

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
BOARD ACTION SUMMARY**

DEPT: Planning and Community Development

BOARD AGENDA:6.D.1  
AGENDA DATE: January 9, 2018

**SUBJECT:**

Approval of a Reuse Plan for the Use of Successor Housing Agency Funds by the Housing Authority of the County of Stanislaus (HACS) for the Development of Affordable Housing

**BOARD ACTION AS FOLLOWS:**

**RESOLUTION NO. 2018-0039**

On motion of Supervisor Chiesa , Seconded by Supervisor Withrow  
and approved by the following vote,

Ayes: Supervisors: Olsen, Chiesa, Withrow, Monteith, and Chairman DeMartini

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1)  Approved as recommended

2)  Denied

3)  Approved as amended

4)  Other:

**MOTION:**

ATTEST:   
PAM VILLARREAL, Assistant Clerk

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
AGENDA ITEM**

DEPT: Planning and Community Development

BOARD AGENDA:6.D.1  
AGENDA DATE: January 9, 2018

CEO CONCURRENCE:

4/5 Vote Required: No

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**SUBJECT:**

Approval of a Reuse Plan for the Use of Successor Housing Agency Funds by the Housing Authority of the County of Stanislaus (HACS) for the Development of Affordable Housing

**STAFF RECOMMENDATION:**

1. Approve the Reuse Plan for the use of Successor Housing Agency Funds by the Housing Authority of the County of Stanislaus for the development of affordable housing.
2. Authorize the Director of the Planning and Community Development Department to take all actions necessary to implement the Reuse Plan, including the execution of required agreements.

**DISCUSSION:**

On March 17, 2015, the Stanislaus County Board of Supervisors, serving as the Successor Housing Agency (SHA) to the former Stanislaus County Redevelopment Agency (RDA), adopted a Resale Policy for affordable housing assisted properties of the RDA (see Attachment 1 – SHA Resale Policy, March 17, 2015). The Resale Policy requires that within three years of sale, the proceeds be used to make affordable an equal number of units at the same income level as the units sold, for a period of not less than the remaining duration of the original deed restriction (affordability covenant) and use of the proceeds shall be restricted to the former RDA's Project Area No. 1. The Resale Policy also required the SHA to work in collaboration with the originally funded affordable housing developer to develop a "reuse plan," subject to SHA approval, outlining how the funds will be used for the development of replacement affordable units within the required three year period.

In April of 2015, the SHA received \$693,869 from the sale of six properties previously assisted with development funding for the provision of affordable housing units by Habitat for Humanity Stanislaus County (HfH). On January 26, 2016, a Reuse Plan was approved for HfH to develop six replacement affordable housing units. The 2016 Reuse Plan authorized HfH to reuse SHA funds acquired via the sale of previously assisted housing units to acquire, develop, and/or rehabilitate housing units under specific terms (see Attachment 2 – SHA - Reuse Plan HfH, January 2016). The 2016 Reuse Plan specified that any SHA funds not encumbered by an executed loan agreement by October 31, 2016, may be used by the SHA to secure replacement affordable housing

as required by the Resale Policy.

As of October 31, 2016, HfH was unable to utilize SHA funds as required by the Reuse Plan. As a result, the Planning and Community Development Department published a Request for Proposal (RFP) for development of affordable housing units within the RDA's Project Area No. 1. The RFP was issued in August, 2017, through the County's General Services Agency (GSA), Purchasing Division. GSA received only one proposal, from Self Help Enterprises, which did not meet the RFP requirements and as a result, the proposal was disqualified by the evaluation committee.

The Planning Department is pursuing other options to use SHA funds to develop the six replacement affordable housing units. Currently, there are three vacant properties in RDA's Project Area No. 1 that were previously acquired by Housing Authority of the County of Stanislaus (HACS), as the County's subcontractor, through the Stanislaus Urban County's federal Neighborhood Stabilization Program (NSP). The properties are located in the Modesto area. One property is located in the Airport Neighborhood, south of Yosemite Boulevard, and the remaining two are located in the Parklawn Neighborhood, south of Hatch Road. The HACS is proposing to develop these properties with six detached single-family dwellings. The Reuse Plan proposed for approval would authorize the HACS to utilize the SHA funds, in combination with NSP funds, to develop six rental housing units (see Attachment 3 – SHA - Reuse Plan, December 2017).

Exhibit A of the Reuse Plan includes a detailed project description and budget for each of the three properties. The estimated funding required to build all six units is approximately \$1,022,000. Staff is recommending use of \$624,482 in SHA funds, together with \$398,000 in NSP Program Income funds, to cover the development cost of the six units. The remaining 10% of the SHA funding from the resold units will be held by the SHA for administrative costs, including oversight of the Reuse Plan. If the proposed Reuse Plan is approved, the Planning Department will negotiate and execute an agreement with the HACS for the construction and management of these six units. The units will be rented to very-low-income persons below the 50% Area Median Income (AMI) limits and made affordable for a minimum of 55 years. The units that were resold were available at 80% AMI, or below, and subject to a 45 year affordability covenant.

**POLICY ISSUE:**

The use of SHA funds under this Reuse Plan is consistent with the Board's adopted March 17, 2015, SHA Resale Policy. The ability to leverage SHA funding with existing NSP projects is a unique opportunity to meet the SHA's requirement to supply six replacement affordable housing units within the RDA's Project Area No. 1. Under the terms of the original Resale Policy, the SHA has until April of 2018 to make six affordable replacement units.

**FISCAL IMPACT:**

In April of 2015, Stanislaus County, serving as the SHA to the former Stanislaus County RDA received \$693,869 from the sale of six affordable housing assisted properties. In accordance with the adopted SHA Resale Policy, up to 10% of received funds may be retained to cover the administrative costs associated with the implementation and ongoing administration of the Resale Policy. Retained funds in the amount of \$624,482 are available for use in the development of replacement affordable housing units within the required three year time period. A portion of the funds received from the sale were set aside for administrative costs (\$69,386) and of those funds, \$45,394 are still available for use.

**BOARD OF SUPERVISORS' PRIORITY:**

Approval of this action supports the Board's priorities of *Supporting Strong & Safe Neighborhoods, Enhancing Community Health, Developing a Healthy Economy, and Delivering Efficient Public Services and Infrastructure* through the reuse of funds aimed at redeveloping neighborhoods through the creation of much needed affordable housing consistent with California Community Redevelopment Law and the County's General Plan.

