nor OpenGov Procurement make any guarantee as to the timely availability of assistance or assurance that any given problem will be resolved by the proposal submission date and/or time.

13. RFP CONDITIONS

13.1. Americans with Disabilities Act

Proposer must comply with all applicable requirements of federal and state civil rights law and rehabilitation statutes.

13.2. Equal Opportunity

The Authority requires Respondents to be an Equal Opportunity Employer and fully comply with all government regulations regarding nondiscriminatory employment practices.

13.3. Law of the State of California

The resulting contract is subject to State of California law, whether substantive or procedural. Proposer shall comply with all federal, state, county and local laws concerning this type of Services. Additionally, the contract shall apply all statutory, charter and ordinance provisions applicable to public contracts within the City of Palm Desert.

13.4. Labor Compliance

The selected Property Management Company shall be aware of the requirements of California Labor Code sections 1720 et seq., 1770 et seq., and California Code of Regulations, Title 8, Section 16000 et seq. (“Prevailing Wage Laws”) which require the payment of prevailing wage rates and the performance of other requirements on applicable “public works” and “maintenance” projects. If applicable, the selected Property Management Company shall fully comply with the Prevailing Wage Laws.

13.5. Permits and Licenses

The selected Property Management Company shall secure or maintain in force during the period covered by any contract resulting from this RFP all licenses and permits required by law for the operation of their business including when required.

13.6. Insurance Requirements

The selected Property Management Company will be required to carry insurance coverage meeting the minimums detailed in standard Property Management Agreement as attached as an Attachment to this RFP.

14. GENERAL CONDITIONS

14.1. Amendments to RFP/ Addendum

If it becomes necessary for the Authority to revise any part of this RFP, or to provide clarification or additional information after the RFP documents are released, a written addendum will be posted on Open Gov. The Authority reserves the right to amend the RFP or issue to all Proposers addenda to answer questions for clarification.

14.2. Amendments to Proposals

Unless specifically requested by the Authority, no amendment, addendum or modification will be accepted after a proposal has been submitted to Authority. If a change to a proposal that has been

submitted is desired, the submitted proposal must be withdrawn and the replacement proposal submitted prior to the deadline stated herein for receiving proposals.

14.3. Non-Responsive Proposals

A proposal may be considered non-responsive if conditional, incomplete, or if it contains alterations of form, additions not called for, or other irregularities that may constitute a material change to the proposal.

14.4. Costs for Preparing

The Authority will not compensate any Proposer for the cost of preparing any proposal, and all materials submitted with a proposal shall become the property of the Authority. The Authority will retain all proposals submitted and may use any idea in a proposal regardless of whether that proposal is selected.

14.5. Cancellation of RFP

The Authority reserves the right to cancel this RFP at any time prior to contract award without obligation in any manner for proposal preparation, interview, fee negotiation or other marketing costs associated with this RFP.

14.6. Price Validity

Prices provided by Proposers in response to this RFP are valid for 180 days from the proposal due date. The Authority intends to award the contract within this time but may request an extension from the Proposers to hold pricing, until negotiations are complete, and the contract is awarded.

14.7. No Commitment to Award

Issuance of this RFP and receipt of proposals does not commit the Authority to award a contract. The Authority expressly reserves the right to postpone the proposal for its own convenience, to accept or reject any or all proposals received in response to this RFP, to negotiate with more than one Proposer concurrently, or to cancel all or part of this RFP.

14.8. Right to Negotiate and/or Reject Proposals

The Authority reserves the right to negotiate any price or provision, task order or service, accept any part or all of any proposals, waive any irregularities, and to reject any and all, or parts of any and all proposals, whenever, in the sole opinion of the Authority, such action shall serve its best interests and those of the tax-paying public. The Agreement, if any is awarded, will go to the Proposer whose proposal best meets the Authority's requirements.

14.9. Non-Discrimination

The Authority does not discriminate on the basis of race, color, national origin, religion, age, ancestry, medical condition, disability or gender in consideration for an award of contract.

The Authority's commitment to diversity and inclusion can be found [here](#).

15. SCOPE OF SERVICES

15.1. The Authority's Expectations and Priorities

The Authority considers the continuous operations of its fifteen (15) income-restricted rental properties, collectively known as "Properties," to have a direct influence on the residents' lives and well-being. The chosen firm will be entrusted with the task of maintaining appropriate staffing levels to effectively address tenant requirements while delivering the Scope of Services in a cost-effective manner. Proposals should include the proposer's suggested property management and staffing plan to efficiently provide Services.

15.2. General Requirements of Services

Below is a general outline of the fundamental Services to be provided. Additionally, Services that are not explicitly mentioned but are related to the listed items should be expected and taken into account.

The property management services to be provided will encompass, but not be limited to, the following:

- Property Management, Reporting, and Transition (if necessary)
- Leasing
- Marketing of Vacancies
- Rent Determination and Eligibility Certification
- Unit Inspections
- Operation and Maintenance
- Financial Management and Reporting
- Procurement Requirements
- Resident Management Relations
- Utilities and Services
- Employees
- Hazardous Materials
- Security

15.3. General Responsibilities

The selected Proposer will bear the responsibility for delivering the entire range of Services outlined in this document. Throughout the execution of these responsibilities, the Proposer must adhere to all relevant Federal, State, County, and Local laws.

The property management staff will be mandated to undergo thorough initial training, with additional training sessions required every two years, starting from the commencement of the contract.

The chosen Proposer will be expected to:

- Operate the property in line with widely accepted industry standards for companies providing affordable housing compliance and property management services.
- Submit a monthly lease compliance report, encompassing all grievances and notices served to residents, and the status of all legal actions related to the property.
- Complete any reports required by the Authority including those mandated by Local, County, State, Federal
- Follow Authority's adopted Administrative Plan and provide statutory updates and recommend revisions annually.
- Maintain a comprehensive system of records, books, and accounts following the directives and retention policy of the Authority. This includes, but is not limited to, resident records, maintenance records, resident applications, credit reports, leases, and work orders
 - All records, books, and accounts are subject to examination by an authorized representative of the Authority and/or a Regulatory Agency.
- Provide a written Building Operation Plan, outlining essential and preventive measures to preserve and extend the lifespan of the structure and mechanical systems. The plan will encompass, but not necessarily be limited to, the following components:
 - A Preventative Maintenance Plan with a monthly schedule
 - An assessment of necessary immediate and projected (two-year) capital improvements, including cost estimates and identification of any required building alterations/modifications to facilitate on-site operations
 - An evaluation of safety, fire, and security concerns
 - A specific assessment of the condition of system(s), elevators, and roofs
 - Conduct annual management inspections of building systems, including roofing, fire, heating, water, and electrical systems
 - Provide monthly and annual reports on emergency and routine work orders, along with their completion times for the property.

15.4. Tenant and Property Response Management

Daily operations of the Properties revolve around various crucial tasks including: managing the annual operating budget, property marketing, payment of property expenses, tenant selection procedures, tenant certification procedures and leasing (which includes executing, administering and enforcing the terms all rental agreements, in compliance with federal, state and local laws), occupancy status, compliance with affordable housing rules, routine maintenance, enforcement of house rules and regulations, and enforcement of the Authority's Administrative Policies and Procedures.

Utilize the Authority's Administrative Plan, California Code of Regulations Title 25, the California Department Housing of Community Development published income limits (Title 25, Section 6932), and any other applicable affordable, rental standard policies and industry best practices for tenant selection, qualifying, conducting backgrounds, leasing, rent re/assignment, rent collection, inspections, recertification, renewals, and vacancy advertisement as needed.

The selected firm is expected to manage response to all daily needs of the tenants and property.

- A. Focus on a customer service culture and serving the needs of tenants.
- B. Provide accountability to the public.
- C. Manage the Properties as self-sufficient individual entities on all day-to-day operation, leasing and maintenance.
- D. Manage and maintain Properties within the annual operating budget.
- E. Apply operational policies and procedures in a uniform manner.
- F. Ensure compliance with program requirements.
- G. Communicate with tenants and Authority staff in a clear and concise manner.
- H. Setup and prepare emergency response resources and an implementation plan.
- I. Manage waiting list through semi-annual updates of prospective applicants in conformance with Authority tenant selection policies.
- J. Produce semi-annual reports detailing number of new applicants, number of dropped applicants, and total for each waiting list.
- K. Create, implement and supervise maintenance schedules and repairs.
- L. Ensure independent contractor license status and insurance coverage.

15.5. Operations, Maintenance, and Capital Needs

Routine maintenance and capital replacement projects are vital to the ongoing success of the Properties. The Authority prides itself on maintaining premier affordable housing communities. The selected Proposer shall, at all times, maintain the property in a good, clean, habitable, and attractive condition acceptable to the Authority. Repairs shall be performed as necessary, to ensure cost control without sacrificing quality of services, and shall be budgeted as part of the operating expense of the Property.

The selected Proposer shall:

- A. Maintain and adhere to preventative maintenance, subject to any limitations imposed by the Authority, including but not limited to:
 - 1. All interior and exterior cleaning, painting, decorating, and carpentry.

2. The periodic inspection, maintenance and repair of plumbing, heating, and ventilating systems, stoves and refrigerators
 3. The periodic inspection, maintenance of outdoor grounds and facilities
 4. Any other routine maintenance and repair work that becomes necessary
- B. Prepare a monthly report including a narrative summary of problem areas, steps or recommendations to rectify, and a summary of maintenance activities.
- C. Prepare vacant units for occupancy. Turn around for each vacant unit will be completed within fifteen (15) business days from move out, unless there are extenuating circumstances (death, major damage, etc)
1. At least 98% of the units at each site are to be market ready at all times.
 2. Pre-occupancy inspections shall be completed for each unit with tenant identifying in writing the condition of the unit at the time of occupancy.
- D. Perform preventive maintenance of the Property to preserve the physical assets in accordance with sound property management practices. Included among these responsibilities are inspections of sidewalks, walkways, stairs, and paved areas to identify trip and other hazards and remediate in a timely manner.
- E. Systematically and promptly receive and investigate all service requests from tenants no later than 10 calendar days. Take any necessary action and keep records of the action taken.
1. Complaints of a serious nature shall be reported to the Authority at the conclusion of an investigation (i.e., death, crime, etc.)
- F. Emergency repair requests shall be received and serviced immediately but no more than a 24-hour basis. Emergency repair requests include, but not limited to: gas leaks, broken water lines, toilet stoppage, electrical (exposed/frayed wires, electrical failure, etc.), burst water heater, destruction of exterior door (door broken and unable to lock), broken window or window lock, defective or omission smoke detectors, elevator failure, structural, main line stoppage, no water
- G. Utilize a maintenance request/maintenance tracking system or software program that provides quarterly reports to Authority staff detailing work orders received (date & time), completion (date & time), and hours completed, or subcontractors used to complete work.
- H. Oversight of replacements and repairs related to plumbing lines, lighting, curbs, sidewalks, window coverings, paint, and unit appliances/fixtures (i.e., light bulb replacement, roof repairs, stucco repair, etc.).
- I. Participate in capital needs planning and budgeting.
- J. Recommend process and material use improvements to extend the Properties longevity while minimizing long-term cost impacts.

