

CITY OF YUBA CITY
STAFF REPORT

Date: August 16, 2022
To: Honorable Mayor & Members of the City Council;
From: Development Services Department
Presentation By: Ben Moody, Public Works & Development Services Director

Summary

Subject: Homes2Families - Agreement Update
Recommendation: Adopt a Resolution to approve the updated Homes2Families Agreement with Regional Housing Authority (RHA)
Fiscal Impact: An increase of approximately 15% for management fees, and approximately 30% for maintenance calls, with a reduction of \$80 per unit per month in groundskeeping fees, over the next 1 ½ years

Purpose:

To approve the updated Homes2Families Agreement with Regional Housing Authority (RHA)

Council's Strategic Goal:

This project does not directly address Council's goals and priorities; however, it continues providing the increasingly important option of affordable housing within the City.

Background:

Regional Housing Authority has been managing the City's Homes2Families (H2F) properties since 2008. H2F properties are owned by the City and are used for low- to moderate- income housing options. The rents are set based on the U.S. Department of Housing and Urban Development (HUD) Fair Market Rent (FMR) values.

The last update to the H2F Agreement occurred in 2017, and management rates have remained unchanged since then. The current Agreement term extension will expire in April 2023, and Regional Housing Authority and City staff are recommending approval and adoption of the updated Agreement.

Analysis:

There are currently nine (9) H2F properties within the City. These properties provide an affordable housing option to families through the Fair Market Rent guidelines set by HUD. The current FMR value for a 2-bedroom unit in Sutter County is \$1,173.

Regional Housing Authority provides the management for these properties to include; accounts payable

and receivable, rent collection, audit reports, etc. and maintenance to include; service and emergency service calls, exterior and interior upkeep, “turnover” services between tenants, minor plumbing and electrical repairs, etc. RHA has been providing and performing these services for the City for approximately 14 years and has done so effectively and within required guidelines.

To maintain this working relationship and ensure the fees cover the costs of management, the proposed update to the Homes2Families Agreement, in short, increases the monthly management fee per unit from \$200 to \$225, the normal business hour service call fee from \$50 to \$65, and eliminates the \$80 per month per unit groundskeeping fee. These proposed fees are to be effective until March 2023. Beginning April 2023, the management fee will increase to \$235, while the service call fee will increase to \$70.

RHA staff estimates that these increases will allow the increased costs of management and maintenance for the H2F properties to be covered, as was previously the case.

Additionally, City staff and RHA are looking into potentially selling four (4) of the H2F properties. Should these properties be sold, the referenced fee modification request and Agreement update will not change.

Fiscal Impact:

The current H2F account reserves total \$357,154. There are also operating funds in the amount of \$42,298. An increase of approximately 15% for management fees, and approximately 30% for maintenance calls, with a reduction of \$80 per unit per month in groundskeeping fees, over the next 1 ½ years. The full proposed fee schedule can be found in Exhibit C of the updated Agreement.

Alternatives:

Do not approve the proposed updated H2F Agreement and provide modifications to the proposed update.

Recommendation:

Adopt a Resolution to approve the updated Homes2Families Agreement between the city of Yuba City and Regional Housing Authority

Attachments:

1. Attachment 1 - Resolution Approving the Updated Homes2 Families Agreement
2. Attachment 2 - Homes2Families Updated agreement (2022)
3. Attachment 3 - Current Homes2Families Agreement (2017)

Prepared By:
Shannon Jones
Administrative Analyst

Submitted By:
Diana Langley
City Manager

ATTACHMENT 1

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
APPROVING THE UPDATED HOMES2FAMILIES AGREEMENT BETWEEN THE CITY OF
YUBA CITY AND REGIONAL HOUSING AUTHORITY**

WHEREAS, the City of Yuba City owns nine (9) properties, designated for low- to moderate-income housing options following the U.S. Department of Housing and Urban Development Fair Market Rent values; and

WHEREAS, Regional Housing Authority has been the property management organization for these properties since September 2008; and

WHEREAS, Regional Housing Authority has provided management and maintenance for these properties in a satisfactory manner, following City, State, and Federal guidelines; and

WHEREAS, the last update to the Homes2Families Agreement was in 2017, and fees are no longer covering the costs of management; and

WHEREAS, Regional Housing Authority and City Staff have discussed proposed updated to the Agreement to maintain the working relationship between parties for the continued management of the Homes2Families properties and recommend approval to the updated agreement.

NOW, THEREFORE, be it resolved by the City Council of the City of Yuba City that the updated Homes2Families Agreement between the City of Yuba City and Regional Housing Authority be approved and that City Manager is authorized to execute the Agreement.

The foregoing resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on August 16, 2022, by the following vote:

AYES:

NOES:

ABSENT:

Dave Shaw, Mayor

ATTEST:

Ciara Wakefield, Deputy City Clerk

APPROVED AS TO FORM
COUNSEL FOR YUBA CITY:

Shannon Chaffin, City Attorney
Aleshire & Wynder, LLP

ATTACHMENT 2

Homes2Families Agreement

THIS AGREEMENT is entered into on this ____ day of _____ 2022, by and between the City of Yuba City, California, a public body, corporate and politic (hereinafter referred to as "Agency") and the Regional Housing authority (hereinafter referred to as "Housing Authority") and supersedes any and all Agreements, (including the Homes2Families Agreement dated September 1, 2017), Exhibits, and attachments for the operations of the Homes2Families portfolio.

Pursuant to Section 33334.2 of the California Health and Safety Code, the Agency has set aside 20% of tax increment revenues allocated to improve and increase the supply of affordable housing within the City of Yuba City. Pursuant to which, the Agency, among other things, has purchased existing housing units in the City of Yuba City, as more particularly described in Recital A below, with housing set aside funds, and desires to make such properties available to the eligible very low, low-, and moderate-income persons and families (collectively, the "properties", individually, a "property").

RECITALS

- A. Agency holds title to the following described real property listed in Exhibit A. This Real property constitutes "Properties" for the purposes of the Agreement and may be amended periodically as property is purchased.
- B. The Housing Authority is experienced in the business of operating and managing properties for very low, low-, and moderate-income housing.
- C. The Agency desires to engage the services of the Housing Authority to manage and operate the Property, and Housing Authority desires to provide such services on the following terms and conditions.

