



— GEM of the DESERT —

SPECIAL MEETING OF THE LA QUINTA HOUSING COMMISSION

**TO THE MEMBERS OF THE LA QUINTA HOUSING COMMISSION AND TO
THE COMMISSION SECRETARY:**

NOTICE IS HEREBY GIVEN that a **Special Meeting** of the La Quinta Housing Commission is hereby called to be held on **Tuesday, January 12, 2021 starting at 4:00 p.m.;** at La Quinta City Hall located at 78495 Calle Tampico, La Quinta, CA 92253. Pursuant to Executive Orders N-25-20, N-29-20, N-33-20, and N-35-20, executed by the Governor of California in response to the state of emergency relating to novel coronavirus disease 2019 (COVID-19) and enabling teleconferencing accommodations by suspending or waiving specified provisions in the Ralph M. Brown Act (Government Code § 54950 *et seq.*), members of the Housing Commission, the City Manager, City Attorney, City Staff, and City Consultants may participate in this emergency meeting by teleconference. The emergency meeting is called for the following purpose:

CONSENT CALENDAR

- 1. APPROVE REGULAR MEETING MINUTES OF SEPTEMBER 9, 2020**

BUSINESS SESSION

- 1. RECEIVE AND FILE FISCAL YEAR 2019/2020 HOUSING AUTHORITY YEAR-END BUDGET REPORT**
- 2. RECEIVE AND FILE FISCAL YEAR 2020/21 FIRST QUARTER HOUSING AUTHORITY BUDGET REPORT**
- 3. RECOMMEND FUNDING OPTION FOR AREA HOMELESS PREVENTION PROGRAMS FOR FY 2020/21**
- 4. RECOMMEND THE HOUSING AUTHORITY APPROVE DRAFT SCOPE OF SERVICES TO BE PROVIDED BY J&H ASSET PROPERTY MGT., INC. FOR RESIDENTIAL PROPERTY MANAGEMENT SERVICES AT DUNE PALMS MOBILE HOME PARK**

STAFF REPORTS AND INFORMATIONAL ITEMS

- 1. UPDATE ON THE REGIONAL HOUSING NEEDS ASSESSMENT MANDATE**
- 2. INFORMATIONAL UPDATE ON HOUSING ELEMENT UPDATE**

Dated: January 12, 2021

/s/ Veronica Gaeta-Mejía
Veronica Gaeta-Mejia, Chairperson

Attest:



MONIKA RADEVA, City Clerk

DECLARATION OF POSTING

I, Monika Radeva, City Clerk, do hereby declare that the foregoing notice for the La Quinta Housing Commission **Special Meeting** of January 12, 2021 was posted on the outside entry to the Council Chamber at 78495 Calle Tampico and on the bulletin boards at 51321 Avenida Bermudas and 78630 Highway 111 on , 2020.



MONIKA RADEVA, City Clerk



Housing Commission agendas and staff reports are available on the City's web page: www.LaQuintaCA.gov

HOUSING COMMISSION AGENDA

CITY HALL COUNCIL CHAMBER
78495 Calle Tampico, La Quinta

SPECIAL MEETING
TUESDAY, JANUARY 12, 2021 AT 4:00 P.M.

SPECIAL NOTICE **Teleconferencing and Telephonic Accessibility In Effect**

Pursuant to Executive Orders N-25-20, N-29-20, N-33-20, and N-35-20, executed by the Governor of California in response to the state of emergency relating to novel coronavirus disease 2019 (COVID-19) and enabling teleconferencing accommodations by suspending or waiving specified provisions in the Ralph M. Brown Act (Government Code § 54950 *et seq.*), members of the Housing Commission, the City Manager, City Attorney, City Staff, and City Consultants may participate in this meeting by teleconference. Additionally, pursuant to the above-referenced executive orders, the public is not permitted to physically attend at City Hall the meeting to which this agenda applies, but any member of the public may listen or participate in the open session of this meeting as specified below.

Members of the public wanting to listen to this meeting may do so by tuning-in live via <http://laquinta.12milesout.com/video/live>.

Members of the public wanting **to address the Housing Commission**, either for public comment or for a specific agenda item, or both, are requested to send an email notification to Housing Specialist Doug Kinley at DKinley@LaQuintaCA.Gov, and specify the following information:

- | | |
|----------------------|---|
| 1) Full Name | 4) Public Comment or Agenda Item Number |
| 2) City of Residence | 5) Subject |
| 3) Phone Number | 6) Written or Verbal Comments |

The email "subject line" must clearly state "Written Comments" or "Verbal Comments."

Verbal public comments – requests to speak must be emailed to Housing Specialist Doug Kinley no later than 3:00 p.m. on the day of the meeting;

the City will facilitate the ability for a member of the public to be audible to the Housing Commission and general public for the item(s) by contacting him/her via phone and queuing him/her to speak during the discussion.

Only one person at a time may speak by telephone and only after being recognized by the Housing Commission's Chairperson.

Written public comments, received prior to the adjournment of the meeting, will be distributed to the Housing Commission, incorporated into the agenda packet and public record of the meeting, and will not be read during the meeting unless, upon the request of the Housing Commission Chairperson, a brief summary of any public comment is asked to be read, to the extent the Commission Secretary can accommodate such request.

It would be appreciated that any email communications for public comments related to the items on the agenda, or for general public comment, are provided to the City Manager's Office at the email address listed above prior to the commencement of the meeting. If that is not possible, and to accommodate public comments on items that may be added to the agenda after its initial posting or items that are on the agenda, every effort will be made to attempt to review emails received by the City Manager's Office during the course of the meeting. The Housing Commission's Chairperson will endeavor to take a brief pause before action is taken on any agenda item to allow the Commission Secretary to review emails and share any public comments received during the meeting. All emails received by the City Manager's Office, at the email address above, until the adjournment of the meeting, will be included within the public record relating to the meeting.

CALL TO ORDER

ROLL CALL: Commissioners: Casto, Davidson, McDonough, Pacheco, Chairperson Gaeta-Mejia

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

At this time, members of the public may address the Housing Commission on any matter not listed on the agenda. ***Please email "Written Public Comments" to DKinley@LaQuintaCA.gov and limit your comments to three (3) minutes (approximately 350 words).*** The Commission values your comments; however, in accordance with State law, no action shall be taken on any item not appearing on the agenda unless it is an emergency item authorized by the Brown Act [Government Code Section 54654.2(b)].

CONFIRMATION OF AGENDA

ANNOUNCEMENT, PRESENTATIONS, AND WRITTEN COMMUNICATION

CONSENT CALENDAR

NOTE: Consent Calendar items are routine in nature and can be approved by one motion.

