

LIVERMORE AFFORDABLE HOUSING
3203 LEAHY WAY
LIVERMORE, CALIFORNIA 94550
www.livermoreha.org

(925) 447-3600
Fax (925) 447-0942
TDD/TTY (800) 545-1833 x917

**REGULAR
BOARD OF DIRECTORS
MEETING AGENDA**
Wednesday, October 12, 2022 – 7:00 PM

Location:
3203 Leahy Way, Livermore CA, 94550

1. CALL TO ORDER / ROLL CALL

- i. Evans, Marvin
- ii. Hamm, Maureen
- iii. Palajac, Mark
- iv. Stuart, Christine
- v. King, Jenny
- vi. LiMarzi, Monica
- vii. Ramler, Sarah

2. APPROVAL OF THE MINUTES OF THE REGULAR BOARD MEETING OF SEPTEMBER 14, 2022

3. PUBLIC COMMENT

Members of the public may speak to the Board of Commissioners on items within the purview or jurisdiction of the Housing Authority of City of Livermore. Comments are limited to a maximum of 3 minutes per person.

4. NEW BUSINESS

- A. Resolution 2022-10-12-A Resolution Accepting LAH Board of Directors Bylaws Edits
- B. Resolution 2022-10-12-B Resolution Accepting the Property Management Agreement Between Livermore Housing Authority and Livermore Affordable Housing

5. COMMUNICATIONS

6. REPORTS/ITEMS FROM DIRECTORS

- A. Acknowledgement of the resignation of Monica LiMarzi from the Board of Directors

7. COMMITTEE REPORTS

- A. Ad-hoc committee update

8. ADJOURNMENT

*Under Government Code §54957.5, any **supplemental material** distributed to the Board members of the Livermore Housing Authority after the posting of this agenda will be available for public review in the office lobby, Housing Authority of the City of Livermore, 3203 Leahy Way, Livermore, CA. If supplemental materials are made available to the Board members at the meeting, a copy will be available for public review at the same location.*

Pursuant to Title II of the Americans with Disabilities Act (Codified at 42 United States Code Section 12101 and 28 Code of Federal Regulations Part 35), the Livermore Housing Authority does not discriminate on the basis of race, color, religion, national origin, ancestry, sex, disability, age, or sexual orientation in the provision of any services, programs, or activities. To arrange an accommodation in order to participate in this public meeting, please call (925) 447-3600 or (800) 545-1833 ext. 917 TDD/TTY at least 72 hours in advance of the meeting.

Procedure for Public Comment

Public Comment is an opportunity for the public to speak regarding items not listed on the agenda. Speakers are limited to a maximum of three minutes per person. The Chair may reduce the amount of time based on the number of persons wishing to speak. Please be aware that the Board of Commissioners is prohibited by State law from taking action on any items that are not listed on the agenda. However, if your item requires action, the Board of Commissioners may place it on a future agenda or direct staff to work with you and/or report to the Board of Commissioners on the issue.

Speaker Cards - If you wish to address the Board of Commissioners, you must complete a speaker card for each item about which you want to speak. Speakers are limited to a maximum of three minutes per person. The speaker card box is located in the West Wing entrance. Place your speaker card in this box before the item is to be considered. Staff will collect the cards and give the speaker cards to the Chair. The Chair will call speakers. No cards will be accepted once the presentation on that item has commenced.

BOARD OF DIRECTORS MEETING MINUTES
Wednesday, September 14, 2022 – 6:30 p.m.

1. CALL TO ORDER/ROLL CALL

The meeting was called to order at 6:06pm. In attendance included Directors, Mark Palajac, Maureen Hamm, Christine Stuart, Jenny King, D’Jon Scott- Miller as well as Sarah Ramler. Matt Graves had an excused absence.

2. PUBLIC COMMENT

None.

3. NEW BUSINESS

A. Resolution No. 2022-09-14-A – Acceptance of resignations for D’Jon Scott-Miller, Matt Graves, and Diana Thomas

Clarification of the Board of Directors composition and members per the LAH bylaws was provided by Sarah Ramler. Due to the departure of D’Jon, Matt, and Diana they will no longer be eligible to be LAH Board members. Clarification of the vacancies provided and the need to fill vacancies. Motion to approve the resolution by Maureen Hamm and seconded by Mark Palajac. Motion passes with roll call vote of 6 ayes. Matt Graves was absent during vote.

<u>VOTING</u>	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>
Mark Palajac	X		
Maureen Hamm	X		
Christine Stuart	X		
Jenny King	X		
D’Jon Scott-Miller	X		
Diana Thomas	X		

B. Resolution No. 2022-09-14-B – Appointment of Sarah Ramler as LAH President

Mark Palajac explained the section of the bylaws requiring the LHA Executive Director to be named the LAH President. Motion to approved the resolution by Maureen Hamm and seconded by Christine Stuart the motion passed with 4 ayes.

