

AGREEMENT FOR CONSULTANT SERVICES FOR ADMINISTRATOR OF THE TOWN'S BELOW MARKET PRICE AFFORDABLE HOUSING PROGRAM

THIS AGREEMENT is dated for identification March 1, 2021, and is made by and between TOWN OF LOS GATOS, a California municipal corporation, ("Town") and HouseKeys, ("Consultant"), whose address is 358 Digital Drive, Morgan Hill, CA 95037. This Agreement is made with reference to the following facts. This contract will remain in effect from March 1, 2021 to February 28, 2026.

I. RECITALS

- 1.1 The Town desires to engage Consultant to administer the Town's Below Market Price Affordable Housing Program.
- 1.2 Consultant represents and affirms that it is qualified and willing to perform the desired work pursuant to this Agreement.
- 1.3 Consultant represents and affirms that it is qualified and willing to perform the desired work pursuant to this Agreement.
- 1.4 Consultant warrants it possesses the distinct professional skills, qualifications, experience, and resources necessary to timely perform the services described in this Agreement. Consultant acknowledges that the Town has relied upon these warranties to retain Consultant.

II. AGREEMENTS

- 2.1 Scope of Services. Consultant shall provide services as described in that certain Proposal for Services sent to the Town on August 21, 2020, which is hereby incorporated by reference and attached as Exhibit A.
- 2.2 Term and Time of Performance. The services of Consultant are fixed for a five-year period that will commence upon the execution of the contract. At the end of this period, should the Town not renew the contract, the contract shall automatically expire. The individual time of performance schedule for each project referred to the Consultant is required to be performed as outlined in the scope of services section of this Agreement.
- 2.3 Compliance with Laws. Consultant shall comply with all applicable laws, codes, ordinances, and regulations of governing federal, state, and local laws. Consultant represents and warrants to Town that it has all licenses, permits, qualifications, and approvals of whatsoever nature which are legally required for Consultant to practice its profession. Consultant shall maintain a Town of Los Gatos business license pursuant to Chapter 14 of the Code of the Town of Los Gatos.
- 2.4 Sole Responsibility. Consultant shall be responsible for employing or engaging all persons necessary to perform the services under this Agreement.

- 2.5 Information/Report Handling. All documents furnished to Consultant by the Town and all reports and supportive data prepared by Consultant under this Agreement are the Town's property and shall be delivered to the Town upon the completion of Consultant's services or at the Town's written request. All reports, information, data, and exhibits prepared or assembled by Consultant in connection with the performance of its services pursuant to this Agreement are confidential until released by the Town to the public, and Consultant shall not make any of these documents or information available to any individual or organization not employed by Consultant or the Town without the written consent of the Town before such release. The Town acknowledges that the reports to be prepared by Consultant pursuant to this Agreement are for the purpose of evaluating a defined project, and the Town's use of the information contained in the reports prepared by Consultant in connection with other projects shall be solely at the Town's risk, unless Consultant expressly consents to such use in writing. The Town further agrees that it will not appropriate any methodology or technique of Consultant which is and has been confirmed in writing by Consultant to be a trade secret of Consultant.
- 2.6 Compensation. Compensation for Consultant's professional services shall be a fixed annual base cost of approximately \$96,000 with a first-year onboarding cost of \$30,000, with possible optional increases for transactional costs such as sales and re-sales of homes. Payment shall be based upon Town approval of each task.
- 2.7 Billing. Billing shall be monthly by invoice within thirty (30) days of the rendering of the service and shall be accompanied by a detailed explanation of the work performed, the relevant property address (if applicable) and at what rate.
- Payment shall be net thirty (30) days. All invoices and statements to the Town shall be addressed as follows:
- Invoices:
Town of Los Gatos
Attn: Accounts Payable
P.O. Box 655
Los Gatos, CA 95031-0655
- 2.8 Availability of Records. Consultant shall maintain the records supporting this billing for not less than three years following completion of the work under this Agreement. Consultant shall make these records available to authorized personnel of the Town at Consultant's offices during business hours upon written request of the Town.
- 2.9 Assignability and Subcontracting. The services to be performed under this Agreement are unique and personal to Consultant. No portion of these services shall be assigned or subcontracted without the written consent of the Town.
- 2.10 Independent Contractor. It is understood that Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and not an agent or employee of the Town. As an independent contractor he/she shall not obtain any rights to retirement benefits or other benefits which accrue to Town employee(s). With prior

written consent, Consultant may perform some obligations under this Agreement by subcontracting, but may not delegate ultimate responsibility for performance or assign or transfer interests under this Agreement. Consultant agrees to testify in any litigation brought regarding the subject of the work to be performed under this Agreement. Consultant shall be compensated for its costs and expenses in preparing for, traveling to, and testifying in such matters at its then current hourly rates of compensation, unless such litigation is brought by Consultant or is based on allegations of Consultant's negligent performance or wrongdoing.

