

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

THIS AGREEMENT is dated for identification December 1, 2020, and is made by and between TOWN OF LOS GATOS, a California municipal corporation, (“Town”) and Hello Housing, (“Consultant”), whose address is 1242 Market Street, 3rd Floor, San Francisco, CA 94102. This Agreement is made with reference to the following facts. This contract will remain in effect from December 1, 2020 to November 30, 2025.

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 an estimated initial fixed annual base cost of approximately \$96,000 and increasing annually up to approximately \$125,000, 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

Hello Housing
Attn: Matt Warner
1242 Market Street, 3rd Floor
San Francisco, CA 94102

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
Recommended by:

Matt Warner, Program Director
Hello Housing

Joel Paulson, Community Development
Director

Approved as to Form:

Robert Schultz, Town Attorney



hello housing

making places where people thrive

Town of Los Gatos

Request for Proposals – Below Market Price Program Services

August 21, 2020



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August 21, 2020

Joel Paulson, Community Development Director
Town of Los Gatos
110 E. Main Street
Los Gatos, CA 95030

RE: RFP for Below Market Price Program Services

Dear Joel:

On behalf of Hello Housing, I am pleased to submit the enclosed response to the Town of Los Gatos' Request for Proposals. Our staff has significant relevant experience, established best practices, and a wealth of knowledge regarding the unique questions and challenges that arise each and every day when managing BMP/BMR programs. We would be thrilled to have the opportunity to continue to support the Town of Los Gatos in achieving its affordable housing goals and objectives.

As is further described in the enclosed response, Hello Housing has significant experience with administering Los Gatos' BMP programs as well as the following:

- Management of BMP homeownership and rental programs;
- Program design, program evaluation and policy recommendations;
- Compliance monitoring of deed-restricted BMR portfolios;
- Management of the marketing and sale of BMR homes;
- Financial underwriting of affordable housing program applicants;
- BMR document preparation and escrow coordination;
- Refinances, payoffs and reconveyance;
- Foreclosure prevention and BMR preservation;
- Down Payment Assistance administration;
- Lender and realtor education and engagement; and
- Clear, timely and dependable communications with our cities and our BMR participants.

All information provided in this proposal are true and accurate. Mardie Oakes, President of Hello Housing is authorized to submit proposals on behalf of Hello Housing.

Many thanks for your consideration. Please feel free to contact me at (415) 828-4388 with any questions.

Sincerely,

Mardie Oakes
President

A. Entity

1. Consultant Identification

Hello Housing is a 501(c)3 corporation with a traditional organizational structure and fourteen (14) employees. The organization is led by a small Board of Directors with a variety of skills and perspectives to offer the organization. The President reports to the Board and the staff report to the President.

Established in 2005, we hit the ground running as the master developer of the Bay Area Housing Project (BAHP), an innovative \$100 million public-private partnership that created community-integrated, permanent, scattered-site housing for people with developmental disabilities leaving Agnews Developmental Center, a large state-run institution slated for closure. Based on our unique experience developing a scattered-site acquisition/rehab program for single-family homes, we were perfectly positioned to address the foreclosure crisis in Alameda County. In 2009 and 2010, we were competitively awarded nearly \$10 million in HUD's Neighborhood Stabilization Program (NSP) funds. By leveraging these funds with a \$2.7 million revolving line of credit from Clearinghouse CDFI, a mission-driven private lender, we are made a tangible difference in stabilizing some of the most affected neighborhoods throughout the East Bay. In 2012, Hello Housing launched Hello Stewardship, starting with a small homeownership portfolio assumed from HomeBricks, a homeownership affiliate of BRIDGE Housing. Hello Stewardship has steadily grown since 2012 and is the department within Hello Housing that will deliver Affordable Housing Program Assistance services to Los Gatos, if selected.

Since the launch of Hello Stewardship in 2012, Hello Housing has grown the number of BMR for-sale homes under its management from 158 to 1,240, and the number of BMR rental units under management from four to 1,384. Hello Housing is currently averaging over 45 sales/resales each year and in 2020 is projecting to underwrite and originate 70+ first time homebuyer loans through the administration of Alameda County's AC Boost program. The menu of services that Hello Stewardship offers has grown as well, offering services to developers with inclusionary housing requirements and providing affordable housing program design services to both private and public entities. The estimated total market value of the BMR ownership and loan portfolio that the organization is responsible for stewarding now exceeds \$600 million.

In April 2016, Hello Housing became an affiliate of MidPen Housing, a nationally-respected nonprofit housing organization serving the 9-county Bay Area, providing Hello Housing with access to best-in-class operational support that far exceeds what organizations of Hello Housing's size can afford on their own. An additional benefit of the affiliation is MidPen has committed to investing in growth of the organization, by providing resources for Hello Housing to hire staff ahead of being awarded new contracts. The affiliation is formed by way of directors from the MidPen Housing board having majority representation on the Hello Housing board.

Hello Housing has an active Board of Directors, consisting of affordable housing experts who regularly provide direction, support and expertise to the team. Board President [Matt Franklin](#) is CEO of MidPen Housing. Matt joined MidPen Housing in 2008 from an appointed post as Executive Director of the San Francisco's Mayor's Office of Housing where he coordinated all City housing policy and oversaw the financing for 3,500 new affordable rental units as well as the compliance monitoring for 24,000 existing BMR units. Matt brings valuable insight to the Hello Housing staff regarding a city's particular interests and concerns when managing BMR programs. Other board members are: [Rick Jacobus](#), a national expert in inclusionary housing and affordable homeownership; [Tom Casey](#), a residential developer and former VP of BRIDGE Housing; [Elisa Jagerson](#), CEO Emeritus of FutureBrand Speck; and [Dan Seubert](#), a veteran real estate attorney.

Hello Housing is comprised of a unique team of experts with backgrounds in affordable housing program management, program design, finance, development, construction and services. It is critical for our organization to possess a deep understanding of these different industries, each with their own language, cultures and norms, in order to bring them together successfully into a single program or project.