<u>VOTING</u>	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>
Mark Palajac	X		
Maureen Hamm	X		
Christine Stuart	X		
Jenny King	X		

C. Resolution No. 2022-09-14-C - Acceptance of the Livermore Housing Authority Board of Commissioners resolution to authorize the sale of Leahy Square to Livermore Affordable Housing

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Report by Sarah Ramler explaining the Executive Committee from the LHA Board of Commissioners met on August 24, 2022 and approved the resolution to approve the sale of Leahy Square to Livermore Affordable Housing. This resolution is recognizing this resolution. A motion by Mark Palajac and seconded by Christine Stuart, the motion passed with 5 ayes.

<u>VOTING</u>	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>
Mark Palajac	X		
Maureen Hamm	X		
Christine Stuart	X		
Jenny King	X		
Sarah Ramler	X		

D. Resolution No. 2022-09-14-D - Acceptance of the Livermore Housing Authority Board of Commissioners Resolution to Approve the Affordability Covenant and Use Restrictions

Report by Sarah Ramler explaining the Executive Committee from the LHA Board of Commissioners met on August 24, 2022 and approved the affordability and use restrictions in the affordability covenant. This resolution is recognizing this resolution. A motion by Mark Palajac and seconded by Christine Stuart, the motion passed with 5 ayes.

<u>VOTING</u>	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>
Mark Palajac	X		
Maureen Hamm	X		
Christine Stuart	X		
Jenny King	X		
Sarah Ramler	X		

4. REPORTS/ITEMS FROM BOARD MEMBERS

Motion from Mark Palajac to appoint Marvin Evans to the LAH Board of Directors as a current LHA Commissioner and the motion was seconded by Christine Stuart, the motion passes with 5 ayes.

<u>VOTING</u>	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>
Mark Palajac	X		
Maureen Hamm	X		
Christine Stuart	X		
Jenny King	X		
Sarah Ramler	X		

Motion from Sarah Ramler to appoint Monica LiMarzi to the LAH Board of Directors as a current LHA employee filling the seat of Diana Thomas and the motion was seconded by Mark Palajac, the motion passes with 6 ayes.

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<u>VOTING</u>	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>
Mark Palajac	X		
Maureen Hamm	X		
Christine Stuart	X		
Jenny King	X		
Sarah Ramler	X		
Marvin Evans	X		

Mark Palajac suggested a bylaws and property management agreement committee that would be the same people and moved they be Mark Palajac, Sarah Ramler, and Marvin Evans. All in favor and Sarah Ramler will schedule the meeting.

5. ADJOURNMENT

The board meeting adjourned at 6:19pm

DRAFT

**LIVERMORE AFFORDABLE HOUSING
ALAMEDA COUNTY, CALIFORNIA**

RESOLUTION NO. 2022-10-12-A

**APPROVAL OF AMENDMENTS TO THE LIVERMORE AFFORDABLE HOUSING BOARD OF
DIRECTORS' BYLAWS**

WHEREAS, The Livermore Affordable Housing Board of Directors regular meeting was held on September 14, 2022 and an ad-hoc committee was formed to review the bylaws; and

WHEREAS, the ad-hoc committee convened on September 25, 2022 and reviewed and amended the existing bylaws; and

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of the Livermore Affordable Housing non-profit hereby approves the amendments of the Livermore Affordable Housing bylaws.

ATTACHMENTS: Edited bylaws

DATED: October 12, 2022

ATTEST:

LIVERMORE AFFORDABLE HOUSING

SARAH RAMLER
PRESIDENT

MARK PALAJAC
BOARD OF DIRECTORS

**BY-LAWS OF THE
LIVERMORE AFFORDABLE HOUSING
CORPORATION**

ARTICLE I – THE CORPORATION

Section 1. Name of the Corporation –

The name of the Corporation shall be the "Livermore Affordable Housing Corporation of the City of Livermore."

Section 2. Seal of the Corporation –

The seal of the Corporation shall be in the form of a circle and shall bear the name of the Corporation and the year of its organization.

Section 3. Office of Corporation –

The office location of the Corporation shall be 3203 Leahy Way, in the City of Livermore, County of Alameda, State of California, Zip Code 94550. The Corporation may also have offices at such other places as designated by the Board of Directors.

These By-Laws shall be known as the Rules and Procedures of the Livermore Affordable Housing Corporation of the City of Livermore. A copy of these Rules and Procedures shall be filed in the office of the Housing Authority of the City of Livermore ("Authority") for examination by the public.

The procedures of the Board of Directors shall be governed by these rules, including any amendments hereafter adopted; provisions of the latest edition of Robert's Rule of Order (newest revision) shall govern any procedural situation not covered by these rules, either expressly or by necessary implications.