2.11 Conflict of Interest. Consultant understands that its professional responsibilities are solely to the Town. Consultant has no and shall not obtain any holding or interest within the Town of Los Gatos. Consultant has no business holdings or agreements with any individual member of the staff or management of the Town or its representatives nor shall it enter into any such holdings or agreements. In addition, Consultant warrants that it does not presently and shall not acquire any direct or indirect interest adverse to those of the Town in the subject of this Agreement, and it shall immediately disassociate itself from such an interest, should it discover it has done so and shall, at the Town's sole discretion, divest itself of such interest. Consultant shall not knowingly and shall take reasonable steps to ensure that it does not employ a person having such an interest in this performance of this Agreement. If after employment of a person, Consultant discovers it has employed a person with a direct or indirect interest that would conflict with its performance of this Agreement, Consultant shall promptly notify Town of this employment relationship, and shall, at the Town's sole discretion, sever any such employment relationship.

2.12 Equal Employment Opportunity. Consultant warrants that it is an equal opportunity employer and shall comply with applicable regulations governing equal employment opportunity. Neither Consultant nor its subcontractors do and neither shall discriminate against persons employed or seeking employment with them on the basis of age, sex, color, race, marital status, sexual orientation, ancestry, physical or mental disability, national origin, religion, or medical condition, unless based upon a bona fide occupational qualification pursuant to the California Fair Employment and Housing Act.

III. INSURANCE AND INDEMNIFICATION

3.1 Minimum Scope of Insurance:

- i. Consultant agrees to have and maintain, for the duration of the contract, General Liability insurance policies insuring him/her and his/her firm to an amount not less than: one million dollars (\$1,000,000) combined single limit per occurrence for bodily injury, personal injury, and property damage.
- ii. Consultant agrees to have and maintain for the duration of the contract, an Automobile Liability insurance policy ensuring him/her and his/her staff to an amount not less than: one million dollars (\$1,000,000) combined single limit per accident for bodily injury, personal injury, and property damage.

- iii. Consultant shall provide to the Town all certificates of insurance, with original endorsements effecting coverage. Consultant agrees that all certificates and endorsements are to be received and approved by the Town before work commences.
- iv. Consultant agrees to have and maintain, for the duration of the contract, professional liability insurance in amounts not less than: one million dollars (\$1,000,000) which is sufficient to insure Consultant for professional errors or omissions in the performance of the particular scope of work under this agreement.

General Liability:

- i. The Town, its officers, officials, employees, and volunteers are to be covered as insured as respects: liability arising out of activities performed by or on behalf of Consultant; products and completed operations of Consultant; premises owned or used by Consultant. This requirement does not apply to the professional liability insurance required for professional errors and omissions.
- ii. Consultant's insurance coverage shall be primary insurance as respects the Town, its officers, officials, employees, and volunteers. Any insurance or self-insurances maintained by the Town, its officers, officials, employees, or volunteers shall be excess of Consultant's insurance and shall not contribute with it.
- iii. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Town, its officers, officials, employees, or volunteers.
- iv. The Consultant's insurance shall apply separately to each insured against whom a claim is made, or suit is brought, except with respect to the limits of the insurer's liability.

3.2 All Coverages. Each insurance policy required in this item shall be endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Town. Current certification of such insurance shall be kept on file at all times during the term of this agreement with the Town Clerk.

3.3 Workers' Compensation. In addition to these policies, Consultant shall have and maintain Workers' Compensation insurance as required by California law and shall provide evidence of such policy to the Town before beginning services under this Agreement. Further, Consultant shall ensure that all subcontractors employed by Consultant provide the required Workers' Compensation insurance for their respective employees.

3.4 Indemnification. The Consultant shall save, keep, hold harmless, and indemnify and defend the Town its officers, officials, employees, and volunteers from all damages, liabilities, penalties, costs, or expenses in law or equity that may at any time arise or be set up because of damages to property or personal injury received by reason of, or in the course of performing work which may be occasioned by a willful or negligent act or omissions of Consultant, or any of Consultant's officers, employees, or agents or any subconsultant.

IV. GENERAL TERMS

4.1 Waiver. No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that either party may have hereunder, nor does waiver of a breach or default under this Agreement constitute a continuing waiver of a subsequent breach of the same or any other provision of this Agreement.

