

SOUTH SAN FRANCISCO SERVICES AGREEMENT

This Services Agreement (this “**Agreement**”) is made and entered into between the City of South San Francisco, a municipal corporation (“**City**”) and HELLO HOUSING, (“**Consultant**”) effective as of February 1, 2021 (the “**Effective Date**”). City and Consultant are hereinafter collectively referred to as (the “**Parties**”). In consideration of their mutual covenants, the Parties hereby agree as follows:

1. Scope of Services. Consultant shall provide the following services and/or materials (“the Work”): program development services for an Accessory Dwelling Unit program, as more specifically described in the Scope of Services, attached hereto as Exhibit A. The Work shall commence on February 1st, 2021 and shall be completed to the satisfaction of the City by February 1st, 2023 unless such date is extended or otherwise modified by the City in writing. In the event of a conflict or inconsistency between the text of the main body of this Agreement and Exhibit A, the text of the main body of this Agreement shall prevail.

2. Payment. City shall pay Consultant an amount not to exceed: One Million Dollars (\$1,000,000) for the full and satisfactory completion of the Work in accordance with the terms and conditions of this Agreement. The calculation of payment for the Work shall be set forth as follows: based on attached scope of work (Exhibit A). The amount stated above is the entire compensation payable to Consultant for the Work performed hereunder, including all labor, materials, tools and equipment furnished by Consultant.

City shall make payments, based on invoices received, for Work satisfactorily performed. City shall have thirty (30) days from the receipt of an invoice to pay Consultant.

3. Independent Contractor. It is understood and agreed that this Agreement is not a contract of employment and does not create an employer-employee relationship between the City and Consultant. At all times Consultant shall be an independent contractor and City shall not control the manner of Consultant accomplishing the Work. Consultant is not authorized to bind the City to any contracts or other obligations without the express written consent of the City.

4. Indemnification. To the fullest extent permitted by law, Consultant shall indemnify, defend (with counsel acceptable to the City), and hold harmless the City and its elected and appointed officers, officials, employees, agents, contractors and consultants (collectively, the “City Indemnitees”) from and against any and all liability, loss, damage, claims, expenses and costs (including, without limitation, attorneys’ fees and costs of litigation) (collectively, “Liability”) of every nature arising out of or in connection with Consultant’s performance of the Work or Consultant’s failure to comply with this Agreement, except such Liability caused by the gross negligence or willful misconduct of the City Indemnitees.

5. Insurance. Prior to beginning the Work and continuing throughout the term of this Agreement, Consultant (and any subcontractors) shall, at Consultant’s (or subcontractor’s) sole cost and expense, furnish the City with certificates of insurance evidencing that Consultant has obtained and maintains insurance in the following amounts:

A. Workers’ Compensation that satisfies the minimum statutory limits.

B. Commercial General Liability and Property Damage Insurance in an amount not less than ONE MILLION DOLLARS (\$1,000,000) combined single limit per occurrence, TWO MILLION DOLLARS (\$2,000,000) annual aggregate, for bodily injury, property damage, products, completed operations and contractual liability coverage. The policy shall also include coverage for liability arising out of the use and operation of any City-owned or City-furnished equipment used or operated by the Consultant, its personnel, agents or subcontractors.

C. Comprehensive automobile insurance in an amount not less than ONE MILLION DOLLARS (\$1,000,000) per occurrence for bodily injury and property damage including coverage for owned and non-owned vehicles.

All insurance policies shall be written on an occurrence basis and shall name the City Indemnitees as additional insureds with any City insurance shall be secondary and in excess to Consultant's insurance. If the Consultant's insurance policy includes a self-insured retention that must be paid by a named insured as a precondition of the insurer's liability, or which has the effect of providing that payments of the self-insured retention by others, including additional insureds or insurers do not serve to satisfy the self-insured retention, such provisions must be modified by special endorsement so as to not apply to the additional insured coverage required by this agreement so as to not prevent any of the parties to this agreement from satisfying or paying the self-insured retention required to be paid as a precondition to the insurer's liability. Additionally, the certificates of insurance must note whether the policy does or does not include any self-insured retention and also must disclose the deductible. The certificates shall contain a statement of obligation on the part of the carrier to notify City of any material change, cancellation, termination or non-renewal of the coverage at least thirty (30) days in advance of the effective date of any such material change, cancellation, termination or non-renewal. The City's Risk Manager may waive or modify any of the insurance requirements of this section.

