STATE OF CALIFORNIA -BUSINESS, TRANSPORTATION AND HOUSING AGENCY

Arnold Schwarzenegger, Governor

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE
Asset Management & Compliance Section
1800 Third Street, Suite 390
P. O. Box 952054
Sacramento, CA 94252-2054
(916) 322-1560
FAX (916) 324-3246

RECEIVED
NOV 26 2008

Partridge
- ✓ HUD File
- ✓ HUD Inc Proj File
- ✓ City Proj File
- ✓ ~~Accounting~~ Auditor file
- ✓ Project Manager BC
- ✓ Project
- Occupancy
- ✓✓ SB, Mel

November 24, 2008

George Starmer
City of Menlo Park
701 Laurel Street
Menlo Park, CA 94025-3483

Due 12/24

RE: Deferred Payment Rehabilitation Loan Program (DPRLP)
Partridge Place 817 Partridge Place, Menlo Park
Contract # 80-HRL-089 Project # 80089.533
Monitoring Visit Report

Dear Mr. Starmer:

On November 18th, I met with you and Barry Cammer of Barcelon Associates to conduct the on-site monitoring of Partridge Place, located at 817 Partridge Place, Menlo Park, CA. The purpose of the visit was to assess Partridge Place's implementation and administration of its DPRLP-funded project and to determine whether the requirements for ongoing management of the project are being met. This letter, with Monitoring Report enclosed, summarizes Findings, if any, and required corrective action along with Concerns. The review is based upon documents that have been submitted to our office and the on-site visit.

A "Finding" is a deficiency based on a program requirement for which a default may be declared if left uncured. As a result of the monitoring review, it was determined that there were no Findings and four Concerns.

Thank you for the assistance provided to me during the monitoring visit. We wish you continued success in affordable housing endeavors. If you have any questions, please contact me at (916) 327-8110, or email mluchessi@hcd.ca.gov.

Sincerely,

Michael Luchessi
Asset Management Representative
Department of Housing and Community Development

Cc: Barry Cammer, Barcelon Associates

Monitoring Report
Project #80089.533
Partridge Place

Peninsula Volunteers Properties, Inc. was awarded $100,000 of DPRLP funds in 1982 for rehabilitation of affordable rental housing at Partridge Place in Menlo Park, CA, consisting of thirty (30) units. The Note Due Date is July 12th, 2012.

Specific areas monitored and evaluated may include:

1. Physical: The Borrower is responsible for all repair and maintenance functions of the Rental Housing Development, such as: the units, grounds and common areas and including ordinary maintenance and replacement of capital items.

2. Financial: Several items in the fiscal category require regular periodic monitoring in order to ensure the fiscal integrity of the project. The Department is required to ensure items such as: the appropriate amounts of funds are in any reserve account(s); the accounting system accurately and fully shows all assets, liabilities, income and expenses of the project; property taxes are current; insurance coverage is current and complies with Program requirements; and there is adequate project cash flow.

3. Management/Compliance: The Management Contract and Management Plan must be current; budget reports must be accurate and received per schedule; annual reports and audits must be accurate and received per schedule and findings addressed; and the project must be responsive to deadlines/requests including payments due Department. Tenancy standards must be met, such as, the annual income for a household must be within the low and very-low income limits established by the Department; household incomes must be recertified annually; rents must be within the limits established; Affirmative Fair Housing laws must be met; and grievance and appeal procedures need to be followed.

Physical

1) Unit [redacted]: Replace wax seal on toilet prior to re-occupancy of unit.

2) Unit [redacted]: Install smoke alarm prior to re-occupancy of unit.

Corrective Action

Partridge Place is required to address these two Concerns and furnish evidence of repair to the Department within 30 days of the date of this letter.

Financial

3) The Department was unable to confirm the existence of adequate insurance coverage for the project.

Corrective Action

Partridge Place is required to furnish proof of hazard insurance coverage, listing our Department as Loss Payee and Additional Insured, within 30 days of the date of this letter.

Management/Compliance

4) Rent increases should be limited to 50% of the percentage increase in the Consumer Price Index (Western CPI All Items Index) for that year. For 2009, the CPI increase is 4.5%; therefore, rent increases are limited to 2.25%). Partridge Place is currently considering a 3% increase in rents. Since the project is for senior citizens only (section 202), annual income certifications are not necessary.