Section 4. Members –

The Corporation shall have no members nor shall it have any employees.

**ARTICLE II – BOARD OF DIRECTORS OF THE
CORPORATION**

Section 1. Powers –

The Board of Directors shall govern and control the Corporation, subject to the provisions and limitations of the California Public Benefit Corporation Law and any other applicable laws. The Corporation shall have all the powers granted pursuant to the law including the California Housing Authorities Laws Act, Health and Safety Code Sections 34200 et seq. and Section 8 of the United States Housing Act of 1937. The Corporation shall notice and conduct its meetings in accordance with the requirements of the Ralph M. Brown Act, California Government Code Section 54950-et seq.

Section 2. Composition of the Board of Directors –

The Board of Directors shall be comprised of five to seven persons, four of which are Commissioners of the Livermore Housing Authority and at least one employee of the Livermore Housing Authority who shall be the Executive Director and shall have the title of President of the Corporation. Any other employees of the Authority will be nominated by the President and must be affirmed by a majority vote of the Livermore Affordable Housing Board of Directors and shall hold the offices of Secretary and/or Chief Financial Officer/Treasurer. These positions are considered the Officers of the Corporation.

Section 3. Interested Persons –

No more than 44% of the Board may be comprised of interested persons. An interested person is defined as (a) any person compensated by the Corporation for services rendered to it within the previous twelve (12) months, whether a full or part time employee, independent contractor or otherwise; and (b) any relative by blood or marriage of such person. Any violation of this provision shall not affect the validity or enforceability of any transaction entered into by the Corporation.

Section 4. Appointment of the Board of Directors –

The initial Directors shall be appointed by the incorporator and all subsequent appointments shall be appointed by the Board of Directors of the Corporation In accordance with Section 2.

Section 5. Terms –

The terms served by Officers shall continue for the duration of their employment with the Livermore Housing Authority. Terms of the remaining Directors who are not Officers shall be three-year terms except that half of the initial Directors' terms will terminate after two years. Should a Board member no longer continue as a Commissioner of the Livermore Housing Authority, their term as Director of the Corporation shall expire concurrent with their term as Commissioner. Upon termination or expiration of any term as Director, the Board of Directors shall appoint such Directors so that there will always be a minimum of five Directors. There is no limit to the number of consecutive terms. If a Director does not complete the term assigned, the replacement Director shall serve the unexpired portion of the term.

Section 6. Attendance, Removal & Resignations –

If a Director is unable to attend three or more consecutive meetings of any kind, the Board may declare the seat vacant and appoint a replacement Director. The Board may remove a Director with or without cause. Directors may resign at any time by giving written notice to the Board or President of the Corporation. Resignation shall be effective upon acknowledgement of the notice by the President, Board, or a future specified date. The exception to this is that, should all other Directors have previously resigned, the remaining Director may not resign if the Corporation would be left without a duly elected Director unless granted permission by the Attorney of California.

Section 7. Compensation –

The Directors serve without compensation but may be reimbursed for their actual and reasonable expenses when incurred on behalf of and at the behest of the Corporation.

Section 8. Standard of Care –

Directors shall act in good faith and in a manner the Director believes to be in the best interest of the Corporation, including reasonable inquiry, as a normal prudent person would make in like situations and similar circumstances, whenever acting as a member of the Board or committee member. Directors shall be entitled to rely on information, opinions, reports or statements, including financial statements and other data in each case prepared or presented by – (a) Officers or employees of the Livermore Housing Authority that the Director believes to be reliable and competent in the matters presented; (b) Counsel, independent accountants, or other persons regarding matters which the Director believes to be within such person’s professional competence; or (c) A committee of the Board upon which the Director does not serve, regarding matters within its designated responsibility, as long as the Director acts in good faith and there is no reason to believe reliance on the committee is unwarranted.

Section 9. Self-Dealing –

Except in the case of a self-dealing Director, as described below in these bylaws, a person performing the duties of Director in accordance with standard of care, described above, shall have no liability based on a failure or alleged failure to discharge the obligations as Director.

Section 10. Self-Dealing Transactions –

The Board shall not approve a self-dealing transaction. A self-dealing transaction is one in which the Corporation is a party and in which one or more of the Directors has a material financial interest or a transaction between the Corporation and any entity in which one or more of its Directors has a material financial interest. The Board may approve a self-dealing transaction if a majority of the Board, not including the self-interested Directors, determine that the transaction is fair and reasonable to the Corporation and, after reasonable investigation under the circumstances, determines that it could not have secured a more advantageous arrangement with reasonable effort under the circumstances.