- K. Conduct annual assessment of available energy and water efficiency improvements that help to identify future operating cost savings.
- L. Training for staff and residents on fire, earthquake safety, and crime prevention shall be conducted annually, or more frequently if determined to be reasonably necessary.
- M. The following tests, at a minimum, should be conducted as follows:
 - 1. Monthly: Fire alarm system test
 - 2. Quarterly: Emergency power test
 - 3. Semi-Annually: Smoke detector test
 - 4. Annually: Fire drills
- N. Coordinate and accompany inspectors from the Authority, the Authority's insurance carrier, and other Authority authorized parties.
- O. Obtain and maintain in full force and effect, all licenses and permits required by law for operation and any services.

15.6. Financial Management and Accounting

Affordable housing properties routinely face long-term challenges with regards to financial sustainability. The expectation of the property manager is to be proactive to improve financial sustainability of operations. The Authority staff will work with the selected firm to develop annual operating and capital improvement project (CIP) budgets. Property manager will be responsible for budget implementation.

The selected firm is expected to:

- A. Provide monthly, quarterly, annual reports from a financial software package capable of delivering accrual-based accounting reports.
- B. Comply and assist with preparation of an annual fiscal audit focused on compliance with Generally Accepted Accounting Procedures.
- C. Implement proper internal controls for accounts receivable and payable, account reconciliation, security deposits, records retention, electronic backup, and expenditures for services.
- D. Act as the Authority's fiscal agent for day-to-day operations while complying with the Authority's Procurement Policy.
- E. Work with the Authority staff to ensure the most efficient system of reporting.

15.7. Contracts and Procurement

- A. Purchase materials, supplies, equipment, tools, and services that are necessary for the operation and maintenance of the Property and maintain a current inventory of the

same. The purchasing and procurement of goods and services must be done in accordance of the Authority's procurement policy.

- B. Procure consultants and specialty contractors as necessary, for special maintenance requiring repair skills not usually possessed by regular maintenance employees.
- C. Enter into contracts and oversee not-to-exceed contracts for Services including, but not limited to: landscape maintenance, pest management, pool services, laundry, floor covering, courtesy patrol, HVAC, custodial cleaning, other services such as electrical systems, trash removal, solar system services, fire alarm and suppression systems, security gates, etc.

15.8. Regulatory Compliance

The Properties were developed by the former Redevelopment Agency using 20% housing set aside funds with very limited outside funding sources. Properties are subject to restrictive requirements that require the units be operated as affordable housing. The income levels for each property are very low (up to 50% AMI), low (up to 80% AMI), and moderate (up to 120% AMI).

The Authority relies heavily on its property management firm to properly document all aspects of the qualification of its income restricted residents, keep detailed records, and ensure compliance with regulatory covenants. In order to confirm compliance with regulatory covenants, the Authority staff may conduct the following routine procedures to monitor compliance by the selected property management firm:

- A. Perform annual random sample monitoring of income re/certification procedures, files, tenant lease agreements, and rent roll records to review compliance with income certification requirements.
- B. Conduct semi-annual random audit of tenant files to review proper records retention for verification of continued income eligibility, occupancy limits, vehicle registration and insurance, etc.
- C. Review the prospective tenant waiting list files for compliance with tenant selection policy, applicant verification procedures, and waiting list noticing requirements.

15.9. Performance Indicators

The Authority staff may annually review management operations through a series of performance indicators to be agreed upon as part of any contract awarded from the proposal received for this Request for Proposal.

Attachment A

Palm Desert Housing Authority Properties

Multi-Family Apartment Properties

<u>Property</u>	<u>Address</u>	<u>Studio</u>	<u>1 Bedroom</u>	<u>2 Bedroom</u>	<u>Total Units</u>	<u>Amenities</u>
1 California Villas	77-107 California Dr	0	140	1	141	Resident Service Building, Computer Room with Internet Access, Pool, Spa and Laundry Facility
2 Desert Pointe	43-805 Monterey Ave	34	24	6	64	Pool, Children's Play Area, Laundry Facilities, and Assigned Covered Parking
3 Laguna Palm	73-875 Santa Rosa Way	4	18	26	48	Pool, Laundry Facility, and Community Courtyard
4 Neighbors	73-535 Santa Rosa Way	0	0	24	24	Pool, Laundry Facility, and Covered Parking
5 One Quail Place	72-600 Fred Waring Drive	0	156	228	384	Gated Community, 4 Pools, 4 Spas, 4 Tennis Courts, Basketball Courts, Tennis Courts, Community Courtyard with Picnic Area, Children's Play Area, Resident Library, 4 Laundry Facilities, and Assigned Covered Parking
6 Palm Village	73-650 Santa Rosa Way	0	0	36	36	Laundry Facility and Covered Parking
7 Santa Rosa	73-625 Santa Rosa Way	0	0	20	20	Laundry Facility and Covered Parking
8 Taos Palms	44-830 Las Palmas Ave	0	0	16	16	Gated Community, Pool, and Laundry Facility

Senior Apartment Properties

9 Candlewood	74-000 Shadow Mountain	2	26	4	32	Pool, Spa, Laundry Facility, Assigned Covered Parking, and Shared Community Room
10 Carlos Ortega Villas	77-915 Avenue of the States	0	72	1	73	Community Clubhouse, Computer Room with Internet Access, Pool with ADA Access, Laundry Facility, and Covered Parking
11 Catalina Gardens	73-600A Catalina Way	48	24	0	72	Pool, Laundry Facility, Assigned Covered Parking, and Community Room
12 La Rocca Villas	42-135 Golden Eagle Lane	0	27	0	27	Laundry Facility, Resident Service Building, Assigned Covered Parking, Resident Service Building, ADA Accessibility.
13 Las Serenas	73-315 Country Club Dr	0	150	0	150	Community Clubhouse, Computer Room with Internet Access, 3 Pools, 1 Spa, and Assigned Covered Parking.
14 Pueblos	73-695 Santa Rosa Way	0	15	0	15	Pool, Adjacent Community/Resident Services Building, Laundry Facility, and Assigned Covered Parking
15 Sage Crest Senior	73-811 Santa Rosa Way	0	14	0	14	Assigned Covered Carport Parking, Community Courtyard, and Elevator

Cost Proposal

Provide the following fee structures to fulfill the Services outlined in this RFP. The proposed fee structure shall be valid for the initial proposed five (5) year base agreement term. Include additional sheets if needed.

A. Management Fee

Management Fee calculation should be based off a flat fee rather than based on a percentage of the gross revenues of the Properties. Gross revenues can fluctuate with changes of tenant incomes and occupancies. Respondents are asked to propose a flat monthly management fee for the Properties.

1. Dollar Per Unit	\$ _____
2. Other Fees (Use additional sheet if necessary):	\$ _____
Description	Cost
3. _____	\$ _____
4. _____	\$ _____
5. _____	\$ _____
6. _____	\$ _____
7. _____	\$ _____
8. _____	\$ _____

B. Operational Costs

List the types of Operational Costs that will be paid from the Properties operations (i.e. staffing, benefits, overhead, etc). Include detail of what is included with the cost.

Description	Cost
1. _____	\$ _____
2. _____	\$ _____
3. _____	\$ _____
4. _____	\$ _____
5. _____	\$ _____
6. _____	\$ _____

C. Other Costs

Describe other costs and estimates.

Description	Cost
1. _____	\$ _____
2. _____	\$ _____
3. _____	\$ _____
4. _____	\$ _____
5. _____	\$ _____
6. _____	\$ _____

I certify the fees listed are applicable up to 180 days from Proposal submittal.

Signature of Authorized Representative

Date

Printed Name

Date

Firm's Name

Supplemental Questions

The following supplemental questions apply to the Proposer, predecessors' entity, any related entity of the Proposer, or past known affiliated entity to Proposer.

Answer the following questions on a separate page. Number answers to correspond with this form and upload as part of your response to the RFP. Questions, in some instances, have additional questions to help formulate the response.

1. Describe specific experiences where the Firm worked directly with tenants to collect income and other necessary information in order to certify tenants for affordable housing programs. Include experience conforming to LIHTC, HOME, or other compliance procedures.
 - a. Does the Firm currently have a portfolio that includes rental units in the City of Palm Desert?
 - b. Is the certification of tenants performed by the on-site manager?
 - c. Approximately how many evictions do you process each year?
 - d. What percentage of past tenants has your firm evicted? (Describe number of units that were evicted out of a total number of units)
2. Describe the Firm's experience managing properties which house special need and/or elderly tenants.
3. Describe the Firm's experience with managing projects requiring relocation.
4. Describe how your entity ensures feedback from tenants on performance of the overall entity's management of the property.
5. Describe what systems the Firm has in place that allows the Firm to provide Services efficiently.
 - a. What are your office hours?
 - b. What is your availability after hours? What arrangements do you have in place to handle emergencies?
 - c. Describe response time to phone calls, emails, or other correspondence.

- d. What types of regular communication can the Housing Authority expect to receive from you?
6. Describe the Firm's experience managing properties which present security conditions requiring interaction with law enforcement agencies.
7. Describe the Firm's rent collection procedure including how the Firm handles late rent payments.
8. Describe the Firm's estimated time to submit standard leasing reports and complete month end financial reports to the Housing Authority (i.e., financial reports will be provided by the _____ day of the month following the month they are for.)
9. Do you use property management software for record-keeping purposes? What types of records do you keep and what is your record retention policy?
10. Provide a description of the Firm's system for supervising ongoing maintenance, responding to tenant complaints, tracking and completing repairs, and whether repairs are conducted by Firm Staff or contracted out.
 - a. State the Firm's response time, in day or hours, for:
 - i. Routine maintenance requests
 - ii. Estimated time to turn a rental unit that has had normal wear and tear of previous tenant.
11. Describe the Firm's procedure to respond to 24-hour emergency calls and the amount of time it takes to respond to the call.
12. Describe how often property walks are conducted by the onsite manager. What are the Firm's procedures to maintaining records? Does the frequency of the property walks change depending on property size?

13. Describe the Firm's experience, if any, intervening with one or more distressed occupied properties and managing the property before, during, and after rehabilitation. Include the unit count and occupancy status.
14. Provide any experience with state relocation requirements with any property managed.
15. Provide any experience with public bidding for 'Public Works' type projects including prevailing wage for recent work at any managed property.
16. Has your Firm ever failed to accept a contract award or to complete a contract awarded to you? If yes, explain with details of the contract type, date, owner, and reason.
17. Has your Firm ever surrendered a bid bond or a bid security? If yes, explain with details of the contract type, date, owner, and reason.
18. Has your Firm ever had a contract terminated? If yes, explain with details of the contract type, date, owner, and reason.
19. Within the past two (2) years, has your Firm, or predecessor Firm, received an OSHA violation and/or non-compliance notice from any local municipality, state, or federal agency? If yes, describe the situation, the type of notice received, and were there any fines imposed.