AGREEMENT

Scope of Services – See Attached (Exhibit B)

In consideration of the mutual covenants contained herein, the parties agree:

1. Term

- A. The term of this Agreement shall be for a period of three (3) years, commencing on the date of this Agreement., with the option for three (3) one-year extensions. This Agreement, if not extended in writing by the Agency and Regional Housing Authority prior to the termination date shall thereafter be deemed a month-to-month Agreement terminable by either party upon 30 days written notice.
- B. Either party may terminate this Agreement prior to the termination date by sending a written notice of an intention to so terminate. The termination shall be effective 90 days after receipt of the early termination notice.
- C. Agency shall have the right to terminate this Agreement upon ten days written notice in the event that the Housing Authority fails to perform the services and fulfill the responsibilities required of it hereunder and if the failure remains uncorrected for 20 days after the Agency's

Homes2Families Agreement

written notice thereof specifying the nature of the alleged default to Housing Authority.

However, if the nature of the Housing Authority's default cannot be reasonably corrected within said 20 days, then the Housing Authority shall not be in default if it promptly commences the correction of the alleged default within said 20 days and thereafter completes the correction of the alleged default as soon as reasonably possible.

- D. Upon termination of this Agreement, the Agency may require the Housing Authority to surrender and forward to Agency, all funds, accounts, books, and tenant and property records with respect to the Properties and shall take such action as Agency may require to effectuate an orderly and systematic transition of the Housing Authority's duties and activities under this Agreement to a new manager.

2. Services to be Performed by Housing Authority – See Scope of Services (Exhibit B)

The Housing Authority will provide safe, decent housing that conforms to the regulatory requirements imposed on the properties by the Agency. The Housing authority shall lease, operate, maintain, manage, and repair the properties and perform all usual and customary management functions to facilitate the efficient operation of the properties for the purposes described in this Agreement. The Housing Authority shall perform these duties with due diligence. Without limiting the generality of the foregoing, the Housing Authority shall do all of the following:

- A. Management Plan. The Housing Authority will follow established guidelines for the rental of the Properties to eligible very-low, low- and moderate-income families/tenants in accordance with all applicable requirements of the California Community Redevelopment Law (Health and Safety Code §§33000 et seq.). The Housing Authority will conduct annual recertifications of income and eligibility for purposes of ensuring that only eligible families are housed.
- B. Maintenance and Repair. The Housing Authority shall maintain the properties in good condition and repair at all times. The Housing Authority shall quickly repair or cause to be repaired any item brought to its attention by the Agency or tenant or that is observed by the Housing Authority. The Housing Authority shall perform annual site inspections or as needed to ascertain the condition of the properties. For this purpose, and as limited in this paragraph, the Housing Authority is authorized to make of cause to be made and supervise repairs, alterations, and landscaping on the properties. The Housing Authority may enter into service contracts with unaffiliated third parties for the performance of services hereunder, provide each contract shall be terminable upon 30-days written notice.
- C. Capital Expenditures. Capital expenditures or any major maintenance expenses exceeding \$50,000 shall have prior written approval by the Agency. Agency's prior consent shall not be necessary with respect to monthly or recurring charges and emergency repairs that are necessary, in the opinion of the Housing Authority, to protect the properties from damage, to prevent bodily harm or property damage, to avoid the suspension of services, to avoid penalties for fines and to maintain the services required under the lease to be provided to the tenant provided that the Agency shall receive written notification of all emergency expenditures and the

Homes2Families Agreement

justification for such expenditure. The Housing Authority will solicit bids in accordance to its HUD approved Procurement policy.

- D. Compliance with Labor Laws. The Housing Authority shall comply with all applicable State labor laws in conducting any maintenance and repair work on the Properties, including but not limited to State prevailing wage requirements set forth at Labor Code section 1720 *et seq.*, and public contracting requirements as set for in 20688.1 through 20688.4, except where the Housing Authority uses its own employees with the prior written consent of the Agency. Failure to comply with these and all other applicable labor laws in connection with any repair or maintenance work conducted on the Properties shall constitute a default by the Housing Authority under this Agreement.
- E. Vacancies. The Housing Authority shall work diligently to complete all repairs in a timely manner and in particular when a property is vacant so the property can be promptly leased to another tenant. Except under unusual circumstances, the properties should be vacant no more than 30 days. The Housing Authority shall notify the Agency, in writing, whenever a property will be vacant more than 30 days. Upon the vacancy of a property following the termination of a tenancy, the Housing Authority shall promptly inspect the property and determine a course of action to perform all necessary repairs and improvements. The Housing Authority shall notify the Agency, in writing, of the course of action and unless the Agency objects, in writing, within 10 days from receipt of the Housing Authority's notice, the Housing authority may proceed with their action plan. At the direction of the Agency, inspections, repairs, and improvements may be performed by employees of the City of Yuba City.
- F. Taxes and Assessments. Taxes and assessments shall be paid directly by the Agency and not by the Housing Authority. The Housing Authority shall promptly deliver to the Agency any notice relating to taxes and assessments received by the Housing Authority.
- G. Employees. The Housing Authority shall hire, discharge and supervise all employees required for the operation, maintenance and repair of the properties. All employees performing work (other than the City employees specifically designated by the Agency to perform inspection and repair work) shall be employees of the Housing Authority and not the Agency. The Housing Authority shall comply with all applicable laws and regulations concerning worker's compensation, social security, unemployment insurance, hours of labor, wages, working conditions and all other rules and regulations governing employees.

3. Rental Receipts

The Housing Authority shall collect all rents and any other monies payable by the tenants.

A. Maintenance Reserve Account.

A consolidated Maintenance Reserve account shall be established as part of the Agreement to fund expenditures in excess of \$5,000 for the properties. The Maintenance reserve target amount is \$10,000 per property (9 properties * \$10,000 = \$90,000 target as of 06/01/2022). Each quarter, operating cash in excess of \$1,000 per property (\$9,000 as of 06/01/2022) will be

Homes2Families Agreement

transferred to the Maintenance Reserves Account. If the operating cash is below the \$1,000 per property target, then a transfer of Maintenance reserves to the operating cash account will occur. This account will earn interest based upon the monthly rates established by the Housing Authority bank. The Maintenance Reserve Account activity shall be subject to Agency review upon request.

