



Yolo County Housing

Lisa A. Baker, Executive Director

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BOARD OF COMMISSIONERS

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DATE: March 10, 2011
TO: YCH Board of Commissioners
FROM: Lisa A. Baker, Executive Director
SUBJECT: **Review and Ratify Property Maintenance Services Agreement between Yolo County Housing and the City of Davis for Pacifico, located at 1752 Drew Circle, Davis, CA**

RECOMMENDED ACTION:

That the Board of Commissioners review and ratify the execution of the Property Maintenance Services Agreement between Yolo County Housing and the City of Davis for Pacifico, located at 1752 Drew Circle in Davis, CA, signed by the Executive Director, Lisa A. Baker.

BACKGROUND / DISCUSSION:

On March 11, 2010, the Board of Commissioners appointed the Executive Director as chief negotiator for the potential purchase of Pacifico apartments, located at 1752 Drew Circle, Davis, CA. Since that time, the Davis City Council approved in concept the YCH re-use proposal and authorized City staff to negotiate an Exclusive Negotiating Agreement (ENA) with Yolo County Housing. The City Council also authorized the California Center for Cooperative Development (CCCD) to manage the premises on behalf of the City for a six month period ending June 30, 2011. As previously reported to the Board, in order to provide continuity of service, allow the YCH to begin planning for eventual ownership and rehabilitation, YCH negotiated with the City and CCCD to allow YCH to provide maintenance services to the development, while CCCD provides the ongoing management component.

The attached Property Maintenance Services Agreement provides the mechanism to implement regular maintenance services at Pacifico. The Agreement provides for \$1,000 per month, with actual costs being charged to the project. The amount does not include costs of outside testing/remediation of hazards or costs of maintenance supplies. In addition, staff are currently providing unit turnover services to the development, at a separate cost and are coordinating habitability improvements.

FISCAL IMPACT

None to YCH. Fee for Service to cover actual costs.

CONCLUSION

Staff requests that the Board ratify the Property Maintenance Services Agreement.

Attachment: Pacifico Management Memorandum of Understanding

PACIFICO MANAGEMENT MEMORANDUM OF UNDERSTANDING

A priority shared by City staff, the California Center for Cooperative Development (CCCD) and Yolo County Housing (YCH) is the occupancy, resident education, marketing, maintenance and appropriate management of Pacifico. If the City does take ownership of Pacifico at its foreclosure sale, the City would like to have a plan in place for the project's management prior to receiving ownership. The period after foreclosure is a time of high vulnerability and risk for lost occupancy, rent delinquency and property damage and it is in everyone's best interest to have a plan in place for this period.

Project Coordination

It is imperative that the three parties included in this management summary (City, CCCD and YCH) work together during the period of transition from January 2011 through June 2011. Coordination amongst the parties will (1) provide additional support and education to the tenants of Pacifico, (2) assist in stabilizing and strengthening cooperative components of the housing model, and (3) ensure maintenance of project physical integrity and habitability. With the use of CCCD staff and YCH staff in their roles outlined below, there is a need for regular communication between the organizations, and the City.

Below is a summary of each organization's role and an estimated corresponding budget.

Role of the City of Davis (City)

The role of the City will be accomplished through existing affordable housing staff.

Compensation: No additional compensation

- Ensures ongoing project coordination with the other two parties for the success of the project.
- Stays involved on a peripheral level to ensure that City Council goals (occupancy, rehabilitation, existing cooperative principles), housing laws and habitability are focused on and the City is not put at risk.
- Participates in design discussions and the public outreach process associated with the rehabilitation of the project.
- Oversees the contracts of the other two parties and each one's fulfillment of its role.
- Attends meetings with CCCD and/or YCH, as requested.
- Reviews any changes to project documents (lease, house rules, etc.), as owner of the project.
- Reviews and approves project budget and any requested adjustments/amendments exceeding \$10,000 in total.
- Participates in design review/charette meetings, as appropriate.

Role of the California Center for Cooperative Development (CCCD)

The role of CCCD will be accomplished through an on-site manager/resident coordinator who will be on-site at Pacifico for regular office hours and other meetings. CCCD will participate in the management of Pacifico, as detailed below, through June 2011.