1. APPROVE REGULAR MEETING MINUTES OF SEPTEMBER 9, 2020

BUSINESS SESSION

1. RECEIVE AND FILE FISCAL YEAR 2019/2020 HOUSING AUTHORITY YEAR-END BUDGET REPORT
2. RECEIVE AND FILE FISCAL YEAR 2020/21 FIRST QUARTER HOUSING AUTHORITY BUDGET REPORT
3. RECOMMEND FUNDING OPTION FOR AREA HOMELESS PREVENTION PROGRAMS FOR FY 2020/21
4. RECOMMEND THE HOUSING AUTHORITY APPROVE DRAFT SCOPE OF SERVICES TO BE PROVIDED BY J&H ASSET PROPERTY MGT., INC. FOR RESIDENTIAL PROPERTY MANAGEMENT SERVICES AT DUNE PALMS MOBILE HOME PARK

STUDY SESSION – NONE

STAFF REPORTS AND INFORMATIONAL ITEMS

1. UPDATE ON THE REGIONAL HOUSING NEEDS ASSESSMENT MANDATE

2. INFORMATIONAL UPDATE ON HOUSING ELEMENT UPDATE

COMMISSIONERS' ITEMS – NONE

ADJOURNMENT

The next regular quarterly meeting of the La Quinta Housing Commission will be held on March 10, 2021, commencing at 4:00 p.m., at the La Quinta Study Session Room, 78495 Calle Tampico, La Quinta, CA 92253.

DECLARATION OF POSTING

I, Doug Kinley, Housing Specialist, do hereby declare that the foregoing Agenda for the La Quinta Housing Commission meeting was posted on the City's website, near the entrance to the Council Chambers at 78495 Calle Tampico, and the bulletin boards at the Stater Brothers Supermarket at 78630 Highway 111, and the La Quinta Cove Post Office at 51321 Avenida Bermudas, on January 11, 2021.

DATED: January 8, 2021

Doug Kinley MM

Doug Kinley, Housing Specialist
City of La Quinta, California

PUBLIC NOTICES

- The La Quinta City Hall Study Council Chamber is handicapped accessible. If special equipment is needed for the hearing impaired, please call the City Clerk's office at (760) 777-7092, twenty-four (24) hours in advance of the meeting and accommodations will be made.
- If special electronic equipment is needed to make presentations to the Commission, arrangements should be made in advance by contacting the City Clerk's office at (760) 777-7092. A one (1) week notice is required.
- If background material is to be presented to the Commission during a Housing Commission meeting, please be advised that eight (8) copies of all documents, exhibits, etc., must be supplied to the Secretary for distribution. It is requested that this take place prior to the beginning of the meeting.
- Any writings or documents provided to a majority of the Commission regarding any item(s) on this agenda will be made available for public inspection at The Hub counter at City Hall located at 78-495 Calle Tampico, La Quinta, California, 92253, during normal business hours.



HOUSING COMMISSION MINUTES TUESDAY, SEPTEMBER 9, 2020

CALL TO ORDER

A meeting of the La Quinta Housing Commission (Commission) was called to order at 4:00 p.m. by Commissioner Casto.

This meeting was held by teleconference pursuant to Executive orders N-25-20, N-29-20, N-33-20, and N-35-20, executed to by the Governor of California in response to the state of emergency relating to novel coronavirus disease 2019 (COVID-19) and enabling teleconferencing accommodations by suspending or waiving specified provisions of the Ralph M. Brown Act (Government Code § 54950 et seq.).

PRESENT: Commissioners Casto, Davidson, Pacheco

ABSENT: Chairperson Gaeta-Mejia, Commissioner McDonough

STAFF PRESENT: Management Specialist Kinley, Management Analyst and Commission Secretary Camarena

PLEDGE OF ALLEGIANCE

Commissioner Casto led the audience in the Pledge of Allegiance.

CONFIRMATION OF AGENDA - Confirmed

PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

Management Specialist Kinley said no requests for WRITTEN PUBLIC COMMENTS or VERBAL COMMENTS have been received for this meeting.

ANNOUNCEMENTS, PRESENTATIONS AND WRITTEN COMMUNICATIONS

- None

CONSENT CALENDAR

1. APPROVE SPECIAL MEETING MINUTES DATED JUNE 10, 2020

MOTION – A motion was made and seconded by Commissioners Davidson/Pacheco to approve the Consent Calendar as recommended. Motion passed – ayes (3), noes (0), abstain (2), absent (2 – Davidson, Gaeta-Mejia).

BUSINESS SESSION - None

STUDY SESSION – None

STAFF REPORTS AND INFORMATIONAL ITEMS

1. AFFORDABLE HOUSING DEVELOPMENT OPPORTUNITIES FOR CALENDAR YEAR 2020-21 – VERBAL UPDATE BY HOUSING SPECIALIST DOUG KINLEY

Management Analyst Ferreira provided an update for two projects upcoming in FY 20/21. First, acquisition of the Dune Palms Mobile Home Park is in its due diligence period, with more information being available by end of calendar year 2020. Second, continuing efforts to market and sell Housing Authority lots currently being appraised for market value.

Management Specialist Kinley informed the Commission of the United Lift program, put together by local affordable housing advocate Lift to Rise and the United Way organization, which provides for residents who need rental assistance. City staff has been working with Lift to Rise in sharing the information of the program to our residents and social media. Also discussed was the COVID-19 Small Business Emergency Economic Relief Program. Staff invited the Commission to attend the September 15, 2020 Council Meeting for staff's presentation of the program's status.

COMMISSIONER'S ITEMS – None

ADJOURNMENT

There being no further business, a motion was made and seconded by Commissioners Casto/Davidson to adjourn the meeting at 4:22 p.m. Motion passed – ayes (3), noes (0), abstain (2), absent (2 – Davidson, Gaeta-Mejia).

Respectfully submitted,

Reyna Camarena

REYNA CAMARENA, Commission Secretary
City of La Quinta, California

City of La Quinta

HOUSING COMMISSION MEETING: January 12, 2021

STAFF REPORT

AGENDA TITLE: RECEIVE AND FILE FISCAL YEAR 2019/20 HOUSING AUTHORITY YEAR-END BUDGET REPORT

RECOMMENDATION

Receive and file 2019/20 Housing Authority Year-End Budget Report.

EXECUTIVE SUMMARY

- After closing the prior fiscal year, Finance presents a year-end summary that compares the final budget to actual transactions.
- Overall revenue was \$476,575 lower than budgeted.
- Overall expenditures were \$437,995 under budget and \$320,762 would be carried over to fiscal year (FY) 2020/21.
- The Report was presented and approved by the Housing Authority on December 15, 2020.

BACKGROUND/ANALYSIS

Total adjusted revenues were under budget by \$476,575; mostly due lagging proceeds from the sale of other assets, which will be recognized in FY 2020/21.

Total expenditures were under budget by \$437,995 with \$320,762 to be carried over to FY 2020/21 for the housing element update and drainage improvements.

Revenues, expenditures, carryovers, and fund balances are discussed in the Fiscal Year-End 2019/20 Housing Authority Budget Report (Attachment 1).