4.2 Governing Law. This Agreement, regardless of where executed, shall be governed by and construed to the laws of the State of California. Venue for any action regarding this Agreement shall be in the Superior Court of the County of Santa Clara.

4.3 Termination of Agreement. The Town and the Consultant shall have the right to terminate this agreement with or without cause by giving not less than fifteen days (15) written notice of termination. In the event of termination, Consultant shall deliver to the Town all plans, files, documents, and reports, performed to date by Consultant. In the event of such termination, Town shall pay Consultant an amount that bears the same ratio to the maximum contract price as the work delivered to the Town bears to completed services contemplated under this Agreement, unless such termination is made for cause, in which event, compensation, if any, shall be adjusted in light of the particular facts and circumstances involved in such termination.

4.4 Amendment. No modification, waiver, mutual termination, or amendment of this Agreement is effective unless made in writing and signed by the Town and Consultant.

4.5 Disputes. In any dispute over any aspect of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, including costs of appeal.

4.6 Notices. Any notice required to be given shall be deemed to be duly and properly given if mailed postage prepaid, and addressed to:

Town of Los Gatos
Attn: Town Clerk
110 E. Main Street
Los Gatos, CA 95030

HouseKeys
Attn: Julius Nyanda
358 Digital Drive
Morgan Hill, CA 95037

or personally delivered to Consultant to such address or such other address as Consultant designates in writing to the Town.

- 4.7 Order of Precedence. In the event of any conflict, contradiction, or ambiguity between the terms and conditions of this Agreement in respect of the Products or Services and any attachments to this Agreement, then the terms and conditions of this Agreement shall prevail over attachments or other writings.
- 4.8 Entire Agreement. This Agreement, including all Exhibits, constitutes the complete and exclusive statement of the Agreement between the Town and Consultant. No terms, conditions, understandings, or agreements purporting to modify or vary this Agreement, unless hereafter made in writing and signed by the party to be bound, shall be binding on either party.

IN WITNESS WHEREOF, the Town and Consultant have executed this Agreement.

Town of Los Gatos by:

Consultant by:

Laurel Prevetti, Town Manager

Julius Nyanda, CEO/Program Manager
HouseKeys

Recommended by:

Joel Paulson, Community Development Director

Approved as to Form:

Robert Schultz, Town Attorney



Organizational Profile

Nyanda & Associates, LLC d/b/a HouseKeys

358 Digital Drive, Morgan Hill, CA 95037

Main Phone Line: 1-877-460-KEYS (5397)

Website: www.housekeys.org

Email: programs@housekeys.org

Primary Contact: Julius Nyanda, CEO/Program Manager

julius@housekeys.org

Office Line: 408-684-8202

Cell Phone: 415-846-8004

Note: No claim, lawsuit, or litigation to report

The HouseKeys Organization: A Modern Social Enterprise

HouseKeys was started in April of 2015 in response to the void left by the wind down of several Silicon Valley nonprofit housing, lending, and counseling service providers. In our 3-year history, HouseKeys has been able to create a sustainable service model through public agency contracts and transaction revenue. As former employees of well-established nonprofit entities that folded after decades of service to the community, the HouseKeys team has reengineered the social enterprise model to ensure long-term sustainability through a combination of economically-conscious measures and market-driven solutions. Our experienced team has collaborated over the last ten years, while at different employers, to complete nearly 1,000 program for-sale transactions and manage hundreds of multi-family units during initial new construction lease-up, annual compliance and tenant turnover. There are entire residential housing projects throughout the Bay Area where one of us has had a role as either an agent, lender, counselor, or developer. The lessons learned from this work have enabled us to build the HouseKeys organization, program marketplace, administration platform, and information management system. In addition to the LLC, the HouseKeys team formed the nonprofit agency, HouseKeys Resource & Education Center Inc. (Tax I.D. 81-2880185) which obtained federal tax-exempt status in the summer of 2017. To facilitate real estate transactions, HouseKeys utilizes its state-licensed brokerage subsidiary, HouseKeys Services Corporation (Cal BRE# 02001942). Our strategic plan calls for an approach that utilizes our position as a service provider, educator, and technology company that can apply for grant dollars, attract equity from social investors, and continually cover operating costs through earned income.

Technology & the Program Marketplace

In December of 2015, HouseKeys began recruiting an in-house technology team and building a program marketplace and management platform that not only delivers value to our public agency clients, but also has a direct-to-consumer interface that serves a subscriber base of prospective program applicants and current program participants. After testing other database systems, resource planners, and relationship management tools, HouseKeys decided to build its own database-driven system, from the ground up, to facilitate program administration activities throughout the housing supply chain and program workflow. Instead of downloading forms and exchanging emails, our users



will create a household or entity account and enter an end-to-end program marketplace that houses the direct and 3rd party relationships needed to successfully complete program transactions. Users will participate in a streamlined process that reduces paperwork, improves communication, and generates valuable, real-time program data. HouseKeys launched the consumer applicant portal in the Summer of this year (2018) and is looking to launch our Provider Portal in the first quarter of 2019.