6. Compliance with all Applicable Laws; Nondiscrimination. Consultant shall comply with all applicable local, state and federal laws, regulations and ordinances in the performance of this Agreement. Consultant shall not discriminate in the provision of service or in the employment of persons engaged in the performance of this Agreement on account of race, color, national origin, ancestry, religion, gender, marital status, sexual orientation, age, physical or mental disability in violation of any applicable local, state or federal laws or regulations.

7. Termination. City may terminate or suspend this Agreement at any time and without cause upon written notification to Consultant. Upon receipt of notice of termination or suspension, Consultant shall immediately stop all work in progress under this Agreement. The City's right of termination shall be in addition to all other remedies available under law to the City.

8. Prevailing Wage. Where applicable, the wages to be paid for a day's work to all classes of laborers, workmen, or mechanics on the work contemplated by this Purchase Agreement, shall be not less than the prevailing rate for a day's work in the same trade or occupation in the locality within the state where the work hereby contemplates to be performed as determined by the Director of Industrial Relations pursuant to the Director's authority under Labor Code Section 1770, *et seq.* Each laborer, worker or mechanic employed by Consultant or by any subcontractor shall receive the wages herein provided for. The Consultant shall pay two hundred dollars (\$200), or whatever amount may be set by Labor Code Section 1775, as may be amended, per day penalty for each worker paid less than prevailing rate of per diem wages. The difference between the prevailing rate of per diem wages and the wage paid to each worker shall be paid by the Consultant to each worker.

An error on the part of an awarding body does not relieve the Consultant from responsibility for payment of the prevailing rate of per diem wages and penalties pursuant to Labor Code Sections 1770-1775. The City will not recognize any claim for additional compensation because of the payment by the Consultant for any wage rate in excess of prevailing wage rate set forth. The possibility of wage increases is one of the elements to be considered by the Consultant.

(A) Posting of Schedule of Prevailing Wage Rates and Deductions. If the schedule of prevailing wage rates is not attached hereto pursuant to Labor Code Section 1773.2, the Consultant shall post at appropriate conspicuous points at the site of the project a schedule showing all determined prevailing wage rates for the various classes of laborers and mechanics to be engaged in work on the project under this contract and all deductions, if any, required by law to be made from unpaid wages actually earned by the laborers and mechanics so engaged.

(B) Payroll Records. Each Consultant and subcontractor shall keep an accurate payroll record, showing the name, address, social security number, work week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by the Consultant in connection with the public work. Such records shall be certified and submitted weekly as required by Labor Code Section 1776.

9. Payment of Taxes; Tax Withholding. Consultant is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes. To be exempt from tax withholding, Consultant must provide City with a valid California Franchise Tax Board form 590 ("Form 590"), as may be amended and such Form 590 shall be attached hereto and incorporated herein as Exhibit D. Unless Consultant provides City with a valid Form 590 or other valid, written evidence of an exemption or waiver from withholding, City may withhold California taxes from payments to Consultant as required by law. Consultant shall obtain, and maintain on file for three (3) years after the termination of this Agreement, Form 590s (or other written evidence of exemptions or waivers) from all subcontractors. Consultant accepts sole responsibility for withholding taxes from any non-California resident subcontractor and shall submit written documentation of compliance with Consultant's withholding duty to City upon request.

10. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

11. Entire Agreement. This Agreement represents the entire and integrated agreement between the Parties. This Agreement may be modified or amended only by a subsequent written agreement signed by both Parties.

12. Non-Liability of Officials, Employees and Agents. No officer, official, employee or agent of City shall be personally liable to Consultant in the event of any default or breach by City or for any amount which may become due to Consultant pursuant to this Agreement.

13. Prevailing Party. In the event that either party to this Agreement commences any legal action or proceeding (including but not limited to arbitration) to interpret the terms of this Agreement, the prevailing party in such a proceeding shall be entitled to recover its reasonable attorney's fees associated with that legal action or proceeding.

14. Notice. All notices and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given (i) when received if personally delivered; (ii) when received if transmitted by telecopy, if received during normal business hours on a business day (or if not, the next business day after delivery) provided that such facsimile is legible and that at the time such facsimile is sent the sending Party receives written confirmation of receipt; (iii) if sent for next day delivery to a domestic address by recognized overnight delivery service (e.g., Federal Express); and (iv) upon receipt, if sent by certified or registered mail, return receipt requested. In each case notice shall be sent to the respective Parties as follows:

Consultant:

Hello Housing
1242 Market Street, 3rd Floor
San Francisco CA 94102
Attn: Mardie Oakes

City:

City Clerk
City of South San Francisco
400 Grand Avenue
South San Francisco, CA 94080

15. Execution in Counterpart. This Agreement may be executed in counterparts and/or by facsimile or other electronic means, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterpart, shall constitute one Agreement, which shall be binding upon and effective as to all Parties.