ALTERNATIVES

No alternatives are applicable.

Prepared by: Karla Romero, Finance Director

Attachment 1: Fiscal Year-End 2019/20 Housing Authority Budget Report



HOUSING AUTHORITY

FISCAL YEAR-END 2019/20 BUDGET REPORT

The La Quinta Housing Authority oversee four funds, which are restricted for affordable housing programs. This report focuses on significant activities and variances from the final budget during the fiscal year (FY) ended June 30, 2020.

REVENUES

Total revenues, after non-cash adjustments were under budget by \$476,575. Revenues are summarized by fund below and detailed in Exhibit A.

Housing Authority Revenues	Final Budget	Actual	Variance
Housing Authority Fund	1,688,256	1,474,316	(213,940)
RDA Low-Mod Housing Fund	40,000	269,013	229,013
2004 Bond Fund	-	4,326	4,326
2011 Bond Fund	350,000	403,942	53,942
Total Revenues	2,078,256	2,151,597	73,341
Non-Cash Adjustments			
Investments Fair Market Value Adjustment		(376,358)	(376,358)
RDA Loan Interest Earned, Extraordinary Gain		(173,558)	(173,558)
Total Adjusted Revenues		1,601,681	(476,575)

Larger revenue variances from the final budget are described below.

- Use of Money and Property includes the annual fair market value adjustment to the Authority's investments; noted as GASB 31 Interest on the revenue line items. In FY 2019/20 the portfolio holdings were valued greater than book value due to market conditions, therefore a positive adjustment in three of the funds in the total amount of \$376,358 was recorded. This amount has been reduced as an adjustment to revenues, as it is not cash received nor anticipated to be received in the future.

The Authority's investments have a five-year horizon with laddered maturities. The Authority has worked diligently to leverage highly restricted investments under volatile market conditions. At June 30, 2019, the portfolio was earning a 2.04% rate of return and on June 30,

2020 the return was 1.82%. Today the average investment purchases are yielding about a 0.50% return, which will reduce interest earnings going forward.

- Miscellaneous Revenue includes interest earned on two outstanding receivable notes; Coral Mountain Partners and LINC Housing earned \$121,857 and \$8,805 respectively in FY 2019/20.
- In FY 2019/20, the Authority approved the sale of portions of real property at 46150-46176 Dune Palms Road to the City of La Quinta for a future park and drainage improvements. Due to COVID impacts the transaction was delayed and revenues in the amount of \$1,061,456 were transferred to the Authority in FY 2020/21.
- A Transfer In for \$386,692 was recorded to close out the 2004 Bond Fund, which was used for the Washington Street Apartments improvement and expansion project.
- Extraordinary Gain revenue of \$173,558 in the RDA Low-Mod Housing Fund records the annual former Redevelopment Agency loan repayment interest earned in FY 2019/20. The loan repayments are structured to pay all principal first, then interest. Each year the City records the payment received and interest earned in accordance with the State Department of Finance approved loan repayment schedule. This amount is also reduced from revenues as an adjustment because it is earned, but not received until a future date.



EXPENSES

Housing Authority expenses by fund are summarized below and detailed in Exhibit B.

Housing Authority Expenditures	Final Budget	Actual	Variance
Housing Authority Fund			
Administration	673,957	316,833	(357,124)
La Quinta Cove Properties	317,000	298,218	(18,782)
RDA Low-Mod Housing Fund	351,000	350,779	(221)
2004 Bond Fund	390,500	388,632	(1,868)
2011 Bond Fund	60,000	-	(60,000)
Total Expenditures	1,792,457	1,354,462	(437,995)
Capital Project Carryovers		278,062	
Operational/Contractual Carryovers		42,700	
Total Carryovers		320,762	
Total Expenditures After Carryovers	1,792,457	1,675,224	(117,233)

Carryovers from FY 2019/20 to FY 2020/21, detailed in Exhibit C, increased by \$47,200 from the original anticipated amount of \$278,062 to \$320,762.

HOUSING AUTHORITY FUND (241)

This fund recognizes administrative expenses and housing activities for several Authority owned properties in the La Quinta Cove. Overall expenses were \$4,996 greater than the previous year.

Combined savings of \$97,844 were recognized for salaries and benefits, professional program oversight, legal services, and rental expenses. Of this amount \$42,700 is being carried over to FY 2020/21 to ensure proper funding for the ongoing State mandated housing element update. This fund also had savings of \$278,062 from Transfers Out to the Capital Improvement Fund, which are also being carried over for drainage improvements which will benefit the housing parcel located adjacent to the future skate park on Dune Palms and Westward Ho.

Funds not being carried over are recognized as Restricted Fund balance in the Housing Fund. As of June 30, 2020, the available balance in this fund was \$11,338,100.

LOW-MOD HOUSING FUND (243)

Revenue in this fund is solely derived from Redevelopment Agency loan repayments and interest earnings. Annually loan repayments are allocated 80% to the General Fund and 20% to the Low-Mod Housing Fund. The total outstanding loan balance as of June 30, 2020 is \$32,587,178; with \$6,517,436 or 20% recognized in this fund as a future receivable.

In FY 2019/20, a total of \$350,779 was expensed for homelessness programs in the greater Coachella Valley. This amount included \$101,001 carried over from 2018/19 to 2019/20. As of June 30, 2020, the available balance in this fund was \$2,580,132.

2004 BOND FUND (248) & 2011 BOND FUND (249)

WSA’s rehabilitation and relocation plan expenses were incorporated in the 2004 and 2011 Bond Fund budgets, these bonds were refinanced in 2014 and 2016 respectively. The final relocation expenses were paid in FY 2019/20 from the 2004 Bond. To close out the project and fund, \$386,692 was transferred from the 2004 Bond Fund to the Housing Authority Fund, which is also restricted for housing programs. The 2011 Bond Fund had an ending balance of \$17,159,715 as of June 30, 2020.

FUND BALANCES

Below is a summary of Housing Authority fund balances as of June 30, 2020. These funds are restricted for housing programs.