Section 11. Indemnification/ Insurance –

The Corporation shall indemnify and hold Directors of the Board harmless to the fullest extent permitted by law against any lawsuit or threat of lawsuit arising out of or resulting from acts of said Director which are performed within the scope of his or her duties as a Director, including reasonable attorneys' fees (from reasonable competent counsel selected by the Authority), and judgments incurred in connection with such litigation and to the fullest extent permitted by law against all expenses, judgments, fines and other amounts actually and reasonably incurred by them in connection with any threatened, pending or completed action or proceeding, whether civil, criminal, administrative, or investigative.

A Director shall repay any amount(s) paid by the Corporation pursuant to the preceding paragraph if it is later determined that the act or acts of the Director (giving rise to the suit or threat of suit) were performed outside (rather than under) the scope of the Director's duties as a Director.

Section 12. Insurance of Board Members –

The Corporation shall procure and maintain through the action of its Board of Directors, Errors and Omissions insurance coverage naming the Corporation and the individual Director, as joint and several beneficiaries of said Errors and Omissions insurance policy. Any deductible shall be payable by the Corporation.

Section 13. Fiduciary Obligation –

The Directors of the Corporation, and therefore including its Officers, shall have a fiduciary obligation to take actions in the best interest of the Corporation. Directors shall abstain from voting on or influencing any business where the Director has a conflict or is not able or willing to take actions in the best interest of the Corporation. Officers shall notify the Corporation if or when there is an item of corporate business where the Officer has a conflict with his/her duties or responsibilities as an Officer of the Corporation in which the Corporation will appropriately document.

ARTICLE III – OFFICERS

Section 1. Officers –

The Officers of the Corporation shall be the President, Secretary, and the Chief Financial Officer (Treasurer). These Officers of the Corporation may also Directors of the Corporation.

President – The President shall be responsible for conducting the affairs of the Corporation in a manner consistent with the policies and directives of the Board. The President shall preside at all meetings of the Board and shall exercise and perform such other powers and duties as may from time to time be assigned to the President by the Board.

Except as otherwise authorized by the Board of the Corporation, at each meeting, the President shall be responsible for the conduct of the meetings and expediting the business of the Corporation consistent with the majority opinion of the Board. The President shall sign

all contracts, deeds and other instruments made by the Corporation. At each meeting, the President shall submit any recommendations and information as the President may consider proper concerning the business affairs and policies of the Corporation.

Presiding Officer – In the absence of the President at a regular or special Board meeting, the members present shall select a Presiding Officer to act in that capacity for the meeting.

Secretary – The Secretary of the Board of Directors shall prepare and distribute Board meeting materials. The Secretary will maintain concise and accurate records related to activities of the Board including Board meeting minutes and Board member terms and shall ensure that all critical documents are safely organized and stored. In the absence of a Secretary, the President shall ensure all Secretary duties are completed.

Chief Financial Officer/Treasurer - The Chief Financial Officer/Treasurer shall prepare, generate, and present financial reports at Board meetings, including the annual budget. The Chief Financial Officer/Treasurer will oversee the cash flow management, coordinate audit activities, and ensure that generally accepted accounting procedures and financial practices are adhered

Section 2. Additional Duties –

The Officers of the Corporation shall perform such other duties and functions as may from time to time be required by the Corporation or by the by-laws or rules and regulations of the Corporation.

ARTICLE IV – COMMITTEES

Section 1. Committees –

The Board may establish committees to assist the Board in performing its duties. Committees will be established by a vote of the Board and the members approved by vote of the Board. The President shall appoint committee chairs. Committees may make recommendations to the Board, but no action may be taken at committee meetings except as specifically delegated by the Board. Committee memberships are limited to less than 50% of the Board membership.

Section 2. Committee Meetings –

It is expected that most committees will be considered ad-hoc committees. Ad-hoc committees do not need to provide advance notice to the public for meetings. Standard committees that meet regularly must provide notice of the meeting seventy-two hours prior to meeting time. Oral or written notice to committee members shall be made at least seventy-two hours in advance of the meeting.

ARTICLE V - MEETINGS

Section 1. Meetings –

Regular meetings shall be held at least twice a year, at a time and place to be determined by the Directors. Meetings and communication are subject to the Brown Act.

Section 2. Special Meetings –

Special meetings of the Board of Directors may be called for any purpose and at any time by the President or any two Directors.

Section 3. Meeting Notice –

Notice of regular or special meetings shall be given to the Directors not less than four days prior to the meeting if delivered by first class mail, or not less than seventy-two (72) hours prior to the meeting if the notice is delivered personally, by telephone or by email. The notice must state the date and time of the meeting, location of the meeting and convey the purpose and proposed agenda items.

Section 4. Quorum –

A majority of the duly elected Directors constitutes a quorum of the Board of Directors and is necessary to transact business. Every action taken by the Board will be based on a majority vote of the members who constitute the quorum. Such actions are subject to the provisions of the California Nonprofit Public Benefits Corporation Law, including – (a) approval of contracts or transactions in which a Director has a direct or indirect material financial interest; (b) approval of certain transactions between corporations having common directorships; (c) creation of and appointments to committees of the Board; and (d) indemnification of Directors.

