



U.S. Department of Housing and Urban Development  
San Francisco Regional Office - Region IX  
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San Francisco, California 94104-4430  
[www.hud.gov](http://www.hud.gov)

[espanol.hud.gov](http://espanol.hud.gov)

Ms. Nannette Beacham  
Executive Director  
Richmond Housing Authority  
330 24th Street  
Richmond, CA 94804

SEP 10 2019

Subject: Recovery Agreement & Action Plan

Dear Ms. Beacham:

On June 28, 2019, our office provided a draft 2019 Recovery Agreement Action Plan for your review. During our August 9, 2019, PHARS biweekly call, we discussed your requested modifications of timelines in that action plan. On July 10, 2019, we emailed the amended draft 2019 Recovery Agreement Action Plan. This letter retransmits the action plan and includes the 2019 PHARS Agreement for your signature and execution (enclosed).

The Recovery Agreement and Action Plan is a binding contract required by federal statute 42 U.S.C. 1437d(j)(2), that delineates performance outcomes, timelines, and reporting requirements that must be strictly adhered to. It also specifies remedies to achieve agreed-upon levels of performance.

We look forward to working with the Richmond Housing Authority to reposition the RHA Public Housing (PH) portfolio. If you have any questions or recommended modifications to the draft Agreement tasks, please contact Benjamin Palmer, Portfolio Management Specialist, at (415) 489-6445 or [benjamin.r.palmer@hud.gov](mailto:benjamin.r.palmer@hud.gov).

Sincerely,

A handwritten signature in blue ink, appearing to read "Gerard R. Windt".

Gerard R. Windt  
Director  
Office of Public Housing

Enclosure

cc:  
Board of Commissioners  
c/o Mayor Tom Butt, Board Chair  
City of Richmond  
450 Civic Center Plaza  
Richmond, CA 94804

**Richmond Housing Authority (RHA) PHARS Action Plan**

<b>TASK NUMBER</b>	<b>TASK</b>	<b>TARGET DATE</b>
	<b>Hacienda</b>	
1.1	Finalize Financial Terms btw RHA and Mercy (Confirmation of a current Development Agreement to repositioning Hacienda)	12/28/2019
1.2	Request Revised Disposition Appl from SAC	1/28/2020
1.3	Submit Financing Plan to SFRO and submit Financing Applications to TCAC/HCD	3/1/2020
1.4	Conveyance / Closing of Hacienda	2/28/2021
1.5	SAC acceptance of a complete Section 18 PIC disposition application for Hacienda Remainder Parcel	12/31/2021
	<b>Admin. Building</b>	
2.1	Submission of disposition application to SAC	10/1/2019
2.2	SAC acceptance of a complete Section 18 PIC application	3/29/2020
2.3	Submit Financing Plan to SFRO and submit Financing Applications to TCAC/HCD	8/30/2020
	<b>Nevin</b>	
3.1	Issue RFP for Development Partner w/ elevator addendum	1/28/2020
3.2	Select a Development Partner	4/29/2020
3.3	SAC acceptance of a complete Section 18 PIC application	5/29/2020
3.4	Submit Financing Plan to SFRO and submit Financing Applications to TCAC/HCD	6/30/2021
3.5	Closing /Conveyance /Start Construction	3/1/2022
	<b>Nystrom</b>	
4.1	Issue RFQ for Master Plan	2/28/2020
4.2	Finalize terms btw RHA and Developer	5/29/2020
4.3	SAC acceptance of a complete Section 18 PIC application	9/1/2020
4.4	Closing /Conveyance /Start Construction	11/28/2022
	<b>Richmond Village 1&amp;2</b>	
5.1	Submit RAD Application	10/1/2019
5.2	Submit RAD Financing Plan	11/28/2020
5.3	Close RAD conversion	12/1/2020
	<b>Richmond Village 3</b>	
6.1	SAC acceptance of a complete Section 18 PIC application	5/30/2021
6.2	Receive Tenant Protection Vouchers	6/30/2021
6.3	Closing /Conveyance /Start Construction	12/31/2021
	<b>Other</b>	
7.1	Submit PH organizational chart of RHA staff; charts to include names, titles, and responsibilities and duties.	1/28/2020
7.2	Complete HCV Close Out Audit	4/26/2020
7.3	Submit operating budgets for each AMP and Central Office Cost Center (COCC).	2/28/2020

