

Piazza & Associates
Affordable Housing Services

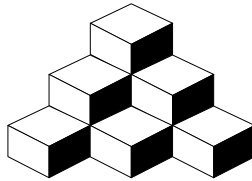
Market to Affordable Program

Proposal submitted to

Township of West Orange

Essex County, New Jersey

December 31, 2009



BACKGROUND

The Township of West Orange, New Jersey (the "Township") is in the process of implementing a Market to Affordable program ("MTAP") with the goal of converting 57 existing market rate rental apartments into income-restricted (low- and moderate- income) units that will meet the applicable regulations (N.J.A.C. 5:97-6.9) set forth by the by the New Jersey Council on Affordable Housing ("COAH"), as well as applicable state and local laws, rules, ordinances and regulations (hereafter, collectively referred to as the "Regulations"). Among other things, the Regulations govern the maximum rental rates, sales prices, the maximum income limits of the renters, and compliance to fair housing and marketing of the affordable units.

The MTAP units shall be certified by the Township to be in sound condition, pursuant to N.J.A.C. 5:97-6.9(b)2. Further, the Township intends to invest no less than \$25,000 into each moderate income unit and no less than \$30,000 into each low income unit pursuant to N.J.A.C. 5:97-6.9(b)3.

The Township is seeking an experienced, qualified agency or entity to coordinate the implementation of this program on behalf of the Township. By way of this document, Piazza & Associates, Inc. ("P&A"), an experienced firm that provides such affordable housing services, proposes to:

1. Identify owners of market rate rental apartments in the Township (the "Owners") who are interested in the MTAP and negotiate the details of the program pursuant to the parameters set forth by the Township.
2. Coordinate the inspection of the units; the municipal contribution to the Owners for the units; and the execution of the proper covenants and restrictions to secure the COAH credit for the units.
3. Implement the Township's Affirmative Marketing Plan relative to the MTAP in accordance with N.J.A.C. 5:80-26.15.
4. Certify all applicants of the MTAP according to COAH guidelines.
5. Establish and maintain affordability controls and enforcement powers, in compliance with U.H.A.C. regulations, set forth in N.J.A.C. 5:80-26.1 et seq. on or before January 15, 2010.
6. Prepare an MTAP Operating Manual for the Administration of Affordable Housing and Controls for submission to COAH and the Township, in accordance with N.J.A.C. 5:80-26.1 et seq.
7. Provide annual and monthly reports to designated authority as required.
8. Establishment of a database of applicants for the MTAP.

9. Creation of an application process for the MTAP.

Specifically, Piazza & Associates will provide the following services under this proposal.

A) Consulting Services to Implement the Market to Affordable Program

1. P&A will contact the Owners so as to ascertain their interest in participating in the MTAP.
2. P&A will meet with interested Owners; calculate the relative cost to discount the rents; and negotiate levels of compensation relative to the numbers of potential MTAP units.
3. P&A will arrange to have potential MTAP units inspected by the Township.
4. P&A will provide a cost/benefit analysis report to the Township that is based on the availability of units for inclusion in the MTAP, the condition of the available units, the cost to discount the units, and the price point at which the Owner will agree to participate.
5. P&A will set forth a schedule for projecting the phase in of the MTAP units.
6. P&A will coordinate with the Township to ensure that the proper deed restrictions are executed and recorded, and that the agreed upon payments are made to the Owners.
7. P&A will meet with the Township and Owners as required and ensure that all parties are kept current with the status of the development and implementation of the program.

B) Preliminary Application Services

1. P&A will develop a complete set of application documents specifically designed to meet the requirements of the MTAP Regulations, including a Preliminary Application for Affordable Housing, a Final Application for Affordable Housing, Income Verification Forms and other such forms as may be required by the Regulations.
2. P&A will make applications available through the New Jersey Housing Resource Center (www.NJHousing.gov), for direct downloading on its own website (www.HousingQuest.com), at the municipal building and other such places as may be required. It will mail Preliminary Applications upon request, and answer questions, via telephone and e-mail, as needed. A special e-mail address will be

established that will be dedicated to the affordable housing services of the Township. A link to the appropriate page on HousingQuest.com will be made available to the Township for its own web site.

3. P&A will review and monitor the affirmative marketing plan(s) for adherence to Fair Housing rules and the Regulations.
4. P&A will collect all of the Preliminary Applications, and process such applications as necessary, keeping a complete record of the information, and responding to all applicants appropriate to their submission. Applications will be subject to random selection as may be required by the Regulations, but P&A will maintain the priority order of applicants (waiting list) once the applicants have been subject to a random selection process.
5. P&A will provide to the Township, the Owners and Managers a list of available pre-qualified applicants by unit type as needed.
6. Upon notification that units are or will be available, P&A will send notices and final applications to a representative number of prequalified applicants, who will be asked to contact the Owner or its agent, and, at the same time, to submit the final application to Piazza & Associates.
7. P&A will complete a review of the final application and notify both the applicant and the Owner or its agent as to the status of that application, i.e., Approved, Not Approved or Incomplete.

