

## LOW INCOME HOUSING REHABILITATION CONTRACT

This Contract is made between the City of Guadalupe Community Redevelopment Agency, hereinafter called "RDA," and HABITAT FOR HUMANITY, NORTHERN SANTA BARBARA COUNTY, INC. herein called "HABITAT" for the rehabilitation of low income housing (the "Residential Rehabilitation Program") within the RDA Project Area utilizing funding provided by the RDA.

RDA AND HABITAT AGREE as follows:

### 1. STATEMENT OF WORK AND REPORTING.

A. HABITAT agrees to conduct the project described in the Statement of Work, "Exhibit A," attached hereto and by this reference made a part hereof, sometimes hereinafter referred to as "the project." To the extent that any procedure or provision of the program proposed conflicts with any provision of this Contract, the provisions of this Contract shall prevail.

B. Minor program changes may be made to the Statement of Work, "Exhibit A," upon approval of the Board of Directors of the RDA.

C. In carrying out its project hereunder, HABITAT agrees that the objectives of the project are those stated and set out in the Statement of Work, "Exhibit A," attached hereto and made a part hereof.

D. HABITAT agrees to submit to the Board of Directors of the RDA a final annual report as outlined in "Exhibit B" and "Exhibit C" on the forms attached hereto within 90 days of the end of RDA's fiscal year. RDA's fiscal year currently ends on June 30 of each year. However, the date may be changed by the RDA without notice to HABITAT. HABITAT shall be responsible to keep itself apprised of any such change.

**2. EFFECTIVE DATE OF CONTRACT – TERM.** The term of this Contract shall be from March 28, 2006, to and including June 30, 2007, unless sooner terminated as provided herein, and further provided that if not terminated, the term of this Contract may be extended as provided for herein.

**3. DISBURSEMENT OF FUNDS.** Subject to the terms and conditions contained in this Contract, RDA agrees to provide funds in an amount not to exceed the sum of two hundred fifty thousand DOLLARS (\$250,000)

Said allocation will enable HABITAT to operate the Residential Rehabilitation Program within the Project Area of the RDA. Fifteen (15%) percent or \$37,500 of the allocation will be provided to HABITAT as a grant for activity delivery costs to administer the program.

A. Upon acceptance of this agreement by the RDA, payments will be processed in accordance with the City of Guadalupe Finance Department's Accounts Payable

Schedule. HABITAT must submit to the RDA an invoice, in a form acceptable to the RDA, that sets forth the amounts actually expended by HABITAT for the program provided that said expenses are included in the Budget. Said invoice shall, at a minimum, set forth each budget category for which reimbursement is requested, a description of the expense, the total budgeted amount for the category, the amount requested to be reimbursed for each budget category, and the total amount expended for each budget category to date. Said invoice shall be accompanied by supporting documentation, including but not limited to payroll reports or paid receipts for each expense. The RDA shall pay HABITAT for all expenses stated on the invoice which are approved by the RDA pursuant to this Contract no later than the forty-fifth (45<sup>th</sup>) day after the RDA receives the invoice.

C. HABITAT shall indemnify and hold RDA harmless from any liability or damage resulting from any failure to make, or delay in making payments.

**4. HABITAT RECORDS.** HABITAT shall keep accurate written records of all expenses incurred by it and of monies received by it and of all studies, statistics and reports made or issued by HABITAT in conducting the project. HABITAT shall also keep accurate written minutes of all meetings of the Board of Directors or Committees of HABITAT and shall keep accurate employment records, correspondence records and other records necessary to enable RDA to review HABITAT's operations during the conduct of the project. In addition, HABITAT shall specifically keep records documenting the income of clients served to determine that HABITAT's project is primarily benefiting low and moderate income persons. At RDA's request, HABITAT shall furnish RDA with a copy of any record maintained by HABITAT pursuant to the terms of this Contract. HABITAT shall maintain all such records for at least five (5) years after the date on which this Contract terminates.

**5. AUDIT REQUIREMENTS.** RDA shall have the right to audit and review all records maintained by HABITAT pursuant to the terms of this Contract. Any such audit and review may be conducted at any time during regular business hours. In addition, HABITAT shall promptly provide any financial information concerning the project requested by RDA for the purposes of preparing RDA's annual financial audit.