4. Compensation

The Housing Authority will be compensated for services provided as set forth in Exhibit B to this Agreement ("Scope of Services")

5. Reports

- A. Monthly – Within 45 days of the end of each month and upon request, the Housing Authority will provide a report of the activity of the Maintenance Reserve Account.
- B. Quarterly – Within 45 days and upon request, the Housing Authority will provide an accounting for each Property showing the revenues and expenditures on a year-to-date basis.
- C. Annually – Within 9 months after the end of each fiscal year (March 31), the Housing Authority shall provide the Agency with the following reports:
 - a. Final report of the actual revenues and expenditures for each Property.
 - b. Detailed report of all activity in the Capital Savings Account and the Maintenance Reserve account.
 - c. Reports on results of on-site inspections.
 - d. Verification of property rental to eligible very-low, low- and moderate-income families/tenants in accordance with all applicable requirements of the California Community Redevelopment Law (Health and Safety Code §§33000 et seq.)
 - e. No later than December 31st of each year, the Housing Authority shall deliver to the Agency a financial audit of its property records through the March 31 fiscal year.

6. Indemnity

- A. The Housing Authority shall hold the Agency harmless from and against any and all claims, costs, expenses, attorneys' fees and damages arising out of (i) any default by Housing Authority under this agreement; (ii) any gross negligence or willful misconduct of the Housing Authority or any of its officers, directors, agents, or employees during the course of their employment; (iii) any claims for bodily injury to employees during the course of their employment; and (iv) all employment relations between the Housing Authority and its employees. This provision shall survive the termination of the Agreement.
- B. The Agency shall indemnify and hold the Housing Authority harmless from and against any and all costs, expenses, attorneys' fees and damages arising out of any action taken by the Housing Authority within the scope of this Agreement. If the inspections, repairs and/or improvements are made to the Properties by employees of the City of Yuba City, then the Agency shall also

Homes2Families Agreement

indemnify and hold the Housing Authority harmless from and against any and all claims, costs, expenses, attorneys' fees and damages arising out of the actions of said City of Yuba City employees. The Agency shall not indemnify the Housing Authority for (i) any default by Housing Authority under this Agreement; (ii) any gross negligence or willful misconduct of Housing Authority or any of its officers, directors, agents or employees in connection with this Agreement; (iii) any claims for bodily injury to employees during the course of their employment; and (iv) all employee relations between the Housing Authority and its employees. This provision shall survive the termination of the Agreement.

7. Insurance

- A. The Agency shall insure the Properties with all risk property coverage pursuant to the Agency's self-insurance program and a commercial general liability insurance policy. The liability policy shall insure the Housing Authority while acting within the scope of its authority as Owner's property manager hereunder.
- B. The Housing Authority shall maintain during the term of this Agreement, and any extensions or renewals thereof, insurance according to Exhibit D attached.

8. Conflict of Interest

No Housing Authority employee or any member of the employee's immediate family, or the employee's partner, may enter into any contract, subcontract, or arrangement in connection with the Homes2Families program for the purpose of residing in a unit or obtaining a financial interest or benefit from this program by performing work that is outside the purview of the Housing Authority.

9. Miscellaneous

- A. This Agreement is personal to the Housing Authority and the Housing Authority shall have no right, power or authority to assign any interest in this Agreement or any moneys due or to become due hereunder. Subject to the foregoing, this Agreement shall be binding upon and contribute to the benefit of the Agency and Housing Authority and their respective successors and assigns.
- B. This Agreement contains the entire Agreement between the parties with respect to the Properties and no amendment shall be valid unless in writing signed by both parties.
- C. Any notice required or permitted to be given under this Agreement shall be written, and may be given by personal delivery or by registered or certified mail, first class prepaid, return receipt requested. Notice shall be deemed given upon actual receipt in the case of personal delivery, or upon mailing. Mailed notices shall be addressed as follows, but each party may change their address by written notice in accordance with this paragraph:

Homes2Families Agreement

Agency Benjamin Moody
Public Works & Development Services Director
1201 Civic Center Boulevard
Yuba City, CA 95993

Housing Authority Gustavo Becerra
Executive Director
1455 Butte House Road
Yuba City, CA 95993

- D. If either party brings any legal action regarding any provision of the Agreement or seeks damages, the prevailing party in the litigation shall be entitled to recover reasonable attorneys' fees from other party, in addition to any other relief that may be granted.

Date: _____

City of Yuba City

By: _____
Diana Langley, City Manager

Date: _____

Regional Housing Authority

By: _____
Gustavo Becerra, Executive Director

Homes2Families Agreement

Exhibit A

	Address	APN
1.	545 Laurel Ave.	53-282-018
2.	590 Washinton Blvd.	51-435-033
3.	732 Winslow Dr.	51-073-010
4.	764 Regent Loop	51-095-048
5.	825 Jones St.	52-411-016
6.	847 Chestnut St.	52-161-036
7.	1035 Oakwood Dr.	51-264-004
8.	1082 McCollum Ave.	52-122-002
9.	1483 Gray Ave.	51-095-020

Homes2Families Agreement

Exhibit B

This proposal is subject to the Housing Authority's Legal Counsel review and Board of Commissioner's approval. The Amendment will take effect 30 days after approval and will amend all current and future contracts to manage the program. Terms are not retroactive and will take effect going forward from the date of signature and approval from both parties. Costs are reflective of current charges and may be adjusted on an annual basis by mutual consent of both Agencies.

1. Scope of Work

Scope of work for Homes2Families (H2F) Homes purchased by the City of Yuba City (Agency) and managed by the Regional Housing Authority (Housing Authority).

Management of typically single-family homes to lower income households in compliance with City of Yuba City Law on income levels and rent schedules.

Management Fee: A basic management fee of \$200 per month per unit. Other costs and services are detailed below. On an annual basis, these fees and services related to each unit will be reviewed jointly by the Housing Authority and the Agency for fair and appropriate coverage of the assigned special services provided by the Housing Authority. Listed below is a detailed list of the types of assigned special services provided by the Housing Authority to and for the H2F units and tenants.

2. Eligibility/Occupancy

The following is a list of duties that are performed for vacant H2F units. At times individual families may need additional assistance or resources during the lease-up process that are not included in this list.

The monthly Management Fee covers collection of rents, management of tenant files, financial reports and other finance activities as described under the Finance Section below.