**STAFFING IMPACT:**

Administration of SHA funds is under the purview of the Planning and Community Development Department and administrative costs are covered by SHA funding.

**CONTACT PERSON:**

Angela Freitas, Planning and Community Development Director  
Telephone: (209) 525-6330

**ATTACHMENT(S):**

1. SHA Resale Policy, March 17, 2015
2. SHA - Reuse Plan HfH, January 2016 (Without Original Exhibits A & B)
3. SHA - Reuse Plan, December 2017 (With Exhibit A)

## **Successor Housing Agency Resale Policy**

***Approved by the Stanislaus County Board of Supervisors on March 17, 2015***

Stanislaus County, serving as the Successor Housing Agency (SHA) of the Former Stanislaus County Redevelopment Agency (RDA), shall allow for the resale of affordable housing properties developed under agreement with a non-profit affordable housing developer, provided the following criteria are met:

- The property shall be sold at a value in excess of market value (exceeding affordable covenant allowance); and
- The SHA shall recover full repayment of the RDA's investment into the property.

Within three years of sale, the proceeds shall be used to make affordable an equal number of units at the same income level as the units sold (80% AMI or below), for a period of not less than the remaining duration of the original deed restriction (affordability covenant) and use of the proceeds shall be restricted to the former RDA's Project Area No. 1.

The SHA shall work in collaboration with the originally funded affordable housing developer to develop a "reuse plan", subject to SHA approval, outlining how the funds will be used for the development of the replacement affordable housing units within the required three year time period. The "reuse plan" shall be submitted to the SHA within six-months of property sale and be approved for implementation, by the SHA, within one year of property sale. The "reuse plan" shall provide for the following:

- All new housing developed shall meet established loan to value ratios not to exceed 105% of the purchase price at the time property transfers to an income qualified buyer.

If a "reuse plan" is not received within six-months of property sale or approved for implementation within one year, the SHA shall pursue alternatives for reuse of proceeds within the required time period.

**SUCCESSOR HOUSING AGENCY - REUSE PLAN  
HABITAT FOR HUMANITY STANISLAUS COUNTY  
JANUARY 2016**

This Reuse Plan is established in accordance to the Resale Policy adopted by the Stanislaus County Board of Supervisors on March 17, 2015, Resolution No. 2015-108, to authorize Habitat for Humanity Stanislaus County (hereafter "HfH") the reuse of Successor Housing Agency (hereafter "SHA") funds acquired via the sale of previously assisted housing units developed by HfH, subject to the following terms:

1. HfH shall be allowed to reuse up to 90% of the proceeds from the sale of previously assisted housing units to acquire, develop, and/or rehabilitate housing units in the former Stanislaus County Redevelopment Agency Project Area No. 1 for resale to low income households at or below 80% of the Area Medium Income (AMI), based on household size, as established by the California Department of Housing and Community Development at the time of sale.
2. HfH shall use the funds available for reuse to make affordable an equal number of units, as previously assisted sold units, subject to the following for each assisted property:
  - a. An affordability covenant, as required by California Redevelopment Law, for a term of at least 45-years shall be recorded at the time of sale by HfH to a Qualified Purchaser.
    - i. A term of less than 45 years may be allowed provided the terms for the newly assisted units are not less than the remaining duration of the original deed restriction (affordability covenant) of the previously assisted unit.
  - b. An executed Loan Agreement, between HfH and Stanislaus County, ensuring repayment of SHA funds, by HfH, at the end of the affordability covenant period, with 0% interest applied. The agreement shall be secured by a recorded promissory note and deed of trust. See Sample Loan Agreement
  - c. An executed and recorded Repurchase Option Agreement, between HfH and qualified purchaser, granting HfH an option to purchase the assisted property for a set repurchase price. See Sample Repurchase Option Agreement.
3. Prior to sale of the assisted property by HfH to any Qualified Purchaser and/or prior to the SHA subordinating the Loan Agreement, the Promissory Note, and Deed of Trust to a Qualified Purchaser, the Stanislaus County Planning and Community Development Department (hereafter "Department") shall verify that the following criteria is being met:
  - a. Purchaser's monthly Debt to Income Ratio shall not exceed 30% front end (housing debt obligations) and 43% back end (total debt obligation). Debt obligations shall be defined as follows:
    - i. Housing debt obligation costs shall include, but not be limited to, all housing related costs such as mortgage payment, property taxes, homeowners insurance, and mortgage insurance.
    - ii. Total debt obligation costs shall include, but not be limited to, car loans, personal loans, credit card debt, child support payments, and alimony payments. Total debt obligation costs shall also include all housing debt obligations and shall not be more than a Qualified Purchaser's gross monthly income.

**Successor Housing Agency - Reuse Plan  
Habitat For Humanity Stanislaus County  
January 2016  
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- b. Combined Loan to Value Ratio, when combined with all other indebtedness to be secured by the property, shall not exceed 105% of the purchase price;
  - c. Purchase price shall not exceed 100% of an appraisal prepared by a state-licensed residential property appraiser 60-day prior to close of escrow; and
  - d. Monthly purchase payments, including principle, interest, taxes, and insurance (PITI), shall not exceed 30% of the household's gross monthly income. Two weeks prior to close of escrow, HfH shall submit an Income Certification Worksheet (form to be provided by Department) along with related supporting documentation and Preliminary HUD 1 to Department in order to verify that the criteria above is being met.
4. Prior to execution of a Loan Agreement, HfH shall submit to the Department for review and approval, a Work Plan detailing the following:
- a. Scope of Work: detailing the activities to be undertaken to achieve resale in compliance with this Reuse Plan.
  - b. Project Budget: detailing all project costs, including HfH's project delivery fee, to be incurred in the acquisition, development, and/or rehabilitation of the property. The budget shall include closing costs for the initial acquisition and resale of the property. The budget shall also include a detailed listing of all funding sources to be utilized and disclosure of all funding sources to be secured by the assisted property and/or buyer at the time of resale.
    - a. The project delivery fee for the entire project shall not exceed 10% and the amount of SHA funds used to cover the allowed project delivery fees shall not exceed 10% of the total SHA funding authorized per assisted unit.
      - i. Project delivery costs shall be limited to administration costs borne by HfH in the development and/or rehabilitation of assisted properties. Project delivery costs shall be based on construction expenses.
      - ii. Project delivery costs will not be provided in advance; they will be reimbursed with every construction reimbursement request for eligible construction expenses.
      - iii. Project delivery costs shall not be secured against the property and/or the buyer at the time of resale.
      - iv. Documentation such as timecards, invoices, etc. to support the proper expenditure of funds shall be provided with each request for reimbursement and upon request by Stanislaus County.
  - c. Property Valuation: appraisal detailing the acquisition and post development and/or rehabilitation property values established by a California State-licensed residential property appraiser.
  - d. Timeline for Completion: detailing all stages of the project from initial funding stage to resale of the property. The timeline must demonstrate the ability to finalize (complete) an affordable resale of the property by March 31, 2018\* or within 18-months of Loan Agreement execution, whichever is soonest.
  - e. Buyers Eligibility Verification: detailing the buyer's income eligibility in compliance with this Reuse Plan. Verification shall include support documentation.

