

Memorandum of Understanding
Between the City of Sonora and Habitat for Humanity of Tuolumne County

This Memorandum of Understanding ("MOU") is entered into on this ___ day of __, **2024**, by and between the **City of Sonora ("City")**, a municipal corporation, and **Habitat for Humanity of Tuolumne County ("Habitat")**, a non-profit organization. The purpose of this MOU is to establish a partnership to provide affordable workforce housing through the rehabilitation of a property owned by the City of Sonora.

1. Purpose of the MOU

The purpose of this MOU is to outline the terms and conditions under which:

- Upon completion of the rehabilitation of the property, the **City of Sonora** will transfer property ownership to Habitat.
- The City will provide grant funding to Habitat for the rehabilitation of the property.
- **Habitat for Humanity** will rehabilitate, manage, and rent the property to eligible workforce housing tenants.

2. Roles and Responsibilities

2.1 City of Sonora

The City agrees to:

- **Transfer Ownership:** Transfer ownership of the property located at 290 S. Stewart to Habitat for the purpose of creating workforce housing (upon securing necessary funding to re-build the structure).
- **Grant Funding:** Work with Habitat to secure Federal, State, Local and/or Private funding to be used solely for the rehabilitation of the property. Anticipated restoration costs are projected to be \$1 Million dollars.
- **Permits and Assistance:** Facilitate any necessary permitting processes and assist in expediting reviews, where feasible, to ensure timely project completion.
- **Compliance and Reporting Requirements:** Monitor Habitat's compliance with any state or federal regulations related to the grant funds provided.

2.2 Habitat for Humanity of Tuolumne County

Habitat agrees to:

- **Accept Property Ownership:** Take ownership of the property and assume responsibility for its rehabilitation, management, and upkeep.
- **Rehabilitation Work:** Complete necessary repairs and renovations to make the property suitable for workforce housing. Work will adhere to standards agreed upon with the City and meet all local building codes.
- **Use of Grant Funds:** Use the grant funds exclusively for costs associated with the rehabilitation work as outlined in the project budget.
- **Tenant Selection:** Rent the property to individuals or families who meet workforce housing eligibility criteria as defined by the City and Habitat.
- **Property Management:** Oversee all aspects of property management, including tenant screening, leasing, and maintenance, in compliance with local regulations.

3. Funding and Payment Terms

- The City will disburse grant funds in accordance with the project timeline and budget outlined in Attachment A.
- Habitat agrees to maintain detailed records of all expenditures related to the rehabilitation project and will provide these records to the City upon request.

4. Term and Termination

- **Effective Date:** This MOU shall be effective as of the date signed below and will remain in effect for a term of five (5) years, or until either party gives 90 days' written notice of termination.
- **Termination Conditions:** Either party may terminate this MOU if the other party fails to comply with any of the terms, provided written notice is given and a reasonable opportunity to remedy any issues is provided.

5. Insurance and Indemnification

- Habitat agrees to maintain insurance coverage in accordance with **Exhibit A** attached hereto and made a part hereof.
- Habitat shall indemnify, defend and hold harmless the City, its officers, officials, employees, agents and volunteers from and against any and all claims, losses, liabilities or damages, demands and actions, including payment of reasonable attorney's fees, arising out of, or resulting from the work or services performed under this MOU. The foregoing obligation of Habitat shall not apply when (1) the injury, loss of life, damage to property, or violation of law arises solely from the sole negligence or willful or active

misconduct of the City or its officers, employees, agents, or volunteers and (2) the actions of Habitat or its employees, subcontractor, or agents have contributed in no part to the injury, loss of life, damage to property, or violation of law.

6. Miscellaneous Provisions

- **Amendments:** Any amendments to this MOU must be in writing and signed by both parties.
 - **Entire MOU:** This MOU constitutes the entire MOU between the parties regarding the project.
 - **Governing Law:** This MOU shall be governed by and construed in accordance with the laws of the State of California.
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Signatures

City of Sonora

By: _____

Name: Melissa Eads

Title: City Administrator

Date: _____

Habitat for Humanity of Tuolumne County

By: _____

Name: [Name of Authorized Signatory]

Title: [Title]

Date: _____

Exhibit A

1. Commercial General Liability

- a. Habitat shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office (ISO) form CG 00 01, in an amount not less than two Million Dollars (\$2,000,000) per occurrence, four million Dollars (\$4,000,000) general aggregate, and four million Dollars (\$4,000,000) products and completed operations. The policy shall include a per project or per location general aggregate endorsement. If a per project/location endorsement is not available, the limit for the general aggregate shall be doubled.
- b. The policy shall allow and be endorsed as primary and not seek contribution from the City's coverage.
- c. The policy(s) shall be endorsed to include, the City, its officers, officials, employees, agents, and volunteers as additional insureds on ISO form CG 20 10 (or equivalent) for ongoing operations, and, for construction or service MOUs, ISO form CG 20 37 (or equivalent) for completed operations.
- d. Any failure to comply with reporting provisions of the policies by Habitat shall not affect coverage provided to the City.
- e. Coverage shall state that Habitat's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- f. Coverage shall allow and be endorsed to include a waiver of subrogation in favor of the City and its officers, officials, employees, and agents.