The key staff committed to the day-to-day management of the Town of Los Gatos' BMP Program will be:

- Program Director, Matt Warner - matt@hellohousing.org, (415) 689-7746
- Associate Director of Operations, Sarah Duval – sduval@hellohousing.org, (415) 967-7581
- Program Manager, Janina Navarro – janina@hellohousing.org, (415) 564-1129
- Compliance Manager, Nadia Stanizai – nadia@hellohousing.org, (415) 989-1472
- Program Associate, Mollie Rayer-Haselkorn – mollie@hellohousing.org, (415) 481-3528

2. Intended Role of Staff

The staff dedicated to Los Gatos program are Matt Warner, Sarah Duval, Janina Navarro, Nadia Stanizai and Mollie Rayner-Haselkorn. Their intended roles are as follows:

- Program Director, Matt Warner, will provide program oversight and make programmatic improvement recommendations.
- Associate Director of Operations, Sarah Duval, will provide programmatic oversight, training of staff, track any BMP defaults, assist the town in establishing new sales price of units and provide support to the Program and Compliance Manager as needed.
- Program Manager, Janina Navarro, will be the primary point of contact and manager of the contract. Janina will be responsible for managing all aspects of the ownership program, including regularly updating marketing materials and the website, management of sales, processing of subordination requests, management of ownership compliance monitoring, eligibility screening, processing of capital improvement requests and training.
- Compliance Manager, Nadia Stanizai, will serve as the responsible party for all BMP rental activities, including monitoring, program compliance, communicating with property management and tenants and verification of tenant income. backup to the primary Program Manager during times of high transaction volume or when the primary Program Manager is out of the office.
- Program Associate, Mollie Rayner-Haselkorn, will be the initial point of contact for program inquiries from prospective applicants, assist in compliance monitoring, program eligibility review and all large data and mailing projects.

Please see below for individual resumes.

Mardie Oakes, President

In her role as founding President for Hello Housing, Mardie:

- Is responsible for all facets of the organization's performance;
- Oversees the Hello Stewardship, Hello R&D and Hello Development teams;
- Oversees all financing relationships ensuring funding requirements and needs are being met;
- Leads new business development for the organization;
- Represents the organization in public forums and in the media;
- Led the successful affiliation with MidPen Housing, including the transition of accounting, HR, legal and insurance functions to MidPen's administrative team and the board transition;
- Negotiated and closed \$10 million in financing for HUD Neighborhood Stabilization Program (NSP) foreclosure recovery activities to support \$30 million in for-sale redevelopment;
- Led the creation of a shared regional marketing platform for affordable homes (www.homehub.org);
- Negotiated and closed a \$2.7 million line of credit from Clearinghouse CDFI to leverage NSP funding, more than doubling the number of homes made possible by NSP;
- Negotiated and closed \$1.5 million in permanent debt for supportive housing at peak of the financial crisis;

- Negotiated and closed \$120 million in acquisition and construction financing with Bank of America;
- Negotiated and closed \$105 million in permanent financing from CalHFA;
- Secured \$20 million in acquisition/bridge financing with The Mechanics Bank;
- Managed a \$100 million tri-party Housing Development Agreement; and
- Purchased 60 infill properties in 19 Bay Area jurisdictions for renovation or new construction to serve 240 individuals with developmental disabilities leaving Agnews Developmental Center.

Mardie, a 2006 Echoing Green Fellow, combines experience in architecture, development and finance with a passion for making the places people live places to thrive. After earning her architecture degree from Rice University, she spent five years developing affordable housing and commercial buildings to revitalize the Fifth Ward, Houston's lowest income neighborhood (85% African American, 10% Latino). She was the project manager for the Maxwell award-winning Lyon's Village, a 24-unit, 10,000 SF retail mixed-use tax credit project focused on low- and extremely low-income families. Her responsibilities included project management from community visioning through stabilized occupancy. She assembled LIHTC, FHLB, LISC, and lender financing, performed all related due diligence and compliance, worked with city officials to obtain political support and project approvals, oversaw design, and served as General Contractor overseeing 30+ subcontractors, many of whom were local to the Fifth Ward community. She also managed the land acquisition department for single-family home development which involved: identifying target lots for development, contacting owners through title search or neighbor inquiry, working with sellers and title companies to obtain clear title, and managing the loan closing process. Mardie also managed corporate partnerships, including the Houston Rockets who had players volunteer 2-3 times per year at new construction sites alongside the family purchasing the home.

During that time, she co-created *16 Houses: Owning a House in the City* in partnership with Rice School of Architecture and DiverseWorks Artspace, a leading interdisciplinary arts organization. The project invited local and national architects to design innovative and affordable single-family homes for residents of the Fifth Ward, which resulted in an exhibition, book and construction of several demonstration homes. Through this project, Mardie recognized the need for creative financing solutions – and for building bridges across disciplines - to make cutting-edge projects a reality. This led her to Harvard Business School where she was awarded a Harvard Service Fellowship at Boston Community Capital, one of the nation's leading community development financial institutions where she analyzed new business opportunities for BCC; analyzed the social impact of BCC's loan and venture funds; designed and implemented loan fund systems to support organizational growth; provided technical assistance to Boston Community Loan Fund borrowers; researched exit strategies for community development venture capital investments and analyzed secondary markets as a solution to CDFI liquidity constraints.

Mardie moved to the Bay Area in 2003 to be Director of Real Estate Lending for Opportunity Fund where she invested \$20 million of debt into affordable housing and community facilities throughout Silicon Valley. In 2005, after providing the predevelopment financing for a pilot to the Agnews Closure in Cupertino, she co-founded Hello Housing with previous Board President Chuck Gardner to serve as the master developer for the Agnews closure.

Mardie has a Bachelors of Architecture from Rice University and an MBA from Harvard Business School.

