

**AMENDMENT NO. 1
TO THE AGREEMENT FOR SERVICES
BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA,
AND
HOUSING TRUST SILICON VALLEY**

PREAMBLE

This agreement ("Amendment No. 1") is entered into between the City of Santa Clara, California, a chartered California municipal corporation (City) and Housing Trust Silicon Valley, a California corporation, (Contractor). City and Contractor may be referred to individually as a "Party" or collectively as the "Parties" or the "Parties to this Agreement."

RECITALS

- A. The Parties previously entered into an agreement entitled "Agreement for The Performance of Services," dated June 28, 2018 (the "Original Agreement"); and
- B. The Parties entered into the Original Agreement for the purpose of having Contractor undertake responsibilities for administering the City of Santa Clara Below Market Priced Program (BMP Program), and the Parties now wish to amend the Original Agreement to renew and extend the term of the Agreement and to revise the scope of services and schedule of fees.

The Parties agree as follows:

1. AMENDMENT PROVISIONS

That Section 5 'Term of Agreement' of the Original Agreement is hereby amended to read as follows:

Unless otherwise set forth in this Agreement or unless this paragraph is subsequently modified by a written amendment to this Agreement, the term of this Agreement shall begin on the Effective Date of this Agreement and terminate on June 30, 2020, with the option to renew for one (1) one-year period. City shall provide Contractor at least thirty (30) days' notice of its intent to exercise its option to renew before the end of the term.

That Exhibit A of the Original Agreement is hereby amended by adding Exhibit A-1, a revised "Scope of Services" which adds BMP unit compliance, attached hereto and incorporated herein.

That Exhibit B of the Original Agreement is hereby amended by adding Exhibit B-1 "Fee Schedule", attached hereto and incorporated herein.

2. TERMS

All other terms of the Original Agreement which are not in conflict with the provisions of this Amendment No. 1 shall remain unchanged in full force and effect. In case of a conflict in the terms of the Original Agreement and this Amendment No. 1, the provisions of this Amendment No. 1 shall control.

3. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute one and the same instrument.

The Parties acknowledge and accept the terms and conditions of this Amendment No. 1 as evidenced by the following signatures of their duly authorized representatives.

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

APPROVED AS TO FORM:

Approved as to Form:

Dated: _____

BRIAN DOYLE
City Attorney

DEANNA J. SANTANA
City Manager

“CITY”

HOUSING TRUST SILICON VALLEY
a California corporation

Dated: _____

By (Signature): _____

Name: Kevin Zwick

Title: Chief Executive Officer

Principal Place of Business Address: 75 East Santa Clara St., Suite 1350
San Jose, CA 95113

Email Address: kevin@housingtrustsv.org

Telephone: (408) 436-3450 x 225

Fax: (408) 436-3454

“CONTRACTOR”

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EXHIBIT A-1

SCOPE OF SERVICES

Housing Trust Silicon Valley (“Contractor”) will undertake responsibilities for administering the City of Santa Clara Below Market Priced Program (BMP Program) in accordance with all City and applicable federal and State regulations and shall conform to the provisions of the BMP Program Policies and Procedures Manual, as amended and adopted by the City of Santa Clara.

HTSV maintains expertise in the areas of first-time homebuyer assistance, underwriting, marketing and outreach, and loan compliance, as outlined below.

BMP Program Administration		\$84,400
BMP Program Policies and Procedures	Review and update, as necessary. Requires City approval prior to implementation.	
BMP Unit Compliance *List of BMP units to be provided by City. As of July 1, 2019, this list includes 137 units.	Develop and implement a monitoring plan to include monthly insurance monitoring, annual occupancy certification and report, as approved by the City. Report is due on or before July 31st following the previous fiscal year ending June 30th. The annual report will include the following: • Homeowner name and unit address • Current tenancy status based on homeowner re-certification • Recertification date • Status of monthly homeowner insurance renewal monitoring • Original sales date • Original purchase price • Unit affordability covenants and expiration date • Post-purchase counseling For non-compliant homeowners, Contractor will work with homeowner and City staff to cure violations or seek other remedies to ensure continued homeownership compliance.	
BMP web page	Maintain and update web page. Post relevant BMP ownership housing and first-time homebuyer information	

	and links to and from City's website.
Forms	Review and revise forms to meet program requirements, as necessary.
Lender Referrals	Refer BMP Program interested homebuyers to City preferred lenders for lender pre-approval.
Wait List	Establish and maintain an application waitlist of pre-approved prospective buyers. Maintain waitlist records, including required information, for audit purposes. Annual update of waitlist to remove prospective buyers no longer interested in the program, or prospect has moved and no longer able to contact, or prospect is no longer eligible for the program. Annually, provide updated waitlist to City. Annually, send summary of BMP Program to waitlist.
Marketing Collateral	Develop project specific marketing collateral. All collateral must be approved by the City prior to distribution. Contractor will provide City with invoice for reimbursement for any City-approved costs in excess of budget, including but not limited to printing and postage.
Homebuyer Education	Coordinate with local HUD-certified nonprofits that provide HUD-approved homebuyer education. Refer pre-qualified prospective buyers to partner agencies for attendance to the required 8-hour homebuyer education class.
Program Evaluation	Administer annual client and program evaluation survey of existing BMP homeowners and previous year applicants. Submit report to City for review.
Other Administrative Duties	Contractor will: • Schedule on-going monthly meetings with City staff • Annually provide list of active Board Members • Annually provide updated list of agency organization chart, including name, position and contact information • Post on website and marketing collateral BMP Program contact information, including name, title and contact information • Provide contract administration contacts, including contract manager, program manager and finance staff.
Timeline	July 1, 2019 to June 30, 2020
BMP Program Transactions	
See Fee Schedule	
Marketing and Outreach	Developer or City will notify Contractor no less than 180 days prior to estimated occupancy of new BMP units, including availability, location, number of units, unit size and sales price, amenities, and targeted income mix. Contractor will: • Develop project-specific marketing collateral • Respond to inquiries from prospective homebuyers