C) MTAP Rental Units

1. On an annual basis, P&A will assist the Manager in determining rental rates for the Affordable Units that are in compliance with the Regulations and viable relative to local market conditions.
2. P&A will certify to the Township that the rental rates for the Affordable Units are in compliance to the Regulations.
3. P&A will provide a written certification form to the Manager for all approved applications, and ask the Manager to return the certification forms, signed by the applicant, together with a copy of the lease agreement.
4. P&A will communicate the status of the compliance plan to the Manager and the Township on an ongoing basis, and be available to meet with representatives of both as reasonable and appropriate.

5. P&A will maintain accurate records of the status of all certification work on an on-going basis.
6. P&A will provide compliance reports to the Township and regulatory agencies as necessary.

D) UHAC Regulations

1. Notwithstanding anything herein to the contrary, P&A will provide all such services as are required of the Administrative Agent as set forth in the Uniform Housing Affordability Controls (N.J.A.C. 5:80-26.14(a)) and the Scope of Services set forth in the Request for Proposal, published by the Township of West Orange.
2. P&A will provide an MTAP Operating Manual as set forth in the Uniform Housing Affordability Controls (N.J.A.C. 5:80-26.14(b)).

TERMS AND CONDITIONS

A. Contract Administration: All work performed by P&A under this proposal shall be accomplished in close consultation with and under the direction of the Township or its designee.

B. Professionalism: At all times, P&A will endeavor to maintain a sense of professionalism with respect to the services performed on behalf of the Township. Committed to the ideals of exemplary customer service and fair housing opportunities, we treat every applicant with a sense of commitment and respect. In addition, we pride ourselves in our efficiency and accuracy with regard to affordable housing regulations, income certifications and record-keeping. These are essential elements of our compliance and management efforts.

C. Implementation of Services: P&A will begin the implementation of its services immediately upon the approval of the Township and receipt of a signed engagement letter or contract with the Township.

D. Confidentiality: All data provided by the Township, the Owner and its applicants will be considered strictly confidential and shall be used solely for the purposes delineated in this proposal. Likewise, the materials developed by P&A on behalf of the Owner and/or the Township shall be considered proprietary and may only be used by the Owner and/or Township for its own affordable housing endeavors in the future.

E. Insurance: P&A, Inc. will provide for itself and at its own expense Professional Liability Errors and Omission Insurance coverage with a limit of liability of one million dollars (\$1,000,000).

F. Files and Documentation: P&A will look to the Township or Owner (as applicable) to provide files, documents and notices necessary for it to implement its maintenance and compliance services.

G. Certain Services Not Provided Herein: Under this proposal, P&A shall not be responsible for:

1. The obligation of the Township to meet its affordable housing obligation aside from the certifications as provided in the Scope of Services herein;
2. Any additional requirements set forth by COAH which represent a material change in the services necessary to comply with the Regulations; and
3. All legal and real estate related services associated with the rental or sale and transfer of an affordable property.

TERM

The term of this Agreement shall be one (1) year, commencing _____. The Agreement is renewable for successive terms and can be terminated at the discretion of the Township with 60 days written notice without cause.

COMPENSATION

In return for its compliance efforts (as detailed in the Scope of Services above), P&A will be compensated as follows:

1. Prepare an Operating Manual for the MTAP.
 - \$750 to be paid by the Township upon receipt of an MTAP Operating Manual.
2. Administrative Agent Services Upon Start of Program
 - \$145 per month to be paid by the Township for consulting services to identify and enlist the participation of landlords in the Market to Affordable Program (includes approximately 1 hour of consulting services 1 hour of administrative services);
 - \$300 per month (or \$200 per month if the MTAP is running concurrently with the AAP) to be paid by the Township for general consulting and application management services, including telephone, email and website support, and the on-going maintenance of the waiting list for the MTAP (as needed);
 - \$500 per rental or re-rental to be paid by the Township or Landlord upon occupancy and re-occupancy.

3. Expenses

- In addition to the fee, above, the Township shall reimburse P&A for all postage and advertising costs that are incurred.
- All other expenses, including costs associated with phone calls, web services, travel time and expenses, duplication and reports, in limited quantities, are included in the monthly fee, above.

In the event that the Township and/or Owner requests services in addition to the Scope of Services above, a mutually agreed upon rate for such services shall be determined prior to implementation.

ACCEPTANCE

Please signify your acceptance of this proposal by signing below.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank Piazza". The signature is stylized with a large, looped "F" and "P".

Frank Piazza

Accepted on behalf of the Township of West Orange

BY:

Date: _____