**6. SUBMISSION OF STATEMENT OF WORK AND BUDGET - BUDGET ACCOUNTABILITY.** Prior to the execution of this Contract by RDA, HABITAT shall submit to the RDA, for review and approval, a statement of work and budget itemizing HABITAT's proposed tasks and expenditures including a schedule for completing each task in conducting the project and containing a breakdown of said tasks and expenditures by major categories and subcategories. Said statement and budget shall be attached hereto, marked "Exhibit A" and made a part hereof. HABITAT shall not obligate or expend funds for purposes other than those shown in the approved budget.

**7. PROGRAM INCOME.** Any program income received by HABITAT, such as interest earned on funds held in a revolving fund account, shall be returned to the RDA. This applies to any program income received during the contract period, on hand when

the agreement expires, or received after the agreement expires.

**9. COMPLIANCE WITH LAWS AND REGULATIONS.** HABITAT agrees that it shall comply with all local, state and federal laws and regulations applicable to the project to be conducted hereunder. In particular, HABITAT shall comply with the requirements and standards of the following:

A. Shall obtain and maintain, any and all licenses and permits necessary to conduct the project and to maintain the facilities and render the services proposed to be maintained or rendered in connection with the project;

B. Shall not, on the grounds of race, color, national origin, sex, religion, age or handicap when otherwise qualified:

- (1) Deny any service or other benefit provided under the program;
- (2) Provide any service or other benefit which is different, or is provided in a different form from that provided to others under the program;
- (3) Subject to segregated or separate treatment in any facility in, or in any way or process related to receipt of any service or benefit under the program;
- (4) Restrict in any way the enjoyment of any advantage or privilege enjoyed by others receiving any services or benefit under the program;
- (5) Treat an individual differently from others in determining whether he satisfies any admission, enrollment, eligibility, membership, or other requirements or condition which individuals must provide under the program;
- (6) Deny an opportunity to participate in the program as an employee.

C. Shall maintain such records and enforce and comply with such procedures as RDA may specify or require in order to ensure that only persons eligible for services under state and/or federal laws or regulations are admitted to the program or are provided with such services; and

D. Shall not engage in any religious instructions nor use any part of the funds provided hereunder to purchase any religious books, materials or equipment or other property, or to share the salary of any person who participates in any such religious instruction, nor shall funds be used for any other religious or sectarian purpose whatsoever.

**10. WAGE RATES AND LABOR STANDARDS.** All laborers and mechanics employed by HABITAT in the performance of work on any construction project related to this Contract, shall be paid wage rates equal to the prevailing wage as set forth in Division 2, Part 7 of the California Labor Code.

**11. INDEPENDENT HABITAT INDEMNITY.** It is understood and agreed by the parties hereto that HABITAT, while engaging in conducting the project and

complying with any of the terms of this Contract, is independent and is not an officer, agent or employee of the RDA. It is further understood and agreed that RDA, its officers, agents and employees, shall not be liable or responsible for any injury or damage to persons or property resulting from the operations or activities of HABITAT, its officers, agents or employees, in connection with the project; and HABITAT agrees to indemnify and hold harmless the RDA and its officers, agents and employees, from and against any and all claims and liability for damage or injury to persons or property resulting from the activities or omissions, of HABITAT, its officers, agents, employees or subcontractors, in connection with the operation or conduct of the project or the operation of maintenance of any buildings, equipment and other facilities used in connection with the project

**12. INSURANCE.** HABITAT shall procure and maintain in effect during the term of the Agreement 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 HABITAT, its agents, representatives, employees, or subcontractors.

A. Coverage shall be at least as broad as:

- (1) Insurance Services Office Commercial General Liability Coverage (occurrence form CG 0001).
- (2) Insurance Services Office Business Auto Coverage form number CA 0001, Code 1 (any auto).
- (3) Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance.
- (4) Errors and Omissions Liability Insurance appropriate to the consultant's profession. Architects' and engineers' coverage is to be endorsed to include contractual liability.