Jennifer Duffy, Vice President

In her role as Vice President, Jennifer:

- Works in collaboration with the President, the Director of Business Development and Program Manager for Hello R&D to design, finance and implement new housing programs;
- Leads all property acquisition and disposition efforts on behalf of the organization;
- Oversees the development and construction management teams;
- Administers the City of Oakland's Abandoned and Vacant Lot Initiative through the City's Community Buying Program;
- Represents the organization and city partners in public forums;
- Oversees the partnerships with jurisdictions, municipalities, lenders, project brokers, homebuyer counseling agencies and peer developer partners, enabling multiple parties to work efficiently and collaboratively to achieve critical project milestones;
- Holds Hello Housing's Broker License and MLO endorsement ensuring compliance with all applicable Federal, State and Local laws pertaining to Hello's Real Estate activities;
- Manages all loan servicing activities;
- Led the acquisition and development of over 140+ homes for working families across the Bay Area;
- Managed all development communications among three Bay Area Regional Centers, the State Department of Developmental Services, the State Department of Social Services and the administrative team at Agnews Developmental Center, during the mandated closure of a state-run institution; and
- Facilitated communication and training with the State Fire Marshal and 19 local jurisdictions regarding legislation which created a new Community Care Licensing category (Senate Bill 962) for Community Care Facilities.

Jennifer is responsible for transforming great ideas into sustainable programs that serve the mission of Hello Housing. Designing and implementing new programs is a strength and a passion that Jennifer brings to her work. She has helped Bay Area cities and counties craft new approaches to maintain and protect existing affordable housing stock during the economic downturn while also designing anti-blight and anti-displacement strategies through innovated public-private partnerships with mission-oriented companies. Jennifer brings 20+ years of experience pioneering new models of housing and service delivery for individuals and working families across the socioeconomic spectrum.

Prior to her work at Hello Housing, Jennifer worked as a leader in the field of service delivery at Community Living Opportunities, Inc. (CLO), a nationally recognized private service corporation, based in Eastern Kansas and affiliated with the University of Kansas. During Jennifer's tenure with CLO, she supervised all property expansion projects for the residential program that supported over 200 adults. Through her work with community contractors, she expanded housing opportunities for this population two-fold throughout the State of Kansas. Jennifer has helped to advocate and design cutting edge service technologies to aid in the support and independence of adults and children with significant supervision needs including the implementation of a new Camera Monitoring Surveillance system currently being utilized by service providers in Kansas, Tennessee and New York to help individuals live more independently in less restrictive community environments.

Jennifer is currently serving as an Advisor of the Board of Directors for California Community Opportunities, a well-recognized non-profit residential service corporation, which deploys innovative service models for children and adults with developmental disabilities so that they can achieve personally satisfying and fulfilling lifestyles in their communities. Jennifer earned a Bachelor of Science degree in Education and a Masters of Social Welfare from the University of Kansas and is a licensed Real Estate Broker in the State of California.

Matt Warner, Program Director

In his role as Program Director of Hello Stewardship, Matt:

- Provides leadership and education regarding the importance of professional stewardship of BMR and DPA programs;
- Provides training, oversight and direction of the Hello Stewardship team, which administers eight municipalities' BMR and DPA programs, which include 1,010 BMR homes and 784 affordable rental units;
- Consults with local jurisdictions to provide technical assistance on affordable housing program design;
- Oversees the marketing and sale of inclusionary BMR units for market-rate developers, including marketing plan creation, launching online campaigns, hosting program workshops, and lottery drawings;
- Serves as the relationship manager for all contracts served;
- Provides oversight of the pricing, marketing and sale of BMR re-sales for multiple municipalities;
- Performs BMR buy-back feasibility assessments for jurisdictions facing potential loss of units due to foreclosure; and
- Works directly with the President to ensure the program is sufficiently resourced as additional contracts are secured.

Matt has ten years of experience administering various affordable housing and loan programs. Matt proved himself as a Program Manager with Hello Housing for three years before being promoted to Program Director in 2015. As Program Manager, he effectively managed all aspects of BMR and DPA administration of a portfolio of 600 homes and loans, managed a BMR buy-back program that successfully generated significant recurring program revenue for a City client, as well as preserved BMR units. Matt also worked closely with the President to design and launch an on-line BMR application process for new for-sale inclusionary BMR homes in high-demand jurisdictions.

Prior to joining Hello Housing, Matt served as a Certification Specialist for HomeBricks, where he gained three years of experience in BMR housing administration, originating DPA loans, performing marketing and buyer eligibility for NSP programs and management of municipalities' portfolios of affordable homes. His responsibilities included determining applicant eligibility, underwriting DPA loans, coordinating escrow and creating sales projections for two BMR developments in San Francisco, totaling over 250 units. In addition, he was responsible for the annual compliance and reporting for two East Bay municipalities' portfolios of BMR and DPA loans. Matt also managed the marketing and sale process for several large developers' inclusionary BMR units, in the Cities of San Francisco and Dublin, and NSP developers in Alameda and Contra Costa Counties.

Matt earned a Bachelors Degree in Economics from San Diego State University.

Sarah Duval, Associate Director of Operations

In her current role as Associate Director of Operations, Sarah:

- Provides proactive management of the City of Pleasanton's portfolio of Below Market Rate (BMR) homes and Down Payment Assistance (DPA) loans which includes relationship management with City staff, marketing affordable homes for sale, calculating affordable prices; assessing applicants for eligibility; coordinating with lenders and title companies; performing annual compliance monitoring; and helping aspiring homebuyers and existing homeowners navigate the program;

- Pinch hits for Program Managers to host workshops and represent Hello Housing at housing-related events and trainings;
- Regularly assesses and improves training materials for new and existing Stewardship staff to ensure consistent understanding of affordable homeownership, Stewardship best practices and the Hello Housing “way of working”; and
- Analyzes existing workflows and processes to identify areas for alignment and greater efficiency;

Prior to serving as Associate Director of Operations, Sarah worked for two years as Program Manager at Hello Housing, managing the Town of Los Gatos’ and Livermore’s BMR programs.