Compensation: It is estimated to cost from \$3,500 per month, to be refined in budgeting process.

- Property management to shore up existing systems.
- Education to Resident Council and tenants, providing support with existing structures (no major changes during this transition period).
- Keep residents informed of the status of the project and rehabilitation work, using information provided by the City and YCH.
- Coordinate Resident Meal Program
- Coordinate Community Garden
- Lease enforcement- any new leases provided on a month-to month basis, leaving existing rules and other lease terms in place
- House Rules- enforcement of existing rules
- Agreements with residents and coordinators- month-to-month

- Maintain existing systems through the duration of the agreement without implementing major changes or long-term planning/commitments and make recommendations to the City for improvements.
- Assist residents in creating a Design Review Committee to attend design charette meetings with YCH and City.
- Indemnify the City and YCH from the Property and its liabilities, claims, etc. and provide the necessary levels of insurance for CCCD employees.
- Manage lock-outs
- Manage unit turnover
- Ensure compliance with Fair Housing Laws and affordability requirements.
- Create and maintain an operating project budget through June 2011 that is acceptable to the City.
- Collect and deposit rents, maintaining a general ledger. Collect security deposits and manage security deposits.
- Implementation of Marketing and Outreach strategy
- Pay any regular project expenses within budget (insurance, property taxes, etc.)
- Provide data collected and turnover systems to YCH

Role of Yolo County Housing (YCH)

The role of YCH will be accomplished through its maintenance staff and other existing staff at its main office. YCH will participate in the management of Pacifico, as detailed below, through June 2011 and will negotiate with the City on the rehabilitation and management of this project after this transitional period.

Compensation: It is estimated to cost up to \$1,000 per month, with actual monthly costs being charged to the project and with total monthly cost not to exceed this amount, unless otherwise approved by the City. (This amount excludes costs of outside testing/remediation of hazards and costs of maintenance supplies.) This will be further refined in budgeting process.

- Handle all physical maintenance of project, including emergency repairs for community garden
- Evaluate and consider the assistance of on-site maintenance coordinator.
- Coordinate use of licensed contractors, collection of bids/estimates as needed, getting necessary permits, noticing tenants, etc. as requested and necessary
- Use of a work order process and an emergency maintenance response system.
- Conduct initial walkthrough and testing for habitability and safety standards (mold, water pressure, operational systems, etc.)
- Conduct periodic walkthrough and evaluation of systems within the project, including fire prevention systems and annual system inspections.
- Conduct long-term planning for the project and its rehab- lease changes, house rules, transition plan, etc., including consideration of CCCD data collection and recommendations
- Develop marketing and outreach strategy
- Evaluate new tenant rental applications (post June 2011)
- Ensure compliance with Fair Housing Law and affordability requirements, at property turnover and with certification of new and existing residents post June 2011.
- Participate in Negotiations with the City for final project scope, design, etc.
- Participate in design charette meetings with residents
- Indemnify the City from the Property and its liabilities, claims, etc. and provide the necessary levels of insurance for YCH employees.

Implementation

These roles will be carried out through the creation of two separate contracts:


1. One between the City of Davis and the California Center for Cooperative Development (CCCD), and
2. One between the City of Davis and Yolo County Housing (YCH).

It should be noted that the costs not included in either of the compensation estimates above include:

- The assessment work and predevelopment planning by YCH for future rehabilitation of Pacifico
- Landscaping of the project is not provided in either of the roles detailed above or in associated contracts.

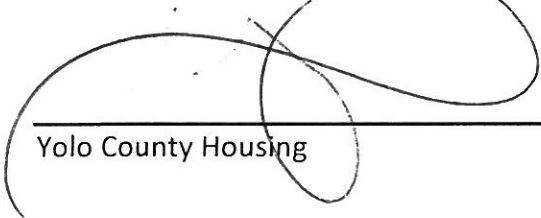
Signature Page

The parties of this memorandum of understanding agree to their roles, as outline in the document above, and commit to working together in cooperation for the good of the Pacifico affordable housing project and its residents.



City of Davis 1/25/11
Date

California Center for Cooperative Development Date



Yolo County Housing January 25, 2011
Date