Content & Media Library

Program awareness is a major concern at HouseKeys. While studies and statistics show that over 70% of households fall within an eligible income category, most of the public is unaware of the housing opportunities made available through local programs. Land Use and Tax Credit Policies are the primary tool used to generate affordable housing, and yet maintaining a pool of eligible and qualified prospective applicants is critical to getting units occupied and attracting funding from financial institutions. Between our illustrations, animated segments, video podcast, and weekly radio show – we strive to reach the public, build interest in the programs, and increase participation. This helps us navigate the low pull-through associated with finding motivated applicants who are both eligible and qualified.

Our Team

At the core of our capabilities is our close-knit and highly capable team of 10 dedicated practitioners. Each plays a specialized role in providing the expertise needed to design and implement programs, determine household eligibility, manage program transactions, ensure compliance, manage information, and design workflows. Homeownership programs have the unique distinction of having program participants with an ownership stake and legal rights that make the agency-provider responsible for how well the contract language captures program intent. HouseKeys has spent a significant amount of time learning about the defensibility of program contracts through litigation and negotiation activity in cases where program violations occurred because of actions by a homeowner and/or lender. Whether the administrative response required new local laws to be enacted by the public agency, updated contract language or new enforcement policies - our team has consistently been responsive and effective. From 2016 to 2018, we had full-time, in-house counsel on staff, and worked as a team to design our legal strategy to function like an outside collection agency. In 2018, we transitioned from in-house counsel, to keeping attorneys on retainer to deal with cases as they come up. We are actively working on the release of our updated program administration platform called MyHouseKeys at www.myhousekeys.com



Position	Role	Name	Phone	Email
Program Manager	Oversight of the Organization & Program	Julius Nyanda	408-684-8202	julius@housekeys.org
Program Relationship Manager	Program Education & Partnerships	Abraham Valle	408-712-3761	abraham@housekeys.org
Program Asset Manager	Transactions, Program Inventory & Compliance	Christina Enriquez	408-684-8788	christina@housekeys.org
Program Transaction Coordinator	Existing Owners, Program Inventory, New Construction	Katarina Marusic	408-684-8291	katarina@housekeys.org
Program Operations Coordinator	Ticket Handling & Application Prep	Kamala Loving	408-684-8364	kamala@housekeys.org
Program Underwriter	Applicant Eligibility and Participant Compliance	Kathie Wells	408-684-8831	Kathie@housekeys.org
Program Processor	Applicant & Participant File Management	Mandy Israde	408-684-8830	mandy@housekeys.org
Program Accountant and Analyst	Accounting and Support	Angelica Garcia	N/A	angelica@housekeys.org
Real Estate Project Manager	Rehab/Remodel projects and site inspection for BMR Units under construction	John Ash	408-592-7884	john@housekeys.org
Technology Manager & Database Engineer	Design and Implementation of Data Model, Database & Initial Prototype	Everett Bobby Gasper	N/A	bobby@housekeys.org
Server Administrator & API Engineer	Server Capabilities, Security, API Engineering, and External Data Sourcing	Frank Adams	N/A	frank@housekeys.org
Software Engineering	Interface and Full Stack Development	Kunal Bohra	N/A	kunal@housekeys.org



HouseKeys Scope of Services

Ownership / Rental / Loan Program Administration 2020-2021 FY

This Scope of Work details the roles and responsibilities that HouseKeys provides to its Municipal Clients. HouseKeys' Program Administrator Role ("Administrator") positions it to serve as the municipality's interface with industry practitioners and the public. This list not only includes Applicants and Program Participants, it also includes project owners, developers, property managers, mortgage lenders, real estate agents, and escrow officers.