AGREEMENT FOR PROPERTY MANAGEMENT SERVICES

THIS AGREEMENT FOR PROPERTY MANAGEMENT SERVICES (this "Agreement") is made and entered into effective this _____, by and between the PALM DESERT HOUSING AUTHORITY, a public body, corporate and politic having a principal place of business at 73-510 Fred Waring Drive, Palm Desert, California, (the "Authority") and _____, a _____, having a principal place of business at _____ (the "Manager"). The Authority and the Manager may be referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

A. The Authority is a public body, corporate and politic, designated to be the operator ("Operator") of those certain real properties described on Exhibit A attached hereto and incorporated herein by this reference (the "Properties").

B. The Manager is engaged in the business of managing, maintaining, repairing, operating and leasing apartment buildings, and has represented to the Authority that the Manager is experienced and competent in said business.

C. The Authority and Manager desire to enter into this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and of the mutual and dependant covenants contained in this Agreement, the Parties agree as follows:

1. Effective Date. The effective date of this Agreement (the "Effective Date") shall be January 1, 2024.

2. Appointment. The Authority hereby appoints Manager and Manager accepts appointment as the manager of the Properties on the terms and conditions set forth in this Agreement. The Parties acknowledge and agree that this Agreement is only a Management Agreement between the Parties, that the Parties are not joint venturers or partners, and that Manager shall not be deemed to be an employee of the Authority. The Manager shall at all times be an independent contractor.

3. Professional Management Standards and the Administrative Plan.

(a) Manager agrees to exert its best efforts, to furnish the services of its organization, and to exercise the highest degree of professional competence in managing the Properties and to provide the Authority with the economic return consistent with proper management under the guidelines provided by Authority for affordable housing.

(b) The Manager shall manage, maintain, repair, operate and lease the Properties consistent with other multi-unit apartment complexes or similar type properties in the surrounding vicinity with comparable facilities and amenities.

(c) Notwithstanding the authority granted to Manager by this Agreement, Manager agrees to abide by those standards and instructions that Authority may issue from time to time in connection with the Administrative Plan (the "Administrative Plan"). In the event of any inconsistency between this Agreement and the Administrative Plan, this Agreement shall control. The Administrative Plan adopted by Resolution No. HA-100, and any amendments thereto, include the statements of policies of the Authority for the purpose of property operations.

(d) The Manager hereby covenants and agrees to use Manager's best efforts to actively manage, maintain, repair, operate and lease the Properties at their maximum potential, considering the Authority's guidelines for affordable housing and the Administrative Plan. Manager will provide copies of any procedural manuals created for the purpose of implementing said Administrative Plan.

(e) The Manager shall be responsive to all tenant requests and concerns in a timely manner and shall make its best efforts to satisfy tenant requests and concerns at on-site offices. The Manager shall make its best efforts to notify Authority of tenant requests and concerns which are likely to be expressed by a tenant directly to the Authority. Manager shall establish policies in order to address tenant requests and concerns and resolution in the event of a dispute in accordance with the Administrative Plan.

(f) Each of the Properties having sixteen (16) or more units shall have a member of Manager's management staff that shall live on-site. The Housing Authority shall not be responsible for furnishings, equipment, postage, utilities, telephone, or such other ancillary costs of the on-site staff. The specific apartment shall be approved by the Housing Authority prior to occupancy by staff. All other Properties having less than sixteen (16) units shall have a caretaker that lives on-site. All Properties will have an emergency contact available seven days a week, 24 hours a day.

4. Periodic Requirements

The Manager shall perform the following:

(a) Not less than once each week:

(i) A member of the Manager's management staff will walk each property in its entirety to identify any items of concern that may or may not be visible from frequently traveled thoroughfare and prepare a detailed report of findings to be provided to Authority monthly.

(ii) Inspect all mechanical and physical systems located on the Properties and provide a report to Authority of said inspections monthly.

(b) Not less than once during every calendar month:

(i) Analyze the occupancy level of the Properties.

(ii) Analyze the financial condition of the Properties including, without limitation, cash flow, income, expenses, and per unit average cost.

(iii) Provide Authority with a report regarding the status of maintenance and repair projects including those in process, upcoming, completed, and those that have not been completed or which are recommended and have not yet been implemented, and which are to be carried over to the next fiscal year.

(c) Not less than once annually on or before February 1st,

(i) Prepare and deliver to Authority a comprehensive financial budget plan (Plan), described in Section 18, including reserve accounts where applicable, for the Properties for the upcoming fiscal year operations July 1 to June 30.

(ii) Examine the general condition of the Properties, prepare a list of needed repairs and maintenance, and deliver that list to Authority along with the estimated costs for review. Once reviewed by Authority, incorporate estimations into the Plan. Said list will include all items identified by Manager and be prioritized by the Manager in order of necessity. (i.e. Critical, Health and Safety, Necessary, Preventative, etc.)

(d) Manager will notify Authority of work, supplies, services, maintenance, or repairs (emergency or otherwise) that were not included in the current operating budget but that may be necessary prior to the next operating budget year:

(i) In December of each year, Manager will provide Authority a report of necessary budget adjustments to be made for work that was pre-approved by the Authority and estimates of anticipated work that is necessary.

(ii) In the event there are items that have not been included in the Plan or in Section 4(d)(i), above, then as necessary, Manager will provide a report of those items by priority to the Authority. Authority staff will determine whether said requests should be forwarded as a special item to the Authority Board.

(e) On the basis of the information gathered pursuant to Sections (a)-(d) of this Section 4, Manager shall recommend in writing amendments and updates to the Administrative Plan at least once annually. The proposed amended Administrative Plan, together with any recommendations of Manager for achieving maximum economic return of the Properties in light of the affordable housing requirements of the Properties, shall be submitted to the Authority. Any amendments to budget, policies or actions in the Administrative Plan are subject to the prior written approval of the Authority unless the sole reason for the proposed amendment was due to changes in or inconsistencies with current law. The Manager will continually review the Administrative Plan for the purpose of keeping the Authority advised of necessary or desirable changes.

(f) Crime-Free Multi Housing Program. Throughout the term of this Agreement, the Agent covenants and agrees to participate in and fully complete the City's Crime-Free Multi Housing Program for the Properties. Evidence of compliance with this

requirement shall be forwarded annually to the Housing Authority within said twelve (12) month period.

5. Determination of Performance Criteria. The Parties have developed various performance criteria categories which will be used to evaluate the performance of the Manager. Such performance criteria categories are described on Exhibit G attached hereto and incorporated herein by reference.

6. Term. The Parties agree that the term ("Term") of this Agreement shall be for 60 months, commencing January 1, 2024 and ending December 31, 2028, and may be extended in accordance with the provisions of Section 28 below.

7. On-Site Management Office. The Authority shall provide adequate space on the Properties for a management office in accordance with Exhibit C attached hereto and incorporated herein by this reference. The Manager shall prepare and submit designs and budget for pre-approval to furnish and/or refurbish the management offices. The Authority shall pay all approved expenses related to such office, including, but not limited to, furnishings, equipment, postage, office supplies, electricity, telephone, answering service, and security monitoring services, if any. The Authority shall retain ownership of all of the foregoing purchases.

8. Information on the Properties. The Manager acknowledges that it has been furnished with any available building plans and specifications as well as environmental reports, if available, for each of the Properties. Manager also acknowledges that it has received copies of any available manufacturer's preventive maintenance schedules, guarantees and warranties pertinent to the fixtures, mechanical equipment, and appliances used in the operation of the Properties. The Manager shall maintain files for each of the Properties with current plans and specifications, environmental reports, manufacturer's preventive maintenance schedules, guarantees and warranties pertinent to any new installations, repairs, fixtures, appliances as well as any equipment, used in the operation of the Properties.

9. Familiarity With Equipment. The Manager has become thoroughly familiar with the character, location, construction, layout, plan and operation of the Properties, and especially of the electrical, heating, plumbing, air conditioning and ventilation systems, and all other mechanical equipment, and the Manager shall maintain such familiarity.

10. Leasing. The Manager will act as the Authority's exclusive agent in leasing the dwelling units (the "Units") in the Properties. The following provisions will apply:

(a) The Manager shall use all reasonable efforts to keep the Properties leased by procuring tenants for the Properties and negotiating and executing on behalf of the Authority all leases for the Units. The Manager is authorized to enter into and execute initial leases with tenants for a minimum term of six (6) months and a maximum term of 12 months without the further written approval of the Authority. The Authority shall provide the Manager with income and rent guidelines for each of the Properties annually or as frequently as Department of Housing and Community Development ("HCD") issues

adjustments to the Riverside County Median Income levels. Such guidelines shall include a provision for utility allowances, if applicable, as set by the Riverside County Housing Authority which are in effect at the time the rents are established. Any lease for a shorter or longer period shall require the prior written consent of the Authority. The Manager shall also submit to the Authority copies of all notices terminating any tenant leases and all notices to vacate served on any tenant prior to the expiration of the lease term or after the expiration of the lease term if tenancy has converted to month-to-month, together with an explanation for the applicable notice. Manager shall provide Authority with the equipment detail of each Unit annually for the purpose of determining the proper utility allowances by March 1st of each year.

(b) The Manager shall lease all the Units in accordance with the terms of this Agreement, in compliance with all applicable Federal, state, and local laws, in accordance with the Administrative Plan and any further direction from the Authority.

(c) The Manager will be responsible for screening and selection of existing and prospective tenants in accordance with affordable housing guidelines and applicable Federal, State and local laws. The Manager will follow the tenant selection policy described in the Administrative Plan and will show the Properties to all prospective tenants who qualify under the Authority's affordable guidelines based on the waiting list policy and Unit availability.

(d) The Manager will prepare and verify eligibility certifications and recertifications in accordance with the guidelines established by the Authority. Rents will be adjusted pursuant to the Rent Setting Policy of the Authority adopted by Resolution HA-32 and any amendments thereto.

(e) The Manager shall not decline to lease any Unit on the Properties to a prospective tenant, or otherwise discriminate, on the basis of race, color, national origin, ancestry, sex, gender, gender identity, gender expression, religion, physical or mental disability, genetic information, marital status, familial status, sexual orientation, or any other classification then protected by law.

(f) Prior to executing any lease with a tenant, the Manager shall obtain the written consent of the applicant to perform a complete background check, and shall perform same, including: (1) investigate the financial ability and history of the prospective tenant to pay rent, (2) perform necessary credit checks, (3) obtain references from employers and prior landlords, (4) verify the income of tenants as specified in the Administrative Plan, (5) verify all matters that are required to be checked by Federal and/or state law, in accordance with the type of affordable funding involved, and (6) verify those matters that may and should be checked to ensure and promote the safety and welfare of all tenants of the Properties, Manager's staff and the public. A non-exclusive list of the required and permissive verifications, consent language and sampling of reputable online resources are set forth in Exhibit K, as may be modified by changes in applicable law. Manager shall comply at all times with applicable Federal, State and local law in all aspects of the tenant screening and application process.