3. Vacancy Turnovers

Turnaround or Rent Up on vacant units will be charged at of the current monthly rent and include, but are not limited to, the following:

1. Upon notification that unit is ready, advertise vacancy.
2. Collect applications, review for income requirements and other eligibility criteria
3. Submit credit, background and rental history requests
4. Punch unit for approval of turnaround and ready-to-lease status.
5. Schedule appointment with applicant to collect income/assets, family member identification etc.

Homes2Families Agreement

6. Upon completion of verification process, contact successful applicant to schedule appointment to view unit.
7. If applicant accepts unit, complete move-in paperwork and inspection.
8. Conduct exterior inspection of unit and front yard, weekly.
9. Schedule special inspections, as needed.
10. Schedule annual inspection and reexamination paperwork.
11. Serve any notices.
12. Review work orders called in for unit for completion of work and file in tenant file.
13. Collect 30-day notice of vacate, when tenant states they will be moving.
14. Schedule move out inspection.
15. Conduct move out inspection.
16. Process and submit file to finance for move out charges/credits.
17. Submit work order for move in ready status.

4. Landscaping

Groundskeeping will be provided weekly for front yards only and includes mowing, trimming, light brush and tree trimming, and removal of all debris. Both weekly groundskeeping and other landscaping work (tree removal, sod, or bark replacement, etc.) will be performed by a third-party contractor and direct billed to the units.

5. Maintenance

Normal business hour calls are Monday-Thursday 8 a.m. to 5 p.m. with rates are established on Exhibit C.

Calls outside of normal business hours above are considered After-hours emergency calls with rates established on Exhibit C. After hour emergency calls are to be charged at a 2-hour minimum rate, plus a service fee, trip charge, and material costs. Calls that are not an emergency and can be performed during normal business hours will be scheduled for service during normal business hours.

Generally, Maintenance Department duties include, but are not limited to, troubleshooting minor repairs, responding 24/7 to emergency calls and resolving problems to ensure efficient, decent, safe and sanitary housing. Maintenance provides all tools necessary to complete the job.

Homes2Families Agreement

The Maintenance Department will provide the following services:

- A. Schedule, coordinate, and perform routine and comprehensive maintenance of assigned units/facilities.
- B. Vacuum, shampoo and spot clean carpets/flooring and wash windows on the turnaround of the unit to a new tenant.
- C. Perform general interior or exterior painting, as needed.
- D. Report and respond to emergency calls for service assistance.
- E. Respond to service requests, coordinate resources and implement the set up and take down of equipment for a wide variety of service repairs.
- F. Perform various maintenance and custodial duties, such as installation and repair to fixtures.
- G. Troubleshoot and repair minor plumbing and electrical problems, provide offsite maintenance and ground keeping duties as required.
- H. Maintain inventory and submit written requests for supplies.
- I. Perform preventative maintenance in and around facilities.
- J. Provide experience in the methods for maintaining, cleaning and preserving a variety of surfaces, proper use of a wide range of chemicals according to state and federal regulations, handle and dispose of hazardous materials and blood borne pathogens.
- K. Track all service calls and time and materials for each unit.

Service specific to the Tenant:

- A. Service calls- Staff and Management available during regular business hours.
- B. On-call-- Staff and Answering Service available after hours, weekends and holidays.
- C. Routine inspections-- interior and exterior preventive maintenance.

6. Annual Inspections

Annual Housing Quality Service (HQS) inspections to ensure safe and sanitary housing will be charged at rates established by Exhibit C. Other inspections as needed by the Agency or tenant will be charged at the same rate. Note: move in and out inspections are covered in the turnaround/rent up charge.

7. Finance

Services included in the base management fee:

Homes2Families Agreement

- A. Accounts payable, rent collection, detailed accounting and tracking of expenses, bill payment.
- B. Monthly Income Statements to Management Team.
- C. Quarterly Income Statements to the City of Yuba, upon request.
- D. Annual audit and other reports, as required.

Homes2Families Agreement

Exhibit C

This proposal amends the monthly costs for Regional Housing Authority to manage and maintain the Homes2Families (H2F) units. Unless specifically amended below, current contract language is unchanged.

Landscaping/Groundskeeping

Groundskeeping will be provided weekly for front yards only and includes mowing, trimming, light brush and tree trimming, and removal of all debris. Both weekly groundskeeping and other landscaping work (tree removal, sod, or bark replacement, etc.) will be performed by a third-party contractor and will be direct billed to the units.

Management and Maintenance: April 1, 2022, to March 31, 2023

Management Fee.....	\$225 per unit
Trip (visit) fee.....	\$144 per visit
Normal businesses hours (rolled to nearest hour).....	\$65 per hour
After hour emergency calls (2-hour minimum).....	\$65 per hour
After hour emergency calls (service fee).....	\$50 per visit
Annual inspections (\$100 maximum per unit)	\$50 per hour
Turn-over	½ current rent for unit

Management and Maintenance: April 1, 2023, to March 31, 2024

Management Fee.....	\$235 per unit
Trip (visit) fee.....	\$154 per visit
Normal businesses hours (rolled to nearest hour).....	\$70 per hour
After Hour emergency calls (2-hour minimum)	\$70 per hour
After hour emergency calls (service fee).....	\$55 per visit
Annual inspections (\$110 maximum per unit)	\$55 per hour
Turn-over	½ current rent for unit

Exhibit D

Professional Services Agreement-- Insurance Requirements

Workers' Compensation Coverage. Consultant shall maintain Workers' Compensation Insurance for his/her employees in accordance with the laws of the State of California and Employers Liability Insurance in an amount not less than one million dollars (\$1,000,000) per accident for bodily injury and/or disease. In addition, Consultant shall require each subcontractor to similarly maintain Workers' Compensation Insurance in accordance with the laws of the State of California and Employers Liability Insurance in an amount not less than one million dollars (\$1,000,000) per accident for bodily injury and/or disease. for all of the subcontractor's employees. Any notice of cancellation or non-renewal of all Workers' Compensation policies must be received by the City at least thirty (30) days prior to such change. The insurer shall agree to waive all rights of subrogation against City, its officers, agents, employees and volunteers for losses arising from work performed by Consultant for City. This provision shall not apply if Consultant has no employees performing work under this Agreement. If the Consultant has no employees for the purposes of this Agreement, Consultant shall sign the "Certificate of Exemption from Workers' Compensation Insurance" which is attached hereto as Exhibit C.

General Liability Coverage. Consultant shall maintain commercial general liability insurance in an amount not less than one million dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.