16. Assignment, Governing Law. The Consultant may not assign any of Consultant's obligations under this Agreement without the City's prior written approval. This Agreement is governed by California law. The jurisdiction for any litigation arising from this Agreement shall be in the state of California, and shall be venued in the County of San Mateo.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date written above.

CITY:

CONSULTANT:

By: _____

Mike Futrell

Mardie Oakes

City Manager

President, Hello Housing

APPROVED AS TO FORM:

City Attorney

2729961.1



Exhibit A

Bright in Your Own Backyard – South San Francisco’s Accessory Dwelling Unit (ADU) Program is an initiative designed to:

- leverage the private resources of homeowners (land and borrowing power) to create more naturally affordable housing within the existing fabric of neighborhoods;
- support homeowners through each phase of the development and construction process to successfully add ADUs or Junior ADUs to their properties;
- establish ADUs or Junior ADUs within SSF as a strategy to mitigate displacement pressures, support aging in place and multi-generational living; and
- Increase availability of rental housing in high opportunity neighborhoods and/or asset-building for low- and moderate-income households to stabilize homeownership.

Scope of Work:

In consideration of the payments set forth in Exhibit B, Contractor shall provide the following services:

Tasks & Deliverables
Program Design and Development <ul style="list-style-type: none"> • Coordinate and facilitate program design meetings with SSF staff • Develop and document SSF-approved homeowner eligibility criteria and program compliance criteria • Develop and document program evaluation framework, reporting and invoicing procedures • Presentation to City leadership and City Council for review and approval • Draft Affirmative Marketing & Outreach Plan for approval
Marketing and Outreach <ul style="list-style-type: none"> • Develop marketing collateral (print and digital) in multiple languages • Build online and print version of Program Application which will include homeowner demographic information, property details, type of ADU/JADU desired, financial plan for paying for the unit and general eligibility criteria • Create SSF specific website landing page detailing programmatic information, eligibility and process for applying • Implement Marketing and Outreach Plan <ul style="list-style-type: none"> <i>Distribute marketing collateral through various Public and Private channels</i> <i>Coordinate press releases with City and Genentech</i> <i>Field inquiries from the public and potential applicants</i> <i>Design system to generate automated status updates regarding application submittal, eligibility and waitlist position.</i>

Project-Specific Activities by Phase

Phase 1A. Application Screening & Program eligibility reviews

- Complete application screening for general eligibility
- Implement a sorting lottery process to establish the initial waitlist
- Set up Homekeeper to track all application data
- Respond to inquiries from the public and potential applicants

Phase 1B. Feasibility – Remote Assessment

- Conduct property analysis, review local ordinances that will apply to site conditions, review man-made and natural structural barriers to site location and prepare property specific report for homeowner
- Conduct pre-screening interview with homeowner to better understand ADU desire, financial strategy and potential costs, review existing barriers and share overview of services offered in the program
- Review program compliance requirements and next steps in the application process

Phase 1C. Feasibility – Site Visit

- Provide overview of ADU models and products
- Take photos of the site, review utility connections and capacity, take measurements and evaluate site conditions that may be cost drivers, flag areas that will require further research if homeowner should decide to proceed
- Provide overview of potential costs associated with each phase of development and construction
- Financial capacity assessment and referral to potential funders
- Review participation and service engagement requirements

Phase 2. Design, Cost Evaluation and Contract Execution

- Conduct initial meeting with planning/building
- Coordinate referrals to design-build firm, architect/designer, general contractor ("GC"), Surveyors and engineers (collectively, "Project Professionals")
- Review Project Professional proposals with homeowners, discuss pro's and cons of different options and request clarifications (as needed) from Project Professionals
- Review initial designs with homeowners, provide instruction and clarification prior to engagement and/or the drafting of the full permit set
- Verify qualifications and license(s) of Project Professionals
- Review contracts prior to execution and ensure scope of work, timeline and services offered are clarified for the homeowner

Phase 3. Permitting & Approvals

- Track permit submittals as an owner's representative
- Track and coordinate response to plan check comments
- Track and review permit resubmittal as an owner's representative