2. Business Automobile Liability

- a. Habitat shall provide auto liability coverage for owned, non-owned, and hired autos using ISO Business Auto Coverage form CA 00 01 (or equivalent) with a limit of not less than Two Million Dollars (\$2,000,000) per accident.

- b. The policy shall provide and be endorsed that the City, its officers, officials, employees, agents, and volunteers are included or named as additional insureds.
- c. The policy shall allow and be endorsed to include a waiver of subrogation in favor of the City, its officers, officials, employees, and agents.

3. Umbrella or Excess Liability

- a. The limits of liability for commercial general liability and automobile liability may be provided through a combination of primary and umbrella or excess liability policies provided each policy complies with the requirements set forth in this MOU. Excess policies shall be follow-form to the underlying policies. Umbrella or excess policies shall include City and its officers, officials, employees, agents, and volunteers as additional insured.

4. Workers' Compensation and Employers' Liability - Statutory

- a. Habitat shall, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for all persons employed directly or indirectly by Habitat. The Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than \$1,000,000 each accident, \$1,000,000 by disease-policy limit, and \$1,000,000 by disease-each employee. No proprietor, partner, executive officer, or member shall be excluded. In the alternative, Habitat may rely on a self-insurance program to meet those requirements, but only if the program of self-insurance complies fully with the provisions of the California Labor Code. Determination of whether a self-insurance program meets the standards of the California Labor Code shall be solely in the discretion of City.
- b. The insurer, if insurance is provided, or Habitat, if a program of self-insurance is provided, shall include an endorsement to waive all rights of subrogation against City and its officers, officials, employees, agents, and volunteers.
- c. The requirement to maintain Statutory Worker's Compensation and Employer's Liability Insurance may be waived by the City upon written verification that Habitat does not have any employees.

- 4. Professional Liability:** For engineering, design or architectural services associated with this MOU, Habitat shall maintain professional liability insurance that insures against professional

errors and omissions that may be made in performing professional services in the minimum amount of Two Million dollars (\$2,000,000) per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of the start of work, and Habitat agrees to maintain continuous coverage through a period no less than three (3) years after completion of the work.

5. All Coverages

- a. Any available insurance proceeds broader than, or in excess of the specified minimum insurance coverage requirements and/or limits shall be available to the additional insureds. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater. No representation is made that the minimum insurance requirements are sufficient to cover the obligations of the Habitat.
- d. Each required insurance policy shall be endorsed to state that coverage shall not be cancelled except after thirty (30) days' prior written notice, has been given to the City, except that ten (10) days' prior written notice shall apply in the event of cancellation for nonpayment of premium. If a carrier will not provide the required notice of cancellation, the Habitat shall provide written notice to the City of a cancellation no later than 3 business days before cancellation.
- e. All self-insurance, self-insured retentions, and deductibles must be declared and approved by the City.
- f. Evidence of Insurance - Prior to commencement of work, the Habitat shall furnish the City with certificate(s) of insurance evidencing compliance with the insurance requirements above. All required endorsements shall be attached to the certificate(s), including additional insured and waiver of subrogation endorsements. The Habitat shall provide complete or certified copies of all required insurance policies if requested by the City.
- g. Acceptability of Insurers - Insurance shall be placed with insurers admitted in the State of California and with an AM Best rating of A- VII or higher.

Hired Parties – If Habitat uses contractors, subcontractors or other parties to provide materials, services, or perform construction or other work for Habitat, Habitat must enter into a written and executed contract or MOU with each of its contractors, subcontractors, or other parties that

include Habitat's, agents, subconsultants and/or any other parties, collectively, "hired parties". The contract or MOU must contain a defense, indemnification and hold harmless provision in favor of the City and its officers, officials, employees, agents and volunteers. The contract or MOU shall also cause the hired parties to comply with the insurance requirements required of Habitat hereunder, including indemnification, providing an additional insured endorsement for ongoing and completed operations in favor of the City and its officers, officials, employees, agents and volunteers. Habitat shall obtain certificates of insurance and additional insured endorsements from each of its hired parties and provide a copy to City upon request.