B. HABITAT shall maintain limits no less than:

- (1) General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
- (2) Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
- (3) Employer's Liability: \$1,000,000 per accident for bodily injury or disease.
- (4) Errors and Omissions Liability: \$1,000,000 per occurrence.

C. Any deductibles or self-insured retentions must be declared to and approved by RDA. At the option of RDA, either the insurer shall reduce or eliminate such deductibles or

self-insured retentions as respects RDA, its trustees, officers, employees and volunteers; or HABITAT shall provide a financial guarantee satisfactory to RDA guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. The general liability and automobile liability policies are to contain or be endorsed to contain, the following provisions:

- (1) RDA, its trustees, officers, employees, and volunteers are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of HABITAT; and with respect to liability arising out of work or operations performed by or on behalf of HABITAT including material, parts or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to HABITAT's insurance, or as a separate owner's policy.
- (2) For any claims related to this Project, HABITAT's insurance coverage shall be primary insurance as respects the RDA, its trustees, officers, employees, and volunteers. Any insurance or self-insurance maintained by RDA, its trustees, officers, employees, or volunteers shall be excess of HABITAT's insurance and shall not contribute with it.
- (3) Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to RDA.

E. Insurance is to be placed with insurers with a current AM. Best's rating of no less than A:VII.

F. HABITAT shall furnish RDA with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms provided by RDA or on other than RDA's forms, provided those endorsements or policies conform to the requirements. All certificates and endorsements are to be received and approved by RDA before work commences. RDA reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications, at any time.

G. HABITAT shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

### **13. ENFORCEMENT OF CONTRACT.**

A. In the event of any dispute arising under this Contract, the injured party shall notify the injuring party in writing of its contentions by submitting a claim therefore. The

injured party shall continue performing its obligations hereunder so long as the injuring party commences to correct such default within ten (10) days of service of such notice and completes the correction of such default within thirty (30) days after service of the notice, or such longer period as may be permitted by the injured party; provided that if the default is an immediate danger to the health, safety and general welfare of the residents of the City of Guadalupe, such immediate action may be necessary. Notwithstanding the foregoing, the RDA may suspend any further payment of RDA funds until HABITAT is in compliance with this Contract. Compliance with the provisions of this Section shall be a condition precedent to termination of this Contract for cause and to any legal action, and such compliance shall not be a waiver of any party's right to take legal action in the event that the dispute is not resolved.

B. In addition to any other rights or remedies available at law or in equity, if HABITAT fails to fulfill its obligations under this Contract, the RDA may, after compliance with the provisions of the previous paragraph:

- (1) Temporarily withhold payment pending correction of the default by HABITAT;
- (2) Refuse to advance all or any part of the funds for the Project and reallocate said funds to another activity;
- (3) Wholly or partially suspend or terminate this Contract;
- (4) Require HABITAT to repay any RDA funds which the RDA determines were not expended in compliance with the requirements of this Contract.

**14. ASSIGNMENT.** HABITAT shall not assign this Contract or any part thereof or any monies payable hereunder without the prior written approval of the RDA.

**16. DRUG FREE WORKPLACE POLICY.** HABITAT agrees to provide a drug-free workplace in accordance with the City of Guadalupe's Drug Free Workplace Policy as follows:

A. HABITAT will publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in HABITAT's workplace and will specify the actions that will be taken against employees for violation of such prohibition.

B. HABITAT will establish an ongoing drug-free awareness program to inform employees about:

- (1) The dangers of drug abuse in the workplace;
- (2) HABITAT's policy of maintaining a drug-free workplace;

- (3) Any available drug counseling, rehabilitation, and employee assistance programs;
- (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

C. HABITAT will require that each employee to be engaged in the performance of work on the project be given a copy of the statement specified in paragraph A;

D. HABITAT will notify the employee that, as a condition of employment under on the project, the employee will:

- (1) Abide by the terms of the statement specified in paragraph A; and
- (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction.

E. HABITAT will notify the RDA in writing, within ten calendar days after receiving notice under paragraph D from an employee or otherwise receiving actual notice of such conviction.

F. HABITAT will take one of the following actions, within 30 calendar days of receiving notice under paragraph D, with respect to any employee who is so convicted:

- (1) Take appropriate personnel action against such an employee, up to and including termination; or
- (2) Require such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, state, or local health, law enforcement, or other appropriate agency.