**Recovery Agreement between**  
**Housing Authority of the City of Richmond**  
**And**  
**the United States Department of Housing and Urban Development**

This Recovery Agreement is entered into between the Housing Authority of the City of Richmond (RHA), and the UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (“HUD”) as of this 22 day of October, 2019.

**RECITALS**

**WHEREAS**, under the United States Housing Act of 1937, as amended, (“Act”), 42 U.S.C. § 1437 *et seq.*, the United States Department of Housing and Urban Development (“HUD”) is responsible for administering low income housing programs, and pursuant to the Act, HUD has entered into an Annual Contributions Contract (“ACC”) with the RHA to develop and operate public housing projects of the RHA; and

**WHEREAS**, pursuant to the Act, HUD must evaluate public housing performance and has instituted the Public Housing Assessment System (“PHAS”); and

**WHEREAS**, on the basis of an annual PHAS score, the RHA has been designated Troubled or Substandard for financial, physical and/or management indicators, or other such deficiencies as HUD has identified; and

**WHEREAS**, the Act requires HUD to enter into agreements that establish performance targets, set out strategies for meeting targets, provide for incentives and sanctions for effective implementation of the strategies leading to recovery of performance and attain an improved status of at least a Standard Performer; and

**WHEREAS**, the recovery of performance is intended to lead to a sustainable sound fiscal management and good governance; and

**WHEREAS**, the parties desire to correct all HUD-identified deficiencies through the implementation of this Recovery Agreement, (“Agreement”);

**NOW THEREFORE**, in consideration of the mutual covenants and agreements herein contained, HUD, the RHA and the City of Richmond agree as follows:

- I. The RHA agrees to achieve the outcomes outlined in the Action Plan and incorporated into this Agreement as Exhibit A.
- II. The RHA will work with key local constituents, including the City of Richmond, to develop and implement a Sustainability Plan if necessary, to achieve recovery.
- III. The Action Plan describes the results following HUD’s review and assessments of PHA performance, the measures that need to be implemented to improve the

performance and the desired outcomes to be achieved and establishes a timetable to achieve those outcomes. The Action Plan also identifies the available remedies to resolve HUD's determination of non-performance.

- IV. Upon execution of the Agreement, the RHA will commence with the required actions listed in the Plan within the timeframes set forth therein.
- V. The RHA will cure identified deficiencies within the timeframes established in the Action Plan.
- VI. Subject to section XII, regardless of possible changes in the RHA's Board composition, or the decision-making individuals for HUD, the term of this Agreement is effective as of the execution date of this document and will continue until completion of the Action Plan in accordance with 6(j) (2) and (3) of the Act, and any agreed upon extensions. This Agreement will remain in effect until the RHA has completed all items listed in the Plan, even if HUD removes the RHA's troubled/substandard designation.
- VII. HUD, in its discretion, may provide technical assistance, including training or contract support, to the RHA to facilitate accomplishment of the items in the Action Plan. The RHA's compliance with the Action Plan, however, shall not be contingent on HUD's provision of any technical assistance or other discretionary assistance.
- VIII. The RHA shall provide HUD with deliverables as identified in the Action Plan and progress reports upon HUD request. Additionally, RHA and HUD will meet monthly to discuss the status of the PHARS Agreement Action Plan.
- IX. HUD will confirm in writing to the RHA as to the receipt of the deliverables required by the Action Plan and will notify RHA promptly in writing of any perceived inadequacy of the submitted deliverables and what actions RHA can take to revise the deliverable to meet Department regulatory requirements.
- X. If the RHA disagrees with HUD's determination concerning the completion of any deliverable, the RHA may request a reconsideration of the determination and submit additional information to support its position. HUD will provide the RHA with a written notice of its decision.