Automobile Liability Coverage. Consultant shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than one million dollars (\$1,000,000) combined single limit for each occurrence.

Professional Liability Coverage. Consultant shall maintain professional errors and omissions liability insurance for protection against claims alleging negligent acts, errors or omissions which may arise from Consultant's operations under this Agreement, whether such operations are by the Consultant or by its employees, subcontractors, or sub-consultants. The amount of this insurance shall not be less than one million dollars (\$1,000,000) on a claims-made annual aggregate basis, or a combined single-limit per occurrence basis.

Homes2Families Agreement

Endorsements. Each general liability and automobile liability insurance policy shall be with insurers possessing a current A.M. Best's rating of no less than A:VII and shall be endorsed with the following specific language or equivalent:

- A. The City, its elected or appointed officers, officials, employees, agents and volunteers are to be covered as additional insured with respect to liability arising out of work performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work or operations. Conforms to ISO CG 2009 and CG 2037 10 01. Both are required.
- B. This policy shall be considered primary insurance as respects to the City, its elected or appointed officers, officials, employees, agents and volunteers. Any insurance maintained by the City, including any self-insured retention the City may have, shall be considered excess insurance only and shall not contribute with it.
- C. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring company.
- D. The insurer waives all rights of subrogation against the City, its elected or appointed officers, officials, employees or agents.
- E. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its elected or appointed officers, officials, employees, agents or volunteers.
- F. The insurance provided by this policy shall not be suspended, voided, canceled, or reduced in coverage except after thirty (30) days written notice has been received by the City.

Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. At the City's option, Consultant shall demonstrate financial capability for payment of such deductibles or self-insured retentions.

Certificates of Insurance. Consultant shall provide certificates of insurance with original endorsements to City, as evidence of the insurance coverage required herein. Certificates of such insurance shall be filed with the City on or before commencement of performance of this agreement. Current certification of insurance shall be kept on file with the City at all times during the term of this Agreement.

ATTACHMENT 3

Homes2Families Agreement

THIS AGREEMENT is entered into on this 1st day of Sept. 2017, by and between the City of Yuba City, California, a public body, corporate and politic (hereinafter referred to as "Agency") and the Regional Housing Authority (hereinafter referred to as "Housing Authority") and supersedes any and all Agreements, Exhibits and attachments for the operations of the Homes2Families portfolio.

Pursuant to Section 33334.2 of the California Health and Safety Code, the Agency has set aside 20% of tax increment revenues allocated to improve and increase the supply of affordable housing within the City of Yuba City. Pursuant to which, the Agency, among other things, has purchased existing housing units in the City of Yuba City, as more particularly described in Recital A below, with housing set aside funds, and desires to make such properties available to the eligible very low, low and moderate income persons and families (collectively, the "Properties," individually, a "Property").

RECITALS

- A. Agency holds title to the following described real property listed in **Exhibit A**. This real property constitutes the "Properties" for purposes of the Agreement and may be amended periodically as property is purchased.
- B. The Housing Authority is experienced in the business of operating and managing property for very low, low and moderate income housing.
- C. The Agency desires to engage the services of the Housing Authority to manage and operate the Property, and Housing Authority desires to provide such services on the following terms and conditions.

AGREEMENT

Scope of Services – See Attached Scope of Services (Exhibit B)

In consideration of the mutual covenants contained herein, the parties agree:

1. Term

- A. The term of this Agreement shall be for a period of three years commencing on the date of this Agreement, with the option to renew for three one-year extensions. This Agreement, if not extended in writing by the Agency and Housing Authority prior to the termination date, shall thereafter be deemed a month to month Agreement terminable by either party upon 30 days written notice.
- B. Either party may terminate this Agreement prior to the termination date by sending a written notice of an intention to so terminate. The termination shall be effective 90 days after receipt of the early termination notice.
- C. Agency shall have the right to terminate this Agreement upon ten days written notice in the event the Housing Authority fails to perform the services and fulfill the responsibilities required of it hereunder and if the failure remains uncorrected for 20 days after Agency's written notice thereof specifying the nature of the alleged default to Housing Authority. However, if the nature of the Housing Authority's default cannot be reasonably corrected within said 20 day time period, then Housing Authority shall not be in default if it promptly commences the correction of the alleged default within said 20 day period and thereafter completes the correction of the alleged default as soon as reasonably possible.
- D. Upon termination of this Agreement, the Agency may require the Housing Authority to surrender and forward to Agency all funds, accounts, books and tenant and property records with respect to the Properties and shall take such action as Agency may require to effectuate an orderly and systematic transition of Housing Authority's duties and activities under this Agreement to a new manager.

Homes2Families Agreement

2. Services to be Performed by Housing Authority -- See Scope of Services (Exhibit B)

The Housing Authority will provide safe, decent housing that conforms to the regulatory requirements imposed on the properties by the Agency. The Housing Authority shall lease, operate, maintain, manage and repair the properties and perform all usual and customary management functions to facilitate the efficient operation of the properties for the purposes described in this Agreement. The Housing Authority shall perform these duties with due diligence. Without limiting the generality of the foregoing, the Housing Authority shall do all of the following:

- A. Management Plan. The Housing Authority will follow established guidelines for the rental of the Properties to eligible very-low, low and moderate income families/tenants in accordance with all applicable requirements of the California Community Redevelopment Law (Health and Safety Code §§33000 *et seq.*). The Housing Authority will conduct annual recertifications of income and eligibility for purposes of ensuring that only eligible families are housed.
- B. Maintenance and Repair. The Housing Authority shall maintain the properties in good condition and repair at all times. The Housing Authority shall quickly repair or cause to be repaired any item brought to its attention by the Agency or a tenant or that is observed by the Housing Authority. The Housing Authority shall perform annual site inspections or as needed to ascertain the condition of the properties. For this purpose, and as limited in this paragraph, the Housing Authority is authorized to make or cause to be made and supervise repairs, alterations, and landscaping on the properties. The Housing Authority may enter into service contracts with unaffiliated third parties for the performance of services hereunder, provided each contract shall be terminable upon 30-days written notice.
- C. Capital Expenditures. Capital expenditures or any major maintenance expenses exceeding \$3,000 shall have prior written approval by the Agency. Agency's prior consent shall not be necessary with respect to monthly or recurring charges and emergency repairs that are necessary, in the opinion of the Housing Authority, to protect the properties from damage, to prevent bodily harm or property damage, to avoid the suspension of services, to avoid penalties or fines and to maintain the services required under the lease to be provided to the tenant provided that the Agency shall receive written notification of all emergency expenditures and the justification for such expenditure. The Housing Authority shall obtain three bids for any work which exceeds \$5,000 and shall submit the bids to the Agency for written approval, unless the Housing Authority elects, with the Agency's prior written consent, to use its own employees to perform any work which exceeds \$5,000.
- D. Compliance with Labor Laws. The Housing Authority shall comply with all applicable State labor laws in conducting any maintenance and repair work on the Properties, including but not limited to State prevailing wage requirements set forth at Labor Code section 1720 *et seq.*, and public contracting requirements as set for in 20688.1 through 20688.4, except where the Housing Authority uses its own employees with the prior written consent of the Agency. Failure to comply with these and all other applicable labor laws in connection with any repair or maintenance work conducted on the Properties shall constitute a default by the Housing Authority under this Agreement.
- E. Vacancies. The Housing Authority shall work diligently to complete all repairs in a timely manner and in particular when a property is vacant so the property can be promptly leased to another tenant. Except under unusual circumstances, the properties should be vacant no more than 30 days. The Housing Authority shall notify the Agency, in writing, whenever a property will be vacant more than 30 days. Upon the vacancy of a property following the termination of a tenancy, the Housing Authority shall promptly inspect the property and determine a course of action to perform all necessary repairs and improvements. The Housing Authority shall notify the Agency, in writing, of the course of action and unless the Agency objects, in writing, within 10 days from the receipt of the Housing Authority's notice,

Homes2Families Agreement

the Housing Authority may proceed to perform the repairs and improvements. At the direction of the Agency, inspections, repairs and improvements may be performed by employees of the City of Yuba City.

- F. Taxes and Assessments. Taxes and assessments shall be paid directly by the Agency and not by the Housing Authority. The Housing Authority shall promptly deliver to the Agency any notice relating to taxes and assessments received by the Housing Authority.
- G. Employees. The Housing Authority shall hire, discharge and supervise all employees required for the operation, maintenance and repair of the properties. All employees performing work (other than the City employees specifically designated by the Agency to perform inspection and repair work) shall be employees of the Housing Authority and not the Agency. The Housing Authority shall comply with all applicable laws and regulations concerning worker's compensation, social security, unemployment insurance, hours of labor, wages, working conditions and all other rules and regulations governing employees.

3. Rental Receipts

The Housing Authority shall collect all rents and any other moneys payable by the tenants. The Housing Authority shall maintain two separate accounts for the Properties: (A) Capital Savings Account (B) Maintenance Reserve Account:

- A. Capital Savings Account. A consolidated Capital Savings Account shall be established from all Properties to accumulate funds to purchase additional homes for the Homes2Families Program. The source of funds for this Account is the rents received from tenants minus Housing Authority Compensation as outlined in Exhibit B and the Maintenance Reserve allocation. This account will earn interest based upon the monthly rates established by the Housing Authority bank and allocated quarterly. Withdrawals from the Capital Savings Account can occur only with written concurrence from the Agency.
- B. Maintenance Reserve Account. A consolidated Maintenance Reserve Account shall be established as part of the Agreement to fund Capital expenditures for the Properties. A monthly allocation of \$100 from each Property will be transferred to the Maintenance Reserve Account from rents received. The Reserve Budget shall be subject to review and approval by the Agency in its reasonable discretion. Periodically, the Agency and Housing Authority may evaluate the Reserve Budget and transfer funds from/to the Capital Savings Account to ensure sufficient funds are available for Capital repairs. Exhibit C to this Agreement contains an example of rent receipts and distribution.

4. Compensation

The Housing Authority will be compensated for services provided as set forth in Exhibit B to this Agreement ("Scope of Services").

5. Reports

- A. Monthly -- Within 45 days of the end of each month and upon request, the Housing Authority will provide a report of the activity of the Maintenance Reserve Account.
- B. Quarterly -- Within 45 days of the end of the Quarter and upon request, the Housing Authority will provide an accounting for each Property showing the revenues and expenditures on a year-to-date basis.

Homes2Families Agreement

- C. Annually -- Within 9 months after the end of each fiscal year (March 31) and upon request, the Housing Authority shall provide the Agency with the following reports:
- a) Final report of the actual revenues and expenditures for each Property.
 - b) Detailed report of all activity in the Capital Savings Account and the Maintenance Reserve Account.
 - c) Report on results of on-site inspections.
 - d) Verification of property rental to eligible very-low, low and moderate income families/tenants in accordance with all applicable requirements of the California Community Redevelopment Law (Health and Safety Code §§33000 *et seq.*).
 - e) No later than December 31 of each year, the Housing Authority shall deliver to the Agency a financial audit of its property records through the March 31 fiscal year.

6. Indemnity

- A. The Housing Authority shall hold the Agency harmless from and against any and all claims, costs, expenses, attorneys' fees and damages arising out of (i) any default by Housing Authority under this Agreement; (ii) any gross negligence or willful misconduct of the Housing Authority or any of its officers, directors, agents or employees during the course of their employment; (iii) any claims for bodily injury to employees during the course of their employment; and (iv) all employment relations between the Housing Authority and its employees. This provision shall survive the termination of the Agreement.
- B. The Agency shall indemnify and hold the Housing Authority harmless from and against any and all costs, expenses, attorneys' fees and damages arising out of any action taken by the Housing Authority within the scope of this Agreement. If the inspections, repairs and/or improvements are made to the Properties by employees of the City of Yuba City, then the Agency shall also indemnify and hold the Housing Authority harmless from and against any and all claims, costs, expenses, attorneys' fees and damages arising out of the actions of said City of Yuba City employees. The Agency shall not indemnify the Housing Authority for (i) any default by Housing Authority under this Agreement; (ii) any gross negligence or willful misconduct of Housing Authority or any of its officers, directors, agents or employees in connection with this Agreement; (iii) any claims for bodily injury to employees during the course of their employment; and (iv) all employee relations between the Housing Authority and its employees. This provision shall survive the termination of the Agreement.

7. Insurance

- A. The Agency shall insure the Properties with all risk property coverage pursuant to the Agency's self-insurance program and a commercial general liability insurance policy. The liability policy shall insure the Housing Authority while acting within the scope of its authority as Owner's property manager hereunder.
- B. The Housing Authority shall maintain during the term of this Agreement, and any extensions or renewals thereof, insurance according to Exhibit D attached.