Housing Fund	Fund Balance as of 6/30/20
Housing Authority Fund (241)	11,338,100
Low-Mod Housing Fund (243)	2,580,132
2011 Bond Fund (249)	17,159,715
TOTAL HOUSING FUNDS	31,077,947

		2018/19 Actuals	2019/20 Original Budget	2019/20 Final Budget	2019/20 Actuals
241 - HOUSING AUTHORITY					
241-9101-41900	Allocated Interest	339,095	110,000	230,000	190,627
241-9101-41910	GASB 31 Interest	0	0	0	239,559
241-9101-41915	Non-Allocated Interest	771	0	0	131,261
241-9101-42301	Miscellaneous Revenue	1	0	0	1
241-9101-42706	Loan Repayments	0	0	0	107,695
241-9101-43500	Home Sale Proceeds	58,814	0	58,800	58,789
241-9101-43504	2nd Trust Deed Repayments	187,892	50,000	50,000	60,000
241-9101-45000	Sale of Other Assets	0	0	1,061,456	0
241-9101-49500	Transfers In	0	0	0	386,692
241-9103-43502	Rent Revenue/LQRP	286,872	288,000	288,000	299,692
Total:		873,444	448,000	1,688,256	1,474,316
243 - RDA LOW-MOD HOUSING FUND					
243-0000-41900	Allocated Interest	55,555	22,000	40,000	40,939
243-0000-41910	GASB 31 Interest	0	0	0	54,515
243-0000-48500	Extraordinary Gain	0	0	0	173,558
Total:		55,555	22,000	40,000	269,013
248 - SA 2004 LO/MOD BOND FUND (Refinanced i					
248-0000-41900	Allocated Interest	17,587	0	0	4,326
Total:		17,587	0	0	4,326
249 - SA 2011 LOW/MOD BOND FUND (Refinanced					
249-0000-41900	Allocated Interest	3,289	0	0	8,054
249-0000-41910	GASB 31 Interest	0	0	0	82,284
249-0000-41915	Non-Allocated Interest	487,581	270,000	350,000	313,604
Total:		490,870	270,000	350,000	403,942
HOUSING AUTHORITY REVENUE		1,437,457	740,000	2,078,256	2,151,596

		2018/19 Actuals	2019/20 Original Budget	2019/20 Final Budget	2019/20 Actuals
241 - HOUSING AUTHORITY					
9101 - Housing Authority - Admin					
Salaries and Benefits					
241-9101-50101	Permanent Full Time	130,085	142,000	143,595	136,322
241-9101-50105	Salaries - Overtime	0	0	0	578
241-9101-50110	Commissions & Boards	750	3,000	3,000	900
241-9101-50150	Other Compensation	196	200	200	193
241-9101-50200	PERS-City Portion	10,878	10,600	10,600	11,131
241-9101-50215	Other Fringe Benefits	2,262	0	0	261
241-9101-50221	Medical Insurance	22,129	31,800	31,800	24,158
241-9101-50222	Vision Insurance	337	0	0	330
241-9101-50223	Dental Insurance	1,482	0	0	1,259
241-9101-50224	Life Insurance	58	0	0	67
241-9101-50225	Long Term Disability	587	900	900	578
241-9101-50230	Workers Comp Insurance	2,600	3,400	3,400	3,400
241-9101-50240	Social Security-Medicare	1,936	2,100	2,100	2,002
241-9101-50241	Social Security-FICA	92	0	0	105
50 - Salaries and Benefits Totals:		173,391	194,000	195,595	181,285
Contract Services					
241-9101-60103	Professional Services	59,667	81,000	121,000	78,218
241-9101-60106	Auditors	5,000	5,000	5,000	5,000
241-9101-60153	Attorney	13,453	25,000	25,000	3,849
60 - Contract Services Totals:		78,120	111,000	151,000	87,067
Maintenance & Operations					
241-9101-60320	Travel & Training	1,611	3,000	3,000	1,211
241-9101-60400	Office Supplies	153	0	0	0
241-9101-60420	Operating Supplies	1,377	1,500	1,500	2,470
62 - Maintenance & Operations Totals:		3,141	4,500	4,500	3,681
Insurance					
241-9101-91843	Property & Crime Insurance	10,000	6,000	6,000	6,000
63 - Insurance Totals:		10,000	6,000	6,000	6,000
Internal Service Charges					
241-9101-91844	Earthquake Insurance	20,000	14,000	14,000	14,000
241-9101-98110	Information Tech Charges	18,100	24,800	24,800	24,800
69 - Internal Service Charges Totals:		38,100	38,800	38,800	38,800
Transfers Out					
241-9101-99900	Transfers Out	0	0	278,062	0
99 - Transfers Out Totals:		0	0	278,062	0
9101 - Housing Authority - Admin Totals:		302,753	354,300	673,957	316,833
9103 - Housing Authority - LQRP					
Maintenance & Operations					
241-9103-60157	Rental Expenses	307,302	255,000	317,000	298,218
62 - Maintenance & Operations Totals:		307,302	255,000	317,000	298,218
9103 - Housing Authority - LQRP Totals:		307,302	255,000	317,000	298,218
241 - HOUSING AUTHORITY Totals:		610,055	609,300	990,957	615,051

		2018/19 Actuals	2019/20 Original Budget	2019/20 Final Budget	2019/20 Actuals
243 - RDA LOW-MOD HOUSING FUND					
0000 - Undesignated					
Other Expenses					
243-0000-60532	Homelessness Assistance	166,666	250,000	351,000	350,779
64 - Other Expenses Totals:		166,666	250,000	351,000	350,779
0000 - Undesignated Totals:		166,666	250,000	351,000	350,779
243 - RDA LOW-MOD HOUSING FUND Totals:		166,666	250,000	351,000	350,779

		2018/19 Actuals	2019/20 Original Budget	2019/20 Final Budget	2019/20 Actuals
248 - SA 2004 LO/MOD BOND FUND (Refinanced in 201					
9002 - ? Missing Department Description - 9002					
Transfers Out					
248-9002-99900	Transfers Out	0	0	0	386,692
99 - Transfers Out Totals:		0	0	0	386,692
002 - ? Missing Department Description - 9002 Totals:					
		0	0	0	386,692
9102 - Housing Authority - Wash St Apts					
Contract Services					
248-9102-60103	Professional Services	0	0	145,000	0
248-9102-60159	Relocation Benefits	954,480	0	245,500	1,939
248-9102-60185	Design/Construction	80,735	0	0	0
60 - Contract Services Totals:		1,035,215	0	390,500	1,939
9102 - Housing Authority - Wash St Apts Totals:		1,035,215	0	390,500	1,939
2004 LO/MOD BOND FUND (Refinanced in 2014) Totals:		1,035,215	0	390,500	388,632

		2018/19 Actuals	2019/20 Original Budget	2019/20 Final Budget	2019/20 Actuals
249 - SA 2011 LOW/MOD BOND FUND (Refinanced in 2016)					
0000 - Undesignated					
Contract Services					
249-0000-60188	Construction	7,376,024	0	0	0
60 - Contract Services Totals:		7,376,024	0	0	0
Capital Expenses					
249-0000-80050	Affordable Housing Project Development	0	20,000	60,000	0
68 - Capital Expenses Totals:		0	20,000	60,000	0
0000 - Undesignated Totals:		7,376,024	20,000	60,000	0
11 LOW/MOD BOND FUND (Refinanced in 2016) Totals:		7,376,024	20,000	60,000	0

Revised Continuing Appropriations/Carryovers from 2019/20 to 2020/21

Vendor/Program	Account Number	Description	Estimated	Revised
Housing Element Update, State Mandate	241-9101-60103	Professional Services	-	\$ 42,700
Housing Retention Basin, Drainage Improvements	241-9101-99900	Transfers Out to Capital Improvement Fund	278,062	\$ 278,062
TOTAL AUTHORITY CARRYOVERS			\$ 278,062	\$ 320,762

NOTE: In June 2020 when the budget was adopted all carryovers were estimates based on projected invoices to end fiscal year 2019/20. Upon completion of the final audit (October 2020), Finance verified account balances and additional carryover recommendations based on current budgetary needs and constraints due to COVID. In no event shall a carryover exceed the revised per account amount noted above.