- XI. The failure of the RHA, its employees, officers, agents, or contractors to comply with this Agreement, including the failure to achieve the agreed upon outcomes or to take the actions or comply with the time frame set forth in the Action Plan, may result in HUD seeking any available remedies, including any of the following actions sequentially or simultaneously:
- a. Consolidation;
  - b. Consortia/Joint Venture;
  - c. Contraction of Operational Activities;
  - d. Cooperative Endeavor Agreement;
  - e. Debarment;
  - f. Deliver possession and control of project(s) to HUD;
  - g. Limited Denial of Participation;
  - h. Receivership; and/or
  - i. Suspension.
- XII. The parties by mutual written agreement may agree to extend the timeframes set forth in the Action Plan from time to time. In the event said timeframes are extended, HUD agrees that it will not take any of the actions against the RHA as set forth in this section of the Agreement for noncompliance with original timeframes.
- XIII. This agreement is intended solely for use in addressing compliance matters identified in the Action Plan and does not waive or release RHA or the City of Richmond from claims or promises pertaining to operating a PH program per HUD statutory, regulatory or RHA policies.
- XIII. Communication related to the Recovery Agreement and Action Plan shall be submitted electronically to Gerard R. Windt, San Francisco Public Housing at [Gerard.Windt@hud.gov](mailto:Gerard.Windt@hud.gov) or his successor.
- XIV. HUD and the RHA and their employees, subcontractors, partners or assigns shall comply with all applicable federal, state, and local laws and regulations relating to the performance of this Agreement to which their activities are subject.
- XV. Notwithstanding any provisions of this Agreement to the contrary, the parties shall not be held liable for any failure or delay in the performance of this Agreement that arises from fires, floods, strikes, embargoes, acts of the public enemy, unusually severe weather, outbreak of war, riots, civil commotion, force majeure, acts of God, or for any other cause of same character which is unavoidable through the exercise of due care and beyond the control of the parties, provided that said failure or delay in the performance of this Agreement attributed to any of the events described herein is acknowledged in writing by HUD. Upon the issuance of HUD's written acknowledgement, the failure to perform shall be deemed excused during the continuance of such circumstances as determined by HUD, but this Agreement shall otherwise remain in effect.


- XVI. In the event of any conflict between terms in this Agreement, including all exhibits, attachments and all other documents specifically incorporated by reference, and HUD's applicable Public Housing requirements including, but not limited to, the Act, HUD regulations there under (and, to the extent applicable, any HUD-approved waivers of regulatory requirements), the ACC, HUD notices, the HUD-approved Declaration of Trust or Declaration of Restrictive Covenants in favor of HUD, and all applicable Federal statutory, executive order and regulatory requirements, as those requirements may be amended from time to time, the applicable Public Housing requirements shall prevail. HUD reserves the right to resolve any conflict.
- XVII. Any modification or amendment of any condition or provision in this Agreement by either party will not imply or constitute a further modification or amendment of the same or any other condition or provision, nor shall it relieve the parties from performing any subsequent obligations strictly in accordance with the term of this Agreement. No modification or amendment shall be effective unless in writing and signed by the party against whom enforcement is sought. Such modification or amendment shall be limited to provisions of this Agreement specifically referred to therein and shall not be deemed a modification or amendment of any other provision. No modification or amendment of this Agreement shall constitute a HUD-approved waiver of regulatory requirements.
- XVIII. Should any term or provision of this Agreement be held, to any extent invalid or unenforceable, as against any person, entity or circumstance during the term hereof, by force of any statute, law, or ruling of any forum of competent jurisdiction, such invalidity shall not affect any other term or provision of this Agreement to the extent that the Agreement shall remain operable, enforceable and in full force and effect to the extent permitted by law.
- XIX. This Agreement may be amended by mutual agreement of the parties; and as required by any applicable amendments to the Act and amendments to or new HUD regulations.
- XX. This Agreement states the entire understanding and agreement between the parties and supersedes any and all written or oral representations, statements, negotiations, or agreements previously existing between the parties with respect to the subject matter of this Agreement. However, this Agreement does not supersede, modify or amend the ACC as further described in Paragraph XXII. The parties recognize that any representations, statements or negotiations made by the staff of either party does not suffice to legally bind either party in a contractual relationship unless they have been reduced to writing and signed by their authorized representative(s). This Agreement shall inure to the benefit of and shall be binding upon the parties, their respective assigns, and successors in interest.