8. Conflict of Interest

No Housing Authority employee or any member of the employee's immediate family, or the employee's partner, may enter into any contract, subcontract, or arrangement in connection with the Homes2Families program for the purpose of residing in a unit or obtaining a financial interest or benefit from this program by performing work that is outside the purview of the Housing Authority.

**Homes2Families
Agreement**

9. Miscellaneous

- A. This Agreement is personal to the Housing Authority and the Housing Authority shall have no right, power or authority to assign any interest in this Agreement or any moneys due or to become due hereunder. Subject to the foregoing, this Agreement shall be binding upon and contribute to the benefit of the Agency and Housing Authority and their respective successors and assigns.
- B. This Agreement contains the entire Agreement between the parties with respect to the Properties and no amendment shall be valid unless in writing signed by both parties.
- C. Any notice required or permitted to be given under this Agreement shall be written, and may be given by personal delivery or by registered or certified mail, first class prepaid, return receipt requested. Notice shall be deemed given upon actual receipt in the case of personal delivery, or upon mailing. Mailed notices shall be addressed as follows, but each party may change their address by written notice in accordance with this paragraph:

Agency Arnaldo Rodriguez
 AICP Development Services Director
 1201 Civic Center Boulevard
 Yuba City, CA 95993

Housing Authority Gustavo Becerra
 Executive Director
 1455 Butte House Road
 Yuba City, CA 95993

- D. If either party brings any legal action regarding any provision of the Agreement, or seeks damages, the prevailing party in the litigation shall be entitled to recover reasonable attorneys' fees from other party, in addition to any other relief that may be granted.

Date: 4-30-18

City of Yuba City

By: 

Steven C. Kroeger, City Manager

Date: 4-30-18

Regional Housing Authority

By: 

Gustavo Becerra, Executive Director

Homes2Families
Exhibit A
(as of August 17, 2017)

	Address	APN
1	545 Laurel Ave	53-282-018
2	590 Washington Avenue	51-435-033
3	716 Winslow Avenue	51-073-012
4	732 Winslow Drive	51-073-010
5	764 Regent Loop	51-095-048
6	815 Bridge Street	52-413-006
7	817 Bridge Street	52-413-006
8	825 Jones Street	52-411-016
9	829 Bridge Street	52-413-007
10	847 Chestnut	52-161-036
11	899 Bridge Street	52-077-011
12	925 Bridge Street	52-077-015
13	1035 Oakwood Drive	51-264-004
14	1082 McCollum	52-122-002
15	1483 Gray Ave	51-095-020

No Longer In Program

1	529 Main Street	53-282-026
2	614 Clark	52-077-009
3	625 Clark	52-412-013
4	833 Bridge	52-403-013

Homes2Families

Exhibit B

This proposal is subject to the Housing Authority's Legal Counsel review and Board of Commissioner's approval. The Amendment will take effect 30 days after approval and will amend all current and future contracts to manage the program. Terms are not retroactive and will take effect going forward from the date of signature and approval from both parties. Costs are reflective of current charges and may be adjusted on an annual basis by mutual consent of both Agencies.

1. Scope of Work

Scope of work for Homes2Families (H2F) – Homes purchased by the City of Yuba City (Agency) and managed by the Regional Housing Authority (Housing Authority).

Management of typically single family homes to lower income households in compliance with City of Yuba City Law on income levels and rent schedules.

Management Fee: A basic management fee of \$200 per month per unit. Other costs and services are detailed below. On an annual basis, these fees and services related to each unit will be reviewed jointly by the Housing Authority and the Agency for fair and appropriate coverage of the assigned special services provided by the Housing Authority. Listed below is a detailed list of the types of assigned special services provided by the Housing Authority to and for the H2F units and tenants.

2. Eligibility/Occupancy

The following is a list of duties that are performed for vacant H2F units. At times individual families may need additional assistance or resources during the lease-up process that are not included in this list.

The monthly Management Fee covers collection of rents, management of tenant files, financial reports and other finance activities as described under the Finance Section below.

3. Vacancy Turnovers

Turnaround or Rent Up on vacant units will be charged at ½ of the current monthly rent and include, but are not limited to, the following:

- A. Upon notification that unit is ready, advertise vacancy.
- B. Collect applications, review for income requirements and other eligibility criteria.
- C. Submit credit, background and rental history requests.

Homes2Families

Exhibit B

- D. Punch unit for approval of turnaround and ready- to- lease status.
- E. Schedule appointment with applicant to collect income/assets, family member identification etc.
- F. Upon completion of verification process, contact successful applicant to schedule appointment to view unit.
- G. If applicant accepts unit, complete move-in paperwork and inspection.
- H. Conduct exterior inspection of unit and front yard, weekly.
- I. Schedule special inspections, as needed.
- J. Schedule annual inspection and reexamination paperwork.
- K. Serve any notices.
- L. Review work orders called in for unit for completion of work and file in tenant file.
- M. Collect 30-day notice of vacate, when tenant states they will be moving.
- N. Schedule move out inspection.
- O. Conduct move out inspection.
- P. Process and submit file to finance for move out charges/credits.
- Q. Submit work order for move in ready status.

4. Landscaping

Landscaping will be provided for front yards only and includes mowing, trimming, brush and tree trimming and removal of all debris. Cost is calculated at \$80.00 per unit per unit.

5. Maintenance

Business calls (8 a.m. to 5 p.m.) are to be charged at \$50 per hour (roll-up rate) per job, plus materials.

Emergency calls (5 p.m. to 8 a.m.) are to be charged at a 2-hour minimum rate, plus a \$40 service charge per visit, plus material costs. Calls that are not an emergency and can be performed during normal business hours will be scheduled for service during normal business hours.

Generally, Maintenance Department duties include, but are not limited to, troubleshooting minor repairs, responding 24/7 to emergency calls and resolving problems to ensure efficient, decent, safe and sanitary housing. Maintenance provides all tools necessary to complete the job.

The Maintenance Department will provide the following services:

- A. Schedule, coordinate, and perform routine and comprehensive maintenance of assigned units/facilities.
- B. Vacuum, shampoo and spot clean carpets/flooring and wash windows on the turnaround of the unit to a new tenant.