11. Security Deposits. The Manager will collect, deposit, and disburse security deposits in accordance with the terms of each tenant's lease. The amount of each security deposit will be as specified in the Administrative Plan or applicable law. The collection and disbursement of security deposits will also be governed by the then applicable state and local laws. All tenant security deposits will be placed in one or more trust accounts separate from all other accounts and funds of the Manager and/or the Authority. The security account or accounts will be established at a bank as specified by the Authority whose deposits are insured by an agency of the United States government. The security deposit account or accounts will be carried in the Authority's name and designated on record as "PDHA Security Deposit Account" and in addition, the Director of Finance of the City of Palm Desert (the "Director of Finance"), his/her designees, and up to four designated representatives of the Manager shall be included as signatories to the security deposit account or accounts. The balance of the security deposit account or accounts shall not be used to pay general operating expenses without the written consent of the Authority. Notwithstanding the foregoing, security deposits received must be documented and accounted for at all times and the Manager must comply with any applicable state and local laws concerning interest payments on security deposits. The number and structure of security deposit accounts is set forth in Exhibit D attached hereto and incorporated herein by this reference.

12. Collection of Rents and Other Receipts. The Manager will collect when due all rents, charges and other amounts receivable on the Authority's account in connection with the management, maintenance, repair, operation, and leasing of the Properties. Such receipts (except for tenants' security deposits, which will be handled as specified in Section 11 above) will be deposited in an account or accounts, separate from all other accounts and funds, of the Manager, at the bank as specified by the Authority whose deposits are insured by an agency of the United States Government. This account or accounts will be carried in the Authority's name and designated on record as "PDHA General Operating Account" and in addition, the Financial Operations Manager, the Director of Finance, his/her designees, and up to four designated representatives of the Manager shall be included as signatories to this account, or accounts. The number and structure of operating accounts is set forth in Exhibit D attached hereto and incorporated herein by this reference.

13. Enforcement of Leases. The Manager will ensure full compliance by each tenant with the terms of that tenant's lease. Voluntary compliance will be emphasized. Involuntary termination of tenancies shall comply with all applicable laws and regulations. The Manager is designated as the Authority's agent with the right to enter and take possession of the Units, in accordance with applicable law, and shall lawfully terminate any tenancy when, in the Manager's reasonable judgment, sufficient cause (including, but not limited to, nonpayment of rent) for such termination occurs under the terms of the tenant's lease. For this purpose, the Manager is authorized to consult with legal counsel qualified to bring unlawful detainer actions and to execute notices to vacate and judicial pleadings incident to such actions. The Manager shall keep the Authority informed of such actions and follow such direction as the Authority may provide for the conduct of any such action. Attorney's fees and costs incurred in connection with unlawful detainer actions will be paid out of the General Operating Account as an expense of the Properties. Notwithstanding the foregoing, the Manager is at all times ultimately responsible for the

enforcement of leases. Payment by the Authority of legal fees and costs incurred in connection with unlawful detainer actions does not create an attorney-client relationship between the Authority and Manager's unlawful detainer legal counsel.

14. Maintenance and Repair. The Manager will maintain the Properties in good, clean, safe and sanitary condition in accordance with the Administrative Plan and local codes and in a condition acceptable to the Authority at all times. This will include, but not be limited to, cleaning, painting, plumbing, grounds care, and such other maintenance and repair works as may be necessary, subject to any limitations imposed by the Authority in addition to those contained herein. Manager will ensure all vendors maintain the required licensing, insurance, permits, and approvals for any work performed in accordance with this Agreement, as well as all local, State, and Federal codes and regulations. Manager will maintain an on-site property entry log for all vendors.

Incident thereto, the following provisions will apply:

(a) The Manager will complete preventative maintenance activities in the most cost effective and efficient manner as possible, while not jeopardizing the expectations in quality for the Properties.

(b) The Manager will contract in compliance with Section 21 hereof with qualified independent contractors for the maintenance and repair of roofs, air-conditioning and heating systems, and for extraordinary repairs beyond the capability of regular maintenance employees.

(c) The Manager is aware of the requirements of California Labor Code Section 1720 et seq., 1770 et seq., and California Code of Regulations, Title 8, Section 16000 et seq. ("Prevailing Wage Laws") which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. The projects performed under this contract may be subject to compliance monitoring and enforcement by the Department of Industrial Relations. If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Manager agrees to fully comply with such Prevailing Wage Laws, including but not limited to requirements related to public works contractor registration and maintenance and submittal of certified payroll records. Authority shall provide Manager with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Manager shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the services and shall post copies of the Manager's principal place of business and at the project site. Manager shall defend, indemnify, and hold the Authority, its elected official officers, employees, and agents free and harmless from any claim or liability arising of any failure or alleged failure to comply with the Prevailing Wage Laws.

(d) The Manager will systematically receive and investigate all service requests from tenants, take such action thereon as may be warranted and will keep records of the same. Service requests will be addressed within four working days; provided, however, emergency requests will be received and serviced on a 24-hour basis.

The Manager shall promptly investigate and respond to serious complaints as appropriate, and shall comply with all applicable Federal and state laws in connection with same, including but not limited to the requirements of the Fair Employment and Housing Act and other applicable fair housing laws, and shall promptly report such complaints and Manager's response thereto to the Authority. The Manager shall advise tenants to report to law enforcement all complaints involving actual or threatened criminal activity. The Manager shall provide the Authority with a monthly summary of all serious complaints received by the Manager. This summary shall include a brief description of each complaint and Manager's response thereto.

(e) The Manager is authorized to purchase while complying with the provisions of Section 21, on behalf of the Authority, all materials, equipment, tools, appliances, supplies and services necessary for proper maintenance and repair. The Authority shall retain ownership of all said materials, equipment, tools, appliances and supplies.

(f) Notwithstanding any of the foregoing provisions, the prior written approval of the Authority will be required for any maintenance or repair project in which the overall cost is expected to exceed \$15,000 for labor, materials, and/or otherwise in connection with the maintenance and repair of the Properties. This limitation does not apply to recurring expenses within the limits of the operating budget or to emergency repairs involving manifest danger to persons or properties, or that are required to avoid suspension of any necessary service to the Properties. In the latter event, the Manager will inform the Authority in writing of the facts as promptly as possible. For purposes herein, "recurring expenses" shall include utilities, pest control, laundry services, pool services, courtesy patrol, regulatory permits, and vermin extermination.

(g) Manager shall enter into all service contracts (such as pool maintenance/repair, laundry, vermin extermination and landscape maintenance) in accordance with Section 21 and maintain all required permits and approvals on equipment, pools, facilities, etc. for each of the Properties.

(h) The Manager shall not undertake any work of construction or any work which would modify or change the exterior of any building or grounds.

15. Utilities and Services. The Manager will make arrangements for water, electricity, gas, sewage and trash disposal, telephone and cable service for the Properties. The Manager will enter into such contracts as may be necessary to secure such utilities, acting as Manager for the Authority.

16. Employees.

(a) All personnel of the Manager involved with the management, maintenance, repair, operation or leasing of the Properties will be employees of the Manager and will be hired, paid, directed, supervised, and discharged by the Manager. The Manager will provide sufficient resources (staff and/or services) in order to fulfill its obligations to the Authority under the terms of this Agreement. All costs associated with hiring and discharging of such employees will be borne by the Manager. The Manager

warrants that it has established employment policies in accordance with employment laws and said policies include a drug free work place or similar substance abuse policy, a zero-tolerance violence in the workplace policy and all other policies mandated by state and Federal law. The Manager warrants that all of its employees meet all qualifications, licensing and code requirements, applicable to completing assigned tasks. The Manager warrants that training will be provided to employees as may be required by local, State or Federal Law and will be conducted by an individual or entities qualified to provide such training. It is understood that, subject to sub-Sections (b) and (c), below, all direct costs associated with employees working "on-site" and specifically identified on Exhibit F will be borne by the Authority to include their direct salary (but not bonuses), Social Security taxes, employment taxes, medical insurance, Pension Plan, Worker's Compensation, uniforms, Housing allowance and other benefits (if applicable). The Authority shall have the right to interview and approve the hiring of any prospective site managers or regional (non-site specific) staff included in Exhibit "F". Only the cost of those positions set forth on Exhibit F shall be paid by the Authority. Positions may be added, deleted or modified from Exhibit F based on property need with approval of the Manager and the Executive Director of the Authority. Notwithstanding the foregoing, all personnel of the Manager are exclusively the employees of Manager, and not of the Authority.

(b) Manager shall have full and exclusive responsibility and liability for payment of all federal, state and local payroll taxes and for contributions for unemployment insurance, Social Security (FICA) and other benefits imposed or assessed under any provision of law or by regulation, and which are measured by salaries, wages, or other remuneration paid or payable by Manager to its employees engaged in any work in connection with this Agreement or indicated herein, for the payment of which the Authority will reimburse the Manager, subject to the written approval of the Finance Director. The Manager shall have full and exclusive responsibility and liability for the withholding and payment of any income taxes required to be withheld from the wages or salaries of said employees under any provision of law or regulation. The Manager agrees to save and hold the Authority harmless from all claims for penalties, interest, or costs which may be assessed under any law or any rules or regulations thereunder with respect to its failure or inability to perform the aforesaid responsibilities.

(c) Upon ten days demand from the Authority, the Manager shall cause any employee of the Manager to be removed from the Properties, at the Manager's sole cost and expense.

(d) Manager shall be solely responsible for the methods and means of managing its personnel to achieve the desired results. Authority's authority over and involvement in Manager's employment matters shall be limited consistent with Manager's status as sole employer of its employees.

17. Disbursements from General Operating Account.

(a) From the funds collected and deposited by the Manager in the General Operating Account pursuant to Section 12 above, the Manager will make or request the following disbursements promptly when payable:

(i) The Manager shall request from the Director of Finance of the Authority reimbursement to the Manager for compensation payable to the employees specified in "Exhibit F" together with an overhead charge percentage that will be determined annually by the Manager and approved by the Director of Finance of the Authority. This percentage will be applied to gross payroll with respect to employees specified in "Exhibit F", included on "Exhibit F" and submitted once each year during budget review. Said percentage may be adjusted during the budget year with written approval of the Authority, and will include the employer's portion of medical, dental, life, Workers Compensation, taxes and assessments payable to local, state and federal governments in connection with the employment of such personnel.

(ii) Notwithstanding the provisions of sub-Section (a)(i), above, the Manager shall make disbursements of all sums otherwise due and payable by the Authority as expenses of the Properties authorized to be incurred by the Manager under the terms of this Agreement, including compensation payable to the Manager, pursuant to Section 27 below, for its services hereunder.

(iii) All checks between \$2,500 and \$4,999 shall require at least two signatures. All checks over \$5,000 shall require at least two signatures, one of which must be the signature of an authorized representative of the Authority.

(iv) All wire transfers will be initiated by the Director of Finance of the Authority or his/her designee.