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Habitat For Humanity Stanislaus County  
January 2016  
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5. No more than 20% of SHA funds available for reuse by HfH may be encumbered per unit until Work Plans have been approved to ensure the timely development of an equal number of affordable units, as previously assisted sold units, will be developed in accordance with the approved Resale Policy.
6. SHA funds shall not be released until a loan agreement, promissory note, and deed of trust securing the funds, have been executed and, as required, recorded. The release of funding shall be subject to the following criteria:
  - a. Funding for the acquisition of property to be developed and/or rehabilitated may be provided as an escrow deposit or as a cost reimbursement.
  - b. Funding for non-acquisition costs shall be provided on a cost reimbursement basis, subject to compliance with an approved Work Plan.
    - i. All cost reimbursement requests shall be submitted to the Department using an approved Request for Funds (RFF) form and shall include supporting documentation needed to verify compliance with the approved Work Plans and this Reuse Plan.
7. Any SHA funds available to HfH in accordance with this Reuse Plan which are not encumbered by an executed Loan Agreement by October 31, 2016\* or expended within the Timeline for Completion of an approved Work Plan shall no longer be available to HfH and may be used by SHA to secure replacement affordable housing as required under the approved Resale Policy.
8. Upon approval of the first Work Plan and until all SHA funds available to HfH are expended, HfH shall submit a written Progress Report, in a format to be approved by the Department, quarterly outlining progress being made to expend available SHA funds within the approved Timeline(s) for Completion.
9. Any violation of this Reuse Plan shall result in the immediate suspension of any SHA funds authorized for HfH use until a corrective plan is approved by the Department.

*\*These dates are based on the April, 2015 sales date of six Airport Neighborhood properties generating \$624,482 in SHA funds available to HfH for reuse. If additional SHA funds are made available to HfH as a result of additional property sales, the "Timeline for Completion" date shall be three years from the property sales date and all funds shall be identified for use as part of an approved Work Plan within sixteen months of the property sales date.*

- Exhibits:
- A. Sample Loan Agreement
  - B. Sample Repurchase Option Agreement



**SUCCESSOR HOUSING AGENCY – REUSE PLAN  
FOR HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS  
DECEMBER 2017**

This Reuse Plan authorizes the Housing Authority of the County of Stanislaus (hereafter “HACS”) the reuse of up to \$624,482 in Successor Housing Agency (hereafter “SHA”) funds acquired via the resale of previously assisted housing units, subject to the following terms:

1. HACS shall use the funds to construct six rental housing units in the former Stanislaus County Redevelopment Agency Project Area No. 1. The rental housing units shall be rented out to low income households at or below 50% of the Area Medium Income (AMI), based on household size, as established by the California Department of Housing and Community Development at the time of rent.
2. HACS shall use the funds available for the construction and rental of six units, subject to the following:
  - a. Project delivery fees for the construction of each unit shall not exceed 10% of the construction expenses for each unit and shall be limited to administrative costs borne by the HACS in the construction of properties.
  - b. Documentation such as timecards, invoices, etc. to support the proper expenditure of funds shall be provided with each request for reimbursement. All SHA funds shall be provided to the HACS as reimbursement and requests for reimbursement shall be made in writing in form prescribed by the SHA.
  - c. All construction work must be completed and all six-single family dwelling units must be rented out to eligible tenants within one year of this Reuse Plan approval.
  - d. HACS shall maintain all six units, and the properties upon which they are located for a term of no less than 55 years and during this term shall make available the units for rental to tenants meeting established income requirements.
  - e. HACS is responsible for verifying and documenting the income qualification of all tenants prior to occupancy.
  - f. HACS will be responsible for payment of all property taxes, assessments and any other liabilities incurred against units.
  - g. HACS will maintain all necessary records and documentation pertaining to the rental and maintenance of all six assisted units. Upon request, the HACS shall provide the SHA with an accounting of all rents received from the assisted units and use of such rents in the operation and maintenance of the units and the property upon which the units are located.
  - h. HACS will prepare and maintain files for all housing units constructed with SHA funds. These files shall include all documents and information relative to construction work to housing units. These files shall be current, complete records, including, but not limited to, contracts, source documents supporting accounting transactions, personnel and payroll records, cancelled checks and

related documents and records to assure proper accounting of funds and performance of this contract in accordance with the SHA and/or County regulations.

- i. The HACS will cooperate in the preparation of, and will furnish any and all information required for federal and state reports to be prepared, as may be required, by the SHA and/or Stanislaus County including, but not limited to the Stanislaus Urban County Consolidated Plan, the Annual Performance Report, and any quarterly reports required to be prepared and/or submitted by Stanislaus County.
- j. Prior to release of any SHA funds, the HACS shall enter into an agreement with the SHA for use of funds in accordance with this Reuse Plan, including the Project Description and Budget provided as Exhibit A.