Prior to joining Hello Housing, Sarah served as Compliance Manager at Eden Housing for several years. At Eden, Sarah co-managed the organization’s rental compliance team where she developed policies, procedures, and training materials to ensure staff followed all governmental and programmatic regulations. In addition, Sarah oversaw and coordinated lease-ups, implemented fair housing policies and responded to Yardi software and compliance questions from staff.

Prior to her work at Eden Housing, Sarah served as a Compliance Administrator at BRIDGE Housing for several years where she supported the Senior Leadership Team in maintaining financial and program compliance. Sarah started her career in non-profit housing in 2007 at a residential SRO hotel in San Francisco’s Tenderloin neighborhood.

In addition to working in non-profit affordable housing, her passion for social justice has led her to several outside projects along the way, which have included collaborating on the American Civil Liberties Union of Northern California’s miACLU campaign, where she worked toward appealing anti-immigrant laws at the state level, as well as serving on the board of a local bay area women’s networking organization, Good Ol’ Girls.

Sarah earned a Bachelor of Arts degree in Sociology from University of California at Santa Cruz.

Janina Navarro, Program Manager

In her role as Program Manager for Hello Housing, Janina:

- Manages the resales of BMR homes on behalf of local jurisdictions, including preparing marketing material, applicant selection and underwriting;
- Holds educational workshops in English and Spanish for current and prospective buyers to educate new and existing program guidelines and processes;
- Manages BMR ownership compliance monitoring efforts;
- Implements new processes and procedures to meet jurisdictions goals;
- Processes refinance and subordination requests for BMR ownership units in accordance with program guidelines;
- Serves as the primary contact for all Realtors, lenders and homeowners to educate them about the sales and lending process, as well the deed restrictions on the BMR homes in the program managed;
- Assists in the marketing and sale of inclusionary BMR homes on behalf of market-rate developers.

Janina brings over five years of diverse social services and housing management experience to Hello Housing. Prior to joining Hello Housing, Janina served as a Project Manager for Glide Community Housing and as a Resident Services Coordinator for Mission Housing Development Corporation.

Nadia Stanizai, Compliance Manager

In her role as Compliance Manager, Nadia:

- Provides written and verbal correspondence with Below Market Rate rental program participants and potential BMR tenants;
- Provides training to property managers on BMR process and requirements;
- Audits lease terms of BMR tenants to ensure program compliance;
- Performs rental lease up certifications and annual re-certifications;
- Assists with compliance monitoring; and
- Provides support to the Program Manager with application underwriting.

Prior to working for Hello Housing, Nadia worked directly for the Director of Real Estate for Hamilton Families, a Bay Area affordable housing non-profit, where she gained knowledge on tenant and landlord rights, property law and database management.

Nadia earned a Bachelor of Arts degree in English Literature from CSU East Bay.

Mollie Rayner-Haselkorn, Program Associate

In her role as Program Associate of Hello Stewardship, Mollie:

- Provides written and verbal correspondence with Below Market Rate program participants and potential BMR applicants;
- Assists homeowners by referring them to resources to assist in refinancing and reselling their BMR homes;
- Assists with Hello Housing's large database projects;
- Provides support to the Program Manager and Compliance Manager with application underwriting; and
- Provides office management.

Prior to joining Hello Housing, Mollie worked as a Community Outreach Assistant at the Cancer Research Institute. While pursuing her Master's degree Mollie worked closely with the non-profit African Community Education to help provide social and educational services to refugee and immigrant youth. She also served as an AmeriCorps member for City Year Louisiana before attending college.

Mollie earned her Bachelor of Arts degree in Geography, as well as Master's degree in Community Development and Planning from Clark University.

B. Experience and History

1. Programs Administered and Firm's Role



Since Hello Stewardship was founded in 2012, it has steadily increased contracts under management with scope of services to include BMR/BMP program management. A general description of each of these programs are detailed below:

[City of Alameda](#)

Administration of Below Market Rate and Down Payment Assistance Program

Scope: Managing the City's BMR portfolio (121 homes) and monitoring the City's Down Payment Assistance loans (20 loans). Hello Housing facilitates comprehensive marketing to underserved populations for the sale of all BMR homes. Hello Housing establishes unit pricing, provides listing agent coordination, and performs application underwriting to the program guidelines. Hello Housing reviews all first lenders' financing terms to ensure the loan meets program requirements and prepares BMR agreements for City execution.

[City of Concord](#)

Administration of the City's First Time Homebuyer Loan and Below Market Rate Programs

Scope: Managing the City's BMR portfolio (19 homes) and First Time Homebuyer Program (42 loans). Hello Housing processes and underwrites applications, creates closing documents, coordinates escrow and performs ongoing monitoring of the City's portfolio of FTHB loans and BMR homes. In addition, Hello Housing facilitates the resale of all BMR homes.

[City of Cupertino](#)

Administration of City's Below Market Rate Homeownership and Rental Programs

Scope: Managing the City's BMR portfolio of ownership and rental housing (121 ownership and 138 rental homes). Hello Housing processes and underwrites the BMR applications, creates closing documents, coordinates escrow, and performs ongoing compliance monitoring activities. In addition, Hello Housing manages the waiting lists and facilitates the marketing, sale and rental of all BMR homes, including establishing pricing and underwriting buyer qualification.

[City of Emeryville](#)

Administration of City's Below Market Rate Homeownership, Rental and Down Payment Assistance Programs

Scope: Managing the City's BMR portfolio of ownership, rental housing and down payment assistance programs (230 ownership, 600 rental and 173 down payment assistance loans). Hello Housing markets BMR homes, processes and underwrites the BMR applications, creates closing documents, coordinates escrow, and performs ongoing compliance monitoring activities. In

addition, Hello Housing underwrites all new tenants in BMR rental units, performed rental compliance monitoring and manages the down payment assistance portfolio.