G. HABITAT agrees to make a good faith effort to maintain a drug-free workplace through implementation of paragraphs A, B, C, D, E, and F.

**17. PROVISIONS REQUIRED BY LAW DEEMED INSERTED.** Each and every provision of law and clause required by law to be inserted in this Contract shall be deemed to be inserted herein and this Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted or is not correctly inserted, then upon application of either party, this Contract shall forthwith be physically amended to make such insertion or correction.

**19. RDA'S RIGHT TO SUSPEND OR TERMINATE CONTRACT.** RDA shall have the right to suspend or terminate this Contract or any extension thereof immediately if RDA determines that HABITAT has incurred obligations or made expenditures for purposes which are not permitted or are prohibited under the terms of

the project or of this Contract. RDA shall also have the right to suspend or terminate this Contract or any extension thereof immediately if RDA determines that HABITAT is conducting the project in violation of any of the terms of the project application of this Contract, or has filed a petition in bankruptcy, of for receivership or reorganization or has filed any other petition under the Bankruptcy Act (11 USCA 9 et. seq.) or has taken or committed any act preparatory to the filing of any such petition or has become or is insolvent or has committed any other act of bankruptcy or insolvency. In any event, RDA shall have the right to suspend or terminate this Contract or any extension thereof at any time, with or without cause, by giving HABITAT thirty (30) days prior written notice of RDA's intent to suspend or terminate this Contract; provided, that upon such suspension or termination, RDA shall pay all obligations incurred by HABITAT prior to the date of such suspension or termination which are authorized under the terms of the project and of this Contract. This Contract may also be suspended or terminated when the RDA and HABITAT mutually agree to terminate the agreement in whole or in part.

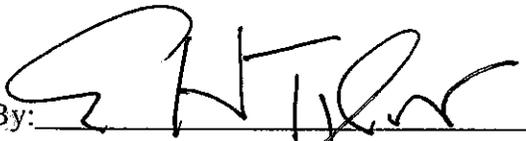
**21. AMENDMENT PROCEDURE.** Any programmatic changes, such as, revisions to the scope or objectives of the activity, revisions to the budget, or extension of the effective term of the Contract, must receive prior approval by the RDA. A request for prior approval of an amendment must be made in writing by HABITAT. Such request must be accompanied by a narrative justification for the proposed revision. The RDA will promptly review such request and shall approve or disapprove the request in writing.

**22. CONTRACT BINDING ON SUCCESSORS.** The conditions of this Contract and the respective rights and obligations of the parties hereunder shall be binding upon the heirs, assigns and successors in interest of each of the parties.

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DATED: March 28, 2006

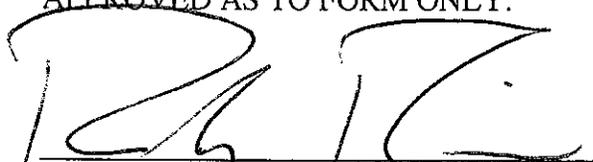
HABITAT FOR HUMANITY,  
NORTHERN SANTA BARBARA COUNTY, INC.

By: 

CITY OF GUADALUPE  
COMMUNITY REDEVELOPMENT AGENCY

  
John Sabedra, Chair

APPROVED AS TO FORM ONLY:

  
Randy Risner, Attorney for the Agency

ATTEST:

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SECRETARY

## EXHIBIT "A"

### Statement of Work

A statement of work is required to be submitted as an attachment to the signed contract. Attach additional sheets if necessary.

I. Description

Describe in detail the activity or project to be carried out with Redevelopment Agency Funding. Define who will be served, what services will be provided, where the activity or project will be conducted, and how the activity or project will be implemented. Specifically describe and quantify the services or products to be provided. Specify HABITAT will ensure that the intended beneficiaries are low income.

**Funds will be used to repair and maintain heating units, kitchens, plumbing, roofs, windows, doors and painting. This project may also include repairs to building access and room additions like garage.**

**The target population for this home repair service are low income homeowners. Most likely these are the homes of minority and senior owners who purchased their homes prior to 1990. The current income for this group is 50 to 80 percent of the county median income.**