**EXHIBIT “A”**  
**Project Descriptions and Budget**

**1) 1312/1316 Pearson Ave., Modesto 95358 (APN: 086-005-028)**

- a. Construction of two single family dwelling units, consisting of one bedroom and one bathroom. Each dwelling will total 650 square feet in size, on a 6,700 sq. ft. lot.
- b. The property is zoned R-1 (Single Family Residential) and is a corner lot which permits two dwelling units by right subject to a building permit. The property was previously acquired by HACS through NSP3 funds for \$11,000.
- c. Construction cost estimates are as follows:

SHA funding:	\$208,160.66
NSP funds:	<u>\$ 46,839.34</u>
<b>Bid amount:</b>	<b>\$255,000.00</b>
10% Contingency NSP Funds:	<u>\$ 25,500.00</u>
Total budgeted amount:	\$280,500.00

**2) 1022 Atlantic Dr., Modesto 95358 (APN: 086-004-038)**

- a. Construction of one single family dwelling unit, consisting of three bedrooms and two bath rooms, totaling 1,534 sq. ft. on a 6,700 sq. ft. lot.
- b. The property is zoned R-1(Single Family Residential) and is permitted by right subject to a building permit. The property was previously acquired by HACS through NSP3 funds for \$25,000.
- c. Construction cost estimates are as follows:

SHA funding:	\$104,080.33
NSP funds:	<u>\$188,219.67</u>
<b>Bid amount:</b>	<b>\$292,300.00</b>
10% Contingency NSP Funds:	<u>\$ 29,300.00</u>
<b>Total budgeted amount:</b>	<b>\$321,530.00</b>

**3) 525 Benson Ave., Modesto 95354 (APN: 035-037-037)**

- a. Construction of three detached single family dwelling units, consisting of one bedroom and one bathroom. Each building will total 650 sq. ft. on a 9,800 sq. ft. lot.
- b. The property is zoned R-3 (Multiple Family Residential. The existing lot width does not meet current zoning development standards, which presently limits the property to one dwelling unit. An amendment to the Zoning Ordinance allowing for the development of the proposed three dwellings will be processed by the Stanislaus County Planning

Department. If the Zoning Ordinance amendment is not successful, the SHA will work with the HACS to identify an alternative project allow for development of three single family dwelling units.

c. The property was previously acquired by HACS through NSP3 funds for \$60,000, which was developed with a single family dwelling. The dwelling was destroyed by fire; and insurance proceeds (in the amount of \$70,000) received by the HACS are applied to redevelopment costs.

d. Construction cost estimates are as follows:

SHA funding:	\$312,240.99
NSP funds:	<u>\$ 70,059.01</u>
<b>Bid amount:</b>	<b>\$382,300.00</b>
10% Contingency NSP Funds:	<u>\$ 38,230.00</u>
<b>Total budgeted amount:</b>	<b>\$420,530.00</b>

**AGREEMENT  
FOR  
INDEPENDENT CONTRACTOR SERVICES**

This Agreement for Independent Contractor Services (the "Agreement") is made and entered into by and between the County of Stanislaus ("County") and Housing Authority of the County of Stanislaus, ("Contractor") as of January 9, 2018.

**Recitals**

WHEREAS, the County, serving as the Successor Housing Agency ("SHA") for the former Stanislaus County Redevelopment Agency and as lead agency for the Stanislaus Urban County's Neighborhood Stabilization Program (NSP), has a need of services for the development of a minimum of six affordable housing units (hereinafter "Units"); and

WHEREAS, the County Board of Supervisors authorized the combined use of \$624,482 in SHA funding and \$410,047 in NSP funding for the construction of the Units by the Contractor; and

WHEREAS, the Contractor is specially trained, experienced and competent to perform and has agreed to provide such construction services and on-going maintenance and rental of the Units, and the properties upon which the Units are located, for a term of no less than 55-years; and

NOW, THEREFORE, in consideration of the mutual promises, covenants, terms and conditions hereinafter contained, the parties hereby agree as follows:

**Terms and Conditions**

1) **Scope of Work**

a) The Contractor shall furnish to the County upon execution of this Agreement or receipt of the County's written authorization to proceed, those services and work set forth in the Reuse Plan **Exhibit A**, as approved by the Stanislaus County Board of Supervisors on January 9, 2018. All rights, title, and interest to the Units constructed pursuant to Exhibit A shall be vested in the Contractor.

b) All documents, drawings and written work product prepared or produced by the Contractor under this Agreement for the construction of the Units, including, without limitation, electronic data files, are the property of the Contractor; provided, however, the County shall have the right to reproduce, publish and use all such work, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so. If any such work is copyrightable, the Contractor may copyright the same, except that, as to any work which is copyrighted by the Contractor, the County reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, and use such work, or any part thereof, and to authorize others to do so.

c) Services and work for the construction and rental of the Units provided by the Contractor at the County's request under this Agreement will be performed in a timely manner consistent with the requirements and standards established by applicable federal, state and County laws, ordinances, regulations and resolutions, and in accordance with a schedule of work set forth in **Exhibit A**. If there is no schedule, the hours and times for completion of said services and work are to be set by the Contractor; provided, however, that such schedule is

subject to review by and concurrence of the County.

2) Consideration

a) County shall pay Contractor as set forth in **Exhibit A**.

b) Except as expressly provided in **Exhibit A** of this Agreement, Contractor shall not be entitled to nor receive from County any additional consideration, compensation, salary, wages or other type of remuneration for services rendered under this Agreement. Specifically, Contractor shall not be entitled by virtue of this Agreement, to consideration in the form of overtime, health insurance benefits, retirement benefits, disability retirement benefits, sick leave, vacation time, paid holidays or other paid leaves of absence of any type or kind whatsoever.

c) County will not withhold any Federal or State income taxes or Social Security tax from any payments made by County to Contractor under the terms and conditions of this Agreement. Payment of all taxes and other assessments on such sums is the sole responsibility of Contractor. County has no responsibility or liability for payment of Contractor's taxes or assessments.

d) Pursuant to Penal Code section 484b and to Business and Professions Code section 7108.5, the Contractor must apply all funds and progress payments received by the Contractor from the County, for payment of services, labor, materials or equipment to pay for such services, labor, materials or equipment. Pursuant to Civil Code section 1479, the Contractor shall direct or otherwise manifest the Contractor's intention and desire that payments made by the Contractor to subcontractors, suppliers and material men, shall be applied to retire and extinguish the debts or obligations resulting from the performance of this Agreement.