(b) Except for the disbursements mentioned in Section 12 above, funds will be disbursed or transferred from the General Operating Account only as the Authority may from time to time direct in writing. Manager reimbursement checks in excess of \$500 shall require signatures of both the authorized signatory of Manager and the Finance Director of the Authority or his/her designee.

(c) In the event the balance in the General Operating Account is at any time insufficient to pay disbursements due and payable under Section 17(a) above, the Manager will inform the Authority prior to disbursing funds of that fact and the Authority's Director of Finance will then remit to the Manager sufficient funds to cover the delinquency. In no event will the Manager be required to use its own funds to pay such disbursements that are directly related to the operation of the Properties.

(d) The Authority will pay for or reimburse to Manager only those expenses that are expressly authorized by this Agreement to be borne by the Authority. Any expenses incurred by Manager as a result of any legal judgment or administrative ruling against Manager or its officers, employees or agents, or any monetary settlement in lieu of same to resolve any dispute, or the costs incurred by Manager in connection therewith, including attorneys' fees for advice to or defense of Manager, shall be the sole responsibility of the Manager. In the event any Authority monies have been disbursed for this purpose, the Manager shall immediately reimburse Authority. The Authority may, in its sole discretion, elect to pay or reimburse the Manager for all or a portion of such expenses and/or costs if the Authority deems that to be in the best interests of the Authority or the community which it serves or to promote the public health, safety and/or

welfare, and only upon written agreement between the Authority and Manager, signed by each of the Parties.

18. Budgets. Manager will prepare and submit annual operating budgets for the Properties in forms satisfactory to the Director of Finance, which budgets shall include but not be limited to the following: Current Year Final Budget Adopted; Current Year Expected Actual; Upcoming Year Budget Request; Detailed Descriptions for any marginal deviations from Current Year; Detailed Descriptions for any Capital Expenditures for each Property; including Reserve Accounts where applicable. and Exhibit F described above. Except as permitted under Section 14(e) above, annual disbursements for operating expenses will not exceed the amount authorized by the approved budget without the prior written consent of the Authority. The Manager shall prepare a recommended operating budget for each fiscal year during the term of this Agreement, and shall submit to the Authority by March 1st of each year for the following fiscal year (July 1 to June 30). Additionally, the Manager shall prepare and submit to the Authority a budget for each fiscal year thereafter covering the period from July 1 through the next following June 30. Each year of the term the Authority will promptly inform the Manager of any changes incorporated in the approved budget, and the Manager will keep the Authority informed of any material anticipated deviation from the receipts or disbursements stated in the approved budget. Manager may, upon the written request and after receipt of written approval of the Authority, make disbursements exceeding the budgeted allowances within the budgeted categories for the Properties.

19. Records and Reports. In addition to any requirements specified in the Administrative Plan or other provisions of this Agreement, the Manager will have the following responsibilities with respect to accounts and reports:

(a) The Manager will establish and maintain, on a modified accrual basis, a comprehensive system of records, books and accounts in a manner satisfactory to the Authority. All records, books and accounts will be subject to examination at reasonable hours by any authorized representative of the Authority. The Manager shall maintain the books and records in good condition and order and shall preserve the books and records for such time period as the Authority would be legally required to preserve and maintain the books and records.

(b) The Manager will be subject to a quarterly review and an annual audit conducted by a firm of the Authority's choice. The Manager agrees to make available all applicable records to the Authority's auditors for annual review. The report will be prepared in accordance with generally accepted auditing standards. The audit report submitted by the audit firm will also be subject to a single audit at the Authority's discretion. The preparer's services will be an expense of the Authority.

(c) The Manager will furnish information as may be requested by the Authority from time to time with respect to the financial, physical or operational condition of the Properties, including, without limitation: (i) calculation and billing rent and other tenant charges; (ii) maintaining accounts receivable and delinquency records; (iii) maintaining rent rolls; (iv) processing and paying operating and capital invoices; (v) recording activity and comparing such activity to budgeted amounts; (vi) reconciling all

expenditures; (vii) remitting excess funds to the Authority and requesting needed funds from the Authority; (viii) processing payroll for personnel employed in the discharge of this Agreement and in compliance with taxing authorities and other reporting requirements associated with payroll; and (ix) reports detailed in Exhibit I.

(d) By the 20th day of each month, the Manager will furnish the Authority with an itemized list of all delinquent accounts, including general operating accounts, as of the tenth day of the same month.

(e) The Manager shall submit, to the Authority's Finance Director those reports set forth in Exhibit H on the periodic bases set forth in Exhibit H. Reports designated as "monthly" on Exhibit H shall be submitted by the 20th day of each month; reports designated as "quarterly" shall be submitted by the 20th day of every third month, and reports designated as "annual" shall be submitted at the end of the fiscal year or the end of the calendar year as set forth on Exhibit H. In explanation but not limitation of the foregoing, the monthly reports to be submitted include: a statement of receipts and disbursements during the previous month; a schedule of accounts receivable and payable; reconciled bank statements for all accounts maintained by the Manager on behalf of the Authority reflecting disbursements and deposit amounts as of the end of the previous month; a copy of general ledger account transactions and monthly aggregate utility consumption by utility; and such other matters relative to the management, operation, and maintenance of the Properties including actual income and expense balances compared to budgeted or expected results as required by the Finance Director of Authority. Additional reports may be requested throughout the year as the Authority deems necessary.

(f) On the 20th day of each month, the Manager will submit to the Authority the reports listed on Exhibit I attached hereto and incorporated herein by reference, to assist the Authority in determining compliance with that certain Stipulation for Entry of Judgment in case number Indio 51124 as consolidated with case numbers Indio 51143 and 51159 which has been provided to the Manager.

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

20. Fidelity Bond. The Manager will place the Properties on a master fidelity bond, which provides blanket coverage equal to two months gross rent potential. The bond will provide coverage for all principals and agents of the Manager and all persons who participate directly or indirectly in the management of the Properties and their assets, accounts and records. The premiums for such a bond will be paid and borne by the Manager. Specifically, coverage for the Manager, including all applicable persons in the Manager's employ, will be paid by the Manager, and coverage for the Authority's personnel, if applicable, will be paid by the Authority. Said fidelity bond shall be issued by a company which is reasonably acceptable to the Authority, and Manager shall deliver

to the Authority a copy of said fidelity bond upon execution by the Authority of this Agreement.

21. Bids, Discounts, Rebates or Commissions. The Authority and Manager agree to obtain contract materials, supplies and services at the lowest possible cost and on the most advantageous terms to the Properties and to secure and credit to the Properties all discounts, rebates and commissions obtainable with respect to purchases, service contracts and all other transactions on behalf of the Properties. The Manager agrees that no goods and services shall be purchased from individuals, related companies and companies having a financial or pecuniary interest (a "conflict-of-interest") with the Manager. All vendor accounts shall be opened in the Authority's name, upon prior written approval of the Authority.

The Manager will develop detailed scopes of work, materials, supplies, equipment and contractual services for any work or repair the cost of which may exceed \$5,000 for a single Unit or project. The Manager shall comply with the procedures set forth in Ordinance No. 928 of the City of Palm Desert, and any amendments thereto, in connection with the purchase of any materials, supplies, equipment and contractual services to be paid for by the Authority under this Agreement.

The Manager agrees to accept the bid which represents the lowest price, taking into consideration the bidder's reputation for quality of workmanship or materials and timely performance, and the time frame within which the services or goods are needed. The Manager must make every reasonable effort to assure that the Authority is obtaining services, supplies and purchases at the lowest possible cost. The Manager must make a written record of any verbal estimate obtained. Copies of all required bids and documentation of all other written or verbal cost comparisons made by the Manager shall be made part of the records of the Properties and shall be retained for three years from the date the work was completed. This documentation shall be subject to inspection by the Authority or its designee and the Manager agrees to submit such documentation upon request. Further, Manager shall annually submit a report to the Authority describing the outcome of all bidding procedures, which report shall include the names of all bidders and the amount of their bids, and shall indicate to which bidder the contract was awarded.

The Manager agrees to make available to the Authority, when requested, all records of the Manager, which relate to the provision of goods or services to the Authority whenever funds from the Properties have been used to pay for such goods and/or services (other than management services).

22. Resident Services Program. The Manager will be responsible for carrying out any resident retention or social services program described in the Administrative Plan and any other program or service that may become available that are in the best interest of the residents or community to promote public health, public safety or tenant welfare.

23. Resident - Management Relations. The Manager will establish quarterly meetings at Properties containing 150 or more units to encourage and promote communication and tenants' initiatives.

24. Defense, Indemnity and Hold Harmless Agreement. The Manager and Authority agree that the Authority, the Successor Agency to the Palm Desert Redevelopment Agency, the City of Palm Desert, and their respective officials, officers, employees, and agents (collectively "Indemnitees") should, to the extent permitted by law, be fully protected against any loss, injury, damage, complaint, claim, lawsuit, cost, expense, attorneys fees, litigation costs, defense costs, court costs or any other cost arising out of or in any way related to Manager's performance of this Agreement. Accordingly, the provisions of this defense, indemnity and hold harmless provision are intended by the Parties to be interpreted and construed to provide the fullest protection possible under the law to the Indemnitees. Manager acknowledges that Authority would not enter into this Agreement in the absence of the commitment of Manager to indemnify, defend, protect and hold harmless the Authority as set forth herein.

To the full extent permitted by law, Manager shall indemnify, defend, protect and hold harmless the Indemnitees from any liability, complaints, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, actual attorney fees incurred by Authority, court costs, interest, defense costs including expert witness fees and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of or in any way attributable actually, allegedly or impliedly, in whole or in part to the performance of this Agreement. All obligations under this provision shall be paid by Manager as they are incurred by the Authority. Manager shall defend the Indemnitees, and bear the expense thereof, with lawyers selected or approved by the Authority.

Without affecting the rights of the Indemnitees under any provision of this Agreement or this Section 24, the Manager shall not be required to indemnify, defend, protect and hold harmless the Indemnitees as set forth above for liability attributable solely to the fault of the Indemnitees.

25. Professional Services Insurance Requirements. Manager shall not commence work under this Agreement until it has provided evidence satisfactory to the Housing Authority that it has secured all insurance required under this Section. In addition, Manager shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the Housing Authority that the subcontractor has secured all insurance required under this section.

Without limiting Manager's indemnification of the Housing Authority, City of Palm Desert, the Successor Agency to the Palm Desert Redevelopment Agency and prior to commencement of Work, Manager shall obtain, provide, and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to the Housing Authority.