City of Livermore

Administration of the City's Affordable Homeownership and Mortgage Assistance Programs

Scope: Managing the City BMR portfolio (130 homes) and down payment assistance loan portfolio (81 loans). Hello Housing issues new down payment assistance loans, monitors the loan and ownership portfolio for compliance with program guidelines, facilitates the sales of all new inclusionary homes, resale of existing BMR homes and processes refinance requests.

City of Menlo Park

Below Market Rate Homeownership and Down Payment Assistance Loan Administration

Scope: Managing the City's BMR portfolio (68 homes) and acts as the Loan Servicing Administrator for the City's BMR loan portfolio. This loan portfolio includes down payment assistance loans, emergency repair loans, CDBG loans and rehabilitation loans. Under this program, Hello Housing is responsible for the monthly collection of amortizing payments from each borrower, responding to refinance requests, preparing subordination documents where required, preparing payoff demands and creating Deeds of Reconveyance as loans are paid off. The loan portfolio value totals \$3.5M in principal. Over the past two years, Hello Housing has assisted borrowers in the payoff of 33 loans totaling \$1.5M in value and supported 25 delinquent borrowers to modify their loans and therefore return back into compliance with the city program.

City of Novato

Below Market Rate Homeownership Program Administration

Scope: Managing the City's BMR ownership portfolio (409 homes) and rental portfolio (524). Hello Housing conducts site inspections, holds workshops, reviews refinances for compliance, processes subordination requests, creates closing docs, performs buy-backs of all homes at risk of foreclosure, facilitates all resales, reviews BMR rental project rolls, performs tenant eligibility screening, determines annual rent amount and provides ongoing recommendations to City staff regarding policy improvements, including direct briefings with City Council members on complex issues.

City of Pleasanton

Below Market Rate Homeownership and Down Payment Assistance Program Administration

Scope: Managing the City BMR portfolio (88 homes) and monitoring the Down Payment Assistance Loan Portfolio (53 loans). Hello Housing facilitates the sales of all new units, resale of existing BMR homes, performs compliance monitoring and processes refinance requests.

County of Alameda HCD

Design and Management of Down Payment Assistance Program

Scope: Designing and administering Measure A-1 funded \$50M down payment assistance program, serving moderate income buyers to purchase market rate housing through Alameda County. The Program launched in May 2019. The program has originated 33 loans to-date and is on track to originate 70 loans a year over the next two years.

Town of Los Gatos

Administration of Town's Below Market Price (BMP) Homeownership and Rental Program

Scope: Managing the Town's BMP portfolio of ownership and rental housing (55 ownership and 119 rental homes). Hello Housing processes and underwrites the BMP applications, creates closing documents, coordinates escrow, and performs ongoing compliance monitoring activities. In addition, Hello Housing facilitates the marketing, sale and rental of all BMP homes, including establishing pricing, listing agent coordination, and buyer qualification.

Hello Stewardship contracts with for-profit developers to market and sell their inclusionary BMR housing:

- Signature Homes: Managed the sale of Signature Homes' 15 inclusionary BMR homes in Candlestick Cove. Hello Housing created and implemented the marketing plan, held informational workshops, performed buyer qualification, conducted lotteries and facilitated close of escrow.
- Tri Pointe Homes: Managed the sale of Tri Pointe Homes' 16 inclusionary BMR homes in Alameda Landing. Hello Housing created and implemented the marketing plan, held informational workshops, performed buyer qualification, conducted lotteries, created closing documents and facilitated close of escrow.
- Lennar: Managed the sale of Lennar's 12 inclusionary BMR homes in Daly City and 16 inclusionary units in Alameda. Hello Housing created and implemented the marketing plan, held informational workshops, performed buyer qualification, conducted lotteries, created closing documents and facilitated close of escrow.
- KB Home: Managed the sale of KB Home's seven inclusionary BMR homes in Lafayette and 11 homes in Daly City. Hello Housing created and implemented the marketing plan, held informational workshops, performed buyer qualification, conducted lotteries, created closing documents and facilitated close of escrow.

2. Program Successes and Challenges

Hello Housing has enjoyed numerous successes and developed unique strengths in managing BMR/BMP programs throughout the years that have provided benefits for our City partners, as well as competitive advantages for Hello Housing over our peers in the affordable housing program management industry. A few of our highlighted strengths and accomplishments are outlined below.

Preserving BMRs at Risk of Loss to Foreclosure

Taxpayers invested millions into two affordable homeownership developments in the City of Novato. Like many BMR projects that were developed in the early 2000s, property values dropped below the original BMR sales price after the crash, leaving many BMR owners underwater. Combined with the financial hardships of the recession, these developments were not immune to the foreclosure crisis. To make it even more challenging, after the dissolution of redevelopment agencies, Notices of Default and Notices of Trustee's Sales were being mailed to defunct addresses, preventing the City from having sufficient time to act. In collaboration with the City, Hello Housing developed a "buy-back feasibility tool" which guides the Hello Housing team in preserving a BMR unit that would otherwise be lost to foreclosure.

For example, Hello Housing recently learned on a Friday afternoon about a BMR unit scheduled for trustee's sale the following Wednesday. Hello Housing was able gather the necessary data to present a financial analysis and recommended maximum bid price for City approval. Hello Housing's Program Director attended the auction, educating other bidders that if they were to buy the home, they would be subject to the City's affordability restrictions. This allowed the City to buy the home at the opening bid price, which was below the restricted price, leaving room for some rehab and resale costs. Hello Housing relocated the former owner, performed minor rehab work and sold the home to an eligible buyer at an affordable price at the AMI level of the original buyer with the resale restriction intact.

Due to the discounted auction price, the City is preserving the affordability of the home while collecting sales proceeds to help fund its ongoing BMR program administration. To-date, Hello Housing has preserved eight BMR homes by purchasing through auction purchased, resulting in enough program revenue to pay for Hello Housing's services for the two previous years.

Database Management and National Best Practices

Hello Housing is committed to collecting data on program participants to inform marketing and track programmatic outcomes.