1. Administrator will administer the program and assure Affordability Deed Restrictions are recorded and followed by all parties as applicable for each property.
2. Administrator will provide offsite support for service requests. Orientations and workshops will be held for residents of the municipality. Note: Due to COVID-19 related restrictions, these workshops are held remotely.
3. Administrator will regularly update program guidelines and program materials in conjunction with Municipal staff to reflect the Administrator's administrative process for Program Administration including, but not limited to: applications, program pamphlets, resale calculations, buyer selection process, sale and resale of units, refinancing requests, collection of Municipal fees and other applicable fees, and default monitoring/resolution process. Administrator's objective will be to work alongside Municipal Staff to incorporate "learnings" from the team's collective history with Affordability Programs in municipalities in Santa Clara, San Benito, Contra Costa, Alameda, San Francisco, San Mateo, Santa Cruz, and Monterey Counties.
4. Administrator will maintain an affordability program website presence that will link to the municipality's housing website.
5. Administrator and the Municipality will agree to mutually acceptable performance measures for program administration. These measures shall be included in the quarterly program summary report.
 - a. General Inquiries: Respond within 48 business hours
 - b. Loan Requests: Respond within 48 business hours, Complete requests within reasonable time, with weekly status updates for outstanding requests
 - c. Orientations: Minimum 6 per year, with more as needed for new opportunities
 - d. Rental Vacancies: Fill vacancies within 60 days
 - e. Annual Monitoring: Provide homeowners 30 days to submit recertification packages. Note: multiple collection rounds will extend this timeline.
 - f. Follow up letters at 60 and 90 days before beginning enforcement procedures for non-compliant homeowners
 - g. Eligibility List: Maintain a minimum buyer-to-property ratio of 5:1

- h. Application ID issuance: Issue within 2 business days.
6. Administrator shall maintain the Municipality's existing records, databases, and files through a file retention and management system for the program. All electronic records will be considered work products that are property of the Municipality. The Administrator shall update the Municipality's records quarterly to ensure a coordinated seamless record keeping process. The database shall include the following at a minimum:
- a. For each Program / Former RDA Development if applicable (new and existing):
 - 1) A list of all program units in the development
 - 2) The date of the program developer agreement
 - 3) Program units lost, including date, reason for loss, initial sales price, resale price, and actions taken
 - b. For each ownership unit (new and existing):
 - 1) The address for each ownership unit
 - 2) The level of affordability (e.g., Extremely Low, Very Low, Low, Moderate)
 - 3) The current owner of record
 - 4) The expiration date of the owner agreement
 - 5) The last date of recertification
 - 6) The recertification status (updated annually)
 - 7) The original sales price
 - 8) The current resale restriction price
 - 9) Dates of owner turn-over, as applicable
 - c. For each rental unit (new and existing)
 - 1) The unit number for each rental unit
 - 2) The level of affordability (e.g., Extremely Low, Very Low, Low, Moderate)
 - 3) The current tenant of record
 - 4) The last date of recertification
 - 5) The recertification status (updated annually)
 - d. For each affordable housing loan:
 - 1) The type of loan (e.g., RDA, BEGIN, FTHB, etc.)
 - 2) The address associated with the loan
 - 3) The current owner of record (this should be the loan recipient)
 - 4) The amount, term, and due date of the loan
 - 5) dates of payoff and interest collected, as applicable
 - 6) dates of refinance/subordination, as applicable
 - 7) dates of write-off and amount, as applicable
 - e. Other information as requested and mutually agreed to.
7. Administrator shall provide a quarterly program summary report to the Municipality on the following dates and with the following information, consistent with task #5 and

#6:

Q1 (July – Sept): October 30, 20XX

Q2 (Oct – Dec): January 31, 20XX

Q3 (Jan – March): April 30, 20XX

Q4 (April – June): July 31, 20XX

- a. Performance Measures (see task #5)
 - b. For each owner unit (new and existing):
 - 1) The address for each ownership unit
 - 2) The level of affordability (e.g., Very Low, Low, Moderate)
 - 3) The current owner of record
 - 4) The last date of recertification and current recertification status
 - c. For each rental unit (new and existing)
 - 1) The unit number for each rental unit
 - 2) The level of affordability (e.g., Very Low, Low, Moderate)
 - 3) The current tenant of record
 - 4) The last date of recertification and current recertification status
 - d. For each affordable housing loan:
 - 1) The type of loan (e.g., RDA, BEGIN, FTHB, etc.)
 - 2) The address associated with the loan
 - 3) The current owner of record (this should be the loan recipient)
 - 4) The amount, term, and due date of the loan
 - 5) Dates of payoff and interest collected, as applicable
 - 6) Dates of refinance/subordination, as applicable
 - 7) Dates of write-off and amount, as applicable
 - e. Current list of defaults and pending defaults
 - 1) Actions taken to date
 - 2) Next steps, including dates
 - f. In-lieu fees collected, if applicable
 - g. Other information as requested and mutually agreed to
8. Administrator will provide the applicants with the following services:
- a. Conducting income qualifications including review of assets, income, Verifications of Employment, and all other necessary approvals to ensure qualification for the Municipal Program loans.
 - b. Making minor revisions to the Municipality's existing program materials and legal documents.
 - c. Underwriting loan applications in accordance with program requirements.
 - d. Preparing all loan documents, overseeing proper execution thereof, and