Corrective Action

Partridge Place is required to adhere to the rent increase restrictions described above, or furnish documentation to support the need for a rent increase in excess of the allowable amount, within 30 days of the date of this letter.

Conclusion

Partridge Place is a conscientious rental housing community that generally meets health and safety standards and other DPRLP requirements. Partridge Place staff was cooperative and the property is generally attractive and well-maintained.

Barcelon Associates
Management Corporation
BUILDING A FUTURE TOGETHER

Management & Consulting Services

Multi-Family Facilities

HUD, Section 8, CalHFA & Tax Credit Allocation Committee

Independent Retirement Communities

Assisted Living & Alzheimer's Residential Care Communities

ACCREDITED MANAGEMENT ORGANIZATION

December 23, 2008

Department of Housing & Community Development
ATTN: Mr. Michael Luchessi, Asset Management Representative
1800 Third Street, #390
P O Box 952054
Sacramento, CA 94252

RE: DPRLP – MONITORING VISIT REPORT
PARTRIDGE KENNEDY APARTMENTS
Contract/Project: 80-HRL-089 / 80089.533
Location: 817 Partridge Avenue, Menlo Park

Dear Mr. Luchessi:

Regarding your onsite monitoring visit, held on November 18, 2008, at Partridge Kennedy Apartments, please note the following for specific items corrected:

PHYSICAL

Unit 15 – replace wax seal on toilet prior to re-occupancy of unit.
Unit 19 – Install smoke alarm prior to re-occupancy of unit.

CORRECTIVE ACTION

Partridge Place is required to address these 2 concerns and furnish evidence of repair to the Department within 30 days of the date of this letter.

RESPONSE

- ✓ Unit 15 – replaced wax ring at the toilet on 12/5/08 (see Work Order #00025)
- ✓ Unit 19 – installed new smoke detector on 12/5/08 (see Work Order #00024)

FINANCIAL

The Department was unable to confirm the existence of adequate insurance coverage for the project.

CORRECTIVE ACTION

Partridge Place is required to furnish proof of hazard insurance coverage, listing our Department as Loss Payee and Additional Insured, within 30 days of the date of this letter.

RESPONSE

- ✓ We have requested that Peninsula Volunteers add Department of Housing and Community Development as additional insured and named as mortgagee on Partridge Kennedy's policies (see attached insurance certificates).

MANAGEMENT / COMPLIANCE

Rent increases should be limited to 50% of the percentage increase in the Consumer Price Index (Western CPI All Items Index) for that year. For 2009, the CPI increase is 4.5; therefore, rent increases are limited to 2.25%. Partridge Place is currently considering a 3% increase in rents. Since the project is for senior citizens only (Section 202), annual income certifications are not necessary.

CORRECTIVE ACTION

Partridge Place is required to adhere to the rent increase restrictions, described above, or furnish documentation to support the need for a rent increase in excess of the allowable amount, within 30 days of the date of this letter.

RESPONSE

- ✓ We will submit a request to you for a 3% increase. This request will include a budget and a rationale for the 3% request.

If you need additional information, or if you have any questions, please do not hesitate to contact me at 925-627-7000 or via email at barry-c@barcelon.com.

Sincerely,

BARCELON ASSOCIATES MANAGEMENT CORPORATION

Barry Cammer
Director of Asset Management

Enclosures: (work orders, insurance certificates)

cc: G. Starmer, City of Menlo Park
M. Knapik, Executive Director, Peninsula Volunteers, Inc.
C. Larson, Administrator

ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID ZL
PENIN12

DATE (MM/DD/YYYY)
12/19/08

PRODUCER

(PA) Heffernan Insurance Brkrs
1808A Embarcadero Road
Palo Alto CA 94303
Phone: 650-842-5200 Fax: 650-842-5201

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

Peninsula Volunteers
Jean Dahl / Joe Christian
800 Middle Ave.
Menlo Park CA 94025

INSURERS AFFORDING COVERAGE		NAIC #
INSURER A:	Riverport Insurance Company	
INSURER B:	CARE WEST INSURANCE COMPANY	
INSURER C:		
INSURER D:		
INSURER E:		