Homes2Families

Exhibit B

- C. Perform general interior or exterior painting, as needed.
- D. Report and respond to emergency calls for service assistance.
- E. Respond to service requests, coordinate resources and implement the set up and take down of equipment for a wide variety of service repairs.
- F. Perform various maintenance and custodial duties, such as installation and repair to fixtures.
- G. Troubleshoot and repair minor plumbing and electrical problems, provide offsite maintenance and ground keeping duties as required.
- H. Maintain inventory and submit written requests for supplies.
- I. Perform preventative maintenance in and around facilities.
- J. Provide experience in the methods for maintaining, cleaning and preserving a variety of surfaces, proper use of a wide range of chemicals according to state and federal regulations, handle and dispose of hazardous materials and blood borne pathogens.
- K. Track all service calls and time and materials for each unit.

Service specific to the Tenant:

- A. Service calls - Staff and Management available during regular business hours.
- B. On-call -- Staff and Answering Service available after hours, weekends and holidays.
- C. Routine inspections -- interior and exterior preventive maintenance.

6. Annual Inspections

Annual Housing Quality Service (HQS) inspections to ensure safe and sanitary housing will be charged at \$40 an hour with a maximum of \$100 per inspection. Other inspections as needed by the Agency or tenant will be charged at the same rate. Note: move in and out inspections are covered in the turnaround/rent up charge.

7. Finance

Services included in the base management fee:

- A. Accounts payable, rent collection, detailed accounting and tracking of expenses, bill payment.
- B. Monthly Income Statements to Management Team.
- C. Quarterly Income Statements to the City of Yuba, upon request.
- D. Annual audit and other reports, as required.

Homes2Families
Exhibit B

Cost summary associated with management and maintenance of H2F units per month:

Management:

Management Fee	\$200 per unit
Grounds Fee	<u>\$ 80 per unit</u>
	\$280 per unit

Maintenance:

Normal business hours (rolled to nearest hour)	\$50 per hour
After hour emergency calls (2-hour minimum)	\$50 per hour
After hour emergency calls (service fee)	\$40 per visit
Annual inspections (\$100 maximum per unit)	\$40 per hour
Turn-over	½ current rent for unit

**Homes2Families
Exhibit C**

Example Property Account

Monthly Rent	\$	1,000.00
Basic Management Fee	\$	(150.00)
Landscape Maintenance	\$	(50.00)
Routine Repairs/Maintenance	\$	(100.00)
Transfer to Maintenance Reserve	\$	(100.00)
Transfer to Capital Savings Account		\$ 600.00

Example Maintenance Reserve Account

Beginning Balance	\$	12,000.00
Month 1 Allocation (12 Homes)	\$	1,200.00
Month 2 Allocation (12 Homes)	\$	1,200.00
Month 3 Allocation (12 Homes)	\$	1,200.00
Repair HVAC - 1 Property	\$	(3,000.00)
Ending Balance		\$ 12,600.00

Example Capital Savings Account

Beginning Balance	\$	-
Month 1 Transfer (12 Homes)	\$	7,200.00
Month 2 Transfer (12 Homes)	\$	7,200.00
Month 3 Transfer (12 Homes)	\$	7,200.00
Quarterly Interest Allocation	\$	200.00
Turn Over Charge - 1 Property	\$	(500.00)
Ending Balance		\$ 21,300.00

**Homes2Families
Exhibit D**

Professional Services Agreement -- Insurance Requirements

Workers' Compensation Coverage. Consultant shall maintain Workers' Compensation Insurance for his/her employees in accordance with the laws of the State of California and Employers Liability Insurance in an amount not less than one million dollars (\$1,000,000) per accident for bodily injury and/or disease. In addition, Consultant shall require each subcontractor to similarly maintain Workers' Compensation Insurance in accordance with the laws of the State of California and Employers Liability Insurance in an amount not less than one million dollars (\$1,000,000) per accident for bodily injury and/or disease. for all of the subcontractor's employees. Any notice of cancellation or non-renewal of all Workers' Compensation policies must be received by the City at least thirty (30) days prior to such change. The insurer shall agree to waive all rights of subrogation against City, its officers, agents, employees and volunteers for losses arising from work performed by Consultant for City. This provision shall not apply if Consultant has no employees performing work under this Agreement. If the Consultant has no employees for the purposes of this Agreement, Consultant shall sign the "Certificate of Exemption from Workers' Compensation Insurance" which is attached hereto as Exhibit C.

General Liability Coverage. Consultant shall maintain commercial general liability insurance in an amount not less than one million dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.

Automobile Liability Coverage. Consultant shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than one million dollars (\$1,000,000) combined single limit for each occurrence.

Professional Liability Coverage. Consultant shall maintain professional errors and omissions liability insurance for protection against claims alleging negligent acts, errors or omissions which may arise from Consultant's operations under this Agreement, whether such operations are by the Consultant or by its employees, subcontractors, or sub-consultants. The amount of this insurance shall not be less than one million dollars (\$1,000,000) on a claims-made annual aggregate basis, or a combined single-limit per occurrence basis.

Endorsements. Each general liability and automobile liability insurance policy shall be with insurers possessing a current A.M. Best's rating of no less than A:VII and shall be endorsed with the following specific language or equivalent:

- A. The City, its elected or appointed officers, officials, employees, agents and volunteers are to be covered as additional insured with respect to liability arising out of work performed

**Homes2Families
Exhibit D**

by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work or operations. Conforms to ISO CG 2009 and CG 2037 10 01. Both are required.

- B. This policy shall be considered primary insurance as respects to the City, its elected or appointed officers, officials, employees, agents and volunteers. Any insurance maintained by the City, including any self-insured retention the City may have, shall be considered excess insurance only and shall not contribute with it.
- C. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring company.
- D. The insurer waives all rights of subrogation against the City, its elected or appointed officers, officials, employees or agents.
- E. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its elected or appointed officers, officials, employees, agents or volunteers.
- F. The insurance provided by this policy shall not be suspended, voided, canceled, or reduced in coverage except after thirty (30) days written notice has been received by the City.

Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. At the City's option, Consultant shall demonstrate financial capability for payment of such deductibles or self-insured retention's.

Certificates of Insurance. Consultant shall provide certificates of insurance with original endorsements to City, as evidence of the insurance coverage required herein. Certificates of such insurance shall be filed with the City on or before commencement of performance of this agreement. Current certification of insurance shall be kept on file with the City at all times during the term of this Agreement.