City of La Quinta

HOUSING COMMISSION MEETING: January 12, 2021

STAFF REPORT

AGENDA TITLE: RECEIVE AND FILE FISCAL YEAR 2020/21 FIRST QUARTER HOUSING AUTHORITY BUDGET REPORT

RECOMMENDATION

Receive and file fiscal year 2020/21 First Quarter Housing Authority Budget Report.

EXECUTIVE SUMMARY

- The Fiscal Year 2020/21 First Quarter Housing Authority Budget Report (Attachment 1) provides an update of the Authority's fiscal activities from July to September 2020.
- A budget report is prepared quarterly to assess the adopted budget and incorporate adjustments based on current economic conditions and operational requirements.
- The Report was presented and approved by the Housing Authority on December 15, 2020.

BACKGROUND/ANALYSIS

Throughout the fiscal year staff monitors the budget and proposes adjustments to reflect current conditions and ongoing operational needs. Requests are reviewed and discussed before recommending approval in the budget report (Attachment 1). Funds with no adjustments from the originally presented 2020/21 Budget have been excluded from the report.

The Report was presented and approved by the Housing Authority Board on December 15, 2020.

ALTERNATIVES

No alternatives are applicable.

Prepared by: Karla Romero, Finance Director

Attachment 1: Fiscal Year 2020/21 First Quarter Housing Authority Budget Report



HOUSING AUTHORITY

FISCAL YEAR 2020/21 FIRST QUARTER BUDGET REPORT

The following is a summary of budgetary adjustments requested for the first quarter of fiscal year (FY) 2020/21. Account details are provided in Exhibit A and discussed in this report.

2020/21 FIRST QUARTER RECOMMENDED HOUSING AUTHORITY ADJUSTMENTS			
Fund	Revenues		Expenses
Housing Authority Fund (241)	\$	1,202,456	\$ -
Low-Mod Housing Fund (243)		-	-
2011 Bond Fund (249)		-	-
TOTAL FUND ADJUSTMENTS	\$	1,202,456	\$ -

REVENUES

Total revenue increases of \$1,202,456 described as follows:

- A reduction of \$30,000 to interest earnings based on interest earned in the prior year and current market conditions yielding lower interest returns
- An increase of \$171,000 for second trust deed repayments. To date three outstanding balances have been repaid. This adjust reflects current activity.
- An increase of \$1,061,456 in the sale of other assets to recognize the approved sale of portions of real property located at 46150-46176 Dune Palms Road to the City of La Quinta for a future park and drainage improvements. Due to COVID impacts the transaction was delayed and revenues in the amount of \$1,061,456 were transferred to the Authority in FY 2020/21.

EXPENSES

During the first quarter, there are no proposed expenditure adjustments for any Authority fund.

Housing Authority (241)			
Account No.	Description	Revenues	Expenses
241-9101-41900	Allocated Interest	(30,000)	
241-9101-43504	Second Trust Deed Repayments	171,000	
241-9101-45000	Sale of Other Assets	1,061,456	
			-

Low-Mod Housing (243)			
Account No.	Description	Revenues	Expenses
NO ADJUSTMENTS		-	-

2011 Bond (249)			
Account No.	Description	Revenues	Expenses
NO ADJUSTMENTS		-	-

TOTAL ALL HOUSING AUTHORITY FUNDS		1,202,456	-
--	--	------------------	----------

City of La Quinta

HOUSING COMMISSION MEETING: January 12, 2021

STAFF REPORT

AGENDA TITLE: RECOMMEND FUNDING OPTION FOR AREA HOMELESS PREVENTION PROGRAMS FOR FY 2020/21

RECOMMENDATION

Recommend approval to the Housing Authority of funding options to provide assistance to area homeless service providers and homeless prevention partners; Coachella Valley Rescue Mission (CVRM) and Martha's Village and Kitchen (MVK)

EXECUTIVE SUMMARY

- The Housing Commission (Commission) and Housing Authority (Authority) agreed on the allocation of \$250,000 of Housing Authority funds to area homeless service providers and homeless prevention partners in previous Fiscal Year (FY) 2019/2020.
- Staff continues receiving metrics regarding the success of this funding and can track how it positively impacts the City of La Quinta and greater Coachella Valley community.
- Staff recommends the Commission consider providing the following allocations for FY 2020/2021 totaling \$200,000:
 - \$100,000 to CVRM
 - \$100,000 to MVK

FISCAL IMPACT

Authority funds are available in account number 243-0000-60532.

BACKGROUND/ANALYSIS

Staff recommends providing \$100,000 to CVRM and MVK, a larger allocation than previous fiscal year's \$83,333, due to the metrics provided showing the additional need brought on by the COVID-19 pandemic and the knowledge of these facilities providing benefit to the Coachella Valley and City of La Quinta.

Each organization will continue to be required to provide a quarterly report on their use of the funds, indicate how many individuals from La Quinta were assisted, and what services they utilized.

ALTERNATIVE

The Housing Commission can recommend this option to the Housing Authority, or direct staff with a new option.

Prepared by: Doug Kinley, Housing Specialist

Approved by: Gil Villalpando, Assistant to City Manager

City of La Quinta

HOUSING COMMISSION MEETING: January 12, 2021

STAFF REPORT

AGENDA TITLE: RECOMMEND FOR HOUSING AUTHORITY APPROVAL THE DRAFT SCOPE OF SERVICES TO BE PROVIDED BY J&H ASSET PROPERTY MGT., INC. FOR RESIDENTIAL PROPERTY MANAGEMENT SERVICES AT DUNE PALMS MOBILE HOME PARK

RECOMMENDATION

Recommend for Housing Authority approval the draft scope of services to be provided by J&H Asset Property Mgt., Inc. for residential property management services at Dune Palms Mobile Home Park in an amount not to exceed approximately \$84,720 for the first eighteen months, scheduled to retroactively begin on the date escrow closes through June 30, 2022; and authorize the Executive Director to execute the forthcoming related agreement.