(a) General Liability Insurance. The Manager shall obtain, at its sole cost Commercial General Liability coverage "occurrence" form CG 00 01 or its exact equivalent, with minimum limits of \$2,000,000 per occurrence and \$4,000,000 in the general aggregate. Insurance is to be placed with insurers with a current A.M. Best and Company rating level of A- or better, Class VIII or better, licensed to do business in

California, and satisfactory to the Authority. Manager agrees to endorse third party general liability coverage required herein to include as additional insureds the City of Palm Desert, the Palm Desert Housing Authority, the Successor Agency to the Palm Desert Redevelopment Agency, and their respective officials, officers, employees, volunteers, and agents (collectively "Additional Insureds"). The acceptable additional insured endorsement that must be submitted to the Authority is CG 20 10 or its exact equivalent, specifying the Additional Insureds as additional insureds, and specifying that the insurer shall provide at least 30 days notice to the Additional Insureds of any cancellation or modification of coverage. Coverage shall apply on a non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to the Additional Insureds. Coverage shall not be limited to the vicarious liability or supervisory role of any of the Additional Insureds. Insurance shall be issued as project specific to this agreement. Excess or Umbrella Liability Insurance (Over the Primary) is required in the with minimum limits of \$5,000,000 and shall provide coverage at least as broad as specified for the underlying coverages. Any such coverage provided under an umbrella liability policy, shall include a drop down provision providing primary coverage above a maximum \$25,000 self-insured retention for liability not covered by primary, but covered by the umbrella. Coverage shall be provided on a "pay on behalf" basis, with defense costs payable in addition to policy limits. There shall be no cross liability exclusion precluding coverage for claims or suits by one insured against another; policies shall also have concurrent starting and ending dates. Coverage shall be applicable to the Authority, and/or City of Palm Desert for injury to employees of Manager, subcontractors of either the Manager or the Authority, or others involved in the scope of this Agreement. The scope of coverage provided is subject to approval by the Risk Manager following receipt of proof insurance as required herein.

(b) Automobile Liability Insurance. Manager shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Manager arising out of or in connection with Work to be performed under this Agreement, including \$1,000,000 combined single limit for each accident including coverage for any owned, hired, non-owned or rented vehicles.

(c) Professional Liability (Errors & Omissions). Manager shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per occurrence/\$2,000,000 aggregate and policy shall not exclude discrimination, fair housing, American with Disabilities act, and sexual molestation violations. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Agreement and Manager agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this Agreement. Covered professional services shall specifically include all work to be performed under the Agreement and delete any exclusions that may potentially affect the work to be performed (for example, any exclusions relating to lead, asbestos, pollution, testing, underground storage tanks, laboratory analysis, soil work, etc.). If coverage is written on a claims-made basis, the retroactive date shall precede the effective date of the initial Agreement and continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least three (3) years from termination or expiration of this Agreement

- (c) Workers' Compensation/Employers' Liability Insurance. The Manager shall procure and maintain Workers' Compensation insurance complying with California workers' compensation laws, including statutory limits for workers' compensation and an Employer's liability limit of \$1,000,000 per accident or disease. Unless otherwise agreed, this policy shall be endorsed to waive any right of subrogation as respects the Authority, the Successor Agency to the Palm Desert Redevelopment Agency, the City of Palm Desert, and their respective officials, officers, employees, volunteers, and agents.
- (d) Fidelity Coverage. Consultant shall provide evidence of fidelity coverage on a blanket fidelity bond or other acceptable form. Limits shall be no less than \$1,000,000 per occurrence.
- (e) Cyber Liability Insurance. Consultant shall procure and maintain Cyber Liability insurance with limits of \$1,000,000 per occurrence/loss, which shall include the following coverage:
1. Liability arising from the theft, dissemination and/or use of confidential or personally identifiable information; including credit monitoring and regulatory fines arising from such theft, dissemination, or use of the confidential information.
 2. Network security liability arising from the unauthorized use of, access to, or tampering with computer systems.
 3. Liability arising from the failure of technology products (software) required under the contract for Consultant to properly perform the services intended.
 4. Electronic Media Liability arising from personal injury, plagiarism or misappropriation of ideas, domain name infringement or improper deep-linking or framing, and infringement or violation of intellectual property rights.
 5. Liability arising from the failure to render professional services

(f) Evidence of Insurance. The Manager shall provide evidence of the insurance required herein, satisfactory to the Authority, consisting of certificate(s) of insurance evidencing all of the coverages required by this Agreement, and an additional insured endorsement to the Manager's Commercial General Liability, and to Manager's umbrella liability policies, using ISO form CG 20 10. In addition, the Manager agrees to provide complete copies of all policies of insurance to the Authority annually or upon request. The Certificate(s) shall reflect that the insurer will provide 30-days notice of any cancellation or modification of coverage to the Additional Insureds, per the terms of the policy. The Manager agrees to require its insurer to modify the certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice

provisions. All insurance coverage and limits provided pursuant to this Agreement shall apply to the full extent of the policies involved, available or applicable. Nothing contained in this Agreement or any other agreement relating to the Authority or its operations shall limit the application of such insurance coverage. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf and are to be provided on standard ISO forms noted above. All endorsements are to be received and approved by the Risk Manager prior to the commencement of work.

(g) No Limitation on other Insurance. Requirements of specific coverage features or limits contained in this Section 25 are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only and is not intended by any Party to be all inclusive, or to the exclusion of other coverage, or a waiver of any type.

(h) Subrogation. All general or auto liability insurance coverage provided pursuant to this Agreement, or any other agreements pertaining to the performance of this Agreement, shall not prohibit the Manager, its employees, or agents, from waiving the right of subrogation prior to a loss. The Manager hereby waives all rights of subrogation against the Authority, the Successor Agency to the Palm Desert Redevelopment Agency, and the City of Palm Desert.

(i) Authority's Right to Purchase Replacement Insurance. In the event any policy of insurance required under this Agreement does not comply with these requirements or is canceled and not replaced, the Authority has the right but not the duty to obtain the insurance it deems necessary and any premium paid by the Authority will be promptly reimbursed by the Manager.

(j) Proof of Insurance. The Manager shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished not more than 72 hours after the expiration of the coverage(s). Any actual or alleged failure on the part of the Authority or any other of the Additional Insureds under these requirements to request or obtain proof of insurance required under this Agreement in no way waives any right or remedy of the Authority or any other of the Additional Insureds, in this or any other regard.

(k) Subcontractor Proof of Insurance.

(i) Subcontractors Performing Recurring Work or Work in Excess of \$2500. The Manager shall require all subcontractors or other parties which provide (i) recurring services to the Properties, or (ii) services in excess of \$2,500 in a six month Period (a "Major Subcontractor") to the Properties to provide the same minimum insurance coverage required of the Manager and Workers Compensation insurance to conform with the requirements of this section. Manager agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. The Manager agrees that upon request, all agreements with Major Subcontractor, or others with whom Manager

contracts with on behalf of the Authority, will be submitted to the Authority for review. For purposes of this Section a contractor or party hired for the work shall be deemed to be performing "recurring work" in the event that contractor or party hired performs in excess of a single segregated or discrete project in any six-month period. The Manager agrees to obtain certificates evidencing such coverage and to make reasonable efforts to ensure that such coverage is provided as required herein. Failure of the Authority to request copies of such agreements will not impose any liability on or constitute waiver by the Authority of its rights hereunder. Manager agrees to require that no contract used by any Major Subcontractor, or contracts the Manager enters into on behalf of the Authority, will reserve the right to charge back to the Authority the cost of insurance required by this Agreement.

(ii) Subcontractors Performing Nonrecurring Work or Work Less Than or Equal to \$2500. The Manager shall require all subcontractors or other parties which provide (i) nonrecurring services to the Properties, and (ii) services in an amount not to exceed \$2,500 in a six-month Period (a "Nonrecurring Subcontractor") to provide Commercial General Liability insurance in the amounts set forth below and Workers Compensation insurance to conform with the requirements of this section. For purposes of Section 25, a contractor or party hired for the work shall be deemed to be providing "nonrecurring work," so long as that contractor or party hired for the work does not perform more than a single segregated or discrete project in a six-month period. In the event a Nonrecurring Subcontractor performs more than a single discrete project in a six-month period or work exceeding \$2,500 in value, that Nonrecurring Subcontractor shall lose its status as a "Nonrecurring Subcontractor" and shall be automatically deemed a "Major Subcontractor". The liability limits for Nonrecurring Subcontractors shall provide no less than \$500,000 per occurrence for all coverages and \$500,000 in the general aggregate. The Manager agrees to verify such coverage and make reasonable efforts to ensure that such coverage is provided as required herein. The Manager agrees to require that no contract used by any Nonrecurring Subcontractor, or contracts the Manager enters into on behalf of the Authority, will reserve the right to charge back to the Authority the cost of insurance required by this Agreement. The Manager agrees that upon request, all agreements with Nonrecurring Subcontractors, or others with whom Manager contracts on behalf of the Authority, will be submitted to the Authority for review. Failure of the Authority to request copies of such agreements will not impose any liability on the Authority nor constitute a waiver of the rights of the Authority hereunder.

26. Compliance With Governmental Orders. The Manager will take such action as may be necessary to comply promptly with any and all governmental orders or other requirements affecting the Properties, whether imposed by federal, state, county or municipal authority. Notwithstanding the foregoing, the Manager shall take no such action so long as the Authority is contesting, or has affirmed its intention to contest, any such order or requirement. The Manager will notify the Authority in writing of all notices of such orders or other requirements as soon as possible from the time of their receipt.

27. Manager's Compensation. The Manager will be compensated for its services under this Agreement by monthly management fees. Such fees will be payable on the first day of each month, in arrears, for the services provided in the prior month for the term of this Agreement. For the purpose of this Section, the term 'occupied units'

shall include those Units which are currently leased, on notice to vacate, or temporarily vacant due to a move out. The Management Fee ("Fee") shall be calculated monthly according to the following schedule:

(a) In the case of occupied units, each such monthly fee shall be in the amount of \$_____ per Unit per month except as follows:

(i) For Units where a Notice of Termination of Tenancy ("Notice") was provided by the tenant as required (30 calendar day notice) and a Unit remains vacant for 30 calendar days or more, Manager will not be entitled to the monthly fee, except in those circumstances where the vacancy is the result of the Authority's leasing process for affordable Units.

(ii) For Units where no Notice was given, the tenant chose to 'quit' or the tenant skipped, and a Unit remains vacant for 45 calendar days or more, Manager will not be entitled to the monthly fee.

(b) In the case of unoccupied Units (except those Units described in Section 27(c-e) below), each such monthly fee shall be as follows:

(i) \$_____ per Unit per month for the first four months for Units that have been determined, in the Authority's sole and absolute discretion, to be 'unrentable' or 'down' due to physical condition or damage. Unless otherwise determined by the Authority, Manager is expected to repair said Units within the four months. If Manager fails to repair units within the given time, no fee will be paid until the unit is available for occupancy.

(ii) No Fee will be paid for Units that are unrentable or down due to action or inaction by the Manager.

(iii) \$_____ per Unit per month for those units specifically identified in Item No. 14 of Exhibit A and any amendments thereto. These units are typically owned by the Authority and are considered 'for-sale' units. Said units are to remain unoccupied unless, in the Authority's sole and absolute discretion it determines otherwise. Manager is expected to maintain said units in the same condition as when originally assigned as well as visually inspect, coordinate services, complete any minor repairs, and respond to emergencies. Fees for these units shall be payable monthly in arrears until the date of the close of escrow wherein the ownership is no longer the Authority or at such time as the Authority notifies Manager otherwise.