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	X	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC	RIC0008866	02/01/08	02/01/09	EACH OCCURRENCE	$ 1000000
						DAMAGE TO RENTED PREMISES (Ea occurence)	$ 50000
						MED EXP (Any one person)	$ 5000
						PERSONAL & ADV INJURY	$ 1000000
						GENERAL AGGREGATE	$ 2000000
						PRODUCTS - COMP/OP AGG	$ 1000000
A		AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS	RIC0008866	02/01/08	02/01/09	COMBINED SINGLE LIMIT (Ea accident)	$ 1000000
						BODILY INJURY (Per person)	$
						BODILY INJURY (Per accident)	$
						PROPERTY DAMAGE (Per accident)	$
		GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT	$
						OTHER THAN AUTO ONLY: EA ACC	$
						AGG	$
A		EXCESS/UMBRELLA LIABILITY X OCCUR CLAIMS MADE DEDUCTIBLE X RETENTION $ 0	REL0008867	02/01/08	02/01/09	EACH OCCURRENCE	$ 5000000
						AGGREGATE	$ 5000000
							$
							$
							$
B		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	W10807000786	07/01/08	07/01/09	X WC STATU-TORY LIMITS OTH-ER	
						E.L. EACH ACCIDENT	$ 1000000
						E.L. DISEASE - EA EMPLOYEE	$ 1000000
						E.L. DISEASE - POLICY LIMIT	$ 1000000
		OTHER					

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Cert Holder Cont: Section
Re: Project #80089.533, Contract #80-HRL-089, 817 Partridge Place, Menlo Park, CA. Department of Housing and Community Development is named as additional insured on General Liability policy and named as mortgagee.
*Except 10 days notice for non-payment of premium.

CERTIFICATE HOLDER

DEPAR32

Department of Housing and
Community Development
Asset Management & Compliance
1800 Third Street, #390
Sacramento, CA 94252-2054

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30* DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

© ACORD CORPORATION 1988

ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID ZL
PENIN12

DATE (MM/DD/YYYY)
12/19/08

PRODUCER

(PA) Heffernan Insurance Brkrs
1808A Embarcadero Road
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INSURED

Peninsula Volunteers
Jean Dahl / Joe Christian
800 Middle Ave.
Menlo Park CA 94025

INSURERS AFFORDING COVERAGE		NAIC #
INSURER A:	Riverport Insurance Company	
INSURER B:	CARE WEST INSURANCE COMPANY	
INSURER C:		
INSURER D:		
INSURER E:		

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						E.L. EACH ACCIDENT	$ 1000000
						E.L. DISEASE - EA EMPLOYEE	$ 1000000
						E.L. DISEASE - POLICY LIMIT	$ 1000000
		OTHER					

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Re: Crane Place and Partridge/Kennedy. Barcelon Associates Management Corporation is named as additional insured on General Liability policy.
*Except 10 days notice for non-payment of premium.

CERTIFICATE HOLDER

BRACE-1

Barcelon Associates Management Corporation
590 Lennon Lane, Ste. 110
Walnut Creek, CA 94598

CANCELLATION

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AUTHORIZED REPRESENTATIVE

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DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE
Asset Management & Compliance Section
1800 Third Street, Suite 390
P. O. Box 952054
Sacramento, CA 94252-2054
(916) 322-1560
FAX (916) 324-3246

January 5, 2009

Barry Cammer
Barcelon Associates Management Corporation
590 Lennon Lane, Suite 110
Walnut Creek, CA 94598

RE: Deferred Payment Rehabilitation Loan Program (DPRLP)
Partridge Place 817 Partridge Avenue, Menlo Park
Contract # 80-HRL-089 Project # 80089.533
Monitoring Clearance Letter

Dear Mr. Cammer:

We have received Partridge Place's responses to the Concerns that were identified in our November 24, 2008 Monitoring Report and have found them to be acceptable. Based upon the responses, we are issuing this clearance letter. We appreciate your follow-up efforts to clear these issues.

If you have any questions, please contact me at (916) 327-8110 or email me at mluchessi@hcd.ca.gov.

Sincerely,

Michael Luchessi
Asset Management Representative
Department of Housing and Community Development
State of California

Cc: George Starmer, City of Menlo Park