EXECUTIVE SUMMARY

- As part of acquisition of the mobile home park at 4600 Dune Palms Road, the Housing Authority (Authority), in a commitment to a seamless transition for residents of the park, assumed the contract for the current property management firm, J&H Asset Property Mgt., Inc. (J&H).
- To conclude the assumed contract and to remain in compliance with the Authority's contractual standards, a new agreement is currently being finalized between the City and J&H.
- The assumed contract is on a month-to-month basis and will be converted to an initial eighteen (18) month term with an optional extension of two (2) years through June 30, 2024.

FISCAL IMPACT

J&H would provide residential property management services for a fee as detailed below. The total contract cost is for a not-to-exceed amount of \$84,720 for the initial contract term of three and one-half (3 ½) years. An optional extension of two (2) years is available, with costs subject to a potential increase of 3% each fiscal year.

Fiscal Year	Monthly Amount	Fiscal Year Amount
2020/21	\$ 2,720	\$ 16,320 *
2022/23	\$ 2,800	\$ 33,600
2023/24	\$ 2,900	\$ 34,800
TOTAL CONTRACT AMOUNT		\$ 84,720
	Fee Per Audit	\$ 500

* Six months, from January - June 2021.

A budget adjustment for Park revenues and expenses will be added during the 2020/21 Mid-Year Budget Report. At that time, funds would become available in the Housing Authority budget (241-9104-60103, Professional Services).

BACKGROUND/ANALYSIS

In June 2020, the City of La Quinta entered into escrow for the acquisition of the Dune Palms Mobile Home Park (DPMHP). During the due diligence process, it was deemed appropriate for the wellbeing of the residents of the DPMHP to retain the services of the existing property management company, J&H. The City assumed the existing contract for property management services through escrow and must now formally contract with J&H to comply with contractual standards required of all service providers.

J&H have acted as property management for DPMHP since February 2006, and have extensive experience in providing upkeep for the park, including maintaining all legally required licensing and management of fees due to the State of California, answering calls from residents regarding property maintenance requests and inquiries, rent collections, and facilitating operations for the mobile home park.

Upon finalization of the Contract, with the attached Scope of Services (Attachment 1), and the Authority's approval, the initial term of the Agreement would be retroactive to the date escrow closes, expire on June 30, 2022, with an option to renew for one two-year extension, beginning July 1, 2022, and expiring on June 30, 2024. The City has the right to terminate the Agreement at any time with a 60-day written notice.

ALTERNATIVES

The Commission may elect to not recommend approval of this Scope of Services. However, staff does not recommend this alternative due to the immediate need for these ongoing services and established history of the firm.

Prepared by: Angela Ferreira, Management Analyst

Approved by: Gilbert Villalpando, Assistant to City Manager

Attachment: 1. Draft Scope of Services with J&H Asset Management, Inc.

**J & H ASSET PROPERTY MGT., INC.
PROPERTY MANAGEMENT AGREEMENT**

This Agreement is made this 19th day of January 2020 by and between La Quinta Housing Authority, a public body, corporate and politic (hereinafter “Owner”) and J & H Asset Property Mgt., Inc. (hereinafter “Agent”).

In consideration of the property management services to be rendered by Agent pursuant to this Agreement, Owner hereby designates Agent as the exclusive Agent and representative of the Owner for the purpose of management and operation for Owner’s account of the following described property , referred to herein as the “Property” and is defined as constituting all real property, including land and improvements and furnishing, fixtures and equipment (FF&E) thereon, owned by Owner (or the City of La Quinta, a California municipal corporation (“City”)) but expressly excluding any and all “coaches” (commonly referred to as “mobile home units” or “mobile homes”) owned by any other person(s) or entity(ies) other than Owner or the City, which occupy a “lot” or are otherwise located on the real property owned by Owner or the City, at the following address:

La Quinta Housing Authority
Dune Palms Mobile Estates
46400 Dune Palms Road
La Quinta, CA 92253

Agent and Owner agree that their respective authorities, duties and responsibilities with respect to the Property shall be as follows:

I. Duties of Agent

- A. On assuming the management of the Property, Agent shall thoroughly inspect the Property and submit a written report to Owner. The written report shall contain the opinion of Agent concerning the present degree of efficiency under which the Property is to be operated and recommend changes, if necessary, in the management structure of the Property, in the rehabilitation of the Property, and in any other areas that will improve the efficient management of the Property. After conferring with Owner and obtaining approval to make any necessary improvements Agent will undertake completion of the improvements as authorized and directed by the Owner.

- B. Agent shall take all reasonably necessary actions to collect rental charges or other income when due from tenants of said Property in accordance with the terms of their tenancies and may execute all receipts of other documents reflecting receipt of said sums on behalf of Owner. All rental charges or other income shall be deposited into an authorized Owner owned bank account as designated by the Owner and as described in Section I-J of this agreement.

_____ Agent Initials

_____ Owner Initials

- C. Owner hereby warrants and represents to Agent that it has the lawful and proper responsibility and authority to employ Agent as provided herein. To the extent that Agent enters into contracts or obligations which have been pre-approved by Owner in writing and are reasonably and properly incurred pursuant to the terms of this Agreement for the benefit of the Property, Owner shall indemnify, defend (with counsel of Owner's choice), and hold harmless Agent against claims, damages, and loss resulting from the ownership of the Property by Owner and, unrelated to Agent's management and/or other rights and obligations under this Agreement, and Owner shall pay and discharge said contracts and obligations in the event Agent shall be discharged by Owner. Owner shall further indemnify, defend (with counsel of Owner's choice), and hold harmless Agent against damages, claims, loss, cost of expense arising out of actual or alleged defects in design or construction of the Property or in any breach or alleged breach of any legal duty or obligation which is by law the responsibility of Owner as owner of the Property and unrelated to Agent's management and/or other rights and obligations under this Agreement.
- D. Agent shall do everything reasonably necessary for the proper management of the Property, including, without limitation thereto, periodic inspections, handling all tenant requests and negotiations, supervision of maintenance, arrangement for any improvements and alterations as may be required of Owner, purchasing all materials and supplies, contracting with independent contractors to supply services, and expending such sums, as Agent deems necessary to accomplish the foregoing. Agent shall obtain approval from Owner for any expenditure for repairs, improvements or work in excess of \$1,000.00 for any one item, except monthly or recurring operating charges and/or emergency repairs in excess of the maximum, if in the opinion of Agent such repairs are necessary to prevent additional damage or a greater total expenditure or to protect the Property from danger to maintain services or conditions to the tenants as called for by their tenancy. The Agent shall notify the Owner promptly whenever emergency repairs have been ordered.
- E. Agent shall obtain approval of the Owner to negotiate leases or other uses of the Property, including leases for lots on the Property, and month-to-month tenancies with existing and prospective tenants upon terms and conditions approved by Owner.
- F. Agent shall have the right to hire managers and other Property employees, if any, reasonably required in the operation of the Property. The cost of onsite personnel shall not be charged against the Agent fee set forth in Section II, **and Owner will reimburse Agent for all payroll related costs and services, including any benefits offered to Property employees.** Agent shall set the terms of compensation and duties of the Property's employees based on similar industry trends. Compensation and duties shall be disclosed to the Owner on an annual basis in January of each year. **All on-site personnel will be employees of WJ Professional Services.**
- G. The employees of the park will be employees of WJ Professional Services, LLC (owned by J and H Asset Property Mgt., Inc.).