In January 2013, Hello Housing was one of ten organizations nationwide awarded multi-year funding from the White House Social Innovation Fund and the Ford Foundation to build its capacity to professionally manage affordable housing programs using national best practices. This financial support and technical assistance allowed the organization to invest in adopting HomeKeeper, a Salesforce database designed for BMR and down payment assistance programs, to efficiently manage their growing portfolio. This platform radically increases the level of complexity that can be managed by a small staff, making each file's unique details easily accessible. All relevant application status, income, property, loan, demographic and impact data is tracked and is easily customized and exported into reports that will be provided to the Town of Los Gatos.

An added benefit of using HomeKeeper is the ability to participate in a National Data Hub, an ambitious effort to improve program management and collect impact data for BMR programs so that programs can be designed based on outcomes rather than anecdotes. The Hub seamlessly aggregates and crunches a subset of anonymous data from all HomeKeeper users to calculate a set of social impact metrics. Hello Housing will be able to view reports that compare the impact of its

programs to those of its peers. These comparisons are not public, but they do provide a critical feedback loop Hello Housing.

Here are some sample screenshots from HomeKeeper:



See what matters.

With our fully customizable dashboards, you can quickly access snapshots of your data in real-time. Easily spot trends, monitor progress, measure outcomes and identify issues needing your attention.



Monitoring made easy.

Stay on top of your monitoring and compliance activities by tracking occupancy certifications, insurance coverage, and delinquencies and more.

Hello Housing is a member of Grounded Solutions Network (GSN), a national member-based organization deeply invested in affordable housing program design and management. GSN provides us with access to national experts in the field. We send all of our Stewardship staff to their annual training conference for continuing education and to stay abreast of all affordable housing management best practices. We aim to meet or exceed GSN's Stewardship Standards for Homeownership programs. Hello Housing's President, Mardie Oakes sits on Grounded Solutions Board of Directors.

Language Access

Janina Navarro, the Program Manager assigned to work on the Los Gatos contract is fluent in Spanish. Hello Housing also has staff in the office that are fluent in Mandarin and Cantonese. Should translation to an additional language be required, Hello Housing has an account with Language Line that can be utilized (if reimbursed by the Town)

3. Program Costs

Please refer to section C-4: Schedule of Fees.

4. References

City of Cupertino

Kerri Huesler, Housing Manager
408-777-3251
KerriH@cupertino.org

City of Novato

Vickie Parker, Community Development Director
415-899-8938
vparker@novato.org

County of Alameda


Michelle Starratt, Housing Director
510-670-5207
michelle.starratt@acgov.org

C. Proposal

1. Application

EXHIBIT A

Proposal Application

1. **Organization Name:** Hello Housing
 2. **Address:** 1242 Market Street, 3rd fl, San Francisco, CA 94102
 3. **Organization Contact/Title:** Matt Warner, Program Director
 4. **Telephone Number:** (415) 689-7746 **E-Mail:** Matt@hellohousing.org
 5. **Title of Program:** The Town of Los Gatos BMP Program
 6. **Total annual cost:** ~\$140,000
 7. **BMR/BMP units currently administered:** 1,240 Ownership Units & 1,384 Rental Units
- Signature of Authorized Official:** 
- Date:** August 21, 2020

2. Proposal Narrative

Bay Area nonprofit Hello Housing is uniquely positioned to offer comprehensive BMP portfolio administration to the Town of Los Gatos. Hello Stewardship, a program of Hello Housing, currently manages an array of homeownership, rental and downpayment assistance programs for 10 jurisdictions, providing active management of 1,240 deed-restricted ownership homes and 1,384 BMR/BMP rental units. Hello Housing has a proven track record in all requested services, except homebuyer counseling which is referred to local, HUD-certified partner agencies. As the Town's current administrator of five years, Hello Housing is well-versed in the BMP program and has established relationships with program participants and property managers.

3. Implementation Plan

Hello Housing's approach to managing Below Market Rate (BMR) Programs is to Simplify, Serve and Sustain.

SIMPLIFY We invest heavily in setting up programs for success. We create custom webpages for each program we manage, clarifying program guidelines and providing downloadable access to key forms for program participants. We scan files into an archival PDF for efficient reference by staff. We enter key data into Homekeeper, our web-based Salesforce database, providing staff and our partners with homebuyer details and transparent program-wide reporting at the touch of a button.

SERVE BMR programs are nuanced and there can be a great deal of confusion among BMR program participants, especially when oversight has been inconsistent. This lack of clarity creates stress for the owner and presents real challenges for cities charged with serving their citizens. We provide relief to jurisdictions by educating BMR program participants about ongoing program requirements, helping renters qualify for units, guiding owners through the refinance and resale process and providing active management when something goes wrong.

SUSTAIN Hundreds of millions of taxpayer dollars have been invested into affordable homeownership and rental programs in California. Like any investment, active management is necessary to reduce the risk of loss or abuse. Without the dedicated support of people who truly understand the program, owners of Below Market Rate homes may lose their home to foreclosure, ending up worse off than when they started, or they may over encumber their home, putting the asset at risk. Renters whose incomes have risen and no longer qualify for lower rents diminish the impact of the program by being allowed to stay in a BMR units. At a time when the demand for affordable housing and the volume of households being displaced is so high, the protection and preservation of BMR portfolios is paramount. Hello Stewardship follows national best practices to ensure this housing stock is available for future generations.

By providing active, professional and affordable administration of Below Market Rate ownership and rental programs, Hello Stewardship helps jurisdictions achieve their program goals within a context of limited resources. When managed well, BMR programs create real opportunities for low- and moderate-income families to improve their lives. In the case of homeownership, this means homebuyers not only purchase a home, but are able to stay in their home, send their children to better schools, and save money to enter into the conventional homebuyer market.