(c) In the case of Units that are newly constructed or newly renovated which will be added to Exhibit A, the Fee shall be \$_____ per Unit per month commencing at such time as the construction/renovation has reached 90% completion as determined by the Contractor's billing until Certificate of Occupancy, in the case of new units, or Certificate of Completion, in the case of renovated Units, is issued.

(d) In the case of Units which were 'downed', as described in Section 27(b)(i) and direction has been given to the Manager by the Authority not to repair said

Units, commencing with the fifth month, the Fee shall be reduced to \$ _____ per Unit per month until Manager is no longer responsible for said Units.

(e) Except as otherwise expressly provided in this Agreement, all employees not identified in Exhibit F and other overhead expenses of the Manager (including but not limited to costs of office supplies and equipment, postage, transportation, travel expenses for managerial personnel and telephone services) will be borne by the Manager. All services for management, accounting, and reporting, with exception of the Authority's requested annual audit, shall be borne by the Manager.

In addition to the Management Fee, the site employees for the Properties shall be paid based on the Employee Salaries listed on Exhibit F attached hereto and incorporated herein by this reference.

28. Termination.

(a) Authority Termination for Convenience. Authority may terminate this Agreement for convenience by giving not less than 180 days written notice of termination. The notice of termination shall specify that the termination is for the convenience of the Authority. Up on a Termination for Convenience, the Authority shall continue to pay Manager for all work performed up to the date of termination. Manager shall be compensated only for those services that have been satisfactorily rendered to the Housing Authority, and Manager shall be entitled to no further compensation. Authority shall not be liable for any post-termination costs, lost profits, or other alleged damages resulting from a Termination for Convenience.

(b) Termination For Cause: Either Party may terminate this Agreement with cause by giving written notice to the other Party not less than 90 days prior to the date of termination. Any such written notice for cause shall specify the default. If the default specified has not been cured within 21 days of receipt of the notice, this Agreement shall terminate on the date of termination set forth in the notice. Upon termination, Manager shall be compensated only for those services that have been satisfactorily rendered to Authority, and Manager shall be entitled to no further compensation.

(c) Termination at End of Term/Extension: At least ninety (90) days prior to the automatic termination of this Agreement (the "Negotiation Period"), and unless either Party has given timely notice under this Section prior thereto, the Parties shall initiate negotiations for a new agreement for Property Management Services and use best efforts and engage in good faith negotiations to finalize such agreement and obtain final approval thereof prior to the automatic termination of this Agreement. In the event such good faith efforts are not completed before the expiration of the Term, or in the event either Party gives notice to the other during the Negotiation Period of its decision not to enter into a further term, this Agreement may be extended for not more than ninety (90) days after the giving of such notice or _____, whichever is later, upon the written authorization of the Executive Director of the Authority. Good faith negotiations may include an extension of this Agreement up to an additional _____ months provided that any such extension shall require the authorization of the Authority Board and shall be in writing, as an Amendment to this Agreement, signed by both Parties.

(d) Bankruptcy. In the event that a petition in bankruptcy is filed by either of the Parties, or in the event that either Party makes an assignment for the benefit of creditors to take advantage of any insolvency act, this Agreement shall automatically terminate.

(e) Sale of Properties. This Agreement shall automatically terminate, upon the sale of the Properties, or as to any Property, on the sale of such Property, except that, this provision shall not apply in the event of a sale, transfer, or re-conveyance by and between the former Palm Desert Redevelopment Agency, the Authority, the Successor Agency to the Palm Desert Redevelopment Agency, the City of Palm Desert, and/or any related or successor agency or entity.

(f) Addition of Properties. In the event the Authority adds a property to its operations portfolio, Manager and Authority's designee may agree in writing to amend Exhibit A for the inclusion of said property. Such amendment shall be subject to the terms and conditions herein from the effective date of the amendment.

(g) Exchange of Documents. Upon termination of this Agreement, the Manager will submit to the Authority any financial statements requested by the Authority and, after the Parties have accounted to each other with respect to all matters outstanding as of the date of termination, the Authority will furnish the Manager security in form and principal amount satisfactory to the Manager against any obligations or liabilities which the Manager may properly have incurred on behalf of the Authority hereunder. All of the cash trust accounts, investments, equipment and records for the Properties will be turned over to the Authority within 30 days of the date this Agreement is terminated. The Parties hereby covenant and agree that the Authority shall own the books and records for the Properties and that the Manager shall hold the books and records for the Properties for the benefit of the Authority for an agreed upon period at the time of termination.

29. Manager's Indemnification. Subject to the Manager's indemnification obligations hereunder as set forth in Section 24, the Parties understand and agree:

(a) That the Authority has assumed and will maintain its responsibility and obligation through the Term of this Agreement for the finances and the financial marketability of the Properties; and

(b) That the Manager shall have no obligation, responsibility or liability to fund authorized costs, expenses, or accounts other than those funds generated by the Properties themselves or provided to the Properties or to the Manager by the Authority. In accordance with the foregoing, the Authority agrees that the Manager shall have the right at all times to withdraw payment of its compensation, as provided for under Section 27 of this Agreement, from the General Operating account or accounts, immediately when such compensation is due and without regard to other property obligations or expenses conditioned on the Manager having satisfactorily discharged all duties and responsibilities under this Agreement. Moreover, the Authority hereby indemnifies the Manager and agrees to hold it harmless with respect to costs, expenses, accounts, liabilities and obligations of the Properties during the Term of this Agreement and further agrees to

guarantee to the Manager the payment of its compensation under Section 27 of this Agreement during the Term of this Agreement to the extent that the Operating and Maintenance Account for the Properties are insufficiently funded for this purpose. Failure of the Authority at any time to abide by and to fulfill the foregoing shall be a breach of this Agreement entitling the Manager to obtain from the Authority, upon demand, full payment of all compensation owed to the Manager through the date of such breach.

30. Prohibition Against Assignment and Subcontracting Management Services. Manager shall not assign this Agreement or subcontract any management or other services, without the express prior written consent of the Authority.

31. Notices. Except as otherwise provided by law, any and all notices or other communications required or permitted by this Agreement or by law to be served on or given to either Party to this Agreement by the other Party shall be given in writing. All such notices or other communications shall be deemed duly served and given when personally delivered to the Party to whom they are so directed, or in lieu of personal service when deposited in the United States mail, first-class postage prepaid, addressed to the respective Party as set forth below:

To the Authority:

Palm Desert Housing Authority
73-510 Fred Waring Drive
Palm Desert, CA 92260
Attention: Housing Manager

To the Manager:

Either Party may change its address for the purpose of this Section 31 by giving written notice of the change to the other Party in the manner provided in this Section.

32. General Provisions.

(a) Binding on Successors and Assigns. At all times, this Agreement will enure to the benefit of and constitute a binding obligation upon the Parties and their respective successors and assigns.

(b) Entire Agreement and Allowable Changes. This Agreement constitutes the entire Agreement between the Authority and the Manager with respect to the management and operation of the Properties, and all prior agreements between the Authority and the Manager regarding the subject matter of this Agreement are hereby superseded and replaced. Changes hereto must be made by supplemental written

agreement signed by the Parties. Exhibits hereto may be amended as necessary by the written agreement of the Parties.

(c) Attorneys' Fees. If any litigation is commenced between the Parties concerning the Properties, this Agreement, or the rights and duties of either Party with respect to this Agreement, the Party prevailing in the litigation shall be entitled, in addition to any other relief that may be granted in the litigation, to reasonable attorneys' fees and costs.

(d) Ambiguities. Each Party and their counsel have participated fully in the drafting of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not apply in interpreting this Agreement.

(e) Severability of Agreement. If a court or an arbitrator of competent jurisdiction holds any provision of this Agreement to be illegal, unenforceable or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them will not be affected.

(f) Approval by Authority. Whenever a provision of this Agreement requires the delivery of documents or reports, notifications, determinations, reimbursements or requests for funding, review, authorization or approval of the Authority, such approval may be given by the Executive Director of the Authority or his/her designee, unless Authority Board action is specified in this Agreement.

(g) Word Usage. Unless the context clearly requires otherwise, (a) the plural and singular shall each be deemed to include the other; (b) the masculine, feminine, and neuter genders shall each be deemed to include the others; (c) "shall," "will," or "agrees" are mandatory, and "may" is permissive; (d) "or" is not exclusive; and (e) "includes" and "including" are not limiting.

IN WITNESS THEREOF, the Parties have executed this Agreement on the date first above written.

Authority:

Manager:

PALM DESERT HOUSING AUTHORITY, a
public body, corporate and politic

By: _____ By: _____
_____, Chairman

Title:

ATTEST:

_____ By: _____
_____, City Clerk

Title:

APPROVED AS TO FORM:

Special Counsel

Sample

EXHIBIT A

(PROPERTIES)

PALM DESERT HOUSING AUTHORITY AFFORDABLE HOUSING UNITS

1. **One Quail Place**
72-600 Fred Waring Drive
156-one bedroom, 228-two bedroom (384 Total Units)
Amenities: Gated Community, 4 Pools, 4 Spas, 4 Tennis Courts, Basketball Courts, Tennis Courts, Community Courtyard with Picnic Area, Children's Play Area, Resident Library, 4 Laundry Facilities, Recycling Containers in each Unit, and Assigned Covered Parking
2. **Desert Pointe**
43-805 Monterey Avenue
34-studio, 24-one bedroom, 6-two bedrooms (64 Total Units)
Amenities: Pool, Children's Play Area, Laundry Facilities, Recycling Containers in each Unit, and Assigned Covered Parking
3. **Neighbors Apts.**
73-535 Santa Rosa Way
24-two bedrooms (24 Total Units)
Amenities: Pool, Laundry Facility, Recycling Containers in each Unit, and Covered Parking
4. **The Pueblos Apts.**
73-695 Santa Rosa Way
15-one bedroom units (15 Total Units)
Amenities: Pool, Adjacent Community/Resident Services Building, Laundry Facility, Recycling Containers in each Unit, and Assigned Covered Parking
5. **Catalina Gardens**
73-600A Catalina Way
48-studios, 24-one bedroom (72 Total Units)
Amenities: Pool, Laundry Facility, Recycling Containers in each Unit, Assigned Covered Parking, and Community Room
6. **Taos Palms**
44-830 Las Palmas Avenue
16-two bedroom (16 Total Units)
Amenities: Gated Community, Pool, Laundry Facility, and Recycling Containers in each Unit
7. **Las Serenas**
73-315 Country Club Drive

100-one bedroom, 50 one-bedroom + Den (150 Total Units)
Amenities: Community Clubhouse, Computer Room with Internet Access, 3 Pools, 1 Spa, Recycling Containers in each Unit, and Assigned Covered Parking.