_____ Agent Initials

_____ Owner Initials

- a) To avoid cashflow discrepancies the monthly amounts necessary to fund Owner's on-site operations, will be prefunded by the Owner, including, all the costs associated with the salaries, wages, workers compensation insurance, taxes, etc. paid for all on-site staff, which will be paid by Owner to WJ Professional Services, LLC, in advance after billing to Owner from WJ Agent.
- b) Agent shall be responsible for initial payment of all federal, state and local payroll taxes and for contributions for unemployment insurance, social security, and other benefits imposed or assessed under any provision of law or by regulation, and which are measured by salaries, wages or other remuneration paid or payable by Agent to its employees engaged in any work in connection with this Agreement or the Property. The Agent shall be responsible for the withholding and payment of any income tax required to be withheld from the wages and salaries of said employees under any applicable law or regulation.
Owner will reimburse Agent for State, Federal and Local Taxes, and for contributions for unemployment insurance, social security, and other benefits imposed or assessed under any provision of law or by regulation. Owner will reimburse salaries, wages or other remuneration paid or payable by Agent to its employees, along with all Worker's Comp Premiums associated with the employees.
- c) Other costs and expenses of each such person for standard employment will be borne by Agent and reimbursed by Owner. Such items may include: Medical Insurance, Retirement Plans, and payroll processing fees, including but not limited to bi-weekly, quarterly, end of the year, human resources onboarding and employment service fees. All other costs and expenses of each such person will be borne by Agent and reimbursed by Owner. Such items may include: medical insurance, retirement plans, payroll processing fees, including but not limited to bi-weekly processing fees per employee, quarterly filing fees, end of the year filing fees, garnishment fees, HR onboarding charges, including the HR trainings (sexual harassment, OSHA, and any other applicable trainings), background checks, and other unknown fees which would be discussed with owner at appropriate time. Any costs and expenses of employment that are discretionary, such as a bonus or similar non-salary or non-rate-based cost or expense, shall be subject to prior Owner approval.

H. Agent shall manage the Property in the full compliance with all the laws and regulations of the County of Riverside, the City of La Quinta, the State of California, and the United States. Agent shall advise Owner of any code or ordinance violations immediately.

Agent shall defend (with counsel approved by Owner in its reasonable discretion), indemnify and hold harmless Owner from and against any loss, damage, claim, cost, charge or expense (including direct, indirect, consequential loss, damage, claim, cost, charge or expense) including reasonable attorney's fees and other

_____ Agent Initials

_____ Owner Initials

costs of litigation, incurred by Owner in connection with injury to or death of any person or damage to the Property of a third party arising out of Agent's management and/or performance of the Agreement to the extent that such loss, damage claim cost, charge or expense is caused by the negligence, bad faith, intentional or willful misconduct of Agent or its employees or agents, or any person or entity whose negligence, bad faith, intentional or willful misconduct would be imputed to Agent. As a requirement Dune Palms Mobile Estates will be included under Agent's blanket Employment Practices Liability Insurance/3rd Party Policy.

- I. Agent must deposit all revenues from the Property into a specific property management fund of Owner, subsequently referred to as the "account". The account must be maintained at all times in a national or state bank that is a member of the Federal Deposit Insurance Corporation. Agent must not commingle any of the revenues described above with any funds or other property of Agent.
- J. The Agent shall establish a specific property management trust fund of Agent, subsequently referred to as the "trust account". The Owner shall deposit \$50,000 in the trust account, Agent shall pay all items with respect to the Property for which payment is provided in this Agreement, including the compensation of Agent from the trust account. After such payments, within fifteen (15) days, but no more than twice a month, Agent shall prepare a reimbursement request for Owner to replenish said trust account. The reimbursement request shall include copies of paid invoices and checks issued, and an invoice with the total to be reimbursed to the trust account. Agent shall also provide monthly income and expense reports referred to in Section L.
- K. Agent shall keep and maintain full and accurate books and records of the collections and all expenditures incurred in the connection with the management and operations of the Property. The books, accounts and records are to be maintained at the principal place of business of Agent. Agent will, during regular business hours, make the books, accounts and records required to be maintained under the terms of this agreement, available to Owner, or the representative of Owner, for examination, copying, auditing and reporting by providing a written request for documents, which shall be provided in electronic format by the Agent to the Owner. Agent understands the Owner is subject to multiple external year-round audits and reporting requirements and Owner agrees any work associated with gathering records for audits shall be reimbursement to Agent at a flat rate of \$500 per audit. Agent shall establish a bank account in the name of Dune Palms Mobile Estates for the payment of all operating expenses incurred through renting, servicing, maintaining or repairing the Property and such other expenses in connection with the Property.

Agent must furnish Owner, no later than the end of the next succeeding month, a detailed statement of all revenues and expenditures for each preceding month which are held in the trust account. A summary of all current and prospective rental concessions given to induce tenants to occupy the Property, as well as such other information relating to the operation and management of the Property shall be

_____ Agent Initials

_____ Owner Initials

available to Owner for inspection and copying upon request. Agent is to retain, for safekeeping and storage, all original invoices, statements, purchase orders, billings and other documents delivered to Agent with respect to the Property. Agent, on payment of reasonable costs incurred, must make available to Owner, copies of all or any portion of any invoice, statement, purchase order, billing report, or other documents received from Agent with respect to the Property.

- L. Within 30 days after the end of each calendar year, Agent must prepare and deliver to Owner, a detailed statement of revenues received, and expenditures incurred and paid during the calendar year that results from operation of the Property.

II. Duties of Owner

- A. Owner agrees to promptly furnish Agent with all documents and records of Property reasonably necessary in order to manage the Property, including but not limited to, leases, amendments and correspondence pertaining thereto, reports on existing service contracts, copies of all insurance policies and any required endorsements which are carried during the term of this Agreement.
- B. Except for Agent's negligence, bad faith, intentional or willful misconduct in Agent's management and/or other performance of this Agreement, Owner shall indemnify and hold Agent harmless from any and all costs, expenses, attorney's fees, suits, liabilities, damages from the ownership of the Property unrelated to Agent's management and/or performance and/or exercise of other rights and obligations under this Agreement..
- C. Owner agrees to carry bodily injury, property damage and personal injury public liability insurance in limits of not less than \$1,000,000 combined single limit coverage of \$500,000 property damage insurance. Owner agrees that at all times during the continuance of this Agreement all bodily injury, property damage and personal injury, property insurance and any other coverage carried by Owner on the Property shall, by the appropriate endorsement of all policies evidencing such insurance and without cost to Agent, be extended to insure Agent (except as otherwise provided in this Agreement) as well as Owner, as follows: J & H Asset Property Management Inc. is hereby named as an additional insured, except to the extent of its negligence, bad faith, intentional or willful misconduct.