The following represents Hello Housing's implementation plan, which would commence immediately upon the execution of a contract. Hello typically fully onboards a program within 3 months of contract execution, which means staff will be trained and well-versed in the program, inventory all program documents and send out introductions letters, but Hello Housing and the town have the benefit of that scope of work already completed in the previous contract period.

I. Field Calls from the town and public, maintain website, reporting

Hello Housing will field all program inquiries, maintain current webpages, advertise the BMR program, provide applications upon request, maintain an interest list of buyers and refer renters to property managers. Hello Housing will maintain a preferred BMR lender list which have all program document approved by their bank. Hello Housing will offer translation services in Spanish, as needed. At the request of the City, Hello Housing will calculate BMR prices for new BMR for-sale projects, suggest modifications to the program and assist City staff on program-

related matters. Hello Housing will maintain relationships with at least two local homebuyer counseling agencies and direct prospective homebuyer to these organizations for pre-purchase and post-purchase counseling. Hello Housing will develop and provide semi-annual activity reports to the town.

II. BMP Owner Occupancy Monitoring

Hello Housing will annually send up to three letters to BMR homeowners and borrowers requesting verification of occupancy and any other compliance requirements of the program, such as insurance. Hello Housing will perform a review of the liens recorded on title to identify any new liens or title transfers that are unpermitted. Upon completion of annual monitoring and compliance, Hello Housing will provide the city with a monitoring report summarizing the findings and listing detailed information regarding non-responders or non-compliant responders. All monitoring results will also be tracked in our Salesforce database. Should owners be non-responsive or out of compliance and the City is prepared to take action, Hello Housing can provide enforcement services.

III. BMP Workshops

Hello Housing will conduct workshops as needed to inform the general public about BMP ownership opportunities as well as provide information to current tenants and property managers for the BMP rental program. Ownership workshops will include a customized presentation to the specific development or opportunity, providing detailed instructions on the application process as well as the resale restrictions and available financing. Rental workshops will provide an overview of the program as well as create an opportunity for tenants and property managers to ask questions.

IV. BMP Resale Management

Hello Housing will prepare marketing materials and advertise homes to the maintained interest list for the City, referenced populations such as school districts, as well as Hello Housing's Stay Connected E-Newsletter, which has over 17,000 aspiring first time homebuyers in the throughout the Bay Area. Hello Housing will review all pest and inspection reports to determine any repairs needed before listing the home for sale. If it is determined that an additional visual inspection is needed, Hello Housing will perform a site inspection. Hello Housing will calculate the restricted resale price in accordance with the Town's agreements and create a resale application. The listing agent will be responsible for holding at least one open house. Education about program requirements, a responsibility matrix and a sales timeline will be provided to listing and buyer's agents. Hello Housing will perform a lottery to ensure fairness and equal access to the opportunity. Hello Housing will review applications in lottery ranking order for completeness, verification of preference points and program eligibility. A complete file will then be sent to the Town along with an income calculator, detailed checklist and our recommendation for approval. Once the Town approves the file, we will begin collecting the required information from escrow and the lender that is needed to complete the City documents including restrictions, notes, DOTs and escrow instructions. Hello Housing will create the BMP documents and route to the Town with instructions for signature and notarization. Hello Housing will track escrow ensuring conforming loan is secured, a timely close is met and the City receives copies of recorded documents. Once complete, these files become part of our ongoing monitoring portfolio. Finally, Hello Housing will send an exit survey to the BMP owner leaving the program to track the impact of the program including equity gained, and type of housing they are moving into (e.g. rental, affordable or market-rate ownership).

V. BMP Refinances and Subordination

Hello Housing will answer questions from the public and provide information on acceptable first loan products for a refinance, required documentation needed to process a request, and timeline expectations for lenders and owners. Hello Housing will coordinate with the Title Company and first lender for access to a preliminary title report and the lender's 1003, 1008 and loan estimate in order to review and confirm that the refinance meets program guidelines. Once our review is complete and the request is approved, Hello Housing will prepare the subordination agreement, escrow instructions and a request for notice of default and route for signature. Lastly, we will follow up with the title company on close of escrow, and status of the Town's receipt of copies of recorded documents.

VI. BMP Rental Compliance Monitoring

Hello Housing will coordinate with BMP rental property managers to obtain annual compliance reports for rent-restricted tenants which will include names of all adults on the lease, addresses, lease dates, incomes and rent amounts. Hello Housing will reach out directly to each tenant in the program annually and request a completed re-certification to be completed, which will include an application and supporting documentation substantiating income and program eligibility. Hello Housing will follow-up with property managers and tenants for missing information up to three times. Hello Housing will work with property managers directly for any required rent adjustments or to terminate a tenant's program participation if they no longer qualify or are non-responsive. Hello Housing will prepare detailed monitoring reports summarizing the compliance monitoring efforts and results.

VII. BMP Rental Eligibility Verification Upon Vacancy

Hello Housing will coordinate with property managers on projects that have a vacancy in a BMP rental unit. Hello Housing will review all program applications and supporting documents presented from the Property Managers for initial lease up to confirm eligibility. If a file is incomplete a list of conditions will be sent to the property managers. Upon satisfactory evidence of eligibility, Hello Housing will provide tenant and property manager with an approval or denial notification, and coordinate with the property manager to obtain the signed lease and BMP addendum.

VIII. Demographic Survey of Existing Owners/Tenants

In order to determine if the Town's BMP programs are serving diverse populations equitably, Hello Housing will conduct a demographic survey of the portfolio of owners and tenants that are participating in the program. Hello Housing will collect demographic, language, and educational information whenever there is a touchpoint with the owner or tenant (e.g. monitoring/recertification, refinance, etc.) to increase response rates to a level where we can draw more confident conclusions about who the program is serving. In order to benchmark the results of this survey as best we can, the format and choices of questions closely mirror how questions are asked by the U.S. Census Bureau. This information will be stored in Hello Housing's CRM Salesforce software, HomeKeeper. Annually, Hello Housing will provide an update of the BMP program demographic composition along with the monitoring results.