3) Term

a) The term of this Agreement shall be from the date of approval (January 9, 2018) of this Agreement until completion of the agreed upon services as set forth in **Exhibit A**.

b) Should either party default in the performance of this Agreement or materially breach any of its provisions, the other party, at that party's option, may terminate this Agreement by giving written notification to the other party.

c) This Agreement shall terminate automatically on the occurrence of (a) bankruptcy or insolvency of either party, (b) sale of Contractor's business, (c) cancellation of insurance required under the terms of this Agreement, and (d) if, for any reason, Contractor ceases to be licensed or otherwise authorized to do business in the State of California, and the Contractor fails to remedy such defect or defects within thirty (30) days of receipt of notice of such defect or defects.

d) Either party may terminate this agreement upon 30 days prior written notice to the other. Termination of this Agreement shall not affect the County's obligation to pay for all fees earned and reasonable costs necessarily incurred by the Contractor as provided in Paragraph 2 herein, or Contractor's obligation to return unused consideration as provided for in Paragraph 2 herein, subject to any applicable setoffs.

e) If either party terminates this agreement prior to the completion of the agreed upon services as set forth in **Exhibit A**, the Contractor shall at its option either: 1) pay back to the County within 30-days of termination the amount of SHA and NSP funding paid by the

County to the Contractor for the construction and project delivery of the Units, or 2) provide within 30-days of termination an alternative guarantee, in a form satisfactory to the County, that the Units developed under this agreement will continue to be available for rental under the terms as set forth in Exhibit A Section (2d).

4) Required Licenses, Certificates and Permits

Any licenses, certificates or permits required by the federal, state, county or municipal governments for Contractor to provide the services and work described in **Exhibit A** must be procured by Contractor and be valid at the time Contractor enters into this Agreement. Further, during the term of this Agreement, Contractor must maintain such licenses, certificates and permits in full force and effect. Licenses, certificates and permits may include, but are not limited to driver's licenses, professional licenses or certificates and business licenses. Such licenses, certificates and permits will be procured and maintained in force by Contractor at no expense to the County.

5) Office Space, Supplies, Equipment, Etc.

Unless otherwise provided in **Exhibit A**, Contractor shall provide such office space, supplies, equipment, vehicles, reference materials and telephone service as is necessary for Contractor to provide the services identified in **Exhibit A** to this Agreement. County is not obligated to reimburse or pay Contractor for any expense or cost incurred by Contractor in procuring or maintaining such items. Responsibility for the costs and expenses incurred by Contractor in providing and maintaining such items is the sole responsibility and obligation of Contractor.

6) Insurance

Coverage Required: During construction of the Units as defined by Section 2c of **Exhibit A** Contractor shall obtain insurance coverage in the amounts and coverage specified in the attached "**Exhibit B**". Contractor shall ensure that any General Contractor procures and maintains an occurrence based insurance policy against claims for injuries to person or damage to property which may arise from or in connection with the performance of the construction work and for a period of three years after completion of construction. Contractor shall ensure that the County is an additional insured on a primary basis on the contractor and his subcontractor's insurance policy. Once constructed, the Contractor shall obtain and maintain insurance coverage, for all Units during the term of this agreement. County acknowledges that Contractor is self-insured under the California Government Code through a HUD approved and California listed Risk Sharing Pools known as Housing Authority Risk Retention Pool (HARRP) and California Housing Worker's Compensation Authority (CHWCA).

7) Defense and Indemnification

a) To the fullest extent permitted by law, Contractor shall indemnify, hold harmless and defend the County and its agents, officers and employees from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorneys' fees, arising out of, resulting from, or in connection with the performance of this Agreement by the Contractor or Contractor's officers, employees, agents, representatives or subcontractors and resulting in or attributable to personal injury, death, or damage or destruction to tangible or intangible property, including the loss of use; provided, however, such indemnification shall not extend to or cover loss, damage or expense arising from the sole negligence or willful misconduct of the County or its agents, officers and employees.

b) Contractor's obligation to defend, indemnify and hold the County and its agents, officers and employees harmless under the provisions of this paragraph is not limited to or restricted by any requirement in this Agreement for Contractor to procure and maintain a policy of insurance.

8) Status of Contractor

a) All acts of Contractor and its officers, employees, agents, representatives, subcontractors and all others acting on behalf of Contractor relating to the performance of this Agreement, shall be performed as independent contractors and not as agents, officers or employees of County. Contractor, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of County. Except as expressly provided in **Exhibit A**, Contractor has no authority or responsibility to exercise any rights or power vested in the County. No agent, officer or employee of the County is to be considered an employee of Contractor. It is understood by both Contractor and County that this Agreement shall not be construed or considered under any circumstances to create an employer-employee relationship or a joint venture.

b) At all times during the terms of this Agreement, the Contractor and its officers, employees, agents, representatives or subcontractors are, and shall represent and conduct themselves as, independent contractors and not as employees of County.

c) Contractor shall determine the method, details and means of performing the work and services to be provided by Contractor under this Agreement. Contractor shall be responsible to County only for the requirements and results specified in this Agreement and, except as expressly provided in this Agreement, shall not be subjected to County's control with respect to the physical action or activities of Contractor in fulfillment of this Agreement. Contractor has control over the manner and means of performing the services under this Agreement. Contractor is permitted to provide services to others during the same period service is provided to County under this Agreement. If necessary, Contractor has the responsibility for employing other persons or firms to assist Contractor in fulfilling the terms and obligations under this Agreement.

d) If in the performance of this Agreement any third persons are employed by Contractor, such persons shall be entirely and exclusively under the direction, supervision and control of Contractor. All terms of employment including hours, wages, working conditions, discipline, hiring and discharging or any other term of employment or requirements of law shall be determined by the Contractor.

e) It is understood and agreed that as an independent Contractor and not an employee of County, the Contractor and the Contractor's officers, employees, agents, representatives or subcontractors do not have any entitlement as a County employee, and do not have the right to act on behalf of the County in any capacity whatsoever as an agent, or to bind the County to any obligation whatsoever.

f) It is further understood and agreed that Contractor must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of Contractor's assigned personnel under the terms and conditions of this Agreement.



g) As an independent Contractor, Contractor hereby indemnifies and holds County harmless from any and all claims that may be made against County based upon any contention by any third party that an employer-employee relationship between County and Contractor's agents, representatives, and employees exists by reason of this Agreement.

9) Records and Audit

a) Contractor shall prepare and maintain all writings, documents and records prepared or compiled in connection with the performance of this Agreement for a minimum of four (5) years from the termination or completion of this Agreement. This includes any handwriting, typewriting, printing, photostatic, photographing and every other means of recording upon any tangible thing, any form of communication or representation including letters, words, pictures, sounds or symbols or any combination thereof.

b) Any authorized representative of County shall have access to any writings as defined above for the purposes of making audit, evaluation, examination, excerpts and transcripts during the period such records are to be maintained by Contractor. Further, County has the right at all reasonable times to audit, inspect or otherwise evaluate the work performed or being performed under this Agreement.