Section 5. Adjournment –

Any meeting may be adjourned to another time and place by a majority of the Directors then present. If the meeting is adjourned for more than twenty-four hours, notice of any adjournment to another time and place shall be given to the Directors who were not present at the time of the adjournment.

Section 6. Electronic Meetings –

If conditions do not permit meeting in person, any meeting conducted using electronics must allow all persons involved in the meeting, at a minimum those comprising the quorum, must be able to hear one another.

Section 7. Closed Sessions –

Business may be conducted in closed session for or in anticipation of contractual negotiations pending litigation suits, or other matters as permitted and in accordance with the Brown Act.

Section 8. Alternate presiding Director –

In the event a quorum of the Board is present for the meeting, but the President is absent, the Directors present shall select from among themselves, a Director to preside for that meeting.

Section 9. Manner of Voting –

The voting on any resolution or business coming before the Corporation shall be by hand or voice vote as expressed by “Ayes”, “Nay” or “Abstain”. A roll call vote may be requested by any Commissioner, the vote shall be recorded in the minutes of such meeting. Each Director shall have one vote to cast. Proxy votes are not permitted.

ARTICLE VI – PUBLIC PARTICIPATION AT MEETINGS

Section 1. Policy –

Members of the public shall be afforded the opportunity to speak on any agenda item providing presiding chair first recognizes them. Persons speaking to the Board on an agenda item shall confine their remarks to the subject under discussion. A speaker comment card may be required and given to the Board prior to the beginning of the meeting.

Section 2. Discussions Between Citizens & Corporation –

All remarks should be addressed to the Directors as a whole.

Section 3. Manner of Addressing Corporation –

Prior to speaking, a member of the public may be requested to state his or her name in a clear and audible tone of voice but cannot be required.

Section 4. Time Limit –

Individuals, designated spokespersons for recognized groups or organizations who wish to address the Directors shall have three minutes to address the Directors. However, they may request additional time and said additional time will only be granted with the permission of the President and subject to the consent of the Board.

ARTICLE VII – AMENDMENTS

Section 1. Amendments to By-Laws –

The Bylaws of the Corporation shall be amended only with approval of at least four (4) of the Directors of the Corporation at a regular or special meeting, but no such amendments shall be adopted unless seven days written notice thereof has been previously given to all the Directors of the Corporation.

ARTILCE VIII – CONFLICT WITH STATE STATUTES

Section 1. Conflicts –

Nothing within these By-Laws shall be inconsistent with State Statutes. To the extent there is a conflict, State Law shall prevail.

GENERAL PROVISIONS

Severability

If any provision or clause of these bylaws or the application thereof to any person or circumstance is held to be unconstitutional, or to be otherwise invalid, by any court of competent jurisdiction, such invalidity shall not affect other provisions, clauses, or applications thereof which can be implemented without the invalid provision, clause, or application and to this end the provision and clauses of these bylaw are declared to be severable.

Date of Adoption by the Board –
Resolution No –

LIVERMORE AFFORDABLE HOUSING
ALAMEDA COUNTY, CALIFORNIA

RESOLUTION NO. 2022-10-12-B

**RESOLUTION ACCEPTING THE PROPERTY MANAGEMENT AGREEMENT BETWEEN LIVERMORE
HOUSING AUTHORITY AND LIVERMORE AFFORDABLE HOUSING**

WHEREAS, the Livermore Housing Authority (LHA) of the City of Livermore was approved by HUD to convert Leahy Square out of the Low Income Public Housing program under Section 22 Streamlined Voluntary Conversion (Section 22) on February 14, 2022; and

WHEREAS, LHA will sell Leahy Square to the established nonprofit affiliate, Livermore Affordable Housing (LAH); and

WHEREAS, LAH intends to contract property management services for Leahy Square; and

WHEREAS, the LAH Board of Directors appointed an ad-hoc committee on September 14, 2022 to draft a Property Management Agreement between LAH and LHA; and

WHEREAS, the LHA Board of Commissioners appointed an ad-hoc committee on September 14, 2022 to review the draft of a Property Management Agreement between LAH and LHA; and

WHEREAS, the ad-hoc committees met on September 28, 2022 to jointly draft the property management agreement between LAH and LHA for the management of Leahy Square;

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of the Livermore Affordable Housing non-profit hereby authorizes the Property Management Agreement Between the Livermore Housing Authority and the Livermore Affordable Housing for the management of Leahy Square.

DATED: October 12, 2022

ATTEST:

LIVERMORE AFFORDABLE HOUSING

SARAH RAMLER
PRESIDENT

MARK PALAJAC
BOARD OF DIRECTORS

Property Management Agreement Between Livermore Housing Authority and Livermore Affordable Housing Corporation.