- XXI. This Agreement may be executed and delivered in separate counterparts, which, when so executed and delivered, shall be deemed an original.
- XXII. This Agreement does not supersede, modify or amend the ACC between HUD and the RHA, or in any way excuse the RHA from complying fully with its obligations under the ACC. HUD does not waive its statutory, regulatory or contractual rights. Nothing contained in this Agreement shall serve to limit, modify or preclude HUD's right to take any remedial action allowed by the ACC or any provision of the Act or related regulations. Nothing contained in this Agreement shall serve to limit, modify or preclude HUD or the RHA's right to take any remedial action allowed by the Agreement.
- XXIII. The parties agree that any cost associated with the implementation of this Agreement, the Action Plan and the Sustainability Plan shall be their individual responsibility unless specifically agreed in writing between the parties.
- XXIV. If RHA fails to achieve the goals set forth above within six months of the Recovery Agreement being signed, HUD will notify the PHA in writing of its non-compliance. RHA shall have 90 days from receipt of the written notice of non-compliance to cure any violation within that timeframe. If the non-compliance is not cured during such period, the PHA may be deemed to be in substantial default of this agreement and subject to remedies prescribed at 42 U.S.C. 1437d(j)(3)(A)(iii), at HUD's discretion, including but not limited to withholding discretionary funding; petitioning for administrative receivership and transferring the Public Housing and Housing Choice Voucher programs to another well managed PHA.

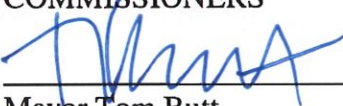
[Signature page follows]

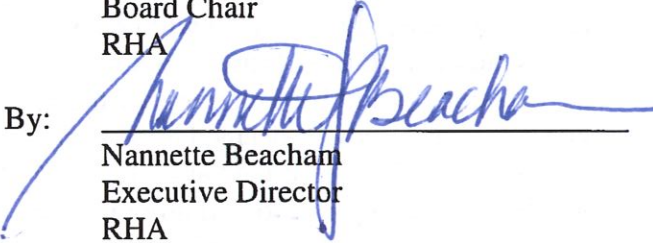
IN WITNESS WHEREOF, the parties or their duly authorized representatives hereby execute this Agreement on the date first written above.

UNITED STATES DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT

By:   
Gerard R. Windt  
Public Housing Director  
San Francisco Field Office

RHA  
ATTEST: BY ITS BOARD OF  
COMMISSIONERS

By:   
Mayor Tom Butt  
Board Chair  
RHA

By:   
Nannette Beacham  
Executive Director  
RHA

Acknowledgement by the City of Richmond

The City of Richmond acknowledges the importance of effective governance as part of the recovery and sustainability of the RHA. The City of Richmond agrees to work in good faith to assist the RHA and HUD accomplish the tasks described in the Action Plan. Should HUD determine that RHA has not complied with this Agreement and that remedies described in this Agreement are appropriate, to the extent that action from the City is required to effectively implement a remedy, the City will cooperate in good faith to facilitate such remedies.

CITY OF RICHMOND, CALIFORNIA

By:   
[Mayor]