

ADDENDUM # 1
RFP #2017-08: PROPERTY MANAGEMENT SERVICES

July 26, 2017

Q1 Is initial certification, annual and/or interim recertification required?

A1

- MC I/II requires eligibility verifications and certifications.
 - SOS, V.C.12. (page 18) *"Conduct all tenant initial/recertification of eligibility in accordance with the respective Section 8 and/or Tax Credit Programs."*
- Oak Terrace does not require eligibility verifications and/or certifications.

Q2 Are budgets required each property or combined?

A2

- Selected proposer will be required to submit separate budgets for each property within 90 calendar days of commencement and updated at least annually thereafter.
- Budgets must be submitted per SOS:
 - IV C. (page 13) states *"the Contractor shall submit to the HACM for final approval, three (3) copies of its Comprehensive Management Plan covering each property ... within ninety (90) days of the commencement date of the contract and updated at least annually thereafter."*
 - IV C.1.d. (page 13) *"Annual Operating budget that includes a capital expenditure plan."*
- V.E.2.h. (page 23) *"The Contractor shall submit the Budget to the HACM at least 150 days prior to the beginning of the calendar year covered by the Budget except in the case of the first year of the Term where the Budget shall be submitted to the HACM within sixty (60) days of the Commencement Date."*

Q3 Will the selected proposer be required to utilize the existing vendors or will vendor selection be at the discretion of the selected proposer?

A3

- Vendors will be determined by the selected proposer.
- SOS V.B.7 (page 17) states *"Procure with contractors, as necessary, for the maintenance and repair of air conditioning and heating system, elevators and other items requiring special maintenance and repair skills not usually processed by regular maintenance employees."*
- SOS V.D. (page 18) Procurement Requirements states *"Comply with all HACM Procurement Policies and procedures and related requirements, as amended from time to time."*
- NOTE: MC I/II – contractors and/or vendors must comply with Davis-Bacon & Related Acts (DBRA) and ensure that laborers and mechanics are paid minimum prevailing wages as determined by HUD and/or DOL..
- Oak Terrace does not require DBRA compliance.

Q4 What is the intent of the statement in IV, E (page 14)?

The Contractor shall conduct regular quality control analysis of the practices conducted within the Properties to ensure consistent application of the approved Management Plan and to minimize errors in administration. Findings within the analysis will be shared with the HACM and an action plan implemented to correct and improve performance.

A4

- The intent of this statement is that routine audit of tenant files shall be conducted to ensure that files are in compliance of all applicable regulations.
- MCI is scheduled for a Management and Occupancy Review (MOR) with CalHFA on August 18th. Maria will be overseeing this specific review.

Q5 What is the employment status of the current, existing staff members?

A5

- The current staff is contracted directly with the HACM. Selected proposer will be responsible for the employment of appropriate staff.
- Current staff consists of:
 - MC I/II has one full-time Asset Manager ("AM")
 - MC I/II has one part-time (1/2 day) assistant AM (afternoons)
 - MC I/II has one part-time (1/2 day) maintenance worker (afternoons)
 - Oak Terrace has one part-time (1/2 day) AM (mornings)
 - Oak Terrace has one part-time (1/2 day) maintenance worker (afternoon)
 - Assistant AM and maintenance worker are shared between the properties.

Q6 A proposal form or format was not included in the proposal documents. Is there a required format?

A6

- Proposers should use their own proposal forms/format.

Q7 Are insurance certificated required to be included in the proposals?

A7

- Insurance information in the packet is for informational purposes only. Proposers are not required to include certificates in their proposals. Appropriate, applicable and current Insurance certificates will be required prior to or at contract signing.

Q8 Will payables be issued by the HACM or selected proposer?

A8

- Payables will be issued by selected proposer.

Q9 Is there a specified banking/financial institution that will be required?

A9

- Banking will be at the discretion of the selected proposer. SOS V.E.1.b (page 18) states *"Upon written approval of the HACM, all Operating Accounts shall be established in a bank or other financial institution whose deposits are FDIC-insured."*

Q10 Will the selected proposer be authorized to utilize the current bank accounts?

A10

- The selected proposer may be authorized to utilize the current bank accounts.

Q11 Are there reserve accounts for each property?

A11

- Yes, each property has its own reserve accounts.

Q12 Are bonds applicable to any of the properties?

A12

- Oak Terrace has a bond.
- A Capital Needs Assessment/Physical Needs Assessment was conducted for Oak Terrace in 2011.
- MC I/II does not have a bond or bonds.

Q13 What is the fiscal year for each property?

A13

- Oak Terrace: Calendar year
- MC I/II: 10/01 – 09/30

Q14 Do any of the properties have a pet policy?

A14

- Pet policies are in place for each property detailing the established limitations (i.e. sizes, weight, type, number, etc).

Q15 Are there any ongoing or existing security measures and/or issues at any of the sites?

A15

- No cameras installed at any of the properties
- No onsite security (patrols) at any of the properties
- Oak Terrace: the current maintenance worker lives onsite and routinely walks the property.
- MC I/II: the current assistant AM lives onsite and routinely walks the property
- Oak Terrace has a walkway that runs along the side of the property, dividing our property from the adjacent complex and crosses over the creek (behind the complex). There is a secured gate to prohibit public access to/through the property. There have been occasions when individuals have jumped the gate and walked through the complex.

Q16 Are background checks are required prior to executing a lease with a resident.

A16

- SOS V.A.3 (*page 15*) addresses the type, extent of and other requirements of background checks. Selection of background check vendor/s will be at the discretion of the selected proposer.
- Credit – HACM uses TransUnion
- Criminal – HACM contracts with Merced County District Attorney's office. We may be able to provide access for the selected proposer.

Q17 What are the tenant selection requirements?

A17

- MC I/II has a stated criteria for tenant selection criteria for acceptance/denial
- Oak Terrace does not have tenant selection criteria.

Q18 Do any of the properties have a Smoke Free Policy? What about medical marijuana?

A18

- MC I/II has a Smoke Free Policy (per HUD requirements) includes tobacco, tobacco-like products (i.e. vaper, chew, pipes etc.).
- MC I/II has federally funded rental assistance. The use of medical marijuana is strictly prohibited on properties with federal rental assistance.
- Oak Terrace does not have a Smoke-free Policy at this time. The use of medical marijuana is mandated by state and local laws.

Q19 Will the selected proposer be required to specified property management and/or accounting software?

A19

- HACM is in the process of converting the property management software for each property to Yardi software. HACM will provide adequate user access to the selected proposer.

Q20 Are there any resident services offered at any of the properties?

A20

- We do not offer any resident services at any of the sites as the property budgets do not support resident services.

Q21 Oak Terrace has an in-ground pool. Who maintains the pool?

A21

- The pool is maintained daily by the Maintenance person but there is a vendor who services the pool as needed.
- Annual pool inspection is conducted by Merced County.

Q22 What is the date of any MORs and REAC inspection scheduled (tentatively and/or confirmed)?

A22

- MOR August -14-17, 2017
- No REAC at this time

Q23 Are the HUD properties set up for anniversary or annual recertification? If annual, what month(s)?

A23

- Anniversary

Q 24 What are the sizes of the units occupied by management and maintenance personnel?

A24

- 3-bedroom

Q25 What is the anticipated start date form management, if selected?

A25

- After Board of Commissioners approval

Q26 Are there any capital improvements scheduled? If so, what are they and at what location(s)?

A26

- None at this time

Q27 What is the expectation for the management plan? Assumption is it would be a general plan for operation of properties, is this correct?

A27

- Yes

END OF ADDENDUM #1