Background:

Livermore Housing Authority was established to support the affordable housing programs in the City of Livermore. Their history involves administering the Housing Choice Voucher Program, Public Housing, and affordable housing to qualifying families. The Department of Housing and Urban Development (HUD) has been promoting transforming public housing to voucher based programs and the Livermore Housing Authority has taken advantage of the Section 22 method for that transformation. In order to conclude that transaction it was necessary to establish a nonprofit entity that would take ownership of the Leahy Square Public Housing. That entity is known as the Livermore Affordable Housing Corporation. The purpose of this agreement is to codify the way in which Livermore Housing Authority and Livermore Affordable Housing Corporation will interact to provide the housing known as Leahy Square, for the benefit of the tenants who qualify to live there.

Ownership:

Leahy Square is owned by the Livermore Affordable Housing Corporation effective with its sale for one dollar to the corporation by the Livermore Housing Authority.

Overview of Support and Compensation:

Livermore Housing Authority will use its resources including employees, for the benefit of the Leahy Square facility. As owner of the facility, the Livermore Affordable Housing Corporation will receive revenue from HUD in the form of vouchers as well as rent from the tenants and may receive other revenue from state or other sources for providing living accommodations to qualifying tenants. The Livermore Affordable Housing Corporation will use these revenues to reimburse Livermore Housing Authority for their expenses and will further compensate the Authority by means of a management fee for providing the resources necessary to support Leahy Square.

Property Name: Leahy Square
Address: 3203 Leahy Way
City/State/Zip: Livermore, CA 94551

Appointment and Acceptance.

The Owner, Livermore Affordable Housing Corporation, hereby appoints Agent, Livermore Housing Authority, as exclusive Agent for the management of Property and Agent hereby accepts the appointment. Agent agrees to furnish the services of its organization to the highest level of performance.

1. **Definitions.**

- a. "Lease" or "Rental Agreement" means the Owner's approved Lease or Rental Agreement form (without modification or amendment unless approved in writing by Owner), a copy of which shall be executed by Agent on behalf of Owner, and by each household.
- b. "Regulatory Agreement" means any deed restriction, affordability restriction or other lending requirement or leasing restriction or requirement imposed.

2. **Agent's Compensation.** The agent will be compensated in two ways. First, agent will be reimbursed for the actual costs incurred in support of Leahy Square. Additionally, agent will receive a management fee for providing the services. In order for the management fee to be paid, the corporation will first have to have net proceeds above the costs to be reimbursed to the agent. On an annual basis, the first \$500,000 of revenue over and above the cost to be reimbursed to the Agent will fund the reserve for Leahy Square. This fund will continue to be increased on an annual basis until a total of \$7.5 million is achieved. Any surplus of revenue net of cost reimbursed to the agent will be considered management fee after accounting for the \$500,000 per year contribution to the reserve balance.

3. **Term.** This Agreement shall commence September 1, 2022 and continue until terminated by either party with a 30-day written notice. This Agreement shall automatically terminate upon the occurrence of any of the following:

- a. By the mutual agreement of Owner and Agent, in writing.
- b. By the Owner for cause in the event of material nonperformance and/or breach of agreement by Agent provided, however, that Agent shall be given written notice of non-performance or breach and that Agent shall be given a reasonable opportunity to remedy the stated cause or breach. A reasonable cure period shall be defined as thirty (30) days. In the event that Agent remedies the cause or breach during the cure period to the satisfaction of Owner, this Agreement shall not terminate.
- c. By the Agent with thirty (30) days advance written notice to the Owner.

4. **Transfer of Records and Accounts.** If this Agreement terminates prior to the expiration of the term hereof, Owner and Agent agrees to the following:

- a. All of the records in Agent's possession pertaining to the Property together with all supplies, equipment or other items and property owned by Owner and in Agent's possession shall be immediately delivered to Owner;
- b. Agent's right to compensation shall immediately cease, except that Agent shall be entitled to compensation for services rendered prior to the termination date;
- c. The agency relationship created under this Agreement shall immediately cease, and Agent shall have no right or authority to act for or on behalf of Owner and Agent will

immediately transfer to Owner all records and accounts related to the complexes it manages; and

d. If Agent occupies an office within the Property, Agent shall vacate the office occupied by it on the Property, remove only personal property owned by Agent and leave the office in good condition and repair.