- conducting final loan approval reviews.
- e. Ensuring timely delivery of all necessary documents into escrow, and preparing escrow demands and funding requests.
 - f. Overall management and implementation of specific program policies, including required reporting.
 - g. Preparation of program materials by revising the Municipality's current documents.
 - h. Calculating all pay off demands and issuing any disclosures and tax forms as required by State and/or Federal Law.
 - i. Calculating the resale value of all ownership program homes as requested annually by the County.
 - j. Work with Municipal staff to ensure a seamless and coordinated development of documents as it relates to the Affordability Program, including the Developer application process where Restricted Affordability Units are included, reviewing developer agreements, and ensuring that affordability requirements are outlined in an Affordable Housing Agreement and any subsequent amendments to the development documentation.
9. Administrator shall act as transaction coordinator for all real estate transactions and will provide the Municipality with a fee schedule. Administrator will charge BMR resale transaction fees in line with applicable recorded Deed Restrictions. Administrator will charge the developer transaction coordination fees in accordance with the Affordable Housing Agreement pertaining to the subject development project.
10. Administrator will coordinate document transmittals between buyers, homeowners, developers, and Municipality as needed. Administrator will be responsible for ensuring all documents submitted for Municipal signatures are complete and accurate. Administrator will be responsible for making any necessary corrections to documents.
11. Administrator shall work alongside Staff to conduct monitoring to annually evaluate Program Owners' & Renters' compliance with the terms and conditions of the recorded deed restrictions and program guidelines including the following:
- a. Mailing monitoring letters to all the Program units.
 - b. Reviewing in conjunction with Municipal staff, Municipality or County Assessor data to assist in the process (e.g., water utility bills, property records).
 - c. Review Municipality's preliminary monitoring list to identify follow up actions required.
 - d. Meet with Municipal staff to develop guidelines for acceptable default remedies (e.g., allowing rental of Program Units for hardship cases).

12. Administrator shall work alongside Staff to investigate and identify cure for potential BMR defaults including:
 - a. Conduct follow up of those Program Owners who do not submit their compliance documentation.
 - b. Reviewing information from calls from Program Unit neighbors and interested parties.
 - c. Conduct reasonable follow-up investigation to assess potential defaults including unit site visits.
 - d. Scheduled appointments with Program Owners.
 - e. For confirmed defaults, provide Program Owners with list of actions needed to remedy the default and conduct follow-up to monitoring compliance.
 - f. Maintaining log of actions taken to remedy the defaults.
 - g. For those defaults in which the Program Owners choose to not remedy the situation within a reasonable amount of time, Administrator will meet with Municipal staff to determine the course of action to pursue. Municipality authorization will be sought for any legal action taken.
 - h. Municipality will provide a list of any current program participant defaults and actions taken to date.
13. Administrator shall conduct introductory Home Buyer Education/Training classes – Homebuyer Orientation Classes prior to Program application
14. Administrator shall build and maintain a group of qualified and eligible Program homebuyers at a minimum Buyer-to-Property ratio of 5:1
15. Administrator will partner with the Municipality to create Program legal templates for documents required for signature by the Program participants. Administrator shall supply documents that are typically used in the Applicable County for residential real estate transactions (e.g. purchase and sale, disclosure acknowledgements, addendums, etc.)
16. Administrator will maintain a list of approved loan officers and lending operations eligible to provide mortgage lending for purchase and refinance transactions
17. Administrator will review individual program restrictions for terms and requirements as needed including shared equity programs, down payment assistance loans and any resale restriction agreements.
18. Administrator will prepare Municipal staff reports.

In addition, the HouseKeys team will provide the following services:

- A. Administrator will enter contract with the Municipality with the intention of adding the Municipality to the Model City Project that incorporates Industry Best Practices, A

Program Database, and a Regional Program Working Group. This Project will improve efficiencies and reduce program costs to the Municipality.

- B. Administrator will provide training, analysis, and suggested improvements to the Affordability Program.
- C. Administrator will prepare a presentation for Staff and Council Members on the Model City Project.