8. **Laguna Palms**

73-875 Santa Rosa

4 studios, 16 one-bedroom, 28 two-bedroom (48 Total Units)

Amenities: Pool, Children's Play Area, Laundry Facility, Recycling Containers in each Unit, Community Courtyard

9. **California Villas**

77-107 California Drive

140 one-bedroom, 1 two-bedroom (141 Total Units)

Amenities: Resident Service Building, Computer Room with Internet Access, Recycling Containers in each Unit, Pool, Spa and Laundry Facility

10. **Palm Village Apartments**

73-650 Santa Rosa Way

36 two-bedroom (36 Total Units)

Amenities: Laundry Facility, Recycling Containers in each Unit, Children's Play Area, and Covered Parking

11. **Candlewood Apartments**

74000-74002 Shadow Mountain Drive

26 one-bedroom, 4 two-bedroom (30 Total Units)

Amenities: Pool, Spa, Laundry Facility, Recycling Containers in each Unit, Assigned Covered Parking, and Shared Community Room

12. **La Rocca Villas**

42-135 Golden Eagle Lane

27 one-bedroom (27 Total Units)

Amenities: Laundry Facility, Resident Service Building, Common Area, Covered Parking and ADA Accessibility

13. **Sagecrest Senior** (includes vacant property to the North and West)

73-811 Santa Rosa Way

14 Studios (14 Total Units)

Amenities: Laundry Facility, Recycling Containers in each Unit, Assigned Covered Carport Parking, Community Courtyard, and Elevator

14. **Carlos Ortega Villas**

77-915 Avenue of the States

72 one-bedroom, 1 two bedroom (73 Total Units)

Amenities: Community Clubhouse, Computer Room with Internet Access, Pool with ADA Access, Laundry Facility, Recycling Containers in each Unit, and Covered Parking.

15. **Santa Rosa**
73-625 Santa Rosa Way
20 two-bedroom (20 Total Units)
Amenities: Laundry Facility and Covered Parking

Sample

EXHIBIT B

[intentionally omitted]

Sample

EXHIBIT C

MANAGEMENT OFFICES

Location of Management Offices

One Quail Place
(located in management office)

Las Serenas
(located in management office)

Catalina Gardens
(located in management office)

Desert Pointe
(located in management office)

California Villas
(located in management office)

Laguna Palms
(located in management office)

Locations Managed

One Quail Place

Las Serenas and La Rocca Villas

Catalina Gardens, The Pueblos,
Candlewood Apartments, and Sagecrest
Senior

Desert Pointe, Taos Palms and
Neighbors Apartments

California Villas

Laguna Palms and Palm Village
Apartments

EXHIBIT D

DEPOSIT ACCOUNTS

The following security deposit accounts shall be maintained by the Manager for the benefit of the Authority:

The following operating deposit accounts shall be maintained by the Manager for the benefit of the Authority:

Sample

EXHIBIT F

PROPERTY STAFFING & SALARY RANGES

To be provided annually with the property budgets.

Sample

EXHIBIT G

PERFORMANCE CRITERIA

1. **PROPERTY PORTFOLIO NET OPERATING INCOME COMPARISON**
 - a. Current Budget Year: July - June
 - b. Budgeted vs. Actual = Variance
 - c. Vacancy Rate Analysis

2. **RESPONSE TO RESIDENT COMPLAINTS**
 - a. Response to service requests/turn around time
 - b. Response to resident complaints and concerns - monthly meetings
 - c. Response to resident complaints and concerns at site office

3. **COMPLIANCE WITH AGREEMENT**
 - a. Define any notable gross disparities from the Agreement on the following:
 - i. Report preparation and submittal promptness
 - ii. Responsiveness to Authority requests
 - iii. Method of accounting

4. **CAPITAL IMPROVEMENTS SCHEDULE**
 - a. Deferred Capital Improvement Schedule
 - b. Capital Improvement Program
 - c. Maintenance and general appearance of properties

5. **OPERATIONS**
 - a. Operational procedures to be audited:
 - i. Compliance with Stipulation
 - ii. Compliance with all laws including those related to property management, Fair Housing, and housing authorities
 - iii. Recertification
 - iv. Internal controls
 - v. Contract controls

6. **ACCOUNTING AUDIT**

- a. Review of Annual Audit Findings
- b. Quarterly Audits

7. **AFFORDABLE HOUSING PROGRAM**

- a. Housing Authority goals
- b. Management Company goals
- c. Program implementation
- d. Compliance with local, state, and Federal regulations
- e. Tenant Household Income Analysis

8. **RESIDENT RELATIONS**

- a. Review summary responses of any resident surveys
- b. Establishment of Tenant Exit Survey

9. **GENERAL**

- a. General overview of previous operational year

Sample

EXHIBIT H

LIST OF FINANCIAL REPORTS REQUIRED

Monthly Reports

1. Payroll register and invoices (may be submitted after every payroll or monthly).
2. Management Fee Report that includes Vacancies/Current Rental Activity submitted with invoice.
3. Disbursement/Expense Journals for each check run.
4. General Ledgers for all Properties.
5. Check Registers for all Properties.
6. Monthly Bank Reconciliations with Outstanding Check Registers.
7. Balance Sheets and/or Trial Balances for all Properties.
8. Rent Rolls for all Properties.
9. Delinquent A/R for all Properties.
10. Prepaid Listing for all Properties.
11. Income Statements with Monthly Budget Variance as well as Annual Variance.
12. Monthly Adjusting Journals.
13. Cash Receipts Journals.

Quarterly Reports

1. Security Deposit List for all Properties (If not included in the monthly rent roll)
2. Status Report on Items over 90 days (Requests to the Board for write offs, etc.)

**Annual Reports Required
At Fiscal Year End:**

1. Schedule of Accounts Payable
2. Schedule of Accounts Receivable
3. Inventory of all Agency and Authority personal property and readily removable fixtures attached to the Properties.
4. Preliminary sets of Monthly closing reports, when requested.
5. Once audited, Final Set of all June Closing Reports
6. Schedule of Security Deposits Matching the Cash Held
7. The Report described in Section 21

At Calendar Year End:

1. Copies of the transmittals for Federal Reporting Requirements for W-2's and 1099's

Analytical Reports:

1. Upon request of the Authority, reports analyzing various information required in the above Financial Reports (May include summaries of all properties and/or multi-year information).

EXHIBIT I

Leasing Reports:

1. Monthly Occupancy and Average Rent Statement
2. Monthly Net Operating Income Statement
3. Replacement Lists maintained continuously due at least once annually on June 30.
4. Resident Demographics Report
5. Service Request and Serious Complaints
6. Other reports as requested or as necessary to perform the requirements of the Agreement.

Sample

EXHIBIT J

On-going services requiring written cost estimates include any required in Section 21 of the Management Agreement as well as:

1. Landscape Contracts
 - a. Monthly Services
 - b. Annual Services including tree trimming, overseeding, and perennial flowers
2. Pest Control
3. Pool Services
4. Replacement Carpet and Vinyl
5. Laundry Services
7. Air Conditioning/Heating Unit Servicing, Cleaning, and Replacement Services
8. Carpet Cleaning
9. Flooring and Housekeeping Cleaning Services
10. Environmental Testing and Cleaning Services
11. Moving Company Services
12. Golf Cart Repair and Maintenance Services
13. Courtesy Patrol Services
14. Towing Services
15. Solar Maintenance Services
16. Elevator Maintenance Services

EXHIBIT K

NON-EXCLUSIVE LIST OF REQUIRED AND PERMISSIVE BACKGROUND CHECK INFORMATION BY TYPE OF FUNDING

Source of Information	Information	Federal Funds Involved		Federal Funds Not Involved	
		Investigation	Disclosure & Consent	Investigation	Disclosure & Consent
Law Enforcement Agencies	Illegal Drug Use	Required	Housing Authority must require & applicant must consent	May obtain	Must notify applicant, if basis for denial
	Drug use that Interferes with Health & Safety of Others	Required	Housing Authority must require & applicant must consent	May obtain	Must notify applicant, if basis for denial
	Sex Offenses	Required	Housing Authority must require & applicant must consent	May obtain	Must notify applicant, if basis for denial
	"Serious" crimes <ul style="list-style-type: none"> • Murder, mayhem, rape, burglary • Hate crimes • Offenses such as firearms, explosives • Felonies involving drugs, alcohol • Domestic Violence 	Required	Housing Authority must require & applicant must consent	May obtain	Must notify applicant, if basis for denial
	Juvenile Records	Prohibited	N/A	Prohibited	N/A
	Arrests Not Resulting in Conviction	Prohibited	N/A	Prohibited	N/A
	State / Federal Government	Social Security Numbers	Required	Housing Authority must require & applicant must consent	May obtain

	Citizenship / Residency	Required	Housing Authority must require & applicant must consent	Prohibited	N/A. But if Housing Authority has unsolicited evidence that applicant is undocumented, it must reject the application.
	Income / Family composition & tax info, to verify eligibility	Required	Housing Authority must require & applicant must consent	Required	Housing Authority must require & applicant must consent.
Credit Agencies	Investigative Consumer Report <ul style="list-style-type: none"> • Credit History • Character • Reputation • Personal Characteristics • Mode of Living 	May Obtain	Housing Authority must notify applicant	May Obtain	Housing Authority must notify applicant
	<ul style="list-style-type: none"> • Convictions • Civil Actions • Tax Liens • Outstanding Judgements 	May Obtain but only if credit agency has verified information with 30 days of disclosure	Housing Authority must notify applicant	May Obtain but only if credit agency has verified information with 30 days of disclosure	Housing Authority must notify applicant
	<ul style="list-style-type: none"> • Bankruptcies more than 10 years prior • Civil judgement more than 7 years old 	Prohibited	N/A	Prohibited	N/A
Public Records Obtained from Other Sources; Interviews with Neighbors, Friends & Associates	Relevant background information <ul style="list-style-type: none"> • Creditworthiness • Credit Standing • Credit Capacity • Civil Actions • Convictions • Tax Liens • Outstanding Judgements 	May Obtain	Must notify applicant, if basis for denial. Consent recommended.	May Obtain	Must notify applicant, if basis for denial. Consent recommended.

	<ul style="list-style-type: none"> • Character • General Reputation • Personal Characteristics • Mode of Living 				
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In addition to credit reporting agencies, background check information may be obtained from Westlaw, Lexis, DataQuick, Merlin, Choice Point, and similar reputable resources.

SAMPLE CONSENT BY APPLICANT

"I understand that the Housing Authority or its agent will perform a background check as a part of determining eligibility, including but not limited to obtaining information concerning my employment, credit history, benefits, income, assets, and criminal history, and by my signature below, I hereby authorize the Housing Authority or its agent to do so." "I certify that the statements on this application are true and complete to the best of my knowledge and belief and I understand that they will be verified. I understand that any false statements made on this application or failure to make any required disclosures may cause me to be disqualified from initial or continuing eligibility for housing assistance and may result in eviction. I further understand that I am under a continuing obligation to inform the Housing Authority or its agent of any changes to any of the information provided in this Application, and that failure to promptly inform the Housing Authority or its Agent of any changes may cause me to be disqualified from initial or continuing eligibility for housing assistance and may result in eviction."

Sample