

and authorized entering into an agreement at its June 15, 2010 meeting (Exhibit No. 3).

Subsequent to the authorization granted by the Agency Board on June 15, 2010, staff and Newport Pacific engaged in extensive negotiations regarding the specific terms and conditions of the agreement. The property maintenance services are critical because this property will continue to operate as an active mobilehome park until its existing residents are relocated. Based on the initial authorization granted on June 15, 2010, Newport Pacific began providing services. However, the modifications resulting from the negotiations between the staff and Newport Pacific are significant enough to warrant presenting the revised agreement to the Agency Board for ratification.

The most significant modifications (requested by Newport Pacific) involve provisions for the Agency to carry insurance on the property and to indemnify Newport Pacific regarding potential actions against Newport Pacific related to the property. Following the agreement's one-year term, it will continue on a month-to-month basis unless terminated.

As summarized in the attached agreement (Exhibit No. 4), the scope of work includes:

- Renting of units within the property;
- Collection of rents and other receipts;
- Maintenance, landscaping, inspection, and upkeep of property and driveways;
- Properly insuring the property; and
- Enforcement of rental and owner agreements.

Newport Pacific's proposed cost of \$30,000.00 per year (\$2,500.00 per month), is based on a unit cost of approximately \$80.00 per door per month (the park contains 31 mobilehome spaces). Staff initially estimated a cost of \$125.00 per door per month, so Newport Pacific's proposed cost is well below that estimate.

V. FISCAL IMPACT

Funding for this agreement will be included in the proposed FY 2010/11 Redevelopment Agency Low/Moderate-Income Housing Fund Budget.

VI. EXHIBITS

1. Minutes, April 6, 2010, Item No. 23. (pgs. 4-5)
2. Request for Proposals, Property Management Services. (pgs. 6-12)
3. Minutes, June 15, 2010, Item No. 3 (pg. 13)
4. Property Management Agreement. (pgs. 14-30)