HOUSEKEYS FEE SCHEDULE 2020-2021

<u>Description</u>	<u>Fee¹</u>	<u>Fee Cap / Max</u>	<u>Billed To</u>
Program Administration	Base Fee to be Determined at Contract		Municipality
Rental Unit Processing Fee	\$1,500.00 per lease transaction	\$1,500 per lease transaction	Developer
Loan Processing Transaction Fee	\$1,250.00 per transaction ²	\$1,250.00 per transaction	Owner / Lender
New Ownership Sales Transaction Fee	3% of Sales Price	Maximum \$18,000.00	Paid by Developer or Added to Sales Price
Ownership Resale (compliant) Transaction Fee	6% of New Sales Price	Maximum \$36,000.00	Buyer (via Sales Price)
Acquisition (default) and Ownership Resale / Rehab Transaction Fee	5% of Resale Restriction Price plus 5% of New Sales Price	Maximum \$60,000.00	Buyer (via Sales Price)
Application I.D. Issuance	No fee	No fee	n/a
Participant I.D. Issuance	No fee	No fee	n/a
Opportunity Drawing (Lottery) Entry Fee	\$25.00	\$25.00	Applicant
Application Fee	\$75.00	\$75.00	Applicant
Billing Rate for Projects Outside of Contract Scope	\$250.00 / hour	\$250.00 / hour	Municipality

¹ Fees may be lower pursuant to the relevant executed Agreement (e.g., developer agreement, owner resale restriction agreement, promissory note, etc.)

² 25% of the \$1,250 loan processing fee (\$312.50) paid by the owner/lender will be transferred to the Municipality for administration and internal processing of the subordination / payoff request.



City of Morgan Hill

Role: Program Administrator

Program(s): Ownership, Rental, Lending

Timeline: June 2015 to Present (Note: 4 Team Members were employed by previous Program Administrator from 2012-2015)

Applicable Scope of Services Includes:

- Homebuyer Orientation
- Homeowner Workshops and “Town Hall” Listening Sessions
- Applicant Eligibility (Processing and Underwriting)
- Participant Compliance
- Asset Management
- Overseeing Ownership Program, Loan Portfolio, and Rental Program
- Real Estate Acquisition, Rehabilitation, and Sales
- Program Development (Marketing Materials, Guideline Creation, and Municipal Code Modifications)

Description Relevant Experience:

Morgan Hill has a well-established ownership program that has been in place for over 40 years and includes over 500 units spread out across nearly 75 residential development projects. Due to the varying nature of each restriction agreement, this has been the training ground on which the HouseKeys team continues to hone its skills. Resale Restriction Agreements include mutual self-help homes, forgivable notes that lock up equity for the first 20 years before passing it to the owner by year 30, and index-based restricted resale prices. Affordable Properties have been built through the City’s former Redevelopment Agency and through its Residential Development Control System, whereby developers compete for allocations and earn points for affordable units. HouseKeys has dealt with a variety of compliance challenges and transaction types, all while handling a healthy volume of new construction and resale transactions.

Budget: \$525,000 per year

Morgan Hill Contact: Rebecca Garcia, Housing Manager
City of Morgan Hill
408-778-6480 / rebecca.garcia@morganhill.ca.gov



City of Campbell

Role: Program Administrator

Program(s): Ownership, Rental, Lending

Timeline: June 2016 to Present (Note: 4 Team Members were employed by Affordable First Mortgage Lender that financed many of the affordable ownership units in the city's program)

Applicable Scope of Services Includes:

- Homebuyer Orientation
- Applicant Eligibility (Processing and Underwriting)
- Participant Compliance
- Asset Management
- Overseeing Ownership Program, Loan Portfolio, and Rental Program
- Real Estate Acquisition, Rehabilitation, and Sales
- Program Development (Marketing Materials and Guideline Creation)

Description of Relevant Experience:

The HouseKeys team's experience in the City of Campbell started with an early partnership on one of their largest affordable ownership projects. At our previous employer, we used our Fannie Mae Seller Servicer status to serve as the primary first mortgage lender for 40 affordable homeownership units. We coordinated with the City of Campbell, Charities Housing, and Housing Trust Silicon Valley. Years later, when the City of Campbell was looking for a Program Administrator, HouseKeys was invited to propose in response to the city's 2016 RFP. Our onboarding process including ownership units, rentals, and the first-time homebuyer loan portfolio. After a rocky start during the first year, HouseKeys was able to gain the trust of staff and council and got a renewal in 2017 and has continued to do so. The strength that shined through in this contract, was our ability to tackle difficult compliance enforcement activities that culminated with the acquisition of a BMR Unit and a resale to an eligible subsequent purchaser.