10) Confidentiality

The Contractor agrees to keep confidential all information obtained or learned during the course of furnishing services under this Agreement and to not disclose or reveal such information for any purpose not directly connected with the matter for which services are provided.

11) Nondiscrimination

11.1 During the performance of this Agreement, Contractor and its officers, employees, agents, representatives or subcontractors shall not unlawfully discriminate in violation of any Federal, State or local law, rule or regulation against any employee, applicant for employment or person receiving services under this Agreement because of race, religious creed, color, national origin, ancestry, physical or mental disability including perception of disability, medical condition, genetic information, pregnancy related condition, marital status, gender/sex, sexual orientation, gender identity, gender expression, age (over 40), political affiliation or belief, or military and veteran status. Contractor and its officers, employees, agents, representatives or subcontractors shall comply with all applicable Federal, State and local laws and regulations related to non-discrimination and equal opportunity, including without limitation the County's non-discrimination policy; the Fair Employment and Housing Act (Government Code sections 12900 et seq.); California Labor Code sections 1101, and 1102; the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended; and all applicable regulations promulgated in the California Code of Regulations or the Code of Federal Regulations.

11.2 Contractor shall include the non-discrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

11.3 Contractor shall provide a system by which recipients of service shall have the opportunity to express and have considered their views, grievances, and complaints regarding Contractor's delivery of services.

12) Assignment

This is an agreement for the services of Contractor. County has relied upon the skills, knowledge, experience and training of Contractor and the Contractor's firm, associates and employees as an inducement to enter into this Agreement. Contractor shall not assign or subcontract this Agreement without the express written consent of County. Further, Contractor shall not assign any monies due or to become due under this Agreement without the prior written consent of County.

13) Waiver of Default

Waiver of any default by either party to this Agreement shall not be deemed to be waiver of any subsequent default. Waiver or breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach, and shall not be construed to be a modification of the terms of this Agreement unless this Agreement is modified as provided below.

14) Notice

Any notice, communication, amendment, addition or deletion to this Agreement, including change of address of either party during the term of this Agreement, which Contractor or County shall be required or may desire to make shall be in writing and may be personally served or, alternatively, sent by prepaid first class mail to the respective parties.

To County:	To Contractor:
Planning and Community Development Department	Housing Authority of the County of Stanislaus
1010 10 <sup>th</sup> Street, Suite 3400	1701 Robertson Road
Modesto, CA 95353	Modesto, CA 95358

15) Conflicts

Contractor agrees that it has no interest and shall not acquire any interest direct or indirect which would conflict in any manner or degree with the performance of the work and services under this Agreement.

16) Severability

If any portion of this Agreement or application thereof to any person or circumstance shall be declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal, state or county statute, ordinance or regulation the remaining provisions of this Agreement or the application thereof shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this Agreement are severable.

17) Amendment

This Agreement may be modified, amended, changed, added to or subtracted from by the mutual consent of the parties hereto if such amendment or change is in written form and executed by both parties with the same formalities as this Agreement and attached to the original Agreement to maintain continuity.

18) Entire Agreement

This Agreement supersedes any and all other agreements, either oral or in writing,

between any of the parties herein with respect to the subject matter hereof and contains all the agreements between the parties with respect to such matter. Each party acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any party, which is not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding.

19) Advice of Attorney

Each party warrants and represents that in executing this Agreement, it has received independent legal advice from its attorneys or the opportunity to seek such advice.

20) Construction

Headings or captions to the provisions of this Agreement are solely for the convenience of the parties, are not part of this Agreement, and shall not be used to interpret or determine the validity of this Agreement. Any ambiguity in this Agreement shall not be construed against the drafter, but rather the terms and provisions hereof shall be given a reasonable interpretation as if both parties had in fact drafted this Agreement.

21) Governing Law and Venue

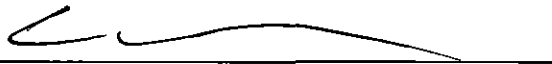
This Agreement shall be deemed to be made under, and shall be governed by and construed in accordance with, the laws of the State of California. Any action brought to enforce the terms or provisions of this Agreement shall have venue in the County of Stanislaus, State of California.

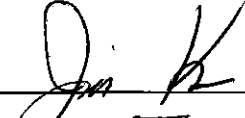
[SIGNATURES SET FORTH ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties or their duly authorized representatives have executed this Agreement on the day and year first hereinabove written.

**County of Stanislaus**  
Planning and Community Development

**Housing Authority of the County of Stanislaus**

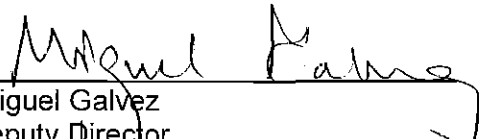
By:   
Angela Freitas  
Director

By:   
Printed name: Jim Kruse  
Title: Deputy Director  
"Contractor"

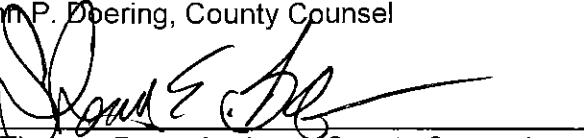
"County"

APPROVED:  
BOS Resolution #2018-0039 and 2018-0106

APPROVED AS TO CONTENT:  
Planning and Community Department

By:   
Miguel Galvez  
Deputy Director

APPROVED AS TO FORM:  
John P. Doering, County Counsel

By:   
Thomas Boze, Assistant County Counsel

Enclosed:

Exhibit A -- Successor Housing Agency – Reuse Plan for Housing Authority of the County of Stanislaus

Exhibit B -- Insurance Requirements

I:\RD\A\SUCCESSOR HOUSING AGENCY\PROJECTS AND MISC CORRESPONDENCE\SHA FUNDS ON NSP PROPERTIES\AGREEMENT- SHA & HACS\2018-04-02\_HACS AGREEMENT\_SHA+NSP-FINAL.DOCX