	and deliver BMP Program summary • Coordinate and administer homebuyer information workshops on a regular basis throughout the year • Administer preferred lender training and screening • Email campaign to preferred lenders • Email campaign to BMP waitlist
Eligibility Screening and Pre-Qualification of Potential Homebuyers	• Conduct program activities to build a potential pool of qualified homebuyers • Provide pre-qualification applications to interested prospects • Evaluate and process pre-qualification applications - collect required supporting documentation, including first lender pre-approval • Underwrite for program eligibility as outlined in BMP Policies and Procedures • Add to waitlist registry • Provide pre-qualified applicants with a Program Letter of Eligibility • Issue a Notice of Adverse Action to ineligible applicants • Update documents and information as necessary. • Refer to City staff any exception and appeal requests from applicants for review and recommendation for further action by Contractor.
BMP Sale Application Coordination	After Developer and/or City notification of BMP unit availability and unit details, Contractor will: • Notify the pre-qualified waitlist based on priority ranking • Conduct one-on-one pre-purchase counseling with selected prospective homebuyer • Notify City preferred lender and developer of selected buyer • Facilitate execution of Purchase Agreement between developer and selected buyer • Collect and review application and required purchase documents to ensure application completeness • Facilitate closing process with title company and City Staff • Prepare BMR documents for City review and signature • Issue a Notice of Adverse Action to ineligible applicants
BMP Re-sale Coordination	Facilitate the resale of a BMP unit. Contractor will: • Work with homeowner to obtain re-sale

	requirements, home inspections and seller disclosures • Perform updated title search and property valuation • Work with City Staff on prescribed BMP property calculation to determine current restricted sales price • Develop unit-specific marketing collateral • Notify pre-qualified waitlist of unit availability, sales price, income and program eligibility requirements, and interest notice deadline • If no potential buyers on waitlist, Contractor will refer to preferred Real Estate Broker for listing and open-house • Open pre-qualification process as outlined above • Open application process as outlined above
BMP Ranking/Lottery Coordination	• Rank applications pursuant to the City's Priority Criteria • If necessary, Contractor will administer a lottery if more than one applicant meets the program eligibility criteria • Select a "Designated Buyer" and two "Alternate Buyers" • Notify highest ranked applicant and selected preferred lender and developer of ranking • Provide guidance to homebuyer in the application update process • Applicant will receive a reasonable "date certain" deadline to obtain required financing • If Designated Buyer is unable to obtain financing at an affordable cost or is unable to meet program requirements to purchase the BMP unit, the next highest ranked Alternate Buyer will be offered the unit. If the first Alternate is unable to purchase the unit, the second Alternate Buyer will be offered the opportunity to purchase the unit.
BMP Refinance /Subordination	Existing BMP homeowners wishing to refinance their first mortgage on a BMP unit, Contractor will: • Refer BMP homeowners to City staff for processing and issuing a subordination agreement, if applicable
Timeline	July 1, 2019 to June 30, 2020

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EXHIBIT B-1

FEE SCHEDULE

Program Administration Fees:

July 1, 2019 to June 30, 2020

\$7,033.33 per month

Transaction Fees:

All Transaction fees will be reimbursed after unit sale or refinance. Application and Subordination fees are paid by applicant. Per sale fees not to exceed \$12,050 per unit. The City anticipates between 7-9 units to sell during FY 2019-20.

Marketing and Outreach	\$5,000 per New BMP Unit
Pre-Qualification	\$550 per Household to HTSV
New or Re-Sale	(\$50 collected by HTSV and paid directly to the city by the applicant)
BMP Sale Application Processing	\$2,000 per Household to HTSV
New or Re-Sale	(\$500 collected by HTSV and paid directly to the city by the applicant)
BMP Re-Sale Coordination	\$2,000 per Re-sale
BMP Ranking/Lottery Coordination	\$1,000 per Offering

In no event shall the amount billed to City by Contractor for services provided pursuant to this agreement exceed TWO HUNDRED THOUSAND DOLLARS (\$200,000) in FY 2019-20 subject to budget appropriations.

Program Administration Fees

Not to exceed the sum of EIGHTY-FOUR THOUSAND FOUR HUNDRED DOLLARS (\$84,400) in FY 2019-20.

Transaction Fees

Not to exceed \$12,050 per unit; not to exceed ONE HUNDRED EIGHT THOUSAND FOUR HUNDRED FIFTY DOLLARS (\$108,450) in FY 2019-20.

Total of Agreement, as amended, not to exceed a sum of THREE HUNDRED SEVENTY-TWO THOUSAND DOLLARS (\$372,000) for FYs 2018-19 and 2019-20.

Fee increase not to exceed 3% per year if City exercises its option to renew under Section 5 of the Agreement.