5. **Employees:** The Owner has no employees. The employees of the Agent shall be used to perform work/tasks for the Property.
6. **Tenant Selection.** Agent will conduct income certifications and qualifications, where applicable, for all potential renters and will ensure that potential residents qualify for the rental units they are renting.
7. **Basic Information.** If possible, the Owner will provide the Agent with a complete set of plans and specifications accurately reflecting the Property as built and copies of guarantees and warranties pertinent to construction, fixtures, and equipment. With the aid of this information and inspection by competent personnel, the Agent shall thoroughly familiarize itself with the character, location, construction, layout, plan and operation of the Property and especially the electrical, heating, plumbing, air-conditioning and ventilating systems, and all other electrical and mechanical equipment and systems.
8. **Lease/Rental Agreements –**
Agent shall:
 - a. Execute Leases or Rental Agreements (on the standard form approved by Owner and at rents set forth on a schedule approved by Owner). Such Leases or Rental Agreements shall have terms according to the regulatory agreements for the Property.
 - b. Comply with the provisions of all Federal, State and Local laws prohibiting discrimination in housing on the basis of race, color, creed, ancestry, age, religion, national origin, sex, sexual orientation, marital status, pregnancy, children, disability, handicap, Acquired Immune Deficiency Syndrome (AIDS), AIDS-Related Conditions (ARC), receipt of or eligibility for housing assistance under any government housing assistance program, or other arbitrary factors.
9. **Compliance with Governmental Orders.** With the proper approval of the Owner, the Agent will make such repairs affecting the improvements on the Property as may be necessary to comply promptly with any and all governmental orders or other requirements affecting the Property, whether imposed by Federal, State, County or municipal authorities. Nevertheless, the Agent will take no such action (unless consented to in writing by Owner) so long as the Owner is contesting, or has its intention to contest, any such order or requirement. The Agent shall provide the owner in writing of all notices of such orders or other requirements within 72 hours of receipt.

10. **Collection of Rental Charges and Other Receipts.** The Agent will collect when due, all rental charges and other amounts receivable on the Owner's account in connection with the management and operation of the Property. Such receipts will be deposited in an account, bearing the name of the Owner, separate from all other accounts and funds, with a bank to be designated by the Owner and whose deposits are insured by an agency of the Federal Government or other comparable federally insured program.
11. **Accounts.** Agent shall establish separate accounts, as appropriate, in the Owner's name for purposes in support of Property operations, maintenance and preservation. Accounts may be established for operations, replacement reserves and security deposits. Whenever possible and practical these should be interest bearing accounts.
12. **Disbursements to support Property Operations.** The Agent will use its own funds and accounts to pay the bills incurred to support the Property. This includes payroll, employee benefits, payments for services undertaken to support the Property or items bought and delivered to the Property. These costs must be either directly attributable to the Property or allocable to the Property based on a causal/beneficial relationship. These costs will be billed to the Owner on a monthly basis and Owner will reimburse Agent upon billing. Agent will provide details of the bills to Owner and Agent's records are subject to review/audit by Owner.
13. **Insurance.** Agent will obtain insurance on Owner's behalf. Insurance for the Property and Agent will be maintained in the manner consistent with Owner's insurance of its properties, services, and Agent's employees.
14. **Records & Reports.** Whereas the Agent has acted as the operator of Public Housing and administered HUD vouchers for many years and has been recognized for their favorable performance in executing both, they have knowledge of requirements to prepare and retain records for management and compliance purposes. The Agent shall use its expertise in continuing its practice of record and reports preparation and retention in support of the Property.
15. **Audit and Annual Report.** Unless instructed by the Owner to the contrary, Agent will engage with an appropriately licensed CPA firm to audit and publish the findings of the audit and annual report in conjunction with the other housing operations conducted by the Livermore Housing Authority.

16. **Asset Management Information.** Agent shall maintain reports indicating the condition of Property on both a unit basis as well as common areas and infrastructure. Reports will also address occupancy and other appropriate aspects of a housing complex.
17. **Budget.** Agent will prepare an annual budget and submit it to the Owner in support of a regular Board meeting prior to the beginning of the fiscal year. Timing should be adequate to allow for revisions that may be appropriate. Budget detail should be adequate to understand occupancy levels, types of costs incurred and any major or unusual costs anticipated.
18. **Maintenance and Repair.** Agent shall cause the Property to be maintained and repaired in good, clean and sanitary condition in accordance with all federal, state and local codes, laws and ordinances, and in a condition at all times acceptable to the Owner.
19. **Rental Charge Adjustments.** The Owner shall furnish the Agent with rental charges and income schedules, as time to time approved in writing by the Owner, showing rental charges as appropriate for units and other charges for facilities and services, and income data pertinent to determining household eligibility. The Agent shall recommend to the Owner the annual rental charges for all units. No adjustments will be made without Owner approval.
20. **Enforcement of Lease or Rental Agreement.** Agent is responsible for securing the compliance of each resident with the terms of the Lease, the standard language of which is to be approved by Owner.
21. **Owner Communication.** Agent shall be available for communication with Owner and shall keep Owner advised of items materially affecting the Property.
22. **Termination of Tenancies or Evictions.** Agent shall follow procedures approved by Owner in taking action to terminate or evict any resident where, in the Agent's judgment, sufficient cause for such termination or eviction exists under the terms of the Lease or Rental Agreement. Agent shall not violate the rights of any resident granted to it under its Lease or Rental Agreement or under any laws in connection with Agent's enforcement actions against any resident. Termination of tenancy or evictions shall be carried out pursuant to the procedures prescribed in federal, state and local law.