IX. Hourly Services

Hello Housing will provide services at an hourly rate for all programmatic needs not included in the scope listed above, such as foreclosure prevention, program guidelines consultation, BMP buy-back or any other requested scope of work not listed in the above sections.

4. Schedule of Fees

Proposed Pricing for the Town of Los Gatos

Administration of Los Gatos's BMR Program

21-Aug-20

Ownership - Key Assumptions		2020-2021	2021-2022	2022-2023
BMP Ownership Homes in Portfolio		55	55	55
Estimated Number of Resales		2	2	2
BMP Homes Subject to Annual Monitoring		55	55	55
Estimated Number of Refinances		3	3	3
Annual Escalator	(a)		7%	7%

Ownership Activities	Notes	2015-2020 Rates	2020-2021 Rates	2021-2022 Rates	Year 1	Year 2	Year 3
ANNUAL FIXED FEES							
Field calls from Town & public, maintain website, staff, reporting	(b)	\$625 per month	\$650 per month	\$696 per month	\$ 7,800	\$ 8,346	\$ 8,892
BMP Ownership Annual Compliance Monitoring		\$150 per household	\$165 per household	\$177 per month	\$ 9,075	\$ 9,710	\$ 10,346
		<i>Annual Fixed Cost Subtotal</i>	<i>Annual Fixed Cost Subtotal</i>		\$ 16,875	\$ 18,056	\$ 19,238
ANNUAL VARIABLE FEES (VOLUME DEPENDENT)							
BMP Workshops		\$750 per workshop	\$1,000 per workshop	\$1,070 per workshop	\$ -	\$ -	\$ -
Management of Resales		\$7,500 per home	\$10,380 per home	\$11,107 per home	\$ 20,760	\$ 22,213	\$ 23,666
Management of Refinances		\$650 per transaction	\$875 per transaction	\$936 per transaction	\$ 2,625	\$ 2,809	\$ 2,993
Demographics Summary Report for Existing Homeowners		n/a	\$15 per household		\$ 825		
Allowance for Hourly (assumes Program Manager rates for pricing)		\$85 per hour	\$110 per hour	\$118 per hour	\$ 1,100	\$ 1,177	\$ 1,254
			<i>Variable Cost Subtotal</i>		\$ 25,310	\$ 26,199	\$ 27,913
OWNERSHIP							
Annual Fixed Costs					\$ 16,875	\$ 18,056	\$ 19,238
Projected Transactional Costs					\$ 25,310	\$ 26,199	\$ 27,913
					\$ 42,185	\$ 44,255	\$ 47,150

Rental - Key Assumptions		2020-2021	2021-2022	2022-2023
BMP Rental Homes in Portfolio		119	119	119
Estimated Number of BMP Rental Unit Turnover		6	6	6
Estimated Number of Eligibility Reviews to Fill a Vacant Unit		2	2	2
Rental Workshops		1	1	1
Annual Escalator			7%	7%

Rental Activities	Notes	2015-2020 Rates	2020-2021 Rates	2021-2022 Rates	Year 1	Year 2	Year 3
ANNUAL FIXED FEES							
Field calls from City & public, maintain website, staff, reporting	(b)	\$625 per month	\$650 per month	\$696 per month	\$ 7,800	\$ 8,346	\$ 8,892
BMP Rental Compliance Monitoring	(d)	\$300 per unit	\$600 per unit	\$642 per unit	\$ 71,400	\$ 76,398	\$ 81,396
			<i>Annual Fixed Cost Subtotal</i>		\$ 79,200	\$ 84,744	\$ 90,288
ANNUAL VARIABLE FEES (VOLUME DEPENDENT)							
BMP Meeting/Workshops		\$750 per workshop	\$1000 per workshop	\$1070 per workshop	\$ 1,000	\$ 1,070	\$ 1,140
BMP Rental Eligibility Verification Upon Vacancy	(d)	\$300 per applicant	\$600 per applicant	\$642 per applicant	\$ 7,200	\$ 7,704	\$ 8,208
Demographics Survey of Existing Tenants		n/a	\$15 per household		\$ 1,785		
Allowance for Hourly (assumes Program Manager rates for pricing)		\$85 per hour	\$110 per hour	\$118 per hour	\$ 1,100	\$ 1,177	\$ 1,254
			<i>Annual Variable Cost Subtotal</i>		\$ 11,085	\$ 9,951	\$ 10,602
RENTAL							
Annual Fixed Costs					\$ 79,200	\$ 84,744	\$ 90,288
Projected Transactional Costs					\$ 11,085	\$ 9,951	\$ 10,602
					\$ 90,285	\$ 94,695	\$ 100,890

TOTAL OWNERSHIP & RENTAL							
Annual Fixed Costs					\$ 96,075	\$ 102,800	\$ 109,526
Projected Transactional Costs					\$ 36,395	\$ 36,150	\$ 38,515
				Total	\$ 132,470	\$ 138,950	\$ 148,040
				5% contingency	\$ 6,624	\$ 6,947.51	\$ 7,402.02
				Contact Maximum (c)	\$ 139,094	\$ 145,898	\$ 155,442

Additional Services Available Upon Request	Rates
BMR Homeowner Custom Annual Newsletter	\$4000 per issue

Hourly Consulting Fees (for services outside base scope)			
President	\$	145	\$ 225
Vice President	\$	-	\$ 175
Program Director	\$	105	\$ 145
Program Manager	\$	85	\$ 125
Program Associate	\$	55	\$ 75

Notes

- (a) For multi-year contracts, Hello Housing incorporates an annual cost escalator of 7%.
- (b) The fee covers staff time fielding questions from applicants, program participants, and the City, submitting reports, regularly updating website and marketing materials and cross-training of multiple staff to be versed in the program details. This fee will be charged on monthly pro-rata basis.
- (c) Hello Housing held fees flat for 5 years despite tremendous increase in cost of living for staff during that time. Current pricing is commensurate with cost of staffing, training and office expenses.