Budget: \$137,200 per year (\$30,000 Onboarding)

City of Campbell Contact: Stephen Rose, Senior Planner
City of Campbell
408-866-2412 / stephenr@campbellca.gov



City of Gilroy

Role: Program Administrator

Program(s): Ownership, Rental, Lending

Timeline: June 2017 to Present

Scope of Services Includes:

- Homebuyer Orientation
- Applicant Eligibility (Processing and Underwriting)
- Participant Compliance
- Asset Management
- Overseeing Ownership Program, Loan Portfolio, and Rental Program
- Real Estate Acquisition, Rehabilitation, and Sales
- Program Development (Marketing Materials and Municipal Code Modifications)

Description of Relevant Experience:

Gilroy is a multi-faceted contract whereby the HouseKeys team has a longstanding relationship through its work with South County Housing. Members of the HouseKeys Team were part of the first mortgage lending teams that provided financing to many of the homeowners in the project. As we continue to rebuild the database of existing units and determine which units are still in the program, we will rely on this experience as we work to facilitate transactions and perform compliance reviews. The City of Gilroy has over 480 ownership units, spread across 10 residential development projects. These were made possible through nonprofit developer financing and the Residential Development Ordinance. HouseKeys has been holding orientation classes each month to build the buyer pool and our team is working alongside staff to refine the scope as we work through the onboarding.

Budget: \$90,000 (\$40,000 onboarding)

City of Gilroy Contact:

Karen L. Garner, Community Development Director
City of Gilroy
408-846-0451
Karen.garner@ci.gilroy.ca.us



City of Burlingame

Role: Program Administrator

Program(s): Rental

Timeline: June 2018 to Present

Scope of Services Includes:

- Renter Orientation
- Applicant Eligibility (Processing and Underwriting)
- Participant Compliance
- Asset Management
- Overseeing Rental Program
- Initial Lease-Ups and Vacancies
- Program Development (Marketing Materials and Municipal Code Modifications)

Description of Relevant Experience:

Like Los Gatos, Burlingame was a legacy client from the team's time at Neighborhood Housing Services Silicon Valley. We reconnected in 2018 to provide assistance with the existing rental portfolio and then added a formalized contract in 2020 to assist with the new construction pipeline. We are presently working

Budget: \$90,000 (\$40,000 onboarding)

City of Burlingame Contact: Ruben Hurin, Planning Manager
City of Burlingame
650-558-7256
rhurin@burlingame.org



City of San Ramon

Role: Program Administrator

Program(s): Ownership

Timeline: June 2019 to Present

Scope of Services Includes:

- Buyer Orientation
- Applicant Eligibility (Processing and Underwriting)
- Overseeing Ownership Program
- New Construction Project setup
- Program Development (Marketing Materials and Municipal Code Modifications)

Description of Relevant Experience:

Lennar built the first affordable homeownership project in the City of San Ramon in nearly 15 years. Knowing that staff needed assistance with getting their homeownership program materials updated and in place, HouseKeys signed a contract to assist Lennar with its 28 affordable homeownership units and a contract with the City of San Ramon exclusively to assist with the Lennar Project.

Budget: \$30,000 Onboarding – Fee Agreement with Developer

City of San Ramon Contact: Cindy Yee, Senior Planner
City of San Ramon
925-973-2562
cyee@sanramon.ca.gov



City of Hayward

Role: Program Administrator

Program(s): Ownership

Timeline: July 2020 to Present

Scope of Services Includes:

- Buyer Orientation
- Applicant Eligibility (Processing and Underwriting)
- Overseeing Ownership Program
- New Construction Project setup
- Program Development (Marketing Materials and Municipal Code Modifications)

Description of Relevant Experience:

Taylor Morrison (formerly William Lyon Homes) is building an ownership project that contains 28 affordable ownership units. HouseKeys was commissioned to interface with the City of Hayward and help them formalize program materials and facilitate the marketing, application, and transaction process for income-eligible buyers.

Budget: Fee Agreement with Developer

City of Hayward Contact: Christina Morales, Housing Division Manager
City of Hayward
510-583-4243
Christina.morales@hayward-ca.gov



City of Santa Clara

Role: Program Administrator

Program(s): Rental

Timeline: June 2019 to Present

Scope of Services Includes:

- Renter Orientation
- Applicant Eligibility (Processing and Underwriting)
- Participant Compliance
- Asset Management
- Overseeing Rental Program
- Initial Lease-Ups and Vacancies
- Program Development (Marketing Materials and Municipal Code Modifications)

Description of Relevant Experience:

City of Santa Clara recently brought in HouseKeys to be the first 3rd party program administrator to oversee its rental program. This includes a large pipeline of new construction rental units that are being built, along with over 1,400 rental units in its existing inventory.

Budget: \$166,000 (\$55,000 onboarding)

City of Santa Clara Contact: Jonathan Veach, Housing Division Manager
City of Santa Clara
408-615-2297
jveach@santaclaraca.gov

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