Further, Owner agrees to consider all reasonable recommendations of Agent with respect to insurance coverage to minimize the cost thereof and the possibility of bodily injury, property damage and loss of rental income.

- D. The cost of onsite personnel shall not be charged against the Agent fee set forth in Section II, **and Owner will reimburse Agent for all payroll related costs and services, including any benefits offered to Property employees as referred under Duties of Agent Section 1- F.**

_____ Agent Initials

_____ Owner Initials

- E. The employees of the park will be employees of WJ Professional Services, LLC (owned by J and H Asset Property Mgt., Inc.). **As referred under Duties of Agent – Section I-G- (a, b, c)**
- F. All on-site offices must be equipped with a working computer, printer, and secure access that meet the minimum requirements needed to run the on-line Agent and Accounting software programs.
- G. Owner agrees to reimburse Agent, upon reasonable demand and documentation of expenditures, to the full extent of all monies paid by Agent for Owner's Property in carrying out the purpose of this Agreement provided. **The Owner will be paying all invoices until a trust account is setup and the prefunded deposit is provided from the Owner to J&H to pay vendors. Upon on a mutually agreed upon date, but no later than March 31, 2021, J&H will process all invoices and payroll and will send all items to the Owner for approval to pay from the trust account.**
- H. In the event that any governmental agency, authority or department should order the repair, alteration or removal of any structure or matter on the Property, and if after written notice of the same to the Owner by such body or Agent or others to make such repairs, alterations or removal, Agent shall be answerable to such body for any and all penalties and fines whatsoever imposed because of such failure on Owner's part.
- I. **Owner shall pay for its property management service a flat monthly fee as indicated in the below schedule. Partial months shall be pro-rated based on the daily average.**
 - 1. **January __, 2021 through June 31, 2022 - \$2,720.00**
 - 2. **July 1, 2022 through June 31, 2023 - \$2,800.00**
 - 3. **July 1, 2023 through June 31, 2024 - \$2,900.00**
- J. From the trust account, Agent on behalf of the Owner shall:
 - 1. Pay all operating expenses incurred through renting, servicing, maintaining or repairing the Property and such other expenses in connection with the Property.
 - 2. Pay such sums to lenders as may be designated in writing on loans secured by or otherwise affecting the Property.
 - 3. Pay real and personal property taxes and other taxes or assessments levied and assessed against the Property.
 - 4. Pay fees for computer billing service for monthly rent statements, and, payroll processing / filing fees for project employees.

_____ Agent Initials

_____ Owner Initials

III. Miscellaneous

- A. Upon its adoption by all parties hereto, this Agreement shall become retroactively effective as of the ___ day of January 2021, and shall continue in full force and effect for a period of one year and six months with the possibility to extend for an additional two years through June 30, 2024 from the effective date, subject to Owner's right to cancel this Agreement by not less than sixty (60) days advance written notice at any time during said period.
- B. On the voluntary sale of the Property by Owner and the delivery of the deed of conveyance for such sale, this Agreement shall automatically terminate unless otherwise agreed in writing by the parties hereto. Owner must notify Agent of the sale of the Property as soon as such sale is negotiated.
- C. This Agreement will terminate in the event of a total condemnation of the Property by any governmental agency other than the City as may be authorized by applicable law. If there is a partial condemnation of the Property, this Agreement may be terminated at the option of Owner. Owner will be entitled to all consequential damages awarded as a result of any eminent domain proceeding.
- D. Nothing in this Agreement is to be deemed to create or is to be construed as creating in Agent any property interest. in the Property.
- E. Agent must at all times during the term of this Agreement maintain such licenses and permits as are required for any of the various services to be performed by Agent on behalf of Owner. Agent is an independent contractor and not an employee of Owner for any purpose.
- F. This Agreement shall be binding upon the parties hereto. their legal representatives, heirs, trustees, and successors and permitted assigns and may not be assigned by Agent without the prior written consent of the Owner.
- G. The drafting, execution and delivery of this Agreement by the parties have been induced by no representations, statements, warranties, or agreements other than those expressed in it. This Agreement embodies the entire understanding of the parties, and there are no further or other agreements or understandings, written or oral, in effect between the parties relating to the subject matter of it unless expressly referred to in this Agreement. This Agreement may not be modified unless such modification is in writing and signed by both parties to this Agreement.

_____ Agent Initials

_____ Owner Initials

- H. Where legal assistance is required for such matters as enforcing the collection of rents or eviction. proceedings, such action shall be made through legal counsel designated by management with the prior written consent of Owner in its reasonable discretion unless such action must commence and proceed immediately to prevent injury to any persons or the Property. With respect to other legal matters, Owner also shall be consulted and give its prior written consent as to selection of legal counsel and general legal action. Should either party bring suit to enforce any of the terms of this Agreement, the prevailing party will be entitled to recover court costs and reasonable attorneys' fees.
- I. Any notice required under the terms herein shall be deemed. given, if delivered in person or by e-mail delivery with confirmation of receipt by the intended recipient party, or within 15 days upon the placing of it in the United States Mail, postage prepaid, and addressed or otherwise actually delivered to the address designated below. Either party to this Agreement may change the address at which it receives written notices by so notifying the other party in writing.
- J. Agent is an equal opportunity non-discriminatory employer. Agent and Owner each mutually agree that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, religion, creed, sex or national origin, or any other legally protected classification under federal, state, or local law, in leasing, transferring use occupancy, tenure or enjoyment of the Property nor practices of discrimination or segregation with reference to the selection, location number, use or occupancy of tenants.

AGENT

J & H ASSET PROPERTY MGT., INC.
22880 Savi Ranch Parkway
Yorba Linda, CA 92887

e-mail:

OWNER

La Quinta Housing Authority
Attn. Executive Director
78495 Calle Tampico
La Quinta, CA 92253
e-mail: finance@laquintaca.gov

with copy to:

Rutan & Tucker, LLP
Attn. William H. Ihrke, Esq.
18575 Jamboree Road, 9th Floor
Irvine, CA 92612
e-mail: bhrke@rutan.com

**IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS
AGREEMENT THE DAY AND YEAR FIRST ABOVE WRITTEN.**

_____ Agent Initials

_____ Owner Initials

AGENT: J & H ASSET PROPERTY MGT., INC.

By: _____
James Joffe, President

Date: _____

**OWNER:
LA QUINTA HOUSING AUTHORITY,
a public body, corporate and public**

By: _____
Jon McMillen, Executive Director

ATTEST:

Monika Radeva, City Clerk

APPROVED AS TO FORM:

William H. Ihrke, City Attorney

_____ Agent Initials

_____ Owner Initials