Phase 4. Construction Administration

- Trigger PG&E application once permits are received as needed per the project plans
- Coordinate GC referrals to bid on project plans, review proposals with homeowner, request clarification on estimates and scope of work as needed
- Review contract prior to execution and ensure scope of work, timeline, payment process is clear to the owner
- Review contractor payment requests, lien releases and change order. Verify work has been completed in accordance with the contract for each request
- Perform periodic inspections to ensure that work is being performed in accordance with the contract between homeowner and GC
- Coordinate progress update meetings with the project team and the homeowner
- Evaluate City inspection feedback and coordinate follow-up action as needed
- Coordinate warranties and close out process

Phase 5. Lease-up

- Provide access to landlord training
- Provide tenant matchmaking referrals

Attachment B: Program Budget

Bright in Your Own Backyard - South San Francisco (2-years)

Contract Amount **\$1,000,000**

Program Design and Development		Year 1	Year 2
Develop and document SSF-approved homeowner eligibility criteria and program compliance criteria	(a)	\$ 18,000	\$ -
Develop and document program evaluation framework, reporting format & invoicing procedures		\$ 3,200	\$ -
Presentation(s) to City Leadership and City Council for Program Design Approval		\$ 1,500	\$ -
Draft Affirmative Marketing & Outreach Plan		\$ 8,150	\$ -
Marketing & Outreach Implementation		\$ 30,850	\$ -
Develop marketing collateral (print and digital) in multiple languages		\$ 1,673	\$ 1,673
Build online and print version of Program Application		\$ 8,450	\$ -
Implement Marketing & Outreach Plan		\$ 8,678	\$ 8,678
<i>Distribute marketing collateral through various Public and Private channels</i>			
<i>Coordinate press releases with City and Genentech</i>			
<i>Field inquires from the public and potential applicants</i>			
<i>Design system to generate automated status updates regarding application submittal, eligibility status and waitlist position.</i>			
		\$ 18,800	\$ 10,350

Program Implementation General Administration		24 months	Year 1	Year 2
Field inquiries from the public	Incl.			
Maintain Homekeeper database	Incl.			
Monthly invoicing and quarterly reporting to SSF	Incl.			
Maintain website	Incl.			
Maintain up-to-date database of active, local 3rd Party Professionals	Incl.			
Staff supervision	Incl.			
		Monthly \$ 5,000	\$ 45,000	\$ 75,000

Program Implementation Phase (ADU)	Households	Est. Cost	Year 1
Phase 1A. Application Screening & program eligibility reviews	60	\$ 650	\$ 39,000
Phase 1B. Feasibility - Remote Assessment	43	\$ 500	\$ 21,500
Phase 1C. Feasibility - Site Visit	26	\$ 1,500	\$ 38,250
Phase 2. Design Coordination, Cost Evaluation & Bidding	21	\$ 5,500	\$ 115,500
Phase 3. Permitting & Approval Coordination	19	\$ 3,000	\$ 57,000
Phase 4. Contract Execution & Construction Administration	18	\$ 7,500	\$ 135,000
Phase 5. Lease-Up Support	8	\$ 500	\$ 3,750
		\$ 19,150	\$ 410,000

Program Implementation Phase (ADU)	Households	Est. Cost	Year 2
Phase 1A. Application Screening & program eligibility reviews	60	\$ 650	\$ 39,000
Phase 1B. Feasibility - Remote Assessment	43	\$ 500	\$ 21,500
Phase 1C. Feasibility - Site Visit	26	\$ 1,500	\$ 38,250
Phase 2. Design Coordination, Cost Evaluation & Bidding	21	\$ 5,500	\$ 115,500
Phase 3. Permitting & Approval Coordination	19	\$ 3,000	\$ 57,000
Phase 4. Contract Execution & Construction Administration	18	\$ 7,500	\$ 135,000
Phase 5. Lease-Up Support	8	\$ 500	\$ 3,750
		\$ 19,150	\$ 410,000

(a) \$18,000 allocated for the development of SSF homeowner criteria will be due upon contract execution

TOTAL	YEAR 1 \$ 504,650	YEAR 2 \$ 495,350
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Rate Schedule	Hourly
President	\$ 200.00
Director of Operation	\$ 150.00
Senior Program Manager	\$ 135.00
Program Manager	\$ 100.00
Senior Project Manager	\$ 100.00
Project Manager	\$ 80.00

Hourly rates are informational and are typically included in our contracts in the event there is new scope identified during the contract term. Rates may be reasonably adjusted during the contract term, but in no event more often than annually.