Agent is authorized to retain legal counsel (selected or approved by Owner) to bring action necessary to carry out the decision to terminate tenancy or evict. Agent shall keep Owner informed of the progress of such actions. Attorney's fees and other necessary costs incurred in connection with such actions shall be paid out of the Operating Account as Property

expenses. Anything herein to the contrary notwithstanding, Agent shall not evict or terminate any resident's tenancy prior to the expiration of such resident's Lease or Rental Agreement without Owner's prior written consent, nor shall Agent or its employees enter and search any resident's leased premises without Owner's prior written consent (unless the consent of the resident is given thereto in writing). Agent shall receive, consider and respond to all resident complaints or problems in a professional and businesslike manner consistent with Agent's authority and duties described herein. Agent agrees to promptly notify Owner of any resident complaints or potential problems.

23. **Nondiscrimination.** In the performance of its obligations under this Agreement, Agent shall comply with the provisions of all federal, state, or local laws concerning discrimination in housing on the basis of age, race, color, ancestry, religion, national origin, sex, marital status, children, pregnancy, disability, handicap, sexual orientation, AIDS, ARC, or other arbitrary factors, including, but not limited to, Title VI of the Civil Rights Act of 1964 (Public Law 88-352) and the regulations issued pursuant thereto (24 CFR Part I), Executive Order 11063 and the regulations issued pursuant thereto under the 1968 Civil Rights Act.
24. **Inspection of Units.** Agent shall lawfully inspect, subject to the rights of residents, all spaces and exterior of units in the Property at least annually. The Agent is conveyed the Owner's right to inspect any part of the Property upon advance notice to residents as provided in the Lease or Rental Agreement and subject to law.
25. **Bids, Discounts, Rebates, and Commissions.** The Agent shall, in procuring goods and services for the Property, on behalf of the Owner, will follow judicious business practices to minimize the cost for these procurements
26. **Indemnification.** Agent shall indemnify and defend Owner, including its officers, agents, and volunteers, against and hold Owner harmless from any and all losses, costs, damages, liabilities and expenses, including, without limitation, reasonable attorneys' fees, arising directly or indirectly out of (i) any material default by Agent under the provisions of this Agreement, any gross negligence or willful misconduct of Agent, or any officers, partners, directors, agents, or employees, in connection with this Agreement or Agent's services or work hereunder, whether within or beyond the scope of its duties or authority hereunder, or (ii) any claims for personal injuries to employees incurred during the course of their employ if such claims are covered by workers' compensation insurance required herein.

Owner shall indemnify and defend Agent against and hold Agent harmless against any and all losses, costs, damages, liabilities and expenses, including, without limitation, reasonable attorneys' fees, arising directly or indirectly out of any matter related to the Property, the conduct of the business of the Owner or any action taken by Agent within the scope of its duties or authority under this Agreement, excluding only such of the foregoing as a result of

(i) any default by Agent, any gross negligence or any misconduct its officers, partners, directors, agents, or employees, in connection with this Agreement or Agent's services or work hereunder, whether within or beyond the scope of its duties or authority hereunder, or any claims for personal injuries to employees incurred during the course of their employ if such claims are covered by workers' compensation insurance required herein. Agent shall be an additional named insured on all applicable insurance coverage related to the Property. The provisions of this Section shall survive the termination of this Agreement.

27. Relationship. Nothing contained in this Independent Agreement or Agreement shall be construed to create a relationship of employer and employee between Owner and Agent, it being the intent of the Principal Parties that the relationship created hereby is in fact and intent, that of an independent contractor. Nothing contained herein shall be deemed to constitute Owner and Agent as partners or joint venturers.

28. Interpretative Provisions.

- a. This Independent Agreement constitutes the entire agreement between the Owner and the Agent with respect to the management and operations of the Property and no change will be valid unless made by supplemental written agreement, approved and executed by the Principal Parties. This Independent Agreement shall be governed by and interpreted in accordance with the laws of the State of California.
- b. This Independent Agreement has been executed in several counterparts, each of which shall constitute a complete original Agreement, which may be introduced in evidence or used for any other purpose without production of any of the other counterparts.
- c. In the event any action or proceeding is brought by either party to interpret or enforce this Independent Contractor Agreement, the prevailing party in such action shall be entitled to its reasonable attorney's fees, in addition to any other award or judgment granted to it.

29. Notifications and Correspondence. All notifications between the Owner and the Agent shall be made to the parties at the following locations:

Owner and Agent:
3203 Leahy Way
Livermore, CA 94550