## EXHIBIT A

### SUCCESSOR HOUSING AGENCY – REUSE PLAN FOR HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS DECEMBER 2017

*As approved by the Stanislaus County Board of Supervisors on January 9, 2018*

This Reuse Plan authorizes the Housing Authority of the County of Stanislaus (hereafter "HACS") the reuse of up to \$624,482 in Successor Housing Agency (hereafter "SHA") funds acquired via the resale of previously assisted housing units, subject to the following terms:

1. HACS shall use the funds to construct six rental housing units in the former Stanislaus County Redevelopment Agency Project Area No. 1. The rental housing units shall be rented out to low income households at or below 50% of the Area Medium Income (AMI), based on household size, as established by the California Department of Housing and Community Development at the time of rent.
2. HACS shall use the funds available for the construction and rental of six units, subject to the following:
  - a. Project delivery fees for the construction of each unit shall not exceed 10% of the construction expenses for each unit and shall be limited to administrative costs borne by the HACS in the construction of properties.
  - b. Documentation such as timecards, invoices, etc. to support the proper expenditure of funds shall be provided with each request for reimbursement. All SHA funds shall be provided to the HACS as reimbursement and requests for reimbursement shall be made in writing in form prescribed by the SHA.
  - c. All construction work must be completed and all six-single family dwelling units must be rented out to eligible tenants within one year of this Reuse Plan approval (January 9, 2018).
  - d. HACS shall maintain all six units, and the properties upon which they are located for a term of no less than 55 years and during this term shall make available the units for rental to tenants meeting established income requirements.
  - e. HACS is responsible for verifying and documenting the income qualification of all tenants prior to occupancy.
  - f. HACS will be responsible for payment of all property taxes, assessments and any other liabilities incurred against units.
  - g. HACS will maintain all necessary records and documentation pertaining to the rental and maintenance of all six assisted units. Upon request, the HACS shall provide the SHA with an accounting of all rents received from the assisted units and use of such rents in the operation and maintenance of the units and the property upon which the units are located.
  - h. HACS will prepare and maintain files for all housing units constructed with SHA funds. These files shall include all documents and information relative to

construction work to housing units. These files shall be current, complete records, including, but not limited to, contracts, source documents supporting accounting transactions, personnel and payroll records, cancelled checks and related documents and records to assure proper accounting of funds and performance of this contract in accordance with the SHA and/or County regulations.

- i. The HACS will cooperate in the preparation of, and will furnish any and all information required for federal and state reports to be prepared, as may be required, by the SHA and/or Stanislaus County including, but not limited to the Stanislaus Urban County Consolidated Plan, the Annual Performance Report, and any quarterly reports required to be prepared and/or submitted by Stanislaus County.
- j. Prior to release of any SHA funds, the HACS shall enter into an agreement with the SHA for use of funds in accordance with this Reuse Plan, including the Project Description and Budget.
- k. HACS shall retain all book, records, and other documents to this agreement for five (5) years after affordability period.

## Project Descriptions and Budget

As approved by the Stanislaus County Board of Supervisors on January 9, 2018

### 1) 1312/1316 Pearson Ave., Modesto 95358 (APN: 086-005-028)

- a. Construction of two single family dwelling units, consisting of one bedroom and one bathroom. Each dwelling will total 650 square feet in size, on a 6,700 sq. ft. lot.
- b. The property is zoned R-1 (Single Family Residential) and is a corner lot which permits two dwelling units by right subject to a building permit. The property was previously acquired by HACS through NSP3 funds for \$11,000.
- c. Construction cost estimates are as follows:

SHA funding:	\$208,160.66
NSP funds:	<u>\$ 46,839.34</u>
<b>Bid amount:</b>	<b>\$255,000.00</b>
10% Contingency NSP Funds:	<u>\$ 25,500.00</u>
Total budgeted amount:	\$280,500.00

### 2) 1022 Atlantic Dr., Modesto 95358 (APN: 086-004-038)

- a. Construction of one single family dwelling unit, consisting of three bedrooms and two bath rooms, totaling 1,534 sq. ft. on a 6,700 sq. ft. lot.
- b. The property is zoned R-1(Single Family Residential) and is permitted by right subject to a building permit. The property was previously acquired by HACS through NSP3 funds for \$25,000.
- c. Construction cost estimates are as follows:

SHA funding:	\$104,080.33
NSP funds:	<u>\$188,219.67</u>
<b>Bid amount:</b>	<b>\$292,300.00</b>
10% Contingency NSP Funds:	<u>\$ 29,300.00</u>
Total budgeted amount:	<b>\$321,600.00</b>

### 3) 525 Benson Ave., Modesto 95354 (APN: 035-037-037)

- a. Construction of three detached single family dwelling units, consisting of one bedroom and one bathroom. Each building will total 650 sq. ft. on a 9,800 sq. ft. lot.
- b. The property is zoned R-3 (Multiple Family Residential). The existing lot width does not meet current zoning development standards, which presently limits the property to one dwelling unit. An amendment to the Zoning Ordinance allowing for the development of the proposed three

dwellings will be processed by the Stanislaus County Planning Department. If the Zoning Ordinance amendment is not successful, the SHA will work with the HACS to identify an alternative project allow for development of three single family dwelling units.

c. The property was previously acquired by HACS through NSP3 funds for \$60,000, which was developed with a single family dwelling. The dwelling was destroyed by fire; and insurance proceeds (in the amount of \$70,000) received by the HACS are applied to redevelopment costs.

d. Construction cost estimates are as follows:

SHA funding:	\$312,240.99
NSP funds:	<u>\$ 70,059.01</u>
<b>Bid amount:</b>	<b>\$382,300.00</b>
10% Contingency NSP Funds:	<u>\$ 38,230.00</u>
<b>Total budgeted amount:</b>	<b>\$420,530.00</b>

**In Addition:** The County Board of Supervisors on February 27, 2018 (Res#2018-0106), authorized **\$11,900** in NSP funding for the administration use by HACS.



## EXHIBIT B

### Insurance Requirements for Construction Contracts

Contractor shall procure and maintain for the duration of the contract, and for 3 years thereafter, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees, or subcontractors.

#### MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$2,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** Insurance Services Office Form Number CA 0001 covering Code 1 (any auto), with limits no less than \$1,000,000 per accident for bodily injury and property damage.
3. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employers' Liability insurance with a limit of no less than \$1,000,000 per accident for bodily injury or disease.
4. **Builder's Risk (Course of Construction)** insurance utilizing an "All Risk" (Special Perils) coverage form, with limits equal to the completed value of the project and no coinsurance penalty provisions.
5. **Surety Bonds** as described below.
6. **Professional Liability** (if Design/Build), with limits no less than \$1,000,000 per occurrence or claim, and \$2,000,000 policy aggregate.
7. **Contractors' Pollution Legal Liability** and/or Asbestos Legal Liability and/or Errors and Omissions (if project involves environmental hazards) with limits no less than \$1,000,000 per occurrence or claim, and \$2,000,000 policy aggregate.

If the contractor maintains broader coverage and/or higher limits than the minimums shown above, the County requires and shall be entitled to the broader coverage and/or higher limits maintained by the contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the County.

**Application of Excess Liability Coverage:** Contractors may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

**Other Insurance Provisions**

The insurance policies are to contain, or be endorsed to contain, the following provisions:

**Additional Insured Status**

The County, its officers, officials, employees, agents and volunteers are to be covered as additional insureds on the CGL and Auto policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations and automobiles owned, leased, hired, or borrowed by or on behalf of the Contractor. General liability and Auto liability coverage can be provided in the form of an endorsement to the Contractor's insurance (**at least** as broad as ISO Form CG 20 10, CG 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions used).

**Primary Coverage**

For any claims related to this contract, the Contractor's insurance coverage shall be primary coverage **at least** as broad as ISO CG 20 01 04 13 as respects the County, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, agents or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

**Builder's Risk** (Course of Construction) Insurance

Contractor may submit evidence of Builder's Risk insurance in the form of Course of Construction coverage. Such coverage shall name the County as a loss payee as their interest may appear.

If the project does not involve new or major reconstruction, at the option of the County, an Installation Floater may be acceptable. For such projects, a Property Installation Floater shall be obtained that provides for the improvement, remodel, modification, alteration, conversion or adjustment to existing buildings, structures, processes, machinery and equipment. The Property Installation Floater shall provide property damage coverage for any building, structure, machinery or equipment damaged, impaired, broken, or destroyed during the performance of the Work, including during transit, installation, and testing at the County's site.

**Reporting**

Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the County or its officers, officials, employees, agents or volunteers.

**Notice of Cancellation**

Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the County.

**Waiver of Subrogation**

Contractor hereby agrees to waive rights of subrogation (except for Professional Liability) which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the County for all work performed by the Contractor, its employees, agents and subcontractors.

**Self-Insured Retentions**

Self-insured retentions must be declared to and approved by the County. At the option of the County, either: the contractor shall cause the insurer shall reduce or eliminate such self-insured retentions as respects the County, its officers, officials, employees, and volunteers; or the Contractor shall provide a financial guarantee satisfactory to the County guaranteeing payment of losses and related investigations, claim administration, and defense expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or County.

**Acceptability of Insurers**

Insurance is to be placed with California admitted insurers (licensed to do business in California) with a current A.M. Best's rating of no less than A-VII, however, if no California admitted insurance company provides the required insurance, it is acceptable to provide the required insurance through a United States domiciled carrier that meets the required Best's rating and that is listed on the current List of Approved Surplus Line Insurers (LASLI) maintained by the California Department of Insurance.

**Claims Made Policies**

If any coverage required is written on a claims-made coverage form:

1. The retroactive date must be shown, and this date must be before the execution date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of contract work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective, or start of work date, the Contractor must purchase extended reporting period coverage for a minimum of five (5) years after completion of contract work.
4. A copy of the claims reporting requirements must be submitted to the County for review.
5. If the services involve lead-based paint or asbestos identification/remediation, the Contractors Pollution Liability policy shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification/remediation, the Contractors Pollution Liability policy shall not contain a mold exclusion, and the definition of Pollution shall include microbial matter, including mold.

**Verification of Coverage**

Contractor shall furnish the County with original certificates and amendatory endorsements, or copies of the applicable insurance language, effecting coverage required by this contract. All certificates and endorsements are to be received and approved by the County before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The County reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time. We strongly recommend obtaining a copy of the policy declarations and endorsement page (make this a requirement in your Contract) to facilitate verification of coverages and spot any undesirable policy limitations or exclusions.

***Subcontractors***

Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that County is an additional insured on insurance required from subcontractors. For CGL coverage subcontractors shall provide coverage with a format least as broad as CG 20 38 04 13.

***Surety Bonds***

Contractor shall provide the following Surety Bonds:

1. Bid bond
2. Performance bond
3. Payment bond
4. Maintenance bond

The Payment Bond and the Performance Bond shall be in a sum equal to the contract price. If the Performance Bond provides for a one-year warranty a separate Maintenance Bond is not necessary. If the warranty period specified in the contract is for longer than one year a Maintenance Bond equal to 10% of the contract price is required. Bonds shall be duly executed by a responsible corporate surety, authorized to issue such bonds in the State of California and secured through an authorized agent with an office in California.

***Special Risks or Circumstances***

County reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances.

***Insurance Limits***

The limits of insurance described herein shall not limit the liability of the Contractor and Contractor's officers, employees, agents, representatives or subcontractors. Contractor's obligation to defend, indemnify and hold the County and its officers, officials, employees, agents and volunteers harmless under the provisions of this paragraph is not limited to or restricted by any requirement in the Agreement for Contractor to procure and maintain a policy of insurance.

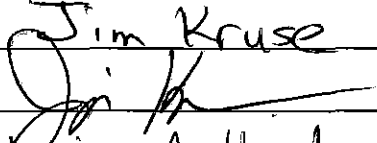
[SIGNATURES SET FORTH ON THE FOLLOWING PAGE]

\_\_\_\_\_ Exempt from Auto – I will not utilize a vehicle in the performance of my work with the County.

\_\_\_\_\_ Exempt from WC – I am exempt from providing workers' compensation coverage as required under section 1861 and 3700 of the California Labor Code.

I acknowledge the insurance requirements listed above.

Print Name: Jim Kruse Date: 4-18-18

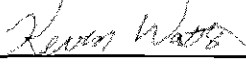
Signature:  Date: 4-18-18

Vendor Name: Housing Authority of the County of Stanislaus

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*For CEO-Risk Management Division use only*

Exception: Housing Authority will hereby be exempt from Course of Construction insurance requirement, however, each sub contractor must maintain Course of Construction insurance.

Approved by CEO-Risk Management Division:  Date: 4/2/2018